

UNIVERSITY CORPORATION AT MONTEREY BAY BOARD POLICY

Policy 206

Socially Responsible Investing Policy

Section: 200- Financial

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1) PURPOSE

The Board of Trustees of the California State University adopted resolution RFIN 7-78-6 regarding Social Responsibility and Investments. This resolution urges auxiliary boards that make corporate investments to issue statements of social responsibility and to follow those precepts in examining past and considering future investment policies. The Corporation recognizes that from time to time it may make investments in corporations that do business abroad and that the policies of such corporations may have significant impact on the societies of the countries in which they do business.

2) POLICY

The Corporation recognizes and accepts its social responsibility with respect to the investment of funds. However, recognizing the increasingly complex nature of the contemporary economic world and the trade-offs that need to be made given the University Corporation's current asset size, the Corporation will be guided by the following practical considerations about investment decisions:

- a) The primary fiduciary responsibility in investing and managing the Corporation's economic assets is to maximize the financial return on those resources, taking into account the amount of risk appropriate for the assets.
- b) The Corporation shall not attempt to achieve absolute "purity" in its investment portfolio nor spend scarce resources searching for problems in the investment portfolio. However, those examples brought to the Corporation's attention will be analyzed as carefully and objectively as possible.
- c) It is recognized that investments in pooled funds, which the Corporation may select for diversification or cost-management purposes, cannot be controlled or modified. The Corporation shall carefully consider any possible social concerns pertaining to investments within pooled funds; however, the Corporation must balance the cost associated with correcting ethical concerns relative to its overall financial objectives.

3) RELATED DOCUMENTS

- a) None