

# Terms of Reference – Hedge Funds Advisory Committee

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## A. INTRODUCTION

The PRI Hedge Fund Advisory Committee is a voluntary body, comprised of members from PRI signatories. This committee provides advice and input to the PRI Executive on areas of activity related to Hedge Funds in support of the Executive's decision making and programme development. The committee acts as a voluntary advisory body and does not, in and of itself, have power or authority in dealing with the matters on which it advises.

## B. OBJECTIVES

The committee will work to:

- Provide input, advice and insights to the PRI Executive on the substance and implementation of the Principles in hedge funds.
- Provide guidance on PRI's work stream related to hedge funds
- Where appropriate, members may aid in the development and contribute to project based working groups on specific topics or issues.
- Raise awareness and support implementation of the PRI's Principles within the hedge fund strategies and practices.
- General representation and promotion of the work stream.

## C. MEMBERS

Members of the Advisory Committees are appointed by the PRI following an open invitation to the signatory body. Advisory committees are typically comprised of a mix of asset owners, investment managers or engagement service providers/investor networks.

### Target composition and tenure

- 6-20 committee members.
- The members should comprise PRI signatories who bring expertise in aspects of hedge funds.
- Initial terms for the committee will be for three years for asset owners and the Chair; and two years for investment managers and service providers. Any alteration of tenure length for members is at the discretion of the PRI Executive. Membership and composition will be reviewed annually, based on identified future needs of hedge fund programme; keeping in mind that there should be a degree of continuity from year to year.
- Members will be given the option, at the end of every financial year, to step down or continue as an advisory committee member.

## Appointing members

- The Executive will publicise new membership opportunities, if and when they arise, including the criteria for appointment of new members and timelines.
- Committee members are appointed by the PRI Executive based on the following criteria:
  - Proactive interest, topic knowledge and ambition on hedge funds.
  - Ability and commitment to contribute expertise and time.
  - Diversity of the group defined by type, size and location of signatories.
- The Executive will also review the diversity of signatory representation on the hedge funds and other PRI advisory committees in effort to balance signatory representation.
- Members join the group in their capacity as representatives of their organisations. If a committee member leaves their organisation they will be asked to step down from the Committee and the signatory organisation asked to nominate a replacement.

Decisions about the composition of the committee, including appointment, chair selection (if applicable) and ongoing membership, lie solely with the PRI Executive. The Executive reserves the right to remove members who fail to comply with this terms of reference.

## Applying for membership

When membership positions on the Committee become available, signatories interested in participating should submit an expression of interest to the contact person noted in Section H. The expression of interest should include:

- a short biography (maximum 200 words);
- a statement expressing your interest in the role; and
- a description of your organisation's approach to responsible investment (maximum 300 words).

## D. RESPONSIBILITIES

### PRI Executive

The PRI Executive commits to:

- Convening, administering and, if relevant, chairing advisory committee meetings.
- Keeping advisory committee members updated on PRI work stream activities in between meetings whenever necessary.
- Developing materials for discussion by the advisory committee.
- Providing support in the form of background research and pitching material for committee members who are undertaking outreach and engagement activities on behalf of PRI.
- Coordinating communication on the activities of the hedge fund work stream to signatories and PRI Board.

The PRI Executive retains ownership and final sign-off of any outputs that are published under the name of the PRI, including events, research and any other publications. The Executive is responsible for the timelines, resources and budget that have been allocated to all programmes and projects.

### **Advisory committee members**

By accepting a role on an advisory committee, members confirm that their ability to devote sufficient time to the role and duties, as defined below. Proactive participation from all members is crucial for an effective signatory group and the Executive has the authority to remove signatory participants that do not abide by the agreed commitment levels.

Committee members agree to:

- Act in an advisory role to the Executive on workstream strategy and activities, ensuring that in doing so, they represent the PRI's broad signatory base rather than solely the interests of their own organisation.
- Ensure their contributions to the committee reflect the scale and urgency of action needed to achieve the PRI's mission.
- Provide guidance/feedback to the Executive when requested, such as by providing comments on strategy proposals, work programmes and outputs such as publications.
- Participating in advisory committee meetings, of between one to two hours duration, on a regular basis but not more often than on a quarterly basis; or in a substitute one-to-one conversation with the PRI where time zone or diary issues prevent attendance in the group call.
- Outreach and engagement with peers on behalf of the PRI, in support of the workstream and broader organisation's objectives.

### **Advisory Committee chair:**

The Executive may choose to appoint a signatory chair for the initiative from amongst the advisory committee members. Should a chair be appointed, the chair commits to:

- Designate the required additional time to the committee beyond that of committee members.
- Provide the Executive with guidance and work with the Executive to provide leadership of the committee as needed.
- Being available to chair committee meetings.
- The advisory committee chair should have a maximum three-year period.

Should the Executive decide to not appoint a chair, the Executive will fill this role.

### **PRI Board Oversight**

The PRI Board oversees the relationship between the Executive and Signatories as well as acting as a final point of escalation on matters related to the Executive's work to drive signatory implementation of the Principles, including ESG incorporation, active ownership, collaboration and reporting. The Board has oversight of the terms of reference for all advisory committees and working groups.

If a signatory has a significant concern with the operations of a signatory group the signatory can escalate the issue(s) to the CEO of the PRI Executive. If the matter cannot be resolved by the head of the PRI Executive the issue(s) will be escalated to the PRI Board.

## E. PLAN AND TIMELINE

A plan and approach for the group will be shared on a regular basis and progress evaluated on an annual basis.

## F. CODE OF CONDUCT, CONFIDENTIALITY AND PUBLIC COMMUNICATIONS PROTOCOL

### **Conduct**

Signatories must refrain from using signatory forums for explicit commercial purposes and should focus on furthering the goals and objectives as defined above. Committee members should treat their colleagues and PRI staff with courtesy and respect. Failure to meet these requirements may lead the signatory being removed from the committee.

### **Confidentiality and data sharing**

The theme of the committee, and membership of the committee will be available on the public website and/or the Collaboration Platform. By accepting these terms of reference, committee members agree to the publication of their name and organisation name on the PRI website, and may themselves publicise their involvement on their organisation's website and/or social media.

By joining, committee members grant the PRI Executive the right to share their work email address with other members of the group.

The PRI Executive may record advisory committee calls for internal note taking purposes. Recordings are not circulated externally to the PRI Executive. Where recordings of group discussions are taken, PRI staff will state at the start of the call that the call is being recorded for note-taking purposes. Call recordings will be deleted within one year.

Discussions of the advisory group and material provided to the advisory group by the PRI Executive should be assumed to be confidential unless advised otherwise in writing by the Executive. Members commit to maintaining such confidentiality.

### **Communication**

The Executive is empowered to speak on behalf of a PRI advisory committee, within the terms of any confidentiality agreement in place for the group. For more information on the voice of the PRI see the [PRI Communications Policy](#).

## H. CONTACT

If you are interested in understanding more about the committee, please contact: Toby Belsom, Director of Investment Practices via [toby.belsom@unpri.org](mailto:toby.belsom@unpri.org).