CONSOLIDATED INVESTMENT FUND INVESTMENT POLICY

THE UNIVERSITY OF NEW MEXICO

THE UNIVERSITY OF NEW MEXICO FOUNDATION, INC.

December 5, 2025

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CONSOLIDATED INVESTMENT FUND POLICY STATEMENT

In accordance with Sections 21-1-38(B)(1)(b) and 21-1-38(B)(2), NMSA 1978, the University of New Mexico Board of Regents (the "Board of Regents") has designated the University of New Mexico Foundation Investment Committee (the "Investment Committee") to act as the official Advisory Committee to oversee and manage the investment of both the University of New Mexico (the "University")'s and the University of New Mexico Foundation, Inc. (the "Foundation")'s endowment funds. The combined endowment assets of the University and the Foundation are known as the Consolidated Investment Fund (the "CIF"). The Investment Committee will apply the standards of conduct described in Sections 6-8-10, NMSA, 1978, and in the Uniform Prudent Management of Institutional Funds Act, 46-9A-1 through 46-9A-12, NMSA 1978 ("UPMIFA"), in managing the CIF, subject to the standards set forth herein.

In accepting this responsibility, the Investment Committee agrees to follow this Consolidated Investment Fund Investment Policy (the "Policy"), which has been approved by the Board of Regents pursuant to Section 21-1-38(B)(1)(c), NMSA 1978 and by the Investment Committee of the Board of Trustees of the Foundation.

Under Section 46-9A-5, NMSA 1978, the Investment Committee is authorized to utilize an appropriate investment management model that it believes to be in the best interest of the management and investment of the CIF, including the scope of the engagement and delegation to external advisors or consultants for the management of the CIF. The investment management model may utilize an Investment Advisor Model where the Investment Advisor assumes limited fiduciary duties and the Investment Committee retains most of fiduciary duties; or adopt an Outsourced Chief Investment Officer ("OCIO") Model where the OCIO assumes significant fiduciary duties and the Investment Committee retains certain fiduciary duties. The allocation of these duties under each model is outlined in Appendix A and B, attached hereto. The Investment Advisor and OCIO are collectively referred to herein as the "Investment Consultant."

The Policy governs the investment of gifts and donations to the University or the Foundation in the form of endowments, quasi-endowments, and other investments with long-term objectives. All common endowment and quasi-endowment funds of the University and the Foundation will be managed through the CIF. Participants in the CIF will receive units in the pooled fund. At all times the Policy shall recognize and implement all legally enforceable restrictions and directions that may have been placed on gifts by donors and the Policy shall comply with all applicable laws and shall be updated as necessary to comply with changes in applicable law or legal advice.

The Policy is to be effective December 5, 2025, and supersedes all previous versions.

1. INVESTMENT PHILOSOPHY

The CIF has a long-term investment horizon, and allocates its assets accordingly. A strategic long-term asset allocation plan implemented in a consistent and disciplined manner that is consistent with the long and short-term needs of the University in carrying out its educational mission will be the major determinant of the CIF's investment performance.

The assets will be managed on a total return basis. The Policy also recognizes the importance of preservation of capital. It is appropriate to consider alternative investment strategies if such strategies are in the CIF's best interest on a risk-adjusted basis and are consistent with sufficient liquidity and investment risks that are prudent and reasonable, given the prevailing capital market conditions.

Risk management of the investment program is focused on understanding both the investment and operational risks to which the CIF is exposed. The objective is to minimize operational risks and realize an appropriate return for the investment risks that the Investment Committee is willing to accept.

2. GENERAL AUTHORITY AND RESPONSIBILITY

The following sets forth the general authority and responsibility of various parties with respect to the management of the CIF.

A. University of New Mexico Board of Regents: The Board of Regents shall review the performance of the Investment Committee and the CIF at least annually. The Board of Regents shall approve, as necessary:

1. The Policy and any changes thereto.
2. The Development Funding Allocation basis point fee.
3. The Investment Consultant.

B. University of New Mexico Foundation Board of Trustees: In accordance with the bylaws of the Foundation, the Board of Trustees shall appoint an Investment Committee, which shall have responsibility to monitor and/or manage the CIF, subject to the specific division of duties set forth below. The Board of Trustees shall approve, as necessary:

1. The Policy and any changes thereto.
2. The Development Funding Allocation basis point fee.
3. The Investment Consultant.

