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Archway Investment Fund

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6-2019

### Fixed Income Fund Report, June 2019

Bryant University, Archway Investment Fund

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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.

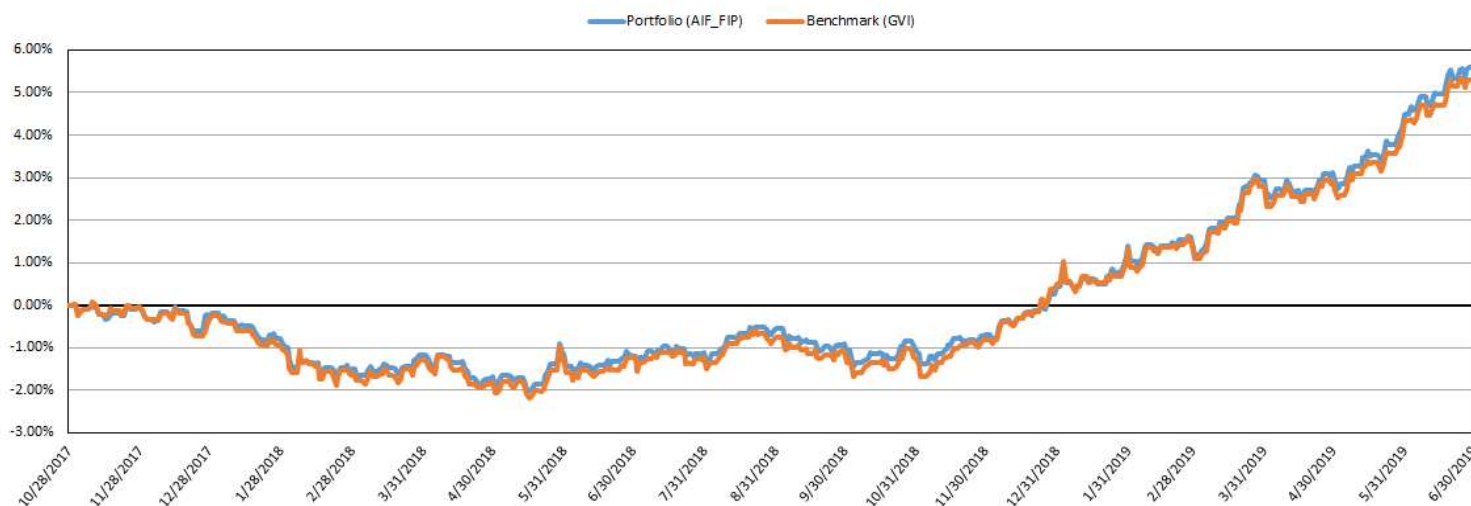
### Investment Strategy

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. This index 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 1.00% during June, while the benchmark returned 0.94%. Economic data releases during the month reinforced the view that economic growth was slowing and inflation was trending down. Treasury yields continued their move lower in June, with the 10 year briefly breaching the 2% level, before finally settling at 2.01%. Jerome Powell and other Federal Reserve officials strongly hinted that they are prepared to cut rates to combat the slowdown in growth and the decline in the inflation figures. The Eurodollar curve and the Fed Funds futures markets are now pricing in 50 to 75 bps of cuts through year end, starting in July. The Treasury curve is now inverted from 3 months through 5 years in anticipation of looser monetary policy. Mario Draghi (ECB) and Haruhiko Kuroda (Bank of Japan) also made dovish comments and indicated that their respective central banks would do what was necessary to stem low inflation and declining rates of growth. As a result, we saw a decline in sovereign yield curves across the globe. In the face of lower sovereign yields, corporate bonds saw a bid in June and spreads tightened in the investment grade and high yield corporate sectors. Agency debt and MBS both saw slightly wider spreads, in part due to comments made by various government officials about a future privatization of Fannie Mae and Freddie Mac. At the end of the Spring term, the portfolio's interest rate duration, curve exposures, and spread duration were brought close to those of its benchmark to reduce tracking error while the students were away during the summer. As a result, these factor exposures contributed little to the excess return of the fund in June. Income and security selection contributed 0.06% in alpha to the portfolio during the month, which was equal to the total alpha for the month. For the 2019 calendar year, the portfolio has returned 5.08%, while the benchmark returned 4.78%. Since its inception in October 2017, the portfolio has an annualized return of 3.27% and outperformed the benchmark by 0.13%.

