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Archway Investment Fund

Archway Investment Fund

6-2018

Fixed Income Fund Report, June 2018

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Fund Objective

The primary objective of the Archway Investment Fixed Income Fund (the Fund) is to provide students in Bryant University's Fixed Income Portfolio Management course with a hands-on learning experience. The Fund launched on October 27, 2017 with \$500,000.

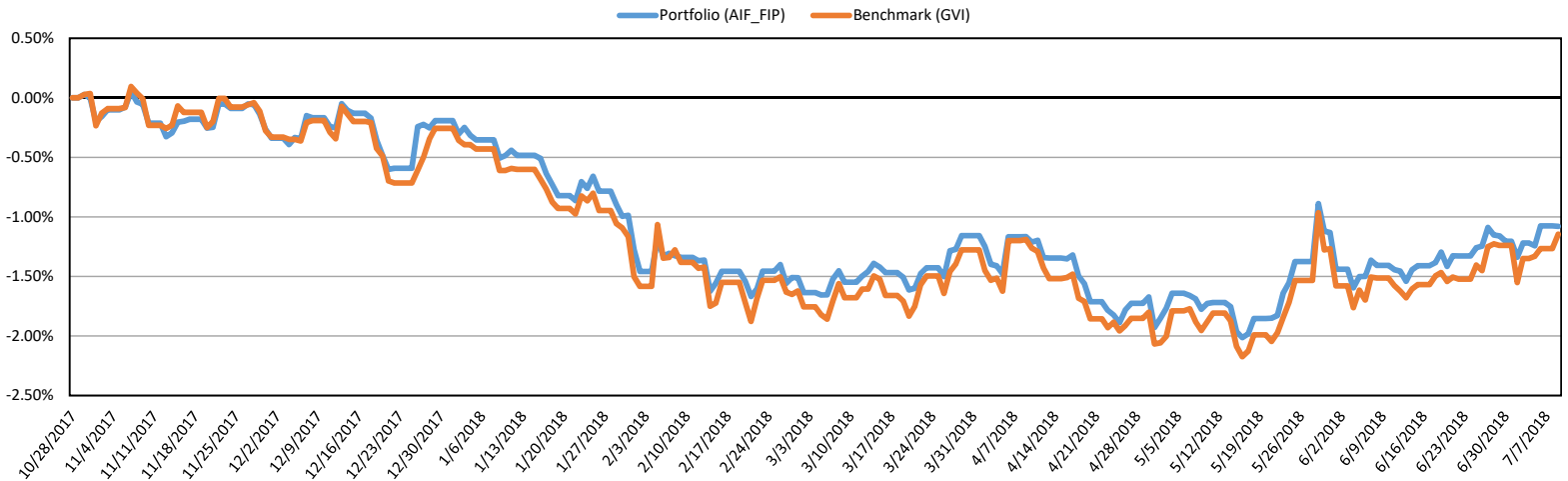
Investment Strategy

The Fund seeks returns, including both income and price appreciation, in excess of its Benchmark, while maintaining a volatility less than 120% of that of its Benchmark. The Benchmark is the Fixed Income ETF GVI, which tracks the Bloomberg Barclays Intermediate Government Credit Index. That index consists of fixed rate debt securities issued by the United States Treasury, U.S. Government Agencies, plus corporate bonds and other taxable bonds that are rated investment grade, denominated in USD, and traded in the US capital market. The index includes debt securities with maturities between 1 and 10 years. The Benchmark was chosen due to its relatively modest volatility, its wide diversification, and its common usage as a benchmark for both active and passive intermediate term fixed income portfolios. It is expected that the tracking error of the portfolio versus this benchmark, defined as the annualized standard deviation of excess returns, will be kept below 2%.