C. The University of New Mexico Executive Vice President for Finance and Administration: The Executive Vice President for Finance and Administration shall serve as a voting member of the Investment Committee. The Executive Vice President for Finance and Administration shall also have the following additional responsibilities:

1. Certifying University Strategic Priorities on behalf of the University President.
2. Certifying requests for direct investments in University Strategic Priorities for compliance with the Policy, prior to consideration by the Investment Committee.

D. **The Investment Committee**: In performing its fiduciary duties, the Investment Committee shall act in good faith and with the care of that an ordinarily prudent person in a like position would exercise under similar circumstances, in directing and monitoring the CIF. The Investment Committee is authorized to delegate to an external agent the management and investment of the CIF, utilizing one of the following two investment management models:

1. The retention of an Investment Advisor with limited delegated and discretionary authority, including limited fiduciary duties, with the Investment Committee maintaining the primary fiduciary duty of management and investment of the CIF

(the “Advisory Model”). The allocation of authority and responsibility under the Advisory Model is outlined in Appendix A; or

2. The retention of an Outsourced Chief Investment Officer, with the OCIO having greater delegated and discretionary authority, including some fiduciary duties over the management and investment of the CIF, with the Investment Committee’s responsibilities being primarily directed to the oversight of the OCIO and implementation of the Policy (“the OCIO Model”). The allocation of authority and responsibility under the OCIO Model is outlined in Appendix B.

3. INVESTMENT OBJECTIVES AND POLICIES

A. **Return Goal:** The long-term objective of the CIF is to earn a return sufficient to preserve the purchasing power of the CIF for future generations, as well as to provide for current needs and strategic investments. As a result, the return goal (“the Return Goal”) for the CIF is to achieve a long-term annual total return, net of management and custodial fees, that equals or exceeds the annual Spending Distribution, the annual Development Funding Allocation, and inflation as measured by the U.S. Department of Labor All Urban Consumer Price Index (“CPI-U”).

B. **Return Measurement**: To achieve the Return Goal, the CIF assets will be invested to generate a total return consisting of market appreciation and depreciation and dividend and interest income. While there cannot be complete assurance that the Return Goal will be realized, it is believed that the likelihood of realization is enhanced by diversifying the assets of the CIF. Over time, the Policy will aim to achieve the Return Goal while maintaining acceptable risk levels. To accomplish this goal, the CIF will diversify assets among several differentiated asset classes. The following objectives are designed to support achievement of the Return Goal and are net of (after) investment expense:

    1. Total CIF assets should achieve a long-term annualized nominal rate of return equal to or greater than that of the Return Goal.

    2. In general, active managers will be expected to provide returns greater than their appropriate benchmark, net of fees, while utilizing acceptable risk levels. In contrast, passive managers will be expected to provide returns nearly identical to the appropriate benchmark, before reasonable fees, with no more volatility than the benchmark.

C. **Preservation of Capital**: Consistent with their respective investment styles and philosophies, investment managers shall make reasonable efforts to preserve capital, understanding that losses may occur in individual investments.

D. **Cash Reserves**: In accordance with the CIF’s long-term investment horizon, a fully invested position should be maintained for the overall portfolio with minimal, but sufficient cash reserves to meet all current spending and capital calls.

E. **Risk**: All investments carry some degree of risk, which should be considered so that the CIF assets are managed in a manner consistent with investment objectives and strategies. Some of the key investment risks are the following:

1. Overall Investment Risk - the probability of not maintaining purchasing power over the CIF's investment time horizon, net of spending and investment expenses.

2. Operational Risk - the potential of loss arising from deficiencies in internal controls, human errors, physical systems failures and other business execution risks.
3. Cash Flow Risk - the probability of not achieving the CIF's short-term cash flow requirements.
4. Compliance Risk - non-compliance with applicable State of New Mexico statutes concerning the investment of public funds.
5. Interest Rate Risk - the potential for fluctuations in bond prices due to changes in interest rates and/or a duration/liability mismatch.
6. Credit Risk - the possibility that a bond issuer will fail to make timely payment of either interest or principal to the portfolio.
7. Reinvestment Risk - the possibility that the proceeds of a maturing or called security will be reinvested at lower yields as a result of a general interest rate decline in the bond market.
8. Liquidity Risk - the possibility that the liquidity of the market for a security may decline thereby making it more difficult to dispose of the security promptly; presenting difficulties in valuation of the security; or causing the security to experience greater price volatility.

