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Archway Investment Fund

Archway Investment Fund

3-2020

Fixed Income Fund Report, March 2020

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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.

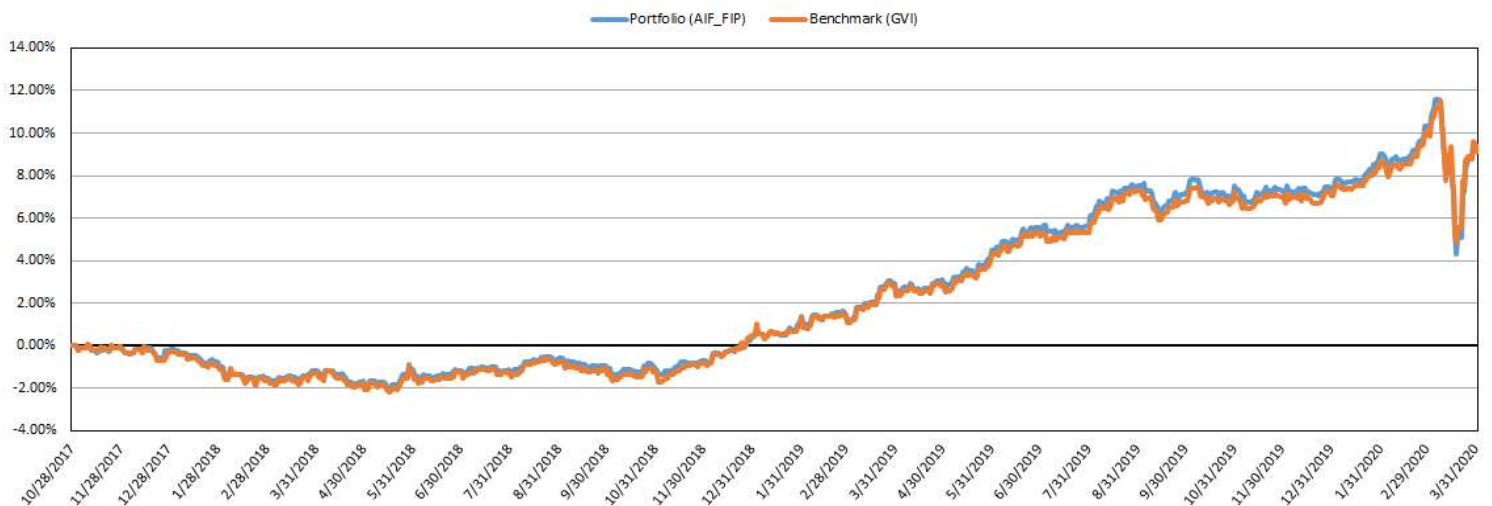
Investment Strategy

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 -0.87% during March, while the benchmark returned -0.54%. Covid-19 continued to spread at a rapid rate, hitting New York extremely hard with the number of cases exceeding China. The Fed cut its Fed Funds target to 0%-0.25% in two emergency moves. Congress and the President passed a \$2.1 trillion stimulus package that provided one-time stimulus checks for individuals and dependents, and provided direct aid to municipalities and states. It also provided \$221 billion in tax breaks and direct aid to hospitals, and \$350 billion to small businesses. Unemployment claims skyrocketed in the second half of the month as the government shut down all non-essential business. A massive flight to quality trade emerged during month with everything except the most liquid Treasury securities subject to panic selling. This was finally halted when the Fed and other central banks began massive asset purchase programs covering Treasuries, MBS, corporate bonds and commercial paper. Our portfolio benefited from being slightly long duration (+ 3bps in excess return), but with the portfolio positioned for curve flattening, we lost 8 bps from curve exposure. Our portfolio has more exposure to investment grade credit and high yield credit than its benchmark. Credit spreads widened as the Covid-19 situation worsened. They ended significantly higher for the month, despite the Fed induced rally in credit in the final week of March. Our sector spread exposures relative to the benchmark contributed -0.55% of excess return last month. We did have positive income and security selection alpha, which added 0.26% in excess return for the month. For the term thus far, the portfolio returned 1.82%, while the benchmark returned 2.19%. Since its inception in October 2017, the portfolio has an annualized return of 3.77%, which lagged the benchmark by 1 bp.

Cumulative Return Since Inception



Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 3/31/2020	Portfolio	Benchmark	Excess	Portfolio	Benchmark	
Since Inception Return (Cumulative since October 27, 2017)	9.40%	9.43%	-0.03%	Option Adjusted Duration	3.97	3.88
Since Inception Return (Annualized)	3.77%	3.78%	-0.01%	Yield	1.67%	2.08%
Month to Date Return	-0.86%	-0.54%	-0.33%	Number of Individual Bonds Held	13	3329
Academic Term to Date Return	1.82%	2.19%	-0.37%	Number of ETFs Held	8	0
Year to Date Return	1.82%	2.19%	-0.37%	Weight in Bonds	39.39%	100.12%
1 Year Trailing Return	6.27%	6.44%	-0.17%	Weight in ETFs	59.10%	0.00%
3 Year Trailing Return (Annualized)	NA	NA	NA	Weight in Cash	1.51%	-0.12%
5 Year Trailing Return (Annualized)	NA	NA	NA	Portfolio Market Value	\$ 602,283	



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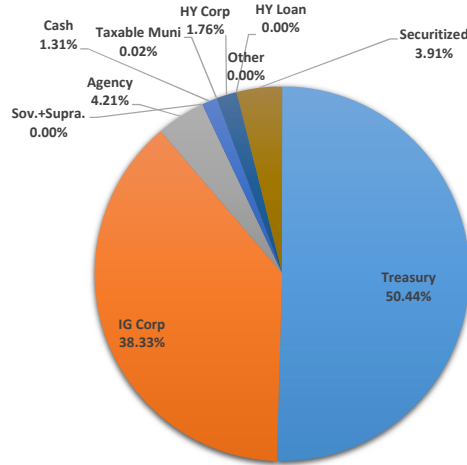
<http://aif.bryant.edu>

