

Spring 2015

The Archway Investment Fund Semi Annual Report, Spring 2015

Bryant University, Archway Investment Fund

Follow this and additional works at: http://digitalcommons.bryant.edu/archway_investment



Part of the [Finance and Financial Management Commons](#)

Recommended Citation

Bryant University, Archway Investment Fund, "The Archway Investment Fund Semi Annual Report, Spring 2015" (2015). *Archway Investment Fund*. Paper 22.

http://digitalcommons.bryant.edu/archway_investment/22

This Report is brought to you for free and open access by the Archway Investment Fund at DigitalCommons@Bryant University. It has been accepted for inclusion in Archway Investment Fund by an authorized administrator of DigitalCommons@Bryant University. For more information, please contact dcommons@bryant.edu.



The Archway Investment Fund Bryant University

Semi-Annual Report • SPRING 2015



ARCHWAY INVESTMENT FUND

THE ARCHWAY INVESTMENT FUND was established in fall 2005 to provide Bryant University students with the opportunity to manage real-world investments following principles used by investment managers around the globe. Students must apply for the two-part course and interview for a position in the class, competing against other students. In the program, which is led by Professor David Louton, students develop the necessary skills and investment protocols to manage a fund worth approximately \$1,000,000.

The class is held in the C.V. Starr Financial Markets Center (FMC) in the George E. Bello Center for Information and Technology. The room, designed specifically for financial services students, receives real-time news and market data feeds.

Students begin the program as Securities Analysts, where they learn how to navigate Factset Research Systems and other resources available in the FMC to aid in conducting securities analysis and make informed stock

recommendations. The second course in the program is Portfolio Management, in which students take on portfolio management responsibilities and work with the Securities Analysts to improve the future growth of the Fund. In addition to managing the Fund, Portfolio Managers, having just been through the course, mentor the Securities Analysts in the stock selection process. At semester's end, Portfolio Managers present their work to a panel of professionals from the investment industry.

Through hands-on exposure to the best-of-class investment practices in the financial world, Bryant students gain an important competitive advantage in the market place and establish the foundation for leadership throughout their careers. The Fund also hosts an annual conference, the Financial Services Forum, where regionally and nationally respected financial experts share their views on the developing financial world. Graduates know how well this program prepared them for their careers and support its continued success financially and by sharing knowledge with the classes as guest lecturers.





TABLE OF CONTENTS

Investment Advisory Board	2	Sector Overviews.	14
Thoughts from the Professors	2	Technology.	14
AIF 10 Year Time Line	4	Consumer.	16
AIF Graphical Returns	4	Healthcare	18
Financial Services Forum	6	Financials	20
G.A.M.E. Forum	7	Energy, Materials, Utilities.	22
Portfolio Managers	8	Industrials.	24
Securities Analysts	9	Historical Performance.	26
Letter from Executive Committee	10	Top Five Performing Stocks of 2015	27
Macroeconomic Outlook	11	Current Archway Holdings.	28
Investment Strategy.	12	Trades	29
Portfolio Snapshot	13	Summary of Sector Performance	31
		Statement of Operations	32
		Administrative Committees	33
		Friends of the Archway Investment Fund.	36
		Special Thanks.	inside back cover

THOUGHTS FROM THE PROFESSORS

Peter R. Phillips Securities Analysis

I've had the pleasure and honor to be involved with the Archway Investment Fund in some capacity since near its beginning—from guest speaker, mentor, board member, and now as instructor for Finance 450—Securities Analysis. Being an instructor is by far the most challenging role I have played, but also the most rewarding.

The Challenge

I have the time equivalent of about one work week to teach Finance 450 students all they need to know about how to research, analyze, and develop an investment opinion on a company and its stock. In the 'real world' developing this skill set can take months or even years—and that is following a formal finance education.

As a result, I have no other option than to put forward an aggressive syllabus and semester timeline. We start the semester with industry analysis, move quickly towards individual securities analysis, and finish with student stock pitch presentations. We spend quite a bit of time developing both the quantitative and qualitative skills needed in the analysis process—and we also work on how to think like an analyst and have confidence in expressing investment opinions.



Peter R. Phillips, CFA

The Reward

At the start of the semester in the front of the classroom I look out at twenty-eight Finance 450 students and wonder to myself how this will turn out. It typically starts out a little slow—some blank stares and me wondering whether my lesson was well received—but as I read the students' first research assignment and certainly by the end of the semester, I am always pleasantly surprised by the students' quality of work and development into analysts. However, maybe it should not come as a 'surprise'. After all, not every student gets the opportunity to participate in the Archway Fund. Archway students distinguished themselves prior to enrolling in Finance 450—and continue on to do so in Finance 454 and beyond Bryant.

INVESTMENT ADVISORY BOARD

RODNEY BAILLARGEON '76
*Senior Vice President,
Portfolio Manager
Bank of America*

HENRY BECKER '94
*Managing Director
Hayman Capital
Management, LP*

NICHOLAS BOHNSACK '00
*President and COO
Strategas Securities*

JONATHAN BURKE '03
*Senior Investment Officer
Amica Mutual Insurance Co.*

TODD CAREY '00 MBA
*Senior Vice President
UBS Financial Services, Inc.
Private Wealth Management*

ROBERT COVINO '92
*President
SSARIS Advisors*

J. STEVEN COWEN '69
*Owner and Principal
Cowen & Associates*

JOSEPH FAZZINO '02
*Senior Manager,
Pension Investments
United Technologies*

MICHAEL FISHER '67
*Managing Director
(Retired)
Barclays Global Investors*

ANDREW GOLDBERG '03
*Executive Director,
Global Market Strategist
J.P. Morgan
Asset Management*

KRISTEN GOLDBERG '05
*M.A. Candidate in Education
University of London, U.K.*

FRANK GUEST '06
*Senior Financial Analyst
Hartford Investment
Management Company*

David Louton Portfolio Management

It has been another great semester, with the capital markets providing a full measure of learning opportunities for students. We have also had our standard busy spring schedule of events, including the G.A.M.E. Forum in New York and our annual Financial Services Forum at Bryant, both of which provided students with the opportunity to interact with top level investments industry professionals. We have also been blessed with more than the usual number of working professionals who have taken time away from their other commitments to come to campus and speak to students about the investments industry and about their own paths to successful careers. These opportunities for interaction are invaluable. In addition to all of these wonderful things, this semester has also brought several significant milestones for the Archway Investment Fund. In February we hit the \$1 million mark for the first time, and with the exception of a few days in late March, we have managed to remain in that territory. This semester marks the end of the first 10 years of the Fund's operation as an elite experiential learning opportunity for top students wishing to pursue careers as investments professionals.

It has been an interesting time and I suspect that I have learned as much as the students. The adventure began in spring and summer of 2005 when I completely reevaluated the lessons learned in my first 18 years of teaching. The result, after several dozen in-depth interviews with industry professionals, who consistently surprised me with their willingness to be involved, was a unique fusion of theory and practice, which, with regular fine tuning, has actually endured very well. It has been deeply



David Louton, Ph.D.

rewarding to see how many student managers of the Archway Investment Fund have stayed in touch after graduation. I enjoy catching up with them whenever I can and hearing how things are turning out in their lives and careers. It is always a little surprising, but also rewarding in its own way, to hear current students say "I came to Bryant because of the Archway Investment Fund." It has been a great run and I am more than a little wistful about leaving this project. I have enjoyed almost every minute of it, but of course even the best of experiences must eventually come to an end.

Thanks to all who have given their time and support during my time with this venture. As always, your help is very deeply appreciated. To those who have not been involved in the past, but who would like to be involved as the Fund moves forward, please email archwayfund@bryant.edu or get in touch via the Friends of the Archway Investment Fund group on LinkedIn.

BRETT LOUSARARIAN '07
Director
Babson Capital Management

DAVID LOUTON
Professor of Finance
Coordinator, C.V. Starr
Financial Markets Center
Bryant University

BARRY MORRISON
Vice President for
Business Affairs/Treasurer
Bryant University

JACK MURPHY '84 MBA
Senior Portfolio Manager
Levin Capital Strategies

PETER NIGRO
Sarkisian Professor
of Financial Services
Bryant University

PETER PHILLIPS
Vice President and
Investment Officer
Washington Trust Investors

STEVEN ROGÉ '03
Portfolio Manager
R.W. Rogé & Company, Inc.

STEPHEN RUSH '07
Ph.D. Candidate in Finance
University of Connecticut

LOUIS SILK '99
NYSE Sales Trader
Dermott Clancy, Inc.

THOMAS TZITZOURIS '99
Vice President/
Fixed Income Strategist
Strategas Research Partners

ERICA VATERS '91
Vice President of
Advisor Compliance
Fidelity Institutional

ALEXANDER J. WALSH '10
Research Analyst
Decca Capital

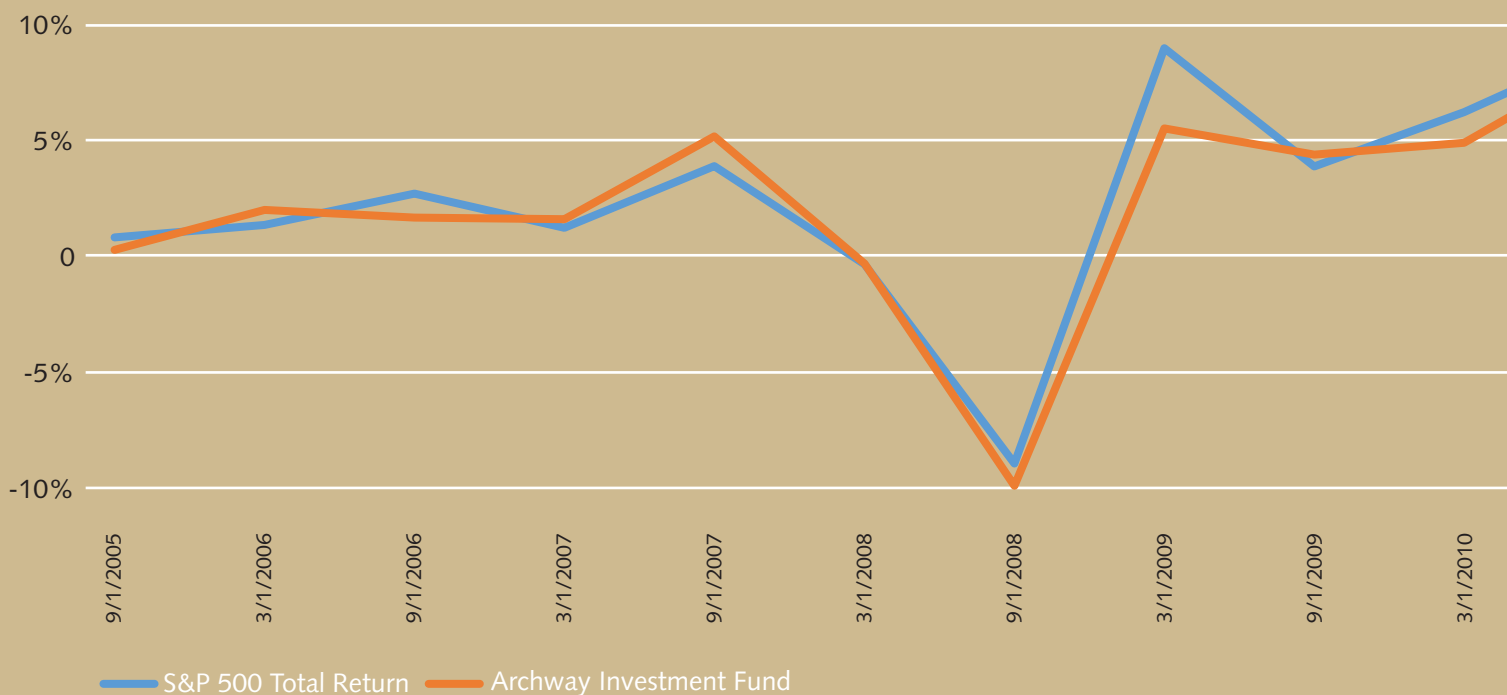
COMPARISON: Archway Investment Fund

2005

Birth of the Archway Investment Fund

In 2006, Chris Mullville '06 was the first Archway Investment Fund student to pitch a stock that gave a 100% return by the end of the year. The company was Ryanair Holdings Plc (RYAAY), an Irish low-cost airline headquartered in Swords, Dublin, Ireland, with its primary operational bases at Dublin and London Stansted Airports. In 2013, Ryanair was both the largest European airline by scheduled passengers carried, and the busiest international airline by passenger numbers

In 2010, two Portfolio Managers of the spring class, Luis Nath '10 and Thomas Jay Agostino '10, and two former Archway Investment Fund students, Pablo Madera '10 MBA and Ryan Tibbitts '10, took first place in the New England Investment Research Challenge. Sponsored by Boston's Security Analysts Society (BSAS), this event is a part of CFA Institute's Global Investment Research Challenge.

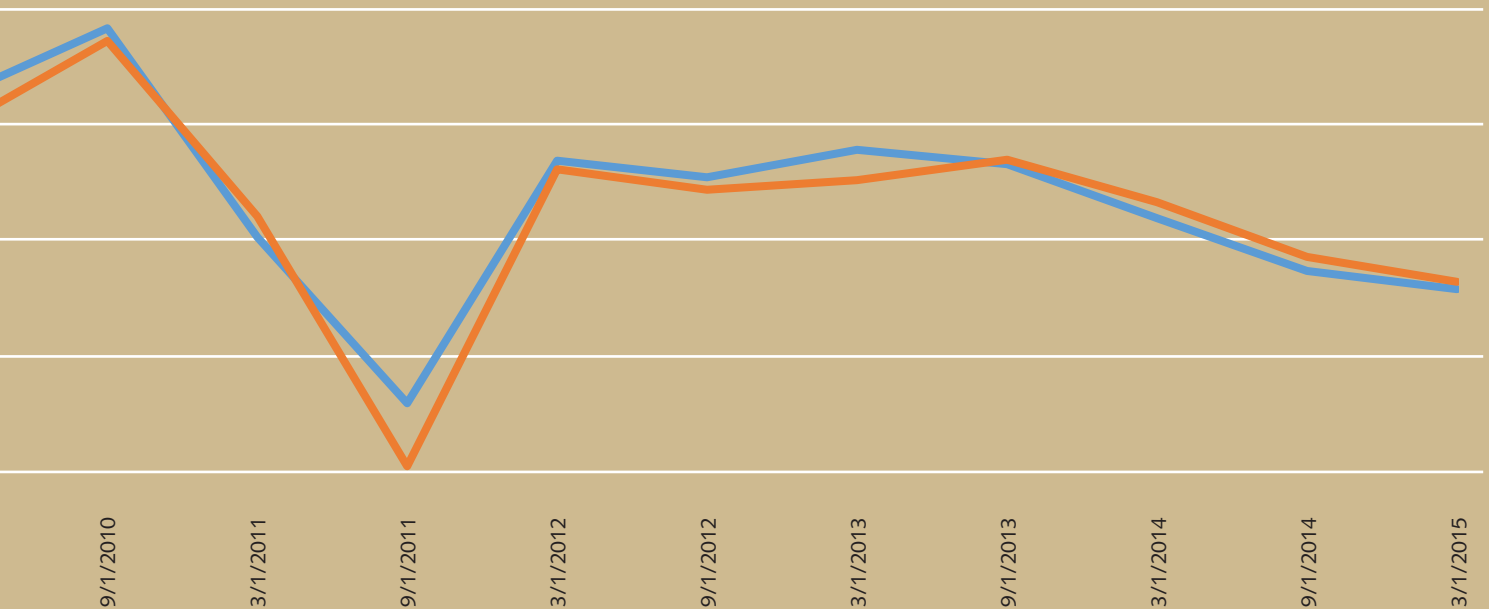


to S&P 500



Bryant students from the first place team in the CFA Institute's Global Investment Research Challenge pose with judges.

