

SOP - Investment Policy

Emergency Nurses Association New Mexico State Council Board/Governance Policy

Investment Policy

1. Statement of Purpose

The purpose of this document is to establish the investment goals and objectives and policy guidelines for managing the short- and long-term investment funds of NM State Council. It is intended that these goals, objectives and guidelines provide meaningful guidance and expectations in the management and performance of the funds and to provide the flexibility to respond to given changing economic, business and investment conditions.

2. Investment Goals

The State Council's funds should be invested in such a manner as to:

- A. Maximize total returns consistent with (1) acceptable levels of risk and (2) the liquidity needs of the Council; and
- B. Adhere to applicable statutes and policies related to fiduciary responsibility.

3. Short-term Funds and Long-term Funds:

- A. Short-term Funds: The goals of investing short-term funds shall be preservation of principal, liquidity timed to spending needs and reasonable current income, subject to any grant restrictions.
- B. Long-term Funds: The goals of investing long-term funds shall be to generate a reasonable rate of return at a relatively low level of risk, prescribing the real inflation-adjusted value of the fund over

time.

4. Investment Objectives

The investment objective is to grow the value of the Council's investment funds over the long term and to earn total rates of return greater than those currently received by the Council's banking strategy, while avoiding undue risk and generating liquidity sufficient for the needs of the Council's operations. Although short-term fluctuations will affect portfolio performance, the Council expects: (a) the short-term investments to preserve principal and the invested portion thereof to generate current income equal to a market rate of return for short-term fixed income securities; and (b) the long-term investments to provide for any emergency liquidity needs of the Council and to generate a total return net of investment expenses over a five-year moving time period that exceeds the rate of inflation plus three to five percent (3-5%) annually.

5. General Investment Policies

A. Role of Finance Committee

The Finance Committee shall make recommendations upon the advice of the investment managers, brokers and/or bankers with respect to investments within the policies set by the Board of Directors. The Board of Directors shall vote on the Investment Committee's recommendations.

B. Role of Treasurer

The Board shall accept and act on investment

recommendations made by the investment managers, brokers and/or bankers. The Treasurer shall advise the Board with respect to the status of investments and shall monitor the implementation of the decisions of the Board and be the conduit between the Board and any investment managers, brokers and/or bankers.

C. Role of Investment Managers, Brokers and/or Bankers

The investment managers, brokers and/or bankers (managers) have the discretion to purchase, sell, or hold the specific securities and/or funds that will be used to meet the investment objectives of the Council. The Board will not reserve any control over investment decisions with the exception of specific limitations described in these statements. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed the limitations will hamper managers, each manager should request modifications which they deem appropriate.

6. Investment Selection Standards

- A. Investments will be made and held through mutual funds or other collective investment vehicles rather than individual securities.
- B. The Council may accept donations of marketable securities, which will be reviewed immediately to determine whether or not the investments fit within the guidelines of this policy, if not, it will be sold immediately.

7. Prohibited Investments and Transactions

The following investments and transactions are

prohibited: direct investment in real estate, short sales, margin transactions, non-publicly traded securities and derivatives; except that investments in mutual funds that employ such strategies on a limited basis or only for hedging purposes are permitted.

8. Investments Performance Review Evaluation and Reporting

- A. The Finance Committee and Board shall review and evaluate the performance results of the investments funds quarterly and at the end of each year and shall compare performance results to relevant benchmarks.
- B. The Investment manager, broker or banker shall report to the board at least annually on the composition and performance results of the funds.

9. Policy Review and Exceptions

The Board will review this statement on a periodic basis and will consider modifications as appropriate. This Policy may be amended or any exceptions to it may be authorized by resolution of the Board of Directors at any time.

Approved 9/22/2011