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Archway Investment Fund

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3-2021

### Fixed Income Fund Report, March 2021

Bryant University, Archway Investment Fund

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#### Recommended Citation

Bryant University, Archway Investment Fund, "Fixed Income Fund Report, March 2021" (2021).

*Archway Investment Fund*. Paper 60.

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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.

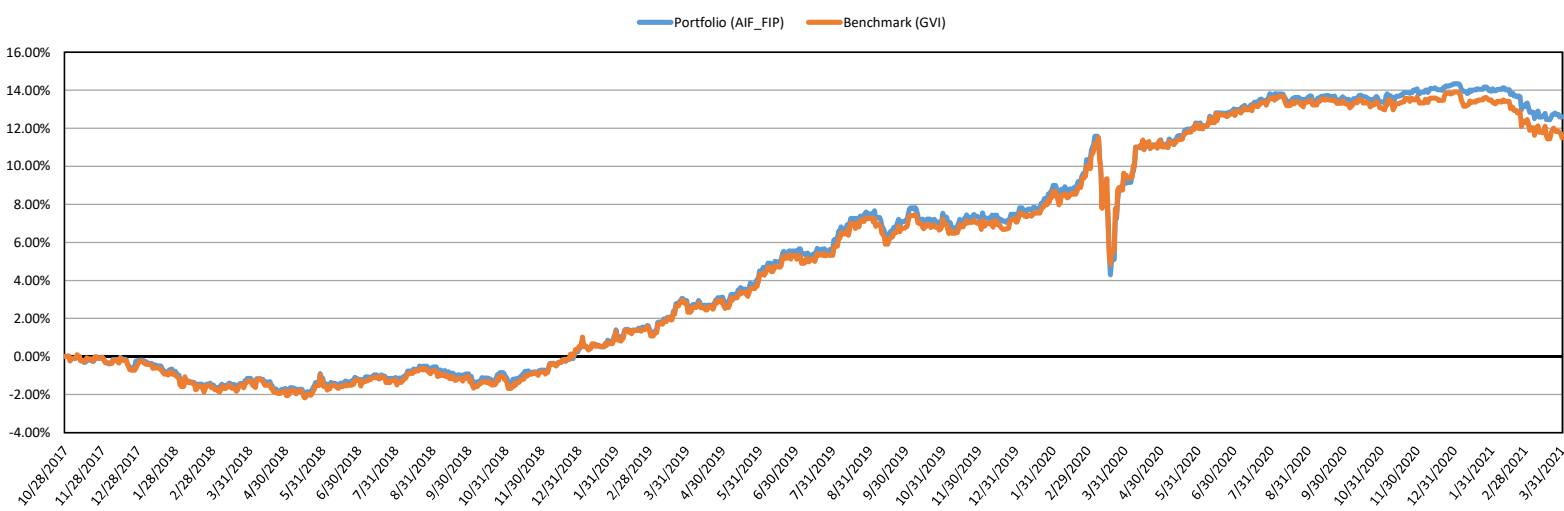
**Investment Strategy**

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 -0.47% during March, while the benchmark returned -0.78%. There were 916,000 jobs added as hiring accelerated resulting in the biggest gain since last August. The unemployment rate fell to 6% as the economic recovery accelerated. Congress passed the \$1.9 trillion Covid-19 relief package and the Biden administration has proposed a new \$2.3 trillion spending proposal that would make investments in infrastructure over the coming decade that government officials say will enhance the economy's productivity. The Federal Reserve is seeking to achieve maximum employment and an inflation rate that averages 2 percent over the long run. They will allow it to exceed the 2% level for an undefined period of time to "catch up" from persistently low inflation in recent years. The FOMC maintained a 0 to ¼ percent Fed Funds rate at its March meeting, and is expected to keep rates near zero until labor market conditions have reached full employment. Asset purchases of \$120 billion per month will also continue until these goals are met. Treasury yields continued to increase in March and the yield curve once again steepened. The 10-year Treasury rose to 1.74% from 1.407% for a gain of 33 bps. The steepening of the yield curve can be attributed to continued investor optimism around economic growth and rising inflation expectations. The portfolio is underweight duration overall, and that underweight is concentrated at the 5-, 7-, and 10-year key rate duration points. These duration and curve exposures contributed 0.04% and 0.03% in alpha for the month. Throughout the month, spreads on High Yield Corporates and Securitized Credit tightened, while spreads on Agencies and Investment Grade Corporates widened. The portfolio entered the month underweight in Treasuries relative to its benchmark, overweight Agencies, and slightly underweight Investment Grade Corporates. During the month, JNK, a high yield bond ETF along with SPMB, a mortgage back bond ETF were purchased. These sector allocation exposures contributed 0.01% to alpha during the month. Income and security selection contributed 0.22% in alpha to the portfolio during the month. For the term thus far, the portfolio has returned -1.52%, while the benchmark returned -2.11%. Since its inception in October 2017, the portfolio has an annualized return of 3.52% and outperformed the benchmark by 0.30%.

