

ADVISORY COMMITTEE ON SOCIALLY RESPONSIBLE INVESTING

February 2, 2018

Mr. Brendan Moore
Columbia College
Columbia University
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Dear Brendan,

Thank you for your proposal on behalf of the Roosevelt Institute to the Advisory Committee on Socially Responsible Investing (the ACSRI) regarding the University's investments in thermal coal. The ACSRI has had the opportunity to discuss your proposal at its December and January meetings.

The view of the Committee is that the concerns you have cited relating to indirect investments were considered carefully by the Committee as recently as just last Spring. At that time, in preparing our recommendation to the Board of Trustees, the ACSRI considered the range of possible actions with respect to thermal coal holdings, including whether to differentiate its recommendations for direct versus indirect holdings. Any such indirect holdings could generally arise from the University's investments in funds that are managed by outside managers. Rather than asking the University not to hold stakes in any fund that might at some points in time hold investments in companies deriving significant revenue from thermal coal, we asked that the University recommend to the managers of the funds in which it invests that they avoid investments in such companies. We believe this to be the best course of action given our concerns with the operational aspects of requiring divestment from indirect holdings. Among other considerations, the Committee was concerned with the practical effectiveness of an active monitoring program for indirect holdings against these criteria, and also that the specificity of our divestment criteria (a thermal coal universe that is determined by our own review each year, not an easily tracked index of companies) might pose a particular challenge for the University in choosing outside managed funds. As a result, it might preclude the University from investments that would otherwise be allowable under the criteria including those that are broad-based in nature and not sector-specific.

Following on the Board of Trustees' decision to divest from thermal coal in the University's direct holdings, it is our understanding that the University notifies its outside managers of its investment policies, including non-investment in thermal coal companies, at least two times per year. The Committee stands by its original recommendation in March 2017 and does not believe it has reason to modify its recommendation to the Board at this time.

We appreciate the thoughtfulness of the arguments you put forth. I should note that your letter prompted a valuable discussion among members of the Committee, and a thorough discussion of the dimensions of this issue. The views I am expressing are not universally held by all members of ACSRI, but do reflect the views of a majority of Committee members. Our governance process is such that the majority opinion is utilized in deciding our actions with respect to recommendations to Columbia's Board of Trustees.

Very truly yours,



Merritt B. Fox
Faculty Chair
Advisory Committee on Socially Responsible Investing
Columbia University