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Archway Investment Fund

Archway Investment Fund

10-2021

Fixed Income Fund Report, October 2021

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.

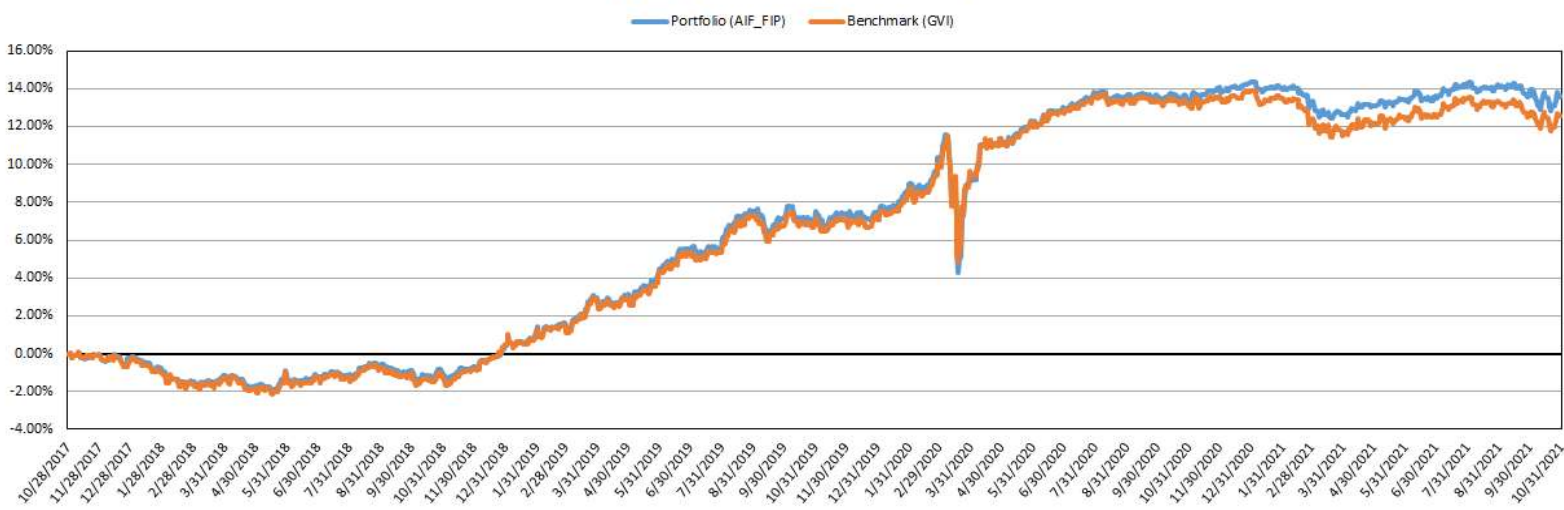
Investment Strategy

The Fund seeks returns from income and price appreciation, in excess of its Benchmark, while maintaining a volatility less than 120% of that of its Benchmark. The Benchmark was changed from the Fixed Income ETF GVI to the Fixed Income ETF AGG, which broadly tracks the Bloomberg Barclays Aggregate Index, on September 30, 2021. That index includes fixed rate debt securities priced in USD and traded in the US market, that are issued by the U.S. Treasury, U.S. government agencies, U.S. corporations, and taxable debt issued by sovereign, supranational and local government entities rated investment grade. It also includes highly rated MBS, CMBS and ABS securitized credit tranches. The benchmark was chosen for its diversification, and its use as a benchmark for both active and passive core fixed income portfolios. The tracking error of the portfolio versus its benchmark, defined as the annualized standard deviation of excess returns, is kept below 2%. Historical benchmark return and risk metrics use a chained return series reflecting the benchmark in use at the time.

Performance Commentary

The Archway Fixed Income Portfolio returned 0.04% during October, while the AGG benchmark returned -0.01%, for an excess return of 0.05%. Economic conditions stabilized in October, with growth rates well below the fast pace from earlier in the year. Consumer confidence increased, which reversed a three month down trend caused by the Delta Variant. Inflation continues to be an important story, as year over year inflation rose slightly to 5.4%, its highest level since 2008. Federal Reserve chairman Powell and many market participants feel that the factors boosting inflation are transitory, and that it will dissipate over the next year. However, there is an increasingly vocal minority that has begun to worry that inflation is affecting compensation and other costs, and that an more sustained period of inflation above the 2% target is inevitable. The Federal Reserve was widely expected to announce a tapering plan to reduce the size of asset purchases at its November meeting. This anticipated reduction in quantitative easing had investors flocking towards very short and very long duration debt instruments. In October, we witnessed a flattening of the Treasury curve with long term rates decreasing while the very short end did not move. Market participants began to price in Federal Funds target rate increases in the latter half of 2022. For the month, the 2 year Treasury yield was up 22 bps, the 5-year up 22 bps, the 10-year up 8 bps and the 30-year down 10 bps. The portfolio was approximately 0.3 years shorter in duration than its benchmark, with that underweight concentrated in the 5 to 10 year segment of the curve. Those duration and curve exposures contributed 0.03% and 0.02% in alpha for the month. Sector allocation decisions neither added nor subtracted alpha, nor did the specific security selection decisions in the portfolio. For the year thus far, the portfolio has returned -0.60%, while the benchmark returned -1.18%. Since its inception in October 2017, the portfolio has an annualized return of 3.24% and has outperformed the benchmark by 0.25%.

