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Submitter Information

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General Comment

July 29, 2020

Office of Regulations and Interpretations
US Department of Labor
200 Constitution Ave, NW
Room N-5655
Washington DC 20210

Online submission:

RE: RIN 1210-AB95, NPRM: Proposed Rule on Financial Factors in Selecting Plan Investments
Dear

Dear Secretary Scalia and Assistant Secretary Rutledge,

I am submitting this comment on behalf of the 444 S Foundation based in Washington state. We particularly wanted to comment on the underlying assumption in the DOL proposal that investors incorporating ESG into their investment decision making are likely to have subpar portfolio returns. Our Board and Investment Committee certainly have a major focus on our portfolio's performance since it is so vitally important for our grantmaking program. We work to keep informed of the numerous studies regarding ESG investing and have been pleased to see the increasing number of analyses that indicate ESG investing is a wise and prudent approach. In fact literally hundreds of major investment firms offer clients ESG products and we have seen none with a " warning label" that these products may be "injurious to your portfolio's health."

If you look at statements by State Street, BlackRock, Fidelity , Bank of America, JP Morgan among many others you will see careful analysis of how and why they use ESG in their investment process and how it is consistent with their obligation to be a prudent fiduciary. We believe you should study such statements before issuing a new Rule.

And to add the experience of our Foundation, Boston Trust Walden has been an investment manager for the 444S Foundation since 1999. We have purposefully continued to invest in with Boston Trust Walden for 20 years because it has shown superior returns. Since inception our ESG portfolio performance has had an average yearly rate of return of 7.5%. That is a full 1.5% per year excess return over our benchmark putting our returns in the top 18% of returns from managed equity portfolios over a 20 year time frame. To suggest that our strategy is not based on sound fiduciary responsibilities is ludicrous.

We hope this first-hand experience is useful input for the DOL in its deliberations.

Sincerely,

Fred Ackerman-Munson,
Executive Director
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