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Financial Factors in Selecting Plan Investments

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Submitter Information

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General Comment

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Ave., N.W.
Washington, DC 20210

RE: RIN 1210-AB95

Dear Secretary Scalia,

My name is Matt Ligouri and I am writing to express my support for the new Department of Labor (DOL) proposed rule, which addresses the DOL's position on investment priorities for tax-qualified retirement plans overseen by the Employee Retirement Income Security Act (ERISA)., Specifically as it relates to environmental, social and governance investing (ESG). The proposed rule will prevent investment managers from prioritizing investment into underperforming ESG funds, which is a clear violation of their fiduciary duty.

I wholly support this new rule. Individuals hire pension fund managers and pay them to provide their expertise in order to maximize their wealth. These investment managers should not be allowed to fund political and/or social causes with other people's money and instead should be making investment decisions that maximize investors' returns.

I believe that pension fund managers have an ethical duty to grow their client's accounts as much as possible to the best of their ability. Regrettably, pension fund managers have been choosing to invest in ESG funds despite research showing that ESG investing produces 43.9 percent less<https://www.pacificresearch.org/wp-content/uploads/2019/05/ESG_Funds_F_web.pdf> than the standard S&P 500 index funds, per a 2019 study by the Pacific Research Institute. Some managers are making these financial decisions that will negatively affect others' futures due to their personal beliefs, while others are facing pressure from outside groups. This rule will protect the latter and ensure the former put their clients first.

I have no personal vendetta against ESG investment funds, I simply want to receive the maximum returns possible. If an ESG fund is the best option to deliver that, I would be happy to invest in them, but the data says these investments underperform and I am not willing to sacrifice my potential future returns for someone else's agenda. I have been investing in my pension plan, the Southwest Gas Fund, for over five years specifically so I can rely on it in the future. I am not alone; many people depend on investing to secure their futures.

Any investment manager whose motivations prioritize political or social cause investing over maximized returns are not considering the best interest of the beneficiaries. This new rule will put an end to such occurrences. Ensuring the highest returns will benefit everyone in the fund, which is the top priority.

This is a financial issue, not a political one. This rule will primarily protect clients' savings and it will prevent investment managers from receiving future political or social pressure that prevents them from doing their job to the best of their ability. For these reasons, I strongly encourage you to support this fiscally responsible rule to protect American savings. Thank you very much.

Sincerely,
Matt Ligouri