The trustees managing university endowment funds must comply with fiduciary duties that require the trustees to act in the best interests of the university and to act as prudent investors when managing the funds. This article shows that these fiduciaries may adopt investment policies that consider material environmental, social, and governance (ESG) factors as part of an overall investment strategy. The article explains why older arguments that fiduciaries should avoid "social investing" are no longer relevant and how the prudent investor standard has evolved to include ESG investing. The article discusses the changes in socially responsible investing since the anti-apartheid era and reviews a significant number of empirical studies that show that ESG investing has had a neutral or positive effect on financial return. Based on the empirical work, evidence of the financial industry's growing use of extrafinancial factors in investment analysis, and recent guidance from the Department of Labor, the article concludes that a trustee responsible for a university endowment will not breach the duty of loyalty or the duty to act as a prudent investor by directing the endowment's use of ESG investing as part of an overall financial investment strategy.