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Archway Investment Fund

Archway Investment Fund

1-2022

Fixed Income Fund Report, January 2022

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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.

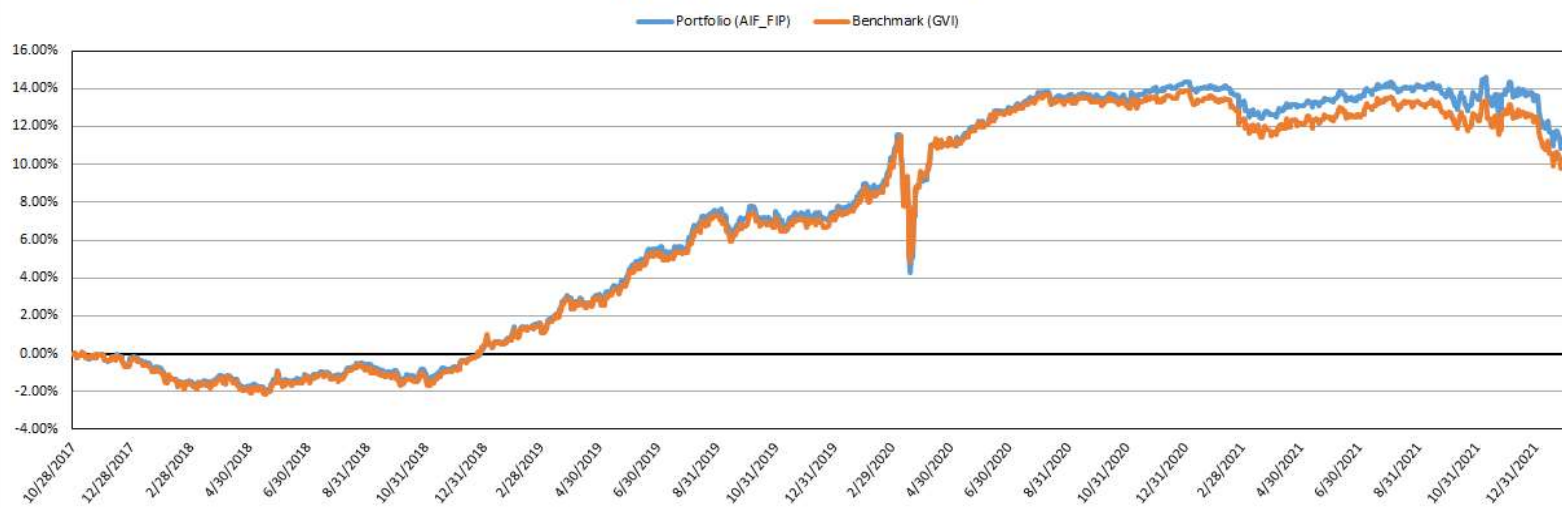
Investment Strategy

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

Economic growth seemed to pause in January, with another surge in COVID-19 cases. With the prospect of upcoming FED rate hikes, investors faced the possibility of a down economy for the first time since 2020. Employment remains healthy, and inflation is still running rampant, expected to remain around 7% year over year. Coming into the new year, investors had priced in a possible Federal Funds target rate hike in March, and three rate hikes for 2022. This changed over the course of January with at least a 25 basis point hike, and possibly a 50 basis point hike in March, and five overall hikes during 2022 now priced into the market. Jerome Powell made it very clear at his post-meeting press conference that the Federal Reserve would be stopping its asset purchases over the next two months, and would be increasing the target for the Federal Funds rate during 2022. The S&P 500 and NASDAQ indices were down 5.3% and 8.98%, respectively, recording their worst month since March 2020, and their worst January since 2009. The yield curve has been steepening at shorter maturities, and flattening from 5 years to 30 years. This trend is expected to continue with a hawkish Fed continuing in 2022. Our portfolio was slightly shorter in duration than its benchmark, with this concentrated in the 5 year point on the curve. The duration and curve exposures contributed 0.02% and 0.01% in alpha for the month. The portfolio maintained an overweight position for Investment Grade Corporates and High Yield Loans, and an underweight position in MBS. This combination contributed -0.09% to alpha during the month, as corporate credit spreads widened and option-adjusted spreads on MBS tightened. Income and security selection contributed -0.01% in alpha to the portfolio during the month. Since its inception in October 2017, the portfolio has an annualized return of 2.54% and outperformed the benchmark by 0.23%.

