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Archway Investment Fund

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2-2024

### Fixed Income Fund Report, February 2024

Archway Investment Fund

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#### Recommended Citation

Archway Investment Fund, "Fixed Income Fund Report, February 2024" (2024). *Archway Investment Fund*. Paper 136.

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### Fund Objective

The primary objective of the Archway Investment Fixed Income Fund (the Fund) is to provide students in Bryant University's Fixed Income Portfolio Management course with a hands-on learning experience. The Fund launched on October 27, 2017 with \$500,000. After including subsequent capital inflows and outflows, the net capital contribution is \$815,000.

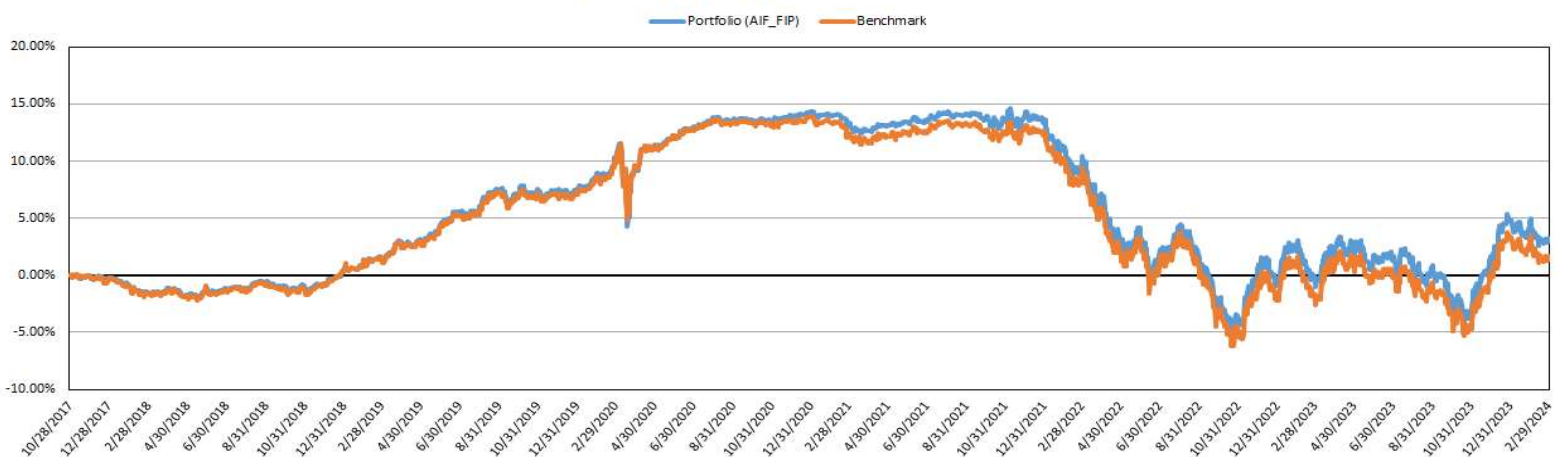
### Investment Strategy

The Fund seeks returns from income and price appreciation, in excess of its Benchmark, while maintaining a volatility less than 120% of that of its Benchmark. The Benchmark was changed from the Fixed Income ETF GVI to the Fixed Income ETF AGG, which broadly tracks the Bloomberg Barclays Aggregate Index, on September 30, 2021. That index includes fixed rate debt securities priced in USD and traded in the US market, that are issued by the U.S. Treasury, U.S. government agencies, U.S. corporations, and taxable debt issued by sovereign, supranational and local government entities rated investment grade. It also includes highly rated MBS, CMBS and ABS securitized credit tranches. The benchmark was chosen for its diversification, and its use as a benchmark for both active and passive core fixed income portfolios. The tracking error of the portfolio versus its benchmark, defined as the annualized standard deviation of excess returns, is kept below 2%. Historical benchmark return and risk metrics use a chained return series reflecting the benchmark in use at the time.

