Amy M. O'Brien
Executive Vice President
Head of Responsible Investment

730 Third Avenue
New York, NY 10017

E: amy.obrien@nuveen.com

Yves P. Denizé
Senior Managing Director
Division General Counsel

730 Third Avenue
New York, NY 10017

E: yves.denize@nuveen.com

August 16, 2022

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549–1090
Submitted Electronically

Re: Investment Company Names, File No. S7–16–22

Dear Ms. Countryman:

Teachers Insurance and Annuity Association of America ("TIAA") and its wholly-owned subsidiary Nuveen, LLC ("Nuveen") welcome the opportunity to submit this comment in response to the Securities and Exchange Commission's ("SEC" or the "Commission") proposal to amend Rule 35d-1 under the Investment Company Act of 1940 addressing names of investment companies (referred to herein as "funds") that are likely to mislead investors (the "Names Rule" or the "Rule"), as well as to add new prospectus disclosure requirements for terminology used in fund names and new reporting requirements on Form N–PORT in connection with the proposed fund names regulatory framework (the "Proposal").[1]

We appreciate the SEC's continued efforts to enhance investor protection by updating the current regulatory regime to help ensure that fund names are not misleading, and that investors have access to clear, straightforward disclosures about the investment strategies underlying a fund's name. As the Commission acknowledges in the Proposal, while investors should not rely too heavily on a fund's name to understand the fund's investment strategies and risks, a name still "may communicate a great deal to an investor," as it is often "the first piece of fund information investors see" and can have "a significant impact on their investment decisions."[2] We also recognize that in considering potential changes to the Names Rule, the SEC has been particularly concerned with funds whose names suggest a focus on environmental, social, and governance ("ESG") issues, as "investors may reasonably expect funds with these names to

---

[1] 87 Fed. Reg. 36594 (June 17, 2022), *available at*: https://www.govinfo.gov/content/pkg/FR-2022-06-17/pdf/2022-11742.pdf.

[2] *Id*. at 36595.

invest in companies with policies, practices, or characteristics that are consistent with" certain ESG standards.[3]

Any proposal to update the regulatory framework governing fund names – especially funds whose names include ESG-related terms – is important to our organization, as TIAA and Nuveen offer a number of funds with terms such as "ESG," "green," "impact," and "social choice" in their name. We have engaged with the Commission on this topic previously, including in a letter[4] we submitted in response to the SEC's 2020 request for public comment on the Names Rule,[5] which included a number of questions on how the Names Rule might be improved and whether it should apply to funds with names that include ESG-related terms. In that letter, we expressed our view that the current version of the Names Rule works well to protect investors from deceptive or misleading fund names and should not be extended to funds that are branded with ESG-related terms. Instead, we recommended that the SEC issue fund disclosure guidance requiring that any fund using ESG-related terms in its name provide fulsome prospectus disclosures describing the investment strategies and methodologies used to justify the inclusion of such terms in the fund's name.

Our views on the Names Rule and its potential application to ESG-branded funds remain generally unchanged since 2020, as discussed in more detail below. However, we understand the Commission's ongoing concern that a fund's use of ESG-related terms (as well as references to other investment characteristics) in its name may create certain expectations among investors that could be addressed by extending the application of the Names Rule to these funds. We also recognize that the SEC has sought to expand the disclosure requirements applicable to funds that utilize an ESG-focused investment strategy in a separate rulemaking,[6] echoing the recommendations we made in our 2020 Comment Letter. We appreciate that the Commission has attempted to develop a thoughtful approach to both issues – the application of the Names Rule and the disclosure requirements applicable to ESG funds – and we would like to offer our perspective on this Proposal in hopes that it will prove helpful as the SEC works to issue final amendments to the Names Rule. We note that we have reviewed the comment letters prepared by the Investment Company Institute ("ICI") and the Securities Industry and

---

3 *Id*. at 36597.

4 Letter from Amy O'Brien and Yves Denizé of TIAA to SEC re Request for Comments on Fund Names (May 5, 2020), *available at*: https://www.sec.gov/comments/s7-04-20/s70420-7153866-216467.pdf (the "2020 Comment Letter").

5 *Request for Comments on Fund Names*, 85 Fed. Reg. 13221 (Mar. 6, 2020), *available at*: https://www.govinfo.gov/content/pkg/FR-2020-03-06/pdf/2020-04573.pdf.

6 *Enhanced Disclosures by Certain Investment Advisers and Investment Companies About Environmental, Social, and Governance Investment Practices*, 87 Fed. Reg. 36654 (June 17, 2022), *available at*: https://www.govinfo.gov/content/pkg/FR-2022-06-17/pdf/2022-11718.pdf (the "ESG Disclosure Proposal").

