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Archway Investment Fund

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3-2020

### Equity Fund Monthly Report, March 2020

Bryant University, Archway Investment Fund

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# The Archway Investment Fund - Equity Portfolio

## Bryant University

Monthly Report  
Data as of 3/31/2020

### 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 \$395,000, and the cumulative investment return is \$803,005.

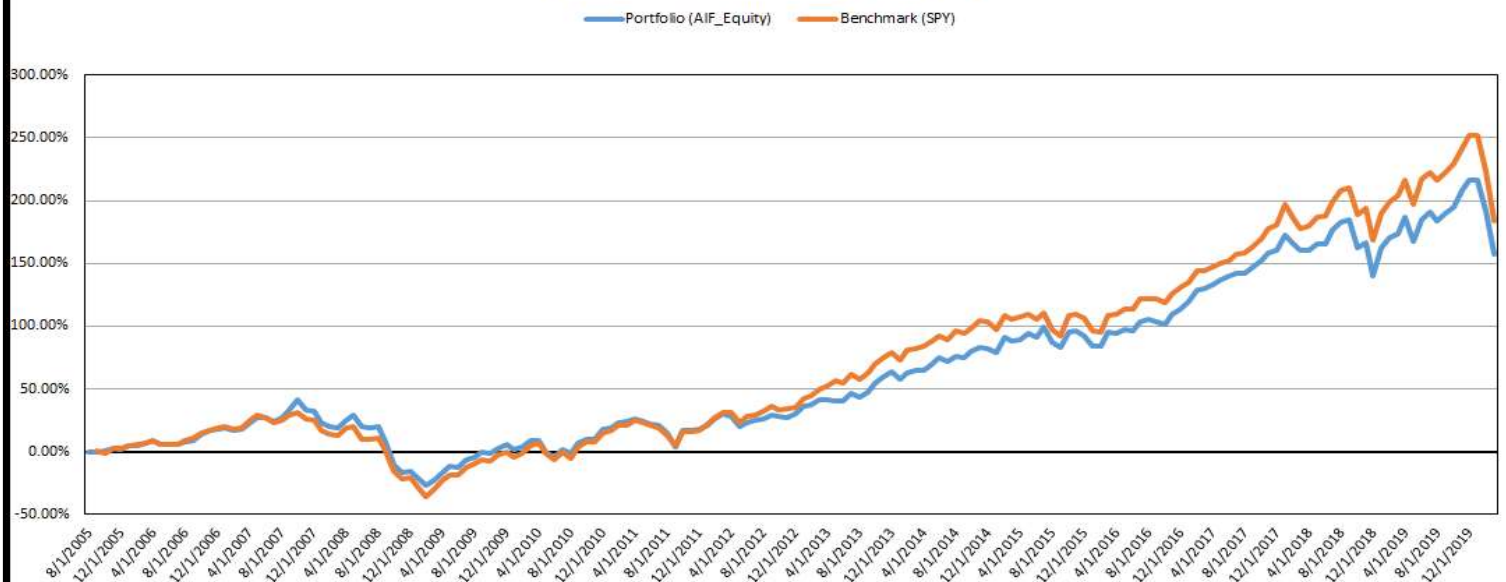
### Investment Strategy

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. Portfolio managers and security analysts use traditional fundamental analysis and valuation modeling, and they incorporate 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 via ADRs 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. Performance attribution analysis, and factor risk modeling are integral parts of the portfolio management and reporting process.