Cumulative Return Since Inception



Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 10/31/2021	Portfolio	Benchmark	Excess		Portfolio	Benchmark
Since Inception Return (Cumulative since October 27, 2017)	13.65%	12.56%	1.08%	Option Adjusted Duration	7.04	7.37
Since Inception Return (Annualized)	3.24%	2.99%	0.25%	Current Yield	1.83%	1.88%
Month to Date Return	0.04%	-0.01%	0.05%	Yield to Worst	1.78%	2.09%
Academic Term to Date Return	-0.45%	-0.65%	0.20%	Number of Individual Bonds Held	7	9882
Year to Date Return	-0.60%	-1.18%	0.57%	Number of ETFs Held	11	0
1 Year Trailing Return	0.24%	-0.45%	0.69%	Weight in Bonds	21.70%	98.46%
3 Year Trailing Return (Annualized)	4.74%	4.47%	0.27%	Weight in ETFs	77.53%	0.00%
5 Year Trailing Return (Annualized)	NA	NA	NA	Weight in Cash	0.77%	1.54%
				Portfolio Market Value	\$ 731,191	

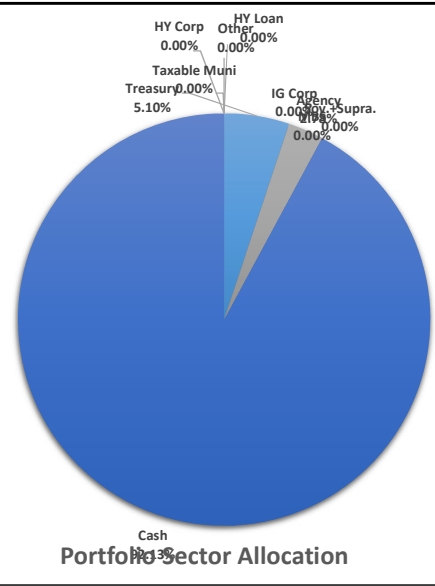


Bryant University
 1150 Douglas Pike
 Smithfield, RI 02917-1284
<http://aif.bryant.edu>

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	2.84%	3.30%	1.55%	0.88
Month to Date	3.48%	3.05%	0.86%	0.97
Academic Term to Date	2.70%	2.48%	0.79%	0.96
Year to Date	2.01%	2.51%	1.20%	0.88
1 Year Trailing	1.93%	2.40%	1.25%	0.85
3 Year Trailing	3.12%	3.62%	1.71%	0.88
5 Year Trailing	NA	NA	NA	NA

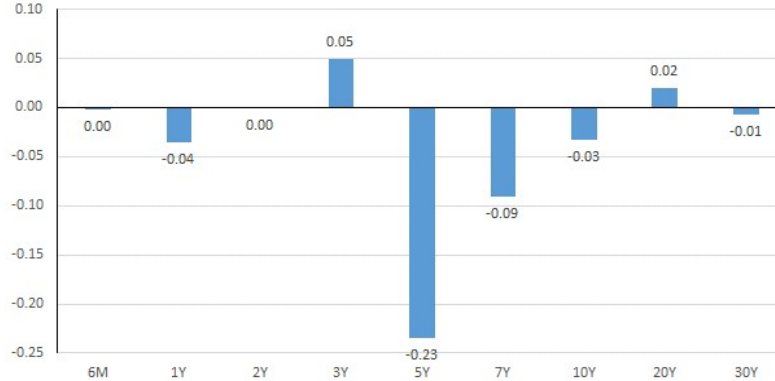


Monthly Performance Attribution Results	Portfolio	Benchmark	Excess
Total	0.04%	-0.01%	0.05%
Contribution from Duration	-0.70%	-0.74%	0.03%
Contribution from Curve Exposure	0.29%	0.27%	0.02%
Contribution from Sector Spread Duration	-0.12%	-0.12%	0.00%
Contribution from Income and Security Specific Returns	0.58%	0.58%	0.00%