Financial Markets Association ("SIFMA") in response to the Proposal, and we generally agree with the concerns and arguments expressed therein.

I. About TIAA and Nuveen.

Founded in 1918, TIAA is the leading provider of retirement services for those in academic, research, medical, and cultural fields. Over its century-long history, TIAA's mission has always been to aid and strengthen the institutions and participants it serves and to provide financial products that meet their needs. To carry out this mission, we have evolved to include a range of financial services, including retail services and the asset management services offered by Nuveen and its subsidiaries. Nuveen is comprised of investment advisers that collectively manage over $1 trillion in assets,[7] including in the Nuveen and TIAA-CREF registered fund complexes as well as in private funds, collective investment trusts, separately managed accounts, and structured vehicles.

Our organization has decades of experience as a leader in responsible investing ("RI"). We have leveraged our knowledge in this space to create and implement RI principles that support well-functioning markets in order to preserve and grow financial, social, and environmental capital. We believe responsible ESG business practices help to reduce risk, improve financial performance, and promote positive social and environmental outcomes. With a perspective informed by our many years of experience, we respectfully offer the thoughts and recommendations below in response to the Proposal.

II. Rather than extending the Names Rule to ESG-branded funds, we recommend the SEC focus on enhancing disclosure requirements for ESG funds.

As we discussed in our 2020 Comment Letter, we believe the Names Rule as it currently applies works well to protect investors from deceptive or misleading fund names, and we do not believe the SEC needs to extend the Rule's application to funds that use ESG-related terms in their name to ensure investors are adequately informed of a fund's ESG investment strategies. Indeed, we appreciate that the Names Rule gives ESG-branded funds the flexibility to include ESG-related terms in their name without those terms being subject to the 80% Names Rule test, which may not be appropriate or workable depending on the particular ESG term referenced in a fund's name. We believe that this level of flexibility is especially appropriate given that there is often not industry-wide consensus on how a specific ESG-related term in a fund's name should equate to any particular type of investment, which may make the 80% test difficult to implement in certain instances. Applying the Names Rule to ESG-branded funds also risks undermining the SEC's repeated admonitions that investors should not rely too heavily on a fund's name to understand the fund's investment decisions and strategies.[8] If the SEC wishes investors to focus less on a fund's name and more on the detailed information published in the fund's

---

7 As of June 30, 2022.

8 87 Fed. Reg. at 36613.

prospectus and elsewhere, we would encourage the Commission not to place even greater emphasis on the names of ESG-branded funds by extending the Names Rule as it has proposed. Doing so would most likely encourage many ESG funds to either lengthen their names, making them overly complicated for the sake of strict accuracy under the Names Rule, or make them more generic and less descriptive in an effort to decrease their compliance burdens under the Names Rule. Neither scenario would result in a net benefit for investors, in our view. Additionally, the SEC's proposed extension of the Names Rulef would further widen the gap between the regulatory framework that applies to ESG funds in the U.S. and the more disclosure-based framework that applies to these funds in Europe and elsewhere, adding to the challenges and regulatory compliance burdens faced by U.S.-based global asset managers.

As an alternative, we support regulatory action by the Commission requiring funds to clearly and prominently disclose in their prospectuses how their investment strategies and methodologies support the use of ESG-related terms in their names. We are generally supportive of the SEC's recent ESG Disclosure Proposal (subject to several concerns which we discuss in a separate comment letter), which would enhance ESG disclosure requirements for funds and investment advisers that employ ESG investment strategies. We believe that clear, detailed disclosure of a fund's investment objective and strategies would be far more helpful for investors, and would be easier for SEC staff examiners to evaluate, than application of the Names Rule to these funds. We reiterate the recommendation made in our 2020 Comment Letter and ask that the SEC reconsider its extension of the Names Rule to ESG-branded funds, and instead focus on finalizing its ESG Disclosure Proposal.

III. **The SEC's proposed extension of the Names Rule to all funds whose names reference investment "characteristics" is overbroad and not well designed to enhance investor protection.**

While the Proposal has significant implications for ESG-branded funds, its scope goes far beyond the ESG context. In fact, the SEC is proposing "to expand the rule's 80% investment policy requirement beyond its current scope, to apply to any fund name with terms suggesting that the fund focuses in investments that have, or investments whose issuers have, particular characteristics."[9] Such funds would include those whose names include the terms "growth" or "value," as well as terms indicating that the fund's investment decisions incorporate one or more ESG factors. In its proposing release, the SEC also lists terms such as "income," "global," "international," and "intermediate term (or similar) bond" as those that would trigger application of the Names Rule if they are included in a fund's name.[10]

While we've shared our concerns about the application of the Names Rule to ESG-branded funds above, we also wish to express our support for the arguments made by ICI and SIFMA in their comment letters in response to the Proposal regarding the proposed application of the

9 *Id*. at 36597.

