

Fall 2014

The Archway Investment Fund Semi Annual Report, Fall 2014

Bryant University, Archway Investment Fund

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The Archway Investment Fund
Bryant University

Semi-Annual Report • FALL 2014



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, much like the job search process. In the program, which is led by Professor David Louton, students develop the necessary skills and investment protocols to manage more than \$900,000 in assets.

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 investments 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.





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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

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*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*

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*President
SSARIS Advisors*

J. STEVEN COWEN '69
*Owner and Principal
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*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

Like all previous semesters, this semester had its share of ups and downs. But as always, the market has been a great teaching assistant. We started the Archway Investment Fund in the Fall of 2005 and it has been a full and very interesting 10 years—or will be by the end of the Spring semester. Although the personalities have varied, sometimes quite radically, from semester to semester, the market has never failed to deliver a full measure of value as our living case study and the centerpiece of the Archway Investment Fund courses. Each semester, aided and abetted by policy makers, regulators, and a rich cast of characters from the world of investing, the market has contrived ways to bless and burn the Archway Investment Fund and its student managers. It has always provided an abundance of opportunities to see where investment theory works, where it seems to break down, and where there just doesn't seem to be any road map. Students have certainly gained technical knowledge from the experience of managing the Archway Investment Fund, but they have also gained judgment and a healthy degree of respect for the complexities of a market that always has surprises in store. Although the Fund has sometimes delivered weak investment returns, it has consistently produced very strong returns in the form of the learning and development experience that it has provided for everyone involved—myself included. In that sense, this semester has been no different from past semesters.

As I have kept in touch with alumni from the various classes that have graduated from this program, some of the recurring themes that have come up are: i) a desire to reconnect with friends



David Louton, Ph.D.

from their own class; ii) a desire to connect with students who graduated in other years and learn what they are doing; and iii) a desire to provide investment guidance or career assistance to the current managers of the Fund. The consistency of the level of interest and commitment has been deeply gratifying and I take it as an indication that it is time to put in place a more structured format for alumni to volunteer as guest speakers, mentors, or in other capacities. In the meantime, with the 10 year anniversary of the Archway Investment Fund approaching, we would like to plan a reunion of some sort. If you could help with the planning of such an event, or contacting other members of your class, please contact me. I would be very grateful for your assistance. We will keep you posted as plans develop.

Thank you for your interest in the Archway Investment Fund. If you have questions or suggestions, please email archwayfund@bryant.edu. Also, if you are not already connected to us on LinkedIn, please join our Archway Investment Fund group to stay in touch and to receive updates on future Archway Investment Fund activities.

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

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 Objectives 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 24 students this Fall semester. We were able to gain professional, real-world experience in an academic setting. Our Portfolio Management class is set up to resemble a business meeting in which discussion is encouraged. The atmosphere has consistently proven to be an underlying lesson and driving force that makes the Archway Investment Fund such a valuable learning experience.

Our first task as a group was to formulate the investment strategy for the Fund before we made any changes to the portfolio. This meant that we needed to determine 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. This semester we also had very high cash holdings and our main goal was to decrease that cash balance as early as possible. Therefore, we needed to purchase Exchange Traded Funds (ETFs) or individual company stocks that were close to sector weights that our class agreed upon. Had we not decreased our cash position, it would have been that much more difficult to compete against our benchmark, the S&P 500.

Sector by sector, we dug into our holdings and back to the history they have had in the Fund. After understanding why we held what is in our portfolio, we reevaluated each to make sure they

still fit our vision. The Securities Analysis class provided valuable input in this step of our process. After reevaluating we began to make 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 to better understand the Archway Fund as a whole. Throughout the rest of the semester the Securities Analysts supplied us with insightful recommendations for the Fund. We hope that the collaborative relationship we cultivated will facilitate a smooth transition to Portfolio Management.

The guest speakers added another 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. A number of speakers analyzed our portfolio from different angles and sometimes asked questions that made us doubt our most firm beliefs. They also opened doors for students. We would like to thank all who took the time to visit our class to share their experiences and insights. The knowledge they have supplied is truly valued and will be used during our time as Portfolio Managers as well as throughout our professional careers.



Executive Committee
(L-R) David Ferraro,
Karli Theleman,
Connor Norat,
Michael Foust,
Michael Bergamo

UNITED STATES ECONOMY

Real GDP increased 4.6% in the second quarter, after a 2.1% decrease in the first quarter. The first quarter decline was attributed to negative contributions from private inventory investment, exports, state and local government spending, nonresidential fixed investment, and residential fixed investment. These were partially offset by a positive contribution from personal consumption expenditures (PCE). The upturn in Q2 primarily reflected upturns in all of these areas, sending a positive signal for economic growth.

Unemployment

Unemployment has slowly been improving to a recent rate of 5.9% in September. However, the U6 unemployment rate remains elevated at 11.8%. This nearly 6 percentage point spread has not significantly improved since the recession. The U6 unemployment rate is often considered the “real unemployment rate” as it is a broad measure that, in addition to the official unemployment rate, includes discouraged workers, people who are able and willing to work but have not recently looked, and the underemployed. One major development in the labor market is that 4.8 million jobs were open on the last day of August, the highest level since January 2001.

The Federal Reserve

The Federal Reserve, which monitors employment and inflation, has announced that it will end its purchasing of mortgage backed securities (MBS) and treasury securities after its October FOMC meeting. However, members of the Federal Open Market Committee (FOMC) have suggested that if the outlook changes significantly, they would be open to additional rounds of purchasing. As purchases are set to end, we can likely expect long-term interest rates to rise.

