

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

10:00 am, January 26, 2022

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

Investment Committee Members Present

By Telephone: Barbara A. Brinkley, 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, Stephen Pagano

Call to Order

Ms. Brinkley called the meeting of the Investment Committee to order at 10:03 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 market had a nice bounce back in the 4th quarter 2021. The account ended December 31 at \$5,935,590 versus September 30 at \$5,651,568, an increase of \$284,200 for the quarter.

Asset allocation:

5.6%	cash and equivalents (cash/fixed income or securities to mature in six months)
70.4%	in equities (54.6% U.S. and 15.8% international)
29.3%	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:

Trust Portfolio vs Benchmarks	4th Qtr	YTD	Since 12/31/2006*
• Trust's portfolio	5.00%	13.53%	7.36%
• S&P 500 Composite Index	10.65%	26.89%	8.42%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	6.43%	17.13%	7.36%

* the date Janney began using its current tracking database

Portfolio Changes:

	4th Qtr	YTD
Net deposits/withdrawals:	-\$0	-\$189,892
Total Earnings:	\$284,022	\$711,174

Mr. Murray noted:

- There were no withdrawals from the Trust's endowment account in the fourth quarter.

Investments

- Investment return for Q4 was +5.00%, bringing the YTD return to +13.53% for calendar year 2021. The benchmark S&P 500 Index for stocks was up +10.65% for the quarter and + 6.89% for the year, while our blended benchmark of stocks and short-term bonds was up +6.43% for the quarter and +17.13 for the year. Despite lagging the benchmark this year, we are very pleased with the results given our more conservative profile (the blended benchmark is 55% S&P 500, 15% MSCI EAFE and 30% 3-month Treasury bonds)
- The fund's allocation on 12/31/2021 was approximately 26% cash/bond funds/CDs (fixed) and 74% stock mutual funds/equity ETFs. This is on the high end of the range and we will continue to monitor this allocation closely for a possible reallocation should interest rates become more attractive (more on this below).

Mutual Funds

- Mutual funds continue to be well rated and posting good results. No changes were suggested. It was noted American Funds are still well positioned for our account. Mrs. Brinkley asked Mr. Murray how Janney monitors companies within mutual funds they use to ensure good corporate credit quality whereby avoiding downward spirals. Mr. Murray stated the CDs in our portfolio are fully insured and most of the mutual funds they work with are mainly stock funds vs bond funds. The stock funds include a variety of industries vs funds that are sector driven such as tech industry only. Mr. Murray has high confidence in American Funds due diligence process. Janney does its own internal monitoring and conducts quarterly screenings as an additional safeguard.

Interest Rates

- Long term interest rates were fairly flat in the 4th quarter – the yield on benchmark 10-year Treasury closed the year at 1.51% vs 1.53% at end of September. However, short term rates saw sizeable increase as the 5 Year Treasury yield move up from 0.997% to 1.26% during the quarter. Short term rates are already starting to move ahead of the expected Fed rate increases this year.

Review of Bond Performance

- **Bonds/CDs Called:** Two CDs were called since the last meeting in October 2021. Maturity dates were 11/09/21 and 12/01/21 totaling \$150,000.
- **Bonds/CDs Maturing:** The next CD to mature is in April 2022. Ms. Brinkley inquired about one on the institutions holding a CD - Comenity Capital Bank. Being unfamiliar with Comenity Capital she asked if this is a new name due to a merger. Mr. Murray reported back to Ms. Brinkley after the meeting that Comenity Capital was the name of the bank at the time of the purchase in 2018.

Cash (Available, Needs, Projections)

Ms. Braga reported that the Trust is holding steady and does not anticipate needing funds from the endowment beyond the annual budgeted drawdown. The drawdown specified in the FY20/21 operational budget was made on January 11, 2022. Ms. Braga stated the FY 22/23 budget is in development and the annual drawdown amount may need to be raised closer to the allowable rate of 5%. Ms. Brinkley asked about the interest rate on the Janney Sweep account and Mr. Murray responded the rate is .01% which is in line with other companies such as Fidelity and Vanguard.

Action Items

Mr. Murray reported there are no action items at this time. Discussion regarding CDs maturing this year (\$55k April, \$25k May, \$120k July, \$50k August and \$60k October) will be an item at a future meeting. On 1/7/2022, Janney wired the budgeted drawdown amount of \$190,000 to the Trust's operating account. The transfer adjusted the account's equity allocation to above 76%, which is on the higher side of where we historically have been. Mr. Murray noted we should be

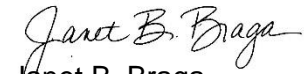
mindful of rebalancing opportunities, not just from stocks to fixed, but perhaps within the equity funds from growth to value/allocation. Our outlook for the market is still positive for 2022, but we do see increased volatility as the market adjusts to higher interest rates and the ever-present threat of Covid variants. Mr. Murray concluded that inflation is the biggest short-term concern but expects it to level off throughout the year.

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 April 27, 2022.

Respectfully submitted,



Janet B. Braga
Director