In 2015, the Fund exceeded the \$1 million mark, closing the first quarter of 2015 with a return of 2.88% as compared to the benchmark return of .34%.



ARCHWAY INVESTMENT FUND EVENTS

Archway Investment Fund's 10th Annual Financial Services Forum

As part of the 10th annual Financial Services Forum, Bryant alumni panelists came back to campus to speak on a variety of topics. The Forum's first panel discussion, "Financial Services Pathways," featured younger alumni discussing their career paths and the role the Archway Investment Fund (AIF) program played.

Brian Basiliere '07, CFA, CAIA, senior investment analyst with Prime, Buchholz & Associates, says, "The connections you make at Bryant are very important to your growth personally and professionally." Basiliere, the panel's moderator continues, "The fact that we're all still connected is a testament to the program. We are all very proud to be part of this network."

Other panel members shared how their careers have been affected through their participation in the Archway Investment Fund. A director with Babson Capital's Global Business Development Group, **Brett Lousararian '07** says taking part in the AIF was "the single most impactful experience I had while at Bryant." He continues, "It was a huge differentiator when interviewing. Small and large companies were wowed—well-known schools couldn't even compete."

The second panel featured experienced alumni who spoke about the current market trends. The panel's moderator, **Tom Tzitzouris '99**, is the current Director and Head of

Fixed Income Research at Strategas Research Partners. His previous experiences at JP Morgan, Credit Suisse, and Freddie Mac enabled him to speak eloquently about the trends in the financial industry.

The panelists and moderator spoke to their experiences in the market and speculated on how current trends would adapt over the fiscal year. While each had varying perspectives, they all encouraged students and attendees to keep up-to-date on industry news while not being afraid to take risks.

Keynote Speaker **Christian Pariseault, CFA**, senior vice president and director of bonds, North America, in the Fixed Income Division at Fidelity



Investments, spoke about the trends within the global market, helping students understand the impact of rising rates.

The 10th Annual Financial Services Forum ended with a luncheon for alumni, students, and other attendees. **President Machtley** spoke about how the financial program at Bryant helps students get ahead. Finally, the Archway Fund's **Executive Committee** gave a



Tom Tzitzouris '99 moderates a panel discussion at the 10th Annual Financial Services Forum.

SPEAKERS

Brian Basiliere '07, CFA, CAIA
Senior Investment Analyst
Prime, Buchholz & Associates

Kendal Cehanowicz '11, CFA
Associate
BlackRock's Global Portfolio Compliance Group

Robert DeLucca '95
Managing Director and Partner
The Andriole Group and HighTower

Margaret Dickinson '10
Prime Brokerage Sales
Fidelity Capital Markets

Dustin Goldstein '95
*Senior Vice President,
National Sales Manager,
Corporate North & Specialized
Industries, Global Treasury
Management*
U.S. Bank

Brett Lousararian '07, CFA
Director
Babson Capital's Global Business Development Group

Christian Pariseault, CFA
*Senior Vice President/
Fixed Income Division*
Fidelity Investments

Stephen Tully '98
*Director of Institutional
Client Service*
Cantillon Capital Management

Tom Tzitzouris '99
*Director and Head of
Fixed Income Research*
Strategas Research Partners

Scott Voss '92
Managing Director
HarbourVest Partners

Matthew Zewinski '07, CFA
*Vice President and
Portfolio Manager*
Hartford Investment Management Company



The Executive Committee presents at the Financial Services Forum.

presentation about the status of the Fund and answered alumni questions.

Students, alumni, and all other attendees benefited from the Financial Services Forum and came away with new knowledge of the industry as well as a larger network. Alumni had the opportunity to reconnect and share their experiences while students were able to learn from these professionals. The event, as in years past, was extremely successful and it perfectly commemorated the 10th anniversary of the Archway Investment Fund.

G.A.M.E. Forum

Spanning four days, The Global Asset Management Education Forum, better known as G.A.M.E. Forum, was attended by 14 Bryant students from both Archway Investment Fund classes. Sponsored by Quinnipiac University, the Forum took place in New York City, and provided a unique opportunity for an international group of college students and faculty to interact with industry leaders and learn best practices in investment management.

The Forum featured industry leaders who discussed the global economy, alternative investments versus equities, Fed and Washington perspectives, corporate governance, and global markets.

One lucky Portfolio Manager, Jonathon Allen, represented Bryant alongside 75 students and professors in Times Square at the closing of the NASDAQ. Jonathon added, "It was a great experience to be a part of the closing ceremony."

On Thursday morning, the first panel discussion began. The panelists included Abby Joseph Cohen CFA, Senior Investment Strategist & President, Global Markets Institute at Goldman Sachs, joined by Ralph Acampora, Senior Managing Director at Altaira Ltd., with CNBC's Guy Adami, Chief Market Strategist & Director of Advisory Advocacy, Private Advisors Group & Fast Money Contributor, as the mediator. After the three panelists spoke about their professional lives, they opened the floor for questions to the 800 audience members of students and professors.

Corporate Governance was the next panel discussion, and also included all attendees. From then, panel discussions were broken down into specialized areas that students specifically chose to attend.

These specialized sessions included Trends in Investments, Wealth Management, Asset Management and Financial Services, Operations, and Regulations and Asset

Away from the G.A.M.E. Forum, the Bryant students had dinner in the City with a group of alumni of all ages. This was an excellent time for networking and to gain insight into a wide array of career fields within finance.

The group was also invited to talk with alumnus Ed Fasano '94, COO/CFO, partner, at Seawolf Capital, a successful employee-owned hedge fund.



Allocation to name a few. All sessions consisted of leading professionals in the field being discussed. These leaders conveyed to students a general view of their industry, key trends, future expectations, and how to begin a path into that specific field.

The G.A.M.E. Forum also included a student-managed portfolio competition, available for student teams that managed an actual portfolio during the 2014 calendar year. In all, there were teams from 39 different states and over 40 countries.

The last day, Saturday, concluded with a few more sessions and a chance to network with some of the speakers, something that is highly beneficial to those looking for jobs or internships.

He discussed his path to Seawolf, what his job entails, and what the company currently does, along with career advice.

Overall, the students agreed that it was a very successful trip. Access to leading professionals and alumni was invaluable. Not only was knowledge gained, but relationships were formed, which inspires current students to be active in the future as alumni.

Portfolio Managers



Course Description

Portfolio Management is the capstone course of the Archway Investment Fund sequence for students majoring in finance with an emphasis on investments. Students learn the basic tools and techniques of portfolio management and develop their skills by managing a real securities portfolio, interacting with Securities Analysis students, and presenting to audiences which include investment professionals.

Topics Covered

The Portfolio Management Class covers an array of topics, including:

- Asset allocation
- Risk measurement
- Benefits of diversification
- Income generation
- Performance evaluation
- Investment objective development

Securities Analysts



Course Description

Securities Analysis is the first course in the Archway Investment Fund sequence for students majoring in finance with an emphasis on investments. Students learn the basic tools and techniques of securities

analysis and develop their skills by analyzing real firms, interacting with Portfolio Management students, and making recommendations to audiences, including investment professionals.

Topics Covered

The Securities Analysis class covers an array of topics, including:

- Research data sources and screening methods
- Security selection
- Discounted cash flow valuation
- Relative valuation methods
- Identifying growth and value opportunities

LETTER FROM THE EXECUTIVE COMMITTEE

THE ARCHWAY INVESTMENT FUND's portfolio was managed by a group of 19 students this semester. Our Portfolio Management class is set up to resemble a business meeting in which discussion is encouraged. The professional atmosphere has consistently proven to be an underlying lesson and driving force that makes the Archway Investment Fund such a valuable learning experience.

At the end of the fall semester and right after the election of the executive board, we decided to make immediate trades. In previous years, the group hasn't made any changes to the Fund before formulating the investment strategy. However, the China National Development and Reform Commission (NDRC) began

to investigate Qualcomm (QCOM) in relation to the Chinese Anti-Monopoly Law (AML). At the time, Qualcomm, was one the Fund's largest holdings. We sold our entire position and allocated the money to a small-cap and mid-cap ETF within the technology sector. This decision proved to be the correct one because Qualcomm's share price decreased 17.4% within the month.

Our next step as a group was to formulate the investment strategy for the Fund. This meant we needed to determine the sector weights for the portfolio that were in line with the Investment Policy Statement (IPS). The IPS acts as an anchor in difficult economic times so that we consistently base trade decisions on strategy and not on emotions.

We took the appropriate time to analyze each sector, studying our holdings and the history they have. From there, we reevaluated each to make sure they continued to fit the Fund vision. The Securities Analysis class provided valuable input in this step of our process. Finally, the class as a whole began making buy-and-sell decisions for the Fund.

Integration and communication between the Securities Analysts and the Portfolio Managers has been essential. At the beginning of the semester, we did our best to help the Securities Analysts understand the Archway Fund as a whole. Throughout the rest of the semester the Securities Analysts supplied us with insightful recommendations for the Fund. Due to the collaborative relationships cultivated, there will be a smooth transition as Securities Analysts become Portfolio Managers.

The guest speakers added an additional element of real-world experience to our classroom setting. Their personal experiences throughout their varied career paths in the industry allowed us to deepen our understanding of the market. Besides teaching and offering us helpful advice, many alumni help open the door for students beginning their careers in finance. We would like to thank all who took the time to visit our class to share their experiences and insight. The knowledge they have supply is invaluable and will not only be used for the Fund, but throughout our professional careers as well.



Executive Committee

(L-R) Philip Yanaros,
Nicholas Douglas,
Robert Thomas,
Austin Hersh

UNITED STATES ECONOMY

Real GDP increased 2.2% in the fourth quarter of 2014. While down from the previous two quarters, those high levels of growth were relatively unsustainable. For the fourth quarter, consumer spending on goods and services accounted for 4.4%, compared with 3.2% in the third quarter. Overall, the increase in real GDP in the fourth quarter reflected positive contributions from PCE, nonresidential fixed investment, exports, state and local government spending, and residential fixed investment. Business investment also increased. Growth was partially offset by negative contributions from federal government spending and private inventory investment. Imports, which are a subtraction in the calculation of GDP, increased. With the strengthening U.S. dollar, American goods are becoming more expensive overseas, which gives Americans more purchasing power internationally, but is problematic for U.S. companies trying to bring their profits abroad back home.

Unemployment

Unemployment has been continuously improving to a recent rate of 5.5%. Although the unemployment rate is at its lowest point in seven years, the U6 unemployment rate – considered the “real rate” that includes discouraged and underemployed workers – remains elevated at over 11%. In general, we saw very strong job growth throughout 2014, with an increase of 252,000 jobs in December and an average increase of 246,000 jobs per month throughout the year, compared to the 194,000 average monthly gain in 2013. By the end of 2014 the U.S. economy created 2.95 million new jobs, the most in any calendar year since 1999.

The Federal Reserve

The Federal Reserve anticipates, based on its current assessment, that it will maintain the 0 to .25% target range for the federal funds rate for some time. We may see an initial rate hike between June and September of 2015; however, we believe that the Fed will hold off raising rates until the end of the year, possibly not even until 2016. Because of quantitative easing in Europe, they will likely hold off even longer. Raising rates in the near term would further strengthen the dollar, which would continue to hurt exports. Since exports make up a large portion of our GDP, it would stunt U.S. growth.

Low interest rates reduce business financing costs, which also supports investment spending. Lower mortgage rates support housing demand and reduce household interest outlays. Another key benefit of a low interest rate is that it results in higher company valuations. When interest rates do eventually begin to rise, it will likely place negative pressure on the housing market, which is already struggling. Homeownership in the U.S. has been gradually declining since 2005, and reached its lowest level in 19 years.

Consumer Outlook

Consumer confidence has been steadily reaching current highs. The Consumer Sentiment Index increased to 98.2 in December, from 93.6 in the previous month. A 5 point jump in one month is unique and showcased that confidence was rising, and continuing to rise, at a very strong pace. However, even though consumers are gaining confidence in our economy, it hasn't translate to a strong increase in spending. We believe once consumers digest economic data and believe the low oil prices are likely here to stay, they will feel comfortable spending.

INTERNATIONAL ECONOMY

As a whole the outlook of emerging markets is more favorable, but the growth picture and the challenges these economies are facing show disparity. Perhaps the biggest issue is whether China is going to manage a modest deceleration or whether that is going to turn into something that creates a broader set of risks for the group as a whole.

Falling oil prices are most pervasive, which impacts emerging markets in two ways. First, it provides inflation relief. Second, income moves from oil producers to oil consumers. The economies for the oil importer – places like India, Turkey, Korea, Taiwan – will be helped by the relief in oil prices. On the other side, oil producers like Russia, Ukraine, Venezuela, and some of the other commodity producing markets such as South Africa may see some impending challenges and that split is something to keep an eye on.

In China, the credit and housing imbalance has reached a point large enough to gain the attention of the nation. This could affect the growth of China as a whole and could slow GDP down, although they seem to have the flexibility to adjust to these circumstances. It still remains a heavy weight on their economy as a whole and outlook going forward.

The growth outlook in Europe has been weak, which is likely to continue throughout 2015. The decline in oil prices and the weakening of the euro exchange rate should support activity. Yet, confidence in Europe remains fragile with regard to capital expenditure from the corporate sector due to uncertainty about the longer term institutional and governance problems in Europe. Inflation should remain relatively subdued as focus has shifted away from poor developed economic activity and toward concerns that falling prices will lead consumer companies to postpone spending decisions. This will weaken demand, which in turn leads to further declines in prices, entering into a vicious downward spiral. Turning to Macroeconomic policies, Europe's main focus is on monetary policy of the ECB that was implemented in March. This quantitative easing program of buying public debt amounts to about \$61 billion worth of securities in just 22 days. These purchases are set to continue through the rest of 2015 and into next year as the ECB looks to revitalize the European economy.