F. **Asset Allocation:** Asset allocation is the single most important decision which affects the CIF. The primary driver of investment returns can be attributed to (1) the asset classes/styles which are employed by the portfolio, and (2) the weighting of each asset class/style. Given its importance, the asset allocation will be reviewed periodically by the Investment Committee and revised as necessary.

1. The asset allocation shall be determined taking into consideration a comprehensive allocation study completed by the Investment Consultant and taking into consideration the asset allocations of peer institutions as published in the NACUBO-Commonfund Study of Endowments.
2. The asset allocation shall be designed to give balance to the overall structure of the investment program over a long-term horizon.
3. Asset allocation decisions will not be based on market timing. However, some factors may impact the Policy allocation, thereby requiring an asset allocation review and possible rebalancing. Some of these factors may include a change in the assessment of the intermediate and long-term outlook for different types of asset classes and styles or a major divergence in the performance of the different asset classes and styles.
4. In consultation with the Investment Consultant, specific target asset allocations may be established by the Investment Committee within the minimum and maximum ranges of the Policy to address current economic and/or market conditions while taking into account investments in University strategic priorities.

5. Assets shall be invested within the following maximum and minimum ranges for each asset class:

	Percent of Total Assets	
Asset Class	**Minimum**	**Maximum**
Domestic Equity[1]	10%	50%
International Equity[1]	10%	40%
Fixed Income/Cash	5%	50%
Real Assets	0%	15%
Private Investments	0%	30%
Marketable Alternatives	0%	20%
Investments in Certain Strategic Priorities	0%	11.5%

[1]The combined maximum allocation to domestic and international equities shall not exceed 70% at any point in time.

G. **Portfolio Rebalancing**: It is desirable to rebalance the CIF's holdings as necessary to minimize deviations from the Policy's asset allocation mix. The Investment Consultant, based on their appropriate responsibility as outlined in Appendix A or Appendix B, shall rebalance the CIF's holdings when an asset class deviates from the permissible ranges set forth in the Policy, or as necessary. So long as an asset class exceeds the maximum limit defined herein, no new investments will be added to that asset class.

H. **Manager Concentration Limits**: The Investment Consultant shall identify at the close of each quarter any actively managed investments which are in excess of 5% of total assets. The Investment Consultant shall consider whether the concentration in these accounts warrants rebalancing towards a goal of 5%.

Passively managed investments and investments in Certain Strategic Priorities in excess of 5% will be identified in quarterly reports and monitored for compliance with asset allocation limits.

I. **Spending Distribution**: The Policy aims to distribute on an annual basis a percentage, established as discussed below, of the average market value of the CIF at the calendar year-end of the previous 20 quarters (the "Spending Distribution"). The Spending Distribution rate shall not exceed 6% nor be less than 4% of the 20-quarter average market value per unit. The Policy allows for the Spending Distribution regardless of whether the fair market value of an individual account exceeds its historic gift value, unless otherwise precluded by the donor or by law. This practice is consistent with UPMIFA, and recognizes that no spending from an endowment is likely to be contrary to a donor's intent to provide current benefits for the designated purpose. The Investment Committee shall establish at its first meeting of each calendar year the Spending Distribution to be used for the following fiscal year. The Investment Committee shall strive to maintain a Spending Distribution which achieves intergenerational equity, so today's beneficiaries do not unfairly benefit at the expense of future beneficiaries.

In addition to considering the Policy and the objectives as stated above, the Investment Committee shall consider, if relevant, the following items in their annual deliberations to determine a reasonable Spending Distribution:

1. The net rate of return earned by the CIF in each of the five most recent fiscal years.
2. The net real (after adjusting for inflation as measured by the CPI-U) rate of return earned by the CIF in each of the five most recent fiscal years.
3. Payout rates established by other university endowments as published in the NACUBO-Commonfund Study of Endowments.
4. Other resources available to the University and any unusual or extraordinary circumstances impacting these resources (tuition revenues, State appropriations, etc.).
5. The extent to which programs benefiting from the Spending Distribution rely on these funds to achieve their goals and objectives.
6. Recommendations from the Foundation's CFO.
7. The Spending Distribution in effect at the time of deliberations.
8. General economic conditions.
9. The possible effect of inflation or deflation.
10. The expected total return of the CIF per the most recent asset allocation study.
11. Significant inflows to and outflows from the CIF (if any).

