

New Mexico of Institute of Mining and Technology Investment Policy
June 7, 2017 Revision

I. Introduction

The Board of Regents ("Board") of the New Mexico Institute of Mining and Technology ("NMIMT") adopts this Investment Policy, which shall be administered pursuant to and in compliance with New Mexico law, including but not limited to the Uniform Prudent Investor Act, NMSA 1978, §§ 45-7-601 to 45-7-612 ("Prudent Investor Act"), and the Uniform Prudent Management of Institutional Funds Act, NMSA 1978, §§ 46-9A-1 to 46-9A-10 ("Prudent Management of Institutional Funds Act"). This Investment Policy sets forth NMIMT's comprehensive policy for the investment of its "endowment funds," as that term is defined in NMSA 1978, § 21-1-38(A)(1) ("Endowment Funds")

II. Purpose

NMIMT has assets that include Endowment Funds, plant and allocated funds which are designated as restricted or unrestricted and available for more general purposes. Furthermore, NMIMT acts as an investment agent for the New Mexico Tech Research Foundation and the New Mexico Institute of Mining and Technology Employee Benefit Trust under Joint Powers Agreements with each entity.

To the extent permitted by the respective terms of Endowment Funds and other investments, the corpora shall be managed for inflationary growth. To the extent permitted by their respective terms, Endowment Funds will be managed on a total return basis, in accordance with internal distribution requirements, and any remaining returns retained in the principal of the applicable fund, in part to compensate for inflation. In the case of reserves, allocated, and agency funds, all returns will remain with the funds until these funds are required to be expended for the purpose for which they were established. In rare circumstances, the Board may alter the basis for expenditure where it has discretionary authority to do so. Investments with maturities of less than one year shall be invested with the New Mexico State Treasurer's Local Government Investment Pool, in government securities, or in financial institutions that are insured by an agency of the United States.

III. Objectives

NMIMT seeks to obtain maximum returns with acceptable risk as permitted by law for all investments, to have diversified portfolios, and to obtain returns equal to or better than those for similarly invested funds. Diversification shall focus on minimizing risk and maximizing returns.

Regarding distributions, the objective of this Investment Policy is to preserve the corpora of long term investments in real, after-inflation terms while providing reasonable levels of income for the designated funds. Therefore, related procedures address the ways in which the institution deals with accounts where the average return is less than the distribution requirements, including so-called underwater accounts, where the average return is negative.

IV. Investment Policies and Guidelines

Endowment Funds and agency and other funds may be invested with the State Investment Council, recognized brokerage firms or financial institutions with offices in New Mexico and shall be managed in accordance with the Prudent Investor Rule. The Board shall approve by resolution any new account opened with a brokerage firm or financial institution. Subject to New Mexico law, the State Investment Council shall have full discretionary investment authority over funds invested with it. The standard of loyalty described in Section 606 of the Prudent Investor Act and in the Prudent Management of Institutional Funds Act shall govern the investment and distribution of Endowment Funds.

The NMIMT Investment Advisory Committee ("Advisory Committee") consisting of NMIMT's President, Vice President for Administration and Finance, and Associate Vice President for Administration and Finance shall review and approve all investments not managed by the State Investment Council. Other committee members may be added at the discretion of NMIMT's President.

The New Mexico Tech Board of Regents shall periodically review and approve all changes to the institutional investment strategies, including changes in asset allocations. The Board shall comply with New Mexico law and the Prudent Investor Rule.