



UNIVERSITY OF SOUTHERN CALIFORNIA
ADVISORY COMMITTEE ON INVESTMENT RESPONSIBILITY
CHARTER

1. Purpose

The Advisory Committee on Investment Responsibility ACIR serves as a liaison between the USC community and the Investment Committee of the Board of Trustees. The ACIR reviews Environmental, Social, and Governance-related (ESG) issues or concerns raised by the Investment Committee, the Investment Office, or the USC community, and can make recommendations to the Investment Committee.

2. Principles

- 2.1 The University of Southern California's Board of Trustees Statement on Investment Responsibility (SIR) articulates the Board's approach to responsible investing and how it relates to both the University's mission and the Board's fiduciary duty in managing the University's Endowment.
- 2.2 The Endowment is the permanent capital of University of Southern California, providing funding to support the academic and research aspirations of the institution in perpetuity.
- 2.3 The primary investment objective for the Endowment is to maximize long-term returns on investment assets that are compatible with the University's risk tolerance and time horizon, and consistent with prudent investment practices.
- 2.4 The Investment Office shall manage and invest the Endowment in a manner consistent with the SIR and with adherence to the Investment Policies contained within the Endowment's Investment Policy Statement.
- 2.5 The ACIR shall offer advice and consultation on implementation of the SIR. The ACIR shall not address the day-to-day operations of the University or Endowment.
- 2.6 Decisions regarding responsible investing are often nuanced and complex. No actions taken by the Investment Committee of the Board of Trustees should be interpreted to represent the view of all members – or any particular member – of the University, the Board, or any committee of the Board.

3. Membership

- 3.1 The ACIR shall be composed of eight voting members as listed below. The President of the University shall appoint all voting members and one voting member as Chair:
 - One student representative from the undergraduate student body;
 - One student representative from the graduate student body;
 - Two faculty members from any of the USC campuses;
 - Two alumni representatives;
 - Two staff personnel.

- 3.2 Faculty, alumni, and staff (other than the Chair) shall serve a term of two years, with the possibility of reappointment for one additional term. Student appointees shall serve a one-year term, with the possibility of reappointment for two additional term(s). The decision to remove, replace, or reappoint an ACIR member rests with the USC President.
- 3.3 In addition to the voting members, one non-voting representative from the Investment Office, designated by the Chief Investment Officer, will attend meetings.

4. Responsibilities

4.1 The ACIR shall:

- Serve as a liaison between the USC community and the Investment Committee of the Board of Trustees;
- Consider and evaluate concerns or proposals by any current member or group within the USC community (i.e., current students, faculty, or staff) regarding socially responsible investing and, if appropriate, make recommendations to the Investment Committee;
- Respond to requests from the Investment Committee or Investment Office for perspectives or analyses regarding socially responsible investing issues and related matters; and

4.2 ACIR members shall:

- Preserve the confidentiality of the ACIR's deliberations and information provided to support the ACIR's work, with the exception of information that is approved by the university for public dissemination; and
- Maintain the independence and integrity of the ACIR by disclosing any conflict of interest related to a proposal or issue under consideration by the ACIR and abstaining from discussion and voting on any such proposal or issue.

5. Meetings

- 5.1 The ACIR shall meet on the call of the Chair and no less than one time per year. If the Chair is not able to attend a meeting, the Chair may designate another ACIR member to lead the meeting. The Chair is responsible for setting agendas on behalf of the ACIR.
- 5.2 The ACIR shall make summary minutes of its meetings available to the University community following review and approval by the ACIR members. The ACIR may consider additional community reporting as warranted.
- 5.3 As described above, the ACIR will advise and make recommendations to the Investment Committee on matters falling within the scope of their responsibilities. This advice may be in the form of minutes of its meetings, supporting papers, and written or verbal reports.

Date: November 11, 2021