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Archway Investment Fund

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6-2019

Equity Fund Monthly Report, June 2019

Bryant University, Archway Investment Fund

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Portfolio Description

The primary objective of the Archway Investment Equity Portfolio (the Portfolio) is to provide students in Bryant University's Equity Portfolio Management course with a hands-on learning experience. Student portfolio managers are organized into teams responsible for managing the holdings in their assigned sectors. The Portfolio launched in August 2005 with \$200,000.00. Including subsequent inflows and outflows the net capital contributed has been \$450,000.00, and the cumulative investment return is \$928,071.56.

Investment Strategy

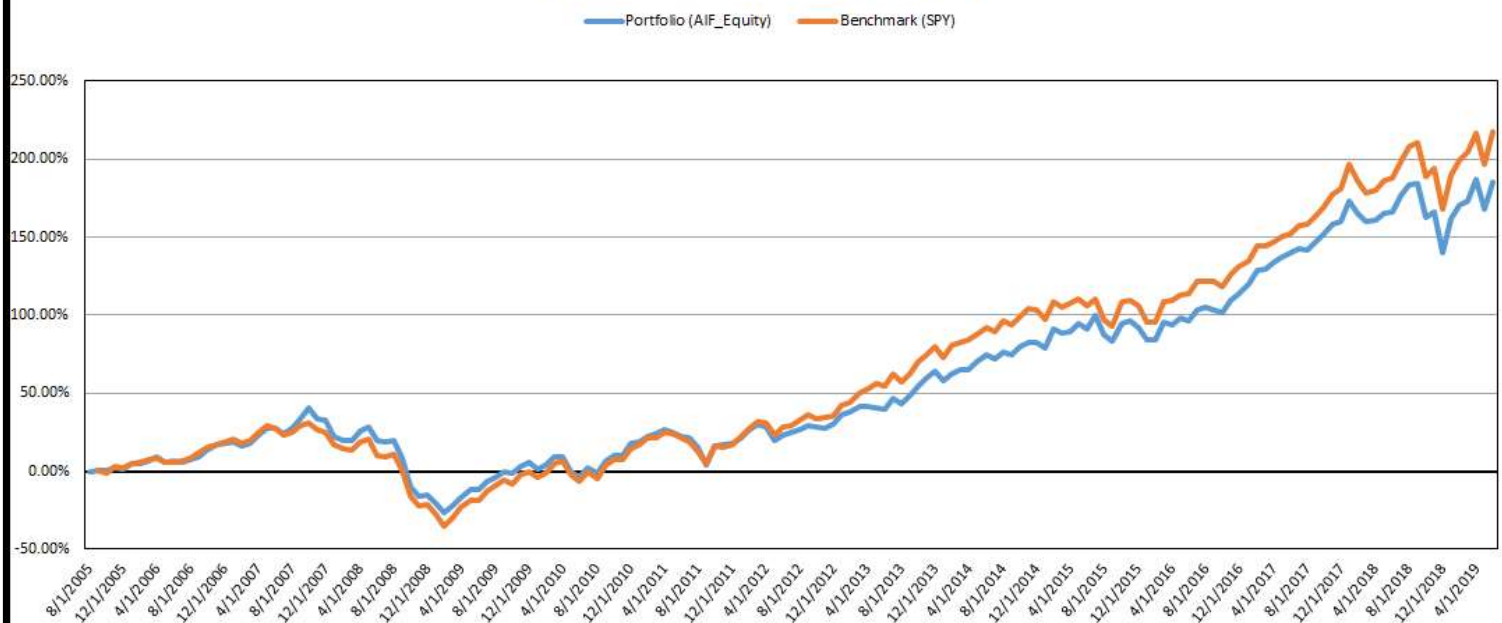
The Portfolio strategy is to purchase stocks for less than their intrinsic value based on both value and growth considerations to achieve risk adjusted returns that equal or exceed benchmark returns. The overall benchmark used for performance evaluation is the State Street SPDR S&P500 Exchange Traded Fund (SPY), while benchmarks used for individual sectors are the corresponding SPDR sector ETFs. Each sector is initially weighted in the portfolio based on their weighting in the S&P500 Index and are then adjusted to reflect portfolio manager expectations about the performance of each sector. While the purchase of foreign equities is allowed, the Fund remains heavily weighted in domestic assets. At times, the Fund uses options as a method to control risk. Option use is limited to covered call and protective put strategies. Options are used only to control risk and the underlying security must be held in the Fund.

The inclusion of ESG factors into the stock selection process has been a recent enhancement. Both portfolio managers and security analysts utilize ESG metrics to identify risk factors and aid in generating excess returns after adjusting for risk. Further enhancements to this process were adopted in 2018, as was the introduction of monthly performance reports, performance attribution analysis, and factor risk modeling.