10 *Id*. at 36599.

Names Rule to all funds whose names reference investment characteristics. Like ICI and SIFMA, we feel that the term "investment characteristic" is so vague that it may be difficult for funds to predict which terms may bring them under the Names Rule's scope, beyond the short list of terms identified by the SEC. Some of the terms the SEC identifies as characteristics may be difficult to reduce to a simple, quantifiable definition, making the 80% test challenging to apply. For example, we echo ICI's position that "growth" and "value" are not fixed, objective concepts, and their meaning can vary over time, or from one fund to another. As the ICI notes, a single issuer could qualify as both a growth and a value company at once through its inclusion in separate indices provided by a single index provider, or could transition from one category to another in a short period of time. Applying the 80% test to funds simply because they use the terms "growth" or "value" in their name could raise a host of compliance issues that are highly challenging, if not impossible, for funds to manage. In our view, the Names Rule has historically not applied to funds whose names refer to investment characteristics for good reason. We believe that opening the Names Rule's scope to cover funds whose names reference investment characteristics will ultimately limit portfolio managers' investment flexibility, present a host of difficult compliance issues, and incentivize the use of more generic or overly complicated fund names, as noted above. In addition, the proposed extension of the Names Rule and its 80% test will also restrict the range of investment options in funds and limit product innovation. This proposed regulatory change would do little to help investors better understand the investment objective or risk associated with a particular fund, and may ultimately give them fewer investment options.

Disclosure, not strict application of the Names Rule to a larger pool of funds, is the best way to ensure that investors are properly informed about the funds in which they invest. As such, we echo the recommendations made by ICI and SIFMA that the SEC maintain the current scope of the Names Rule, rather than extending its application as proposed. If, however, the SEC declines to take this approach, we support ICI's recommendation that as an alternative, the Commission (1) more narrowly tailor the list of terms that would trigger application of the Names Rule to include only those terms that are readily reduced to objective, measurable characteristics, and (2) refrain from categorically including terms such as "growth" or "value" on that list in recognition of the fact that such terms may refer *either* to characteristics of a fund's investments or to the intended result of the portfolio as a whole.

IV. **The SEC should extend the compliance date beyond the proposed one-year period.**

We also agree with the points raised in the comment letters submitted by ICI and SIFMA that the Commission's proposed one-year compliance period for all the proposed amendments to the Names Rule is unreasonably short and should be extended.[11] The Commission proposes to adopt this compliance period to grant funds time to bring their names and disclosures into compliance with the new requirements under the amended Names Rule; however, if the SEC truly wants funds to have the time they need to meet the numerous new requirements set forth

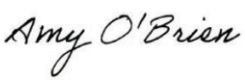
[11] *Id*. at 36621.

in the Proposal, we believe a three-year compliance period would be more appropriate. Funds will need to make a variety of changes if the SEC finalizes the Proposal as drafted, including assessing whether any fund names need to be modified, seeking approval for those name changes from fund boards and shareholders, implementing new policies and procedures to ensure compliance with the new requirements under the Names Rule, amending prospectuses to reflect any changes to the fund's investment strategies, and potentially engaging third-party service providers to help assess a fund's portfolio on an ongoing basis. Funds may also need to notify shareholders of changes to their 80% investment policies. Many funds acting on a good-faith basis to set these changes in motion will likely need more than one year to ensure that they are ready to fulfill all applicable requirements by the compliance date. We think it would be more appropriate for funds to complete these changes as part of their annual update cycles. As such, we respectfully request that the SEC grant funds at least three years from the date of publication of any final rule to meet their new obligations under the Names Rule.

V. **Conclusion.**

We appreciate the Commission's careful attention to this important topic, and its continued efforts to protect investors from misleading or deceptive fund names. While we support the SEC's goal of ensuring that fund names are accurate and informative, we believe that an enhanced disclosure regime, rather than broader application of the Names Rule, is the best way to achieve that goal. We are grateful for the SEC's consideration of our views, and welcome further engagement on any of the foregoing.

Sincerely,



Amy M. O'Brien

Yves P. Denizé