J. **Development Funding Allocation (the "DFA")**: The Board of Regents and the Board of Trustees have agreed that a fair and reasonable uniform basis point fee applicable to all endowment accounts is an appropriate means to assist the operations of the Foundation. The DFA does not provide support for any direct costs of investing and administering the CIF, such as Investment Consultant fees, taxes custodial fees and investment manager fees. These costs are assigned directly to the CIF. The DFA is subject to review and approval by the Board of Trustees and the Board of Regents as necessary.

The following items shall be considered in establishing a reasonable DFA:

1. Any external costs and fees of the Investment Consultant, taxes, custodian, and investment manager fees of managing the CIF.
2. The internal (i.e., accounting, fund raising, information systems, gift administration) costs to raise funds for, manage the assets of and provide stewardship for the CIF.
3. Cost Recovery Fee rates established by other university endowments if published in the NACUBO-Commonfund Study of Endowments.
4. Recommendations from the CFO.
5. The DFA in effect at the time of deliberations.
6. The impact on the Spending Distribution.

K. **Environmental, Social, and Governance (ESG) Considerations:** The Investment Committee considers the endowment to be an economic resource in advancing UNM's mission and defines its fiduciary responsibility as investing and managing the endowment assets as set forth in the Policy. The CIF's assets shall be invested for the long-term using a diversified approach with the principal goal of generating an attractive return to provide continued support to UNM at a commensurate and acceptable level of risk. Implementation is guided by the concept of complementary managers who are responsible for specific asset categories and management styles in a diversified portfolio.

The CIF has a long-term investment horizon and recognizes that the successful management of the CIF is linked to global economic growth. Consistent with its fiduciary responsibilities, the CIF seeks to invest in managers and underlying assets that strive for long-term sustainability in their operations. As such, the Investment Committee and the Investment Consultant will consider ESG factors which present material business risks or opportunities. ESG considerations will be integrated into investment decisions through investment manager due diligence conducted by the Investment Committee and the Investment Consultant.

ESG may encompass a wide range of factors, such as but not limited to:

1. *Environmental*: how a fund or its investments performs as environmental stewards (energy efficiency, waste management, pollution, natural resource conservation, climate change, sustainability, water usage, consumer protection, biodiversity, deforestation, environmental risks, and treatment of animals).

2. *Social:* how a fund or its investments manages relationships with employees, vendors, stakeholders and locales in which they operate (business relationships, vendors' values, ethics, philanthropy, employee engagement, community relations, volunteerism, labor standards/working conditions, employee health & safety, gender, diversity, equity & inclusion, human rights, customer satisfaction, data protection & privacy).

3. *Governance*: how a fund and the entities in which it invests handles leadership, compensation, audits/audit committee structure, internal controls and investor rights (accurate and transparent accounting techniques, limited partner committee roles, conflict of interest policies, avoidance of corruption & other illegal practices, board composition, & proper government relations/lobbying & political contributions standards).

The Policy and its implementation shall be subject at all times to applicable law and to the applicable fiduciary duties of the Board of Regents, the Investment Committee, and the Investment Consultant, including without limitation the duty to manage and invest the assets solely in the interest of the University and for the exclusive benefit of providing financial benefits to the University.

L . Donor Directed Investments: The UNM Foundation's Gift Acceptance Committee will consider requests from donors who approach the Foundation with a desire to support the important work of University and express an interest in having their endowment or quasi-endowment gifts invested in a cause-related way. If the donor's gift is accepted, the Foundation's Investment Committee will strive to identify an appropriate endowment investment vehicle outside the CIF to meet the donor's concerns while ensuring that the

University's goals, objectives and values are maintained. The restriction or designation of a particular donor shall not be imposed on any other gifts or endowment assets. Previous donations invested within the CIF will not be considered for divestment from the CIF and reinvestment outside the CIF. The donor directed investments are subject to this Policy.

4. PERFORMANCE MEASUREMENT AND REPORTING

The performance of the CIF will be reviewed at least quarterly by the Investment Committee, with the assistance of the Investment Consultant, to determine the continued feasibility of achieving the investment objectives and the appropriateness of the investment policy for achieving these objectives. In consideration of the CIF's goals and objectives, several standards will be utilized in evaluating investment performance as opposed to a single measure. These standards reflect several aspects of investment performance, including the specific objectives and the market indices used to measure the performance of individual managers.

A. **Total Fund Performance**: The total fund's performance should be compared to the CIF's return goal, to a portfolio benchmark consisting of a weighted average of the underlying asset class benchmarks, and to an acceptable comparable peer universe, over a market cycle or a three-to-five-year period if shorter.