**Cumulative Return Since Inception**



Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 3/31/2021	Portfolio	Benchmark	Excess		Portfolio	Benchmark
Since Inception Return (Cumulative since October 27, 2017)	12.60%	11.50%	1.10%	Option Adjusted Duration	3.80	4.06
Since Inception Return (Annualized)	3.52%	3.23%	0.30%	Current Yield	1.87%	1.51%
Month to Date Return	-0.47%	-0.78%	0.31%	Yield to Worst	1.12%	1.35%
Academic Term to Date Return	-1.52%	-2.11%	0.59%	Number of Individual Bonds Held	12	3413
Year to Date Return	-1.52%	-2.11%	0.59%	Number of ETFs Held	7	0
1 Year Trailing Return	2.93%	1.90%	1.03%	Weight in Bonds	40.81%	100.05%
3 Year Trailing Return (Annualized)	4.44%	4.14%	0.30%	Weight in ETFs	58.56%	0.00%
5 Year Trailing Return (Annualized)	NA	NA	NA	Weight in Cash	0.63%	-0.05%
				Portfolio Market Value	\$ 684,765	



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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.

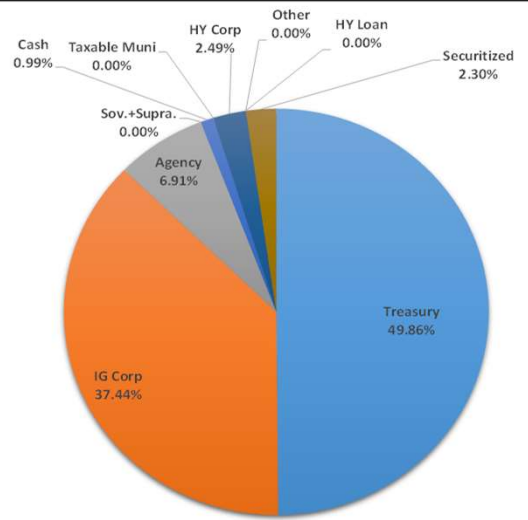
**Performance Analytics**

Historical Risk Statistics	Annualized Portfolio Volatility	Annualized Benchmark Volatility	Annualized Tracking Error	Correlation to Index
Since Inception	2.97%	3.43%	1.60%	0.88
Month to Date	2.32%	3.20%	1.73%	0.85
Academic Term to Date	2.07%	2.65%	1.26%	0.89
Year to Date	2.07%	2.65%	1.26%	0.89
1 Year Trailing	1.97%	2.40%	1.63%	0.74
3 Year Trailing	3.10%	3.58%	1.67%	0.88
5 Year Trailing	NA	NA	NA	NA

Monthly Performance Attribution Results	Portfolio	Benchmark	Excess
Total	-0.47%	-0.78%	0.31%
Contribution from Duration	-0.61%	-0.65%	0.04%
Contribution from Curve Exposure	-0.16%	-0.19%	0.03%
Contribution from Sector Spread Duration	-0.06%	-0.07%	0.01%
Contribution from Income and Security Specific Returns	0.36%	0.14%	0.22%

