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Archway Investment Fund

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6-2022

## Equity Fund Monthly Report, June 2022

Bryant University, Archway Investment Fund

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# The Archway Investment Fund - Equity Portfolio

## Bryant University

Monthly Report  
Data as of 06/30/2022

### 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 \$215,000 and the cumulative investment return is \$1,479,965.

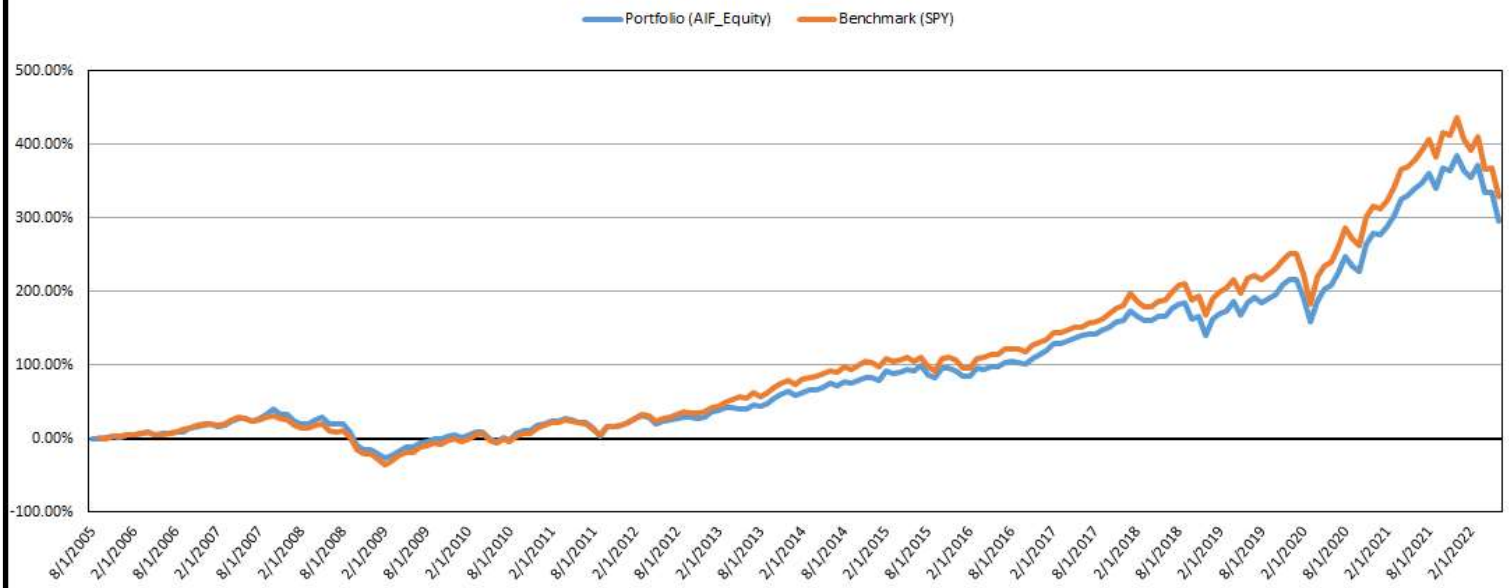
### Investment Strategy

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 -8.87% in June, while the benchmark returned -8.26%. The Federal Reserve increased the target Federal Funds rate by 75 bps at its June meeting, and it signaled that it would continue tightening aggressively throughout the year to wring inflation out of the system. Interest rates increased across the globe, and fear of a looming recession became a common talking point among market participants. Every market sector within the S&P 500 index had a negative total return in June. The sector ETFs with the worst returns in June were the Energy sector ETF (-17.1%), the Materials sector ETF (-13.9%), the Financials sector ETF (-10.9%), and the Consumer Discretionary sector ETF (-10.8%). The sector ETFs which posted only mild losses included the Consumer Staples sector ETF (-2.4%), the Healthcare sector ETF (-2.6%), and the Utilities sector ETF (-4.9%). Sector Allocation contributed 0.21% in alpha due primarily to an overweight in cash (+12 bps), an overweight in Staples (+5 bps), an