Investment Strategy

The goal of the Archway Investment Fund is to outperform the S&P 500 benchmark on a risk-adjusted basis, using the Sharpe ratio and Jensen's alpha as risk-adjusted performance measures. We strive to achieve our goal using a top-down approach by examining macroeconomic conditions and determining which sectors, subsectors, and industries to overweight compared to the benchmark. Within each sector, Portfolio Managers and Securities Analysts seek value stocks with strong company drivers and fundamentals to provide the Fund with optimal risk-adjusted returns.

When valuing stocks, we focus on buying companies that trade below their intrinsic value, have catalysts positioned to drive growth, and show fundamental indicators superior to their competitors. The Fund maintains an active strategy with a minimum investment horizon of 12 months, while keeping in mind long-term growth prospects. Our process of determining intrinsic value involves quantitative and qualitative analysis. This includes in-depth research and analysis on management, business drivers, company strategy, competitive advantages, sustainability, financial performance, and stock price valuation measures.

Using our top-down approach on forecasted macroeconomic trends from the present moving forward, the Archway Investment Fund students have decided to overweight the Consumer Discretionary, Healthcare, and Technology sectors. With continued improvement in the United States economy pushing expected wage growth upwards through the year of 2015, we expect consumers to spend more within the discretionary sector over the next few years. In the past decade the improvements in curing formerly incurable diseases have created huge returns for stockholders within Healthcare. Moving forward with improvements in technology and increased funding, these firms are expected to make further breakthrough treatments that will create more wealth for investors. We have noticed a vast increase in the number of merg-

ers and acquisitions among technology firms as well as movement away from certain subsectors to higher growth areas. This translates to greater returns and incentives for stockholders while also moving in line with our outlook on increased consumer spending which will fuel these tech companies with even higher earnings.

Furthermore, we have decided to underweight Financials, EMU, and Industrials because these sectors will have far less growth opportunity based on our macroeconomic outlook. Publicly held companies within the Financials sector have continued to underperform because of extensions in the duration of a low interest rate environment as well as implications of legislation and regulation. The Energy, Materials, and Utilities sectors have continued to underperform the S&P as oil prices fell through Q4 of 2014 and January of 2015. We expect oil prices to stay low and possibly even fall to lower levels with fluctuations throughout the year as increased improvements in fracking have caused all time high extraction and distribution of crude oil.

Moving into this semester, the Archway Investment Fund students continued the strategy to lower cash drag by allocating cash held to ETFs for the short run. More specifically we allocated cash to some niche ETFs that allocate their held assets to specific subsectors that fall in line with the collaborative strategy derived from last semester's Portfolio Managers and Securities Analysts. These funds build on the fundamental idea that as long as our perspective on the ETF is positive for the short run, we can capitalize on a diverse equity allocation while we screen for the greatest alpha producing opportunities. Additionally these funds continue to provide set sector allocation of funds. With the niche ETFs in consideration, we can fall further into compliance set by the Investment Policy Statement as far as small and mid-cap allocation of equities.

With growth in interest rates expected by mid- to late-2015, strengthening dollar, stagnated low oil prices, and expected increase in consumer spending, the Fund will have the ability to move out of sector ETF holdings and into undervalued stocks. Very short fluctuations within the market are speculative at best, and our long-term positions within our evaluated equities should hold based on our extensive macroeconomic analysis. This volatility is nothing more than fear driven short trends that only provide further investment opportunities for the Archway Investment Fund through even more undervalued assets.

"The stock market is the story of cycles and of the human behavior that is responsible for overreactions in both directions."

— Seth Klarman

PORTFOLIO SNAPSHOT

The Archway Investment Fund has shown a relatively strong performance throughout the past two quarters, particularly Q1 2015. The fund generated a 2.88% YTD return, outperforming the S&P 500's 0.34% YTD return. Q1 proved to be more challenging than Q4, resulting in the portfolio moderately outperforming the index but still achieving the milestone of breaking the \$1 million mark for the Fund. While the previous cash drag issue within the Fund has been corrected, this timeframe included other difficulties as well as benefits. Brief examples of these counteractive events could include the ending of QE3 late last October reflecting negative speculation on interest rates affecting some sectors, paired against the decrease of some consumer expenses such as oil. There have been significant winners in the portfolio, which solidified the decision to overweight the Technology, Healthcare, and Consumer Discretionary sectors. The overall strategy of the portfolio and weighting differences in comparison to the index suggested weights have been effective, leading to an offset of losses and resulting in overall gains.

Portfolio Returns for October 1, 2014 – March 31, 2015

FUND	PERIOD (YTD) RETURN	RISK ADJUSTED PERIOD RETURN	PERIOD DIFFERENTIAL RETURN	RISK ADJUSTED PERIOD DIFFERENTIAL RETURN	BETA
Archway Investment Fund	2.88%	3.11%	2.54%	2.77%	0.93
S&P 500 Total Return	0.34%	0.34%	-	-	1.00

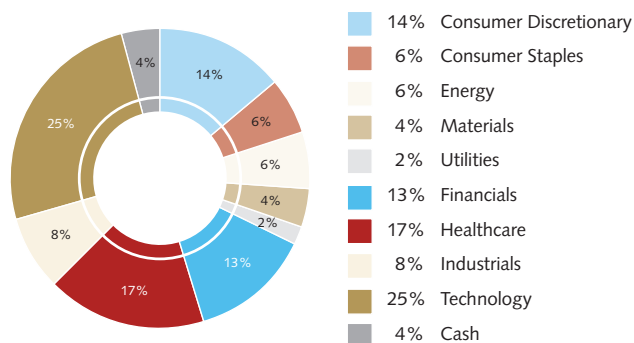
Morningstar Style Box

Market Capitalization	Large	18%	20%	30%
	Medium	6%	10%	9%
	Small	1%	1%	6%
		VALUE	BLEND	GROWTH

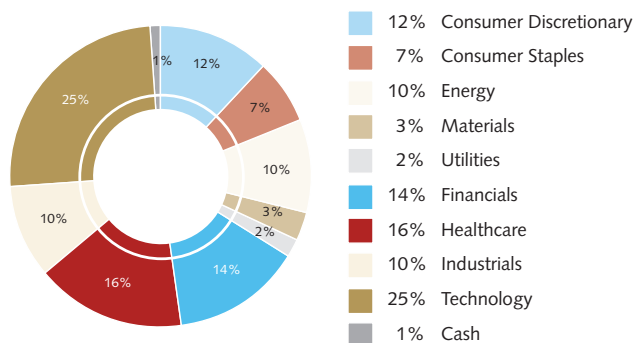
Valuation

This is the distribution of stocks in the portfolio. Companies are classified on the basis of size and a combination of a value score and a growth score.

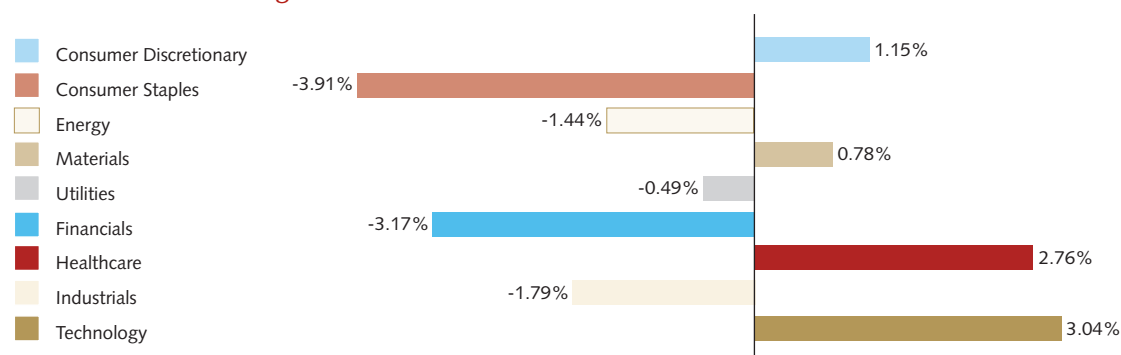
Archway Investment Fund Weightings March 31, 2015



Archway Investment Fund Weightings October 31, 2014



AIF versus S&P 500 Weight Differentials



Technology

Overview

The Archway Investment Fund currently holds positions in IT Services, Internet Software & Services, and Semiconductors and Semiconductor Equipment. With a positive outlook on the Technology sector for 2015, we have overweighted this sector relative to the S&P 500.

The nature of the Technology sector causes it to be highly competitive and at the forefront of innovation. There have been recent trends and major shifts important to highlight. Due to these events, the Fund has taken an overweight stance on 3 out of the 6 subsectors within the Technology sector. Semiconductors, Semiconductor equipment, and Telecommunication equipment have experienced significant growth in recent years. The demand for mobile devices such as cellphones, tablets, and laptops has been the leading driver for the success of this subsector. As the mobile device market in America matures, areas of opportunity are high in emerging markets such as China, Taiwan, and Europe. A trend that has carried from 2014 to 2015 are mobile devices with larger and higher resolution displays. This offers opportunity to invest in companies that develop high-definition video compression and image processing solutions.

We also have a positive outlook for Internet Software and Services. This subsector consists of companies developing and marketing internet software and/or providing internet services including online databases and interactive services, web address registration services, database construction, and internet design services. Among software companies, a common theme has been to offer Software-as-a-Service (SaaS) to paying customers. Global SaaS software revenues are forecast to reach \$106B in 2016, increasing 21% over projected 2015 spending levels. We believe cloud computing offers immense potential. Spending on cloud computing infrastructure and platforms will grow at 30% CAGR from 2013 through 2018 compared with a 5% growth for the overall enterprise IT.



Portfolio Management
(L-R) Seth Wing, Philip Yanaros

Outlook/Strategy

At the beginning of the year, the only semiconductor company the Fund held was Qualcomm (QCOM). Even though we continue to hold an overweight position, we sold all of the QCOM's position due to serious legal troubles in China and South Korea. As a replacement, we purchased two ETFs, Powershares Dynamic Semiconductors Portfolio (PSI) and Powershares S&P 500 Small Cap Information Technology Portfolio (PSCT). These ETF's had a positive return over winter break and into the beginning of 2015. We replaced these ETF's with another semiconductor company, Ambarella (AMBA). Opportunity lies within AMBA due to the success of their semiconductors that GoPro (GPRO) uses in all their cameras. Google has maintained a strong position with the online advertising industry. We expect favorable results driven by increased in data consumption and online advertisement.

One of the strongest companies within the IT Service market and the Fund as a whole is Cognizant (CTSH). As the company is positioned in a more favorable way than its peers, we expect Cognizant to continue to grow. CTSH is involved in IT for healthcare, which is a growing industry itself, and financials which with the recovering interest rates, should benefit greatly.

Current Holdings as of March 31, 2015

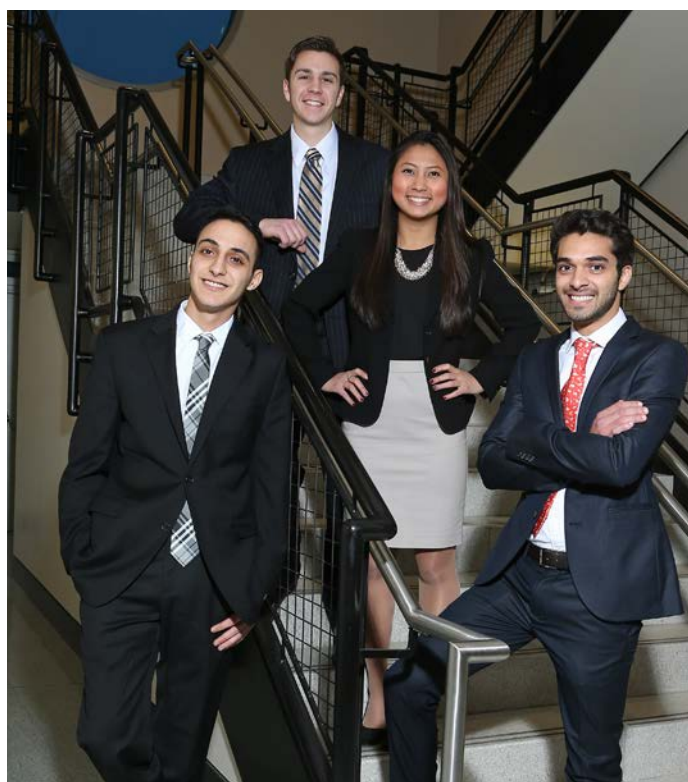
SECTOR	PURCHASE DATE	TICKER	STOCK NAME	SHARES	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	PERIOD CHANGE	HPR CHANGE
Technology	12/18/2009	GOOGL	Google Inc	72	\$ 524.08	\$ 548.00	4.16%	4.10%	4.56%
Technology	2/28/2013	AAPL	Apple Inc.	186	\$ 115.72	\$ 124.43	2.44%	12.73%	7.53%
Technology	9/29/2011	CTSH	Cognizant Technology Solutions Corp	660	\$ 48.51	\$ 62.39	4.34%	18.48%	28.61%
Technology	3/7/2014	EQIX	Equinix Inc	176	\$ 193.08	\$ 232.85	4.32%	2.70%	20.60%
Technology	2/27/2015	FTNT	Fortinet Inc	500	\$ 33.97	\$ 52.72	1.84%	71.95%	55.20%
Technology	12/26/2014	PSCT	PowerShares S&P Small Cap Information and Technology Portfolio (ETF)	305	\$ 50.92	\$ 27.00	1.69%	-46.24%	-46.98%
Technology	12/26/2014	PSI	PowerShares Dynamic Semiconductors (ETF)	893	\$ 25.90	\$ 34.95	2.54%	37.27%	34.94%
Technology	3/7/2014	XLK	Technology SPDR (ETF)	1146	\$ 36.47	\$ 41.44	5.00%	0.22%	13.63%

Trades

YTD Performance

Technology Sector	
Benchmark:	.81%
Technology Sector AIF:	7.70%

SECTOR	DATE	TICKER	STOCK NAME	TRADE	QUANTITY	PRICE
Technology	10/14/2014	QCOM	Qualcomm, Inc.	Buy	165	\$ 73.70
Technology	10/14/2014	XLK	Technology SPDR	Buy	1357	\$ 38.88
Technology	10/29/2014	XLK	Technology SPDR	Sell	37	\$ 39.02
Technology	12/3/2014	XLK	Technology SPDR	Sell	1,532	\$ 42.13
Technology	12/3/2014	AAPL	Apple Inc	Buy	186	\$ 115.68
Technology	12/5/2014	EQIX	Equinix Inc	Buy	82	\$ 231.99
Technology	12/5/2014	GOOGL	Google Inc	Buy	12	\$ 533.99
Technology	12/26/2014	QCOM	Qualcomm, Inc.	Sell	515	\$ 75.65
Technology	12/26/2014	PSCT	PowerShares S&P SmallCap Info Tech ETF	Buy	205	\$ 50.92
Technology	12/26/2014	PSCT	PowerShares S&P SmallCap Info Tech ETF	Buy	100	\$ 50.94
Technology	12/26/2014	PSI	PowerShares Dynamic Semiconductors		893	\$ 25.90
Technology	2/27/2015	FTNT	Fortinet Inc	Buy	500	\$ 33.98



Securities Analysts

(L-R) Ariyan Lashkari,
Jack Grant, Mary To,
Rohan Patodia

“Buy not on optimism, but on arithmetic.”

