

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
INVESTMENT COMMITTEE MEETING CONFERENCE CALL
10:00 am, July 29, 2020
Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY**

Investment Committee Members Present

By Telephone: Barbara A. Brinkley, Stephen Pagano, and Joyce Shenker

Staff Present

Janet Braga, Director

Others Present

Paul Murray, First Vice President, Investments, Janney Montgomery Scott LLC

Excused

Rosemary Vietor and Harold Iselin

Call to Order

Mr. Pagano called the meeting of the Investment Committee to order at 10:07 am, and Mr. Murray begin with his report.

Review of Portfolio Performance for the Last Quarter and Investment Distribution as a Result of Market Performance

- Coronavirus still dominates the headlines, but the markets have learned to deal with it and have been looking to brighter times ahead. After bottoming in late March, the markets have staged an impressive rally – some areas (i.e. technology) have come all the way back and then some, others are not too far off the February peaks. The account value at the end of June was **\$4,680,167 compared to \$4,136,1786** on 3/31/2020 – a gain of \$543,000. At the time of this meeting, markets continued to move higher and the account value was at \$4,818,800 as of market closed 7/23/20 - posting a net +2.04% year to date return. Mr. Murray remains cautiously optimistic going forward and expect market volatility to continue, especially as we transition from virus to election headlines.

Asset allocation:

6.6%	cash and equivalents (cash/fixed income or securities to mature in six months)
56.6%	in equities (43.7% U.S. and 12.9% international)
36.8%	fixed income (CDs and the bond mutual funds)
0.0%	other (a blended fund composed of both stocks and bonds)

- Broad asset allocation ratio:

56.6%	equities
43.4%	fixed income

- Performance:

Trust Portfolio vs Benchmarks	2nd Qtr	YTD	Since 12/31/2006*
• Trust's portfolio	13.06%	-.92%	6.06%
• S&P 500 Composite Index	19.95%	-4.04%	5.97%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	-13.53%	-2.07%	5.83%

* the date Janney began using its current tracking database

Portfolio Changes:

	2nd Qtr	YTD
Net deposits/withdrawals:	-\$0	-\$240,000
Total Earnings:	\$543,988	-\$39,819

Mr. Murray noted:

- There were no withdrawals from the Trust’s endowment account in the second quarter.
- Investment earnings were positive +543,988 or +13.06% for the quarter. The benchmark S&P 500 Index for stocks was up +19.95 for the quarter and the blended benchmark was up +13.53. The portfolio is performing well given the Trust’s risk parameters and is in line with market benchmarks. The portfolio continues to meet our goals – provide sufficient earnings to meet annual cash withdrawal needs and opportunity for growth.
- Allocation per “Quick View” report is approximately 37.7% cash/bond funds/CDs and 62.3% stock mutual funds/ETFs. Equity allocation rose about 5% points because of the bounce back in the market. At the end of December, we were around 70% equity exposure – the high end of our range parameters and which led us to rebalance of \$250,000 from equities to fixed income on January 23, 2020. Current allocation seems appropriate for conditions now and we continue over allocated to domestic, large company stock funds.
- Ms. Brinkley asked if Janney Montgomery Scott has produced an opinion paper on Crypto currency. She stated the Trust’s investment policy currently does not address or permit exposure to this type of investment. Mr. Murray responded that right now, Janney has no official stance on investing in Crypto currency at this time.

Mutual Funds

- Mutual funds continue to be well rated and posting good relative results. There are some impressive 3-month numbers, but not all areas of the market have come all the back year-to-date. “Large Growth” (Growth Fund of America, New Perspective Fund, New World Fund) have benefitted from high exposure to technology names (Microsoft, Apple, Amazon, etc) which has been the strongest area of the market this year. “Large Value” (i.e. blue chip stocks) have lagged in the rally, but just recently showing a pick-up in returns as investors start to look at stable, dividend paying companies for income as an alternative to the low interest rates in the current bond market. Long term results and ratings on our funds are still acceptable and Mr. Murray advised to hold. American Funds is a seasoned fund manager with decades of experience in volatile markets – Mr. Murray remain confident in their abilities to navigate through these difficult times.

Interest Rates

- Interest rates have plummeted to historic levels and remain there – the yield on 10-year Treasury was trading on 7/24/2020 at 0.58%, down from 1.91% in December and pretty much unchanged for the quarter. Again, the “flight to quality” mentality and government stimulus (Fed cutting rates) created a surge in demand for the safety of US Treasury bonds. The Fed continues to stand ready to add more liquidity/stimulus to the economy as needed, so it is presumed rates will remain low for the foreseeable future.

Review of Bond Performance

- **Bonds/CDs Called:** No bonds/CDs were called this quarter
- **Bonds/CDs Matured/Maturing:** A CD in October 2020 and November 2020 are next to mature.

Cash (Available, Needs, Projections)

Ms. Braga reported that the Trust is holding steady and focusing on a number of grant opportunities. No transfer of funds needed at this time.

Action Items

- No actions were needed.

Conclusion

Meeting adjourned at 10:40 am.

The next Investment Committee meeting is next scheduled for October 28, 2020.

Respectfully submitted,



Janet B. Braga
Director