underweight in Energy (+4 bps), and an underweight in Financials (+3 bps). Underweight exposures in Utilities (-2 bps), Real Estate (-2 bps), and an overweight in Materials (-1 bps) contributed negative alpha. Security Selection contributed -0.69% of alpha for the month. Security selection alpha was strongly negative in the Industrials sector (-67 bps) as Owens Corning and 3M reversed their recent trend of strong performance. The Technology sector (-32 bps) also had a negative security selection alpha contribution driven by underperformance of our semiconductor holdings. We had positive security selection alpha in Energy (+22 bps) driven by outperformance by Exxon and by a number of renewable energy holdings, and in Consumer Discretionary (+17 bps), which was driven by McDonalds and PepsiCo. Index tracking contributed -0.13% of alpha during the month, while cash income and options trading each contributed less than 1 bps. For the calendar year thus far, the portfolio returned -18.20% while the benchmark returned -20.00%. Since the inception of the fund in August 2005, the portfolio has an annualized return of 8.52% and the benchmark has an annualized return of 9.03%. The extreme volatility in June, caused a number of contingent orders placed by the students at the end of the spring semester to be executed.

### Cumulative Return Since Inception



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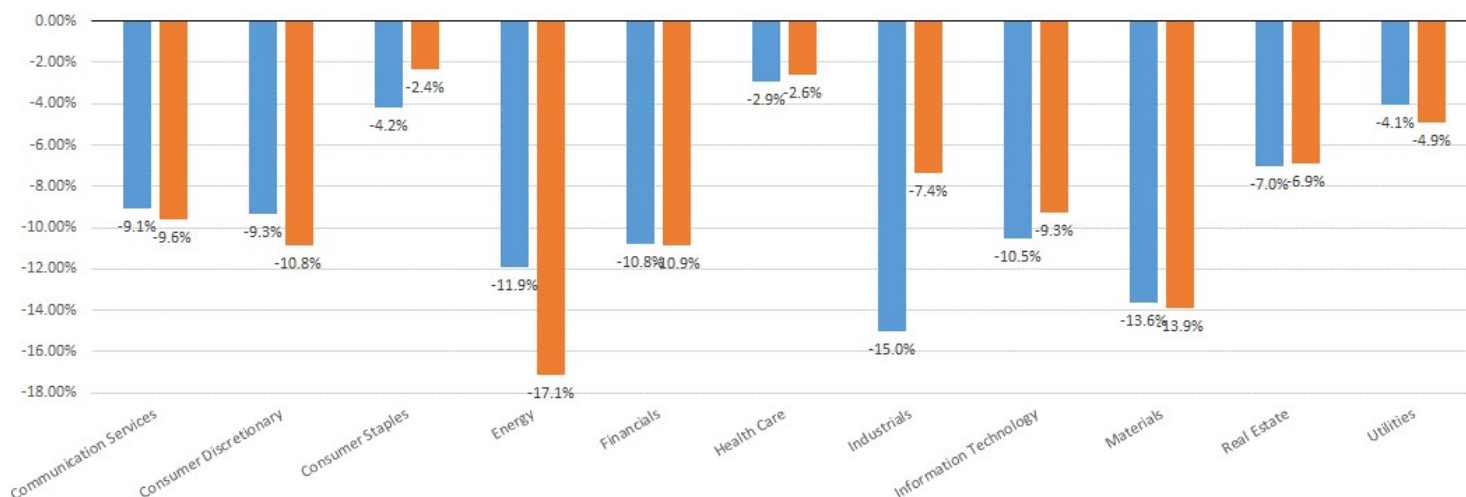
Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg LP. Returns for the portfolio and benchmark include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

Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 06/30/2022	Portfolio	Benchmark	Excess	Characteristics as of 06/30/2022	Portfolio	Benchmark
Month to Date Return	-8.87%	-8.26%	-0.61%	Portfolio Market Value	\$ 1,681,002	
Academic Term to Date Return	-8.87%	-8.26%	-0.61%	Number of Individual Equities Held	62	506
Year to Date Return	-18.20%	-20.00%	1.80%	Number of ETFs Held	17	0
1 Year Trailing Return	-9.84%	-10.63%	0.79%	Weight in Individual Equities	78.68%	99.63%
3 Year Trailing Return (Annualized)	11.62%	10.54%	1.08%	Weight in ETFs	18.88%	0.00%
5 Year Trailing Return (Annualized)	10.57%	11.20%	-0.63%	Weight in Options	0.00%	0.00%
Since Inception Return (Annualized)	8.52%	9.03%	-0.51%	Weight in Cash	2.45%	0.37%
				Wtd. Avg. 2 Year Beta to S&P 500	0.94	1.01

### Sector Returns

Monthly Sector Returns: Portfolio vs. Benchmark

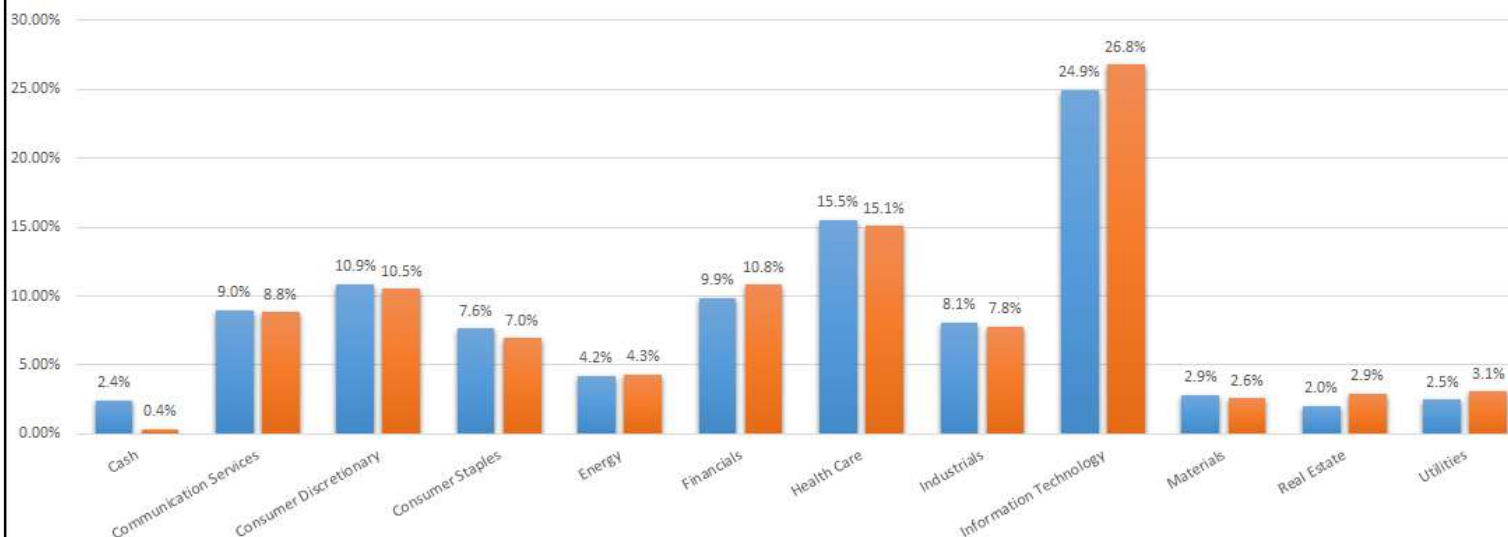
■ Portfolio ■ SPDR Sector ETF



### 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	542	136.72	\$	74,102.24	4.41%	\$17,352.95	\$56,749.29	
ALPHABET INC CAP STK CL A		GOOGL	34	2179.26	\$	74,094.84	4.41%	\$29,511.20	\$44,583.64	
MISCROSOFT CORP INC		MSFT	227	256.83	\$	58,300.41	3.47%	\$35,559.42	\$22,740.99	
OWENS CORNING		OC	747	74.31	\$	55,509.57	3.30%	\$58,201.45	-\$2,691.88	
3M CO		MMM	419	129.41	\$	54,222.79	3.23%	\$62,097.80	-\$7,875.01	
AMAZON INC		AMZN	460	106.21	\$	48,856.60	2.91%	\$54,347.82	-\$5,491.22	
VISA INC COM CL A		V	212	196.89	\$	41,740.68	2.48%	\$29,527.28	\$12,213.40	
WALMART		WMT	282	121.58	\$	34,285.56	2.04%	\$34,603.84	-\$318.28	
ADOBE SYSTEMS INC		ADBE	82	366.06	\$	30,016.92	1.79%	\$43,416.90	-\$13,399.98	
KLA CORPORATION		KLAC	89	319.08	\$	28,398.12	1.69%	\$21,894.19	\$6,503.93	
Exchange Traded Funds		Ticker	Shares	Price	Market Value		% of Portfolio	Historical Cost	Unrealized Gain/Loss	
SELECT SECTOR SPDR TR CONSUMER DISCRETIONARY		XLY	251	\$ 137.48	\$	34,507.48	2.05%	\$36,416.54	-\$1,909.06	