— Benjamin Graham

Consumer Staples and Discretionary

Overview

The Consumer Staples sector comprises of companies that provide indispensable products to consumers. These are goods that consumers will buy regardless of the economy since they have vital applications in their everyday lives. Consumer Staples includes beverages, drugstores and discount stores, food, household and personal care items, and tobacco. Since companies within this sector are important to consumers' daily activities, they help to protect the portfolio from cyclical risk.

The Consumer Discretionary sector, on the other hand, consists of companies that sell dispensable goods or services. Automobile and component firms, distributors, hotels, restaurants, household durables, media companies, textile and apparel companies, and leisure items make up this sector. Companies within the Consumer Discretionary sector are highly sensitive to the economic standing, and they tend to excel during times of expansion and fall back when the economy is poor.

The outlook for the Consumer Staples and Discretionary sectors is driven by four key factors: the strength of the dollar, consumer sentiment, wage growth, and the unemployment rate. The strengthening dollar may encourage consumer spending and the prices of imported goods would be lower which would lead to increased spending as well. Consumer confidence has increasingly risen over the past several years and has accelerated due to the low oil prices and the rise in the labor market. While there is job growth in the economy, however, declining wages have been reported which means people are settling for underpaying jobs. This may affect the Discretionary sector since consumers may limit their spending. The unemployment rate has been steadily declining and has recently reached the low of 5.6%. While this is a positive, it is also concerning that the wage growth is not improving since declining unemployment and wage growth typically synonymous.

Some of the primary risks seen in the Consumer Staples and Discretionary sectors are the stability of the economy and the pressures to increase prices. Both of these risks threaten consumer spending power. It is difficult for companies within these sectors to gauge the economy and consumers' reactions to the economic standing, so as a result, companies often have to raise prices which limits consumer spending. However, the economy has a positive outlook so it is anticipated consumers will continue to spend their disposable income more freely.

The Consumer Staples and Discretionary sectors have been strong performers over the last several years and have managed to persist through the economic recovery. While the Discretionary sector lagged towards the end of 2014, it is forecasted that it will recover



Portfolio Management

(L-R) Stephanie Vlohiotis, Christopher Butrym, Neha Moolchandani

due to increased consumer spending. Despite some diverse macroeconomic indicators, we are expectant that both sectors will continue to perform well and deliver strong returns.

Outlook/Strategy

The Consumer Staples and Discretionary sectors are heavily positioned in the food, beverages, and restaurants industries. Our current holdings within these industries include Buffalo Wild Wings, Starbucks, General Mills, and Coca-Cola. While we believe these industries are key to producing alpha, we are exploring the possibility of selling half our shares of Coca-Cola. This is due to both the company's lack of innovation as well as the consumers' desire to buy healthier products. We will seek to use the additional money to pursue healthier companies which we believe will provide additional alpha. In addition, we believe the automobile industry to be especially lucrative at this time and believe this is another industry that could provide increased alpha to the Fund.

With the strengthening dollar, increased consumer spending, and declining unemployment rate, we believe the Consumer Staples and Discretionary sectors have a very positive outlook. The increased spending power experienced by consumers will drive the sectors and consequently there will be greater returns. Industries such as automobile, hotel, internet retail, apparel, and leisure are opportunities that we can capitalize on due to the recent macroeconomic trends. We believe the demand for these industries will pick up because of the increasing consumer confidence and spending power experienced thus far. To avoid risk, we believe it is important to stay away from industries that consumers are not as reliant on. We believe we can generate the most return for the Fund by following consumer trends, especially since the improving economy will enable them to spend more on goods where they were once limited.

YTD Performance

Consumer Discretionary Benchmark:	4.75%
Consumer Discretionary AIF:	6.33%
Consumer Staples Benchmark:	1.16%
Consumer Staples AIF:	-1.98%

“Behind every stock is a company.
Find out what it's doing.”

— Peter Lynch

Current Holdings as of March 31, 2015

SECTOR	PURCHASE DATE	TICKER	STOCK NAME	SHARES	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	PERIOD CHANGE	HPR CHANGE
Discretionary	9/30/2012	BWLD	Buffalo Wild Wings	148	\$ 74.76	\$157.51	2.83%	-12.68%	110.69%
Discretionary	3/26/2013	HAS	Hasbro, Inc.	400	\$ 43.86	\$ 57.98	2.66%	5.44%	32.19%
Discretionary	9/29/2011	JWN	Nordstrom, Inc.	180	\$ 45.79	\$ 73.43	1.52%	-7.51%	60.36%
Discretionary	10/17/2013	WYNN	Wynn Resorts, Limited	109	\$ 169.77	\$177.18	1.45%	19.10%	4.36%
Discretionary	4/22/2014	SBUX	Starbucks Corporation	320	\$ 71.06	\$ 77.79	3.19%	-5.19%	9.47%
Discretionary	10/24/2014	XLY	Consumer Discretionary SPDR (ETF)	518	\$ 67.55	\$ 68.01	4.11%	-5.74%	0.68%
Staples	4/20/2010	MO	Altria Group Inc	392	\$ 34.48	\$ 50.02	2.07%	1.52%	45.07%
Staples	11/9/2009	PG	Procter & Gamble Co	191	\$ 61.44	\$ 81.94	1.65%	-10.05%	33.37%
Staples	11/18/2010	GIS	General Mills, Inc.	260	\$ 44.44	\$ 56.60	1.55%	6.13%	27.36%
Staples	11/20/2007	KO	The Coca-Cola Co	102	\$ 46.27	\$ 40.55	0.44%	-3.96%	-12.36%
Staples	3/6/2015	TSN	Tyson Foods Inc	243	\$ 40.61	\$ 38.30	0.98%	-4.46%	-5.69%

Trades

SECTOR	DATE	TICKER	STOCK NAME	TRADE	QUANTITY	PRICE
Consumer	10/14/2014	MCD	McDonalds Corporation	Sell	208	\$ 92.86
Consumer	10/29/2014	KO	Coca Cola Co	Sell	155	\$ 40.99
Consumer	10/29/2014	MO	Altia Group, Inc	Sell	133	\$ 47.26
Consumer	10/29/2014	GIS	General Mills, Inc	Sell	63	\$ 50.65
Consumer	10/29/2014	XLY	Consumer Discretionary SPDR	Buy	162	\$ 66.16
Consumer	11/7/2014	MCD	McDonalds Corporation	Sell	2	\$ 94.71
Consumer	3/6/2015	TSN	Tyson Foods, Inc	Buy	243	\$ 40.61
Consumer	3/6/2015	XLY	Consumer Discretionary Select Sector SPDR (ETF)	Buy	356	\$ 75.63



Securities Analysts
(L-R) Staci Rezendes,
Christopher Anzivino,
Sam Rosen,
Guillaume Sabourin,
Caitlin Griffin

Healthcare

Overview

The healthcare sector comprises companies that provide services and products to the healthcare industry, such as hospitals, pharmaceutical companies, and health management companies. Overall, the key drivers to this industry are the increasing aging population (thus increasing demand), government regulation, and the increase in FDA approvals. Government regulations significantly impact this industry. The Affordable Care Act had a positive effect on the healthcare industry for most of 2014. However, with changes in the Senate and shifts in political power, some questions have surfaced as to whether or not many of the policies under the Affordable Care Act will change. The potential unraveling of many elements of the ACA creates risk for the healthcare industry. For example, the King vs. Burwell case aims at getting rid of healthcare subsidies. However, some changes could positively affect the healthcare industry such as a reversal of the medical device tax. Overall, government regulations have a significant impact on the healthcare industry and can affect which subsectors are the most promising.

The increasing approval rates by the FDA have had a significant impact on the healthcare sector. The FDA has approved record numbers of drugs in the past few years creating more opportunities for Biotech and Pharmaceutical companies as well as the companies that create products used by Biotech and Pharmaceutical companies. Much of the success of Pharmaceutical and Biotech Companies is a result of how many approved drugs they have in their pipeline. Thus the streamlined approval process of the FDA creates more opportunity for Biotech and Pharmaceutical companies to build a portfolio of approved drugs. However, the fact that Biotech and Pharmaceutical firms are so dependent on the FDA is also a risk factor.

One significant threat to the success of Pharmaceutical and Biotech companies derives from the increase in pressure from Pharmacy Benefit Managers to reduce the cost of healthcare. The healthcare industry has previously benefited from charging premium prices on goods that are high in demand. However, there is current pressure to lower the cost of healthcare overall. There has been an increasing trend among PBM's to exclusively provide drugs that are at the lowest cost to customers. This pressure to decrease the price of drugs and other healthcare goods may negatively affect the Healthcare Industry.



Portfolio Management

(L-R) Austin Hersh, Harry Waterton, Meg Aman, Justin Robinson-Howe

Outlook/Strategy

Currently we are significantly underweight Pharmaceuticals with our only exposure coming from our holdings in the sector SPDR. We currently do not own a single pharmaceutical company, which we believe will negatively affect our future performance because we believe that the most opportunity to gain alpha lies within the Biotechnology and Pharmaceutical Industries. One contrarian viewpoint that we have in regard to Biotechnology and Pharmaceutical companies surrounds the consensus that there will be heavy pricing pressure for drug treatments in the near future. With this overall consensus, investors are beginning to undervalue biotech and pharmaceutical companies because of the fear of pricing pressure from healthcare providers. Since we believe that there will not be as much pricing pressure as expected, and that quality drugs will do well, we feel that we can capitalize on the Biotech and Pharmaceutical Industries because of our anticipated upside surprise in regard to future drug pricing.

Two companies we are looking at are Akorn, Inc. and Vertex Pharmaceuticals. Akorn is a pharmaceutical company that has a diverse product portfolio consisting of both generic and specialized drug treatments. We believe that they are well positioned for future growth and, because of their threat to larger pharmaceutical companies, they are a possible takeover target, which would be even more beneficial to their stock price. Vertex Pharmaceuticals is a biotech company that currently has the only disease modifying drug for the treatment of Cystic Fibrosis, which causes a progressive and deadly decline in muscle function. Since they are the only company with a treatment that attacks the underlying cause of the illness, they are able to charge extremely high prices for their drugs. Along with our overall viewpoint, we believe that all of the pricing estimates are too conservative and Vertex will see great benefits from pricing their drugs higher than current consensus estimates.

YTD Performance

Healthcare Sector Benchmark: 6.58%
Healthcare Sector AIF: 8.46%

"All intelligent investing is value investing—
acquiring more than you are paying for. You must
value the business in order to value the stock."

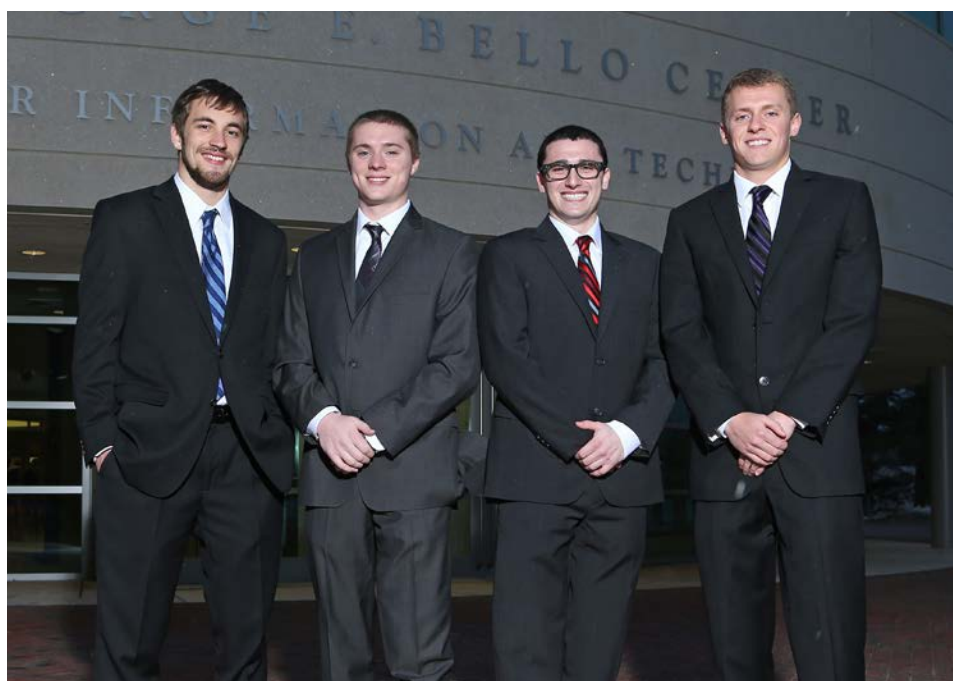
— Charlie Munger

Current Holdings as of March 31, 2015

SECTOR	PURCHASE DATE	TICKER	STOCK NAME	SHARES	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	PERIOD CHANGE	HPR CHANGE
Healthcare	5/27/2014	PRXL	PAREXEL International Corporation	182	\$ 50.21	\$ 68.99	1.65%	24.17%	37.40%
Healthcare	4/20/2010	ANTM	Anthem Inc	134	\$ 64.64	\$ 154.31	1.55%	22.79%	138.72%
Healthcare	9/28/2011	ESRX	Express Scripts Holding Company	341	\$ 39.22	\$ 86.77	0.44%	2.48%	121.24%
Healthcare	3/22/2013	UHS	Universal Health Services, Inc.	200	\$ 62.45	\$ 117.71	2.48%	5.80%	88.49%
Healthcare	3/4/2015	AKRX	Akorn, Inc	300	\$ 51.26	\$ 47.51	1.5%	31.24%	-7.32%
Healthcare	3/6/2014	GILD	Gilead Sciences, Inc.	293	\$ 78.45	\$ 98.13	3.03%	4.11%	25.09%
Healthcare	10/24/14	XLV	Healthcare SPDR (ETF)	756	\$ 64.85	\$ 72.50	4.15%	6.03%	11.80%

Trades

SECTOR	DATE	TICKER	STOCK NAME	TRADE	QUANTITY	PRICE
Healthcare	2/28/2014	PETS	PetMed Express Inc.	Sell	914	\$ 13.68
Healthcare	3/7/2014	GILD	Gilead Sciences Inc.	Buy	200	\$ 78.45
Healthcare	5/27/2014	CELG	Celgene Corporation	Sell	50	\$150.96
Healthcare	5/27/2014	PRXL	Parexel International Corp.	Buy	182	\$ 50.21
Healthcare	7/17/2014	COV	Covidien PLC	Sell	220	\$ 87.01
Healthcare	10/9/2014	UHS	Universal Health Services	Sell	100	\$105.24
Healthcare	10/9/2014	WLP	Wellpoint Inc.	Sell	101	\$ 117.77
Healthcare	10/9/2014	XLV	Sector SPDR	Buy	750	\$ 63.24
Healthcare	10/24/2014	XLV	Sector SPDR	Buy	6	\$ 64.84
Healthcare	3/4/2015	XLV	Healthcare Select Sector SPDR (ETF)	Sell	34	\$ 72.53
Healthcare	3/4/2015	XLV	Healthcare Select Sector SPDR (ETF)	Sell	178	\$ 72.54
Healthcare	3/4/2015	AKRX	Akorn, Inc	Buy	300	\$ 51.26
Healthcare	3/6/2015	GILD	Gilead Sciences Inc.	Buy	93	\$102.00
Healthcare	3/6/2015	ANTM	Anthem, Inc	Sell	66	\$145.29



Securities Analysts
(L-R) Jonathan Malchiodi,
Daniel Creedon,
Jonathan Manheim,
Robert Beauchemin

Financials

As a whole the financials sector is one that is extremely sensitive to interest rates, which gives way to an alpha strategy based on the current interest rate environment. In recent months the interest rate environment has been abnormally low, opening the door for much opportunity within the financial sector. At this point in time, the Fed has stuck to a dovish mindset regarding the hike in interest rates. Therefore, given the current macro environment, rates could remain this year for another year. Essentially this ensures us that the opportunities within the financial sector over the long-term due to the interest rate environment and the fact that it's unsustainable to maintain these rates for an extended period.

