

**Executive and Audit Committee  
Board of Trustees of the University of Oregon**

**Resolution: Adoption of Investment Principles**

Whereas, the Board of Trustees of the University of Oregon (Board) has authority to hold and invest financial assets;

Whereas, the Board has a fiduciary obligation to the University, which includes, but is not limited to, the proper management of assets, including financial investments; and,

Whereas, an articulated set of investment principles will better enable the Board, the University, and any third party fund managers to adhere to established priorities and consider appropriate factors.

NOW THEREFORE, the Executive and Audit Committee (EAC) of the Board of Trustees of the University of Oregon adopts the Statement of Investment Principles attached hereto as Exhibit A.

VOTE: Voice Vote Recorded – Ayes carried (no dissention)

DATE: June 1, 2017

Recorded by the University Secretary: 

**Statement of Investment Principles  
Board of Trustees of the University of Oregon**

The University of Oregon's investment philosophy is anchored in the following core principle, which is fundamental and constant. Assets controlled by the University<sup>1</sup> must be managed in accordance with this principle, regardless of the ebbs and flows likely to arise due to markets, politics, and personalities.

**The primary principle** guiding the University's investments is the consideration of financial impact(s) on current and future elements of the university. This manifests itself through investment practices that generate the greatest possible return, subject to an appropriate amount of risk, to support the institution's mission of teaching, research and service. In fulfilling this vision, only advisors and investment managers with appropriate institutional sophistication and an understanding of best practices will be considered. The Board of Trustees maintains ultimate responsibility for monitoring the performance of various pools of university assets and related returns.

Within the context of this primary principle, the University must consider a holistic view of risk that accounts for various factors which could modify a return/risk objective. These include:

- Maintaining appropriate levels of liquidity for the university's operational needs;
- Mitigating downside financial risks;
- Understanding and appropriately managing reputational risk or legal liability; and,
- Protecting university assets from politically-motivated pressures.

Additionally, academic research supports the practice of incorporating environmental, social, and governance ("ESG") factors with other conventional financial analytical tools when evaluating investment opportunities as these factors may help identify potential opportunities and risks which conventional tools miss. The UO encourages its advisors and managers to include ESG factors in their analytical processes. However, ESG considerations are only one factor in analyses and should not be used as exclusionary screens to eliminate specific entities or sectors from consideration. Relevant ESG factors will vary by industry and should be applied appropriately to help assess both risk and return.

*Adopted by the Executive and Audit Committee on June 1, 2017.*

---

<sup>1</sup> These principles do not apply to University of Oregon funds held by the Oregon State Treasury.