### Performance Commentary

The Archway Equity Portfolio returned -11.60% in March, while the benchmark (SPY) returned -12.52%. For the Spring term thus far, the portfolio earned -18.66%, with SPY at -19.48%. Since the inception of the fund in August 2005, the portfolio has an annualized return of 6.71% versus SPY at 7.40%. With COVID-19 proving to be worse than initially predicted, the US shut down most businesses to minimize the spread of the virus. This caused fear in the markets and investors sold off risk assets, including equities. The Federal Reserve, along with central banks around the world, quickly added stimulus to the global economy. They reduced the Fed Funds target range to 0 to 25bps, and they instituted a massive debt purchase program covering a wide range of securities to avoid a credit crisis. Congress passed a \$2+ trillion stimulus package providing payroll support to small businesses, funding for unemployment benefits, and aid to healthcare and travel industries. The selloff continued despite this, and positive trading sessions were short-lived. The S&P 500 was down over 30% for the month on March 23rd, but a late month rally retraced about 60% of the losses. This coincided with better news about the spread of the virus, and evidence that central bank actions had stabilized credit markets. The best sector SPDR returns were in Health Care (-3.86%), Consumer Staples (-5.51%), and Technology (-8.57%). The worst returns were in Energy (-34.27%), Financials (-20.99%), and Industrials (-18.60%). Sector Allocation contributed +0.64% to excess return, largely due to an overweight in cash and underweight in Energy. Security Selection contributed 0.21% of excess return in March, while Index Tracking contributed 0.07% of alpha during the month. The strongest security selection alpha was in Information Technology (+45 bps), Consumer Discretionary (+34 bps), Real Estate (+14 bps), and Energy (+10 bps). AMZN contributed 38 bps of alpha to the portfolio, while MSFT contributed 21 bps. In the Energy, our alternative energy ETFs, TAN (+19 bps) and SMOG (+21 bps) contribute alpha. Health Care (-45 bps) and Financials (-38 bps) detracted from security selection alpha. There was a significant amount of trading in early March, but we did not trade during the highest volatility period. After successful stock pitches, we added GMED, TTWO, KLAC and MCD to the portfolio in March.

### Cumulative Return Since Inception



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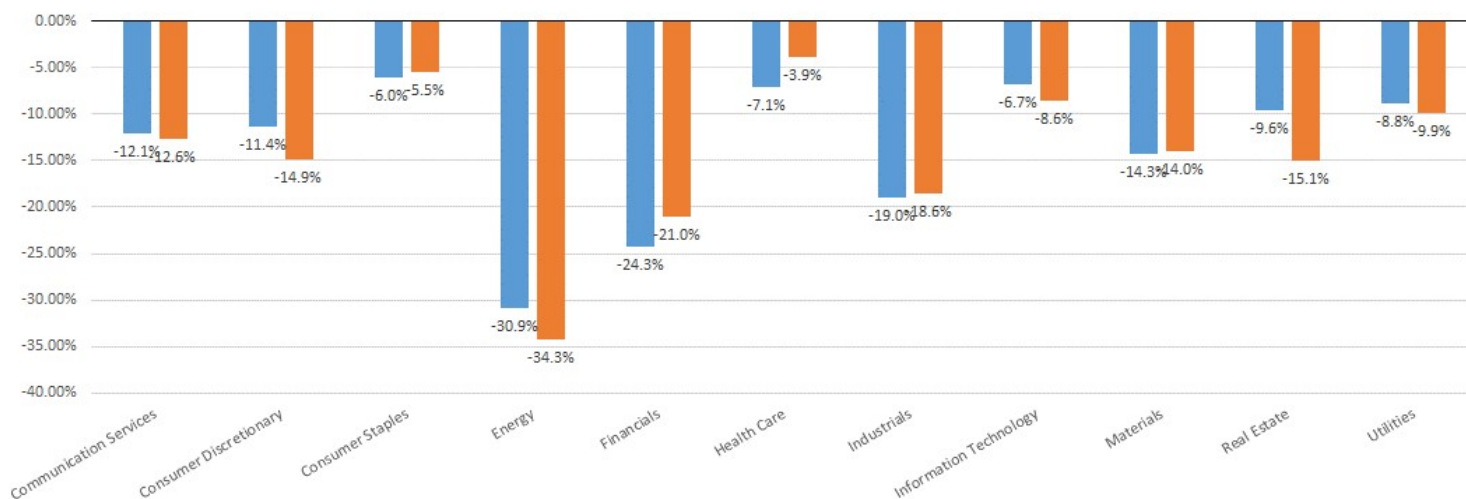
Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg LP. Returns for the portfolio and benchmark include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

Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 3/31/2020	Portfolio	Benchmark	Excess	Characteristics as of 3/31/2020	Portfolio	Benchmark
Month to Date Return	-11.60%	-12.52%	0.92%	Portfolio Market Value	\$ 1,198,005	
Academic Term to Date Return	-18.66%	-19.48%	0.82%	Number of Individual Equities Held	55	506
Year to Date Return	-18.66%	-19.48%	0.82%	Number of ETFs Held	21	0
1 Year Trailing Return	-5.66%	-6.93%	1.27%	Weight in Individual Equities	70.25%	99.54%
3 Year Trailing Return (Annualized)	3.89%	5.03%	-1.14%	Weight in ETFs	27.90%	0.00%
5 Year Trailing Return (Annualized)	6.45%	6.65%	-0.20%	Weight in Options	0.00%	0.00%
Since Inception Return (Annualized)	6.71%	7.40%	-0.70%	Weight in Cash	1.85%	0.46%
				Wtd. Avg. 2 Year Beta to S&P 500	0.98	1.01

### Sector Returns

#### Monthly Sector Returns: Portfolio vs. Benchmark

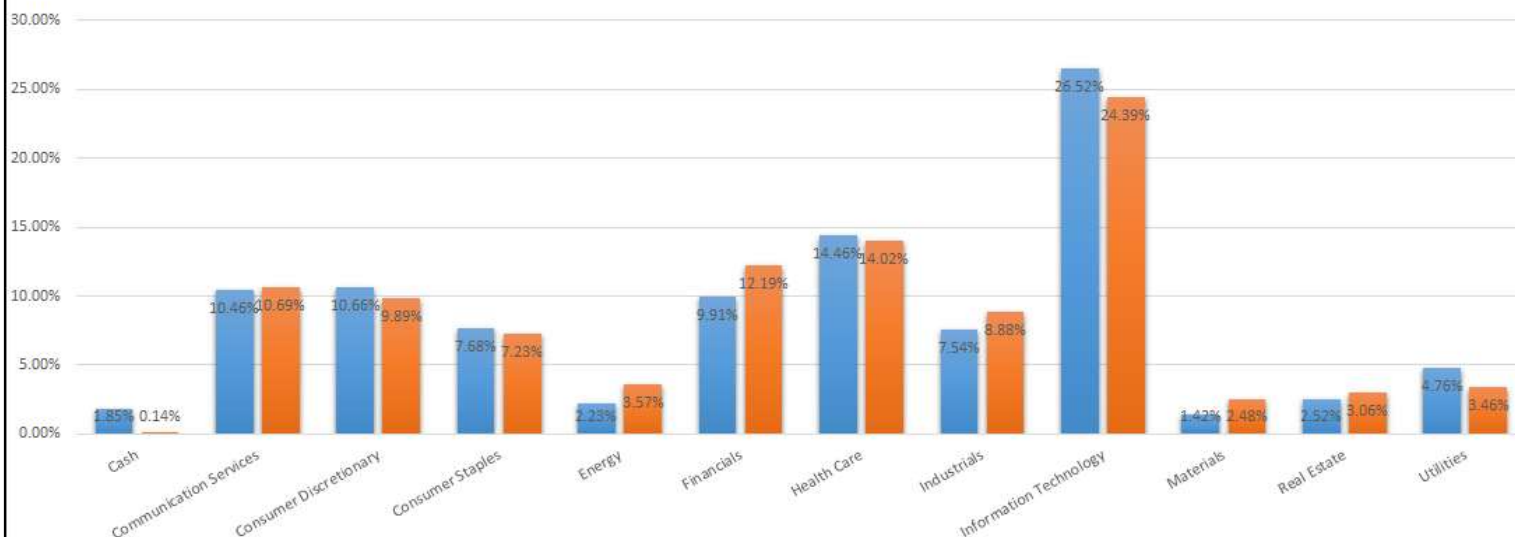
■ Portfolio ■ SPDR Sector ETF



### 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	
APPLE INC		AAPL	218	254.29	\$	55,435.22	4.63%	\$27,918.40	\$27,516.82	
VISA INC COM CL A		V	341	161.12	\$	54,941.92	4.59%	\$32,810.58	\$22,131.34	
MISCROSOFT CORP INC		MSFT	287	157.71	\$	45,262.77	3.78%	\$38,122.37	\$7,140.40	
ALPHABET INC CAP STK CL A		GOOGL	32	1161.95	\$	37,182.40	3.10%	\$14,279.82	\$22,902.58	
AMAZON INC		AMZN	15	1949.72	\$	29,245.80	2.44%	\$27,064.64	\$2,181.16	
NVIDIA CORP		NVDA	89	263.6	\$	23,460.40	1.96%	\$17,527.28	\$5,933.12	
FORTINET INC COM USD0.001		FTNT	223	101.17	\$	22,560.91	1.88%	\$7,579.97	\$14,980.94	
CISCO SYS INC COM		CSCO	570	39.31	\$	22,406.70	1.87%	\$22,340.94	\$65.76	
JPMORGAN CHASE & CO		JPM	245	90.03	\$	22,057.35	1.84%	\$24,553.70	-\$2,496.35	
BERKSHIRE HATHAWAY CLASS B		BRK/B	120	182.83	\$	21,939.60	1.83%	\$26,049.70	-\$4,110.10	
Exchange Traded Funds		Ticker	Shares	Price	Market Value		% of Portfolio	Historical Cost	Unrealized Gain/Loss	
SECTOR SPDR TR SHS BEN INT TECHNOLOGY		XLK	524	\$ 80.37	\$	42,113.88	3.52%	\$ 27,601.53	\$14,512.35	
SELECT SECTOR SPDR TR HEALTH CARE		XLV	418	\$ 88.58	\$	37,026.44	3.09%	\$ 33,453.84	\$3,572.60	