B. **Asset Class Level Performance**: Each asset class approved by the Investment Committee should be compared to a clearly defined and if possible investable benchmark that reflects the addressable universe in that specific asset class.

C. **Investment Manager Performance**: Each Investment Manager's performance should be compared to a clearly defined and if possible investable benchmark that reflects the addressable universe of that specific investment strategy.

5. CONFLICT OF INTEREST

All persons responsible for investment decisions or who are involved in the management of the Foundation or who are consulting to, or providing any advice or service whatsoever to the Investment Committee, shall disclose in writing at the beginning of any discussion or consideration by the Investment Committee, any relationships, material beneficial ownership, or other material interest(s) which the person has or may reasonably be expected to have, with respect to any investment issue under consideration. The Investment Committee will require such persons to remove themselves from the decision-making process.

Any members of the Investment Committee responsible for investment decisions or who are involved in the management of the Foundation shall refuse any remuneration, commission, gift, favor, service or benefit that might influence them in the discharge of their duties, except as disclosed in writing to and agreed upon in writing by the Investment Committee. The intent of this provision is to eliminate conflicts of interest between committee membership and the Foundation. Failure to disclose any material benefit shall be grounds for immediate removal from the Investment Committee. This provision shall not preclude the payment of ordinary fees and expenses to the Foundation's custodian(s), Investment Managers, Investment Consultant in the course of their services on behalf of the Foundation.

APPENDIX A
Authority and Responsibilities under the Advisory Model

The following authority and responsibilities shall be applicable whenever the Investment Committee has elected to manage the CIF under the Advisory Model.

A. The Investment Committee

The Investment Committee shall act in good faith with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in directing and monitoring the investment of the CIF. In doing so, the Investment Committee shall consider the advice of the Investment Advisor, the CFO and such other parties that the Investment Committee in good faith deems necessary or appropriate to perform its role in the directing and monitoring the investment in the CIF. The Investment Committee's responsibilities shall include:

1. Recommending the Investment Advisor and the terms of the contract.
2. Selecting an Investment Custodian and approving the terms of the contract.
3. Approving all CIF investment decisions (investment purchases, redemptions, capital commitments, etc.).
4. Monitoring the CIF investments based on the guidelines described in the Policy, and for compliance with all laws, rules and regulations, including but not limited to the UPMIFA.
5. Subject to approval by the Board of Trustees and Board of Regents, updating as needed the Policy (including the asset allocation model) to assure that it serves the interests of the University and complies with the endowment investment principles set forth in UPMIFA.
6. Reviewing and approving appropriate rates of return, risk, and asset class targets in the Policy while adhering to asset allocation model parameters set forth in the Policy.
7. Reviewing, with the assistance of the Investment Advisor, the performance at both the manager and portfolio levels, on a periodic basis and, if necessary, instructing the CFO and/or the Investment Advisor to conduct additional due diligence on any investment manager/product.
8. Rebalancing the CIF in accordance with the asset allocation ranges or delegating that responsibility to the Investment Advisor retained for the CIF.
9. Providing regular reports to the Board of Trustees and to the Board of Regents, including recommendations with respect to any suggested changes in investment policies.
10. Evaluating and approving any Investments in Certain Strategic Priorities, as allowed under the Policy and defined in Section 3.G, Investment Objectives and Policies, and in accordance with Appendix C.
11. Reviewing and recommending an appropriate Development Funding Allocation basis point fee, as necessary.
12. Approving the annual spending distribution prior to the next fiscal year.

B. The Foundation's Chief Financial Officer

The CFO shall serve as an advisor to the Investment Committee and shall assist the Investment Committee as needed in carrying out its responsibilities noted above. Additional responsibilities of the CFO shall include:

1. Implementing Investment Committee decisions as directed.
2. Working directly with the Investment Advisor as needed.
3. Preparing an annual report on the CIF, including performance and allocation information important to the donor community.
4. Coordinating agenda items with the Investment Committee Chair and scheduling meetings of the Investment Committee such that all important matters are brought to the Committee's attention in a timely fashion.
5. Reviewing and executing, in consultation with the Foundation's legal counsel, all offering documents for new investment products approved by the Investment Committee.
6. Certifying requests for Investments in Certain Strategic Priorities for compliance with the Policy, prior to consideration by the Investment Committee.