Performance Commentary

The Archway Equity Portfolio returned 6.50% in June, while the benchmark returned 6.96%. Economic data releases in June reinforced the message that global growth was weak and the chances of a recession had increased. The equity market sell-off in May was largely driven by that sentiment. In June, the theme of "central banks to the rescue" was the dominant story. Comments by Jerome Powell and other Fed officials hinted at imminent rate cuts. While the Fed stood pat in June, they clearly opened the door to a July rate cut. Mario Draghi also indicated that additional easing by the ECB was a distinct possibility. The result was a decline in Sovereign bond yields, and positive equity market returns. The yield on the 10 year US Treasury briefly dipped below 2%, and ended the month at 2.01%. Trade tensions leading into the G-20 meeting continued to dominate the headlines, but hope for a restart of US-China talks provided some additional fuel to the equity market rally during the last week of June. Every sector in the S&P 500 had a positive return during June, led by Energy (+12.00%) and Materials (+10.51%). Due to the triggering of some individual stop losses in May, the portfolio entered June with a cash balance over 3%, and underweight allocations in a number of sectors. Overall, Sector Allocation contributed -26 bps of alpha in June. Cash cost 31 bps, the underweight allocations to Utilities and Real Estate added 5 bps apiece, and the overweight in Energy added 2 bps. Security Selection contributed -0.26% of alpha during the month. The largest positive security selection alpha came from Energy (+15 bps) and Consumer Discretionary (+7 bps), while the largest negative security selection alpha came from Technology (-26 bps), Communication Services (-12 bps), and Industrials (-10 bps). For the year thus far, the portfolio returned 18.55% while the benchmark returned 18.32%. Since the inception of the fund in August 2005, the portfolio has an annualized return of 7.86% and the benchmark has an annualized return of 8.71%.

Cumulative Return Since Inception



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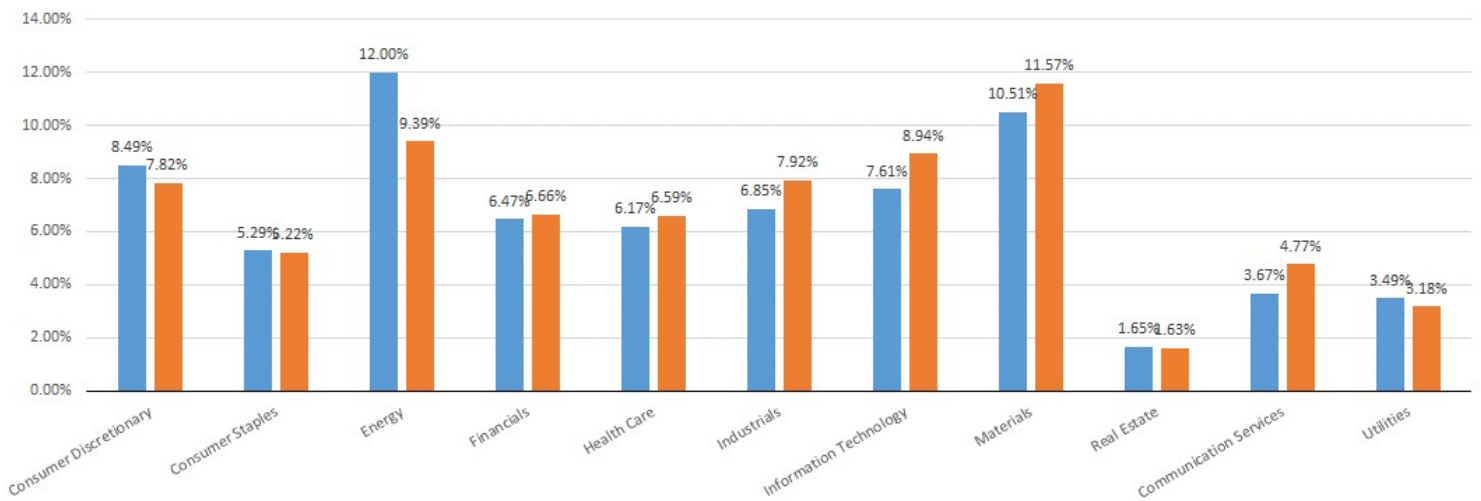
Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg LP. Returns for the portfolio and benchmark include reinvestment of income distributions, and realized and unrealized gains. Returns have not been audited.

Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 6/30/2019	Portfolio	Benchmark	Excess		Portfolio	Benchmark
Month to Date Return	6.50%	6.96%	-0.46%	Portfolio Market Value	\$ 1,378,072	
Academic Term to Date Return	6.50%	6.96%	-0.46%	Number of Individual Equities Held	43	506
Year to Date Return	18.55%	18.32%	0.22%	Number of ETFs Held	21	0
1 Year Trailing Return	7.20%	10.13%	-2.93%	Weight in Individual Equities	59.21%	99.84%
3 Year Trailing Return (Annualized)	13.15%	14.03%	-0.88%	Weight in ETFs	37.38%	0.00%
5 Year Trailing Return (Annualized)	10.25%	10.58%	-0.33%	Weight in Options	0.00%	0.00%
Since Inception Return (Annualized)	7.86%	8.71%	-0.84%	Weight in Cash	3.41%	0.16%
				Wtd. Avg. 2 Year Beta to S&P 500	0.97	1.00

Sector Returns

Monthly Sector Returns: Portfolio vs. Benchmark

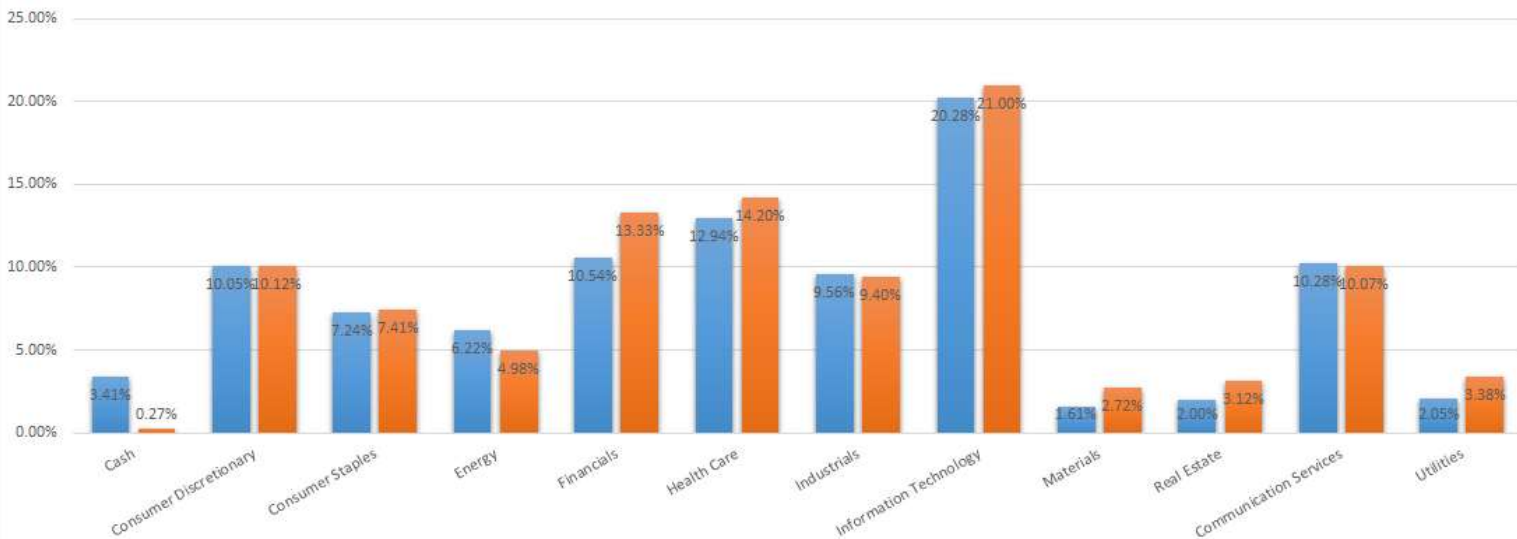
■ Portfolio ■ SPDR Sector ETF



Sector Weights

Sector Weights: Portfolio vs. Benchmark

■ Portfolio ■ Benchmark



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Top 10 Individual Equity and ETF Holdings

