

SOCIAL RESPONSIBILITY GUIDELINES

Investment Goals

We are long-term investors. We wish to enhance our long run average return and would accept reasonable market risk. We recognize that all investment activity involves some degree of uncertainty and therefore risk. At the same time, we are determined to invest in economic activities and enterprises that are consistent with our beliefs. Many of our clients seek to use their endowments to provide funding for competitive economic activities that provide socially desirable goods and services and create employment opportunities. The financial return that our clients receive should reflect a contribution from their investments to the economic well-being of our society and other societies. We do not seek to profit from speculative activities, as this would be gambling.

Social Guidelines

We seek investment opportunities that depend upon business activities that are consistent with our beliefs. The following is a negative list, **activities that we oppose** (the order of the list does not imply importance):

1. Activities that profit from support of military or defense
2. Activities that profit from or promote racism, sexism, ageism, or homophobia
3. Activities that cause environmental damage
4. Activities that profit from monopolies or unfair pricing
5. Activities that profit from gambling, tobacco, alcohol, or firearms
6. Companies that engage in harmful, discriminatory, or predatory practices
7. Companies that pay substandard wages, require employees to work in unsafe conditions or otherwise unfairly exploit their workers

These are broad guidelines. A value judgment is required to determine whether or not a given activity that is deemed objectionable is significant. Whenever a company has significant involvement in any of the activities in our negative list in terms of the proportion of their sales or providing an important service, the circumstances should be evaluated. We would be tolerant of incidental associations—for instance, a consumer food company that happens to sell a portion of its products to the military to feed soldiers. We would be less tolerant of even very small activities that directly serve an important military purpose—for instance, a company with very small military sales that develops a special military product essential for nuclear weapons.

We encourage a proactive positive view towards our social guidelines—investing in profitable activities that we would welcome association. The following is a partial list of the kinds of positive **activities that we wish to support**:

1. Companies that promote growth in economically depressed areas
2. Activities that help enfranchise people and communities
3. Companies that provide products or services that educate or enhance the human experience
4. Companies that provide products or services that enhance the quality of the environment
5. Companies that use environmentally friendly production techniques and facilities, or sustainable resources