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Archway Investment Fund

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3-2023

Fixed Income Fund Report, March 2023

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. After including subsequent capital inflows and outflows, the net capital contribution is \$815,000.

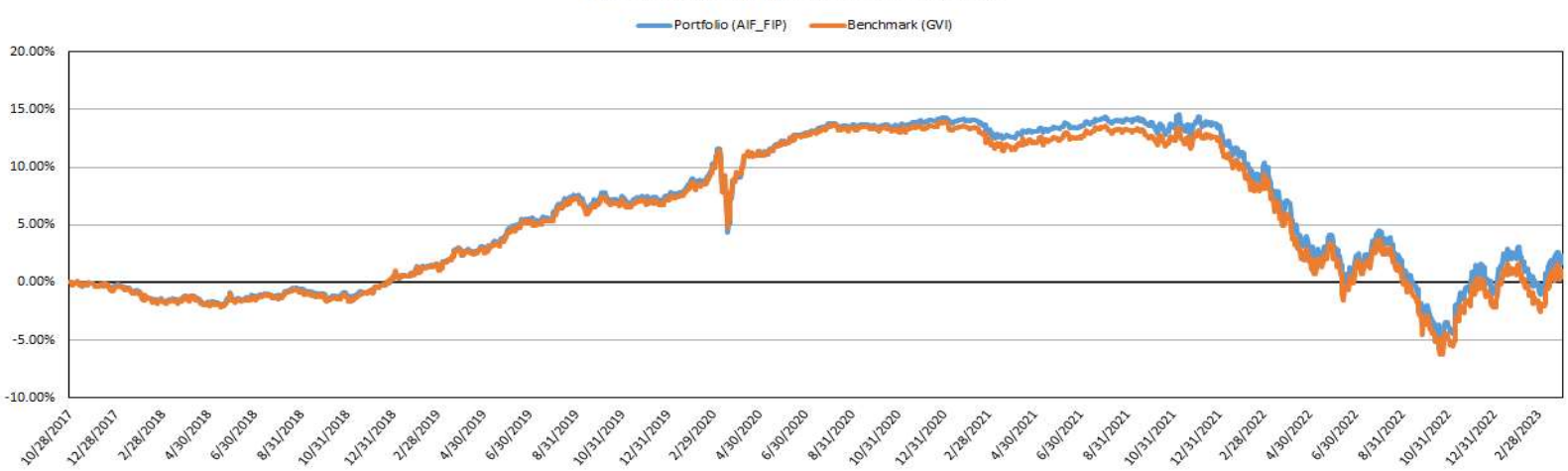
Investment Strategy

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 2.42% during March, while the benchmark returned 2.64%, producing an excess return of -0.22%. On March 10, Silicon Valley Bank (SVB) failed; it was the second largest bank failure in United States history. A few other regional banks fell as well, causing a drop in public confidence in the banking system. Two weeks after the failure, Federal Reserve Bank Chairman Jerome Powell announced a 25 bps increase in the Federal Funds rate. He emphasized that the banking system had strong capital and liquidity, and continued to insist that the Fed is focused on fighting inflation. However, he also noted that financial conditions had tightened, and that the economy was showing some signs that inflationary pressure were beginning to recede. For the month of March, Treasury yields dropped across the curve, with the 6-month yield down by 26 bps, the 2-year yield down by 79 bps, the 5-year yield down by 61 bps, the 10-year yield down by 46 bps, and 30-year yield down by 27 bps. The spread between the 2-year and the 10-year yields ended the month at -56 bps, after reaching -109 bps earlier in March. That was the largest inversion in that portion of the yield curve in 40 years. The Archway portfolio was shorter in duration than it benchmark throughout March, with the only material overweight at the 20-year point on the curve. The duration and curve exposures contributed -0.18% and 0.00% in alpha for the month. The portfolio was also overweight in investment grade credit, high yield bank loans, agency debt, and MBS throughout most of the month. It was underweight in Treasuries and the other smaller sectors within its benchmark where we cannot invest. Those sector exposures contributed -0.08% to alpha during the month. Income and security selection contributed 0.04% in alpha to the portfolio during the month. For the year thus far, the portfolio has returned 3.34%, while the benchmark returned 3.24%. Since its inception in October 2017, the portfolio has an annualized return of 0.43% and outperformed the benchmark by 0.25%. During the last week of the month, the portfolio was repositioned to be slightly longer than the benchmark in duration, with reduced key rate duration differences across the curve. We also eliminated the bank loan ETF position, reduced our MBS weight, reduced our spread duration in investment grade corporate bonds, and added to our Treasury and Agency exposure.

