



STATEMENT FROM THE AD HOC COMMITTEE FOR SOCIALLY RESPONSIBLE INVESTING

The Ad Hoc Committee for Socially Responsible Investing of the University System of Maryland Foundation (USMF) was formed to evaluate a proposal to divest from fossil fuels, put forth by the USM student group Fossil Free Maryland. After considerable deliberation and consultation with the students and with national thought leaders on this topic, the Committee made the following recommendations, which were approved by the USMF Executive Committee and the USMF Investment Committee. These actions were the direct result of the students' initiatives and the Foundation commends the students for their passion, thoughtfulness and willingness to work with the Committee as these issues were deliberated.

1. The Foundation will make no direct investments in the Carbon Underground 200 companies.

The Carbon Underground 200 (sometimes referred to as the Carbon Tracker 200) is an annually updated listing of the top 100 public coal companies globally and the top 100 public oil and gas companies globally, ranked by the potential carbon emissions content of their reported reserves. The list is produced and maintained by Fossil Free Indexes, LLC.

2. The Foundation will establish a position on the investment staff to seek out investments in renewable energy.

The Foundation has established and filled a position on its investment staff responsible for seeking out investments in renewable energy and it looks forward to maximizing this new opportunity set.

3. The Foundation will become a signatory to the United Nations Principles for Responsible Investment.

The Foundation is committed to integrating ESG (environmental, social and governance) factors into the investment process. About ten years ago the "Principles for Responsible Investment" were developed by an international group of institutional investors reflecting

the increasing relevance of environmental, social and corporate governance issues to investment practices. The process was convened by the United Nations Secretary-General. To date about 1,525 asset owners, investment managers and service providers have become signatories to the PRI, including most of the managers the Foundation does business with and many universities and colleges.

4. The Foundation will join the Intentional Endowments Network.

The Intentional Endowments Network is an organization that supports colleges, universities and other tax-exempt organizations in aligning their mission, values and sustainability goals without sacrificing financial returns. It provides opportunities for education and training, peer networking, convening, thought leadership and information exchange.

5. The Foundation will renew its appeal to investment fund managers to consider the carbon footprints of the companies they invest in and to choose renewable energy investments over fossil fuel investments, all else being equal.

Three years ago the Foundation sent letters to each of our investment managers and called each of our managers to advise them that we would prefer that they choose investments in renewable energy over fossil fuel, all else being equal. The Foundation will refresh this letter and send it again to all of our managers.

The Committee and the Foundation again want to thank the students for bringing the important issue of climate change to the forefront.

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