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Archway Investment Fund

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9-2022

### Equity Fund Monthly, September 2022

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. Including subsequent inflows and outflows the net capital contributed has been \$105,000 and the cumulative investment return is \$1,378,680.

**Investment Strategy**

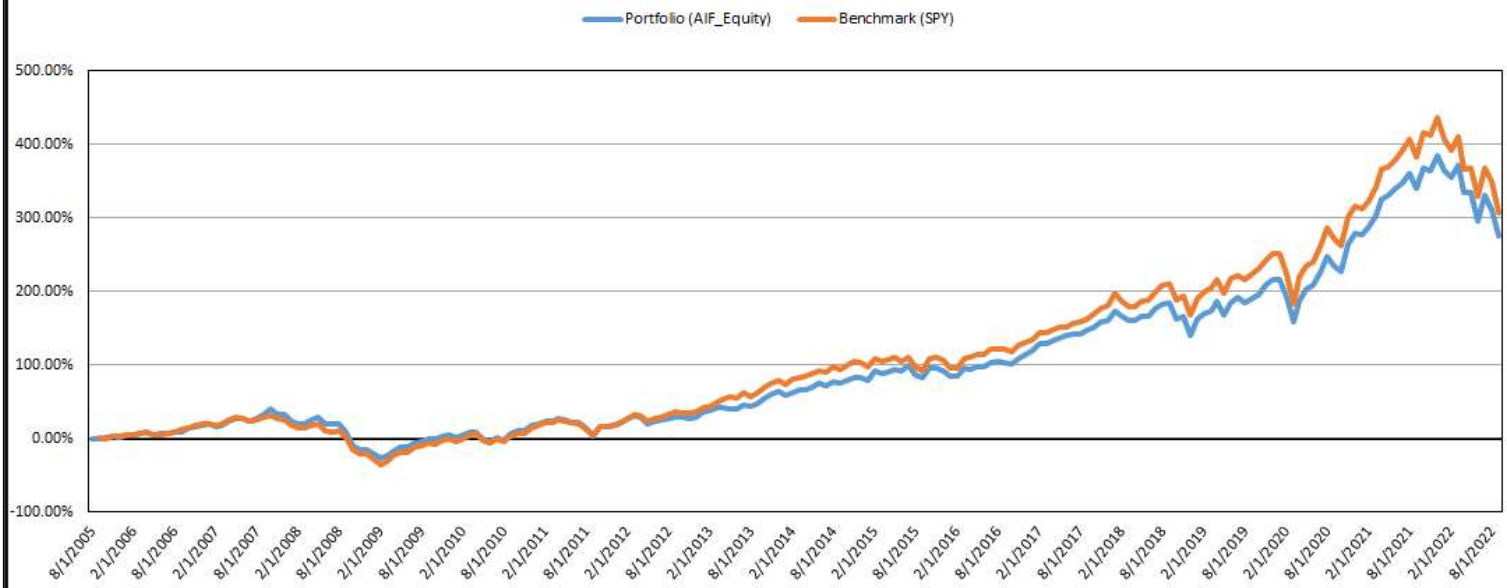
The Portfolio strategy focuses on buying stocks for less than their intrinsic value, based on both value and growth considerations, to achieve risk-adjusted returns that equal or exceed benchmark returns. The investment process is built around sector teams responsible for overseeing the holdings and 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 -8.62% in September, while the benchmark returned -9.21%. Markets dealt with high inflation, a hawkish response from the Fed, and concerns that a recession was forthcoming. Core inflation was 0.1% higher than expected in August and the Fed raised rates by 75 basis points on September 21st. Fed Chair Jerome Powell signaled a continuation of an aggressive approach to raising rates. The "dot plot" indicated that the Fed Funds Rate could reach 4.6% by year end. All sector benchmark (SPDR) ETFs had a negative return in September. Healthcare was the best performer (-2.5%) while Real Estate was the worst (-13.2%). Sector Allocation contributed 0.10% in alpha due primarily to underweighting Real Estate (+0.02%) and our cash allocation (+0.06% bps). The worst sector allocation alpha came from the underweight in the Financials Sector (-0.02%). Security Selection contributed 0.43% of alpha for the month. The Healthcare sector contributed the highest security selection alpha (+0.37%) followed by Consumer Staples (+0.16%). The largest negative security selection alpha was in Technology (-0.19%), with Communication Services a close second (-0.13%). Index tracking contributed 0.06% of alpha during the month. For the calendar year thus far, the portfolio returned -22.45% while the benchmark returned -23.92%. Since the inception of the fund in August 2005, the portfolio has an annualized return of 8.06% and the benchmark has an annualized return of 8.57%.