Cumulative Return Since Inception



Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 1/31/2022	Portfolio	Benchmark	Excess		Portfolio	Benchmark
Since Inception Return (Cumulative since October 27, 2017)	11.28%	10.21%	1.06%	Option Adjusted Duration	6.88	6.74
Since Inception Return (Annualized)	2.54%	2.31%	0.23%	Current Yield	1.98%	1.74%
Month to Date Return	-2.08%	-2.00%	-0.08%	Yield to Worst	2.20%	2.52%
Academic Term to Date Return	-2.08%	-2.00%	-0.08%	Number of Individual Bonds Held	8	10076
Year to Date Return	-2.08%	-2.00%	-0.08%	Number of ETFs Held	12	0
1 Year Trailing Return	-2.34%	-2.88%	0.53%	Weight in Bonds	20.39%	98.99%
3 Year Trailing Return (Annualized)	3.15%	2.84%	0.30%	Weight in ETFs	77.31%	0.00%
5 Year Trailing Return (Annualized)	NA	NA	NA	Weight in Cash	2.29%	1.01%
				Portfolio Market Value	\$ 715,949.25	

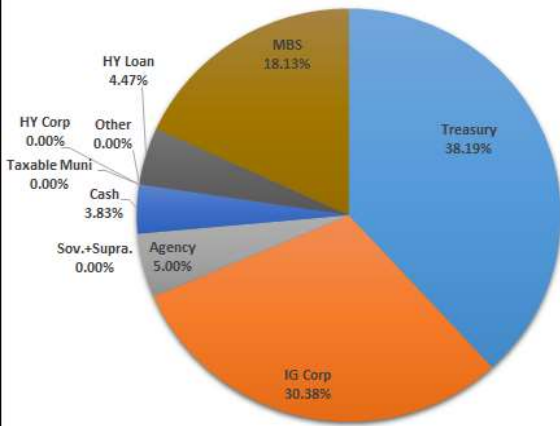


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Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg 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	2.98%	3.39%	1.51%	0.90
Month to Date	4.85%	4.79%	0.77%	0.99
Academic Term to Date	4.85%	4.79%	0.77%	0.99
Year to Date	4.85%	4.79%	0.77%	0.99
1 Year Trailing	2.95%	3.20%	1.12%	0.94
3 Year Trailing	3.36%	3.80%	1.69%	0.90
5 Year Trailing	NA	NA	NA	NA



Monthly Performance Attribution Results	Portfolio	Benchmark	Excess
Total	-2.08%	-2.00%	-0.08%
Contribution from Duration	-2.20%	-2.22%	0.02%
Contribution from Curve Exposure	0.30%	0.29%	0.01%
Contribution from Sector Spread Duration	-0.28%	-0.19%	-0.09%
Contribution from Income and Security Specific Returns	0.11%	0.12%	-0.01%

