

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
INVESTMENT COMMITTEE MEETING
10:00 am, January 16, 2019
Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY**

Investment Committee Members Present

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

Staff Present

Janet Braga, Director

Others Present

Paul Murray, First Vice President, Investments, Janney Montgomery Scott LLC (by telephone)

Excused

Harold Iselin and Stephen Pagano

Call to Order

Ms. Brinkley called the meeting of the Investment Committee to order at 10:12 am, noting there was no quorum at the start of the call. (Joyce Shenker joined the call at 10:20 am) 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

Mr. Murray reported that as of December 31, 2018: Account value: \$4,344,181 vs 9/30/18 was \$4,734,725. It is the first sharp quarterly drop in several years. As of the time of the meeting, the portfolio was back to just over \$4,470,000.

Asset allocation:

5.0%	cash and equivalents (cash/fixed income or securities to mature in six months)
43.3%	in equities (48.4% U.S. and 16.1% international)
38.8%	fixed income (CDs and the bond mutual funds)
0.4%	other (a blended fund composed of both stocks and bonds)

- Broad asset allocation ratio:

55.9%	equities
38.8%	fixed income

- Performance:

Trust Portfolio vs Benchmarks	4rd Qtr	YTD	Since 12/31/2006*
• Trust's portfolio	-8.4%	-3.38%	5.45%
• S&P 500 Composite Index	-13.97%	-6.24%	4.86%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	-9.19%	-3.60%	5.09%

* the date Janney began using its current tracking database

- Portfolio Changes:

	4rd Qtr	YTD
Net deposits/withdrawals:	\$6,876	\$-133,634
Total Earnings:	\$-397,421	\$-149,555

Mr. Murray noted:

- There were no withdrawals during the quarter; deposits were made totaling \$6,905; \$29.34 was moved to the “special” account to cover a credit card/ACH transaction, so net deposits equaled \$6,876.
- Investment earnings were negative -\$397,421 or -8.40% for the quarter. The benchmark S&P 500 Index for stocks was down -13.97% for the quarter and our blended benchmark was negative -9.19%. This quarter’s loss has left the portfolio with a negative -3.38% return for the year.
- Allocation per “Quick View” report is approximately 40% cash/bond funds/CDs and 60% stock mutual funds/ETFs. “Large Cap Domestic” stocks represent our biggest allocation at 35% but we are well diversified across all areas of the equity market. Last quarter allocation was closer to 30% bonds/70% stocks – in October, we reduced equities by \$250,000 (about 5%) to a 35/65 split. Recent market decline has now brought the allocation down to 40/60 – not the way we wanted to get there, but now more in line with a more conservative profile.

Mutual Funds

Mr. Murray referenced mutual funds in the Morningstar Report continue to be well rated and posting good relative results. International and small and midcap hit a little than domestic growth, but these areas are bouncing back so far this year (through January 9th).

Interest Rates

Interest rates dropped a little in the 4th quarter – the yield on 10-year Treasury was 3.05% as of 9/30/18 vs. 2.69% on 12/31/18. This was a “flight to safety” move in rates as investors sold stocks to buy bonds, and also anticipating that the Fed will lower the pace in future rate hikes. When rates drop, bond prices rise, and this helped our Vanguard Bond Fund gain some value. Yield curve is still fairly flat – not much additional return on longer term bonds. Difference between 5 Year and 10 Year Treasury bond is still around 0.20%.

Review of Bond Performance

- **Bonds/CDs Called:** No CDs have been called.
- **Bonds/CDs Matured/Maturing:** A \$60,000 Goldman Sachs CD comes due 2/4/19.

Mr. Murray recommended funds from the CD stay in the money market account as budget planning for Fiscal Year 19/20 begins.

Cash (Available, Needs, Projections)

Ms. Braga reported that we are on track with budgeted revenue and expense projections. Budget planning is underway for Fiscal year 19/20.

Endowment Balance and Quality

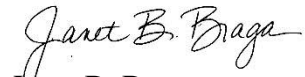
Mr. Murray stated the endowment is starting to come back after the market low on Christmas Eve. With the balance readjustment implemented last quarter, Mr. Murray suggested we stay in a holding pattern and review again at our next meeting.

Conclusion

Ms. Shenker motioned to adjourn the meeting and Ms. Vietor seconded the motion. Ms. Brinkley adjourned the meeting 10:38 am and thanked all for their participation.

The next Investment Committee meeting is next scheduled for May 1, 2019 (*rescheduled from March 20, 2019*).

Respectfully submitted,



Janet B. Braga
Director
October