CIR Resolution on Endowment Transparency

November 16, 2011

On October 16th the Wesleyan Student Assembly (WSA) voted unanimously to pass a resolution, submitted by the Socially Responsible Investment Coalition, requesting greater levels of endowment transparency. At the CIR meeting on October 26th, the committee agreed to draft this transparency resolution to be discussed at its November 16th meeting.

Last year, in meetings with the Investment Office, CIR members requested greater levels of endowment transparency. Anne Martin, Wesleyan’s Chief Investment Officer, requested that such requests be presented as formally approved CIR resolutions. In light of this request and the transparency resolution passed by the WSA, independent of any CIR action, the CIR has prepared a resolution containing four main requests of the Investment Office and the Board of Trustees (if board approval is necessary). The specific requests and justifications (included below each request) are included below:

1. The CIR requests access to the quarterly Investments Report prepared by the Investment Office. Unless specific agreements state otherwise, the contents of the quarterly reports would be confidential to CIR members.
   a. Current policy only gives the CIR access to approximately 5 percent of all endowment holdings. This prevents the CIR from fulfilling its most basic responsibility. The first line of the CIR Charter outlines this responsibility, stating that the CIR must “Consider issues of ethical, moral, and social responsibility in the investment policies of Wesleyan University.”
   b. The Chair of the WSA Finance and Facilities Committee, who is guaranteed a spot on the CIR, currently has access to this information but is prohibited from sharing it with fellow committee members. There is no reason to believe that some members of the CIR can be trusted with confidential information and others cannot.

2. The CIR requests permission to submit questionnaires to managers concerning their investments and the Environmental, Social, and Corporate Governance (ESG) criteria they use when selecting investments. ESG criteria would be based primarily on the criteria outlined in the United Nations Global Compact.
   a. The proposed questionnaires would reduce the burden of CIR requests on the Investment Office, as well as improve the efficiency of the work being done...

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1 CIR Charter available at: [http://cir.wsa.wesleyan.edu/page-2/](http://cir.wsa.wesleyan.edu/page-2/)

2 More information available at: [http://www.unglobalcompact.org/AboutTheGC/index.html](http://www.unglobalcompact.org/AboutTheGC/index.html)
by the CIR. Questionnaires would allow the CIR to evaluate ESG criteria in a streamlined manner.

b. Information about how ESG criteria are incorporated into the investment decisions of Wesleyan’s managers is necessary in allowing the CIR to fulfill its most basic responsibility as outlined in section 1(a), above.

3. The CIR requests that all future contracts with managers of Wesleyan’s direct holdings permit such holdings to be included in a larger list of Wesleyan’s direct holdings, released to the University community. Securities would be listed from largest to smallest, with no indication of which manager invests in which companies. Such a list would be updated twice each year after investment managers file with the Securities and Exchange Commission (SEC). This list could be accessed securely and electronically, requiring a Wesleyan username and password for access.

a. Under its charter, the CIR is responsible for creating and maintaining a website that “lists Wesleyan’s most current securities.”

b. Additionally, such a list would allow the CIR, as stated in its charter, to “consider proposals from members of the Wesleyan community regarding specific investment concerns,” and “provide information to interested parties in the Wesleyan community only available to shareholders through direct contact with corporations.”

c. Reporting this information at a delay after it is filed with the SEC, including all managers’ holdings mixed in one list, and restricting access to the Wesleyan community addresses concerns expressed by the Investment Office that competitors could steal managers’ investment strategies.

4. The CIR requests the release of a basic scheme of Wesleyan’s investments not covered in section three. Such a scheme would contain the amounts invested with each of Wesleyan’s fund managers broken down by asset class. This report would be released on a quarterly basis and subject to the same access restrictions outlined in section three.

a. The CIR, as stated in its charter, is required to “consider proposals from members of the Wesleyan community regarding specific investment concerns.” Without a basic scheme of the Wesleyan’s investments, the university community does not have sufficient information to engage with the CIR.