Cumulative Return Since Inception



Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 3/31/2023	Portfolio	Benchmark	Excess		Portfolio	Benchmark
Since Inception Return (Cumulative since October 27, 2017)	2.36%	1.00%	1.36%	Option Adjusted Duration	6.47	6.28
Since Inception Return (Annualized)	0.43%	0.18%	0.25%	Current Yield	3.27%	3.03%
Month to Date Return	2.42%	2.64%	-0.22%	Yield to Worst	4.56%	3.31%
Academic Term to Date Return	3.34%	3.24%	0.10%	Number of Individual Bonds Held	14	10804
Year to Date Return	3.34%	3.24%	0.10%	Number of ETFs Held	12	0
1 Year Trailing Return	-4.46%	-4.62%	0.16%	Weight in Bonds	24.31%	99.15%
3 Year Trailing Return (Annualized)	-2.19%	-2.64%	0.44%	Weight in ETFs	74.65%	0.00%
5 Year Trailing Return (Annualized)	0.70%	0.20%	0.50%	Weight in Cash	1.04%	0.85%
				Portfolio Market Value	\$ 787,391.72	



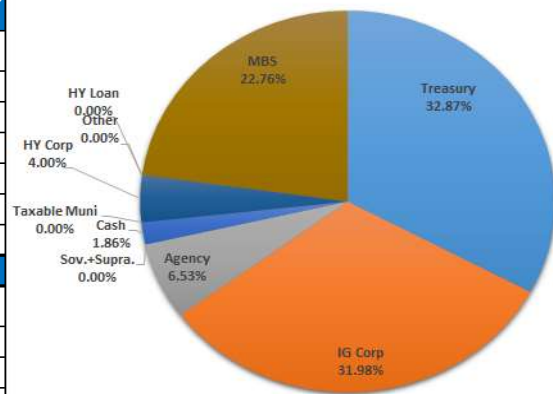
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Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg 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		4.53%	4.85%	1.42%	0.96
Month to Date		8.61%	9.65%	1.60%	0.99
Academic Term to Date		7.77%	8.22%	1.08%	0.99
Year to Date		7.77%	8.22%	1.08%	0.99
1 Year Trailing		8.05%	8.32%	1.05%	0.99
3 Year Trailing		5.33%	5.56%	1.27%	0.97
5 Year Trailing		4.70%	5.01%	1.45%	0.96
Monthly Performance Attribution Results		Portfolio	Benchmark	Excess	
Total		2.42%	2.64%	-0.22%	
Contribution from Duration		2.87%	3.05%	-0.18%	
Contribution from Curve Exposure		-0.26%	-0.26%	0.00%	
Contribution from Sector Spread Duration		-0.69%	-0.62%	-0.08%	
Contribution from Income and Security Specific Returns		0.50%	0.46%	0.04%	

