241-002-C: SOCIALLY RESPONSIBLE INVESTING POLICY

I. 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.

The University Corporation at Monterey Bay (“University 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.

II. Policy
The University Corporation 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 University Corporation’s current asset size, the University Corporation will be guided by the following practical considerations about investment decisions:

1. The primary fiduciary responsibility in investing and managing the University Corporation’s economic assets is to maximize the financial return on those resources, taking into account the amount of risk appropriate for the assets.

2. The University 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 University Corporation’s attention will be analyzed as carefully and objectively as possible.

3. It is recognized that investments in pooled funds, which the University Corporation may select for diversification or cost-management purposes, cannot be controlled or modified. The University Corporation shall carefully consider any possible social concerns pertaining to investments within pooled funds; however, the University Corporation must balance the cost associated with correcting ethical concerns relative to its overall financial objectives.

III. University Corporation Adoption and Review
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The Investment Committee of the University Corporation Board of Directors will review this policy at least annually to ensure its consistency with the University Corporation’s investment objectives. Any proposed amendments or variations to this policy will require a majority approval by the University Corporation Board of Directors. The policy shall be evaluated ten years from its adoption date to determine its effectiveness and appropriateness. The policy may be evaluated before that time as necessary to reflect substantial organizational, financial, or physical change(s) at the University Corporation or any change required by law or by other governing policy.

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