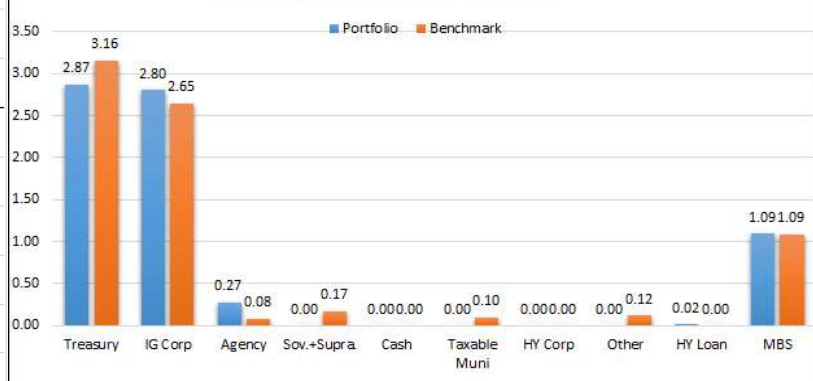
Portfolio Holdings

Exchange Traded Funds	Ticker	Shares	Share Price	Market Value	Weight	Current Yield	Yield to Worst	Duration
iShares Long Term (10+ year) Corporate ETF	IGLB	1353.58	\$ 70.38	\$ 95,264.96	13.03%	3.06%	3.14%	15.24
iShares MBS ETF	MBB	730.127	\$ 107.83	\$ 78,729.59	10.77%	0.21%	1.88%	5.76
SPDR Bloomberg Barclays Mortgage Backed Bond ETF	SPMB	3072.797	\$ 25.53	\$ 78,448.51	10.73%	2.49%	1.92%	4.41
iShares Intermediate (5 to 10 year) Corporate ETF	IGIB	916.061	\$ 59.71	\$ 54,698.00	7.48%	2.23%	2.32%	6.59
iShares 3-7 Year Treasury ETF	IEI	403.243	\$ 129.05	\$ 52,038.51	7.12%	0.72%	1.20%	4.77
SPDR Bloomberg Barclays Intermediate Corporate ETF	SPIB	1387	\$ 36.30	\$ 50,340.15	6.89%	1.47%	1.99%	4.51
iShares 20+ Year Treasury ETF	TLT	340	\$ 147.69	\$ 50,278.55	6.88%	1.53%	1.95%	19.69
SPDR Bloomberg Barclays Short Term Corporate Bond ETF	SPSB	1430	\$ 31.11	\$ 44,479.65	6.08%	0.84%	0.92%	1.79
iShares 7-10 Year Treasury ETF	IEF	225	\$ 114.63	\$ 25,823.50	3.53%	0.85%	1.51%	8.14
iShares 10-20 Year Treasury ETF	TLH	130	\$ 147.82	\$ 19,242.62	2.63%	1.69%	1.92%	15.64
PowerShares Senior Loan Index ETF	BKLN	792	\$ 22.08	\$ 17,479.46	2.39%	3.07%	4.54%	0.14
Bonds	CUSIP	Face Value	Bond Price	Market Value	Weight	Current Yield	Yield to Worst	Duration
US Treasury 2.25% 12/31/2023	912828V23	40000	103.61	\$ 41,744.57	5.71%	2.17%	0.55%	2.11
US Treasury 2.75% 02/28/2025	9128283Z1	39000	106.23	\$ 41,612.13	5.69%	2.59%	0.83%	3.20
US Treasury 2.625% 3/31/2025	9128284F4	33000	105.87	\$ 35,009.95	4.79%	2.48%	0.86%	3.28
FFCB 3.43% 12/06/2028	3133EJ2D0	10000	112.30	\$ 11,368.35	1.55%	3.05%	1.52%	6.34
FFCB 2.37% 2/5/2024	3133EH5S8	10000	103.57	\$ 10,413.72	1.42%	2.29%	0.70%	2.21
Federal Home LN MTG CORP Note 1.5% 2/12/2025	3137EAEP0	10000	101.98	\$ 10,231.12	1.40%	1.47%	0.84%	3.21
US Treasury 2.375% 01/31/2023	9128283U2	8000	102.62	\$ 8,257.19	1.13%	2.31%	0.24%	1.23
Fidelity Government Money Market				\$ 5,658.56	0.77%	0.00%	0.00%	

Key Rate Duration Exposure versus Benchmark



Contribution to Duration by Sector



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