

Advisory Committee on Investment Responsibility (ACIR)
(this replaces a previous description of the ACIR, dated May 8, 2020)

I Purpose & Primary Responsibilities

The Advisory Committee on Investment Responsibility (ACIR) is a university committee that was created by the Board of Trustees in 2004. Its membership is appointed by and reports to the president, and the committee functions in the following manner:

1. To serve as a forum for members of the Duke community to bring forward issues of societal concern related to the investment of the university's assets.
2. To create opportunities for members of the Duke community to debate, discuss, and learn about issues brought forward to the committee, so the committee can determine if any recommendations to the president are required.
3. To advise the executive vice president on proxy votes on direct investments held by DUMAC, Inc., the University's investment management company.
4. In rare cases described below, to advise the president on issues of divestment.
5. To make public the substance of its discussions and any actions in a timely manner.

The committee will undertake its responsibilities with recognition of the fiduciary obligations of the Board of Trustees and the governing board of DUMAC, Inc. The committee's consideration of divestment of any holdings for non-economic purposes should be undertaken only where the investment relates to activity considered morally abhorrent, such as apartheid, genocide, or slavery.

In such cases, if there is broad and deep support in the Duke community, the ACIR will alert the president, who may then seek professional advice on the issue in question. After deliberating, the president may bring the issue to the Board of Trustees for consideration of divesting any relevant assets held by DUMAC.

In discharging its functions, the committee will act consistently with the guidance earlier established by the Board of Trustees and set forth and incorporated herein as Attachment A.

II Additional Responsibilities

1. Issue an annual report to the University community describing the committee's work.
2. Sponsor a public forum for the University community in the fall of each year to hear the views of the University community on issues of investment responsibility and answer questions.
3. Monitor trends and issues with respect to the societal implications of the University's investments.
4. When requested by the President, provide detailed reports, including analyses of companies and investment issues examined by the committee.

III Membership

The committee is appointed by the president and consists of fifteen voting members: five faculty, four administrators, two undergraduate and two graduate or professional students, one trustee, and one alumnus. Members other than students shall be appointed for three year terms, and may be reappointed. Student members shall be appointed for one year; and may be reappointed provided the student remains enrolled as a student at the University during his/her term. The chair shall be appointed by the president from among the voting members, and a representative from DUMAC will serve as an ex-officio non-voting member.

The ACIR Chair and Vice Chair, if applicable, shall be appointed by the President from among the voting members.

IV Procedures

The committee will meet at least once a semester and at the call of the chair. It will consider submissions and communicate, at its discretion, preliminary reactions to the individuals or groups who submitted the concerns.

Any member of the Duke community may submit a societal concern regarding Duke's investments to the chair of the committee via the committee's website. Submissions should state clearly and concisely the nature of the issue and what action is requested.

When a decision involves a recommendation on proxy voting, the chair will communicate the recommendation to the executive vice president. To assist in its review of proxy issues, the ACIR will have confidential access to information compiled by or on behalf of the university on companies the securities of which are held directly by the university.

In rare cases, the ACIR may be called upon to review an investment that is engaged in activity considered morally abhorrent, such as apartheid, genocide, or slavery. If there is broad and deep support in the Duke community, the ACIR will alert the president, who may then seek professional advice on the issue in question. After deliberating, the president may bring the issue to the Board of Trustees for consideration of divesting any relevant assets held by DUMAC.

The chair may ask individuals to attend its meetings as consultants or to otherwise provide advice and information.

The committee will maintain a public website to provide information about its activities and to serve as a means for members of the Duke community to submit concerns, issues, or seek information. It may sponsor or encourage the convening of public meetings to debate and discuss issues brought to the committee, with the goal of further educating the Duke community about these issues. It may hold meetings to assess the views of members of the community on societal issues related to investment of the university's assets.

V Operations & Additional Procedures

1. Each member of the committee shall execute a Confidentiality Agreement between the member and the University in a form provided by the Office of Counsel.
2. The chair may require the execution of a Confidentiality Agreement by a non-committee member invited to attend a meeting in a form provided by the Office of Counsel.
3. A committee member with a real or perceived conflict of interest must identify the potential conflict and offer to recuse themselves from all matters related to the potential conflict.
4. The committee shall maintain minutes of each meeting and file the minutes with the University Secretary.
5. A majority of committee members constitutes a quorum for the transaction of business. A member is deemed present if that member participates in the meeting in-person or by videoconference, telephone, or other form of virtual communication.
6. The committee has the authority to create subcommittees for the purpose of studying specific issues or developing certain proposals for further consideration.
7. Any advice provided by the committee to the President or the Executive Vice President shall be accompanied by factual support and reasoned conclusions. Dissenting and divergent views, if any, shall be included upon the request of the dissenting or diverging member.

Attachment A

Duke University Board of Trustees Guideline on Investment Responsibility May 8, 2020

(this replaces the “Guideline on Socially Responsible Investing”, August 20, 2004)

A primary responsibility of the Board of Trustees is to oversee the university’s financial resources and the investment of its assets. In managing the university’s investments, the board is legally bound as a fiduciary to invest across a broadly diversified portfolio of economic sectors, designed to maximize financial return on the assets invested, taking into account the risk appropriate for the university.

Pursuant to this objective, the trustees created DUMAC, Inc. to manage the university’s investments. Its primary objective is to provide the best risk-adjusted returns possible, and it invests mostly through managers of funds, rather than through direct investments. As part of Duke University, DUMAC upholds Duke’s institutional values and is committed to responsible investing, taking into account issues of integrity, quality, environmental impact, ethics, and governance. Investments provide financial support to advance the university’s mission. Just as the university does not have a particular political agenda, neither do its investment decisions.

Trustees understand that investments may have societal implications, and the trustees have created the Advisory Committee on Investment Responsibility (ACIR) as a forum for members of the Duke community to bring forward issues of broad-based concern. The ACIR seeks to create opportunities for members of the Duke community to debate and discuss issues brought forward to the committee. It also advises the executive vice president on any proxy votes on DUMAC’s direct holdings that have societal implications.

In rare cases, the Duke community may call upon ACIR to review investment that is engaged in activity considered morally abhorrent, such as apartheid, genocide, or slavery. If there is broad and deep support across the Duke community, the ACIR will alert the president, who may then seek professional advice on the issue in question. After deliberating, the president may bring the issue to the Board of Trustees for consideration of divesting any relevant assets held by DUMAC.