

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
 INVESTMENT COMMITTEE MEETING CONFERENCE CALL
 10:00 am, May 7, 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 Stephen Pagano

Staff Present

Janet Braga, Director

Others Present

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

Excused

Harold Iselin and Rosemary Vietor

Call to Order

Ms. Brinkley called the meeting of the Investment Committee to order at 10:00 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

Mr. Murray noted the financial information prepared for this meeting was as of March 31, 2019. The portfolio value as 3/31/19 was **\$4,553,692** vs 12/31/18 of **\$4,344,181**– this is a nice bounce back from the market lows in 4th quarter 2018 – this figure is after the February withdrawal of \$141,428.

Asset allocation:

3.8%	cash and equivalents (cash/fixed income or securities to mature in six months)
59.6%	in equities (46.1% U.S. and 13.6% international)
36.5%	fixed income (CDs and the bond mutual funds)
0.0%	other (a blended fund composed of both stocks and bonds)

- Broad asset allocation ratio:

59.6%	equities
36.5%	fixed income

- Performance:

Trust Portfolio vs Benchmarks	1st Qtr	YTD	Since 12/31/2006*
• Trust’s portfolio	8.16%	8.16%	6.02%
• S&P 500 Composite Index	13.07%	13.07%	5.82%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	9.10%	9.10%	5.74%

* the date Janney began using its current tracking database

Portfolio Changes:

	1st Qtr	YTD
Net deposits/withdrawals:	\$-141,428	\$-141,428
Total Earnings:	\$350,940	\$350,940

Mr. Murray noted:

- A withdrawal of \$141,428 was made in February and there were no deposits.
- Investment earnings were plus \$350,940 or +8.16% for the quarter. The benchmark S&P 500 Index for stocks was up +13.07% for the quarter and our blended benchmark was up +9.10%. This rally in the 1st quarter made up most, but not all, of the downturn in 4th Quarter 2018. These figures are summarized in the Trust Portfolio Summary report (*Archives Performance March 2019*).
- Allocation per “Quick View” report is approximately 35% cash/bond funds/CDs and 65% stock mutual funds/ETFs. “Large Cap Domestic” stocks represent our biggest allocation at 36.9% but we are well diversified across all areas of the equity market. No changes in asset allocation at this time are recommended.

Mutual Funds

Mr. Murray referenced mutual funds in the Archives Morningstar report continue to be well rated and are posting good relative results. Areas that were hard hit last year (small cap, mid cap, international) are posting the biggest bounce back this year. Bonds are staying the course. Long term results and ratings on our funds are still acceptable and advise to hold.

Interest Rates

- Interest rates continue to drift down – the yield on 10-year Treasury as of 12/31/18 was 2.69% vs. at 2.41% now. 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 less than 0.20%.

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.

Cash (Available, Needs, Projections)

Ms. Braga reported that we are starting off the new fiscal year strong. Only 79% of the FY 17/18 budgeted endowment withdrawal has been transferred to the Trust’s operating account. The remaining 21% will be transferred in June or July. Ms. Braga mentioned the Trust has submitted two significant grants for the *Consider the Source Online* education project. One of the grants submitted is a matching funds type arrangement. \$60,000 in the endowment has been earmarked for this project and qualifies as a match. These funds are currently being held in the Vanguard Short Term Bond Index Fund, which can act like a short-term savings account specifically for project development. However, our goal is to raise all funds needed for the project through

grants and private philanthropy. Ms. Braga will keep the Investment Committee apprised as the project moves forward.

Endowment Balance and Quality

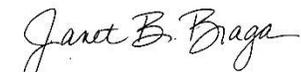
Mr. Murray reiterated that the endowment is starting to come back after the market low in December. Although trade talks at the time of this meeting were making the market a bit choppy, Janney's market opinion project higher markets at the end of the year. With the balance readjustments implemented last 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 Mr. Pagano seconded the motion. Ms. Brinkley adjourned the meeting 10:34 am and thanked all for their participation.

The next Investment Committee meeting is next scheduled for July 17, 2019.

Respectfully submitted,



Janet B. Braga
Director
May