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Archway Investment Fund

Archway Investment Fund

9-2020

Fixed Income Fund Report, September 2020

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

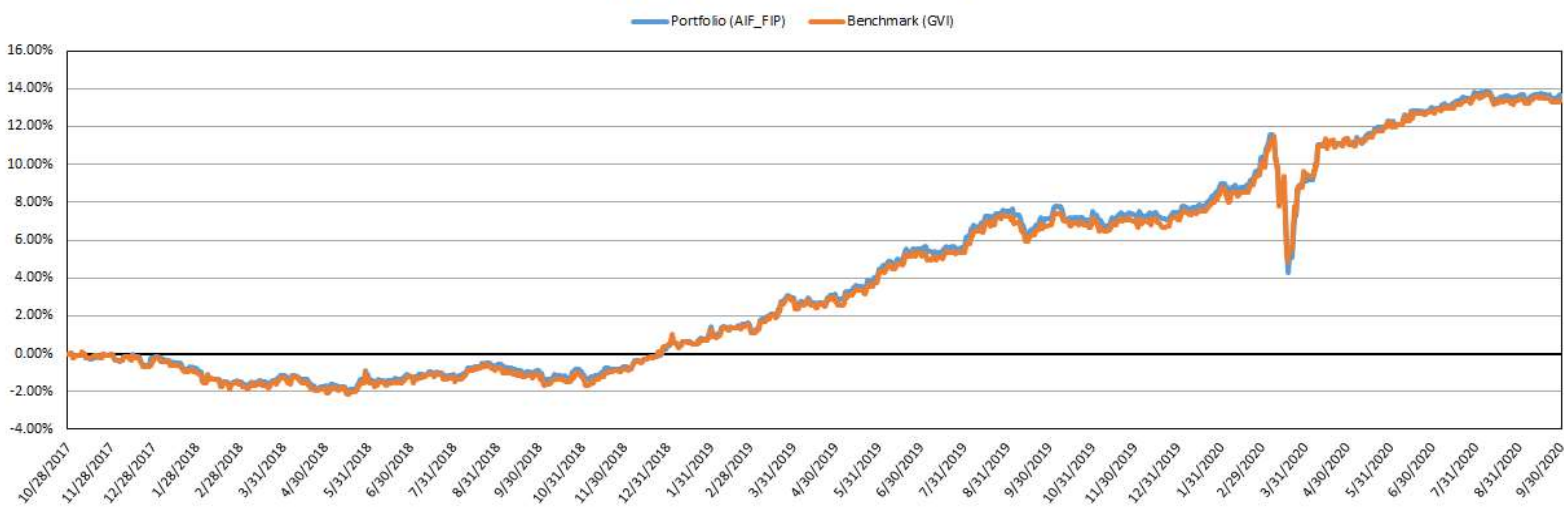
The Fund seeks returns, including both income and price appreciation, in excess of its Benchmark, while maintaining a volatility less than 120% of that of its Benchmark. The Benchmark is the Fixed Income ETF GVI, which tracks the Bloomberg Barclays Intermediate Government Credit Index. That index consists 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 -0.04% during September, while the benchmark also returned -0.04%. For the month of September, the yield curve remained virtually unchanged with the 1 year having the same rate of 12 bps at the end of the month as it did in the beginning, the five year starting at 26 bps and ending at 28 bps, as well as the ten year starting at 68 bps in the beginning of the month and ending in 69 bps. In addition there were no significant fluctuations in Treasury rates during any part of the month. Initial weekly unemployment claims have very slowly declined from approximately 893,000 on September 5 to approximately 849,000 on September 26, an even slower decline than we saw in the previous month. When combined with other economic data, we see clear signs that the pace of the economic recovery is stalling.

