



**Smithsonian Institution**

*Smithsonian Institution Archives*

## **Proceedings of the Board of Regents Meeting held on May 11, 1987**

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should begin to increase minority representation in the Institution's permanent scholarly work force. These trends, as well as more concrete catalytic measures which the Institution might take to accelerate the process, are being studied in some detail by the recently formed ad hoc Committee on Affirmative Action Efforts, whose work will be reported on further.

#### Report of the Investment Policy Committee

The Investment Policy Committee reported that the value of the endowment stood at \$214 million as of April 30. At its April 16 meeting the Committee raised with each of the managers the question of divestment of stocks in companies doing business in South Africa and learned it could be accomplished with reasonable expediency.

Prompted by several questions from a member of Congress, it was noted that one investment manager was released based upon performance, that the Committee selected a replacement manager only after considering fourteen managers and interviewing four, and that the change in managers was unrelated to issues surrounding the Regents' policy with respect to investments in companies doing business in South Africa. It was also pointed out that endowment monies were not used for construction of the Quadrangle.

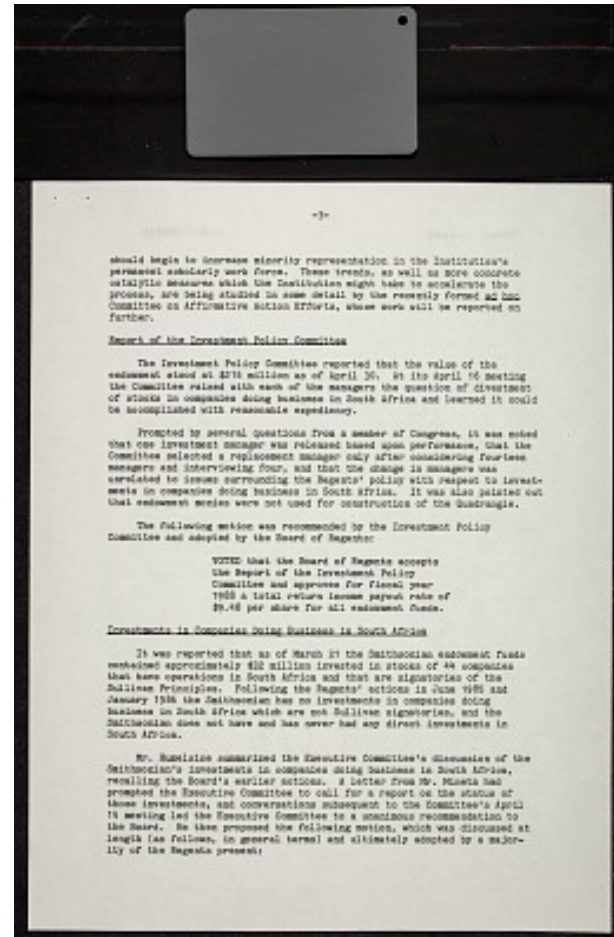
The following motion was recommended by the Investment Policy Committee and adopted by the Board of Regents:

VOTED that the Board of Regents accepts the Report of the Investment Policy Committee and approves for fiscal year 1988 a total return income payout rate of \$9.48 per share for all endowment funds.

#### Investments in Companies Doing Business in South Africa

It was reported that as of March 31 the Smithsonian endowment funds contained approximately \$32 million invested in stocks of 44 companies that have operations in South Africa and that are signatories of the Sullivan Principles. Following the Regents' actions in June 1985 and January 1986 the Smithsonian has no investments in companies doing business in South Africa which are not Sullivan signatories, and the Smithsonian does not have and has never had any direct investments in South Africa.

Mr. Humelsine summarized the Executive Committee's discussion of the Smithsonian's investments in companies doing business in South Africa, recalling the Board's earlier actions. A letter from Mr. Mineta had prompted the Executive Committee to call for a report on the status of those investments, and conversations subsequent to the Committee's April 14 meeting led the Executive Committee to the unanimous recommendation to the Board. He then proposed the following motion, which was discussed at length (as follows, in general terms) and ultimately adopted by a majority of the Regents present:



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