Cumulative Return Since Inception



### Investment Performance

Historical Returns through 6/30/2019	Portfolio	Benchmark	Excess
Since Inception Return (Cumulative since October 27, 2017)	5.54%	5.31%	0.23%
Since Inception Return (Annualized)	3.27%	3.14%	0.13%
Month to Date Return	1.00%	0.94%	0.06%
Academic Term to Date Return	1.00%	0.94%	0.06%
Year to Date Return	5.08%	4.78%	0.30%
1 Year Trailing Return	6.83%	6.63%	0.19%
3 Year Trailing Return (Annualized)	NA	NA	NA
5 Year Trailing Return (Annualized)	NA	NA	NA

### Portfolio and Benchmark Characteristics

	Portfolio	Benchmark
Option Adjusted Duration	3.91	3.87
Yield	2.39%	2.25%
Number of Individual Bonds Held	13	3259
Number of ETFs Held	6	0
Weight in Bonds	49.38%	99.87%
Weight in ETFs	48.83%	0.00%
Weight in Cash	1.79%	0.13%
Portfolio Market Value	\$ 527,690	

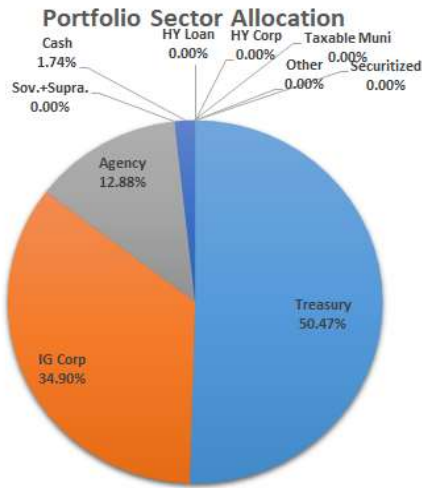


Bryant University  
1150 Douglas Pike  
Smithfield, RI 02917-1284

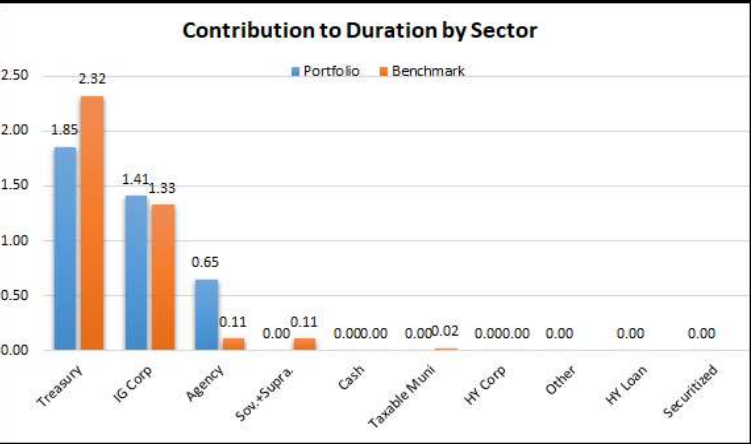
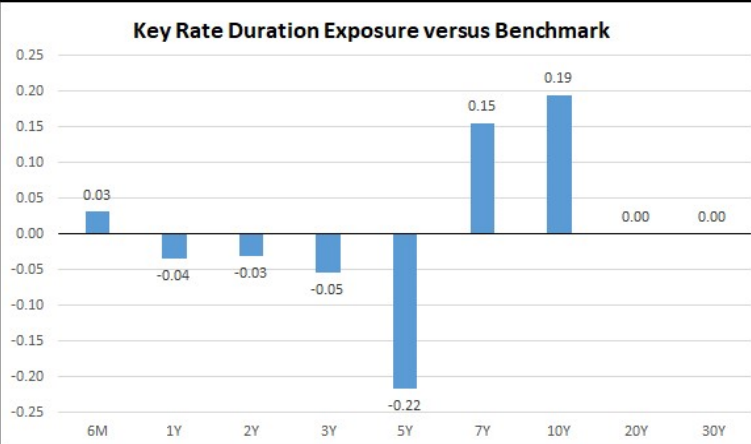
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Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg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