At the end of the month, the asset allocation recommendation of the Macro team resulted in an outflow of \$110,000 from the Archway Equity Portfolio, with \$30,000 going into the new Digital Innovation Fund and \$80,000 going into Fixed Income. Trims of sector ETFs funded most of this outflow, with a few notable sells of individual names by the Consumer and Communication Services teams. We also added to our Utilities holdings this month.

**Cumulative Return Since Inception**



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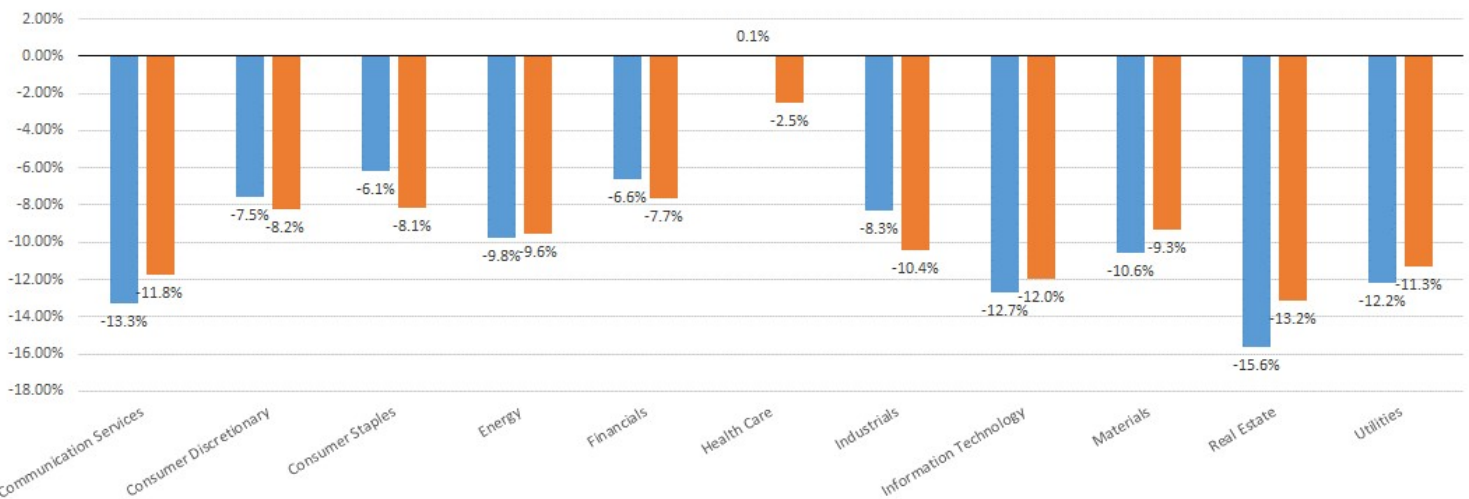
Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg LP. Returns for the portfolio and benchmark include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

Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 09/30/2022	Portfolio	Benchmark	Excess	Characteristics as of 09/30/2022	Portfolio	Benchmark
Month to Date Return	-8.62%	-9.21%	0.60%	Portfolio Market Value	\$ 1,483,680	
Academic Term to Date Return	-8.62%	-9.21%	0.60%	Number of Individual Equities Held	61	506
Year to Date Return	-22.45%	-23.92%	1.47%	Number of ETFs Held	17	0
1 Year Trailing Return	-14.58%	-15.50%	0.93%	Weight in Individual Equities	79.90%	99.59%
3 Year Trailing Return (Annualized)	8.99%	8.08%	0.91%	Weight in ETFs	19.17%	0.00%
5 Year Trailing Return (Annualized)	8.72%	9.14%	-0.43%	Weight in Options	0.00%	0.00%
Since Inception Return (Annualized)	8.06%	8.57%	-0.52%	Weight in Cash	0.94%	0.41%
				Wtd. Avg. 2 Year Beta to S&P 500	0.96	1.01