With lending standards expected to ease due to the decrease in delinquency rates, lending demand will increase, which will raise rates in turn. On top of this, we have seen an even more improved unemployment rate since the end of 2014, which sets the stage for the ability of consumers to borrow becoming greater. While we did expect rates to rise sooner than they have, the fact that they are still at an abnormally low level leads us to believe that now is the time to take advantage of the opportunities within the sector as the rising of rates is still inevitable.

Another important idea to consider is that of the current strong dollar in the United States. While many businesses are affected negatively by the strong dollar, the financial sector is somewhat sheltered from these negative effects. A stronger dollar means that every other currency is weaker. As a result of weaker foreign currency, those institutions that are diversified into those markets will report weaker earnings and revenues – when converted back to U.S. dollars. With most business being held domestically for companies within the financial sector, it is a positive thing to have such a strong dollar in current times. Overall we feel the low interest rate environment within the financial sector is extremely attractive for future growth.

Outlook/Strategy

The outlook for the banking industry is an important indicator for economic growth. Therefore, as banks start to generate more income, it is expected that businesses and individuals are using banks to expand and grow. The commercial banking sector is set to be more appealing moving into 2015. We would look for established regional banks or smaller independent banks showing quick growth to be involved in mergers and acquisitions. Also, these types of domestic banks are intriguing because of the strong dollar, which puts them at an advantage over a bank that is diversified overseas. Interest rates are expected to normalize over the course of the next year, which is why we have a positive outlook in this subsector.

At this point in time, we have a neutral outlook on the consumer finance sector because of the near term growth in loan rates. Credit card companies are a major component of the consumer finance



Portfolio Management

(L-R) Matt Pechenik, Brent Lavitt, Corey Mania

subsector, however, the outlook is not very positive according to analysts. With the millennial generation moving more and more into young adulthood, the trend is to stay away from credit. Millennials are afraid of credit, or simply are uneducated about credit cards and mortgages. Given this, one can conclude that for the time being even with low rates, the trends seem to indicate that credit card companies and other consumer finance companies are not extremely attractive options for alpha at this time.

Overall we have a positive outlook on the capital markets subsector due to the improving economy, increased consumer confidence, low interest rates and growth driving legislation. We expect growth in companies that focus on equities markets, IPOs, and M&A. Currently in the Archway Portfolio Fund we do not hold any companies that operate purely in the capital markets subsector, however, we are interested in investing in companies that focus in areas of expected growth such as IPOs and M&A.

Our recommendation on the insurance industry is that some exposure may be beneficial in the interest of diversification, but our focus should be directed elsewhere for more attractive opportunities. Although we have decided to remain neutral at this point, the outlook for the future does have many positive opportunities, however, we feel that more research should be done on the subsector before moving forward with investing in more insurance companies.

While many would expect that low interest rates would lead to higher home buying rates, we've seen increased rental demand. That being said, the housing market overall has improved since last year and will continue to progress as interest rate and mortgage rates remain low. Due to this trend we feel it is best to monitor this industry, specifically companies that are highly influenced by the real estate industry and REITs, to engage in potential value buys because of the positive outlook by the NAHB/ Wells Fargo Housing Market Index. As a result, we would suggest a neutral weight because of the lack of progression in the housing market.

YTD Performance

Financial Sector Benchmark: -2.07%
Financial Sector AIF: 3.76%

Current Holdings as of March 31, 2015

SECTOR	PURCHASE DATE	TICKER	STOCK NAME	SHARES	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	PERIOD CHANGE	HPR CHANGE
Financials	5/27/2014	ACE	ACE Limited	195	\$ 103.46	\$ 111.49	2.29%	-2.58%	7.76%
Financials	10/23/2012	WFC	Wells Fargo & Co.	436	\$ 34.33	\$ 54.40	2.50%	-0.77%	58.46%
Financials	10/19/2013	DFS	Discover Financial Services	380	\$ 53.64	\$ 56.35	2.26%	-13.96%	5.05%
Financials	10/24/2014	JPM	JPMorgan Chase & Co.	397	\$ 58.34	\$ 60.58	2.53%	-3.20%	3.84%
Financials	3/7/2014	XLF	Financial Sector Select SPDR	1533	\$ 22.59	\$ 24.11	3.89%	-2.51%	6.74%

Trades

SECTOR	DATE	TICKER	STOCK NAME	TRADE	QUANTITY	PRICE
Financials	10/14/14	FITB	Fifth Third Bancorp	Sell	1000	\$ 19.72
Financials	10/14/14	XLF	Financial Sector Select SPDR	Buy	61	\$ 22.82
Financials	10/24/14	XLF	Financial Sector Select SPDR	Sell	1026	\$ 22.97
Financials	10/24/14	JPM	JP Morgan Chase & Co.	Buy	397	\$ 58.34

"Value investing requires a great deal of hard work, unusually strict discipline, and a long-term investment horizon. Few are willing and able to devote sufficient time and effort to become value investors, and only a fraction of those have the proper mind-set to succeed."

— Seth Klarman



Securities Analysts
(L-R) Nicholas Zacchilli,
Elizabeth Field,
Michael DeRobbio,
Nicholas Browne

Energy, Materials, and Utilities

Overview – Energy

Generally, energy stocks can attribute most of their performance on the price of the crude oil market. The recent downturn in the price of oil has caused the margins of many energy companies to shrink, and has resulted in poor stock performance. The sector as a whole has struggled, and it is not exactly clear where the price of oil will go in the next few months. With OPEC not showing signs of cutting down on production, the price of oil could remain low for the foreseeable future.

Outlook/Strategy

Our outlook on the energy sector is currently underweight. The volatility in the crude oil price is a risk for the sector. We are particularly avoiding oil drilling and exploration, as these companies have appeared to suffer the worst from these low oil prices. We believe oil refining and transportation can be areas to generate alpha for the Fund, and will focus our efforts in those industries. We currently hold Halliburton Company (HAL), Tesoro Corporation (TSO), Occidental Petroleum Corporation (OXY), and the Energy Sector SPDR. Occidental and Halliburton are exploration and drilling companies that were picked with a bottom up approach for the sector. We expect an underperformance from the exploration industry, but we believe these specific companies are attractive. Tesoro engages in oil refining and marketing. The company has been one of the Archway's top producers, and should continue to see growth during this period of low crude oil prices.

Overview – Materials

Historically, Materials has been a strong performer when the price of oil is low. The products from this sector are largely used by downstream manufacturers, thus a large portion of demand is derived from manufacturing industries. The domestic housing market has been expanding, and is expected to grow by nearly 8% by 2019. Additionally, we expect global economies to pick up as well which will bode well for the Materials sector. A systematic improvement in both the domestic and global economies will strengthen the Materials sector as a whole, and projections seem to be in favor of the sector.

Outlook/Strategy

Our outlook for the Materials Sector is currently overweight. We see the biggest opportunities in the specialty chemicals and construction materials industries. There are strong growth projections for downstream manufacturing industries which would positively influence these subsectors the most. We currently hold Ashland Incorporated (ASH), Green Plains Incorporated (GPRI), and Albermarle Corporation (ALB). These companies engage primarily in specialty chemicals, and should see strong growth as pivotal manufacturing industries continue to strengthen. Our most important task in this sector is incorporating other subsectors to further diversify our holdings in the sector.



Portfolio Management

(L-R) Joseph Mazzola, Lindsey Patruno, Nicholas Douglas, Matthew Burns

Overview – Utilities

Generally, Utility stocks have been a safer bet and consist of companies that are engaged in natural gas, electric power, water and other utility services. There are many key drivers of natural gas and electric power utilities including the number of domestic households, natural gas and electricity consumption, as well as the price of natural gas and electricity. Water utilities are mainly driven by agricultural price index, annual rainfall accumulation, and number of domestic households. Some major opportunities within this sector include renewable energy sources such as wind and solar power. Risks that may impact this sector include the decreasing prices of natural gas and oil.

Outlook/Strategy

Our outlook for Utilities is underweight. We currently own American Water Works Company, Inc (AWK), which is our most recent addition to the Utilities sector. AWK exposes the Fund to the water industry since they provide water and wastewater services in Canada and the United States. We also hold Duke Energy (DUK), which is one of the highest weighted stocks in the Utility sector and provides high dividend payments. The last stock we hold in the Utility sector is NextEra Energy (NEE), which is a company responsible for generating and distributing electricity. Both DUK and NEE are large companies with high paying dividends that we hope provides stability for the Fund during difficult times. Within this sector we see great potential in renewable energy companies, particularly solar energy, to be a major part of the utilities industry in the near future.



Securities Analysts

(L-R) Ryan Andrews, Peter Thorp (standing), Gianni Bautista, Dylan Pavia, Eric Williams

Current Holdings as of March 31, 2015

SECTOR	PURCHASE DATE	TICKER	STOCK NAME	SHARES	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	PERIOD CHANGE	HPR CHANGE
Energy	2/27/2015	PAA	Plains All American Pipeline L.P.	150	\$ 49.90	\$ 48.77	0.77%	-4.97%	-2.26%
Energy	2/19/2015	OXY	Occidental Petroleum Corporation	150	\$ 80.98	\$ 73.00	1.15%	-9.44%	-9.85%
Energy	9/29/2011	HAL	Halliburton Company	353	\$ 32.07	\$ 53.86	1.63%	36.94%	67.95%
Energy	10/24/2013	TSO	Tesoro Corporation	131	\$ 47.30	\$ 71.95	1.45%	-3.23%	52.11%
Energy	10/24/2014	XLE	Energy Select Sector SPDR (ETF)	77	\$ 87.42	\$ 87.79	0.40%	10.90%	0.42%
Materials	3/7/2014	ASH	Ashland Inc.	102	\$ 97.74	\$109.81	1.37%	-8.31%	12.35%
Materials	2/19/2015	ALB	Albemarle Corporation	250	\$ 52.26	\$ 52.84	1.39%	-12.12%	1.11%
Materials	12/3/2014	GPPE	Green Plains	99	\$ 28.60	\$ 28.55	0.30%	15.21%	-0.17%
Materials	3/7/2014	XLB	Materials Select Sector SPDR	152	\$ 47.91	\$ 48.64	0.78%	0.12%	1.53%
Utilities	3/2/2011	NEE	NextEra Energy Inc.	71	\$ 55.53	\$104.73	0.78%	-1.47%	88.60%
Utilities	2/9/2012	DUK	Duke Energy Corp	150	\$ 64.57	\$ 82.08	1.21%	-1.75%	27.12%
Utilities	12/3/2014	AWK	American Water Works Company	64	\$ 52.45	\$ 54.18	0.37%	1.65%	3.30%

Trades

YTD Performance

Energy Sector Benchmark:	-1.64%
Energy Sector AIF:	6.73%
Materials Sector Benchmark:	.91%
Materials Sector AIF:	1.84%
Utilities Sector Benchmark:	-5.15%
Utilities Sector AIF:	-3.59%

SECTOR	DATE	TICKER	STOCK NAME	TRADE	QUANTITY	PRICE
Utilities	3/4/2014	DUK	Duke Energy Corp	Sell	72	\$ 82.08
Utilities	3/4/2014	NEE	NextEra Energy Inc.	Sell	222	\$104.73
Materials	3/7/2014	ASH	Ashland Inc.	Buy	102	\$109.81
Materials	3/7/2014	XLB	Materials Select Sector SPDR	Buy	221	\$ 48.64
Materials	3/7/2014	SCL	Stepan Company	Sell	316	\$ 62.17
Energy	4/14/2014	CVX	Chevron Corporation	Sell	267	\$118.63
Energy	4/14/2014	XLE	Energy Select Sector SPDR (ETF)	Buy	164	\$ 87.79
Energy	4/14/2014	BRS	Bristow Group Inc.	Buy	232	\$ 73.63
Materials	5/27/2014	XLB	Materials Select Sector SPDR	Sell	42	\$ 48.64
Energy	5/27/2014	XLE	Energy Select Sector SPDR (ETF)	Buy	21	\$ 87.79
Materials	10/14/2014	XLB	Materials Select Sector SPDR	Sell	127	\$ 48.64
Energy	10/14/2014	XLE	Energy Select Sector SPDR (ETF)	Sell	185	\$ 87.79
Materials	10/29/2014	XLB	Materials Select Sector SPDR	Buy	5	\$ 48.64
Energy	10/29/2014	XLE	Energy Select Sector SPDR (ETF)	Buy	19	\$ 87.79
Energy	10/29/2014	XLE	Energy Select Sector SPDR (ETF)	Buy	200	\$ 87.79
Utilities	10/29/2014	XLU	Utilities SPDR (ETF)	Buy	73	\$ 46.25
Materials	12/3/2014	GPPE	Green Plains Inc.	Buy	99	\$ 28.60
Utilities	12/3/2014	AWK	American Water Works Company, Inc.	Buy	64	\$ 52.63
Materials	2/3/2014	XLB	Materials Select Sector SPDR	Sell	57	\$ 49.53
Utilities	2/3/2014	XLU	Utilities Select Sector SPDR (ETF)	Sell	73	\$ 46.24
Energy	2/19/2015	OXY	Occidental Petroleum Corporation	Buy	150	\$ 80.98
Materials	2/19/2015	ALB	Albemarle Corporation	Buy	100	\$ 54.27
Materials	2/19/2015	ALB	Albemarle Corporation	Buy	150	\$ 54.28
Materials	2/19/2015	PX	Praxair Inc.	Sell	100	\$128.87
Materials	2/19/2015	PX	Praxair Inc.	Sell	49	\$128.89
Energy	2/19/2015	SLB	Schlumberger Limited	Sell	205	\$ 87.05
Energy	2/19/2015	BRS	Bristow Group Inc	Sell	232	\$ 61.70
Energy	2/27/2015	TSO	Tesoro Corporation	Sell	80	\$ 92.87
Materials	2/27/2015	XLB	Materials Select Sector SPDR ETF	Buy	152	\$ 51.61
Energy	2/27/2015	PAA	Plains All American Pipeline, LP	Buy	150	\$ 49.90
Energy	2/27/2015	XLE	Energy Select Sector SPDR (ETF)	Sell	142	\$ 79.45

"We don't have to be smarter than the rest. We have to be more disciplined than the rest."

