MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
INVESTMENT COMMITTEE MEETING CONFERENCE CALL
10:00 am, October 20, 2025
Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY

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

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 10:00 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 at **$6,319,019** on 9/30/2025 vs. 6/30/2025 at **$6,049,187** (we crossed over the $6mill mark for the first time last quarter). There were no withdrawals during the quarter. The investment gain of **$269,832** was from the continuation of the strong stock market during the summer months. Despite a negative return in Q1, the portfolio has a net positive gain of **$671,828** since the beginning of the year (adjusted for withdrawals).

Asset allocation:

3.6%	cash and equivalents (cash/fixed income or securities to mature in six months)
63.3%	in equities (49.1% U.S. and 13.5% international)
33%	fixed income (CDs and the bond mutual funds)
0.2%	other (a blended fund composed of both stocks and bonds)

Broad asset allocation ratio:

66.9%	equities
33.1%	fixed income

Performance:

Trust Portfolio vs Benchmarks	3rd Qtr	YTD	Since 12/31/2006*
• Trust’s portfolio	4.5%	11.88%	7.13%
• S&P 500 Composite Index	7.79%	13.72%	8.62%
• Blended Benchmark Portfolio	3.60%	10.32%	6.40%

* the date Janney began using its current tracking database

Portfolio Changes:

	3rd Qtr	YTD
Net deposits/withdrawals:	$0	-$228,000
Total Earnings:	$269,852	$671,828

Investments

- Investment return for the quarter was **+4.50%** vs **+7.79%** for the S&P 500 Composite Index and **+3.60%** for our blended benchmark of S&P domestic stocks, international markets, bonds, and cash. On a year-to-date basis, the portfolio is up **+11.88%** vs **+13.72%** S&P 500 and **+10.32%** blended benchmark.

- Allocation on 9/30/24 per "Quick View" has current equity exposure at 67% and roughly 33% cash/bonds/CDs (fixed). If you recall, we moved $200,000 from equities (Fundamental Investors and Growth Fund of America) in July to fixed rates of 4% at the back end of our ladder. Note, I have now included the previous 8 quarters' market value in this report for reference.

- Mutual fund per Archives Morningstar as of 10/3 shows "International" funds continue to lead the group this year with double-digit positive returns as investors look for value and stability outside the US markets. The "core" US holdings of Fundamental Investors and Growth Fund of America continue to deliver strong returns, driven in large part by their technology exposure. Even our more conservative equity holdings, American Mutual and Capital Income Builder, are putting up very good numbers this year. Small/mid-caps continue to lag as investors feel more comfortable with large company stocks in the current environment, but we hold exposure for maximum diversity. We maintain complete confidence in our primary manager, American Funds/Capital Group, and our fully diversified mix of funds.

Interest Rates

- Interest rates moved down slightly in the 3rd quarter. Benchmark 10-year Treasury yields closed at **4.15%** in September vs **4.23%** on 6/30/25 (currently 4.04% - 10/14/25). 5-Year Treasury had a similar move down from **3.79%** to **3.73%.** Rates have been drifting down all year in anticipation of Fed rate cuts – the first of which occurred in September, with potential for another cut at the October 29th meeting.

Review of Bond Performance

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

Cash (Available, Needs, Projections)

- Ms. Braga reported that the Trust is steady and does not anticipate additional needs. However, she requested that a portion of the annual drawdown be transferred early due to payment delays from a recent grant.

Action Items

- Stock mutual funds were reduced by $200,000 in July ($100,000 each from the Fundamental and Growth Fund of America) in anticipation of a market pullback/air pocket. The market exceeded expectations during the summer months and still appears strong and near record highs. $140,000 will mature on November 3rd. Given the need for an earlier partial disbursement of the budgeted drawdown, Mr. Murray recommended we use cash currently on hand to meet the $60,000 early disbursement request. Mr. Murray then suggested reinvesting the $140k maturing in new CDs to maintain our fixed income allocation, as earmarking these funds for withdrawal would leave us overweighted in the equity markets. Given the current record-high levels in the equity market, Mr. Murray suggested selling $150,000 from the mutual fund positions now and earmarking the proceeds for the balance of the January 2026 drawdown. He feels this is a good time to lock in some market gains and set aside funds that will be needed in the coming months.
- Motion: Mr. Millock made a motion to approve a partial disbursement of the 2025/26 budgeted drawdown in the amount of $60,000 and the sale of $150,000 now from equities. Mr. Cunningham seconded the motion, and the vote was unanimous.

<u>Discussion</u>

- Mr. Millock asked about the strength and reliability of international funds. Mr. Murray stated the New World Fund has the most exposure to the non-US market. While the fund has lagged in the past, it bounced back in the spring because investors started looking beyond the U.S. market. Investors started to uncover value points. Underperformance in international markets led to changes in the flows of funds. As we have taken money out of the market, we targeted US funds in the portfolio. Our international exposure is 14%. Mr. Murray stated it is too early to say if this is a bounce in the market or a longer-term trend.

- Mr. Millock then asked about market movement driven by investments in AI and our exposure to the bursting of the AI bubble? Mr. Murray agrees that AI has been the topic of conversation. Mr. Murray stated that technology is a crucial part of the economy, and he is cautious, noting that we are entering a new phase with AI. AI drives evaluations. Growth Fund of America, managed by American Funds has about 30% exposure in the technology sector. Our withdrawal from the market last quarter reflects our plan to stay balanced.

Chairperson, Mr. Millock thanked Mr. Murray for his continued expertise. The meeting was adjourned at 10:40 am.

The next Investment Committee meeting is scheduled for **January 20, 2026**.

Respectfully submitted,

Janet B. Braga

Janet B. Braga
Director