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Archway Investment Fund

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1-2022

## Equity Fund Monthly Report, January 2022

Bryant University, Archway Investment Fund

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# The Archway Investment Fund - Equity Portfolio

## Bryant University

Monthly Report  
Data as of 01/31/2022

### 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 \$290,000, and the cumulative investment return is \$1,649,353.

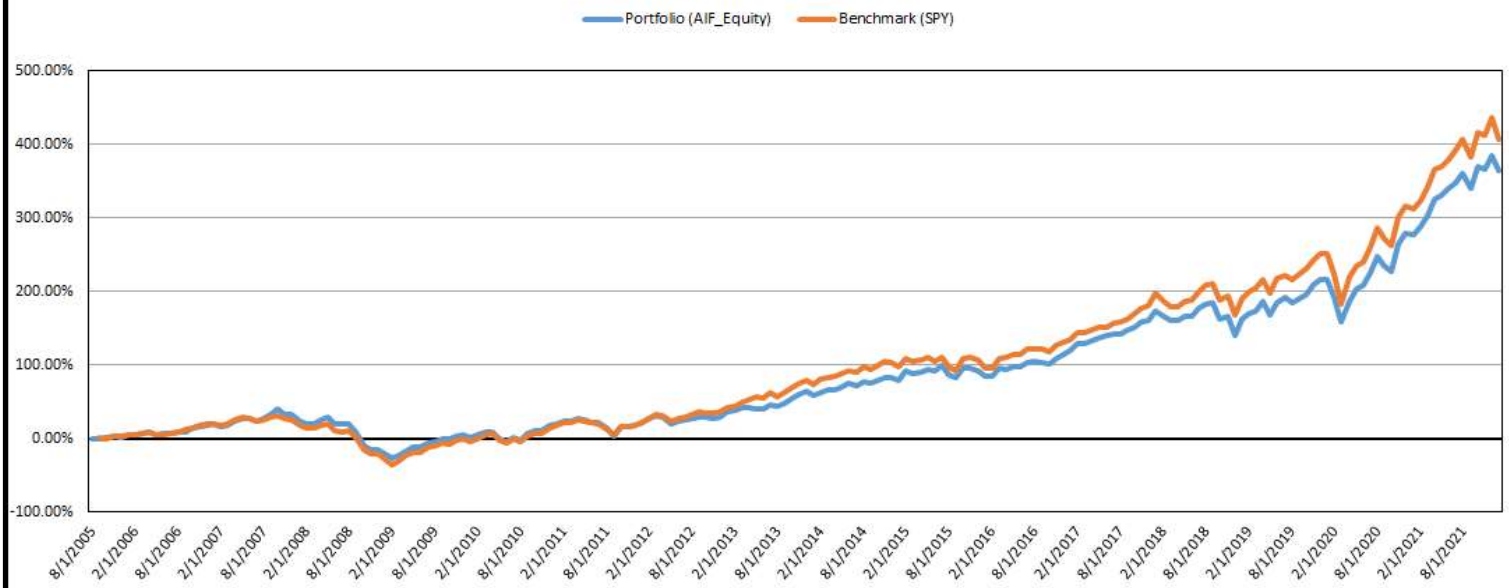
### Investment Strategy

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 -4.28% in January, while the benchmark returned -5.27%. Hawkish comments from Fed chair Jerome Powell indicated that policy rate hikes would begin in March, and that there was "quite a bit of room to raise interest rates without threatening the labor market." This resulted in higher interest rates across the yield curve and a sharp sell-off in US equities. Of the 11 SPDR sector ETFs, only the Energy sector SPDR had a positive return in January (+18.8%). The largest decliners were Consumer Discretionary (-9.5%), Real Estate (-8.6%), and Health Care (-6.9%). Sector Allocation contributed 0.24% in alpha due in January due to overweights in Energy and Cash. Security Selection contributed 0.50% of alpha for the month. The most notable positive security selection alpha generation was in Healthcare (+54 bps), Technology (+33 bps), and Financials (+7 bps). The most notable negative alpha came within Consumer Discretionary (-17 bps), Energy (-16 bps), and Industrials (-12 bps). Within the Health Care sector, Vertex (+17 bps), Merck (+13 bps), and CVS (+11 bps) contributed the highest alpha. Within the Technology sector, defensive names including Visa (+38 bps), Apple (+33 bps) and