New Forests

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

16 August 2022

Dear Ms. Countryman,

New Forests is a global investment manager of nature-based real assets and natural capital strategies, with USD 6.5 billion in assets under management across 2.6 million acres of investments. We manage a diversified portfolio of sustainable timber plantations and conservation areas, carbon and conservation finance projects, agriculture, timber processing and infrastructure. We aim to generate shared prosperity for our clients and the communities in which we operate and accelerate the transition to a sustainable future.

New Forests is supportive of the Securities and Exchange Commission ("**SEC**") proposal to amend the rule under the Investment Company Act of 1940 (File Number S7-16-22) that funds must have at least 80% of their assets in an environmental, social, or governance ("**ESG**") strategy to use an ESG-related term in their fund name.

Aligning fund names with the investment strategy focus is beneficial to investors and will minimise misunderstanding. The 80% threshold proposed is appropriate and should include funds that "reasonably suggest" an investment focus.[i] The 80% investment policy requirement should also apply to "ESG" and "sustainable" terms to limit greenwashing, promote comparison across investment strategies, and align the US with other international initiatives related to ESG disclosures (e.g., the EU Taxonomy and Sustainable Finance Disclosure Regulation).[ii] To limit possible confusion over what classifies as "ESG" under this rule, it would be useful for the SEC to define what can qualify towards the 80% threshold; New Forests proposes the SEC draws upon the language in the EU Taxonomy in their definition.[iii] It would also be best practice that the remaining 20% of the investment product does not go against the ESG objectives of the other 80%.

However, New Forests feels that the proposed rule does not fully address the ESG considerations of organisations operating within the forestry, agriculture, and land use sectors. It would be beneficial to change the term from "GHG emissions" to "emissions balance," for example, to capture the benefits of forestry and land use to capture and store carbon. The propose rule should also take into account funds that do not have a carbon footprint and can use terms such as "climate neutral" or "climate positive."

Overall, New Forests supports the efforts of the SEC in this area and believes the standardization of requirements for fund names to be beneficial for investors and the industry more broadly.

Yours sincerely,

JD Marshall

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Director, Operations

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[i] Response to question 1.
[ii] Response to question 4.
[iii] Response to question 10.