To Director Canary, Office of Regulations and Interpretations:

As a private investor, I am writing to complain about the proposed rule making changes described in "Financial Factors in Selecting Plan Investments" ("Proposal" or "NPR"), and to ask that you reject it, and allow existing guidance to remain in effect.

For investors and investment advisors to fulfill their fiduciary obligations, including the obligation to assess and respond appropriately to actual and projected risk, it is essential that they integrate environmental, social, and governance (ESG) factors into their investment activities. The Proposal, if adopted in its current form, will make this more difficult. That is because The Proposal fundamentally misconstrues the importance and role of ESG integration in reducing risk and increasing returns. Further, the Proposed Rule is written in a manner likely to create confusion, and ultimately to create additional costs, for retirement plan fiduciaries.

The Proposal confuses ESG integration and Economically Targeted Investing (ETI). ESG integration is the consideration of risk factors as part of prudent fiduciary management. ETIs are investments that aim to provide financial returns as well as collateral, non-financial benefits. For example, ETIs often advertise job creation or climate impact as goals of the investment. By confusing the two, The Proposal will cause fiduciaries to struggle to fulfill their obligations to integrate all financially material risk factors while also trying to respond to the language in the Proposal that appears to be aimed at preventing fiduciaries from taking account of these same risks. Institutional investors have a duty to act in the best interests of their beneficiaries. In this
fiduciary role, it is self-evident that ESG factors are financially material, and that integrating ESG factors is core to investment decision-making.

If the Proposed Rule goes into effect, it will undermine fiduciaries' ability to act in the best interest of their beneficiaries. For that reason I urge you to allow the existing guidance to remain in effect and not move forward with a final rule.