

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.