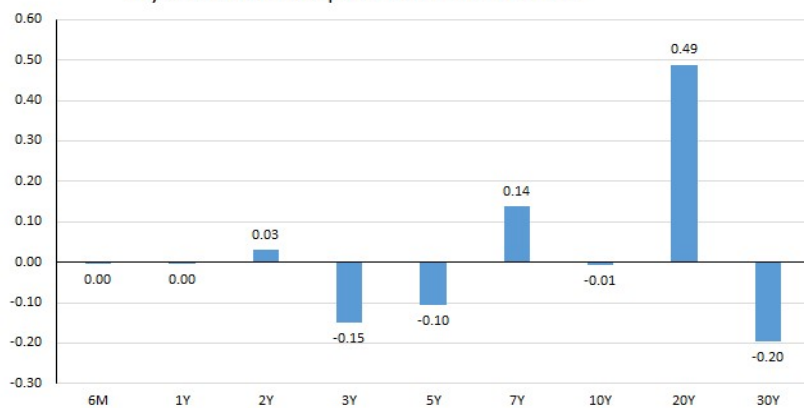
Portfolio Sector Allocation



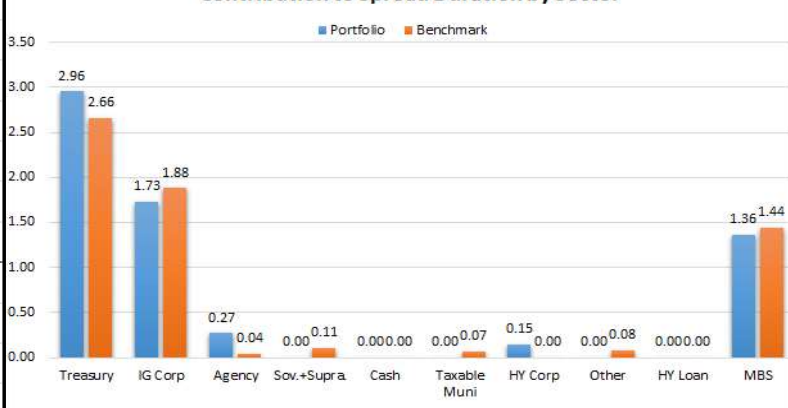
Portfolio Holdings

Exchange Traded Funds	Ticker	Shares	Share Price	Market Value	Weight	Current Yield	Yield to Worst	Option Adj. Duration
iShares MBS ETF	MBB	1324.707	\$ 94.73	\$ 125,489.49	15.94%	3.18%	4.40%	5.89
SPDR Bloomberg Barclays Short Term Corporate Bond ETF	SPSB	2480.796	\$ 29.63	\$ 73,505.99	9.34%	3.64%	5.18%	1.81
SPDR Bloomberg Barclays Intermediate Corporate ETF	SPIB	1931.577	\$ 32.49	\$ 62,756.94	7.97%	3.45%	5.12%	4.14
SPDR Bloomberg Barclays Mortgage Backed Bond ETF	SPMB	2665.239	\$ 22.18	\$ 59,115.00	7.51%	3.12%	4.48%	5.66
iShares Intermediate (5 to 10 year) Corporate ETF	IGIB	917.963	\$ 51.28	\$ 47,073.14	5.98%	3.64%	5.12%	6.12
iShares 7-10 Year Treasury ETF	IEF	417.19	\$ 99.12	\$ 41,351.87	5.25%	2.37%	3.49%	7.58
iShares ESG Aware USD Corporate Bond ETF	SUSC	1708.815	\$ 23.02	\$ 39,328.38	5.00%	4.27%	5.19%	7.24
iShares 20+ Year Treasury ETF	TLT	332.368	\$ 106.37	\$ 35,353.98	4.49%	3.03%	3.75%	17.86
iShares Long Term (10+ year) Corporate ETF	IIGL	608.623	\$ 52.39	\$ 31,885.76	4.05%	4.57%	5.33%	13.12
SPDR Barclays Capital High Yield Bond ETF	JNK	341.898	\$ 92.82	\$ 31,734.97	4.03%	5.87%	8.35%	3.70
iShares 10-20 Year Treasury ETF	TLH	226.285	\$ 114.54	\$ 25,918.68	3.29%	3.90%	3.77%	14.04
iShares 3-7 Year Treasury ETF	IEI	117.451	\$ 117.65	\$ 13,818.11	1.76%	2.08%	3.65%	4.38
Bonds	CUSIP	Face Value	Bond Price	Market Value	Weight	Current Yield	Yield to Worst	Option Adj. Duration
US Treasury 2.25% 11/15/2027	9128283F5	25000	94.11	\$ 23,740.22	3.02%	2.39%	3.62%	4.27
US Treasury 2.75% 02/28/2025	9128283Z1	24000	97.51	\$ 23,459.27	2.98%	2.82%	4.06%	1.83
US Treasury 3% 11/15/2045	912810RP5	25000	87.11	\$ 22,061.18	2.80%	3.44%	3.84%	15.86
US Treasury 2.75% 11/15/2042	912810QY7	25000	84.91	\$ 21,486.75	2.73%	3.23%	3.83%	14.70
US Treasury TIPS 0.5% 04/15/2024	9128286N5	15000	116.78	\$ 17,558.39	2.23%	0.51%	1.94%	1.01
US Treasury 1.25% 12/31/2026	91282CDQ1	15000	91.40	\$ 13,756.90	1.75%	1.37%	3.71%	3.57
FFCB 3.43% 12/06/2028	3133EJ2D0	12000	96.09	\$ 11,662.76	1.48%	3.56%	4.14%	5.01
Federal Home LN MTG CORP Note 1.5% 2/12/2025	3137EAEP0	12000	95.23	\$ 11,451.86	1.45%	1.57%	4.15%	1.80
FFCB 2.37% 2/5/2024	3133EH5S8	10000	97.69	\$ 9,805.37	1.25%	2.43%	5.14%	0.83
US Treasury 3.125% 8/31/2029	91282CFJ5	10000	97.41	\$ 9,767.80	1.24%	3.21%	3.57%	5.70
FFCB 1.80% 1/05/2032	3133ENJZ4	10000	81.47	\$ 8,189.50	1.04%	2.20%	4.24%	7.07
Tennessee Valley Authority 0% 5/01/2029	88059ESN5	10000	76.93	\$ 7,693.40	0.98%	0.00%	4.20%	5.92
US Treasury 4% 12/15/2025	91282CGA3	6000	100.41	\$ 6,094.92	0.77%	3.98%	3.82%	2.50
US Treasury 2.625% 04/15/2025	91282CEH0	5000	97.19	\$ 4,919.95	0.63%	2.70%	4.04%	1.93
Fidelity Government Money Market				\$ 8,154.17	1.04%	3.86%	3.86%	

Key Rate Duration Exposure versus Benchmark



Contribution to Spread Duration by Sector



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