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

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

Staff Present
Janet Braga, Director

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

Excused
Harold Iselin, 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 Third Quarter and Investment Distribution as a Result of Market Performance

- Mr. Murray stated the APT endowment account closed 9/30/2024 at $5,867,680, up from 6/30/2024 value of $5,570,828. The investment gain is +$296,852 for the quarter and the year-to-date earnings up to +$711,418 net of cash withdrawals. As of October 23 (close of business), the account stands at $5,853,524 – above the all-time high set in late 2021, even after annual withdrawals. Markets continue their impressive 2 year "bull" run with many sectors seeing reasonable gains for the year (note just technology). As of the meeting, the market is pulling back a bit but with changes in allocations made from last meeting, he is comfortable with how the portfolio is performing.

Asset allocation:

3.2%	cash and equivalents (cash/fixed income or securities to mature in six months)
62.6%	in equities (49.1% U.S. and 13.5% international)
34%	fixed income (CDs and the bond mutual funds)
0.1%	other (a blended fund composed of both stocks and bonds)

Broad asset allocation ratio:

65.9%	equities
34.1%	fixed income

Performance:

Trust Portfolio vs Benchmarks	3rd Qtr	YTD	Since 12/31/2006*
• Trust's portfolio	5.41%	13.91%	6.87%
• S&P 500 Composite Index	5.53%	20.81%	8.22%
• Blended Benchmark Portfolio	5.60%	15.40%	7.77%

* the date Janney began using its current tracking database

Portfolio Changes:

	3rd Qtr	YTD
Net deposits/withdrawals:	$0	-$228,000
Total Earnings:	$296,852	$711,418

Investments

- Investment return for the quarter was +5.41% vs +5.53% for the S&P 500 Composite Index and +5.60% for our blended benchmark of stocks and short-term bonds. The "Equal Weighted" S&P 500 posted a +9.09% return for the quarter, showing a broad-based move this year with many sectors/companies showing gains. Year to date, the portfolio has posted +13.91% return and over +24% gain in the last 12 months.

- Allocation on 9/30/24 per "Quick View" report is roughly 34% cash/bond funds/CDs (fixed) and 66% stock mutual funds/equity ETFs. Note, the committee voted to reduce equities by $400,000 in July since we were pushing well over +70% allocation. From these proceeds, $180,000 was moved to the CD ladder (2027-2029) and $220,000 was parked in a 6-month T-bill to meet the January withdrawal request.

- Mutual fund returns continued to show very strong ratings and returns (Archives Morningstar). "Growth" (heavy technology exposure) continues to lead the return numbers (year to date returns Growth Fund of America +26%, and all but one of other funds has posted double-digit returns YTD which speaks to the "breadth" of the market this year and broadening out of participation. Janney maintains full confidence in their primary manager American Funds/Capital Group and their fully diversified mix of funds. Mr. Millock asked what makes American Funds so unique. Mr. Murray stated the fund uses a portfolio counselor system consisting of 8-10 managers for each fund and dozens of research analysts that cover portions of the portfolio, and each manager/analyst runs independently. Other fund management companies use more of a team approach in their practices. American Funds is now the 3rd largest fund manager in the market.

Interest Rates

- Interest rates moved down in the 3rd quarter in anticipation of the September Federal Reserve meeting and rate cut (0.50%). Benchmark 10-year Treasury yields moved down from 4.34% at the end of June to 3.80% at end of September. 10-Year rates were as high as 4.70% in April and fell to 3.62% in September just days before the Fed cut announcement. More recent economic and inflation data has pushed rates back to 4.050% as of October 14, 24. Mr. Murray thinks the Federal Reserve will be cautious and not make another cut this year since the economy has been steady.

Review of Bond Performance

- **Bonds/CDs:** Mr. Murray reported the next CD to mature will be in May 2025.

Cash (Available, Needs, Projections)

- Ms. Braga reported that the Trust is steady and does not anticipate additional needs. However, while unlikely, Ms. Braga noted the Trust may run into a short-term cash flow issue depending on the timing of receiving funds for a grant project currently underway.

Action Items

- No action items were needed.

Discussion

Mr. Millock asked about the potential impact the election will have on the markets. Mr. Murray said he predicts impact from the election will become evident in the long-term. Markets typically are most comfortable in an environment when there is a balance of power in government. He said while there are other scenarios of potential disruption or uncertainty (weather events, war, etc) that will influence the market and take time to settle. In the event there is volatility, Mr. Murray said the portfolio is in a good position to weather any storm. If adjustment need to be made down the road, he is at the ready to make adjustments as needed. Mr. Murray does think returns could be lower over the next 6-months as the election and other world/weather events play out.

Chairperson, Mr. Millock thanked Mr. Murray for his continued expertise. The meeting was adjourned at 10:31 am.

The next Investment Committee meeting is next scheduled for **January 22, 2025**.

Respectfully submitted,

Janet B. Braga

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Director