### Performance Commentary

The Archway Fixed Income Portfolio returned -1.40% during February, while the benchmark returned -1.47%. While the Fed did not meet in February, there were many economic indicators that revealed that rate cuts may be pushed back even farther into 2024. While U.S. manufacturing rebounded over the month, a strong labor market persisted. CPI and PCE reports supported the Fed's unwavering patience, while consumer sentiment fell. The market reacted to these indicators by pushing rates higher. Treasury yields increased by an average of 31 bps across the whole curve, with notable moves in the 2-year (+41 bps), 3-year (+43 bps) and 5-year (+40 bps) yields. At month end, the duration of the portfolio was +0.01 years longer than the benchmark; it was 0.07 years short in the first half of the month before several trades were executed after a cash inflow of \$35,000 on February 15. The portfolio ended the month +0.01 years higher at both the 6-month and 1-year points on the curve, -0.06 years lower at the 2-year point of the curve, -0.07 years at both the 3 and 5-year points of the curve, +0.09 years higher at the 7-year point on the curve, +0.04 higher at the 10-year point, +0.08 years higher at the 20-year point, and -0.02 years lower at the 30-year point on the curve. The duration and curve exposures contributed 0.03% and 0.02% in alpha for the month. Throughout February, investment grade corporate spreads tightened by 3 bps, but high yield loan spreads tightened by 38 bps and high yield bond spreads tightened by 31 bps. Agency spreads tightened by 2 bps and MBS spreads widened by 3 bps. The portfolio sector allocation alpha netted out to 0 bps in February. Income and security selection contributed 0.02% in alpha to the portfolio during the month. For the year thus far, the portfolio has returned -1.53%, while the benchmark returned -1.62%. Since its inception in October 2017, the portfolio has had an annualized return of 0.51% and outperformed the benchmark by 0.25%. Unless there is a downturn in the labor market, we believe that the Fed will keep its policy rate at its current level through the end of the semester. Our relatively neutral duration, curve, and sector allocation exposures reflect a view that spreads are fairly tight and that the opportunities to add alpha across the curve are limited.

**Cumulative Return Since Inception**



Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 2/29/2024	Portfolio	Benchmark	Excess		Portfolio	Benchmark
Month to Date Return	-1.40%	-1.47%	0.07%	Option Adjusted Duration	6.16	6.15
Academic Term to Date Return	-1.53%	-1.62%	0.09%	Current Yield	3.69%	3.53%
Year to Date Return	-1.53%	-1.62%	0.09%	Yield to Worst	4.87%	4.96%
1 Year Trailing Return	4.13%	4.19%	-0.06%	Number of Individual Bonds Held	13	11,629
3 Year Trailing Return (Annualized)	-3.04%	-3.25%	0.21%	Number of ETFs Held	13	0
5 Year Trailing Return (Annualized)	0.41%	0.40%	0.01%	Weight in Bonds	18.25%	99.57%
Since Inception Return (Cumulative since October 27, 2017)	3.27%	1.69%	1.59%	Weight in ETFs	81.16%	0.00%
Since Inception Return (Annualized)	0.51%	0.26%	0.25%	Weight in Cash	0.59%	0.43%
				Portfolio Market Value	\$ 918,719.47	



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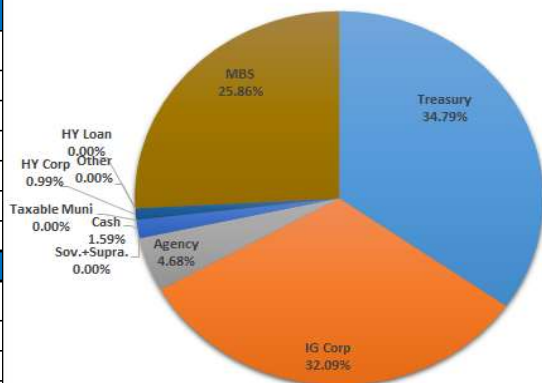
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Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg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