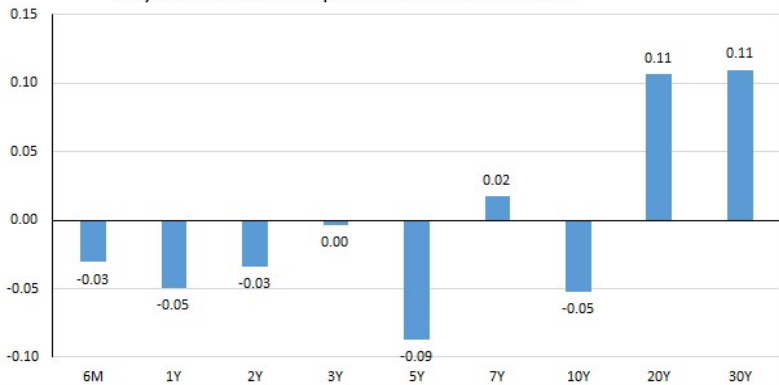
Portfolio Holdings

Exchange Traded Funds	Ticker	Shares	Share Price	Market Value	Weight	Current Yield	Yield to Worst	Duration
iShares Long Term (10+ year) Corporate ETF	IGLB	1248.75	\$ 66.03	\$ 82,454.96	11.54%	3.26%	3.56%	14.56
SPDR Bloomberg Barclays Mortgage Backed Bond ETF	SPMB	3091.993	\$ 24.87	\$ 76,897.87	10.76%	2.50%	2.27%	3.82
SPDR Bloomberg Barclays Intermediate Corporate ETF	SPIB	2021.87	\$ 35.47	\$ 71,715.73	10.04%	1.54%	2.54%	4.42
iShares 3-7 Year Treasury ETF	IEI	522.130	\$ 126.66	\$ 66,132.99	9.26%	0.77%	1.64%	4.72
iShares MBS ETF	MBB	561.127	\$ 105.70	\$ 59,311.12	8.30%	1.89%	2.26%	4.02
iShares 20+ Year Treasury ETF	TLT	341.657	\$ 141.72	\$ 48,419.63	6.78%	1.68%	2.16%	19.43
PowerShares Senior Loan Index ETF	BKLN	1629.180	\$ 22.01	\$ 35,858.25	5.02%	3.12%	5.16%	0.14
iShares ESG Aware USD Corporate Bond ETF	SUSC	1335.469	\$ 26.44	\$ 35,309.80	4.94%	2.13%	3.20%	8.61
iShares Intermediate (5 to 10 year) Corporate ETF	IGIB	448.376	\$ 57.75	\$ 25,893.71	3.62%	2.31%	2.81%	6.41
iShares 7-10 Year Treasury ETF	IEF	225.813	\$ 112.31	\$ 25,361.06	3.55%	1.16%	1.78%	8.07
iShares 10-20 Year Treasury ETF	TLH	130.719	\$ 142.96	\$ 18,687.59	2.62%	1.55%	2.16%	15.29
SPDR Bloomberg Barclays Short Term Corporate Bond ETF	SPSB	208.380	\$ 30.69	\$ 6,395.18	0.89%	0.93%	1.68%	1.77

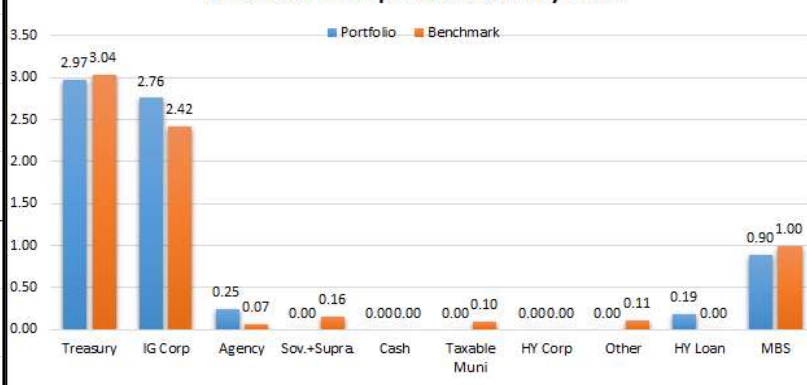
Bonds	CUSIP	Face Value	Bond Price	Market Value	Weight	Current Yield	Yield to Worst	Duration
US Treasury 2.75% 02/28/2025	9128283Z1	39000	104.03	\$ 41,031.41	5.74%	2.64%	1.39%	2.93
US Treasury TIPS 0.5% 04/15/2024	9128286N5	25000	116.13	\$ 29,073.90	4.07%	0.47%	-1.93%	2.18
US Treasury 2.25% 11/15/2027	9128283F5	25000	103.02	\$ 25,876.66	3.62%	2.18%	1.69%	5.43
FFCB 3.43% 12/06/2028	3133EJ2D0	10000	109.39	\$ 10,992.36	1.54%	3.13%	1.89%	6.15
FFCB 2.37% 2/5/2024	3133EH5S8	10000	102.00	\$ 10,316.23	1.44%	2.32%	1.29%	1.95
US Treasury 2.25% 12/31/2023	912828VZ3	10000	102.04	\$ 10,224.81	1.43%	2.20%	1.14%	1.87
Federal Home LN MTG CORP Note 1.5% 2/12/2025	3137EAEP0	10000	100.21	\$ 10,092.23	1.41%	1.50%	1.38%	2.94
US Treasury 2.375% 01/31/2023	9128283U2	8000	101.54	\$ 8,123.86	1.14%	2.34%	0.78%	1.08

Fidelity Government Money Market	Market Value	Weight	Current Yield	Yield to Worst
	\$ 16,376.69	2.29%	0.00%	0.00%

Key Rate Duration Exposure versus Benchmark



Contribution to Spread Duration by Sector



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