

Mr. Jason A. DeWitt  
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

Rule Number: RIN 1210-AB95

Dear Mr. DeWitt:

Thank you and the Department of Labor for taking the time to review and consider public comments prior to formulating the final rule to address ESG investing regarding tax qualified government pension and retirement funds under the Employee Retirement Income Security Act (ERISA). As a Certified Public Account and investment professional I believe the protection of investors is paramount to financial success. Further, I support the proposed rule to reiterate and clarify the role of investment professionals in light of ESG investing's growth.

ESG investing has been on the radar of professional investment advisors for quite some time now. And while traditional governance concerns – which primarily deal with the makeup and behavior of board of directors and C suite executives – are legitimate and closely tied to corporate performance, it is difficult to suggest that environmental and social issues can clearly provide good pecuniary results.

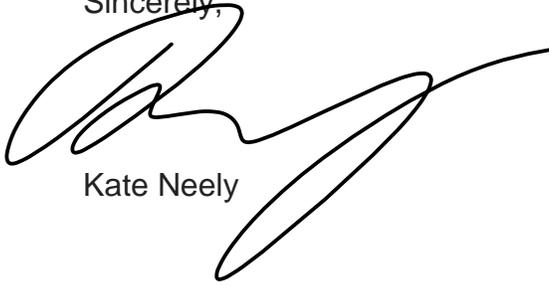
Labor Secretary Eugene Scalia characterized this investing best by saying<<https://www.wsj.com/articles/retirees-security-trumps-other-social-goals-11592953329>>, “ESG factors often are touted for reasons that are nonpecuniary—to address social welfare more broadly, rather than maximize returns.” It is not clear to me, and others, that these strategies will ever yield the profit maximizing results investors expect and are entitled to. Alicia Munnell, a former Treasury Department official under President Clinton and now director of the Center for Retirement Research at Boston College, also questioned the validity of ESG investing in a 2016 paper<[http://crr.bc.edu/wp-content/uploads/2016/11/slp\\_53.pdf](http://crr.bc.edu/wp-content/uploads/2016/11/slp_53.pdf)>: “While social investing raises complex issues, public pension funds are not suited for this activity. The effectiveness of social investing is limited, and it distracts plan sponsors from the primary purpose of pension funds – providing retirement security for their employment.”

Specifically, ESG funds tend to strongly underperform other investment vehicles and options. Analysis<<https://www.bloomberg.com/opinion/articles/2020-01-27/esg-etfs-your-socially-conscious-fund-probably-has-some-holes>> of ESG funds shows that many offer only a portion of the returns standard index funds do; with the SUSA fund trailing the S&P 500 by some 37 points for a decade.

Not only are these returns poor, but they undermine the financial well-being of so many Americans counting on a healthy pension or retirement account.

Lastly, I would like to note for the Department that this ESG investing trend is just one iteration of what is to come for investment services. The envelope and new, strange, ideas will continue to enter the marketplace but the Department has a responsibility and opportunity to protect from this meddling by finalizing and ratifying its rule. I look forward to the day the Department does so.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kate Neely', written in a cursive style with a long horizontal stroke extending to the right.

Kate Neely