## Performance Analytics

Historical Risk Statistics	Performance Analytics			
	Annualized Portfolio Volatility	Annualized Benchmark Volatility	Annualized Tracking Error	Correlation to Index
Since Inception	4.99%	5.23%	1.37%	0.97
Month to Date	6.53%	6.84%	0.58%	1.00
Academic Term to Date	5.90%	5.98%	1.11%	0.98
Year to Date	5.90%	5.98%	1.11%	0.98
1 Year Trailing	7.25%	7.34%	1.09%	0.99
3 Year Trailing	6.53%	6.67%	1.06%	0.99
5 Year Trailing	5.54%	5.78%	1.47%	0.97
Monthly Performance Attribution Results		Portfolio	Benchmark	Excess
Total		-1.40%	-1.47%	0.07%
Contribution from Duration		-1.92%	-1.95%	0.03%
Contribution from Curve Exposure		0.06%	0.04%	0.02%
Contribution from Sector Spread Duration		-0.02%	-0.03%	0.00%
Contribution from Income and Security Specific Returns		0.48%	0.47%	0.02%

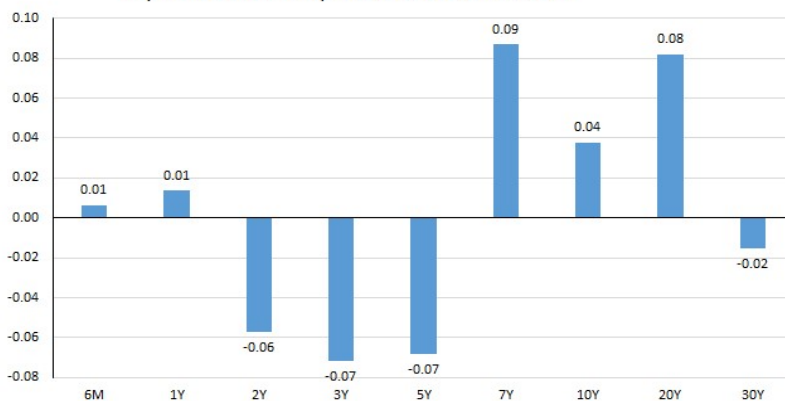
## Portfolio Sector Allocation



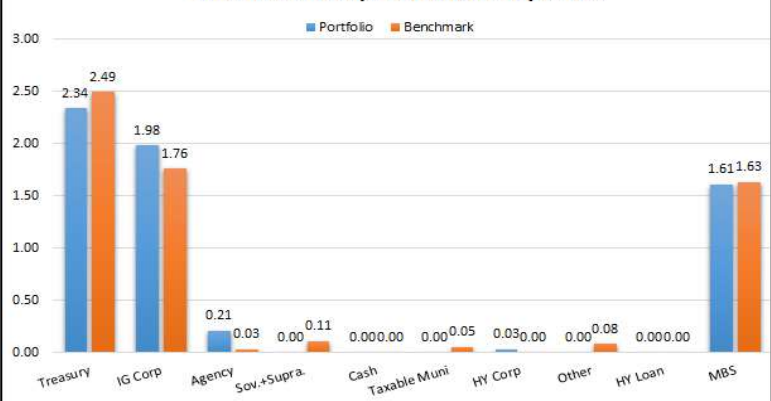
## Portfolio Holdings

Exchange Traded Funds	Ticker	Shares	Share Price	Market Value	Weight	Current Yield	Yield to Worst	Option Adj. Duration
iShares MBS ETF	MBB	2248.891	\$ 91.91	\$ 206,695.57	22.50%	3.81%	5.07%	6.14
SPDR Bloomberg Barclays Short Term Corporate Bond ETF	SPSB	2412.807	\$ 29.72	\$ 71,708.62	7.81%	4.56%	5.37%	1.74
iShares Long Term (10+ year) Corporate ETF	IGLB	1261.276	\$ 50.72	\$ 63,971.92	6.96%	4.97%	5.63%	12.69
iShares Intermediate (5 to 10 year) Corporate ETF	IGIB	1233.015	\$ 51.13	\$ 63,044.06	6.86%	4.14%	5.43%	6.04
SPDR Bloomberg Barclays Intermediate Corporate ETF	SPIB	1795.41	\$ 32.50	\$ 58,350.83	6.35%	4.32%	5.38%	3.99
iShares 3-7 Year Treasury ETF	IEI	499.773	\$ 115.59	\$ 57,768.76	6.29%	2.85%	4.30%	4.24
iShares 7-10 Year Treasury ETF	IEF	502.251	\$ 94.22	\$ 47,322.09	5.15%	3.17%	4.26%	7.17
iShares 20+ Year Treasury ETF	TLT	498.551	\$ 94.18	\$ 46,953.53	5.11%	3.76%	4.46%	16.73
iShares ESG Aware USD Corporate Bond ETF	SUSC	1973.733	\$ 22.80	\$ 45,001.11	4.90%	4.17%	5.48%	6.89
