

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
 INVESTMENT COMMITTEE MEETING CONFERENCE CALL
 10:00 am, October 28, 2020
 Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY**

Investment Committee Members Present

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

Staff Present

Janet Braga, Director and Tom Ruller, New York State Archivist

Others Present

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

Excused

Rosemary Vietor

Call to Order

Ms. Brinkley 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

- Mr. Murray reported markets continue to claw their way forward despite all the uncertainties that surround us ... 2nd wave of the virus, stimulus negotiations and the election. Nevertheless, the account value at the end of September was \$4,908,678 vs. \$4,680,167 on June 30th – a gain of \$228,511 for the quarter. At the time of this meeting the account edged a little higher and our account value is now just over \$4,958,000. Markets appear to be looking beyond the election and focusing on economic recovery, vaccines and favorable liquidity and interest rate environments (lower for longer). However, in the near term expect continued market volatility as the election nears and the tug of war on stimulus plans continue. Mr. Murray recommended members of the committee review Janney’s current assessment of the market conditions located in the portfolio summary document.

Asset allocation:

5.5%	cash and equivalents (cash/fixed income or securities to mature in six months)
59.5%	in equities (46.1% U.S. and 13.4% international)
35.0%	fixed income (CDs and the bond mutual funds)
0.0%	other (a blended fund composed of both stocks and bonds)

- Broad asset allocation ratio:

59.5%	equities
35.0%	fixed income

- Performance:

Trust Portfolio vs Benchmarks	3rd Qtr	YTD	Since 12/31/2006*
• Trust’s portfolio	4.88%	3.93%	6.31%
• S&P 500 Composite Index	8.47%	4.09%	6.48%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	5.69%	3.51%	6.15%

* the date Janney began using its current tracking database

Portfolio Changes:

	3rd Qtr	YTD
Net deposits/withdrawals:	-\$0	-\$240,000
Total Earnings:	\$228,511	\$188,693

Mr. Murray noted:

- There were no withdrawals from the Trust’s endowment account in the third quarter.
- Investment earnings were positive +228,511 as indicated above or +4.88% for the quarter. The benchmark S&P 500 Index for stocks was up +8.47% for the quarter and the blended benchmark was up +5.69%. For the year, we are now net positive with a +3.93% YTD return, vs benchmarks of +4.09% and +3.51%. These figures are summarized on page 2 of 13 of the Portfolio Summary report (Archives September 2020 Performance). Longer term performance data is also shown – the portfolio is still performing well given our risk parameters and 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 36.21% cash/bond funds/CDs and 63.79% stock mutual funds/ETFs. Equity allocation rose slightly because the market gains. Current allocation seems appropriate for current conditions and we continue to be over allocated to domestic, large company stock funds.

Mutual Funds

- Mutual funds continue to be well rated and posting good relative results as outlined in the Archives Morningstar report. NOTE: the year to date numbers (YTD) are as of 10/21/2020; “Growth” continues to outperform “value” (i.e. blue chip stocks) as investors continue to crave big name technology companies (Apple, Amazon, Tesla, Google, etc). Long term results and ratings on our funds are still acceptable and would advise to hold. American Funds is a seasoned fund manager with decades of experience in volatile markets – Mr. Murray stated he remains confident in their abilities to navigate through these difficult times.

Interest Rates

- Interest rates have ticked up a little recently – the yield on 10 year Treasury is trading as of (10/21/2020) at 0.84% vs. 0.58% in July, but still at historic lows. The rates from this summer seemed a bit stretched so they were bound to float up a bit. 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.
- **ACTION ITEM:** Maturing CDs ... \$60,000 Morgan Stanley due 10/26 and \$150,000 Capital One Bank due 11/9. In addition, we are holding approximately \$113,000 in cash (did not reinvest April CD maturity of \$70,000) so total cash on hand in early November will be \$323,000. Current 12-24 month CD rates are 0.10%-0.20% (our money market is 0.01%). Longer term CDs and high grade corporate bonds (5 years) are around 0.50%. Equity markets are volatile but do offer the potential for better than 0.50% over the next 5 years. Mr. Murray recommend holding cash for the short term. When things settle down, he is not opposed to adding to our mutual funds to some extent and blending this with some short term CD purchases. Members of the committee agreed with Mr.

Murray's recommendation to hold funds from maturing CD's in the cash account. By the end of the year, Mr. Murray will reach out to the committee via email with recommendations on how to move forward. Depending on his assessment a special meeting may be arranged to review next steps if email communications are insufficient.

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 does not anticipate needing funds from the endowment beyond the drawdown specified in the FY20/21 approved operational budget. Ms. Brinkley asked if the endowment funds "earmarked" for the *Consider the Source Online: Teaching with Historical Records* project are released. Both Ms. Braga and Mr. Murray stated there are no funds "earmarked" for the project moving forward and the new website is due to launch in January.

Action Items

- No actions were needed.

Conclusion

Ms. Braga presented a question from a member of the Board of Trustees regarding socially conscience investments. After much discussion the committee agreed that investment goals are mission driven and while our investment policy does not include a position on socially conscience investments, the committee does make certain the endowment is handled by a high-quality manager. Mr. Murray reassured the committee that American Funds, which accounts for a major portion of the endowment, is recognized for its high standards.

Meeting adjourned at 10:39 am.

The next Investment Committee meeting is next scheduled for January 27, 2021.

Respectfully submitted,



Janet B. Braga
Director