

NEWS RELEASE

September 20, 2023

ICI Statement on SEC Fund Names Rulemaking

Washington, DC; September 20, 2023—Investment Company Institute (ICI) President and CEO Eric Pan released the following statement regarding the Securities and Exchange Commission’s (SEC) vote to adopt reforms to the Fund Names rule.

“This enormous expansion of the fund names rule has nothing to do with ESG. The rule sweeps more than three-quarters of all the funds in the US into its dragnet, going far beyond ESG funds—the supposed root of the rulemaking—with no justification. The agency has also failed to take a reasoned and calibrated approach to improving fund disclosure, as they should have before making sweeping changes to rules surrounding fund names.

“The only thing that this rule achieves is to insert the SEC deeper into funds’ investment decision-making processes. Portfolio managers won’t be able to make routine investments without the SEC second-guessing whether it fits neatly with the subjective terms that make up their fund’s name. This will hurt American retail investors.

“The current SEC has decided once again that it knows better than investors, that investors need changes to fund names they simply haven’t asked for, and that the higher costs, which will be ultimately borne by investors, are merely inconvenient details.

“We are appreciative of the compliance changes the Commission adopted today, and look forward to reviewing the adopting release in more detail.”