

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
INVESTMENT COMMITTEE MEETING
11:00am, April 27, 2017
Cultural Education Center, Room 9C49, 222 Madison Avenue, Albany, NY**

Investment Committee Members Present

By Telephone: Barbara Brinkley, Board Treasurer and Committee Chair and Harold N. Iselin

Staff Present

Thomas J. Ruller, Executive Officer; Janet Braga, Director; and Jill Rydberg, Board Assistant Treasurer and Administrative Officer

Others Present

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

Excused

Stephen Pagano, Board Chair, Joyce Shenker, and Rosemary Vietor

Call to Order

Ms. Brinkley called the meeting of the Investment Committee to order at 11:02am, noting the lack of a quorum. 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 March 31, 2017:

- Account value: \$4,177,765
- Asset allocation:

4.0%	cash and equivalents (cash/fixed income or securities to mature in six months)
65.0%	in equities (49.9% U.S. and 15.1% international)
29.3%	fixed income (CDs and the bond mutual funds)
1.7%	other (a blended fund composed of both stocks and bonds)

- Broad asset allocation ratio:

70%	equities
30%	fixed income

- Performance:

Trust Portfolio vs Benchmarks	1st Qtr	Since 12/31/2006*
• Trust's portfolio	4.37%	5.75%
• S&P 500 Composite Index	5.53%	5.11%
• Blended Benchmark Portfolio (55% S&P 500 Total Return, 15% MSCI EAFE GTR, and 30% Merrill Lynch 3-month Treasury)	4.46%	5.31%

* the date Janney began using its current tracking database

- Portfolio Changes:

	1st Qtr
Net deposits/withdrawals:	\$ 80,650 deposits -\$262,418 withdrawals \$181,768 net
Total Earnings:	\$180,142

Mr. Murray noted:

- He was satisfied with both the market's and Trust portfolio's performance in the 1st Quarter. He noted the portfolio's 1st Quarter's gains nearly made up for the withdrawals as the portfolio's value is only \$1,627 less than at the start of the year.
- The markets: have seen some recent volatility, are not significantly overvalued, and may be showing some signs of flattening out as investors wait to see how proposed tax reforms play out.
- There were deposits of \$80,650 and \$262,418 withdrawn during the quarter.
- There may be one or two small interest rate hikes ahead, but they won't move the needle much for long-term investors.
- Noting the Quick View Report, the portfolio continues to be well diversified, but due to the withdrawals is back up to a 70% allocation to equities. Ms. Brinkley added that another strong market rally could further increase the equities allocation. Mr. Murray expects to bring rebalancing recommendations (trimming back and banking some profits) to the next meeting.
- Interest rates remain low despite the Federal Reserve increasing rates. 10-year Treasuries yield began the year at 2.44%, was 2.4% at the end of March, and today is 2.3%.

Mutual Funds - Growth and Reasonable Safety

Mr. Murray referenced the Morningstar report (listing the holdings total returns in highest to lowest YTD returns) noting the Trust's holdings are mostly 4- and 5-star rated funds, with good returns. Vanguard Short-term Bond Index Fund is the only 3-star rated fund, but is good for what it is supposed to do (provide a little return for little risk). The iShares S&P Small-Cap 600 Growth fund is having a quiet start to the year, down -1.15% but that follows a solid return of 22.07% last year, and is expected to get back on track. Global/international markets are starting to perk up (outperforming US markets) after lagging the last couple of years, with strategists now looking overseas for value. The New World Fund is the portfolio's best performer this year due to its international exposure.

Review of Bond Performance

- **Bonds/CDs Called:** No CDs have been called.
- **Bonds/CDs Matured/Maturing:** A \$100,000 Compass Bank CD matures July 2017.
- **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. Rydberg reported, as noted in the agenda, that the \$16,961 in cash at March 31, 2017, was the net of the actual cash balance, and fiscal year end deposits and withdrawals that were in-transit. Taking into account what is needed to meet commitments and additional cash projected during the fiscal year, the resulting net is -\$14,768. Mr. Murray suggested keeping the CD maturing in July liquid to meet the commitments and that he was not concerned about covering the small deficit.

Endowment Balance and Quality

Mr. Murray said he is pleased with where the portfolio stands. The markets seem to be shrugging off politics and looking to corporate earnings.

Conclusion

Ms. Brinkley noted the Investment Committee is next scheduled to meet on July 19, 2017. She adjourned the meeting 11:27am and thanked all for their participation.

Respectfully submitted,

A handwritten signature in cursive script, reading "Jill A. Rydberg".

Jill A. Rydberg
Assistant Treasurer
April 28, 2017