

2017

The Archway Investment Fund Quarterly Report, First Quarter 2017

Bryant University, Archway Investment Fund

Follow this and additional works at: http://digitalcommons.bryant.edu/archway_investment



Part of the [Finance and Financial Management Commons](#)

Recommended Citation

Bryant University, Archway Investment Fund, "The Archway Investment Fund Quarterly Report, First Quarter 2017" (2017). *Archway Investment Fund*. Paper 23.

http://digitalcommons.bryant.edu/archway_investment/23

This Report is brought to you for free and open access by the Archway Investment Fund at DigitalCommons@Bryant University. It has been accepted for inclusion in Archway Investment Fund by an authorized administrator of DigitalCommons@Bryant University. For more information, please contact dcommons@bryant.edu.

The Archway Investment Fund

Bryant University

First Quarter 2017 Report

Fund Objectives

The Archway Investment Fund's (AIF) objective is to give students real world experience in investing as well as seeking to make quality long-term value investments while considering Environmental, Social, and Governance (ESG) factors.

Fund Overview

The AIF had an initial funding of \$200,000 in September 2005. Since its inception, the AIF has received an additional \$500,000 through cash infusions. This invested capital has allowed the Fund to invest in individual stocks as well as sector ETFs. As of the end of Q1 2017, the Fund has a market value of \$1,340,818.

The AIF gives students experience in creating a diversified portfolio by investing in companies for their long-term value. The Fund is managed by student Security Analysts and Portfolio Managers. Students who manage the AIF take two courses while managing the Fund to gain insight into the security selection and portfolio management process. In the first class, AIF Security Analysts learn how to research and analyze different companies through the use of various valuation models, ratio analysis, and financial statement analysis. In the second course, AIF Portfolio Managers apply the knowledge that they learned in the first course to managing the Fund while also learning more about running the Fund as a whole. In this class, student Portfolio Managers are divided into market sector teams and actively manage each sector's holdings. Students also stay updated on financial markets, conduct research on companies of interest, and give stock presentations to students from both courses.

Sustainability in the Fund

The Fund has taken a recent interest in the inclusion of ESG factors to the Fund's investment approach. Both Portfolio Managers and Security Analysts have been conducting independent research as well as receiving first hand insight from industry leaders about ESG investing. The Fund is interested in ESG investing because it helps identify risk factors and may aid in generating excess returns after adjusting for risk. Currently, Security Analysts and Portfolio Managers are working to find possible ways to formally incorporate ESG investing into the Fund's investment approach.

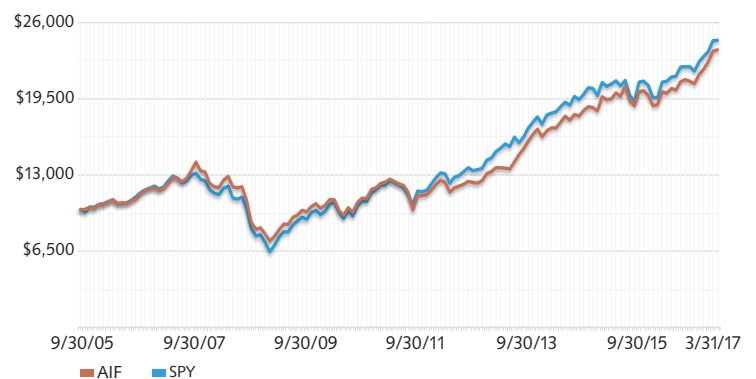
Investment Strategy

The Fund's strategy is to purchase stocks for less than their intrinsic value based on both value and growth considerations to achieve risk adjusted returns that equal or exceed benchmark returns. The overall benchmark used in the Fund's performance evaluation is the State Street SPDR S&P500 Exchange Traded Fund (SPY), while benchmarks used for individual sectors are the corresponding sector SPDR. Each sector is initially weighted in the portfolio based on

their weighting in the SPY and are then adjusted to reflect current market conditions. Investment opportunities are researched by individual sector teams and then presented to all Security Analysts and Portfolio Managers in the Fund. Security Analysts and Portfolio Managers then vote on each investment opportunity, with a majority of votes needed to undertake the investment. While the Fund allows for the purchase of foreign equities, the Fund remains heavily weighted in domestic assets. At times, the Fund will use options as a method to control risk. Option use is limited to covered call and protective put strategies. Options are used only to control risk and the underlying security must be held in the Fund.

