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Archway Investment Fund

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7-2022

### Fixed Income Fund Report, July 2022

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.

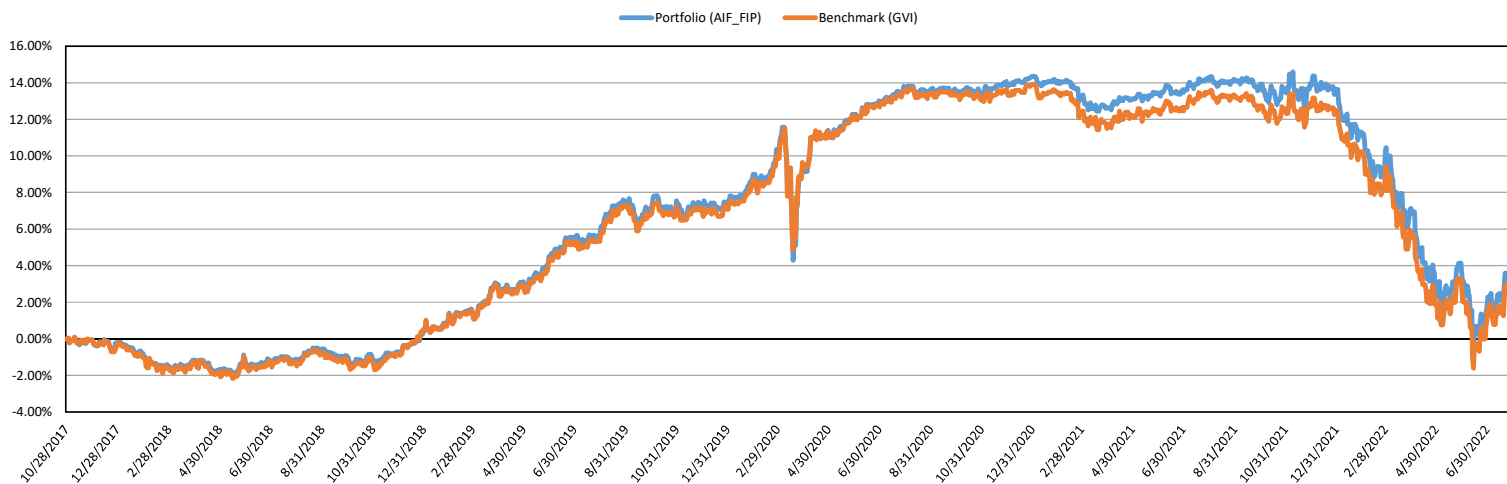
**Investment Strategy**

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 2.51% during July, while the benchmark returned 2.54%. For the year thus far, the portfolio has returned -8.23%, while the benchmark returned -7.87%. Since its inception in October 2017, the portfolio has an annualized return of 0.89% and outperformed the benchmark by 0.14%. The Federal Reserve Open Market Committee voted to increase the target for the Federal Funds rate by 75 bps at its July meeting as it continues its attempt to reduce inflation. Unfortunately, inflation remains stubbornly high with the latest CPI print indicating that inflation for the prior 12 months was over 9%. The labor market remains tight and unemployment remains low. While the number of open jobs remains quite high, some companies have begun to scale back their hiring plans. The first read on second quarter US real GDP again showed a decline, and the debate about whether we will have a recession or we are already in one, has dominated the market chatter recently. Housing construction, business capital expenditures and government spending were the biggest negative contributors to GDP growth. Consumer spending slowed, but it did grow during the second quarter. The Treasury yield curve moved higher at maturities under 1 year, but yields fell at longer maturities in response to the economic data and the Fed policy actions. The curve is now inverted along many segments, with the 2/10 spread ending the month at -14 bps. The Archway portfolio has a lower duration than its benchmark by approximately 0.3 years, with that duration underweight concentrated in the 3 through 7 year segment of the curve. The only key rate duration point with a meaningful overweight exposure is the 20 year point, where the curve appears to offer value. During the month of July the net duration and curve exposures contributed -0.02% and -0.05% in alpha for the month. The portfolio is slightly overweight in investment grade corporate exposure and MBS exposures, and it has a meaningful out of benchmark exposure to high yield bank loans. These sector exposures added 0.17% to alpha during the month. Income and security selection contributed -0.13% in alpha to the portfolio during the month. Since we are in the summer semester break, the only trading that occurs is in response to the contingency plan laid out by the student portfolio managers at the end of the spring semester. In July, we hit a MBS spread level that led to a purchase of MBS to move from neutral to slightly overweight versus the benchmark, while offsetting its duration impact by selling Treasuries.

