

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
INVESTMENT COMMITTEE MEETING CONFERENCE CALL
10:00 am, April 26, 2023
Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY**

Investment Committee Members Present

By Telephone: Barbara A. Brinkley, Stephen Pagano, Harold Iselin, Joyce Shenker, and Rosemary Vietor

Staff Present

Janet Braga, Director

Others Present

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

Call to Order

Ms. Brinkley called the meeting to order at 10:03 am, and Mr. Murray began with his report.

Review of Portfolio Performance for the Last Quarter and Investment Distribution as a Result of Market Performance

- Mr. Murray reported markets continued to rally through the first quarter of 2023. The account ended Q1 3/31/2023 at \$4,828,264 vs 12/31/22 value of \$4,846,781. Adjusting the values for the annual withdrawal of -\$228,000 in February, the net gain for the quarter was +\$209,483. Mr. Murray stated this is the second consecutive quarter where there has been sizeable gains in the portfolio.

Asset allocation:

4.6%	cash and equivalents (cash/fixed income or securities to mature in six months)
70.6%	in equities (54.4% U.S. and 16.2% international)
24.8%	fixed income (CDs and the bond mutual funds)
0.1%	other (a blended fund composed of both stocks and bonds)

Broad asset allocation ratio:

76%	equities
24%	fixed income

Performance:

Trust Portfolio vs Benchmarks	1st Qtr	YTD	Since 12/31/2006*
• Trust's portfolio	4.30%	4.30%	7.10%
• S&P 500 Composite Index	7.03%	7.03%	10.37%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	6.20%	6.20%	8.56%

* the date Janney began using its current tracking database

Portfolio Changes:

	1st Qtr	YTD
Net deposits/withdrawals:	\$228,000	\$228,000
Total Earnings:	\$209,483	\$209,483

Investments

- Investment return for the quarter was +4.30% vs +7.03% for the S&P Index and +6.20% for our blended benchmark of stocks and short-term bonds. The bond market rallied as well as interest rates moved down despite the Federal Reserve moving rates another 0.50% higher in Q1 (2 x 0.25% each Feb-March). The benchmark Bloomberg Aggregate Bond Index rose in value +2.96% for the quarter.
- Allocation on 3/31/23 per “Quick View” report remains around 24% cash/bond funds/CDs (fixed) and 76% stock mutual funds/equity ETFs. The annual budgeted drawdown was taken from the cash/bond portion of the account, which further reduced out allocation to this category. Mr. Murray does not recommend any changes at this time however between now and the next meeting he may send the committee an email detailing rebalancing opportunities if market conditions are appropriate – we are near the high end of our stock market threshold.
- Mr. Murray did not recommended changes to our mutual fund holdings noting we are very diversified, and all funds continue to show acceptable ratings and returns (Archives Morningstar). All of our fund holdings are in the black (as of 4/5/2023), led by 10% plus returns in the more “growth-oriented” funds Growth Fund of America and New Perspective Fund.

Interest Rates

- Mr. Murray reported interest rates continued to move lower in the 1st quarter. The 5-Year Treasury yields fell from 4.00% at the end of December to 3.35% as of 4/5/23. 10-year yields moved lower as well, from 3.80% to 3.28% as of 4/5/23. The yield curve continues to be inverted, meaning short term rates are higher than long term rates, which typically signals that bond investors see trouble ahead and buy long term bonds now to lock in favorable rates in anticipation of them being lower in the future.
- Mr. Murray recommended we remain slightly neutral to cautious regarding the stock market given recent volatility. He will continue to monitor events closely.

Review of Bond Performance

- **Bonds/CDs:** CDs will mature later in October 2023 - \$70,000 and November 2023 -\$100,000.

Cash (Available, Needs, Projections)

- Ms. Braga reported that the Trust is coming off a successful year and look forward the meeting the goals in the new fiscal year.

Action Items

- Mr. Murray may email the committee before the next meeting regarding recommendations to begin moving funds to less volatile options in order to maintain our goal of a 70/30 split in equity/cash-bonds.

Harold Iselin made a motion for the committee to vote via email if Paul Murray sends a rebalancing proposal. Joyce Shenker 2nd the motion and the committee approved.

Conclusion

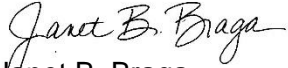
- Barbara asked a question about the new lending program that was set up by the Federal Reserve in March in response to the recent bank failures (Silicon Valley Bank, Signature Bank). Paul explained that this was a new lending resource for banks (the Bank Term Lending Program) to borrow from the Fed in order to meet customer withdrawal demands and protect depositors. The Fed would accept collateral such as Treasury bonds, agency bonds and mortgage-backed securities at par value (full face value) for a one-year loan so that the banks would not have to sell bonds in the open market and incur a loss. This program is expected to be temporary and end after one year.

- Mr. Murray stated the Trust's portfolio is well position to ride out a couple quarters of volatility. He will keep an eye on the market and let the committee know if rebalancing is needed.

Chairperson, Ms. Brinkley thanked Mr. Murray for his continued expertise and guidance. The meeting was adjourned at 10:40 am.

The next Investment Committee meeting is next scheduled for July 26, 2023.

Respectfully submitted,



Janet B. Braga
Director