

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD  
INVESTMENT COMMITTEE MEETING CONFERENCE CALL**

**12:00 pm, October 28, 2019**

**Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY**

*(Note: Meeting was rescheduled from 10/23/19)*

**Investment Committee Members Present**

By Telephone: Barbara A. Brinkley, Board Treasurer and Committee Chair; Rosemary Vietor, Joyce Shenker and Stephen Pagano

**Staff Present**

Janet Braga, Director

**Others Present**

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

**Excused**

Harold Iselin

**Call to Order**

Ms. Brinkley called the meeting of the Investment Committee to order at 12:05 pm, noting there was a quorum at the start of the call. She invited Mr. Murray to begin with his report.

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

The portfolio value as of 9/30/19 was \$4,672,736 vs 6/30/19 of \$4,663,416– this is a slight gain of \$9,320. October had a good start thanks to perceived positive developments in the trade talks with China. As of Oct 25, the account was valued at \$4,731,226 – a new record high.

Asset allocation:

5.5%	cash and equivalents (cash/fixed income or securities to mature in six months)
46.1%	in equities (46.1% U.S. and 13.5% international)
34.9%	fixed income (CDs and the bond mutual funds)
0.0%	other (a blended fund composed of both stocks and bonds)

- Broad asset allocation ratio:

59.6%	equities
34.9%	fixed income

- Performance:

<b>Trust Portfolio vs Benchmarks</b>	<b>3rd Qtr</b>	<b>YTD</b>	<b>Since 12/31/2006*</b>
• Trust’s portfolio	.22%	11.22%	6.01%
• S&P 500 Composite Index	1.19%	18.74%	5.99%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	1.02%	13.72%	5.85%

\* the date Janney began using its current tracking database

### Portfolio Changes:

	3rd Qtr	YTD
Net deposits/withdrawals:	\$0	\$-151,428
Total Earnings:	\$9320	\$479,984

Mr. Murray noted:

- There were no withdrawals or deposits for the quarter.
- Investment earnings were plus \$9,320 as indicated above or +0.22% for the quarter. The benchmark S&P 500 Index for stocks was up +1.19% for the quarter and our blended benchmark was up +1.02%. Our Year to Date total return is now +11.22% for 2019. As of the time of the meeting, year to date was up to 12/5%. These figures are summarized on page 2 of 10 of the Portfolio Summary report (*Archives Performance September 2019*). Longer term performance data is also shown – the portfolio is still performing well given our risk parameters. 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 35% cash/bond funds/CDs and 65% stock mutual funds/ETFs. This is pretty much unchanged from the last meeting. “Large Cap Domestic” stocks represent our biggest allocation at 37% but we are well diversified across all areas of the equity market. Large Cap stocks have been the most consistent performers in the portfolio, and we will continue to keep an overweight in this group. No changes in asset allocation at this time are recommended but Mr. Murray noted we will continue to discuss rebalancing as market conditions dictate.

### Mutual Funds

- Mutual funds continue to be well rated and posting good relative results as outlined in the Archives Morningstar attachment. The more aggressive growth funds continue to lead the pack year to date. However, these funds do feel the volatile markets more so than their conservative counterparts such as American Mutual and Capital Income Builder as evidenced by the “3-month return” column. “Growth” funds were negative over the 3-month period, while “value” and “income” funds held positive. Long term results and ratings on our funds are still acceptable and Mr. Murray advised to hold.

### Interest Rates

- Interest rates continue to drift down – the yield on 10-year Treasury fell from 2.00% in June to 1.67% in September. Short term rates continue to stay low as the market expects another rate cut by the Fed before the end of the year. Yield curve continues to be very flat with the spread on 5 to 10 Year Treasury bonds less than 0.15% and 10 to 30-year Treasury spreads less than 0.50% in September.

### Review of Bond Performance

- **Bonds/CDs Called:** No CDs have been called.
- **Bonds/CDs Matured/Maturing:** A \$100,000 Discover Bank CD comes due 11/12/19. After discussion with the committee, the proceeds will be held to increase the cash on hand rather than be reinvested. A portion of the funds will be utilized for the *Consider the Source* project. Ms. Brinkley asked if we should consider a short-term bond to hold the funds until they are needed for the project. Mr. Murray will look into two- and three-month CD options but stated the return would most likely be minimal. Mr. Murray will reach out to the committee if he finds viable options.

**Cash (Available, Needs, Projections)**

Ms. Braga reported the Trust's operating account is in good standing and no withdrawal from the Janney account is needed at this time. She stated the 2018 audit is complete and will be presented to the Board on October 31<sup>st</sup>. Work on the new *Consider the Source Online* website has begun. The goal for completion is the end of June. The largest expense for the project is website development.

**Endowment Balance and Quality**

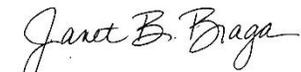
Mr. Murray concluded that Janney's market outlook continues to be optimistic. Economic data is slowing, but still continues to be positive and a backdrop of low interest rates once again is usually favorable for stock prices.

**Conclusion**

Ms. Brinkley adjourned the meeting 12:35 pm and thanked all for their participation.

The next Investment Committee meeting is next scheduled for January 21, 2020.

Respectfully submitted,



Janet B. Braga  
Director