Performance

Value of \$10,000 Invested Since Inception



AIF Returns vs SPY

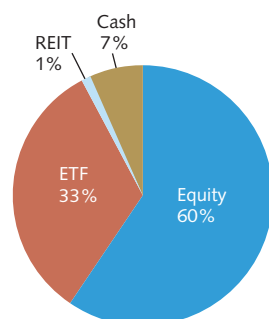
	YTD	6 MONTHS	1 YEAR	2 YEAR	5 YEAR	SINCE INCEPTION
AIF	7.49%	12.78%	17.77%	10.40%	13.51%	7.66%
SPY	5.93%	10.11%	17.08%	9.12%	13.17%	7.97%
Alpha	1.57%	2.67%	0.69%	1.27%	0.34%	-0.31%

*Returns for periods longer than one year are annualized.

Fund Facts

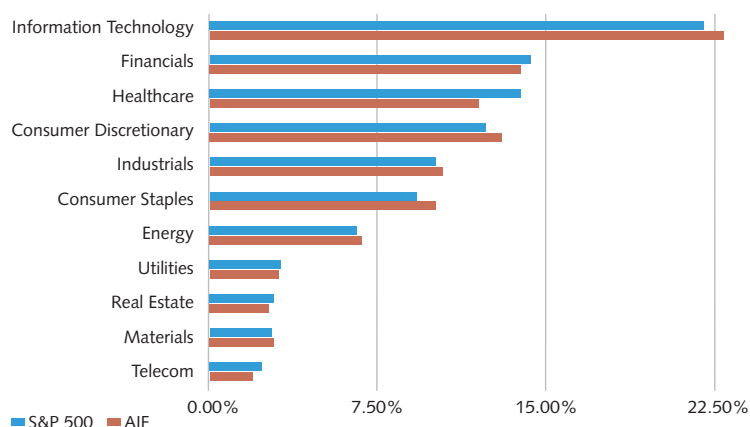
Security Analysts	33
Portfolio Managers	27
NAV	\$1,340,818.27
Equities Held	39
ETFs Held	22

AIF Allocation



Composition

AIF Sector Weights vs S&P 500



Top 10 Equity Holdings

RANK	COMPANY	WEIGHT	SECTOR
1	Alphabet Class A	4.55%	Technology
2	Hasbro	3.72%	Consumer Discretionary
3	Starbucks	2.86%	Consumer Discretionary
4	Bank of America	2.64%	Financials
5	Walt Disney Co	2.52%	Consumer Discretionary
6	Tyson Foods	2.50%	Consumer Staples
7	Cognizant Technology Solutions	2.22%	Technology
8	Apple	1.99%	Technology
9	Discover Financial Services	1.94%	Financials
10	Union Pacific Corporation	1.90%	Industrials

Fund Characteristics

METRIC	AIF	SPY
Price to Earnings	20.31	21.67
Price to Book	3.36	3.09
Price to Cash Flow	13.81	13.07
Dividend Yield	1.63%	1.98%
PEG Ratio	1.68	1.9
Average Market Cap	\$139.89 Bn	\$163.81 Bn
Beta	0.97	1.00



Bryant University
Archway Investment Fund
 1150 Douglas Pike
 Smithfield, RI 02917-1284
 ArchwayFund@bryant.edu

Transactions Year to Date

COMPANY	ACTION
Anheuser-Busch InBev	Purchase
AbbVie Inc	Purchase
Electronic Arts Inc	Purchase
General Dynamics Corp	Purchase
Graphic Packaging Holding Co	Purchase
KCG Holdings Inc	Purchase and Sale
Express Scripts Holding Co	Sale
Signature Bank	Sale
Altria Group Inc	Sale
Celgene Corp	Sale
Gilead Sciences Inc	Sale
iShares Global Timber & Forestry ETF	Sale

Purchases Year to Date Performance

COMPANY	HOLDING PERIOD RETURN
KCG Holdings Inc	31.58%
AbbVie Inc	4.73%
Electronic Arts Inc	2.90%
Anheuser-Busch InBev	0.91%
Graphic Packaging Holding Co	-2.13%
General Dynamics Corp	-2.71%

All numbers are as of March 31, 2017.

Portfolio characteristics includes only equity holdings and excludes all index funds held in the portfolio.

Ratio analysis includes actual numbers and future projections from Bloomberg. P/E, P/CF, P/B and dividend yield are calculated using current prices and trailing twelve month figures. Average market capitalization is a weighted average of current market capitalizations. PEG ratios are calculated using Bloomberg twelve month forward projections.

SPY returns are total returns reported by Morningstar.

Performance numbers longer than one year have been annualized for comparison and are adjusted for cash infusions.

Returns on individual securities include both realized and unrealized gains. Returns presented on individual securities are holding period returns and are not annualized and do not include transaction costs.