— Warren Buffett

Industrials

The Industrials sector is the most diverse of 6 major sectors that comprise the S&P 500 index. With 12 subsectors it is often hard to take advantage of all this group has to offer without holding some position within the Industrials sector ETF (XLI). The top five holdings in our index are General Electric Co (GE), Union Pacific Corp (UNP), 3M Co (MMM), United Technologies Corp (UTX), and Boeing Co (BA). Each of these companies have over a 5% weight within the index and therefore all have major impacts on XLI's performance if they become big losers or winners. Currently the XLI comprises 10.36% of the entire S&P 500 ETF index. Based on current macroeconomic trends, which include low oil prices, expected rises in interest rates, and a strong U.S. dollar, our outlook on the sector is to have less of a return this year in comparison to some of the 5 other major sectors. Low oil prices means good news for the Transportation and Airlines subsectors as oil is their greatest expense. This translates to wider margins in industries which have experienced extremely low profit margins for many years. However, many other subsectors in Industrials are involved in manufacturing and/or transporting oil or materials for oil producing companies. These corporations in these sectors will perform very poorly because profitability for oil companies is minimal to none due to the drop in prices. Rising interest rates in the future will translate to two things; the first: acquiring of firms now while interest rates are low which may improve their business, but for now will only take away from their earnings, the second: Once interest rates rise the vast amount of companies within industrials that have large amounts of debt financing will lose out even more on profits. Finally the strong dollar will also help with subsectors such as Airlines because United States citizens will want to travel more domestically and abroad. However, many companies in Industrial subsectors do business with giant million and billion dollar contracts both domestically and overseas. In this case, the strengthening dollar will lower the demand for contracts with these companies because their products are more expensive relative to what they once were.

Outlook/Strategy

The Industrials sector group for the Archway Investment Fund has identified several subsectors that we believe hold great alpha opportunities. The Airlines subsector is a particular area in which we have been looking to invest in because low fuel prices, a strong United States currency, and continuously improving economic conditions will help expand margins that haven't been realized since before the recession. Furthermore, there are only a few Airlines companies within the Industrials sector index that translate into numerous alpha opportunities. We also believe strongly in investing in the Machinery subsector and more



Portfolio Management

(L-R) Jonathan Allen, Nicholas Muscatiello, Robert Thomas

specifically agricultural machinery at this time. Alpha is in recovery in this subsector mainly due to the correlation with plummeting commodity prices over the past several years. The few companies that have remained strong will see their stock prices climb drastically if commodity prices come anywhere close to the huge growth forecasts next year. To adjust for risk we also hold two large positions in The Boeing Company (BA) and Union Pacific (UNP) which are two of the top holdings in our sector index. Another one of the top Industrials Sector ETF holdings is in United Technologies Corp (UTX) which we sold after reaching our target price and noting its poor outlook after re-evaluation. We believe that our holdings in BA and UNP will lower our risk to underperform our sector ETF through their strong earnings, while eliminating UTX will put us in a position to outperform our index because it will be a major loser. We also hold a small position in our sector ETF (XLI) which will help to diversify our positions across all of the 12 subsectors in Industrials.

“The individual investor should act consistently as an investor and not as a speculator.”

— Peter Lynch

Current Holdings as of March 31, 2015

SECTOR	PURCHASE DATE	TICKER	STOCK NAME	SHARES	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	PERIOD CHANGE	HPR CHANGE
Industrials	3/18/2014	BA	Boeing Co.	100	\$106.53	\$150.08	1.58%	15.46%	40.88%
Industrials	4/3/2014	UNP	Union Pacific Corporation	240	\$ 94.93	\$108.31	2.74%	-9.08%	14.09%
Industrials	3/26/2015	DE	Deere & Company	148	\$ 93.38	\$ 87.69	1.37%	-0.88%	-6.09%
Industrials	3/26/2015	UAL	United Continental, Inc.	190	\$ 67.29	\$ 67.25	1.35%	0.54%	30.32%
Industrials	10/24/2014	XLI	Sector SPDR Trust SBI	271	\$ 53.35	\$ 55.77	1.59%	-1.43%	4.54%

Trades

YTD Performance

Industrials Sector	
Benchmark:	-0.88%
Industrials Sector AIF:	1.99%

SECTOR	DATE	TICKER	STOCK NAME	TRADE	QUANTITY	PRICE
Industrials	10/14/2014	FDX	FedEx Corporation	Sell	256	\$155.59
Industrials	10/29/2014	XLI	Sector SPDR Trust SBI	Buy	533	\$ 53.35
Industrials	2/26/2015	UTX	United Technologies Corporation	Sell	44	\$122.47
Industrials	2/26/2015	UTX	United Technologies Corporation	Sell	200	\$122.47
Industrials	2/26/2015	UAL	United Continental Holdings, Inc.	Buy	90	\$ 67.30
Industrials	2/26/2015	UAL	United Continental Holdings, Inc.	Buy	100	\$ 67.29
Industrials	2/26/2015	RRTS	Road Runner Transportation, Inc.	Sell	100	\$ 25.26
Industrials	2/26/2015	RRTS	Road Runner Transportation, Inc.	Sell	200	\$ 25.29
Industrials	2/26/2015	RRTS	Road Runner Transportation, Inc.	Sell	150	\$ 25.27
Industrials	2/26/2015	RRTS	Road Runner Transportation, Inc.	Sell	15	\$ 25.26
Industrials	2/26/2015	DE	Deere & Company	Buy	148	\$ 91.13
Industrials	2/26/2015	BA	The Boeing Company	Sell	17	\$151.30
Industrials	2/26/2015	UAL	United Continental, Inc.	Buy	90	\$ 67.30
Industrials	2/27/2015	UAL	United Continental, Inc.	Buy	100	\$ 67.29



Securities Analysts

(L-R) (Back) Evan DaSilva,
Andrew Neggia,
Nicolas Iacoviello,
(Front) Kelsey Olsen,
Collin Beardslee

HISTORICAL PERFORMANCE

The Archway Investment Fund has maintained a similar strategy as used in past years, staying relatively consistent with the sector weights of the S&P 500 for a benchmark. As of 3/31/2015 the Fund has produced a YTD return of 2.88%, where the S&P 500 has only achieved a YTD return of 0.34%. This outperformance could be partially attributed to the restructuring of weights within the portfolio and the policy changes recommended by both the executive board and portfolio managers. The decision to overweight the Technology, Consumer Discretionary, and Healthcare sectors supported an effort to maximize returns through capitalization on current economic conditions and trends. The combination of the correction of the cash drag issues from the previous review and the decision to overweight these promising sectors has resulted in outperformance relative to the benchmark return.

HISTORICAL PERFORMANCE YTD

<i>As of 3/31/2015</i>	1 Month	Latest Quarter	YTD	1 Year	Annualized		
					3 Year	5 Year	Since Inception*
S&P 500 – Total Return	-2.18%	.95%	.95%	12.62%	15.95%	14.29%	9.27%
Archway Investment Fund	-1.26%	3.67%	3.67%	14.13%	13.14%	15.88%	17.38%
Risk Adjusted Performance	-1.36%	3.97%	3.97%	15.28%	14.20%	17.17%	18.79%
Risk Adjusted Differential Performance	.82%	3.02%	3.02%	2.66%	-1.75%	2.88%	9.52%
Beta	0.925						

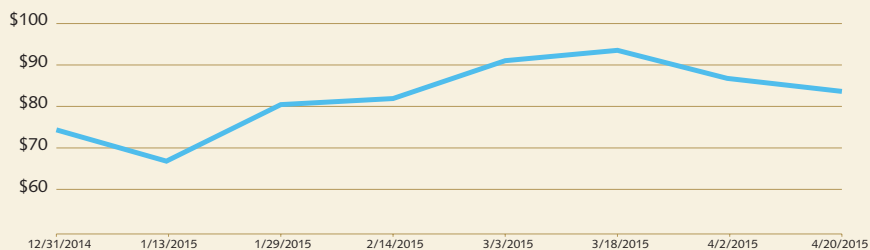
TOTAL PORTFOLIO RETURN YTD

<i>As of 3/31/2015</i>	Total Return						
	1 Month	Latest Quarter	YTD	1 Year	3 Year	5 Year	Since Inception*
S&P 500 – Total Return	-2.18%	.95%	.95%	12.62%	58.40%	89.93%	108.64%
Archway Investment Fund	-1.26%	3.67%	3.67%	14.13%	48.81%	108.95%	73.55%
Risk Adjusted Performance	-1.36%	3.97%	3.97%	15.28%	48.45%	117.78%	79.51%
Risk Adjusted Differential Performance	.82%	3.02%	3.02%	2.66%	-9.95%	27.85%	-29.13%
Beta	0.925						
10 Year Treasury Yield 3/31/2015	1.94%						

TOP FIVE PERFORMING STOCKS OF 2015

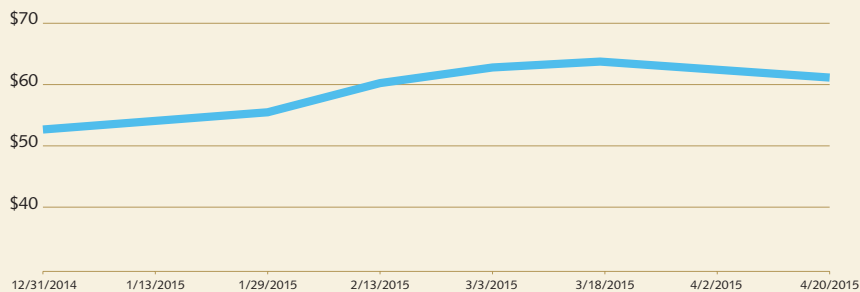
Tesoro (TSO)

20.12%



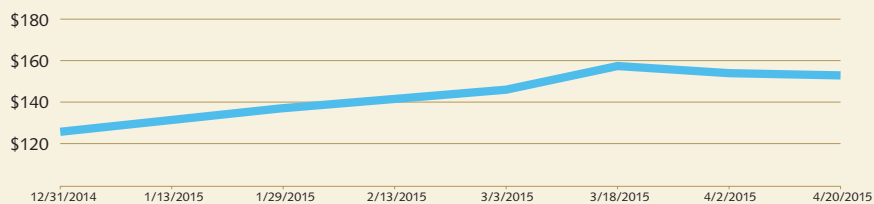
Cognizant (CTSH)

18.42%



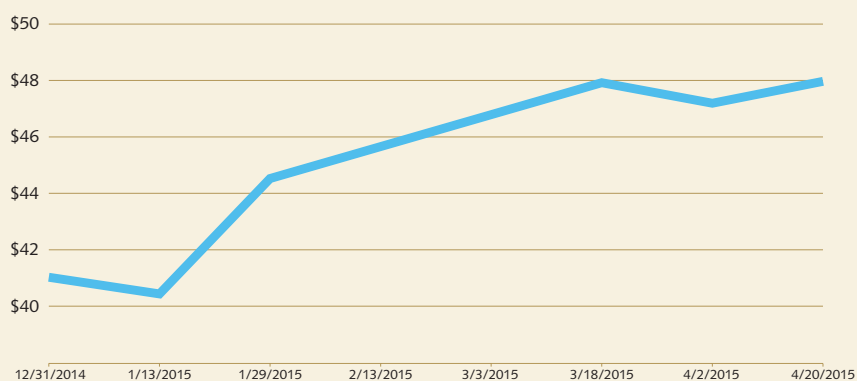
Anthem (ANTM)

16.85%



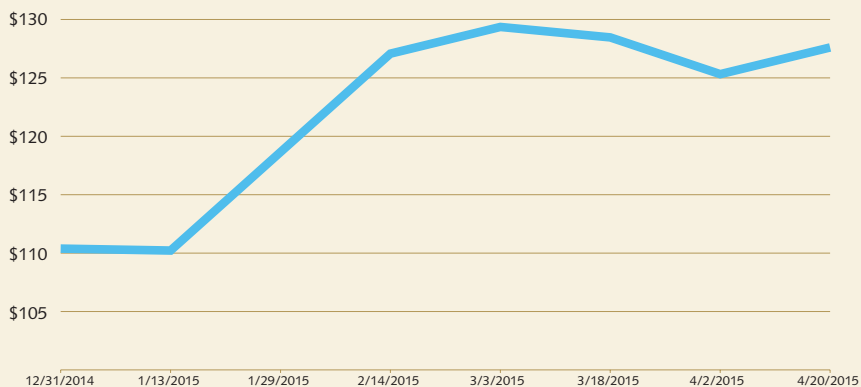
Starbucks (SBUX)

14.11%



Apple (AAPL)

12.56%



CURRENT ARCHWAY INVESTMENT FUND HOLDINGS (as of March 31, 2015)

