

MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
INVESTMENT COMMITTEE MEETING CONFERENCE CALL

10:00 am, January 24, 2024

Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY

Investment Committee Members Present

By Telephone: Barbara A. Brinkley, Stephen Pagano, and Joyce Shenker.

Staff Present

Janet Braga, Director

Others Present

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

Excused

Harold Iselin and Rosemary Vietor

Call to Order

Ms. Brinkley called the meeting to order at 10:01 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 stated a strong market rally that started in October continued through to year end. A sharp drop in interest rates fueled a stock market rally as markets priced in lower rates for 2024. The portfolio started the quarter at \$4,931,300 on 9/30/2023 and ended the year 12/31/2023 at a high of \$5,384,262. With no deposits/withdrawals in Q4, the market gain for the quarter was +\$452,961. As of the time of the meeting the portfolio stood just under \$5.3 million.

Asset allocation:

6.8%	cash and equivalents (cash/fixed income or securities to mature in six months)
65.5%	in equities (51.3% U.S. and 14.2% international)
27.6%	fixed income (CDs and the bond mutual funds)
0.1%	other (a blended fund composed of both stocks and bonds)

Broad asset allocation ratio:

65.5%	equities
34.5%	fixed income

Performance:

Trust Portfolio vs Benchmarks	4th Qtr	YTD	Since 12/31/2006*
• Trust's portfolio	9.04%	16.29%	6.36%
• S&P 500 Composite Index	11.24%	24.23%	7.40%
• Blended Benchmark Portfolio	9.52%	18.85%	7.22%

* the date Janney began using its current tracking database

Portfolio Changes:

	4th Qtr	YTD
Net deposits/withdrawals:	\$0	-\$228,000
Total Earnings:	\$452,961	\$765,481

Investments

- Investment return for the quarter was +9.04% vs +11.24% for the S&P Index and +9.52% for our blended benchmark of stocks and short-term bonds. For the year, the portfolio is +16.29% vs the market cap weighted S&P Composite +24.23% and +11.56% for the S&P 500 Equal Weighted Index. The S&P 500 Index numbers continued to be skewed by the concentration of large technology companies' performance. An "Equal Weighted" S&P 500 is perhaps a more accurate measure of a market without concentration in the technology group.
- Allocation on 12/31/2023 per "Quick View" report is roughly 30% cash/bond funds/CDs (fixed) and 70% stock mutual funds/equity ETFs. The recent market rally increased our equity percentage about 2%. 70% is back to the higher end of our range.
- Mr. Murray reported Mutual fund returns continue to show acceptable ratings and returns (Archives Morningstar). All of our fund holdings are very representative of the general market – funds that fell the most last year, have bounce the most this year (i.e., Growth Fund of America +37.20% YTD. More conservative areas (Capital Income Builder, American Mutual) held their own relatively well last year but lagging to the upside this year. Q4 started to show a broadening of market participation – not just the tech stocks (i.e., "Magnificent Seven") rising, but other areas perking up as well.

Interest Rates

- Mr. Murray reported interest rates moved lower in the 4th quarter. 5-Year Treasury yields (which began the year around 1.25%) fell from 4.20% in September to 4.0% in December. As of 1/12/23, trade was around 3.61%. 10-year yields were fairly flat for the quarter staying around 3.80% but have moved down to around 3.5%. The yield curve became more inverted during the quarter (meaning short term rates are higher than long term rates). In July 2020 the 5-Year Treasury rate bottomed at around 0.25% and peaked around 4.30% in early November 2022, not long after we converted the Vanguard Short Term Bond Fund to individual laddered CDs to lock in attractive rates.

Review of Bond Performance

- **Bonds/CDs:** Mr. Murray reported a \$70,000 CD matured on October 30, 2023, and a \$100,000 CD matured on 11/21/23. CDs maturing in January 2024 total \$175,000. Recommendations for reinvestment under action items below. Additional CDs mature in February, May and August.

Cash (Available, Needs, Projections)

- Ms. Braga reported that \$120,000 of the budgeted drawdown amount was transferred from Janney to the Trust's project account and approvals are in place to transfer the remaining \$108,000 by January 29th. Ms. Braga stated the Trust will end the fiscal year (March 31, 2023) on budget.

Action Items

- Mr. Murray reported we have \$175,000 in CDs maturing on 1/29/24, plus another \$60,000 on 2/13/24, plus \$72,000 on hand to cover the rest of the annual drawdown. Mr. Murray recommended liquidating at least \$108,000 from the equity funds and then reinvest the CDs back into the ladder. Using the CD proceeds will further erode our "fixed income" allocation and increase our equity allocation. Given the strength in the market recently and the potential for volatility ahead in 2024, it seems prudent to trim a little off our recent mutual fund gains to meet the cash need. Mr. Murray would continue to fill in the back end of the ladder at the 4-5 year "rungs" (2028-2029) and would expect rates in the 4% range. This would be a substantial improvement from the current rates that are maturing (\$75k at 0.20%, \$100,000 at 1.9% and \$60,000 at 1.75%).

Stephen Pagano made a motion directing Paul Murray to liquidate equity funds up to \$108,000 and reinvest into CDs extending the portfolio's CD ladder to 2028-2029. The motion was seconded by Joyce

Shenker and passed by unanimous vote.

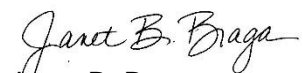
Conclusion

- Mr. Murray stated the Trust's portfolio is doing well. He will keep an eye on the market and let the committee know if further rebalancing is needed.

Chairperson, Ms. Brinkley thanked Mr. Murray for his continued expertise. The meeting was adjourned at 10:35 am.

The next Investment Committee meeting is next scheduled for April 24, 2024.

Respectfully submitted,



Janet B. Braga
Director