The portfolio entered the month 0.3 years shorter in duration than its benchmark, but after trades it ended 0.06 years short. We also added a 3% exposure to a high yield ETF. The portfolio mimics the benchmark on most key rate durations, with a slight underweighting on the longer side of the curve. This means that the portfolio has a very slight curve steepening bias. The duration and curve exposures each contributed -1 bp in alpha for the month. The slight overweight positions in IG and HY corporate bonds, and in MBS hurt performance during the period due to spread widening, while our agency overweight added to alpha. On balance sector allocation contributed -1 bp to alpha during the month. Income and security selection contributed 3 bps in alpha to the portfolio during the month. For the calendar year to date, the portfolio has returned 5.72%, while the benchmark returned 5.88%. Since its inception in October 2017, the portfolio has an annualized return of 4.45% and outperformed the benchmark by 0.07%.

Cumulative Return Since Inception



Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 9/30/2020	Portfolio	Benchmark	Excess		Portfolio	Benchmark
Since Inception Return (Cumulative since October 27, 2017)	13.59%	13.38%	0.21%	Option Adjusted Duration	4.03	4.09
Since Inception Return (Annualized)	4.45%	4.38%	0.07%	Current Yield	2.12%	1.71%
Month to Date Return	-0.04%	-0.04%	0.00%	Yield to Worst	0.89%	0.84%
Academic Term to Date Return	-0.04%	-0.04%	0.00%	Number of Individual Bonds Held	11	3292
Year to Date Return	5.72%	5.88%	-0.16%	Number of ETFs Held	7	0
1 Year Trailing Return	6.01%	6.16%	-0.15%	Weight in Bonds	46.14%	100.07%
3 Year Trailing Return (Annualized)	NA	NA	NA	Weight in ETFs	53.17%	0.00%
5 Year Trailing Return (Annualized)	NA	NA	NA	Weight in Cash	0.69%	-0.07%
				Portfolio Market Value	\$ 590,378	



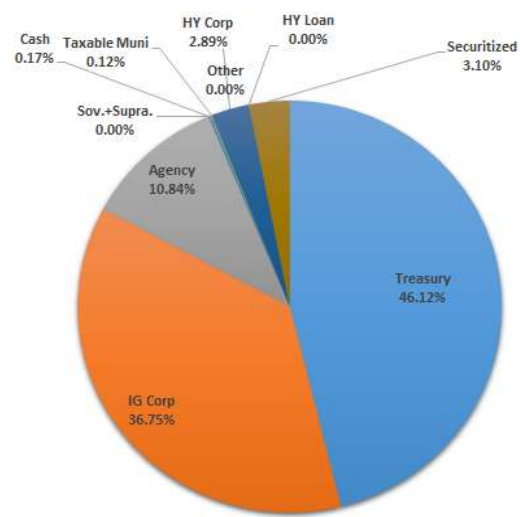
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Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg 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	3.12%	3.59%	1.65%	0.89
Month to Date	1.30%	1.21%	0.65%	0.87
Academic Term to Date	1.30%	1.21%	0.65%	0.87
Year to Date	4.98%	5.86%	2.84%	0.88
1 Year Trailing	4.50%	5.23%	2.52%	0.88
3 Year Trailing	NA	NA	NA	NA
5 Year Trailing	NA	NA	NA	NA

Monthly Performance Attribution Results	Portfolio	Benchmark	Excess
Total	-0.04%	-0.04%	0.00%
Contribution from Duration	0.04%	0.05%	-0.01%
Contribution from Curve Exposure	-0.02%	-0.01%	-0.01%
Contribution from Sector Spread Duration	-0.12%	-0.11%	-0.01%
Contribution from Income and Security Specific Returns	0.06%	0.04%	0.03%

