Archway Investment Fixed Income Fund
Investment Policy Statement
Last Updated as of August 25, 2017

GENERAL OBJECTIVES

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. At the same time, the Fund seeks to achieve risk-adjusted returns that equal or exceed the returns on its benchmark index. The students involved in the program will work in conjunction with the faculty member responsible for Fund oversight, Professor Kevin Maloney, to maintain a well-diversified portfolio consisting of investment grade fixed income investments, that meets the objectives and guidelines listed below.

INVESTMENT OBJECTIVES

Long-Term Objective and Benchmark

The Fund seeks returns, considering both income and price appreciation, in excess of its Benchmark, the Bloomberg Barclays Intermediate Government Credit Index, while maintaining a volatility less than 120% of that of its Benchmark. The Benchmark consists of U.S. Government notes and bonds, plus investment grade corporate bonds issued by U.S. corporations, with maturities between 1 and 10 years. The precise characteristics and composition of this index varies through time. Its characteristics and risks can and will be monitored through the Bloomberg terminals available for use by the students in the program. The Benchmark was chosen due to its relatively modest volatility, its wide diversification, and its common usage as a benchmark for both active and passive intermediate term fixed income portfolios. It is expected that the tracking error of the portfolio versus this benchmark, defined as the annualized standard deviation of excess returns, will be kept below 1%.

Other fixed income indices may be used from time to time to evaluate performance of portions of the Fund, such as individual fixed income sectors, and used in performance attribution analysis.

INVESTMENT GUIDELINES

Types of Securities

Eligible investments will initially be limited to fixed income ETFs, plus individual U.S. Treasury and Agency notes and bonds. A list of eligible ETFs is attached in the appendix of this document. The ETFs on the eligible investment list must limit their underlying holdings to U.S. dollar denominated fixed income securities. ETFs containing corporate bonds or loans rated below investment grade by either Moody's or Standard and Poors are eligible, but the total portfolio exposure to non-investment grade bond and loans will be limited to no more than 10% of the portfolio.

Prohibited Investments

Classes of investments that cannot be included in the portfolio are:

1. Short sales of any securities
2. Margin purchases or other use of lending or borrowing.
3. Short ETFs
4. Private placements
5. Leveraged derivatives
6. Equity securities and warrants
7. Individual corporate and municipal bonds
8. Commercial mortgage-backed securities
9. Asset-Backed securities

Use of options for risk management:

Investment in options is allowed subject to the following limitations. U.S. Treasury options may be used for hedging purposes only. They cannot be used to synthetically create leverage in the Fund. The Fund may not write options, unless the written option is paired with an underlying holding or a purchased option, such that the maximum loss is limited to the initial premium paid or received. At no time should the exposure to loss associated with these instruments exceed 1% of the portfolio's market value.

Diversification

The Fund's fixed income investments should be well diversified to avoid undue exposure to any single fixed income sector, industry, or individual security. No more than 5% of the market value of the Fund may be invested in the securities of any one issuer, with the exception of the U.S. Treasury, U.S. Government Agencies, or a major ETF sponsor (e.g. iShares, Vanguard, SPDRs). For the purposes of evaluating the issuer concentration constraint, a look through analysis of ETF holdings will be done based upon the most recently published portfolio data about the ETF.

Fixed Income sectors weights must be maintained within the following bands relative to the sector weights in the Fund's Benchmark. For the purposes of evaluating these sector weights, a look through analysis of ETF holdings will be done based upon the most recently published portfolio data about the ETF.

U.S. Treasury Sector Weight within +/- 20% of the weight in the Benchmark
U.S. Corporate Sector Weight within +/- 10% of the weight in the Benchmark
U.S. Securitized Credit Sector Weight within +/- 10% of the weight in the Benchmark

Securitized Credit exposure will be limited to investments in U.S. Agency mortgage pass-through securities obtained solely through investments in fixed income ETFs that hold them.

Interest Rate Risk

The Fund's effective modified duration will be maintained within +/- 1 year of the effective modified duration of the Fund's Benchmark.

Liquidity

The student portfolio managers, in conjunction with the faculty member responsible for oversight of the Portfolio, will be responsible for maintaining adequate liquidity necessary in order to provide investment funds required to facilitate the learning experience of incoming securities analysts. Under normal conditions, cash balances are expected to be between 0.5% and 5% of portfolio assets. The majority of assets will be invested in other liquid assets, including ETFs and U.S. Treasury securities. The expectation is that all of the underlying holdings in the portfolio should be able to be liquidated within one week at no more than 20% of average daily volume in a normal functioning market environment.

Trading and Execution

While current school affiliations warrant the Fund's continued use of Fidelity Investments as broker, portfolio managers will use their best efforts to obtain the most favorable pricing and execution of trades. We may seek to establish an electronic trading link from the Bloomberg system to Fidelity for trading purposes. A list of individuals authorized to trade in the portfolio will be maintained and updated as needed. Initially, the two people authorized to place trades will be Kevin Maloney, the professor overseeing this program and Peter Nigro, chair of the Finance department.

