

Policy 203

Socially Responsible Investing Policy

Section: 200- Financial

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Previous Versions:

1) INTRODUCTION

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.

2) POLICY

The Foundation Board of Directors 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 Foundation's current asset size, the Foundation will be guided by the following practical considerations about investment decisions:

- i) The primary fiduciary responsibility in investing and managing the Foundation's economic assets is to maximize the financial return on those resources, taking into account the amount of risk appropriate for the assets.
- ii) The Foundation 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 the Foundation's attention will be analyzed as carefully and objectively as possible.
- iii) It is recognized that investments in pooled funds, which the Foundation may select for diversification or cost management purposes, cannot be controlled or modified. The Foundation shall carefully consider possible social concerns pertaining to investments within pooled funds; however, the Foundation must balance the cost associated with correcting ethical concerns relative to its overall financial objectives.

3) ADOPTION AND REVIEW

- A. The Foundation Board of Directors has adopted this Socially Responsible Investing Policy, dated April 2011.
- B. The Investment Committee of the Foundation Board of Directors will review this policy five years from its adoption date to determine its effectiveness and appropriateness. The policy

- C. may be evaluated before that time as necessary to reflect substantial organizational, financial, or physical change(s) at the Foundation or any change required by law or by other governing policy.

- D. Any proposed amendments or variations of this policy would require a majority approval by the Foundation Board of Directors.

4) RELATED DOCUMENTS

California State University Board of Trustees Resolution RFIN 7-78-6