C. The Investment Advisor

The Investment Advisor retained for the CIF shall be responsible for providing advice to the Investment Committee as follows:

1. Monitoring the CIF investments based on the guidelines described in the Policy
2. Reviewing the asset allocation model as appropriate and no less than annually.
3. Monitoring the portfolios to ensure that assets remain within the asset class ranges as specified in the asset allocation model, and recommending appropriate actions to address situations outside the asset class ranges.
4. Providing written comments and recommendations on the Policy as needed, but on no less than an annual basis.
5. Recommending, monitoring, and replacing investment managers and products.
6. Recommending appropriate benchmarks and peer groups with which to monitor selected investment managers.
7. Providing written quarterly reports, no less than quarterly, to the Investment Committee on investment products and managers, including departures of key personnel, style drift, changes in investment process and any other matter requiring the Investment Committee's attention including a recommendation that an investment manager be retained or terminated.
8. Disclosing any fee relationships with investment managers, advertisers, placement agents or other providers of service for the CIF.
9. Presenting reports to the Board of Regents and the Board of Trustees as needed.
10. Providing the Investment Committee with reports comparing investment performance and asset allocation with the NACUBO-Commonfund Study of Endowments.
11. Preparing and reviewing all of the offering documents for new investment products prior to submission to the CFO for signature.
12. Processing investment transactions as delegated by the Investment Committee.

D. The Investment Managers

Investment managers shall, subject to the limitations noted below regarding commingled funds, be responsible for the following:

1. Acting as responsible fiduciaries in all matters involving their management of CIF assets and comply with all applicable laws, rules and regulations.
2. Reporting all activity to the CFO and Investment Advisor on a timely basis as agreed, but in no event will such report be provided on less than a quarterly basis. Such reports shall include a comparison of performance with the agreed-upon benchmark and might include details about the holdings and strategies of the applicable product.
3. Voting, or cause to be voted, all proxies on securities held by the CIF.
4. Providing CFO with copies of audited financial statements covering the investment product in a timely manner.
5. Making presentations to the Investment Committee when and as requested.
6. Maintaining a strict adherence to the mandate under which they were engaged.
7. Providing the CFO and the Investment Advisor with a written report within five business days of the following matters: (a) change in ownership or legal entity status; (b) change in key personnel, including a change in anyone on the product portfolio management team; (c) change in investment philosophy or style; (d) civil or criminal charges filed against the firm by a regulator.
8. Disclosing any fee relationship with the Investment Advisor, advertisers, placement agents or other providers of service for the CIF.

The above requirements shall be limited in the case of commingled funds where the monies of multiple investors are pooled and the investors have a direct ownership interest in the fund and not in the underlying securities of the fund. Examples of comingled funds include mutual funds, bank collective funds, hedge funds, limited partnerships, and other similar investment vehicles. Since the duties and responsibilities of a commingled fund investment manager are set forth in the fund's governing documents, the requirements for investment managers described above may not apply to such commingled funds. The Investment Advisor, the Investment Committee, and/or legal counsel shall evaluate the commingled fund investment manager's duties and responsibilities to investors as set forth in the fund's governing documents and that evaluation should be a factor in the determination of the suitability of the investment for the CIF.

E. The Investment Custodian

The Investment Custodian shall be responsible for the following:

1. Providing monthly reports detailing investment holdings and account transactions within 15 business days following the end of each month and an annual report summarizing the following within 15 business days following each fiscal year end.

2. Establishing and maintaining account(s) for each investment manager of the portfolio as requested by the CFO.
3. Providing all normal custodial functions including security safekeeping, collection of income, settlement of trades, collection of proceeds of maturing securities, daily investment of uninvested cash, etc., effect trades, if applicable, manage securities lending program, if applicable.
4. Preparing additional accounting reports as requested by the CFO or Investment Advisor.

Appendix B
Authority and Responsibilities under the OCIO Model

The following authority and responsibilities shall be applicable whenever the Investment Committee has elected to manage the CIF under the OCIO Model.

A. The Investment Committee

The Investment Committee shall act in good faith with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in directing and monitoring the investment of the CIF, and is authorized to retain and solicit recommendations from qualified professionals including the CFO, the OCIO, and Investment Managers. The Investment Committee may also consider the advice of other parties that the Investment Committee in good faith deems necessary or appropriate to perform its role in the directing and monitoring the investment in the CIF.