PURCHASE DATE	TICKER	STOCK NAME	SHARES	BETA	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	HPR
Financials								
5/27/2014	ACE	ACE Limited	195	0.89	\$ 103.46	\$ 111.49	2.29%	7.8%
10/23/2012	WFC	Wells Fargo & Co	436	1.17	\$ 34.33	\$ 54.40	2.50%	58.5%
10/19/2013	DFS	Discover Financial Services	380	1.06	\$ 53.64	\$ 56.35	2.26%	5.1%
10/24/2014	JPM	JPMorgan Chase & Co.	397	1.62	\$ 58.34	\$ 60.58	2.53%	3.8%
3/7/2014	XLF	Select Sector Financial Slct Str SPDR Fd	1533	1.26	\$ 22.59	\$ 24.11	3.89%	6.7%
Technology								
12/18/2009	GOOGL	Google Inc.	72	1.17	\$ 524.08	\$ 548.00	4.16%	4.6%
12/3/2014	AAPL	Apple Inc.	186	1.18	\$ 115.72	\$ 124.43	2.44%	7.5%
9/29/2011	CTSH	Cognizant Technology Solutions Corp	660	1.22	\$ 48.51	\$ 62.39	4.34%	28.6%
3/7/2014	EQIX	Equinix Inc.	176	.97	\$ 193.08	\$ 232.85	4.32%	20.6%
12/26/2014	PSCT	PowerShares S&P Smallcap Info Tech ETF	305	1.37	\$ 50.92	\$ 52.72	1.69%	-47.0%
12/26/2014	PSI	PowerShares Dynamic Semiconductors	893	1.48	\$ 25.90	\$ 27.00	2.54%	34.9%
2/27/2015	FTNT	Fortinet Inc.	500	1.67	\$ 33.97	\$ 34.95	1.84%	55.2%
3/7/2014	XLK	Technology SPDR (ETF)	1146	1.01	\$ 36.47	\$ 41.44	5.00%	13.6%
Industrials								
3/18/2014	BA	Boeing Co	100	.99	\$ 106.53	\$ 150.08	1.58%	40.88%
3/26/2015	DE	Deere & Company	148	1.23	\$ 91.13	\$ 87.69	1.37%	-6.09%
3/26/2015	UAL	United Continental, Inc.	190	.43	\$ 67.29	\$ 67.25	1.35%	0.30
4/3/2014	UNP	Union Pacific Corporation	240	.93	\$ 94.93	\$ 108.31	2.74%	0.14
10/24/2014	XLI	Sector Spdr Trust Sbi	271	1.19	\$ 53.35	\$ 55.77	1.59%	0.05
Consumer Discretionary								
9/30/2012	BWLD	Buffalo Wild Wings	148	1.18	\$ 74.76	\$ 181.24	2.83%	110.69%
3/26/2013	HAS	Hasbro, Inc.	400	0.98	\$ 43.86	\$ 63.24	2.66%	32.19%
9/29/2011	JWN	Nordstrom, Inc.	180	1.27	\$ 45.79	\$ 80.32	1.52%	60.36%
10/17/2013	WYNN	Wynn Resorts, Limited	109	1.39	\$ 169.77	\$ 125.88	1.45%	4.36%
4/22/2014	SBUX	Starbucks Corporation	320	0.77	\$ 71.06	\$ 94.70	3.19%	9.47%
10/24/2014	XLY	Consumer Discretionary SPDR (ETF)	518	1.09	\$ 67.55	\$ 75.35	4.11%	0.68%
Consumer Staples								
4/20/2010	MO	Altria Group Inc.	392	0.51	\$ 34.48	\$ 50.02	2.07%	45.07%
3/6/2015	TSN	Tyson Foods Inc.	243	0.57	\$ 40.61	\$ 38.30	0.98%	-5.69%
11/9/2009	PG	Procter & Gamble Co	191	0.43	\$ 61.44	\$ 81.94	1.65%	33.37%
11/18/2010	GIS	General Mills, Inc.	260	0.19	\$ 44.44	\$ 56.60	1.55%	27.36%
11/20/2007	KO	The Coca-Cola Co	102	0.49	\$ 46.27	\$ 40.55	0.44%	-12.36%
Healthcare								
5/27/2014	PRXL	PAREXEL International Corporation	182	1.12	\$ 50.21	\$ 68.99	1.32%	37.40%
4/20/2010	ANTM	Anthem Inc.	134	.63	\$ 64.64	\$ 154.31	2.18%	138.72%
9/28/2011	ESRX	Express Scripts Holding Company	341	1.17	\$ 39.22	\$ 86.77	3.12%	121.24%
3/4/2015	AKRX	Akorn Inc.	300	.33	\$ 51.26	\$ 47.51	1.50%	-7.32%
3/22/2013	UHS	Universal Health Services, Inc.	200	1.4	\$ 62.45	\$ 117.71	2.48%	88.49%
3/7/2014	GILD	Gilead Sciences, Inc.	293	.71	\$ 78.45	\$ 98.13	3.03%	25.09%
10/24/2014	XLV	Healthcare SPDR (ETF)	544	.70	\$ 64.85	\$ 72.50	4.15%	11.80%
Energy								
2/19/2015	OXY	Occidental Petroleum Corporation	150	1.43	\$ 73.96	\$ 73.00	1.15%	-9.85%
2/27/2015	PAA	Plains All American Pipeline, L.P.	150	.56	\$ 49.90	\$ 48.77	0.77%	-2.26%
9/29/2011	HAL	Halliburton Company	353	1.58	\$ 32.07	\$ 43.88	1.63%	67.95%
10/24/2013	TSO	Tesoro Corporation	151	1.9	\$ 47.30	\$ 91.29	1.45%	52.11%
10/24/2014	XLE	Energy Select Sector SPDR (ETF)	77	1.3	\$ 87.42	\$ 48.78	0.40%	0.42%
Materials								
3/7/2014	ASH	Ashland Inc	102	1.22	\$ 97.74	\$ 127.31	1.37%	12.35%
2/19/2015	ALB	Albemarle Corporation	250	1.74	\$ 52.26	\$ 52.84	1.39%	1.11%
12/3/2014	GPRE	Green Plains Inc	99	1.21	\$ 28.60	\$ 28.55	0.30%	-0.17%
13/7/2014	XLB	Materials Select Sector SPDR	152	1.34	\$ 185.88	\$ 48.78	0.78%	1.53%
Utilities								
3/2/2011	NEE	NextEra Energy Inc.	71	.42	\$ 55.53	\$ 104.05	0.78%	88.60%
2/9/2012	DUK	Duke Energy Corp	150	.24	\$ 64.57	\$ 76.78	1.21%	27.12%
12/3/2014	AWK	American Water Works Company Inc.	64	.19	\$ 52.62	\$ 54.21	0.37%	3.30%

TRADES

DATE	TICKER	STOCK NAME	SECTOR	TRADE	QUANTITY	PRICE
2/11/2014	BKE	The Buckle, Inc.	Consumers	Sell	310	\$ 43.11
2/25/2014	TGH	Textainer Group Holdings	Financials	Sell	450	\$ 37.04
2/25/2014	BAC	Bank of America Corporation	Financials	Buy	1050	\$ 16.43
2/28/2014	PETS	PetMed Express Inc.	Healthcare	Sell	914	\$ 13.68
3/4/2014	VOD	Vodafone Group Plc	Technology	Sell	506	\$ 41.4
3/4/2014	DUK	Duke Energy Corp	EMU	Sell	72	\$ 82.08
3/4/2014	NEE	NextEra Energy Inc.	EMU	Sell	222	\$ 104.73
3/7/2014	XLK	Technology SPDR	Technology	Buy	868	\$ 36.48
3/7/2014	XLF	Financial Sector Select SPDR	Financials	Buy	1465	\$ 22.40
3/7/2014	GILD	Gilead Sciences Inc.	Healthcare	Buy	200	\$ 78.45
3/7/2014	EQIX	Equinix Inc.	Technology	Buy	92	\$ 193.08
3/7/2014	ASH	Ashland Inc.	EMU	Buy	102	\$ 109.81
3/7/2014	XLB	Materials Select Sector SPDR	EMU	Buy	221	\$ 48.64
3/7/2014	SCL	Stepan Company	EMU	Sell	316	\$ 62.17
3/7/2014	XLY	Consumer Discretionary SPDR	Consumers	Buy	353	\$ 67.55
3/18/2014	BECN	Beacon Roofing Supply Inc.	Industrials	Sell	500	\$ 39.14
3/18/2014	BA	Boeing CO	Industrials	Buy	100	\$ 124.56
4/3/2014	XLI	Sector Spdr Trust Sbi	Industrials	Buy	167	\$ 53.07
4/3/2014	XLF	Financial Sector Select SPDR	Financials	Sell	605	\$ 22.40
4/3/2014	UNP	Union Pacific Corporation	Industrials	Buy	109	\$ 188.94
4/3/2014	FITB	Fifth Third Bancorp	Financials	Buy	585	\$ 23.12
4/3/2014	DLX	Deluxe Corporation	Industrials	Sell	495	\$ 53.91
4/14/2014	CVX	Chevron Corporation	EMU	Sell	267	\$ 118.63
4/14/2014	XLE	Energy Select Sector SPDR (ETF)	EMU	Buy	164	\$ 87.79
4/14/2014	BRS	Bristow Group Inc.	EMU	Buy	232	\$ 73.63
4/17/2014	IBM	International Business Machine Corp.	Technology	Sell	128	\$ 190.19
4/22/2014	SBUX	Starbucks Corporation	Consumers	Buy	320	\$ 71.04
4/22/2014	XLY	Consumer Discretionary SPDR	Consumers	Sell	353	\$ 64.67
5/8/2014	GOOGL	Google Inc.	Technology	Buy	30	\$ 524.08
5/8/2014	GOOG	Google Inc.	Technology	Sell	30	\$ 513.99
5/27/2014	XLK	Technology SPDR	Technology	Buy	490	\$ 37.5
5/27/2014	XLI	Sector Spdr Trust Sbi	Industrials	Sell	167	\$ 53.81
5/27/2014	XLF	Financial Sector Select SPDR	Financials	Buy	838	\$ 22.28
5/27/2014	VZ	Verizon Communications Inc.	Technology	Sell	244	\$ 49.57
5/27/2014	UTX	United Technologies Corporation	Industrials	Buy	19	\$ 115.86
5/27/2014	UNP	Union Pacific Corporation	Industrials	Buy	11	\$ 197.58
5/27/2014	PRXL	Parexel International Corp.	Healthcare	Buy	182	\$ 50.21
5/27/2014	FDX	FedEx Corporation	Industrials	Buy	16	\$ 142.60
5/27/2014	CTSH	Cognizant Technology Solutions Corp	Technology	Sell	128	\$ 48.51
5/27/2014	CELG	Celgene Corporation	Healthcare	Sell	50	\$ 150.96
5/27/2014	CB	The Chubb Corporation	Financials	Sell	250	\$ 92.41
5/27/2014	BAC	Bank of America Corporation	Financials	Sell	1050	\$ 15.25
5/27/2014	BA	Boeing CO	Industrials	Buy	17	\$ 133.68
5/27/2014	ACE	ACE Limited	Financials	Buy	195	\$ 103.46
5/27/2014	XLB	Materials Select Sector SPDR	EMU	Sell	42	\$ 48.64
5/27/2014	XLE	Energy Select Sector SPDR (ETF)	EMU	Buy	21	\$ 87.79
5/28/2014	WYNN	(Call) Wynn Resorts, Limited	Consumers	Sell	1	\$ 8.70
7/17/2014	COV	Covidien PLC	Healthcare	Sell	220	\$ 87.01
10/9/2014	XLV	Sector SPDR	Healthcare	Buy	750	\$ 63.24
10/9/2014	WLP	Wellpoint Inc.	Healthcare	Sell	101	\$ 117.77
10/9/2014	UHS	Universal Health Services	Healthcare	Sell	100	\$ 105.24
10/14/2014	XLK	Technology SPDR	Technology	Buy	1357	\$ 38.88
10/14/2014	XLF	Financial Sector Select SPDR	Financials	Buy	61	\$ 22.82
10/14/2014	QCOM	Qualcomm, Inc.	Technology	Buy	165	\$ 73.70
10/14/2014	FITB	Fifth Third Bancorp	Financials	Sell	1000	\$ 19.72
10/14/2014	FDX	FedEx Corporation	Industrials	Sell	256	\$ 155.59
10/14/2014	XLB	Materials Select Sector SPDR	EMU	Sell	127	\$ 48.64
10/14/2014	XLE	Energy Select Sector SPDR (ETF)	EMU	Sell	185	\$ 87.79

