MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
INVESTMENT COMMITTEE MEETING CONFERENCE CALL
10:00 am, July 24, 2024
Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY

Investment Committee Members Present
By Telephone: Peter Millock, Stephen Pagano, Harold Iselin, and Rosemary Vietor

Staff Present
Janet Braga, Director

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

Excused
Tom Ruller

Call to Order
Mr. Millock called the meeting to order at 10:03 am, and Mr. Murray began with his report.

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

- Mr. Murray stated the APT endowment account closed 6/30/2024 at $5,570,828, up from $5,497,582 as of 3/31/24. It is a modest investment gain of +$73,245 for the quarter and brings the year-to-date earnings up to +$414,566 net of cash withdrawals. He noted markets continue to be led by the technology group which have dominated performance for the past year. As of the time of the meeting the portfolio stood just under $5.674 million – just shy of a 10% return for the year.

Asset allocation:

3.4%	cash and equivalents (cash/fixed income or securities to mature in six months)
68.7%	in equities (54.1% U.S. and 14.6% international)
27.8%	fixed income (CDs and the bond mutual funds)
0.1%	other (a blended fund composed of both stocks and bonds)

Broad asset allocation ratio:

72%	equities
28%	fixed income

Performance:

Trust Portfolio vs Benchmarks	2nd Qtr	YTD	Since 12/31/2006*
• Trust's portfolio	1.28%	8.06%	6.65%
• S&P 500 Composite Index	3.92%	14.48%	8.01%
• Blended Benchmark Portfolio	2.50%	9.28%	7.55%

* the date Janney began using its current tracking database

Portfolio Changes:

	2nd Qtr	YTD
Net deposits/withdrawals:	$0	-$228,000
Total Earnings:	$73,245	$414,566

Investments

- Investment return for the quarter was +1.28% vs +3.92% for the S&P 500 Composite Index and +2.50% for our blended benchmark of stocks and short-term bonds. The “Equal Weighted” S&P 500, perhaps a more accurate measure of a market without concentration in the technology group, posted a negative -3.09% return for the quarter, pulled down by small and midcap companies. Year to date, the portfolio has posted +8.06% return.

- Allocation on 6/30/24 per “Quick View” report is roughly 28% cash/bond funds/CDs (fixed) and 72% stock mutual funds/equity ETFs. +70% is back to the higher end of our range and we will continue to monitor for rebalancing opportunities.

- Mr. Murray reported Mutual fund returns continue to show acceptable ratings and returns. “Growth” (heavy technology exposure) continues to lead the return numbers (year to date returns Growth Fund of America +20.36%, Fundamental Investors +17.66%, New Perspective +15.22) . “Small company” stocks struggling so far this year – flat to slightly down for the quarter - but we continue to advocate modest exposure to this group for full diversification. Janney maintains full confidence in our primary manager American Funds/Capital Group.

Interest Rates

- Mr. Murray stated interest rates moved up slightly in the 2nd quarter. Benchmark 10-year Treasury yields moved from 4.21% in March to 4.34% at the end of June. Rates were as high as 4.70% in April before falling back in early July on anticipation of Fed rate cuts later this year.

Review of Bond Performance

- **Bonds/CDs:** Mr. Murray reported $50,000 in CDs will mature in August 2024. Recommendations for reinvestment under action items below. The next CD to mature will be in May 2025.

Cash (Available, Needs, Projections)

- Ms. Braga reported that the Trust is holding steady and does not anticipate any additional needs at this time.

Action Items

- Mr. Murray said assuming no substantial change in rates between now and August, he recommends the committee rollover the $50,000 from a CD maturing on 8/5/24 back into our fixed income ladder for 4-years (2028-29) at a current rate 4.50%. Mr. Murray noted if there ends up being cash needs, we can meet the need by liquidating part of our equity positions and reduce market exposure.

After much discussion and consensus Mr. Millock made a motion to reinvest $50,000 from a Goldman Sachs Bank CD maturing on August 5, 2024 into a 4-5 year CD extending the portfolio’s CD ladder to 2028-2029. The motion was seconded by Harold Iselin and passed by unanimous vote.

The committee further discussed rebalancing the portfolio’s asset allocation back to our target range of 65% equities and 35% fixed income. At Mr. Murray’s recommendation, the committee decided to reduce equities in the portfolio by $400,000. Mr. Millock made a motion for $400,000 to be withdrawn from equities within the portfolio with $228,000 placed in a 6-month US Treasury Bill and earmarked for the annual withdrawal in January 2025, and add remaining funds to the laddered CD program (3-5 year maturity dates at 4.30%-4.45% non-callable rates). Harold Iselin seconded the motion and passed by unanimous vote.

Discussion

The committee reviewed and discussed the Trust’s current investment policy. The last formal update of the policy was in 2013. The purpose of the careful review was to ensure all members are comfortable with the strategy and guidelines they use to steward the account. No changes were proposed but noted the policy will be reviewed once a year in the July meeting.

Chairperson, Mr. Millock thanked Mr. Murray for his continued expertise. The meeting was adjourned at 10:45 am.

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

Respectfully submitted,

Janet B. Braga

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Director