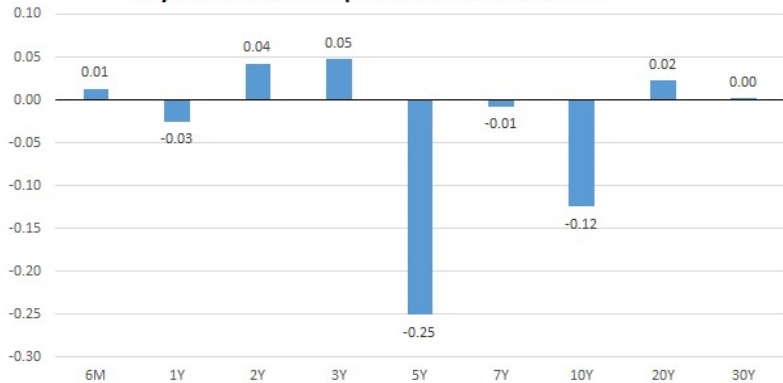
**Portfolio Holdings**

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	1675.51	\$ 59.23	\$ 99,240.46	14.50%	2.39%	2.36%	6.42
SPDR Bloomberg Barclays Short Term Corporate Bond ETF	SPSB	2615.286	\$ 31.31	\$ 81,884.60	11.96%	1.15%	0.59%	1.71
SPDR Bloomberg Barclays Intermediate Corporate ETF	SPIB	2232.871	\$ 36.25	\$ 80,941.57	11.83%	1.60%	1.91%	4.54
iShares 3-7 Year Treasury ETF	IEI	508.754	\$ 129.89	\$ 66,082.06	9.66%	0.72%	0.96%	4.66
iShares 1-3 Year Treasury ETF	SHY	444.426	\$ 86.25	\$ 38,331.74	5.60%	0.31%	0.21%	1.90
SPDR Barclays Capital High Yield Bond ETF	JNK	158	\$ 108.80	\$ 17,190.40	2.51%	4.25%	4.51%	3.49
SPDR Bloomberg Barclays Mortgage Backed Bond ETF	SPMB	658	\$ 25.93	\$ 17,061.94	2.49%	2.67%	1.79%	3.41
Bonds	CUSIP	Face Value	Bond Price	Market Value	Weight	Current Yield	Yield to Worst	Duration
US Treasury 2.75% 02/28/2025	9128283Z1	49000	108.14	\$ 53,102.42	7.76%	2.54%	0.63%	3.75
US Treasury 2.375% 01/31/2023	9128283U2	43000	104.02	\$ 44,896.52	6.56%	2.28%	0.16%	1.80
US Treasury 2.25% 12/31/2023	912828V23	40000	105.28	\$ 42,336.26	6.19%	2.14%	0.30%	2.67
US Treasury 2.625% 3/31/2025	9128284F4	33000	107.73	\$ 35,549.77	5.19%	2.44%	0.65%	3.84
US Treasury 1.75% 11/30/2021	912828U65	25000	101.11	\$ 25,423.75	3.72%	1.73%	0.02%	0.66
FFCB 3.43% 12/06/2028	3133EJ2D0	20000	112.72	\$ 22,762.94	3.33%	3.04%	1.59%	6.88
US Treasury 3.125% 11/15/2028	9128285M8	10000	111.66	\$ 11,283.03	1.65%	2.80%	1.49%	6.90
FFCB 2.37% 2/5/2024	3133EH5S8	10000	105.15	\$ 10,551.47	1.54%	2.25%	0.47%	2.76
Federal Home LN MTG CORP Note 1.5% 2/12/2025	3137EAEP0	10000	103.29	\$ 10,349.02	1.51%	1.45%	0.59%	3.78
US Treasury 1.75% 01/31/2023	912828P38	10000	102.88	\$ 10,316.80	1.51%	1.70%	0.16%	1.81
US Treasury 2.625% 2/15/2029	9128286B1	7000	108.02	\$ 7,583.43	1.11%	2.43%	1.53%	7.27
US Treasury 1.75% 05/31/2022	912828XR6	5000	101.89	\$ 5,123.62	0.75%	1.72%	0.08%	1.15
Fidelity Government Money Market				\$ 4,340.54	0.63%	0.00%	0.00%	



Portfolio Sector Allocation

**Key Rate Duration Exposure versus Benchmark**



**Contribution to Duration by Sector**



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