The Investment Committee's responsibilities include:

1. Selecting the OCIO and approving the terms of the contract.
2. Establishing the scope and terms of the delegation of responsibilities to the OCIO, consistent with the purpose of the University and the CIF.
3. Selecting an Investment Custodian and approving the terms of the contract.
4. Subject to approval by the Board of Trustees and Board of Regents, updating, as needed, the Policy to assure that it serves the interests of the University and complies with the endowment investment principles set forth in UPMIFA.
5. Reviewing and approving appropriate asset class targets in the Policy while adhering to asset allocation model parameters set forth in the Policy.
6. Monitoring the CIF investments based on the guidelines described in the Policy, and for compliance with all laws, rules and regulations, including but not limited to UPMIFA.
7. Monitoring performance at both the manager and portfolio level on a periodic basis and, if necessary, requesting the OCIO to provide due diligence on any investment manager/product.
8. Periodically reviewing the OCIO's performance and compliance with the scope and terms of the delegation of responsibilities.
9. Evaluating and approving any Investments in Certain Strategic Priorities, as allowed under the Policy and defined in Section 3.G, Investment Objectives and Policies, and Appendix C.
10. Reviewing and recommending an appropriate Development Funding Allocation basis point fee, as necessary.
11. Approving the annual spending distribution prior to the next fiscal year.
12. Providing regular reports to the Board of Trustees and to the Board of Regents, including recommendations with respect to any suggested changes in the Policy.

B. The Foundation's Chief Financial Officer

The CFO serves as an advisor to the Investment Committee and shall assist the Investment Committee as needed in carrying out its responsibilities noted above. Additional responsibilities of the CFO shall include:

1. Monitoring implementation and results of investment decisions made by the Investment Committee or the OCIO.
2. Working directly with the Investment Committee and the OCIO as needed; including but not limited to providing notice of significant cash inflow and outflow needs at least quarterly.
3. Preparing an annual report on the CIF, including performance and allocation information important to the donor community.
4. Coordinating agenda items with the Investment Committee Chair and scheduling meetings of the Investment Committee such that all important matters are brought to the Committee's attention in a timely fashion.
5. Certifying requests for direct Investments in University Strategic Priorities for compliance with the Policy, prior to consideration by the Investment Committee.

C. The Outsourced Chief Investment Officer

The OCIO (also referred to in this policy as "Investment Consultant") shall be responsible for providing services to the Investment Committee, and assuming related fiduciary duties, as follows:

1. Assuming discretionary management over CIF investments, including investment manager selection, portfolio rebalancing, manager retention and replacement based on guidelines described in the Policy.
2. Providing written comments and recommendations on the Policy as needed, but on no less than an annual basis.
3. Monitoring the CIF investments based on the guidelines described in the Policy.
4. Recommending appropriate benchmarks and peer groups with which to monitor selected investment managers.
5. Providing written quarterly reports, no less than quarterly to the Investment Committee on investment products and managers, including departures of key personnel, style drift, changes in investment process and any other matter requiring the Investment Committee's attention including any investment managers that were added, retained or terminated.
6. Disclosing any fee relationships with investment managers, advertisers, placement agents or other providers of service for the CIF.
7. Presenting reports to the Board of Regents and the Board of Trustees as needed.
8. Providing the Investment Committee with reports comparing investment performance and asset allocation with the NACUBO-Commonfund Study of Endowments.
9. Preparing and submitting all offering documents for new investment products that are in line with the Policy.

D. The Investment Managers

Investment managers shall, subject to the limitations noted below regarding commingled funds, be responsible for the following:

1. Acting as responsible fiduciaries in all matters involving their management of the CIF assets and comply with all applicable laws, rules and regulations.
2. Reporting all activity to the CFO and the OCIO on a timely basis as agreed, but in no event will such report be provided on less than a quarterly basis. Such reports shall include a comparison of performance with the agreed-upon benchmark, and might include details about the holdings and strategies of the applicable product.
3. Voting, or cause to be voted, all proxies on securities held by the CIF.
4. Provide the CFO and the OCIO with copies of audited financial statements, capital statements and K-1, if applicable, for the investment product in a timely manner.
5. Making presentations to the Investment Committee, as requested.
6. Maintaining a strict adherence to the mandate under which they were engaged.
7. Providing the CFO and the OCIO with a written report within five business days of the following matters: (a) change in ownership or legal entity status; (b) change in key personnel, including a change in anyone on the product portfolio management team; (c) change in investment philosophy or style; (d) civil or criminal charges filed against the firm by a regulator.
8. Disclosing any fee relationship with the OCIO, advertisers, placement agents or other providers of service for the CIF.