ISHARES TR U.S. MED DVC ETF		IHI	138	\$ 225.35	\$	31,098.30	2.60%	\$ 23,837.76	\$7,260.54	
SELECT SECTOR SPDR TR CONSUMER DISCRETIONARY		XLY	250	\$ 98.08	\$	24,520.00	2.05%	\$ 21,646.91	\$2,873.09	
SECTOR SPDR TR SHS BEN INT CONSUMER STAPLES		XLP	426	\$ 54.47	\$	23,204.22	1.94%	\$ 23,329.78	-\$125.56	
SECTOR SPDR TR SHS BEN INT UTILITIES		XLU	405	\$ 55.41	\$	22,441.05	1.87%	\$ 22,114.25	\$326.80	
SPDR SER TR S&P INS ETF		KIE	825	\$ 24.93	\$	20,567.25	1.72%	\$ 23,174.18	-\$2,606.93	
SELECT SECTOR SPDR TR COMMUNICATION		XLC	372	\$ 44.24	\$	16,457.28	1.37%	\$ 17,192.19	-\$734.91	
SPDR SER TR S&P PHARMACEUTICALS ETF		XPB	435	\$ 36.07	\$	15,690.45	1.31%	\$ 18,817.97	-\$3,127.52	
SELECT SECTOR SPDR TR RL EST SEL SEC		XLRE	455	\$ 31.00	\$	14,105.00	1.18%	\$ 15,612.55	-\$1,507.55	
Cash					\$	22,170.32	1.85%			
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		14.03%	14.50%	3.53%	-0.20	0.97	0.94	-1.44%	5.87	0.39
1 Year Trailing		19.71%	19.77%	2.04%	0.62	0.99	0.99	1.21%	(7.68)	(0.39)
3 Year Trailing		15.29%	15.15%	2.09%	-0.55	0.99	1.00	-1.14%	(1.25)	(0.08)
5 Year Trailing		13.48%	13.63%	2.53%	-0.08	0.98	0.97	-0.01%	0.99	0.07
Monthly Performance Attribution Results		Portfolio	Benchmark	Excess	Top 5 Return Contributors			Bottom 5 Return Contributors		
Total		-11.60%	-12.52%	0.92%	Ticker	Weight	Return Contrib.	Ticker	Weight	Return Contrib.
Return Contribution from Sector Allocation		-11.80%	-12.44%	0.64%	WMT	1.61%	0.0745%	COF	0.97%	-0.6422%
Alpha from Equity and ETF Selection and Trading		0.21%	0.00%	0.21%	AMZN	2.44%	0.0730%	V	4.59%	-0.5118%
Alpha from Option Selection and Trading		0.00%	0.00%	0.00%	GILD	0.92%	0.0664%	BAC	1.73%	-0.5101%
Income from Cash Account		0.00%	0.00%	0.00%	TTWO	0.93%	0.0341%	JPM	1.84%	-0.4715%
Tracking/Rounding Difference		-0.02%	-0.09%	0.07%	VMW	1.11%	0.0047%	XLE	0.93%	-0.4580%
		Bryant University 1150 Douglas Pike Smithfield, RI 02917-1284 <a href="http://aif.bryant.edu">http://aif.bryant.edu</a>				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.				