

Subject: Foundation Trust Investment Policy			Policy No.: 116
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PURPOSE

To set forth the responsibilities of the Trustees of the Jemez Mountains Electric Foundation (JMEF) (herein after Foundation Trustees), so that the foundation funds are handled in a manner consistent with the standards to which a prudent investor would adhere and in a manner consistent with the bylaws of the Cooperative and the Trust documents.

ACCOUNTABILITY

The Foundation Trustees of the JMEF are responsible for directing and monitoring the management of the JMEF assets.

SCOPE

This policy defines the responsibilities of the Foundation Trustees, establishes investment goals and objectives, sets guidelines for selecting investment managers, and ensures that the JMEF assets are managed in accordance with the purpose of the Trust and the Trustees’ directives and wishes, and all applicable laws.

POLICY

1. Responsibility of the Trustees

- a. The Foundation Trustees shall establish reasonable and consistent investment objectives which will attempt to achieve a yearly total return (income and appreciation) of five percent (5%).
- b. The Foundation Trustees shall be responsible for the management of the JMEF assets. The Foundation Trustees are authorized to delegate certain management responsibilities to specialists such as investment managers, attorneys, auditors, actuaries and others to assist in meeting the obligations of administering the assets in a prudent manner.
- c. If such specialists are employed or retained, they are deemed to be fiduciaries and must acknowledge such in writing. All expenses for such specialist must be customary and reasonable and will be paid by the Foundation as deemed appropriate and necessary.
- d. The Foundation Trustees shall establish a basis for evaluation of investment results.
- e. The Foundation Trustees shall have the responsibility to accept gifts donated in support of the Foundation.

2. Investment Principles and Goals

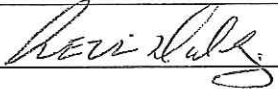
- a. Investments shall be made solely in the interest of the JMEF and beneficiaries of the JMEF and for the exclusive purpose of providing for the award of scholarship grants, payments and distributions in accordance with the Bylaws of JMEC and the Trust documents.
- b. The investment of the assets of the Trust shall be diversified to the extent necessary so as to minimize the risk of large losses.
- c. The investment of assets of the Trust shall be made in a manner that attempts to preserve principal.
- d. The Foundation Trustees shall determine, on an annual basis, the distributions which shall consist of the number and amount of each scholarship and any other appropriate distributions. The fund shall distribute the “distributable amount” as calculated in IRS Form 990 PF in a manner which avoids the payment of excise tax on undistributed amounts and retains JMEF’S tax exempt status.

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- e. Each year the Foundation Trustees are authorized to withdraw up to 5% of the value of the fund for fulfilling the Foundations purpose.

3. Reporting Requirements

The Foundation Trustees will provide the Cooperative with an annual summary of all transactions in each fiscal year, together with a report of investment performance for the year. Investment objectives will be reviewed to determine if they are being met.

	, Chairman of the Board	Date: <u>1-27-12</u>
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