Equities	Ticker	Shares	Price	Market Value	% of Portfolio	Historical Cost	Unrealized Gain/Loss
VISA INC COM CL A	V	341	173.55	\$ 59,180.55	4.29%	\$32,810.58	\$26,369.97
APPLE INC	AAPL	218	197.92	\$ 43,146.56	3.13%	\$27,918.40	\$15,228.16
DISNEY WALT CO	DIS	255	139.64	\$ 35,608.20	2.58%	\$23,405.60	\$12,202.60
ALPHABET INC CAP STK CL A	GOOGL	32	1082.8	\$ 34,649.60	2.51%	\$14,279.82	\$20,369.78
MISCROSOFT CORP INC	MSFT	236	133.96	\$ 31,614.56	2.29%	\$30,505.52	\$1,109.04
CISCO SYS INC COM	CSCO	570	54.73	\$ 31,196.10	2.26%	\$22,340.94	\$8,855.16
AMAZON INC	AMZN	15	1893.63	\$ 28,404.45	2.06%	\$27,475.23	\$929.22
BANK OF AMERICA CORP	BAC	975	29	\$ 28,275.00	2.05%	\$16,140.89	\$12,134.12
JPMORGAN CHASE & CO	JPM	245	111.8	\$ 27,391.00	1.99%	\$24,553.70	\$2,837.30
HONEYWELL INTL INC	HON	143	174.59	\$ 24,966.37	1.81%	\$20,045.95	\$4,920.42
Exchange Traded Funds	Ticker	Shares	Price	Market Value	% of Portfolio	Historical Cost	Unrealized Gain/Loss
SECTOR SPDR TR SHS BEN INT TECHNOLOGY	XLK	712	\$ 78.04	\$ 55,564.48	4.03%	\$ 37,504.36	\$18,060.12
SPDR S&P 500 ETF TRUST UNIT SER 1 S&P	SPY	180	\$ 293.00	\$ 52,740.00	3.83%	\$ 52,023.76	\$716.24
SPDR SER TR S&P INS ETF	KIE	1225	\$ 33.99	\$ 41,637.75	3.02%	\$ 34,410.15	\$7,227.60
ISHARES TR U.S. MED DVC ETF	IHI	163	\$ 240.72	\$ 39,237.36	2.85%	\$ 28,156.20	\$11,081.16
SELECT SECTOR SPDR TR HEALTH CARE	XLV	407	\$ 92.64	\$ 37,704.48	2.74%	\$ 32,192.89	\$5,511.59
SELECT SECTOR SPDR TR CONSUMER DISCRETIONARY	XLY	250	\$ 119.20	\$ 29,800.00	2.16%	\$ 21,646.91	\$8,153.09
SELECT SECTOR SPDR TR COMMUNICATION	XLC	602	\$ 49.22	\$ 29,630.44	2.15%	\$ 27,821.77	\$1,808.67
SELECT SECTOR SPDR TR RL EST SEL SEC	XLRE	750	\$ 36.77	\$ 27,577.50	2.00%	\$ 25,734.98	\$1,842.52
SECTOR SPDR TR SHS BEN INT CONSUMER STAPLES	XLP	448	\$ 58.07	\$ 26,015.36	1.89%	\$ 24,140.18	\$1,875.18
SELECT SECTOR SPDR TR ENERGY	XLE	374	\$ 63.71	\$ 23,827.54	1.73%	\$ 26,190.56	-\$2,363.02
Cash				\$ 46,992.50	3.41%		

Performance Analytics

Historical Risk Statistics and Ratios	Annualized Portfolio Volatility	Annualized Benchmark Volatility	Annualized Tracking Error	Annualized Information Ratio	Correlation to Benchmark	Beta to Benchmark	Jensen's Alpha	Treynor Ratio	Sharpe Ratio
Since Inception	13.74%	14.20%	3.60%	-0.23	0.97	0.94	-1.36%	7.25	0.49
1 Year Trailing	20.31%	18.86%	2.34%	-1.25	1.00	1.07	-3.66%	4.77	0.25
3 Year Trailing	12.56%	12.12%	2.16%	-0.41	0.99	1.02	-1.18%	9.29	0.76
5 Year Trailing	11.90%	11.99%	2.68%	-0.12	0.97	0.97	0.02%	6.71	0.54
Monthly Performance Attribution Results	Portfolio	Benchmark	Excess	Top 5 Return Contributors			Bottom 5 Return Contributors		
Total	6.50%	6.96%	-0.46%	Ticker	Weight	Return Contrib.	Ticker	Weight	Return Contrib.
Return Contribution from Sector Allocation	6.79%	7.04%	-0.26%	AAPL	3.13%	0.3850%	VMW	1.33%	-0.0831%
Alpha from Equity and ETF Selection and Trading	-0.30%	0.00%	-0.30%	XLK	4.03%	0.3537%	GOOGL	2.51%	-0.0586%
Alpha from Option Selection and Trading	0.00%	0.00%	0.00%	V	4.29%	0.3286%	ABBV	0.75%	-0.0441%
Income from Cash Account	0.01%	0.00%	0.01%	IHI	2.85%	0.2563%	MO	0.93%	-0.0357%
Tracking/Rounding Difference	0.00%	-0.09%	0.09%	VLO	1.11%	0.2216%	MTX	0.08%	0.0024%



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