Western New Mexico University  
WNMU Foundation

<table>
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<tr>
<th>Policy Name:</th>
<th>Investment Committee Statement of Investment Policy</th>
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<td>Approving</td>
<td>Responsible Department: WNMU Foundation</td>
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<td>Body and</td>
<td>Department:</td>
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<tr>
<td>Date:</td>
<td>WNMU Foundation</td>
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<td>Purpose:</td>
<td>Investment Policy</td>
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**Policy:**

Purpose
Western New Mexico University (WNMU) Foundation, a charitable and nonprofit corporation organized under the laws of New Mexico, exists solely for the purpose of generating, receiving, managing, investing or reinvesting, and prudently disbursing gifts, bequests, grants and any other donations of financial value to be used for the sole purpose of promoting, enhancing, and contribution to the accomplishments of WNMU.

This Statement of Investment Policy shall set for the investment objectives and guidelines that will govern the management of funds entrusted to the Board of Directors of the WNMU foundation (herein referred to as “the Board”). All funds entrusted to the Board are to be held by them in a fiduciary capacity. Therefore, the Board shall conduct their affairs with a high degree of prudence and care, and with a spirit of stewardship consistent with the mission and the purpose of overseeing management of assets that will provide for the long-term growth, with the positive rates of return over a market cycle (approx. 5 years). Real rates of return shall exceed the rate of inflation.

Role /Responsibilities
The Board wishes to establish an Investment Committee (the “Committee”) that shall be responsible for the implementing of this policy statement and the reporting on investments to the full Board during the monthly meeting. The Investment Committee shall consist of not less than three, nor more than nine, voting members. In carrying out its responsibilities, the Committee and any of the agents or consultants it might retain will act in accordance with all the applicable laws and regulations. The Board reserves to itself the exclusive rights to revise and amend this Policy.

The committee is authorized to retain one or more Investment Advisory Firms or Community Foundations (or similar) (“Advisors”) to assume the investment management of funds and assets owned or administered by the Board. In discharging this authority, the Committee will recommend to the Board and may receive reports from, pay compensation to, and enter into agreements with such advisors.

Investment Objectives
Balance in emphasis between current income and longer-term capital appreciation.

Permissible Investments
To accomplish the Investment Objectives, the Advisor(s) retained by the committee is/are authorized to utilize any or all of the following investment vehicles:

Cash Equivalents
- Treasury Bills
- Agency Discount Notes
- Money Market Funds
- Short-Term Investment Funds (STIF)
- Commercial Paper
- Bankers Acceptance
- Repurchase Agreements
- Certificates of Deposit

Fixed Income Securities
- Government and Agency Securities
- Corporate Notes and Bonds
- Mortgage Backed Bonds
- Preferred Stock
- Fixed Income Securities for Foreign Governments and Corporations
- Zero Coupon Bonds (Based on Government Securities)

Equity Securities
- Common Stock
- Convertible Notes and Bonds
- Convertible Preferred Stock
- American Depository Receipts (ADR’s) of Non-U.S. Companies
- Stocks of Non-U.S. Companies (ordinary securities)

Mutual Funds
- Mutual Funds which invest in securities as allowed in this statement
- Exchanged Traded Funds (ETF’s)

Real Assets
- Real Estate Investment Trusts (both public and private)
- Commodities

Other Investments:
Other Investments (including Alternative Investments) may also be purchased but only with prior approval from the Committee.

Qualifications and Restrictions
- No private (non-publicly traded) investment or use of derivative instruments as options or futures without prior Committee approval
- No Short Sales
- No Margin trading or pledging of assets as collateral

Performance Benchmarks
The Committee shall measure Advisor performance relative to the following benchmarks, depending on the advisor’s mandates as spelled out by separate agreement. These benchmarks below may include, but not be limited to:

- **Domestic Equities:** S&P500
- **International Equities** MSCI EAFE Index
- **Fixed Income** Lehman Intermediate Govt./Credit Index
- **Cash and Cash Equivalents** Lipper Money Market Fund Average

**Asset Quality and Diversification**

**Equities**
- Equity holding may be selected from the New York, American, Regional Stock Exchanges or the NASDAQ National Market System.
- At the time of purchase, Advisors shall hold no more than 5% of the portfolio, as measured by the market value, in any individual equity security.
- No Initial Public Offerings (IPOs)

**Fixed Income**
- At the time of purchase, Investment in securities of a single issuer (excepting U.S. Treasuries and Government Agency issues) must not exceed 5% of the fixed income portfolio’s market value.
- At the time of purchase, a portfolio minimum weighted average credit rating of BBB+/ from the Standard & Poor’s and/or BAA/1 rating from Moody’s must be maintained.

**Cash and Cash Equivalents**
- Advisors may invest in commercial paper, repurchase agreements, Treasury Bills, certificates of deposit, and money market funds.
- All such assets must represent maturities of one year or less at time of purchase.
- Commercial paper assets must be rated A-1/P-1 by Standard and Poor’s and Moody’s at the time of purchase.

**Reporting Requirements**
1. Monthly, the Advisor(s) and/or fund Custodian(s) will issue a statement containing all pertinent transaction details for each separately managed portfolio for the preceding month, including a month-end portfolio holdings, a transaction summary, and the current asset allocation by investment category (equities, fixed income securities, and cash reserves).
2. Quarterly, the Advisor(s) shall provide the Committee detailed information about 1.) Asset allocation, 2.) Investment performance, 3.) Future investment strategies and 4.) Any other matters of interest to the Committee reasonable in nature and related to the portfolio
3. At least annually, the Committee shall meet with the Advisor(s).
4. The Committee shall meet at least annually, and as requested by the Board.

**Cash Flow Requirements**
WNMU Foundation, either through the Committee of directly via Staff, will be responsible for providing the Advisor(s) in a timely manner details regarding cash distribution requirements from any managed account. The Advisor(s) is/are responsible for working with WNMU Foundation to provide adequate liquidity to meet flow requirements in accordance with this
Asset Allocation Targets
Short-Term operating funds and contingency reserves shall be 100% invested in Cash and Cash Equivalents investment vehicles, including money market funds, commercial paper, bank certificates of deposits (short term only), Treasury Bills, and repurchase agreements.

Long-Term Reserves shall have the following acceptable asset class ranges:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Strategic</th>
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<tbody>
<tr>
<td>Cash Equivalents</td>
<td>0%</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>25%</td>
<td>60%</td>
<td>36%</td>
</tr>
<tr>
<td>Equities</td>
<td>25%</td>
<td>60%</td>
<td>37%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>0%</td>
<td>20%</td>
<td>12%</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td>0%</td>
<td>20%</td>
<td>12%</td>
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Note: Asset Class Ranges dictates a shorter-tem prospective while “strategic” is based on longer-term perspective within the acceptable asset classes.

Updated and approved: 3/14/08 (Foundation Board’s meeting minutes)

Updated and approved: 12/7/12 (Foundation Board’s meeting minutes)