

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
INVESTMENT COMMITTEE MEETING
10:00am, January 17, 2018
Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY**

Investment Committee Members Present

By Telephone: Barbara Brinkley, Board Treasurer and Committee Chair; Stephen Pagano, Board Chair; Joyce Shenker; and Rosemary Vietor

Staff Present

Janet Braga, Director; and Tom Ruller, State Archivist, Trust Chief Executive Officer

Others Present

Paul Murray, First Vice President, Investments, Janney Montgomery Scott LLC (by telephone)

Excused

Harold N. Iselin

Call to Order

Ms. Brinkley called the meeting of the Investment Committee to order at 10:03 am, noting the lack of a quorum at the start of the call. She invited Mr. Murray to begin with his report.

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

Mr. Murray reported that as of December 31, 2017:

- Account value: \$4,627,370 (a record high for the account) but offered the portfolio value as of 1/16/2018 was \$4,744,500.
- Asset allocation:

4.5%	cash and equivalents (cash/fixed income or securities to mature in six months)
61.8%	in equities (45.8% U.S. and 15.5% international)
31.8%	fixed income (CDs and the bond mutual funds)
1.9%	other (a blended fund composed of both stocks and bonds)

- Broad asset allocation ratio:

67%	equities
33%	fixed income

- Performance:

Trust Portfolio vs Benchmarks	4rd Qtr	YTD	Since 12/31/2006*
• Trust's portfolio	3.66%	15.11%	8.27%
• S&P 500 Composite Index	6.12%	19.42%	11.38%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	4.36%	15.74%	8.76%

* the date Janney began using its current tracking database

- Portfolio Changes:

	4th Qtr	YTD
Net deposits/withdrawals:	\$63,363	-\$156,689
Total Earnings:	\$162,577	\$ 604,667

Mr. Murray noted:

- Deposits for the quarter were \$63,363 – this includes a gift of JP Morgan stock (approximately \$1,500) and a grant of \$24,500 from the Netherlands Embassy in December. There were no withdrawals for the quarter.
- Investment earnings were \$162,577 or approximately 3.66% return for the quarter. The benchmark S&P 500 Index for stocks surged 6.12% for the quarter. For calendar year 2017, the portfolio total return net of cash flow was +15.11%, a little below the S&P 500 and in line with our blended index return.
- Allocation per “Quick View” report is approximately 33% cash/bond funds/CDs and 67% stock mutual funds/ETFs, little change from the September report. “Large Cap Domestic” stocks represent our biggest allocation at 37.5% but we are well diversified across all areas of the equity market.

Mutual Funds - Growth and Reasonable Safety

Mr. Murray referenced mutual funds continue to be highly rated and posting good results. International funds lead the way in 2017 (New World, New Perspective, SmallCap World) followed by large cap domestic growth (i.e. technology exposure). Overall, Mr. Murray reported it is still a very good mix of funds and had no recommendations for changes at this time.

Interest Rates

Interest rates continue to slowly move up - yield on 10-year Treasury at end of December was 2.41%, vs September of 2.32%, and June 2.30%. Year over year fairly flat interest rate market with 10-year yield at 2.44% end of December 2016). This has helped our short-term bond funds generate a slightly positive result for the year (better than cash/money market returns).

Review of Bond Performance

- Bonds/CDs Called:** No CDs have been called.
- Bonds/CDs Matured/Maturing:** A \$100,000 CD matures February 2018.
- Bond Ratings/Investment Changes:** Currently, there are no individual bonds in the portfolio.
- Fulfillment of Bond/CD Safety and Yield Goals:** The FDIC-insured CDs continue to fulfill safety and yield goals. The bond funds and CDs are doing what they are supposed to do.

Cash (Available, Needs, Projections)

Ms. Braga reported that within the next couple of weeks our annual transfer memos will begin moving funds temporarily held in the endowment account to the Trust’s operations and project accounts. As noted in the agenda, actual and projected cash of approximately \$180,000 is available for transfer of which it is anticipated roughly \$130,000 will be moved by March 31st.

Once the Board has approved the Trusts FY18-19 budget, any additional transfers to start the new year will be done at that time.

Endowment Balance and Quality

Mr. Murray noted no major action items or strategy changes are recommended at this time. Janney's outlook for the market continues to be favorable for 2018. During the committee's April meeting, Mr. Murray will offer recommendations on steps to rebalance the endowment fund once the annual transfer of funds to the Trust's operations and projects account are configured and processed.

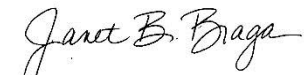
Conclusion

Mr. Ruller and Ms. Braga discussed our temporary financial consultant, Paul Garrison, who comes to us with years of experience in the not-for-profit bookkeeping field. An opportunity for the committee and the Board to meet Paul will be arranged in the near future.

Ms. Shenker motioned to adjourn the meeting and Mr. Pagano seconded the motion. Ms. Brinkley adjourned the meeting 10:31 am and thanked all for their participation.

The next Investment Committee meeting is next scheduled for April 18, 2018.

Respectfully submitted,



Janet B. Braga

Director

January 18, 2018