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Archway Investment Fund

Archway Investment Fund

12-2019

Equity Fund Monthly Report, December 2019

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The Archway Investment Fund - Equity Portfolio

Bryant University

Monthly Report
Data as of 12/31/2019

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. Including subsequent inflows and outflows the net capital contributed has been \$450,000, and the cumulative investment return is \$1,082,629.

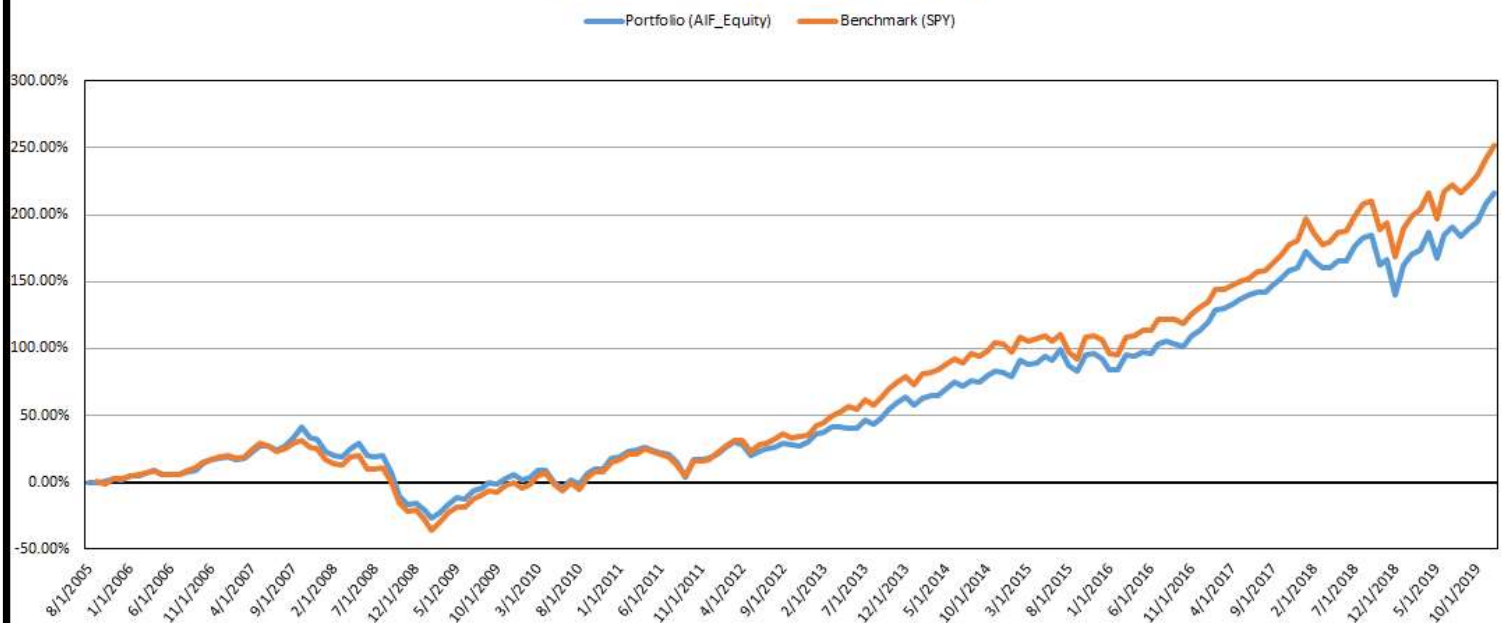
Investment Strategy

The Portfolio strategy focuses on buying 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 investment process is built around sector teams responsible for overseeing the holdings and the weightings of the securities in their sectors. Formal stock pitches are required to add new names to the portfolio. The inclusion of ESG factors into the stock selection process was a recent enhancement. Portfolio managers and security analysts utilize ESG metrics to identify risk factors and aid in generating risk-adjusted excess returns. The overall benchmark used for performance evaluation is the State Street SPDR S&P 500 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&P 500 Index and are then adjusted to reflect portfolio manager expectations about the performance of each sector. While the purchase of international equities is allowed, the Fund remains heavily weighted in domestic assets. 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. In 2018, monthly performance reports, performance attribution analysis, and factor risk modeling were added to the process.

