I. Introduction

To maximize to the extent allowed by law and to protect line assets of New Mexico Institute of Mining and Technology (NMIMT), the Board of Regents establishes its investment policy in compliance with New Mexico law and including but not limited to the Uniform Prudent Investor Act, NMSA 1978 45-7-601 et seq. NMIMT has engaged the State Investment Office to act as its major investment manager through a pooled investment fund. Other investments will be managed in accordance with the policy set forth herein.

II. Purpose

NMIMT has funds that include endowment, plant and allocated funds that are either restricted or designated for purposes. Further, NMIMT acts as an investment agent for the New Mexico Tech Research Foundation and the New Mexico Tech Employee Benefit Trust under a Joint Powers Agreement with each entity. The corpora of the funds are set aside for investment purposes and the uses for the income from those investments have been designated by either the creation of the endowment of the fund as established. To the extent permitted by the endowments, or other investments, the corpora shall be managed for inflationary growth. The investments will be managed on a total return basis with 4.5% of the average five year market value being made available for expenditure, and the remaining returns retained in the funds to compensate for inflationary growth. In the case of reserves, allocated, and agency funds, the total returns will remain with the funds until these funds are required to be expended for the purpose for which they were established. In rare exceptions under certain market conditions, the Board of Regents may alter the basis for expenditure where it has discretionary authority. Short-term cash, meaning investments with maturities of
less than one year, shall be invested with the New Mexico State Treasurer’s Local Government Investment Pool, government securities, or financial institutions that are government insured.

III. Objectives

Given the fund purposes and where permitted the corpora of long term investments will be preserved in real terms while providing reasonable levels of income for the designated funds.

Further, it is NMIMT’s intent to obtain maximum returns with acceptable risk as permitted by law for all investments, to diversify the portfolios, and provide for returns equal to or better than similarly invested funds. Diversification shall focus on minimizing risk and maximizing returns.

IV. Investment Policies and Guidelines

Endowment, agency, and other funds may be invested with the State Investment Council, recognized brokerage firms with offices in New Mexico, and financial institutions with offices in New Mexico. Subject to state law, the State Investment Office has full discretionary investment authority over the assets it is responsible for managing. The State Investment Office shall invest funds in accordance with the Prudent Investor Rule. An Investment 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 Office. The NMIMT’s Board of Regents shall approve all resolutions establishing accounts with financial institution and brokerage firms. The NMIMT’s Investment Committee shall abide by the State of New Mexico Constitution and Statutes, as well as following the
Prudent Investor Rule as provided in the Uniform Prudent Investor Act, NMSA 1978, ss 45-7-601 et seq.

Asset allocation:

Each investment portfolio shall have the asset class allocation listed below except for the reserve and allocated fund whose asset class allocation shall be 100% fixed income:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long Term Target</th>
<th>Allowable Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income</td>
<td>30%</td>
<td>25-50%</td>
</tr>
<tr>
<td>Equity</td>
<td>70%</td>
<td>50-75%</td>
</tr>
</tbody>
</table>

The above values will be based on the market value of the funds.

Eligible Investments:

All investments shall comply with New Mexico Constitutional and Statutory Law.