### Sector Returns

Monthly Sector Returns: Portfolio vs. Benchmark

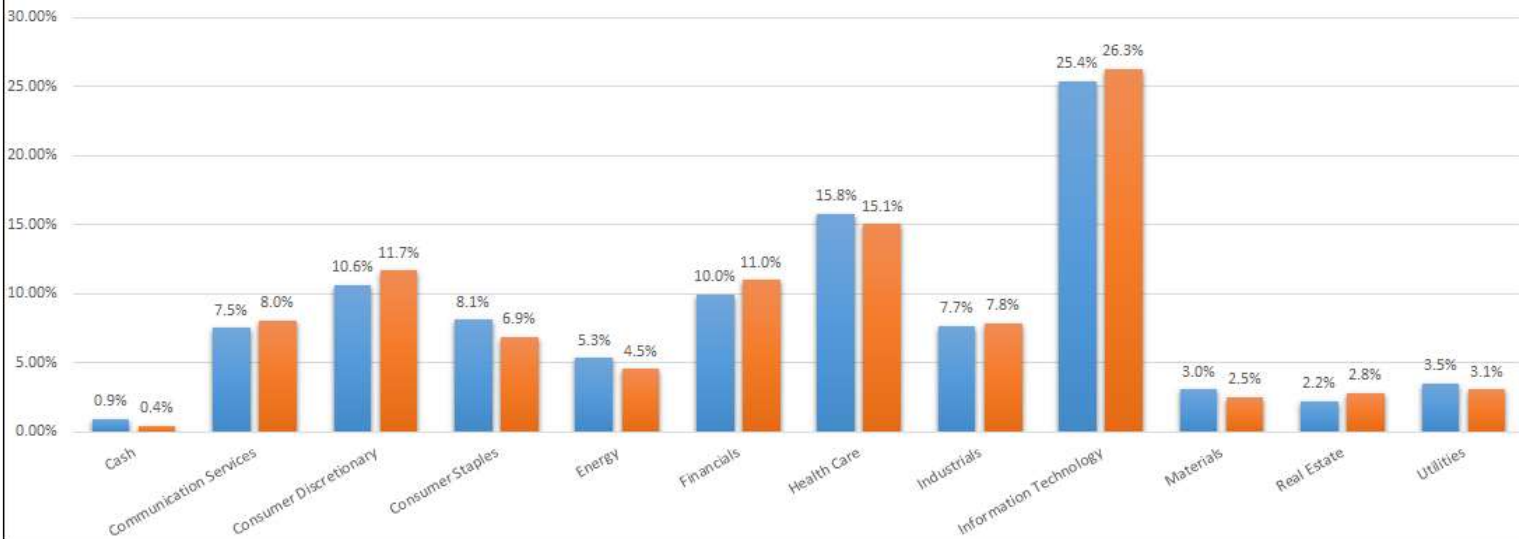
■ Portfolio ■ SPDR Sector ETF



### 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	138.2	\$ 74,904.40	5.05%	\$17,352.95	\$57,551.45
ALPHABET INC CAP STK CL A	GOOGL	650	95.65	\$ 62,172.50	4.19%	\$28,209.23	\$33,963.27
MICROSOFT CORP INC	MSFT	227	232.9	\$ 52,868.30	3.56%	\$35,559.42	\$17,308.88
AMAZON INC	AMZN	460	113	\$ 51,980.00	3.50%	\$54,347.82	-\$2,367.82
3M CO	MMM	419	110.5	\$ 46,299.50	3.12%	\$62,097.80	-\$15,798.30
OWENS CORNING	OC	551	78.61	\$ 43,314.11	2.92%	\$42,930.39	\$383.72
VISA INC COM CL A	V	212	177.65	\$ 37,661.80	2.54%	\$29,527.28	\$8,134.52
REGENERON PHARMACEUTICALS INC COM	REGN	42	688.87	\$ 28,932.54	1.95%	\$23,456.71	\$5,475.83
VERTEX PHARMACEUTICALS INC	VRTX	97	289.54	\$ 28,085.38	1.89%	\$18,071.07	\$10,014.31
INTEL CORP	INTC	1088	25.77	\$ 28,037.76	1.89%	\$52,850.91	-\$24,813.15
Exchange Traded Funds	Ticker	Shares	Price	Market Value	% of Portfolio	Historical Cost	Unrealized Gain/Loss
SELECT SECTOR SPDR TR ENERGY	XLE	577	\$ 72.02	\$ 41,555.54	2.80%	\$36,021.19	\$5,534.35
SECTOR SPDR TR SHS BEN INT CONSUMER STAPLES	XLP	405.713	\$ 66.73	\$ 27,073.23	1.82%	\$27,063.16	\$10.07
SECTOR SPDR TR SHS BEN INT UTILITIES	XLU	404	\$ 65.51	\$ 26,466.04	1.78%	\$25,319.27	\$1,146.77
ISHARES TR U.S. MED DVC ETF	IHI	538	\$ 47.18	\$ 25,382.84	1.71%	\$15,488.79	\$9,894.05
SELECT SECTOR SPDR TR FINANCIALS	XLF	825	\$ 30.36	\$ 25,047.00	1.69%	\$30,142.15	-\$5,095.15