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	3.29%	3.78%	1.59%	0.91
Month to Date	13.41%	15.88%	6.94%	0.90
Academic Term to Date	8.10%	9.52%	4.12%	0.90
Year to Date	8.10%	9.52%	4.12%	0.90
1 Year Trailing	4.60%	5.26%	2.22%	0.91
3 Year Trailing	NA	NA	NA	NA
5 Year Trailing	NA	NA	NA	NA

Portfolio Sector Allocation

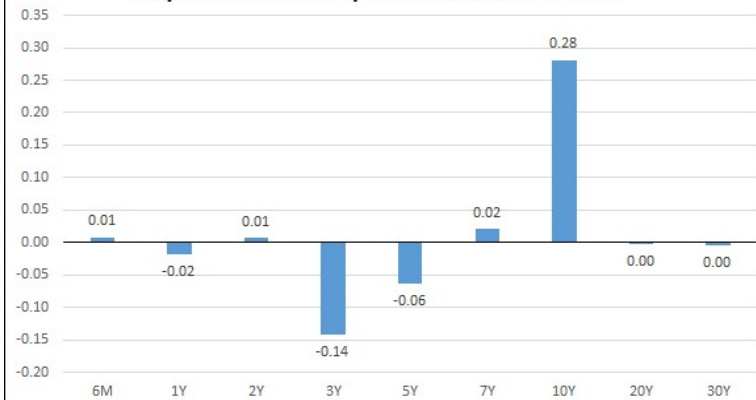


Monthly Performance Attribution Results	Portfolio	Benchmark	Excess
Total	-0.87%	-0.54%	-0.33%
Contribution from Duration	2.38%	2.35%	0.03%
Contribution from Curve Exposure	-0.23%	-0.15%	-0.08%
Contribution from Sector Spread Duration	-2.71%	-2.17%	-0.55%
Contribution from Income and Security Specific Returns	-0.30%	-0.57%	0.26%

Portfolio Holdings

Exchange Traded Funds	Ticker	Shares	Share Price	Market Value	Weight	Yield	Duration
SPDR Bloomberg Barclays Short Term Corporate Bond ETF	SPSB	3418.664	\$ 30.14	\$ 103,028.28	17.15%	2.43%	1.73
iShares Intermediate (5 to 10 year) Corporate ETF	IGIB	1233.402	\$ 54.50	\$ 67,220.41	11.19%	3.48%	6.13
SPDR Bloomberg Barclays Intermediate Corporate ETF	SPIB	1750.13	\$ 33.65	\$ 58,891.87	9.80%	2.73%	4.35
iShares 3-7 Year Treasury ETF	IEI	411.633	\$ 133.33	\$ 54,883.03	9.13%	1.46%	4.45
iShares MBS ETF	MBB	221.472	\$ 109.96	\$ 24,352.62	4.05%	2.51%	1.75
iShares 1-3 Year Treasury ETF	SHY	274.686	\$ 86.59	\$ 23,785.06	3.96%	1.47%	1.85
iShares 7-10 Year Treasury ETF	IEF	105.126	\$ 122.06	\$ 12,831.68	2.14%	1.42%	7.66
SPDR Barclays Capital High Yield Bond ETF	JNK	109.498	\$ 92.31	\$ 10,107.76	1.68%	5.79%	4.04
Bonds	CUSIP	Face Value	Bond Price	Market Value	Weight	Yield	Duration
US Treasury 3.125% 11/15/2028	9128285M8	41000	121.42	\$ 50,268.72	8.37%	0.57%	7.69
US Treasury TIPS 0.25% 01/15/2025	912828H45	25000	110.06	\$ 27,528.85	4.58%	0.10%	4.75
US Treasury 2.75% 02/28/2025	9128283Z1	24000	111.50	\$ 26,817.39	4.46%	0.36%	4.63
US Treasury 1.75% 11/30/2021	912828U65	25000	102.43	\$ 25,754.45	4.29%	0.22%	1.64
US Treasury 2.375% 01/31/2023	9128283U2	23000	105.83	\$ 24,432.01	4.07%	0.27%	2.75
US Treasury 1.75% 05/31/2022	912828XR6	15000	103.12	\$ 15,555.80	2.59%	0.24%	2.12
FFCB 3.43% 12/06/2028	3133EJ2D0	10000	117.92	\$ 11,901.27	1.98%	1.22%	7.59
US Treasury 1.375% 01/31/2021	912828N89	11000	100.94	\$ 11,128.47	1.85%	0.13%	0.83
US Treasury 2.25% 12/31/2023	912828V23	10000	107.09	\$ 10,766.24	1.79%	0.31%	3.59
FFCB 2.37% 2/5/2024	3133EH5S8	10000	105.37	\$ 10,574.17	1.76%	0.89%	3.68
US Treasury 1.75% 01/31/2023	912828P38	10000	104.06	\$ 10,435.58	1.74%	0.27%	2.76
US Treasury 2.625% 2/15/2029	9128286B1	6000	117.64	\$ 7,078.34	1.18%	0.58%	8.06
US Treasury 2.625% 3/31/2025	9128284F4	4000	111.06	\$ 4,442.79	0.74%	0.37%	4.74
Fidelity Government Money Market				\$ 9,069.78	1.48%	0.60%	

Key Rate Duration Exposure versus Benchmark



Contribution to Duration by Sector



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