

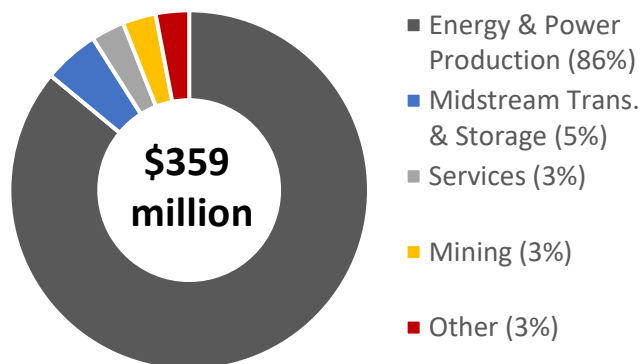
FOSSIL FUEL FACTSHEET

- The USC Board of Trustees voted to freeze making new investments in fossil fuels in February 2021.
- These investments will be liquidated in a prudent manner, which is expected to take up to tens years from 2021.
- The endowment's last fossil fuel investment was made in August 2018.

DEFINING FOSSIL FUELS

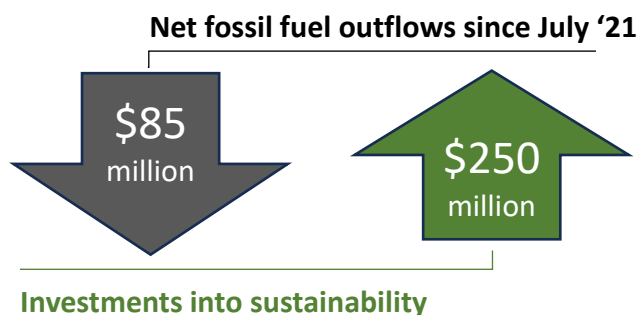
Fossil fuel investments are defined as upstream companies whose primary business is the extraction and production of crude oil, natural gas or coal.

PORTFOLIO COMPOSITION



SUSTAINABLE INVESTMENTS

- USC actively seeks sustainable investments, such as renewable energy, so long as they deliver competitive returns.



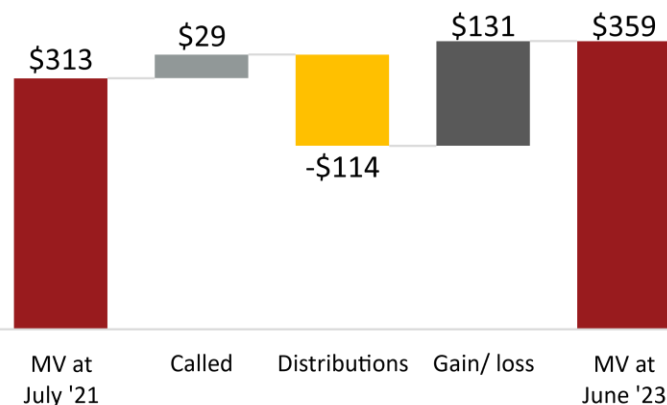
ACIR

The Advisory Committee on Investment Responsibility is comprised of members of the Trojan community and was formed in 2021. It evaluates concerns from the USC community on ESG matters and advises the Investment Committee as needed.

DIVESTMENT UPDATE

- The endowment has less than 5% exposure to fossil fuels.
- Over a third of the endowment's fossil fuel exposure has been distributed since the policy went into effect, however, gains associated with higher energy prices have more than offset asset sales.
- Legacy fossil fuel investments are held in long-term private partnerships that are illiquid and are expected to take five to ten years to meaningfully reduce.
- The pace of liquidation is dependent on capital markets, commodity prices, and an immediate divestment would result in a significant financial loss to the endowment.

Fossil Fuel Market Values July 2021 to June 2023 (\$ millions)



For more information, visit acir.usc.edu/faqs