

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD  
INVESTMENT COMMITTEE MEETING CONFERENCE CALL  
10:00 am, April 27, 2022  
Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY**

**Investment Committee Members Present**

By Telephone: Barbara A. Brinkley, Harold Iselin, Stephen Pagano, 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 10:01 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 the markets were in “correction mode” during the 1st quarter. Rising interest rates, surging inflation, conflict in Ukraine were all major factors contributing to a sharp decline in both stock and bond prices. The account ended March 31, 2022 at \$5,404,824 vs \$5,935,590 on December 31, 2021

Asset allocation:

2.6%	cash and equivalents (cash/fixed income or securities to mature in six months)
71.7%	in equities (54.6% U.S. and 15.8% international)
25.6%	fixed income (CDs and the bond mutual funds)
0.1%	other (a blended fund composed of both stocks and bonds)

- Broad asset allocation ratio:

74%	equities
26%	fixed income

- Performance:

<b>Trust Portfolio vs Benchmarks</b>	<b>1st Qtr</b>	<b>YTD</b>	<b>Since 12/31/2006*</b>
• Trust’s portfolio	-5.90%	-5.90%	6.82%
• S&P 500 Composite Index	-4.95%	-4.95%	7.91%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	-4.42%	-4.42%	7.61%

\* the date Janney began using its current tracking database

Portfolio Changes:

	<b>1st Qtr</b>	<b>YTD</b>
Net deposits/withdrawals:	-\$190,000	-\$190,000
Total Earnings:	-\$340,765	-\$340,765

Mr. Murray noted the budgeted annual endowment drawdown of \$190,000 occurred in January 22.

## Investments

- Investment return for Q1 was -5.90% vs -4.95% for the S&P Index and -4.42% for our blended benchmark of stocks and short-term bonds.
- Markets (and our account) did rebound considerably from the March lows. The value at that time was \$5,125,666. The market bottomed then rallied about +8-10% until March 31. Mr. Murray expects volatility to continue near term but feel optimistic that a bottom was set in early March.
- Allocation on 3/31/22 remains approximately 25% cash/bond funds/CDs (fixed) and 75% stock mutual funds/equity ETFs. Mr. Murray noted it is still on the high end of the range but recommends we let the markets settle down a little before looking at a reallocation.
- Ms. Brinkley requested what is the portfolio value as of 4.26.22? Mr. Murray replied it closed at \$5,079,160.

## Interest Rates

- The big news this quarter is the substantial increase in short/intermediate term rates. 5 Year Treasury yields began the year around 1.25% and rose to around 2.45% at the end of March (and currently 2.66% in April). 10-year yields saw similar path from 1.50% beginning of the year to 2.33% end of March (and now around 2.70%). These benchmark yields as back to “pre-pandemic” levels after running the last two years below 1%. Short-term CDs (2 years for example) have moved up to 2.25% recently (these were less than 0.50% in July/August 2021).

## Review of Bond Performance

- **Bonds/CDs:** Mr. Murray reported a \$55,000 CD matured on April 25<sup>th</sup> and one for \$25,000 will mature on May 17<sup>th</sup>. CDs maturing by the end of the year occur on 7/26, 8/8 and 10/31.

## Cash (Available, Needs, Projections)

Ms. Braga reported that the Trust is holding steady and does not anticipate needing funds from the endowment at this time. Ms. Brinkley asked for clarification on the calculation process used to determine the yearly drawdown amount listed in the Trust’s annual budget that is voted on by the Board of Directors. Mr. Murray and Ms. Braga both stated the calculation uses the average balance of the endowment over 20 quarters. Trust policy states no more than 5% of this average can be drawn in a given fiscal year. Management is fiscally conservative and over the last several years has stayed between 3.5 and 4.3%. Ms. Braga noted the annual drawdown is typically done in January. Ms. Brinkley ask what the amount of the budgeted annual drawdown for FY22-23. Ms. Braga replied the approved drawdown amount is \$228,000. (5% of the 20-quarter moving average portfolio value). Ms. Brinkley how frequently is the calculation provided to the operating management, to assist their operating decisions? Given that the 2022-2023 budget was raised from 4.5% to 5.00%, operational “wiggle room” is much reduced. Ms. Brinkley would like to see ideas from Mr. Murray and also from staff as to how this information can be timely reported and available to Management and to Board. The Board of Directors and the investment committee meet again in June and October. Ms. Brinkley asked Mr. Murray to send her a report detailing the monthly balance of the endowment over the last several years.

## Action Items


Mr. Murray recommended rolling the CDs maturing in April and May into 3-year CDs in the near future. Mr. Murray will keep an eye on the increasing interest rates on 3-year CDs and will notify the committee and request an email vote if the rates increase dramatically.

## Conclusion

Chairperson, Ms. Brinkley thanked Mr. Murray for his report and the meeting was adjourned at 10:45 am.

The next Investment Committee meeting is next scheduled for July 27, 2022.

Respectfully submitted,



Janet B. Braga  
Director