

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD  
 INVESTMENT COMMITTEE MEETING CONFERENCE CALL  
 10:00 am, July 17, 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, Harold Iselin, Rosemary Vietor and Stephen Pagano

**Staff Present**

Janet Braga, Director, Tom Ruller, NYS Archivist

**Others Present**

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

**Excused**

Joyce Shenker

**Call to Order**

Ms. Brinkley called the meeting of the Investment Committee to order at 10:05 am, 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 market had a nice bounce back in June after taking a little downturn in May. Value as of 6/30/19 was **\$4,663,416** vs 3/31/19 of **\$4,553,692** – this is a gain of over \$100,000 even after a small withdrawal in April. July so far has been even better with the account crossing the \$4,700,000 mark. Markets are getting a lift on the strong possibility of an interest rate cut from the Federal Reserve at the end of July.

Asset allocation:

4.4%	cash and equivalents (cash/fixed income or securities to mature in six months)
46.3%	in equities (46.1% U.S. and 13.6% international)
35.4%	fixed income (CDs and the bond mutual funds)
0.0%	other (a blended fund composed of both stocks and bonds)

- Broad asset allocation ratio:

46.3%	equities
35.4%	fixed income

- Performance:

<b>Trust Portfolio vs Benchmarks</b>	<b>2nd Qtr</b>	<b>YTD</b>	<b>Since 12/31/2006*</b>
• Trust's portfolio	2.58%	10.96%	6.11%
• S&P 500 Composite Index	3.79%	17.35%	6.01%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	3.18%	12.58%	5.89%

\* the date Janney began using its current tracking database

### Portfolio Changes:

	1st Qtr	YTD
Net deposits/withdrawals:	\$-10,000	\$-151,428
Total Earnings:	\$119,724	\$470,663

Mr. Murray noted:

- As mentioned above, a withdrawal of \$10,000 was made in April and there were no deposits.
- Investment earnings were plus \$119,724 or +2.58% for the quarter. The benchmark S&P 500 Index for stocks was up +3.79% for the quarter and our blended benchmark was up +3.18%. The strong quarter has pushed our Year to Date total return to 10.96% for 2019. These figures are summarized on page 2 of 13 of the attached Portfolio Summary report (Archives Performance March 2019). Longer term performance data is also shown.
- 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 report. “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.

### Mutual Funds

- Per the provided Morningstar report, mutual funds continue to be well rated and posting good relative results. The more aggressive growth funds are leading the pack with some very impressive returns through July 11<sup>th</sup> (when the report was run). The short-term bond fund has also shown a good return due to the drop in interest rates this year. Long term results and ratings on our funds are still acceptable and he advised to hold.

### Interest Rates

- Interest rates continue to drift down – the yield on 10-year Treasury as of 3/31/19 2.41% vs. 2.00% now. Bank CDs have seen a significant decline in rates too. Rates on 2 Year CDs in November 2018 were around 3.25% - today they are down to around 2.10%. 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 only about 0.25%. Rates have dropped recently in anticipation of a rate cut mentioned above. The market tends to price in the move well ahead of the announcement. In general, the stock market tends to like low rates and has responded recently because of this.

### Review of Bond Performance

- **Bonds/CDs Called:** No CDs have been called.
- **Bonds/CDs Matured/Maturing:** A \$40,000 American Express Bank CD comes due 7/29/19. After discussion with the committee, the proceeds will be held to increase the cash on hand rather than be reinvested.

### Cash (Available, Needs, Projections)

Ms. Braga reported that she and Tom Ruller are meeting with the Robert David Lion Gardiner Foundation’s Executive Director this week to sign a matching grant agreement contract for the

*Consider the Source Online Project.* She indicated the Trust's operating account is in good standing and no withdrawal from the Janney account is needed at this time.

**Endowment Balance and Quality**

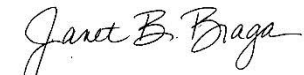
Mr. Murray reiterated that the endowment is back to where it was in September 2018 despite withdrawals in early 2019. Mr. Murray suggested we stay in a holding pattern and review again at our next meeting.

**Conclusion**

Ms. Brinkley adjourned the meeting 10:35 am and thanked all for their participation.

The next Investment Committee meeting is next scheduled for October 23, 2019.

Respectfully submitted,



Janet B. Braga  
Director