


February 23, 2009

Abraham Foxman
National Director
Anti-Defamation League
605 Third Ave.
New York, NY 10158

Dear Mr. Foxman:



We are deeply troubled by recent mischaracterizations, in the press and elsewhere, of actions taken by the Hampshire College Board of Trustees. We write now in hopes we might set the record straight. Let us be clear: Hampshire College did not divest from Israel. Israel was not a factor in our decision to exit a problematic mutual fund. On the contrary, Hampshire remains invested in many companies that do business in Israel and even in several actual Israeli companies. Our actions were not, at any stage, prompted by anti-Semitism or anti-Israel sentiments. Anyone who claims otherwise is deliberately misconstruing and misrepresenting Hampshire's decision and has no right to speak for the college.

Last spring, the campus group Students for Justice in Palestine petitioned, as is its right, the community-based subcommittee (CHOIR) on responsible investing, asking that the college exit from one particular fund, State Street SSgA. The group claimed that six companies in the fund were supporting or profiting from Israel's occupation of Palestinian territories. The companies were said to be Caterpillar, General Electric, ITT, Motorola, Terex and United Technologies.

CHOIR—which consists of students, faculty with a minority trustee membership—voted on the students' petition and its vote, in the form of a recommendation, was given to the investment committee. Upon an initial review, the committee came to two conclusions: 1) that Hampshire's 1994 policy regarding socially responsible investments was in urgent need of revision and updating; and that 2) the college does not look piecemeal at its investments and explicitly rejects using Israel as part of a screen that prevents investments. The investment committee then began its own review, which made clear that the mutual fund in question was riddled with companies that would not pass the college's screen for socially responsible investing.

To determine that for a certainty, the college engaged its investment managers Prime Buchholz to make an accurate determination of our holdings, and then to share that information with the consulting firm KLD, the gold standard for socially responsible investment screening. KLD, in turn, vetted companies for several possible red flags, including employment discrimination, environmental abuse, military weapons manufacturing, unsafe workplace settings, and dealings with Burma or Sudan. KLD confirmed what the investment committee suspected: of the 400+ stocks in the fund, 200+ failed the KLD screen. Twenty-three equities were found to violate the military weapons screen; four dealt with Burma and three with Sudan; 70 were involved in significant employment discrimination controversies; 28 were found to exhibit poor environmental performance; and 197 were cited for employee safety issues. Some companies appeared in more than one screening category.

Let us reiterate here that Israel's relationship with the Palestinians or its presence on the West Bank simply were not factors in our decision, nor were the "six companies." In fact, two of the six companies originally cited by students as problematic were given a clean bill of health on Hampshire's policy by the KLD screeners (and a third, it turned out, was not even listed as a constituent of the fund). As a consequence, stocks in these two companies (Motorola and Terex) remain in our portfolio and will stay on our potential buy-list in accordance with KLD standards. We have stated this publicly.

Furthermore, Hampshire currently holds investments in hundreds of companies that do business in Israel and in at least three actual Israeli companies: Amdocs, Teva Pharmaceuticals, and Check Point Software. No other college or university should use Hampshire as a precedent for divesting from Israel, since Hampshire has refused to divest from Israel. We have stated this publicly.

Socially responsible investing is a very powerful tool and must be used wisely. We are now at work developing a new policy on socially responsible investing, one that can be implemented with ease and accuracy and that reflects the board's fiduciary responsibility.

Sadly, though, there have been students and some members of our faculty who have mischaracterized what happened here, claiming that the board did something that it did not do. But none is a member of the investment committee. We have great respect for our students and encourage their endeavors—academic, social, political. We very much want Hampshire to be a place open to healthy debate from all points of view. But we are also clear when we say that students do not speak for the college and may not willfully misrepresent the school. We have stated this publicly.

Further, we want you to know that we take very seriously concerns that have been expressed about possible intimidation on our campus. We would like to take this opportunity to invite you to visit Hampshire so that we may together look into and address these troubling reports.

This is an emotional issue for all involved. We wish only to state the facts plainly and openly, separating fact from fiction, as we move forward from what we hope will be this turning point in the manner in which all campus dialogues are carried out.

Sincerely,



Ralph J. Hexter
President



Sigmund Roos
Chair of the Board of Trustees

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Copy to: Derrek Shulman