



## BOARD OF INVESTMENT TRUSTEES

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July 27, 2020

Joe Canary, Director  
Office of Regulations and Interpretations  
Employee Benefits Security Administration  
Room N-5655  
U.S. Department of Labor  
200 Constitution Avenue NW  
Washington, DC 20210

Re: Financial Factors in Selecting Plan  
Investments Proposed Regulation (RIN 1210-  
AB95)

Dear Director Canary:

On behalf of the Montgomery County Employees' Retirement System and the Montgomery County Consolidated Retiree Health Benefits Trust (the "Plans"), thank you for the opportunity to submit comments on the notice of proposed rulemaking entitled "Financial Factors in Selecting Plan Investment" (the "Proposal").

The Plans have incorporated environmental, social, and governance (ESG) considerations into their investment policies related to all investments considered or made by the Plans. The policies also apply to investment consultants and investment managers hired by the Plans and provides guidance to them on investment due diligence matters.

ESG integration is essential to fulfill our fiduciary obligations to engage in the appropriate analysis of the risks and returns of any investment as we believe ESG related issues can impact the risk and return characteristics of an investment. We believe that the Proposal misconstrues ESG integration and would lead to confusion and costs for our Plans. Given the challenges that the Proposal would create for Plans like ours, we urge you to allow the existing guidance to remain in effect and not move forward with the final rule. If the Proposal goes into effect, it will undermine our ability to act in the long-term best interest of our beneficiaries.

Sincerely,

Linda Herman, Executive Director