Performance Analytics				
Historical Risk Statistics	Annualized Portfolio Volatility	Annualized Benchmark Volatility	Annualized Tracking Error	Correlation to Index
Since Inception	1.95%	2.23%	0.89%	0.92
Month to Date	2.35%	2.36%	0.78%	0.95
Academic Term to Date	2.35%	2.36%	0.78%	0.95
Year to Date	2.34%	2.55%	0.78%	0.95
1 Year Trailing	2.01%	2.25%	0.87%	0.92
3 Year Trailing	NA	NA	NA	NA
5 Year Trailing	NA	NA	NA	NA
Monthly Performance Attribution Results		Portfolio	Benchmark	Excess
Total		1.00%	0.94%	0.06%
Contribution from Duration		0.60%	0.60%	0.00%
Contribution from Curve Exposure		-0.02%	-0.01%	-0.01%
Contribution from Sector Spread Duration		0.16%	0.15%	0.00%
Contribution from Income and Security Specific Returns		0.26%	0.20%	0.06%



Portfolio Holdings							
Exchange Traded Funds	Ticker	Shares	Share Price	Market Value	Weight	Yield	Duration
SPDR Bloomberg Barclays Short Term Corporate Bond ETF	SPSB	2151.661	\$ 30.72	\$ 66,098.81	12.53%	2.86%	1.81
iShares Intermediate Credit ETF	IGIB	1087.506	\$ 56.94	\$ 61,922.59	11.74%	3.59%	6.23
SPDR Bloomberg Barclays Intermediate Corporate ETF	SPIB	1712.755	\$ 34.88	\$ 59,740.89	11.33%	3.16%	4.27
iShares 1-3 Year Treasury ETF	SHY	386.352	\$ 84.62	\$ 32,691.17	6.20%	2.21%	1.89
iShares 3-7 Year Treasury ETF	IEI	248.858	\$ 125.56	\$ 31,246.61	5.92%	2.04%	4.52
iShares 7-10 Year Treasury ETF	IEF	51.634	\$ 109.84	\$ 5,671.48	1.08%	2.10%	7.48
Bonds	CUSIP	Face Value	Bond Price	Market Value	Weight	Yield	Duration
FNMA 1.875% 09/24/2026	3135G0Q22	35000	99.44	\$ 34,805.47	6.60%	2.03%	6.79
US Treasury 2.75% 02/28/2025	9128283Z1	30000	103.08	\$ 31,757.00	6.02%	1.82%	5.28
US Treasury 3.125% 11/15/2028	9128285M8	27000	102.56	\$ 29,681.20	5.63%	2.00%	8.25
US Treasury 1.875% 12/31/2019	9128283N8	27000	104.94	\$ 26,969.74	5.11%	2.08%	0.56
US Treasury 1.75% 11/30/2021	912828U65	25000	102.30	\$ 25,029.24	4.75%	1.76%	2.43
US Treasury 2.375% 01/31/2023	9128283U2	23000	102.49	\$ 23,723.79	4.50%	1.75%	3.46
US Treasury 1.375% 01/31/2021	912828N89	23000	99.84	\$ 22,962.11	4.35%	1.84%	1.62
US Treasury 1.75% 05/31/2022	912828XR6	15000	100.15	\$ 15,022.23	2.85%	1.74%	3.01
FFCB 2.37% 2/5/2024	3133EH5S8	10000	102.80	\$ 10,280.02	1.95%	1.91%	4.37
US Treasury 2.25% 12/31/2023	912828V23	10000	102.08	\$ 10,207.64	1.94%	1.77%	4.29
FHLB 2.375% 06/10/2022	3130A5P45	10000	101.64	\$ 10,163.75	1.93%	1.84%	2.87
US Treasury 1.75% 01/31/2023	912828P38	10000	100.72	\$ 10,072.22	1.91%	1.75%	3.51
FFCB 1.9% 5/10/2022	3133EF6S1	10000	99.13	\$ 9,912.82	1.88%	2.23%	1.60
Fidelity Government Money Market				\$ 9,448.02	1.79%	1.99%	



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