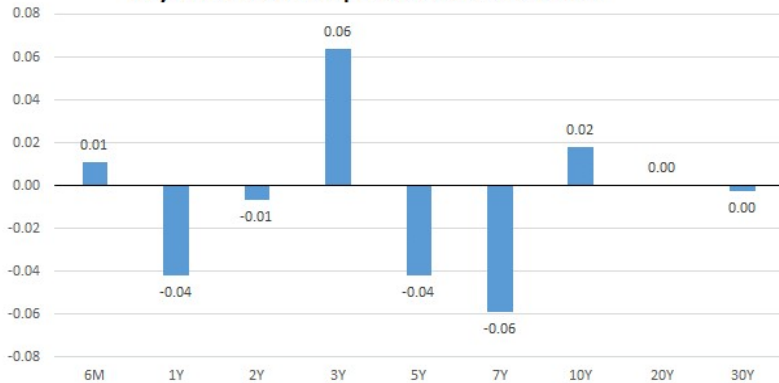


Portfolio Sector Allocation

Portfolio Holdings

Exchange Traded Funds	Ticker	Shares	Share Price	Market Value	Weight	Current Yield	Yield to Worst	Duration
iShares Intermediate (5 to 10 year) Corporate ETF	IGIB	1466.372	\$ 60.81	\$ 89,170.08	15.12%	2.66%	1.92%	6.42
SPDR Bloomberg Barclays Short Term Corporate Bond ETF	SPSB	2463.693	\$ 31.37	\$ 77,286.05	13.11%	1.71%	0.68%	1.82
SPDR Bloomberg Barclays Intermediate Corporate ETF	SPIB	1440.783	\$ 36.76	\$ 52,963.18	8.98%	2.01%	1.59%	4.64
iShares 3-7 Year Treasury ETF	IEI	333.941	\$ 133.59	\$ 44,611.18	7.57%	0.86%	0.31%	4.57
iShares MBS ETF	MBB	166.559	\$ 110.40	\$ 18,388.11	3.12%	2.08%	1.03%	1.74
SPDR Barclays Capital High Yield Bond ETF	JNK	165.000	\$ 104.27	\$ 17,204.55	2.92%	5.23%	5.92%	3.21
iShares 7-10 Year Treasury ETF	IEF	115.000	\$ 121.82	\$ 14,009.30	2.38%	0.78%	0.58%	7.68
Bonds	CUSIP	Face Value	Bond Price	Market Value	Weight	Current Yield	Yield to Worst	Duration
US Treasury 2.375% 01/31/2023	9128283U2	53000	105.18	\$ 55,953.89	9.49%	2.26%	0.13%	2.45
US Treasury 2.75% 02/28/2025	9128283Z1	49000	111.00	\$ 54,501.67	9.24%	2.48%	0.23%	4.30
US Treasury 2.25% 12/31/2023	912828V23	40000	106.71	\$ 42,909.38	7.28%	2.11%	0.17%	3.31
Federal Home LN MTG CORP Note 1.5% 2/12/2025	3137EAEPO	25000	104.81	\$ 26,251.50	4.45%	1.43%	0.34%	4.37
US Treasury 1.75% 11/30/2021	912828U65	25000	101.88	\$ 25,614.58	4.34%	1.72%	0.12%	1.31
FFCB 3.43% 12/06/2028	3133EJ2D0	20000	118.44	\$ 23,905.43	4.05%	2.89%	1.00%	7.40
US Treasury 3.125% 11/15/2028	9128285M8	10000	120.47	\$ 12,164.06	2.06%	2.59%	0.54%	7.46
FFCB 2.37% 2/5/2024	3133EH5S8	10000	106.34	\$ 10,669.91	1.81%	2.23%	0.39%	3.36
US Treasury 1.75% 01/31/2023	912828P38	10000	103.72	\$ 10,400.88	1.76%	1.69%	0.14%	2.45
US Treasury 1.75% 05/31/2022	912828XR6	5000	102.67	\$ 5,162.76	0.88%	1.70%	0.12%	1.80
US Treasury 2.625% 3/31/2025	9128284F4	4000	110.62	\$ 4,424.69	0.75%	2.37%	0.24%	4.40
SPDR Barclays Capital High Yield Bond ETF				\$ 4,070.51	0.69%	0.01%	0.01%	

Key Rate Duration Exposure versus Benchmark



Contribution to Duration by Sector



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