SELECT SECTOR SPDR TR HEALTH CARE		XLV	264	\$ 128.24	\$	33,855.36	2.01%	\$26,609.90	\$7,245.46	
SELECT SECTOR SPDR TR ENERGY		XLE	470	\$ 71.51	\$	33,609.70	2.00%	\$27,651.68	\$5,958.02	
ISHARES TR U.S. MED DVC ETF		IHI	538	\$ 50.44	\$	27,136.72	1.61%	\$15,488.79	\$11,647.93	
SECTOR SPDR TR SHS BEN INT TECHNOLOGY		XLK	209	\$ 127.12	\$	26,568.08	1.58%	\$24,052.30	\$2,515.78	
SELECT SECTOR SPDR TR FINANCIALS		XLF	825	\$ 31.45	\$	25,946.25	1.54%	\$30,142.15	-\$4,195.90	
SECTOR SPDR TR SHS BEN INT CONSUMER STAPLES		XLP	355.713	\$ 72.18	\$	25,675.36	1.53%	\$23,179.52	\$2,495.85	
SPDR SER TR S&P INS ETF		KIE	530	\$ 37.85	\$	20,060.50	1.19%	\$17,202.33	\$2,858.17	
SECTOR SPDR TR SHS BEN INT UTILITIES		XLU	259	\$ 70.13	\$	18,163.67	1.08%	\$15,618.77	\$2,544.90	
SELECT SECTOR SPDR TR RL EST SEL SEC		XLRE	350	\$ 40.86	\$	14,301.00	0.85%	\$12,144.69	\$2,156.31	
Cash					\$	41,137.71	2.45%			
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		14.47%	14.99%	3.37%	-0.15	0.97	0.94	-0.04%	0.08	0.52
1 Year Trailing		16.17%	17.19%	1.99%	0.40	0.99	0.94	0.10%	(0.11)	(0.62)
3 Year Trailing		17.58%	18.34%	2.04%	0.53	0.99	0.95	1.55%	0.12	0.63
5 Year Trailing		16.45%	16.75%	2.13%	-0.30	0.99	0.97	-0.37%	0.10	0.58
Monthly Performance Attribution Results		Portfolio	Benchmark	Excess	Top 5 Return Contributors			Bottom 5 Return Contributors		
Total		-8.87%	-8.26%	-0.61%	Ticker	Weight	Return Contrib.	Ticker	Weight	Return Contrib.
Return Contribution from Sector Allocation		-8.19%	-8.39%	0.21%	VRTX	1.41%	0.0691%	OC	3.87%	-0.8614%
Alpha from Equity and ETF Selection and Trading		-0.69%		-0.69%	ABBV	1.32%	0.0518%	MMM	3.39%	-0.4177%
Alpha from Option Selection and Trading		0.00%		0.00%	LLY	0.97%	0.0364%	NVDA	2.16%	-0.4131%
Income from Cash Account		0.00%		0.00%	FB	1.07%	0.0166%	INTC	2.62%	-0.3919%
Tracking/Rounding Difference		0.01%	0.14%	-0.13%	NEE	0.46%	0.0132%	AAPL	4.37%	-0.3561%
		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.					