**Cumulative Return Since Inception**



Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 7/31/2022	Portfolio	Benchmark	Excess		Portfolio	Benchmark
Since Inception Return (Cumulative since October 27, 2017)	4.29%	3.61%	0.68%	Option Adjusted Duration	6.20	6.42
Since Inception Return (Annualized)	0.89%	0.75%	0.14%	Current Yield	2.47%	2.31%
Month to Date Return	2.51%	2.54%	-0.03%	Yield to Worst	3.53%	3.61%
Academic Term to Date Return	0.77%	0.95%	-0.18%	Number of Individual Bonds Held	10	10308
Year to Date Return	-8.23%	-7.87%	-0.36%	Number of ETFs Held	13	0
1 Year Trailing Return	-8.65%	-8.70%	0.05%	Weight in Bonds	20.81%	99.21%
3 Year Trailing Return (Annualized)	-0.42%	-0.54%	0.12%	Weight in ETFs	75.22%	0.00%
5 Year Trailing Return (Annualized)	NA	NA	NA	Weight in Cash	3.97%	0.79%
				Portfolio Market Value	\$742,512.57	



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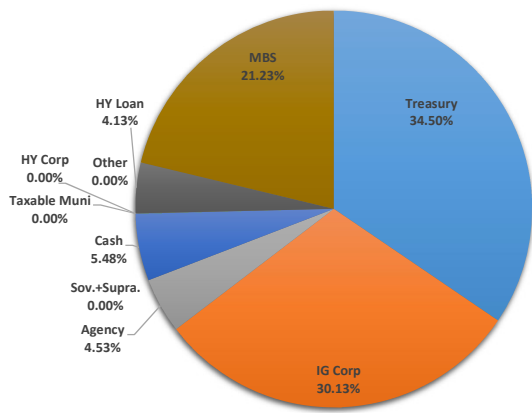
<http://aif.bryant.edu>

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	3.72%	4.08%	1.47%	0.93
Month to Date	6.08%	6.67%	1.21%	0.99
Academic Term to Date	8.14%	8.56%	1.17%	0.99
Year to Date	7.17%	7.43%	1.01%	0.99
1 Year Trailing	5.89%	6.05%	0.90%	0.99
3 Year Trailing	4.45%	4.85%	1.71%	0.94
5 Year Trailing	NA	NA	NA	NA

**Portfolio Sector Allocation**

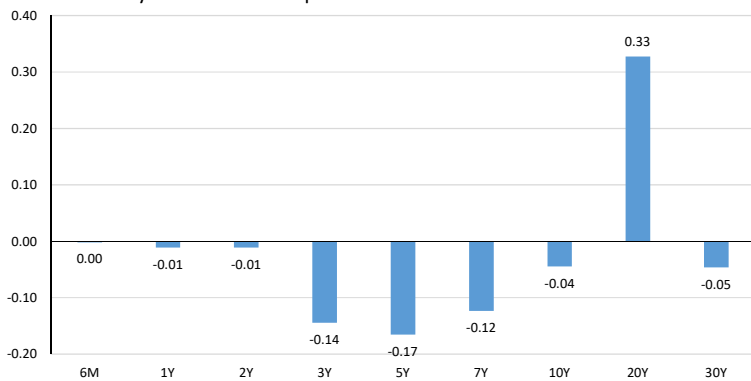


Monthly Performance Attribution Results	Portfolio	Benchmark	Excess
Total	2.51%	2.54%	-0.03%
Contribution from Duration	0.87%	0.89%	-0.02%
Contribution from Curve Exposure	0.71%	0.76%	-0.05%
Contribution from Sector Spread Duration	0.54%	0.37%	0.17%
Contribution from Income and Security Specific Returns	0.39%	0.52%	-0.13%

