

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
INVESTMENT COMMITTEE MEETING CONFERENCE CALL
10:00 am, July 28, 2021
Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY**

Investment Committee Members Present

By Telephone: Barbara A. Brinkley, Rosemary Vietor, 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

Stephen Pagano

Call to Order

Ms. Brinkley called the meeting of the Investment Committee to order at 10:00 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 have continue to be impressive through the first half 2021. It has been full steam ahead for equities again in the 2nd quarter. The account ended June 2021 at \$5,685,569 vs. March 2021 value of \$5,428,272 - a gain of +\$257,297 for the quarter and over +\$460,000 year to date after adjusting for cash flow.

Asset allocation:

3.4%	cash and equivalents (cash/fixed income or securities to mature in six months)
69.2%	in equities (46.1% U.S. and 13.4% international)
27.4%	fixed income (CDs and the bond mutual funds)
0.0%	other (a blended fund composed of both stocks and bonds)

- Broad asset allocation ratio:

72.6%	equities
27.4%	fixed income

- Performance:

Trust Portfolio vs Benchmarks	2nd Qtr	YTD	Since 12/31/2006*
• Trust's portfolio	4.72%	8.78%	7.31%
• S&P 500 Composite Index	8.17%	14.41%	7.95%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	5.49%	9.71%	7.14%

* the date Janney began using its current tracking database

Portfolio Changes:

	2nd Qtr	YTD
Net deposits/withdrawals:	\$0	-\$190,000
Total Earnings:	\$257,297	\$461,262

Investments

- Investment return was +4.72% for the quarter, bringing YTD returns to +8.78% since January 1. The benchmark S&P 500 Index for stocks was up +8.17% for the quarter and our blended benchmark of stocks and short-term bonds was up +5.49%, with YTD numbers being +14.41% and 9.71% respectively.

- Allocation per “Quick View” report is approximately 27% cash/bond funds/CDs (fixed) and 73% stock mutual funds/ETFs (equities). Equity allocation rose slightly because of the market gains for the quarter. Current allocation is at the high end of our average equity range. However, interest rates on short-term bonds and CDs continue to be well below 1% (i.e. 0.25%-.50%) so no repositioning was recommended. Mr. Murray will monitor this allocation closely for a possible reallocation later in the year should interest rates become more attractive.

Mutual Funds

- Mutual funds continue to be well rated and posting good results. Long term results and ratings on our funds are still acceptable and Mr. Murray advised the committee to hold. One fund is slightly negative – the Vanguard Short Term Bond Index – as a result of rising interest rates since the beginning of the year. Market leadership has come from the small and mid-cap sectors as the “reopening” economy can be more impactful to smaller companies. The endowment currently has about 13% exposure to the small-mid cap sectors. International returns, although positive, continue to lag the US returns in the short run, seemingly a reflection on their abilities to vaccinate and reopen.

Interest Rates

- Interest rates were lower in the 2nd quarter – the yield on benchmark 10-year Treasury dropped from 1.75% in March to 1.44% at end of June and short-term rates (5 year) dropped about 0.05% during the quarter. Mr. Murray noted “Transitory inflation” as described by the Fed and demand from foreign buyers for US bonds has kept the rising rate discussion at bay for now.

Mr. Murray recommended committee members review Janney’s *Weekly Bulletin* with the company’s assessment of the market conditions and their continued positive outlook for 2021.

Review of Bond Performance

- **Bonds/CDs Called:** One \$100,000 bond was called on 7/26/21.
- **Bonds/CDs Matured/Maturing:** Our next CD matures in October.

Cash (Available, Needs, Projections)

Ms. Braga reported that the Trust is holding steady and does not anticipate needing funds at this time.

Action Items

Mr. Murray reported a \$100,000 CD matured on July 26th. The rate was 2.05% and it was purchased 3 years ago. Mr. Murray recommended rolling over \$100,000 to the highest CD rate possible as consistent with our laddered discipline noting CDs still offer safety, liquidity and predictability. Lastly, Mr. Murray stated the endowment has enough equity money that allowing us to participate in good markets and for the “sum of the parts” to generate competitive returns.

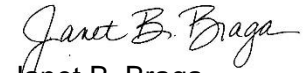
Harold Iselin made a motion for Mr. Murray to \$50,000 in a 3-year CD and \$50,000 in a 4-year CD at the highest rate possible to remain consistent with our laddered discipline. Rosemary Vietor seconded the motion. The motion was unanimously approved.

Conclusion

Chairperson, Ms. Brinkley thanked Mr. Murray for his report. Ms. Brinkley mentioned APT Board Member, Peter Millock may be getting in touch with the committee to share his thoughts on investment considerations. If information is forwarded to the committee, it will be discussed at our October meeting.

Meeting adjourned at 10:30 am. The next Investment Committee meeting is next scheduled for **October 27, 2021**.

Respectfully submitted,



Janet B. Braga
Director