Fleetcor (+9 bps) contributed positive security selection alpha, while NVIDIA (-35 bps) contributed negative alpha. Lululemon (-10 bps) and Chipotle (-9 bps) were the largest negative alpha contributors in the Consumer Discretionary sector. Within Energy, our alternative energy holdings TAN (-10 bps) and SMOG (-9 bps) contributed negative alpha as they lagged traditional energy names in light of significantly higher oil and natural gas prices. Finally, index tracking contributed 0.26% of alpha during the month. For the calendar year thus far, the portfolio returned -4.28% while the benchmark returned -5.27%. Since the inception of the fund in August 2005, the portfolio has an annualized return of 9.80% and the benchmark has an annualized return of 10.40%.

### Cumulative Return Since Inception



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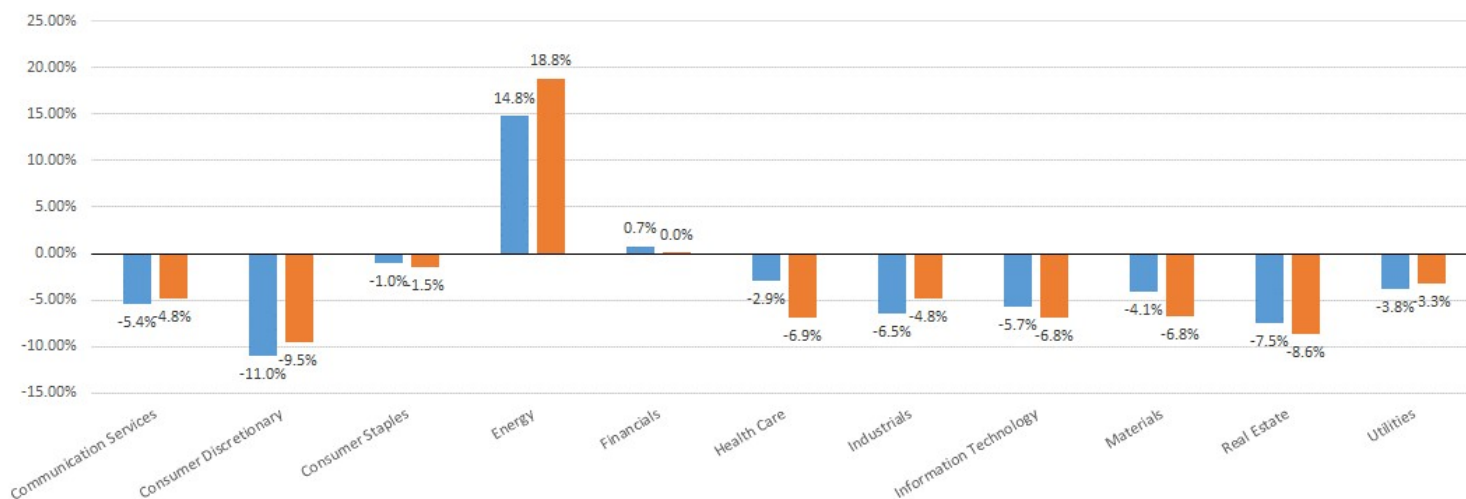
Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg LP. Returns for the portfolio and benchmark include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

Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 01/31/2022	Portfolio	Benchmark	Excess	Characteristics as of 01/31/2022	Portfolio	Benchmark
Month to Date Return	-4.27%	-5.27%	1.00%	Portfolio Market Value	\$ 2,044,912	
Academic Term to Date Return	-4.27%	-5.27%	1.00%	Number of Individual Equities Held	69	506
Year to Date Return	-4.27%	-5.27%	1.00%	Number of ETFs Held	21	0
1 Year Trailing Return	22.87%	23.19%	-0.32%	Weight in Individual Equities	75.53%	99.98%
3 Year Trailing Return (Annualized)	20.98%	20.56%	0.42%	Weight in ETFs	23.35%	0.00%
5 Year Trailing Return (Annualized)	16.11%	16.65%	-0.54%	Weight in Options	0.00%	0.00%
Since Inception Return (Annualized)	9.80%	10.40%	-0.60%	Weight in Cash	1.13%	0.02%
				Wtd. Avg. 2 Year Beta to S&P 500	1.00	1.01