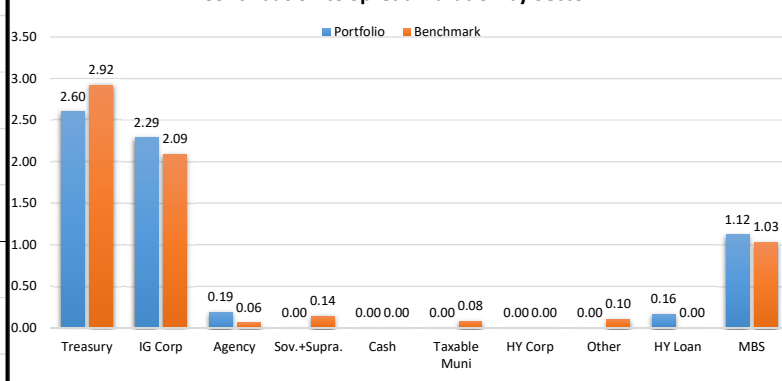
**Portfolio Holdings**

Exchange Traded Funds	Ticker	Shares	Share Price	Market Value	Weight	Current Yield	Yield to Worst	Duration
iShares MBS ETF	MBB	964.62	\$ 100.42	\$ 96,867.14	13.05%	2.20%	3.34%	5.15
SPDR Bloomberg Barclays Intermediate Corporate ETF	SPIB	2368.611	\$ 33.37	\$ 79,040.55	10.65%	2.67%	4.19%	4.27
iShares Long Term (10+ year) Corporate ETF	IGLB	1198.771	\$ 55.89	\$ 66,999.31	9.03%	3.98%	4.80%	13.62
SPDR Bloomberg Barclays Mortgage Backed Bond ETF	SPMB	2813.636	\$ 23.52	\$ 66,176.72	8.92%	2.67%	3.38%	5.06
iShares 20+ Year Treasury ETF	TLT	351.025	\$ 117.43	\$ 41,220.87	5.55%	2.18%	3.18%	18.59
iShares 1-3 Year Treasury ETF	SHY	461.799	\$ 83.05	\$ 38,352.41	5.17%	1.28%	2.89%	1.82
PowerShares Senior Loan Index ETF	BKLN	1720.369	\$ 20.97	\$ 36,076.14	4.86%	4.07%	7.93%	0.18
iShares ESG Aware USD Corporate Bond ETF	SUSC	1500.396	\$ 23.91	\$ 35,874.47	4.83%	2.79%	4.55%	7.75
iShares Intermediate (5 to 10 year) Corporate ETF	IGIB	535.186	\$ 52.82	\$ 28,268.52	3.81%	2.91%	4.42%	6.22
iShares 7-10 Year Treasury ETF	IEF	263.846	\$ 105.17	\$ 27,748.68	3.74%	2.10%	2.66%	7.88
SPDR Bloomberg Barclays Short Term Corporate Bond ETF	SPSB	561.505	\$ 29.99	\$ 16,839.53	2.27%	1.90%	3.74%	1.85
iShares 3-7 Year Treasury ETF	IEI	116.062	\$ 121.26	\$ 14,073.68	1.90%	1.42%	2.75%	4.55
iShares 10-20 Year Treasury ETF	TLH	86.449	\$ 123.45	\$ 10,672.13	1.44%	2.20%	3.21%	14.77
Bonds	CUSIP	Face Value	Bond Price	Market Value	Weight	Current Yield	Yield to Worst	Duration
US Treasury 2.25% 11/15/2027	9128283F5	25000	97.66	\$ 24,531.76	3.31%	2.30%	2.71%	4.91
US Treasury 2.75% 02/28/2025	9128283Z1	24000	99.70	\$ 24,203.15	3.26%	2.76%	2.83%	2.44
US Treasury 2.75% 11/15/2042	912810QY7	25000	92.09	\$ 23,167.29	3.12%	2.98%	3.27%	15.78
US Treasury TIPS 0.5% 04/15/2024	9128286N5	15000	117.41	\$ 17,636.47	2.38%	0.49%	-0.35%	1.67
US Treasury 1.25% 12/31/2026	91282CDQ1	15000	93.91	\$ 14,102.90	1.90%	1.33%	2.71%	4.23
US Treasury 2.375% 01/31/2023	9128283U2	11000	99.72	\$ 10,969.06	1.48%	2.38%	2.82%	0.49
FFCB 3.43% 12/06/2028	3133EJ2D0	10000	101.09	\$ 10,161.30	1.37%	3.39%	3.17%	5.64
FFCB 2.37% 2/5/2024	3133EH5S8	10000	98.82	\$ 9,997.57	1.35%	2.40%	3.11%	1.45
US Treasury 2.25% 12/31/2023	912828V23	10000	98.99	\$ 9,917.78	1.34%	2.27%	2.91%	1.38
Federal Home LN MTG CORP Note 1.5% 2/12/2025	3137EAEP0	10000	96.66	\$ 9,736.32	1.31%	1.55%	2.83%	2.44
<b>Fidelity Government Money Market</b>				<b>\$ 29,486.10</b>	<b>3.97%</b>	<b>0.69%</b>	<b>0.69%</b>	

**Key Rate Duration Exposure versus Benchmark**



**Contribution to Spread Duration by Sector**



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