The above requirements shall be limited in the case of commingled funds where monies of multiple investors are pooled and the investors have a direct ownership interest in the fund and not in the underlying securities of the fund. Examples of comingled funds include mutual funds, bank collective funds, hedge funds, limited partnerships, and other similar investment vehicles. Since the duties and responsibilities of a commingled fund investment manager are set forth in the fund's governing documents, the requirements for investment managers described above may not apply to such commingled funds. The OCIO, the Investment Committee, and/or legal counsel shall evaluate the commingled fund investment manager's duties and responsibilities to investors as set forth in the fund's governing documents and that evaluation should be a factor in the determination of the suitability of the investment for the CIF.

E. The Investment Custodian

The Investment Custodian shall be responsible for the following:

1. Providing monthly reports detailing investment holdings and account transactions within 15 business days following the end of each month and an annual report summarizing the following within 15 business days following each fiscal year end.
2. Establishing and maintaining account(s) for each Investment Manager of the portfolio as requested by the CFO and the OCIO.

3. Providing all normal custodial functions including security safekeeping, collection of income, settlement of trades, collection of proceeds of maturing securities, daily investment of uninvested cash, etc., effect trades, if applicable, manage securities lending program, if applicable.
4. Preparing additional accounting reports as requested by the CFO and the OCIO.

APPENDIX C
Investments in Certain Strategic Priorities

Investments in Certain Strategic Priorities may be considered for approval if the following criteria and conditions are met.

A. Direct University Strategic Investments: With prior approval of the Investment Committee, up to 10% of total CIF assets may be invested in Direct University Strategic Investments, subject to the following requirements:

1. The investments must be structured as a loan to the University or a University component unit.

2. The investments must have a defined payback term.
   A. Open-ended investments are not allowed.
   B. Maximum investment term is 10 years.

3. The maximum investment in any individual project is 5% of total CIF assets measured at the time of the loan approval.

4. The interest rate must take into consideration:
   A. The expected return of the CIF (as estimated by the Investment Consultant),
   B. The loan term.
   C. The risk of the proposed investment.

5. Prior to consideration by the Investment Committee, the University's Executive Vice President for Finance and Administration must certify on behalf of the University President that the investment is a University Strategic Priority.

6. Prior to consideration by the Investment Committee, the Foundation's CFO must certify that the proposed investment meets the criteria outlined in paragraphs 1-5, above.

To avoid any potential for or appearance of a conflict of interest, University officials who are voting members of the Investment Committee will not vote on the approval of loans to the University or any University component unit. The University Regents shall have sole authority to approve any loans to the Foundation.

B. Direct Investments in State of New Mexico Strategic Priority Investments: With prior approval of the Investment Committee, up to 1% of total CIF assets may be invested in New Mexico Strategic Priority Investments. Qualifying investments include, but will not be limited to, early-stage venture capital investments. An investment may be considered for approval if:

1. The investment is in a company created to support the economy of the State of New Mexico, and provides a benefit to the University.

2. The Investment Consultant has conducted the proper due diligence.

3. The long-range returns for the investment are anticipated to be equal to or better than the long-range expected return for the CIF.

4. The investment entity agrees to provide the Investment Committee, the CFO and the Investment Consultant with quarterly reports regarding updates to monitor the progress and the performance of the investments.

C. UNM Rainforest Innovations Co-Investments: Up to 0.5% of total CIF assets may be invested in qualifying UNM Rainforest Investments An investment will be considered a qualifying UNM Rainforest Investments if:

1. The investment is in an early-stage venture capital company created to utilize technologies transferred by UNM Rainforest Innovations.

2. The investment is matched on at least a 1 to 1 basis by a co-investor with experience in early-stage capital ventures.

3. UNM Rainforest Innovations has conducted due diligence on its own or in concert with a co-investor.

4. UNM Rainforest Innovations provides the Investment Committee with reports regarding each specific early-stage venture selected and quarterly updates thereafter to monitor the progress of the venture and the performance of the investment.

5. The long-range returns for all UNM Rainforest Investments as an investment class as determined by UNM Rainforest Innovations are anticipated to be equal to or better than the long-range expected return for the CIF.

The Investment Committee is not responsible for the evaluation, selection or management of any early-stage venture capital investments made by UNM Rainforest Innovations with funds from the CIF.