continued on page 30

TRADES

DATE	TICKER	STOCK NAME	SECTOR	TRADE	QUANTITY	PRICE
10/14/2014	MCD	McDonalds Corporation	Consumers	Sell	208	\$ 92.86
10/24/2014	XLV	Sector SPDR	Healthcare	Buy	6	\$ 64.84
10/24/2014	XLF	Financial Sector Select SPDR	Financials	Sell	1026	\$ 22.97
10/24/2014	JPM	JP Morgan Chase & Co.	Financials	Buy	397	\$ 58.34
10/29/2014	XLK	Technology SPDR	Technology	Sell	37	\$ 39.02
10/29/2014	XLI	Sector Spdr Trust Sbi	Industrials	Buy	533	\$ 53.35
10/29/2014	XLB	Materials Select Sector SPDR	EMU	Buy	5	\$ 48.64
10/29/2014	XLE	Energy Select Sector SPDR (ETF)	EMU	Buy	19	\$ 87.79
10/29/2014	XLE	Energy Select Sector SPDR (ETF)	EMU	Buy	200	\$ 87.79
10/29/2014	XLU	Utilities SPDR (ETF)	EMU	Buy	73	\$ 46.25
10/29/2014	KO	Coca Cola Co	Consumers	Sell	155	\$ 40.99
10/29/2014	MO	Altia Group, Inc.	Consumers	Sell	133	\$ 47.26
10/29/2014	GIS	General Mills, Inc.	Consumers	Sell	63	\$ 50.65
10/29/2014	XLY	Consumer Discretionary SPDR	Consumers	Buy	162	\$ 66.16
11/7/2014	MCD	McDonalds Corporation	Consumers	Sell	2	\$ 94.71
12/3/2014	GPPE	Green Plains Inc.	EMU	Buy	99	\$ 28.60
12/3/2014	AAPL	Apple Inc.	Technology	Buy	186	\$ 115.68
12/3/2014	AWK	American Water Works Company, Inc.	EMU	Buy	64	\$ 52.63
12/3/2014	XLK	Technology Select Sector SPDR (ETF)	Technology	Sell	1,532	\$ 42.13
12/3/2014	XLI	Industrial Select Sector SPDR (ETF)	Industrials	Sell	262	\$ 57.33
12/3/2014	XLB	Materials Select Sector SPDR	EMU	Sell	57	\$ 49.53
12/3/2014	RRTS	Road Runner Transportation, Inc.	Industrials	Buy	665	\$ 21.79
12/3/2014	XLU	Utilities Select Sector SPDR (ETF)	EMU	Sell	73	\$ 46.24
12/5/2014	EQIX	Equinix Inc.	Technology	Buy	82	\$ 231.99
12/5/2014	GOOGL	Google Inc.	Technology	Buy	12	\$ 533.99
12/26/2014	QCOM	Qualcomm, Inc.	Technology	Sell	515	\$ 75.65
12/26/2014	PSCT	PowerShares S&P SmallCap Info Tech ETF	Technology	Buy	205	\$ 50.92
12/26/2014	PSCT	PowerShares S&P SmallCap Info Tech ETF	Technology	Buy	100	\$ 50.94
12/26/2014	PSI	PowerShares Dynamic Semiconductors	Technology	Buy	893	\$ 25.90
2/19/2015	OXY	Occidental Petroleum Corporation	EMU	Buy	150	\$ 80.98
2/19/2015	ALB	Albemarle Corporation	EMU	Buy	100	\$ 54.27
2/19/2015	ALB	Albemarle Corporation	EMU	Buy	150	\$ 54.28
2/19/2015	PX	Praxair Inc.	EMU	Sell	100	\$ 128.87
2/19/2015	PX	Praxair Inc.	EMU	Sell	49	\$ 128.89
2/19/2015	SLB	Schlumberger Limited	EMU	Sell	205	\$ 87.05
2/19/2015	BRS	Bristow Group Inc.	EMU	Sell	232	\$ 61.70
2/26/2015	UTX	United Technologies Corporation	Industrials	Sell	44	\$ 122.47
2/26/2015	UTX	United Technologies Corporation	Industrials	Sell	200	\$ 122.47
2/26/2015	UAL	United Continental Holdings, Inc.	Industrials	Buy	90	\$ 67.30
2/26/2015	UAL	United Continental Holdings, Inc.	Industrials	Buy	100	\$ 67.29
2/26/2015	RRTS	Road Runner Transportation, Inc.	Industrials	Sell	100	\$ 25.26
2/26/2015	RRTS	Road Runner Transportation, Inc.	Industrials	Sell	200	\$ 25.29
2/26/2015	RRTS	Road Runner Transportation, Inc.	Industrials	Sell	150	\$ 25.27
2/26/2015	RRTS	Road Runner Transportation, Inc.	Industrials	Sell	15	\$ 25.26
2/26/2015	DE	Deere & Company	Industrials	Buy	148	\$ 91.13
2/26/2015	BA	The Boeing Company	Industrials	Sell	17	\$ 151.30
2/27/2015	TSO	Tesoro Corporation	EMU	Sell	80	\$ 92.87
2/27/2015	XLB	Materials Select Sector SPDR ETF	EMU	Buy	152	\$ 51.61
2/27/2015	FTNT	Fortinet Inc.	Technology	Buy	500	\$ 33.98
2/27/2015	PAA	Plains All American Pipeline, LP	EMU	Buy	150	\$ 49.90
2/27/2015	XLE	Energy Select Sector SPDR (ETF)	EMU	Sell	142	\$ 79.45
3/4/2015	XLV	Healthcare Select Sector SPDR (ETF)	Healthcare	Sell	34	\$ 72.53
3/4/2015	XLV	Healthcare Select Sector SPDR (ETF)	Healthcare	Sell	178	\$ 72.54
3/4/2015	AKRX	Akorn, Inc.	Healthcare	Buy	300	\$ 51.26
3/6/2015	TSN	Tyson Foods, Inc.	Consumers	Buy	243	\$ 40.61
3/6/2015	XLY	Consumer Discretionary Select Sector SPDR (ETF)	Consumers	Buy	356	\$ 75.63
3/6/2015	GILD	Gilead Sciences Inc	Healthcare	Buy	93	\$ 102.00
3/6/2015	ANTM	Anthem, Inc.	Healthcare	Sell	66	\$ 145.29

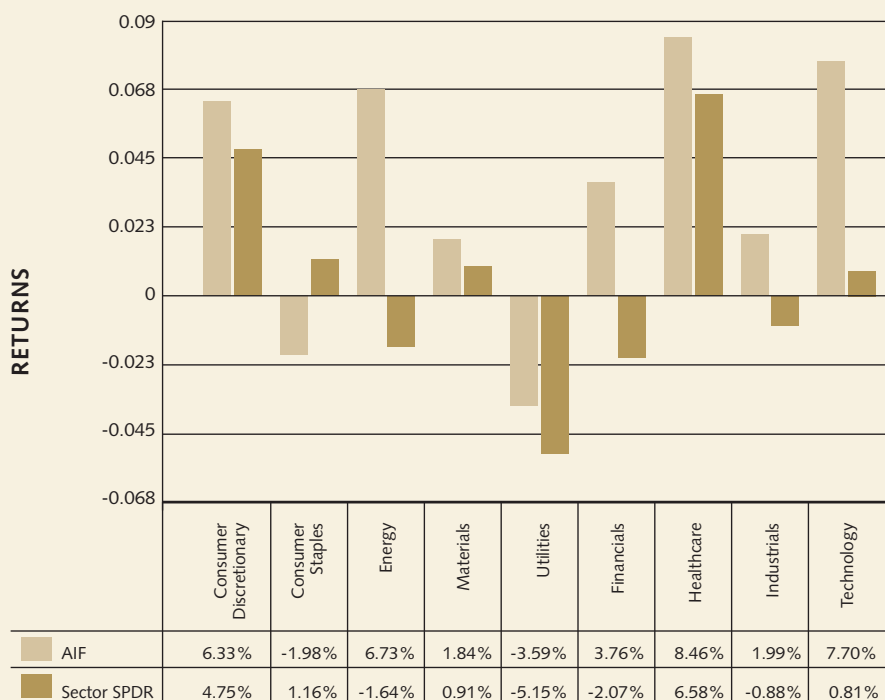
SUMMARY OF SECTOR PERFORMANCE

This is our risk adjusted performance broken down by sector, compared to the benchmark of each sector SPDR. Throughout the semester we were able to decrease our cash holding by investing in new opportunities.

Sector Risk Adjusted Performance

SECTOR	AIF BETA	BENCHMARK BETA	AIF WEIGHTS	BENCHMARK WEIGHTS	AIF PERIOD RETURNS	BENCHMARK PERIOD RETURNS	AIF RISK ADJUSTED RETURNS	BENCHMARK RISK ADJUSTED RETURN
Consumer Discretionary	1.06	1.08	14.92%	12.52%	6.33%	4.75%	6.60%	4.98%
Consumer Staples	0.44	0.61	6.35%	10.35%	-1.98%	1.16%	0.20%	1.45%
Energy	1.54	1.32	6.16%	7.74%	6.73%	-1.64%	9.33%	-2.78%
Materials	1.42	1.29	3.71%	3.06%	1.84%	0.91%	1.81%	0.62%
Utilities	0.21	0.29	2.22%	2.74%	-3.59%	-5.15%	0.76%	-0.14%
Financials	1.2	1.24	12.75%	16.06%	3.76%	-2.07%	4.13%	-3.03%
Healthcare	0.879	0.7	16.89%	14.44%	8.46%	6.58%	7.67%	5.18%
Industrials	0.97	1.19	8.02%	9.90%	1.99%	-0.88%	1.99%	-1.41%
Technology	1.15	1	24.94%	23.19%	7.70%	0.81%	8.57%	0.81%
Cash			4.04%	0.00				

Sector Returns Comparison



STATEMENT OF OPERATIONS

January 1, 2015 through March 31, 2015

Income:

Dividends	\$ 3,755.02	
Interest	<u>\$ 0.92</u>	
		\$ 3,755.94

Expenses:

Foreign Taxes	\$ —	
Trading Costs & Fees	<u>\$ 177.80</u>	
		\$ 177.80

Net Investment Income \$ 3,578.14

Realized Gain (Loss) on Investments:

Proceeds from securities sold	\$ 153,976.55	
Cost of securities sold	<u>\$ 147,893.68</u>	
Net realized gain (loss) on investments		\$ 6,082.87

Net increase (decrease) in

unrealized appreciation on investments:

Market value of holdings as of March 31, 2015	\$1,004,268.00	
Market value of holdings as of December 31, 2014	<u>\$ 979,112.00</u>	
Increase (decrease) in net unrealized appreciation		\$ 25,156.00

Net realized gain (loss) and increase (decrease) in net unrealized depreciation \$ 31,238.87

Net increase (decrease) in assets resulting from operations \$ 34,817.01

ADMINISTRATIVE COMMITTEES



(L-R) Matthew Pechenik, Neha Moolchandani

Accounting Committee

The Accounting Committee tracks the performance of the Fund throughout the semester and year. This includes tracking the purchases and divestiture of positions, daily performance of current holdings, dividends received, and stock splits. These actions are cross-referenced from our brokerage account statements, where we reconcile differences on a monthly basis. In an effort to create a more holistic and continuous view of the Fund from semester to semester, the committee focuses on automating and centralizing the calculation of the Fund's risk/return history relative to its benchmark since inception.



(L-R) Nicholas Douglas, Seth Wing, Corey Mania, Joseph Mazzola

Compliance Committee

The goal of the Compliance Committee is to keep the Archway Investment Fund in line with our Investment Statement Policy (ISP), which acts as the underlying foundation. We monitor sector weights, market capitalizations, beta, international exposure, and cash balance to ensure they remain consistent with that of our policy during any type of economic situation. The committee monitors performance of the Fund by comparing it to the S&P 500, the overall benchmark. By consistently updating our Google Documents for each transaction made, we can accurately track our position, and make recommendations to Portfolio Managers as needed. We evaluate future trades as well to make sure that we will remain in compliance, once those potential trades are completed.

ADMINISTRATIVE COMMITTEES



(L-R) Matthew Burns, Brent Lavitt, Austin Hersh, Justin Robinson-Howe

Macroeconomic Committee

The Macroeconomic Committee is responsible for keeping the class abreast of changes in the global economy. We present our findings at the beginning of the semester in the investment strategy presentation. This semester, we implemented a weekly economic newsletter to update the classes on global and domestic occurrences that could affect our current holdings. It is important for the class to be aware of changes in GDP growth, inflation, wages, employment, housing, business and retail spending, manufacturing, interest rates, and other key indicators that could adversely affect our investment decisions.



(L-R) Robert Thomas, Stephanie Vlohiotis, Harry Waterton, Jonathon Allen, and Nicholas Muscatiello

Public Relations Committee

The Public Relations Committee promotes awareness of the Archway Investment Fund throughout the semester. The committee acts as a liaison between the Fund and the Bryant community. On campus the Public Relations Committee performed a variety of activities including visiting finance classes to educate prospective students on the facts and benefits of the Fund as well as conducting interviews for new members. The committee also worked to maintain relationships with Archway alumni by staying in contact with guest speakers and initiating the organization of a 10 year celebration.



(L-R) Meg Aman, Philip Yanaros, Lindsey Patruno, Christopher Butrym

Reporting Committee

The Reporting Committee initiates and guides the design and creation of the Archway Investment Fund Semi-Annual Report. The report contains sector reviews and outlooks, committee responsibilities, financial data, performance data, and an economic outlook for the upcoming semester. It represents a culmination of the work that the students of the Archway Investment Fund have accomplished throughout the semester. The semi-annual report is circulated among the Advisory Board, the Bryant University Board of Trustees, as well as Bryant University students and alumni who currently work in the finance and financial services industries.

FRIENDS OF THE ARCHWAY INVESTMENT FUND

Since its inception in 2005, the Archway Investment Fund has been an invaluable tool for providing students with the ability to develop real-world analytical tools and judgment that can be transferred to their future careers. Celebrating its 10th year of operation, the Fund has developed a large network of investment industry alumni.

Nearly 500 students have graduated from the Archway Investment Fund program and are well-placed in the finance field. In hopes of building a stronger relationship with the Archway Investment Fund alumni, the Fund has created *Friends of the Archway*

Investment Fund. Increasing alumni interaction with the Fund's Portfolio Managers and Securities Analysts will prove beneficial to students, given the training alumni received during the program and their years of experience in the industry.

The *Friends of the Archway Investment Fund* program will update alumni on the Fund's performance periodically. This will allow alumni to see how the program has changed since their graduation. Throughout the years, the Archway Investment Fund has undergone many changes in management styles and

security holdings. The styles and holdings vary depending on the Portfolio Managers and economic expectations, but the goal has always been the same: to develop real-world investment experience. One of our goals as a class is to ensure that alumni and students can compare and contrast the Fund's performance every semester since its inception. This transparency allows a broader view of the Fund, which may offer insight into managing peak performance. We would encourage alumni to return and offer guidance through presentations and input on Fund strategy and performance.



The *Friends of the Archway Investment Fund* will also be a networking opportunity for current members of the program. Alumni can provide current managers of the portfolio with valuable information about potential careers. This also gives members the opportunity to advance their careers by establishing relationships with industry professionals. In the end, the Fund performance will benefit from the knowledge shared with current managers, and students will benefit from the stronger alumni network. If you are not already connected to us on LinkedIn, we invite you to join our *Friends of the Archway Investment Fund* group to stay in touch and to receive updates about opportunities for involvement with the Fund. As an alternative, please feel free to send an email to archwayfund@bryant.edu to discuss your interest in future involvement.



SPECIAL THANKS

THROUGHOUT THE SEMESTER, the Archway investment Fund students meet one night a week for a joint session. At the beginning of the semester, the Portfolio Managers present macro and sector strategy ideas in this meeting as well as the occasional stock pitches. As the semester progresses, the Security Analysts begin to take a more active role and use this forum to present their own stock pitches.

The evening classes also serve as a time for guest speakers to address the Archway Investment Fund students. We would like to extend our deepest gratitude to the individuals listed here for taking the time to share their insights and knowledge with us.

Speakers

Brian Basiliere '07, CFA, CAIA
Senior Investment Analyst
Prime, Buchholz & Associates

Nicholas Bohnsack '10
President and COO
Strategas Securities

Kendal Cehanowicz '11, CFA
Associate, Global Portfolio Compliance Group
BlackRock

Robert Clark '97
Senior Portfolio Manager
Lord, Abnett and Company

J. Steven Cowen '69
Owner and Principal
Cowen and Associates

Robert DeLucca '95
Managing Director and Partner
The Andriole Group and HighTower

Margaret Dickinson '10
Prime Brokerage Sales
Fidelity Capital Markets

Dustin Goldstein '95
Senior Vice President,
National Sales Manager, Corporate North & Specialized Industries,
Global Treasury Management
U.S. Bank

Brett Lousararian '07, CFA
Director, Global Business Development Group
Babson Capital

Jack Murphy '84 MBA
Senior Portfolio Manager
Levin Capital Strategies

Christian Pariseault, CFA
Senior Vice President/
Fixed Income Division
Fidelity Investments

Jennifer Schwall '11
Executive Director
Cherrystone Angel Investors

Tom Tzitzouris '99
Director and Head of Fixed Income Research
Strategas Research Partners

Stephen Tully '98
Director of Institutional Client Service
Cantillon Capital Management

Scott Voss '92
Managing Director
HarbourVest Partners

Matthew Zewinski '07, CFA
Vice President and Portfolio Manager
Hartford Investment Management Company



Bryant University
Archway Investment Fund
1150 Douglas Pike
Smithfield, RI 02917-1284
ArchwayFund@bryant.edu

