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General Comment

The proposed rule not only would impose a burdensome process for including ESG investments in ERISA-governed retirement plans, but it also prohibits the use of ESG funds as a Qualified Default Investment Alternative (QDIA) in a defined contribution plan, either as the QDIA itself or as a component of one. ESG is just a risk management strategy, as there are many others such as concentration thresholds in actively managed funds, credit ratings in bond funds and many others employed by investment professionals across the fund offerings.

Among other things, the proposed rule would undermine the ability to consider companies records on race and diversity when making investment decisions (current research appears to point towards a greater crisis resiliency for such companies). This is just one example how this rule prevents considers new information that could be vital to the sound investment decisioning process - and significantly reduce risks - as new predictive factors emerge. Capital markets are not a controlled laboratory environment and emerging exogenous factors could show correlations, including causal relationships, with investment return outcomes on the risk-return spectrum. So, you're putting ERISA governed funds at risk of being disadvantaged from the latest research findings. That appears contrary to optimizing value for retirees.