SPDR Bloomberg Barclays Mortgage Backed Bond ETF	SPMB	1623.062	\$ 21.56	\$ 34,993.22	3.81%	3.61%	5.10%	5.89
iShares 10-20 Year Treasury ETF	TLH	199.725	\$ 104.02	\$ 20,775.39	2.26%	3.85%	4.51%	13.07
iShares 1-3 Year Treasury ETF	SHY	243	\$ 81.74	\$ 19,889.22	2.16%	3.53%	4.66%	1.88
SPDR Barclays Capital High Yield Bond ETF	JNK	97	\$ 94.62	\$ 9,178.14	1.00%	6.71%	7.91%	3.25
Bonds	CUSIP	Face Value	Bond Price	Market Value	Weight	Current Yield	Yield to Worst	Option Adj. Duration
US Treasury 2.75% 02/28/2025	9128283Z1	24000	97.78	\$ 23,469.23	2.55%	2.81%	4.99%	0.97
US Treasury 2.25% 11/15/2027	9128283F5	25000	92.87	\$ 23,383.10	2.55%	2.42%	4.31%	3.46
US Treasury 1.25% 12/31/2026	91282CDQ1	20000	91.62	\$ 18,276.10	1.99%	1.36%	4.37%	2.72
US Treasury TIPS 0.5% 04/15/2024	9128286N5	15000	121.85	\$ 18,311.72	1.99%	0.50%	-1.74%	0.12
US Treasury 4% 12/15/2025	91282CGA3	15000	98.78	\$ 14,942.78	1.63%	4.05%	4.66%	1.77
US Treasury 2.75% 11/15/2042	912810QY7	15000	77.49	\$ 11,744.46	1.28%	3.55%	4.53%	13.90
Federal Home LN MTG CORP Note 1.5% 2/12/2025	3137EAEPO	12000	96.68	\$ 11,610.96	1.26%	1.55%	5.11%	0.92
FFCB 3.43% 12/06/2028	3133EJ2D0	12000	95.91	\$ 11,604.76	1.26%	3.62%	4.67%	4.28
US Treasury 3.125% 8/31/2029	91282CFJ5	9000	94.38	\$ 8,494.51	0.92%	3.31%	4.24%	4.95
FFCB 1.80% 1/05/2032	3133ENJZ4	10000	80.73	\$ 8,100.40	0.88%	2.24%	4.74%	6.59
Tennessee Valley Authority 0% 5/01/2029	88059ESN5	10000	78.94	\$ 7,894.40	0.86%	0.00%	4.86%	5.02
US Treasury 2.625% 04/15/2025	91282CEH0	5000	97.44	\$ 4,921.39	0.54%	2.69%	4.92%	1.08
US Treasury 3% 11/15/2045	912810RP5	6000	78.80	\$ 4,780.97	0.52%	3.80%	4.54%	15.00
Fidelity Government Money Market				\$ 5,442.28	0.59%	4.73%	4.73%	

## Key Rate Duration Exposure versus Benchmark



## Contribution to Spread Duration by Sector



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