Performance Commentary

The Archway Equity Portfolio returned 2.89% in December, while the benchmark returned 2.90%. The household sector of the US economy is healthy with low unemployment, accelerating wage growth, and strong consumer confidence. This led to a strong holiday shopping season. The agreement on a Phase One trade deal between the US and China also boosted equity prices, with technology shares benefiting from these developments. Higher oil prices also boosted returns in the Energy sector. The SPDR Energy Sector ETF (+6.03%) had the best return in December, while the Technology (+4.32%), and Healthcare (+3.48%) ETFs also had a strong month. The only sector SPDR ETF with a negative return in December was Industrials (-0.20%). Sector Allocation contributed -6 bps of alpha, due to the 2.7% allocation to cash at the start of the month. Security Selection alpha overall was negligible in December. Positive security selection alpha came in Technology (+24 bps) and Financials (+15 bps), while the portfolio experienced negative security selection alpha in Communication Services (-15 bps) and Healthcare (-13 bps). Apple (+39 bps) and Skyworks (+25 bps) made the largest return contributions to the portfolio in December, while Disney (-12 bps) and Southwest (-7 bps) had the largest negative return contributions. The student portfolio managers prepared the portfolio for the winter break and the new PMs who will assume responsibility for the portfolio during the Spring Term by initiating a few trades at the end of the semester entering stop loss limits for a number of individual names. The outgoing portfolio managers had a successful run with the portfolio returning 11.43% versus the benchmark return of 11.11% for the Fall semester (September through December). For the full calendar year, the portfolio returned 31.84%, beating its benchmark by 0.62%. Since the inception of the fund in August 2005, the portfolio has an annualized return of 8.38% and the benchmark has an annualized return of 9.17%.

Cumulative Return Since Inception



Bryant University
1150 Douglas Pike
Smithfield, RI 02917-1284
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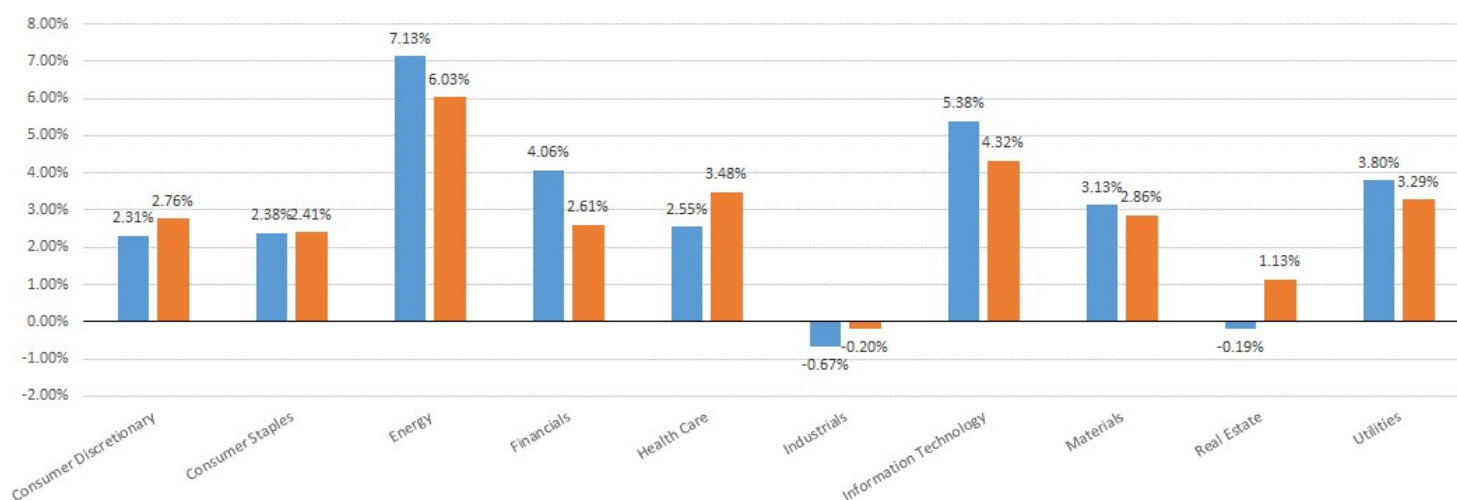
Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg LP. Returns for the portfolio and benchmark include reinvestment of income distributions, and realized and unrealized gains. Returns have not been audited.

Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 12/31/2019	Portfolio	Benchmark	Excess	Characteristics as of 12/31/2019	Portfolio	Benchmark
Month to Date Return	2.89%	2.90%	-0.01%	Portfolio Market Value	\$ 1,532,629	
Academic Term to Date Return	11.43%	11.11%	0.32%	Number of Individual Equities Held	50	506
Year to Date Return	31.84%	31.22%	0.62%	Number of ETFs Held	21	0
1 Year Trailing Return	31.84%	31.22%	0.62%	Weight in Individual Equities	66.51%	99.63%
3 Year Trailing Return (Annualized)	14.01%	15.08%	-1.07%	Weight in ETFs	31.94%	0.00%
5 Year Trailing Return (Annualized)	11.72%	11.57%	0.15%	Weight in Options	0.00%	0.00%
Since Inception Return (Annualized)	8.38%	9.17%	-0.80%	Weight in Cash	1.54%	0.37%
				Wtd. Avg. 2 Year Beta to S&P 500	0.98	1.00

Sector Returns

Monthly Sector Returns: Portfolio vs. Benchmark

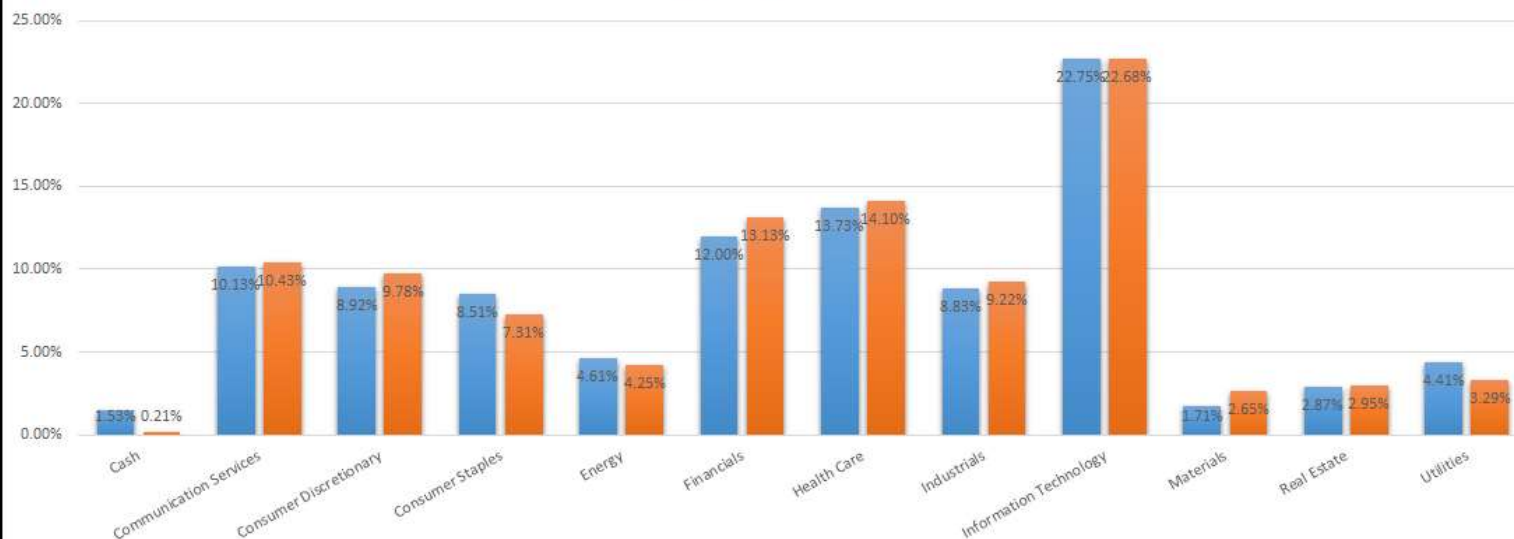
■ Portfolio ■ SPDR Sector ETF



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	187.9	\$ 64,073.90	4.18%	\$32,810.58	\$31,263.32		
APPLE INC		AAPL	218	293.65	\$ 64,015.70	4.18%	\$27,918.40	\$36,097.30		
MISCROSOFT CORP INC		MSFT	287	157.7	\$ 45,259.90	2.95%	\$38,122.37	\$7,137.53		
ALPHABET INC CAP STK CL A		GOOGL	32	1339.39	\$ 42,860.48	2.80%	\$14,279.82	\$28,580.66		
DISNEY WALT CO		DIS	247	144.63	\$ 35,723.61	2.33%	\$22,671.31	\$13,052.30		
BANK OF AMERICA CORP		BAC	975	35.22	\$ 34,339.50	2.24%	\$16,140.89	\$18,198.62		
JPMORGAN CHASE & CO		JPM	245	139.4	\$ 34,153.00	2.23%	\$24,553.70	\$9,599.30		
AMAZON INC		AMZN	15	1847.84	\$ 27,717.60	1.81%	\$27,064.64	\$652.96		
CISCO SYS INC COM		CSCO	570	47.96	\$ 27,337.20	1.78%	\$22,340.94	\$4,996.26		
BERKSHIRE HATHAWAY CLASS B		BRK/B	120	226.5	\$ 27,180.00	1.77%	\$26,049.70	\$1,130.30		
Exchange Traded Funds		Ticker	Shares	Price	Market Value	% of Portfolio	Historical Cost	Unrealized Gain/Loss		
SECTOR SPDR TR SHS BEN INT TECHNOLOGY		XLK	590	\$ 91.67	\$ 54,085.30	3.53%	\$ 31,078.05	\$23,007.25		