Performance Commentary

The Archway Fixed Income Portfolio returned -0.07% during June, while the benchmark returned 0.03%. The bond market sold off in the beginning of the month, and then recovered most of those losses over the final 3 weeks of the month. The yield on the 10 year Treasury was unchanged for the month, while the 2 year Treasury yield increased by 10 bps. US economic data releases were consistent with continued solid growth, and the widely anticipated decision by the Federal Reserve to increase the target for the Fed Funds rate pushed the front end of the Treasury curve higher. However, the imposition of tariffs by the U.S. and the responses by its trading partners put a chill into future growth expectations, and this kept longer term Treasury rates from rising. The duration of the portfolio was approximately 0.35 years below that of the index throughout the month, and this added 2 basis points in alpha. The flatter curve subtracted 2 bps in alpha, as the distribution of duration exposures along the yield curve implied a slight bias toward a steeper curve. Our spread duration is lower than the index in corporate credit, and this added 1 bp of alpha during the month. Security selection subtracted 12 basis points of alpha during the month, all of which occurred in the last 3 trading days of the month as GVI, the ETF that we use as a benchmark for the fund, outperformed what its factor exposures predicted. For the Year to Date period, the portfolio returned -1.02%, while the benchmark returned -0.99%. Since the inception of the fund on October 27, 2017, the portfolio returned -1.20% and outperformed the benchmark by 0.03%.

Cumulative Return Since Inception



Investment Performance

Portfolio and Benchmark Characteristics

Historical Returns through 6/30/2018	Portfolio	Benchmark	Excess	Portfolio and Benchmark Characteristics	
				Portfolio	Benchmark
Since Inception Return (Cumulative since October 27, 2017)	-1.20%	-1.24%	0.03%	Option Adjusted Duration	3.51 / 3.89
Since Inception Return (Annualized)	-1.78%	-1.83%	0.05%	Yield	2.44% / 2.26%
Month to Date Return	-0.07%	0.03%	-0.10%	Number of Individual Bonds Held	8 / 2944
Semester to Date Return	-0.07%	0.03%	-0.10%	Number of ETFs Held	6 / 0
Year to Date Return	-1.02%	-0.99%	-0.03%	Weight in Bonds	24.63% / 100.00%
1 Year Trailing Return	NA	NA	NA	Weight in ETFs	74.49% / 0.00%
3 Year Trailing Return (Annualized)	NA	NA	NA	Weight in Cash	0.88% / 0.00%
5 Year Trailing Return (Annualized)	NA	NA	NA	Portfolio Market Value	\$ 493,976



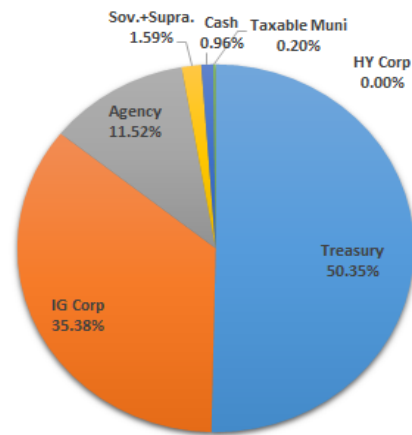
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Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg LP. Returns for the portfolio and benchmark include reinvestment of income distributions, and realized and unrealized gains. Returns have not been audited.

