
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, “Financial Factors in
Selecting Plan Investments”

Dear Assistant Secretary Wilson,

Eventide Asset Management is a registered investment adviser located in Boston, MA, primarily managing values-based mutual funds. Founded in 2008, Eventide’s vision is to serve individuals, financial advisors, and institutions by providing high-performance investments that we believe create compelling value for the global common good. We are writing to express our opposition to the Department of Labor’s (the “Department’s”) proposed rule, “Financial Factors in Selecting Plan Investments” (the “Proposed Rule”), set forth in the Notice of Proposed Rulemaking (“NPRM”).¹ In our view, the rule does not fully consider the importance of personal values, including ethical and faith-based considerations in the investment decision-making process, and does not adequately consider the preferences of participants in defined contribution pension plans who would be dissuaded by the Proposed Rule from investing for retirement.

We would like to express our appreciation that the Department of Labor conducts oversight and rulemaking under ERISA as part of its charge to support and protect tax-advantaged retirement saving — this is a benefit to society. Additionally, we value the Department’s mandate under ERISA to ensure prudent investment criteria aimed at positive financial outcomes. In pursuit of these outstanding objectives, we feel that there are several factors in the Department’s proposed rule, set forth in the NPRM, that the Department should consider more fully. Given the importance of careful consideration of those factors, we think it makes sense for the Department to withdraw the Proposed Rule at this time.

First, we view values-based and ethical considerations as essential to the task of generating financial outperformance. Put simply, these considerations are “pecuniary factors” within the meaning of the Proposed Rule. In our view, companies that

- offer desirable jobs,
- treat suppliers as strategic partners,
- practice responsible corporate citizenship in the communities in which they operate,
- practice environmental stewardship,
- delight customers,
- create products and services that are needful for human well-being, and
- are led by management teams that operate with integrity and transparency,

are precisely the companies we believe are best positioned to deliver long-term risk-adjusted economic outperformance to shareholders, including ERISA plan participants.



In our view, these factors are never “non-pecuniary” and they should not be ignored in the analysis and comparison of investment options.

Further, many values-driven, conscientious investors desire to allocate their retirement savings in a manner that is consistent with and suitable for their deeply held beliefs and commitments. These investors do not regard values-based factors as collateral benefits, but rather core to living and investing prudently with purpose, integrity and results. These retirement investors should continue to enjoy a broad universe of investment options that can align their ideals and faith with prudent retirement planning.

We note that the Administration has repeatedly emphasized the importance of small businesses to the American economy. Many business owners — as such and not just as retirement investors — share these same beliefs and values. The risks and uncertainties that the Proposed Rule may impose on their ability to offer values-based investment options — particularly QDIAs — may discourage the offering of retirement plans at all, or the offering of employer matching or other voluntary contributions. It may also encourage the use of brokerage “windows” for employee populations that might benefit most from well-designed investment options.

The NPRM would have a significant chilling effect on retirement planning by conscientious investors and would ultimately undermine core tenets of ERISA.

We strongly urge the Department to withdraw the Proposed Rule.

Sincerely,

Robin John
CEO
Eventide Asset Management, LLC