SELECT SECTOR SPDR TR HEALTH CARE		XLV	418	\$ 101.86	\$ 42,577.48	2.78%	\$ 33,453.84	\$9,123.64		
ISHARES TR U.S. MED DVC ETF		IHI	150	\$ 264.32	\$ 39,648.00	2.59%	\$ 25,910.61	\$13,737.39		
SPDR SERIES TRUST S&P AEROSPACE & DEFENSE ETF		XAR	351	\$ 109.11	\$ 38,297.61	2.50%	\$ 30,979.79	\$7,317.82		
SECTOR SPDR TR SHS BEN INT CONSUMER STAPLES		XLP	521	\$ 62.98	\$ 32,812.58	2.14%	\$ 28,532.43	\$4,280.15		
SELECT SECTOR SPDR TR CONSUMER DISCRETIONARY		XLY	250	\$ 125.42	\$ 31,355.00	2.05%	\$ 21,646.91	\$9,708.09		
SPDR SER TR S&P INS ETF		KIE	825	\$ 35.43	\$ 29,229.75	1.91%	\$ 23,174.18	\$6,055.57		
SECTOR SPDR TR SHS BEN INT UTILITIES		XLU	421	\$ 64.62	\$ 27,205.02	1.77%	\$ 22,987.90	\$4,217.12		
SELECT SECTOR SPDR TR RL EST SEL SEC		XLRE	675	\$ 38.67	\$ 26,102.25	1.70%	\$ 23,161.48	\$2,940.77		
SPDR SER TR S&P PHARMACEUTICALS ETF		XPB	552	\$ 45.67	\$ 25,209.84	1.64%	\$ 23,879.35	\$1,330.49		
Cash					\$ 23,588.23	1.54%				
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		13.58%	14.00%	3.55%	-0.22	0.97	0.94	-1.42%	7.66	0.53
1 Year Trailing		14.18%	12.90%	2.28%	0.27	0.99	1.09	-2.14%	27.24	2.09
3 Year Trailing		12.65%	12.04%	2.14%	-0.50	0.99	1.04	-1.61%	8.83	0.72
5 Year Trailing		11.98%	11.95%	2.62%	0.06	0.98	0.98	0.40%	6.78	0.55
Monthly Performance Attribution Results		Portfolio	Benchmark	Excess	Top 5 Return Contributors			Bottom 5 Return Contributors		
Total		2.89%	2.90%	-0.01%	Ticker	Weight	Return Contrib.	Ticker	Weight	Return Contrib.
Return Contribution from Sector Allocation		2.88%	2.95%	-0.06%	AAPL	4.18%	0.3864%	DIS	2.33%	-0.1152%
Alpha from Equity and ETF Selection and Trading		0.00%	0.00%	0.00%	SWKS	1.25%	0.2457%	LUV	0.95%	-0.0663%
Alpha from Option Selection and Trading		0.00%	0.00%	0.00%	XPB	1.64%	0.1783%	XAR	2.50%	-0.0383%
Income from Cash Account		0.00%	0.00%	0.00%	XLK	3.53%	0.1507%	VMW	1.09%	-0.0283%
Tracking/Rounding Difference		0.00%	-0.04%	0.04%	BAC	2.24%	0.1361%	PLD	1.16%	-0.0252%
		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.				