

ADVISORY COMMITTEE ON INVESTMENT RESPONSIBILITY
University of Southern California
Friday, July 19, 2024
9:00 a.m. – 10:30 a.m. PST

AGENDA

- I. New member introductions
- Staff - Monica Dean - Managing Director - Lloyd Greif Center for Entrepreneurial Studies – USC Marshall
- II. Overview Proposal Requests:
- a) “USC should disinvest from direct investments if any of the companies violate” the following:
- Provide products or services that contribute to the maintenance of the Israeli military occupation of Gaza and the West Bank.
 - Provide products or services for the maintenance and expansion of Israeli settlements in the occupied Palestinian territories.
 - Establish facilities or operations in Israeli settlements in the occupied Palestinian territories.
 - Provide products or services that contribute to the maintenance and construction of the Separation Wall.
 - Provide products or services that contribute to violent acts against either Israeli or Palestinian civilians.”
 - “Pull out of direct investments in controversial weapons manufacturers, military contractors, and international law violators.” Examples given in the proposal include Boeing and General Dynamics.
- b) Use of screening tools
- Review [We will be providing a sample listing of the types of companies screened]
- III. Investment Office Update: discussion regarding how the endowment is managed and the feasibility of implementing the proposal’s recommendations from an operational perspective. • Amy Diamond and Brian Johnson will leave the meeting after the Q&A.
- IV. Presentation of [Peer Analysis](#) (ACIR Investment Sustainability Intern)
- V. Framework and parameters for discussion our discussion
- a) Proposal process and our task as the ACIR
- Potential actions the ACIR could take are:
 - i. Endorse the proposal and recommend it to the Board of Trustees for consideration.
 - ii. Endorse the proposal in part and recommend it with modifications to the Board of Trustees for consideration.
 - iii. Defer the proposal and request further information or clarification from the person or group that submitted the proposal, the investment office, or other relevant parties.
 - iv. Decline the proposal and provide a rationale for its decision.
- b) Key points from the [ACIR Charter](#)
- Endowment is the permanent capital of USC, providing funding for academic and

research missions.

- The investment objective is to maximize long-term returns on investment assets compatible with the university's risk tolerance and time horizon and consistent with prudent investment practices.
- ACIR will provide advice but shall not address the university's or endowment's day-to-day operations.
- Preserve confidentiality of ACIR deliberations and information provided, with the exception of information that the university approves for public dissemination.

c) Key points from the [Investment Stewardship Policy](#)

- Environmental, Social, and Governance factors may be relevant to the mission of safeguarding and promoting the Endowment's long-term economic interests. They are broad categories encompassing a wide variety of factors; thus, the specific issues explored will vary by asset class and investment strategy.
- Manager practices in these areas will be considered in conducting manager research.

VI. Discuss considerations and decision-making factors:

a) What are we balancing?

b) What factors are key to our weighing of proposals?

- Endowment purpose – educational mission long-term.
- Does the topic covered tie directly to our mission as an educational institution?
- Diversity of positions on this topic in our community.
- Does action conflict with the university's concept of providing a space for our community to engage in protest and political activity versus the university taking an institutional position?
- Scope – do these companies also benefit society/the US?
- Breadth of screening – is that advisable or operational for an endowment?
- Practical considerations – impact on fund managers.

VII. Open discussion

VIII. Next Steps

a) Determine if any additional information is needed.

Attachment

ACIR Proposal #1, received May 8, 2024