

**ADVISORY COMMITTEE ON INVESTMENT RESPONSIBILITY**  
**University of Southern California**  
**Friday, August 23, 2024**  
**9:00 a.m. – 10:30 a.m. PST**

**AGENDA**

**NOTE: OFF-CYCLE ACIR MEETING TO CONTINUE**  
**DISCUSSION OF #1 PROPOSAL**

I. Minutes

- a) Distributed week of 8/19 for review by ACIR.
- b) Will not be published to the ACIR site until meetings from the August 23 meeting are also approved, given this meeting is an off-cycle continuation of the July meeting.

II. Reminder: 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 Presentation](#) (ACIR Investment Sustainability Intern)

III. 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 when conducting manager research.

#### IV. Discuss considerations and principles to anchor ACIR recommendation:

- a) **Endowment purpose** – educational mission long-term. Decisions are to be linked to issues raised in the proposal but tied to the purpose of the endowment. Supporting scholarships, financial aid, research, facilities, and programs for students, faculty, and staff. Designed to fund in perpetuity.
- b) **Mission** - does the **topic covered tie directly to our mission** as an educational institution – its preservation or advancement? “The central mission of the University of Southern California is the development of human beings and society as a whole through the cultivation and enrichment of the human mind and spirit”.
- c) **Community Alignment** -is our community strongly aligned with the issues/concepts underlying the proposal? Are there strong dissenting opinions in our university community?
- d) **Institutional Role** - 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 and thereby impacting all members of the university community? An impartial institution that does not generally take a position on political issues through institutional action not directly tied to the mission.
- e) **Scope** – Are these companies on the screening list or called out in the proposal (for example, Boeing) also benefits society/the US.
- f) **Practical considerations** – impact on fund managers and breadth of screening tools. Is acting through the endowment a practical means to address concerns?

#### V. Open discussion

#### VI. Next Steps

#### Attachment

ACIR Proposal #1, received May 8, 2024