

**Advisory Committee on Corporate Responsibility in Investment Policy
(ACCRIP)**

Meeting Minutes for Meeting of October 15, 2018

Members Present

Andrew McIntosh (academic finance)

Chi-Ming Hai (chair)

Julie Pham (ugrad)

Fulvio Domini (faculty)

David Muller (alum)

Joshua Jiang (ugrad)

Lisa Di Carlo (faculty)

Members Absent

Jamie Kase (alum)

Taylan Susam (grad)

Guests

Vikas Rajasekaran (RA) Present

Jane Dietz (Investment Office) Present

Peter Levine (Investment Office) Present

Kimberly Roskiewicz (President's Office)

Agenda:

1. Introduction
2. Investment Office Presentation
3. Undergraduate Representative Presentation

Meeting Notes:

i. Investment Office Presentation:

- a. Donating to Brown typically implies donating to the Annual Fund, not the actual endowment because to invest in the endowment requires donations in the several hundreds of thousands of dollars.
- b. Currently 95 institutions have a billion or more dollars in their endowments - Brown has 3.8 billion dollar endowment, with Harvard at 40 billion.
- c. Endowment was first established in 1769 with 4500 dollars with a goal of capital preservation and prudent growth, so it doesn't make sense to compare to one specific market.
 - i. The endowment strives for the highest risk adjusted return.
- d. By law, the foundation must pay out each year – Brown Corporation sets pay out around 5% of endowment ~ 173 million total equating to 17,000 dollars per student.
- e. Most of the investments aren't directly invested, but given to selected managers so the endowment acts as a fund of funds
- f. Results: 13.2 percent return last year and has given back around a billion dollars with roughly 9.8% annualized returns under over Paxson's tenure; 5th Sharpe ratio out of 146 peers with a Sharpe ratio of 1.70 (3 years)
- g. In the past, the Social Choice Fund was created as an endowed fund with a minimum check size of 50,000, but no one invested in it.
 - i. Led to creation of new fund called the Sustainable Investment Fund – BUSIF, a fossil-fuel free fund.
 - ii. Currently invested in a Parnassus fund with minimum investment at one dollar, but the fund hasn't been well promoted.
 - iii. Because of this, most donations have been going directly into the Brown Annual Fund over BUSIF.
- h. Goals for 2018-2019:
 - i. Identify and catalog ESG policies of existing managers.

- ii. Ask for the ESG policies of new managers with the goal of getting managers to sign a new ESG contract based off the PRI (Principles for Responsible Investing) Standards
 - 1. The standards are a framework to implement sustainable investing as well as highlighting ESG issues
 - a. JPM has new indices on sustainable investing and ESG that could be interesting to look into.

ii. Undergraduate Representative Presentation

- a. Major achievement in the past year was updating old proxy guidelines on new issues like gun control, mental health, political contribution guidelines.
- b. Last spring these guidelines were sent over to the President's Office, but ACCRIP has not heard back from the review committee.
 - i. Review committee has not yet been established, however, Paxson has met with Russell Carey, who is working with the Advisory and Executive committee of the Corporation to reestablish the proxy subcommittee.
 - 1. The goal is to have the subcommittee set up by sometime in the spring.
- c. Possible Goals for ACCRIP:
 - i. Focus on making BUSIF more apparent to students.
 - ii. Increase engagement from the student body and revisit the ACCRIP charter language to include an increase in engagement
 - 1. Alumni send out many emails and phone calls about ACCRIP to the Brown Investment Office and are engaged in ACCRIP's mission just as much as students.
 - 2. To increase engagement:
 - a. Solicit proposals from student groups.
 - b. Update website to allow direct contact.
 - c. Be more aggressive about pursuing updates from Office of Investment and the administration.
 - d. Possibly develop an annual survey to student body to gauge awareness.
 - e. Deliver information on upcoming meetings via Today@Brown.