### Sector Returns

Monthly Sector Returns: Portfolio vs. Benchmark

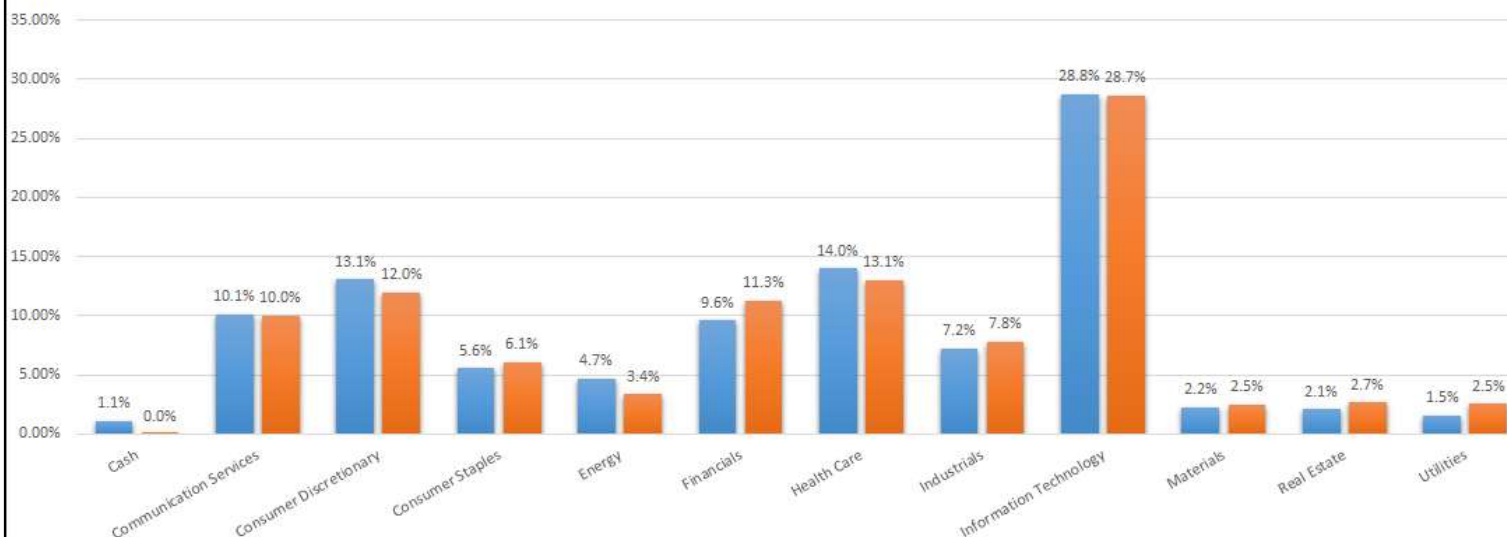
■ Portfolio ■ SPDR Sector ETF



### 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	760	174.78	\$	132,832.80	6.50%	\$24,332.55	\$108,500.25	
ALPHABET INC CAP STK CL A		GOOGL	36	2706.07	\$	97,418.52	4.76%	\$31,247.15	\$66,171.37	
MISCROSOFT CORP INC		MSFT	302	310.98	\$	93,915.96	4.59%	\$47,308.13	\$46,607.83	
VISA INC COM CL A		V	336	226.17	\$	75,993.12	3.72%	\$46,797.96	\$29,195.16	
NVIDIA CORP		NVDA	300	244.86	\$	73,458.00	3.59%	\$19,340.10	\$54,117.90	
AMAZON INC		AMZN	21	2991.47	\$	62,820.87	3.07%	\$48,709.46	\$14,111.41	
KLA CORPORATION		KLAC	88	389.27	\$	34,255.76	1.68%	\$20,885.61	\$13,370.15	
REGENERON PHARMACEUTICALS INC COM		REGN	49	608.59	\$	29,820.91	1.46%	\$27,366.16	\$2,454.75	
CHIPOTLE MEXICAN GRILL INC		CMG	20	1485.58	\$	29,711.60	1.45%	\$36,374.52	-\$6,662.92	
MKS INSTRUMENTS INC		MKSI	188	155.33	\$	29,202.04	1.43%	\$30,951.90	-\$1,749.86	
Exchange Traded Funds		Ticker	Shares	Price	Market Value		% of Portfolio	Historical Cost	Unrealized Gain/Loss	
SELECT SECTOR SPDR TR HEALTH CARE		XLV	538	\$ 131.23	\$	70,601.74	3.45%	\$54,227.75	\$16,373.99	
SELECT SECTOR SPDR TR CONSUMER DISCRETIONARY		XLY	355	\$ 184.95	\$	65,657.25	3.21%	\$50,218.37	\$15,438.88	
SECTOR SPDR TR SHS BEN INT TECHNOLOGY		XLK	293	\$ 161.97	\$	47,457.21	2.32%	\$28,411.94	\$19,045.27	
ISHARES TR U.S. MED DVC ETF		IHI	538	\$ 59.00	\$	31,742.00	1.55%	\$15,488.79	\$16,253.21	
SELECT SECTOR SPDR TR FINANCIALS		XLF	788	\$ 39.06	\$	30,779.28	1.51%	\$28,674.93	\$2,104.35	