Performance Analytics

Portfolio Sector Allocation

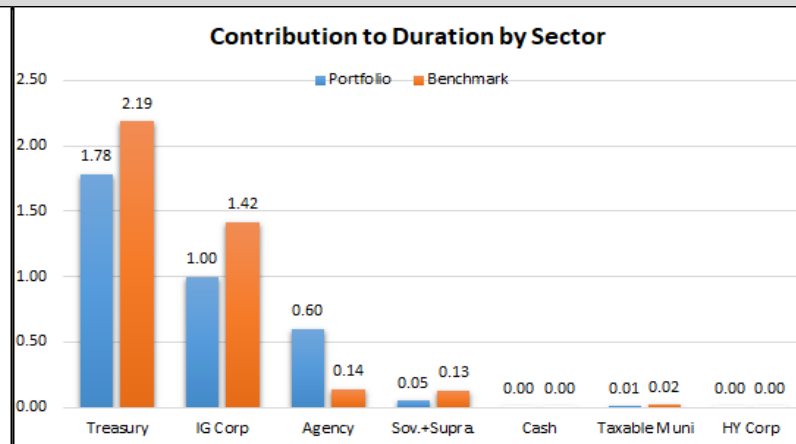
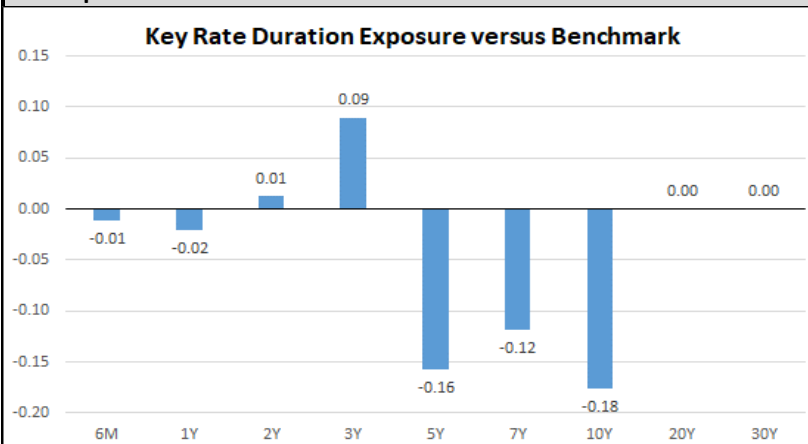
Historical Risk Statistics	Annualized Portfolio Volatility	Annualized Benchmark Volatility	Annualized Tracking Error	Correlation to Index
Since Inception	1.82%	2.17%	0.92%	0.91
Month to Date	1.71%	1.88%	0.77%	0.91
Semester to Date	1.71%	1.88%	0.77%	0.91
Year to Date	1.88%	2.28%	0.89%	0.93
1 Year Trailing	NA	NA	NA	NA
3 Year Trailing	NA	NA	NA	NA
5 Year Trailing	NA	NA	NA	NA
Monthly Performance Attribution Results		Portfolio	Benchmark	Excess
Total		-0.07%	0.03%	-0.10%
Contribution from Duration		-0.17%	-0.19%	0.02%
Contribution from Curve Exposure		0.02%	0.04%	-0.02%
Contribution from Sector Spread Duration		-0.06%	-0.08%	0.01%
Contribution from Income and Security Specific Returns		0.14%	0.26%	-0.12%



Portfolio Holdings

Exchange Traded Funds	Ticker	Shares	Share Price	Market Value	Weight	Yield	Duration
iShares 3-7 Year Treasury ETF	IEI	1027.269	\$ 120.00	\$ 123,272.28	24.94%	1.93%	4.47
SPDR Bloomberg Barclays Short Term Corporate Bond ETF	SPSB	2480.478	\$ 30.16	\$ 74,811.22	15.14%	2.44%	1.89
iShares Intermediate Credit ETF	CIU	573.011	\$ 106.24	\$ 60,876.69	12.32%	3.03%	4.20
iShares 1-3 Year Treasury ETF	SHY	657.392	\$ 83.37	\$ 54,806.77	11.09%	1.87%	1.87
SPDR Bloomberg Barclays Intermediate Corporate ETF	SPIB	904.893	\$ 33.29	\$ 30,123.89	6.09%	3.10%	4.38
iShares Floating Rate Bond Index ETF	FLOT	476.303	\$ 51.00	\$ 24,291.45	4.91%	2.49%	0.11
Bonds	CUSIP	Face Value	Bond Price	Market Value	Weight	Yield	Duration
FNMA 1.875% 09/24/2026	3135G0Q22	35000	91.98	\$ 32,191.43	6.51%	3.05%	7.70
US Treasury 1.875% 12/31/2019	9128283N8	25000	99.61	\$ 24,781.55	5.01%	2.48%	1.64
US Treasury 1.375% 01/31/2021	912828N89	15000	97.53	\$ 14,629.00	2.96%	2.61%	2.87
US Treasury 2.375% 01/31/2023	9128283U2	13000	99.45	\$ 12,930.74	2.62%	2.73%	4.47
FHLB 2.375% 06/10/2022	3130A5P45	10000	98.60	\$ 9,859.65	1.99%	2.78%	3.88
US Treasury 1.75% 05/31/2022	912828XR6	10000	96.63	\$ 9,663.26	1.96%	2.70%	3.90
FFCB 1.9% 5/10/2022	3133EF6S1	10000	96.53	\$ 9,652.98	1.95%	2.95%	3.58
US Treasury 2.75% 02/28/2025	9128283Z1	8000	99.40	\$ 8,042.28	1.63%	2.82%	6.20
Fidelity Government Money Market				\$ 4,325.57	0.88%	1.39%	

Risk Exposures versus Benchmark



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