SECTOR SPDR TR SHS BEN INT TECHNOLOGY	XLK	177	\$ 118.78	\$ 21,024.06	1.42%	\$22,753.19	-\$1,729.13
SPDR SER TR S&P INS ETF	KIE	530	\$ 36.17	\$ 19,170.10	1.29%	\$17,202.33	\$1,967.77
SELECT SECTOR SPDR TR CONSUMER DISCRETIONARY	XLY	126	\$ 142.45	\$ 17,948.70	1.21%	\$18,280.81	-\$332.11
SELECT SECTOR SPDR TR RL EST SEL SEC	XLRE	418	\$ 36.01	\$ 15,052.18	1.01%	\$15,413.87	-\$361.69
SPDR SER TR S&P REGL BKG ETF	KRE	245	\$ 58.88	\$ 14,425.60	0.97%	\$13,528.33	\$897.27
<b>Cash</b>				<b>\$ 13,879.96</b>	<b>0.94%</b>		

**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	14.73%	15.26%	3.35%	-0.15	0.98	0.94	-0.08%	0.07	0.48
1 Year Trailing	19.88%	20.87%	2.07%	0.45	1.00	0.95	0.11%	(0.16)	(0.75)
3 Year Trailing	19.13%	19.98%	2.04%	0.45	1.00	0.95	1.27%	0.09	0.45
5 Year Trailing	17.51%	17.87%	2.12%	-0.20	0.99	0.97	-0.21%	0.08	0.44
Monthly Performance Attribution Results	Portfolio	Benchmark	Excess	Top 5 Return Contributors			Bottom 5 Return Contributors		
<b>Total</b>	-8.62%	-9.21%	0.60%	Ticker	Weight	Return Contrib.	Ticker	Weight	Return Contrib.
Return Contribution from Sector Allocation	-9.06%	-9.16%	0.10%	REGN	1.40%	0.2596%	AAPL	4.89%	-0.5911%
Alpha from Equity and ETF Selection and Trading	0.43%		0.43%	LLY	0.98%	0.0755%	GOOGL	4.22%	-0.4874%
Alpha from Option Selection and Trading	0.00%		0.00%	VRTX	1.57%	0.0433%	ADBE	1.76%	-0.4619%
Income from Cash Account	0.00%		0.00%	FSLR	0.90%	0.0333%	MSFT	3.40%	-0.3638%
Tracking/Rounding Difference	0.01%	-0.05%	0.06%	GOLD	0.43%	0.0229%	AMZN	3.34%	-0.3632%



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