SPDR SER TR S&P INS ETF		KIE	774	\$ 39.99	\$	30,952.26	1.51%	\$25,121.90	\$5,830.36	
SELECT SECTOR SPDR TR ENERGY		XLE	457	\$ 65.92	\$	30,125.44	1.47%	\$22,899.70	\$7,225.74	
SECTOR SPDR TR SHS BEN INT CONSUMER STAPLES		XLP	290	\$ 75.97	\$	22,031.30	1.08%	\$17,144.51	\$4,886.79	
SECTOR SPDR TR SHS BEN INT INDUSTRIAL		XLI	196	\$ 100.74	\$	19,745.04	0.97%	\$15,602.22	\$4,142.82	
SECTOR SPDR TR SHS BEN INT UTILITIES		XLU	246	\$ 69.25	\$	17,035.50	0.83%	\$14,623.32	\$2,412.18	
Cash					\$	23,072.81	1.13%			
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		14.26%	14.77%	3.39%	-0.18	0.97	0.94	-0.04%	0.09	0.61
1 Year Trailing		11.41%	12.55%	1.52%	-0.21	1.00	0.91	1.85%	0.25	2.00
3 Year Trailing		16.62%	17.24%	2.06%	0.20	0.99	0.96	1.26%	0.21	1.21
5 Year Trailing		15.24%	15.49%	2.07%	-0.26	0.99	0.98	-0.16%	0.15	0.99
Monthly Performance Attribution Results		Portfolio	Benchmark	Excess	Top 5 Return Contributors			Bottom 5 Return Contributors		
Total		-4.27%	-5.27%	1.00%	Ticker	Weight	Return Contrib.	Ticker	Weight	Return Contrib.
Return Contribution from Sector Allocation		-4.78%	-5.02%	0.24%	XOM	0.93%	0.2247%	NVDA	3.77%	-0.6075%
Alpha from Equity and ETF Selection and Trading		0.50%		0.50%	XLE	1.19%	0.2229%	MSFT	4.75%	-0.3582%
Alpha from Option Selection and Trading		0.00%		0.00%	V	3.41%	0.1488%	AMZN	3.28%	-0.3371%
Income from Cash Account		0.00%		0.00%	PXD	0.64%	0.1321%	GOOGL	4.88%	-0.3218%
Tracking/Rounding Difference		0.01%	-0.26%	0.26%	VRTX	1.00%	0.1065%	XLY	2.90%	-0.3137%
		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.					