MONITORING AND REPORTING

Reports on the performance of the Fund to the Advisory board will be submitted semi-annually each year. Data for these reports will be as of June 30th and December 31st. For each academic year, there will be an annual report prepared by AIF students. The closing date for the annual report will be October 31st. We have begun the process to create a website for Archway fund activities which will include more timely performance reports and information about both this Fixed Income portfolio and the Archway Equity portfolio.

While the Fixed Income Portfolio Management class is in session, the current students in the program will be responsible for monitoring each position in the Fund. The portfolio will be maintained in the Bloomberg portfolio system, which will enable the students involved in the program to monitor performance, and key risk exposures for the Fund and its Benchmark. In order to maintain the Fund's continued performance, monitoring of the portfolio will take place year round. Prior to semester breaks, a strategy will be developed that will be executed in the event of significant market developments that threaten the performance of the Fund or its largest holdings. During extended breaks, the faculty member responsible for Fund oversight, in conjunction with the Archway Executive Committee, will be responsible for monitoring the portfolio and taking defensive action when warranted by market conditions, or portfolio objectives and guidelines.

Appendix: List of Eligible Fixed Income ETF Investments

Additional ETFs may be added to this list from time to time as long as they fit within the investment guidelines of the Fund. All such additions will be subject to approval by the Advisory Committee for the Fund.

Ticker	Name	Description
SHY	iShares 1-3 Year Treasury ETF	Index tracking portfolio consisting of U.S. Treasury securities with remaining maturities between 1 and 3 years.
IEI	iShares 3-7 Year Treasury ETF	Index tracking portfolio consisting of U.S. Treasury securities with remaining maturities between 3 and 7 years.
IEF	iShares 7-10 Year Treasury ETF	Index tracking portfolio consisting of U.S. Treasury securities with remaining maturities between 7 and 10 years.
TJH	iShares 10-20 Year Treasury ETF	Index tracking portfolio consisting of U.S. Treasury securities with remaining maturities between 10 and 20 years.
MBB	iShares Agency MBS ETF	Index tracking portfolio consisting of Mortgage Pass-through securities issued by Fannie Mae and Freddie Mac
GVI	iShares Intermediate Government/Credit ETF	Index tracking portfolio designed to track the Bloomberg Barclays Intermediate U.S. Government/Credit index
CIU	iShares Intermediate Credit ETF	Index tracking portfolio designed to track the Bloomberg Barclays U.S. Intermediate Credit index
CSJ	iShares 1-3 Year Credit ETF	Index tracking portfolio designed to track the Bloomberg Barclays 1-3 Year Credit index

SLQD	iShares 0-5 Year Corporate ETF	Index tracking portfolio consisting of U.S. Investment Grade Corporate Bonds with remaining maturities between 0 and 5 years.
STIP	iShares 0-5 Year TIPS ETF	Index Tracking portfolio designed to track U.S. Treasury Inflation Protected Securities with remaining maturities between 0 and 5 years
HYG	iShares iBoxx High Yield Corporate Bond ETF	Index Tracking portfolio designed to track the Markit iBoxx Liquid High Yield Index
FLOT	iShares Floating Rate Bond Index	Index Tracking portfolio consisting of floating rate bonds issued by US corporations rated investment grade with remaining maturities less than 5 years.
SIPE	SPDR Bloomberg Barclays 0-5 TIPS ETF	Index Tracking portfolio designed to track U.S. Treasury Inflation Protected Securities with remaining maturities between 0 and 5 years
TIPX	SPDR Bloomberg Barclays 1-10 TIPS ETF	Index Tracking portfolio designed to track U.S. Treasury Inflation Protected Securities with remaining maturities between 1 and 10 years
SST	SPDR Bloomberg Barclays Short Term Treasury ETF	Index tracking portfolio designed to track the Bloomberg Barclays Short Term Treasury index
ITE	SPDR Bloomberg Barclays Intermediate Term Treasury ETF	Index tracking portfolio designed to track the Bloomberg Barclays Intermediate Term Treasury index
MBG	SPDR Bloomberg Barclays Mortgage Backed Bond ETF	Index tracking portfolio designed to track the Bloomberg Barclays Mortgage Backed Securities Index
SCPB	SPDR Bloomberg Barclays Short Term Corporate Bond ETF	Index tracking portfolio designed to track the Bloomberg Barclays U.S. Short Term Corporate Bond index

ITR	SPDR Bloomberg Barclays Intermediate Corporate ETF	Index tracking portfolio designed to track the Bloomberg Barclays U.S. Intermediate Corporate Bond index
JNK	SPDR Barclays Capital High Yield Bond ETF	Index tracking portfolio designed to track the Bloomberg Barclays High Yield Corporate Bond index