This rise in interest rates will likely place negative pressure on the housing market, which is already struggling. Homeownership in the U.S. has been gradually declining since 2005. As of Q2, 64.7% of Americans were homeowners. This is down from 65% the year prior. However, housing starts rose 6.3% and building permits rose 1.5% from August through September. Much of this growth has come from a rise in multifamily properties, while the single-family sector barely budged. As homeownership has declined, demand for rental property has increased. Additional spending on rent threatens discretionary spending.

Consumer Outlook

Retail sales in September fell 0.3%, according to the Commerce Department. While spending at retailers is up 4.3% from a year earlier, this stumble shows that many Americans are still cautious heading into the holiday shopping season.

At the same time, domestic manufacturing has begun to slow down. The Purchasing Managers Index (PMI) has declined to 56.6%. This represents a 2.4 percentage point decline from August. The current level indicates that 56.6% of purchasing managers reported expansion. PMI is based on five indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. The decline in PMI was largely driven by a 6.7 percentage point decline in new orders.

INTERNATIONAL ECONOMY

Over the last several months, Europe has encountered economic and geopolitical struggles which have represented destabilizing forces on the Eurozone. In July, the ongoing conflict in Ukraine peaked when a commercial airliner was shot down over a rebel-held area close to the border with Russia killing all 298 passengers and crew aboard. Western leaders have alleged that the Russian military was involved, leading to further strained relations with Russia and economic sanctions levied by the EU and US.

In the Eurozone, inflation has been running significantly below the European Central Bank's target. In order to boost their economy, the ECB unexpectedly cut key interest rates in September and announced an economic stimulus plan. The ECB has since announced its intentions to start a bond-buying program very soon, but is facing strong opposition from Germany's central bank. On this news, the Euro has steadily weakened against the dollar. This shows that the Eurozone is not out of the woods yet, and is lagging behind the US and UK as they recover from the recession.

On March 25, 2014, the World Health Organization announced that Guinea was experiencing an outbreak of Ebola which had likely been occurring undetected for months. Ebola is a virus that was first discovered in central Africa and in past outbreaks has been fatal in up to 90% of cases. There is no specific treatment for Ebola and no approved vaccine exists to prevent the virus. The size of the outbreak has recently exploded into the thousands with transmissions of the disease occurring for the first time outside of Africa. A real threat to the global economy exists if fear of catching this virus puts a damper on global travel and international trade.

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, sub-sectors, and industries to overweight compared to the benchmark. Within each sector, Portfolio Managers and Securities Analysts seek to find 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 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 based on macroeconomic conditions, we decided to overweight the Technology and Healthcare sectors as we believe these sectors will produce optimal returns over the upcoming months. Historical information shows that the Technology and Healthcare sectors typically outperform the market at the current point of the business cycle. Also, Portfolio

Managers believe that there are many promising companies within these sectors and that the current macroeconomic environment provides opportunities for growth within these sectors. We have also decided to underweight Financials, Consumer Staples, and Utilities. Based on historical information, these sectors typically underperform the market at this point of the business cycle.

In order to eliminate cash drag in the short run while looking for potential stock picks, the Fund employs a strategy of purchasing sector exchange traded funds (ETFs). As long as we have reason to believe that the sector ETF will yield positive returns in the near future, short term ETF allocation will allow us to continue earning returns during gaps between stock sales and purchases. This also allows us to keep our sector balances in check while Portfolio Managers and Securities Analysts search for promising equity investments. In some cases, however, it may not be a sound investment decision to increase a position in the sector index ETF. For instance, the energy market has been extremely volatile due to crude oil price fluctuations. Purchasing the Energy sector index ETF would increase our exposure to the excessive volatility within this sector. As a result, we have decided to refrain from moving any excess cash to the Energy sector ETF.

At the beginning of the semester, the Portfolio Management group agreed that any dramatic market reactions to macroeconomic conditions would most likely be short term overreactions. We believed that investors feared a market decline due to the lack of a significant market correction in the long-lasting bull market that we have seen over the past several years. As a result, we agreed that any market declines would be short-term overreactions to fear and would therefore represent a great buying opportunity for the Fund. Our excess holdings in cash helped the fund reduce the impact of the market decline and presented the fund with a great buying opportunity.

"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 underperformed the S&P 500 by 0.86% on a risk adjusted basis. A substantial portion of the Fund's underperformance could be attributed to a large cash balance that was held through the early part of the semester. This reduced our return potential as these stocks were not adding any value through our holdings. We hoped to mitigate this issue through allocating excess cash balances for each sector into Sector ETFs. This allowed each sector to still have exposure within their sectors without the need for immediate additional stock selections.

Portfolio Returns for January 1, 2014 – October 31, 2014

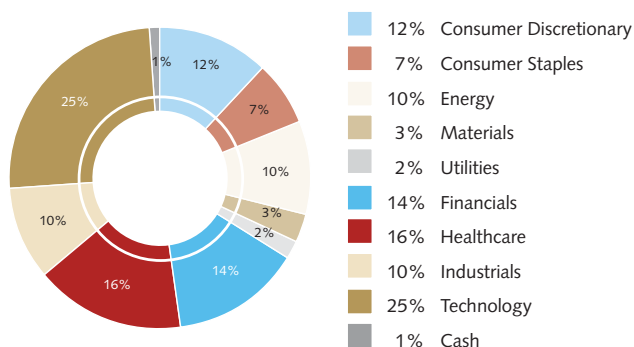
FUND	PERIOD (YTD) RETURN	RISK ADJUSTED PERIOD RETURN	PERIOD DIFFERENTIAL RETURN	RISK ADJUSTED PERIOD DIFFERENTIAL RETURN	BETA
Archway Investment Fund	9.40%	10.13%	-1.59%	-0.86%	0.93
S&P 500 Index	10.99%	10.99%	-	-	1.00

Morningstar Style Box

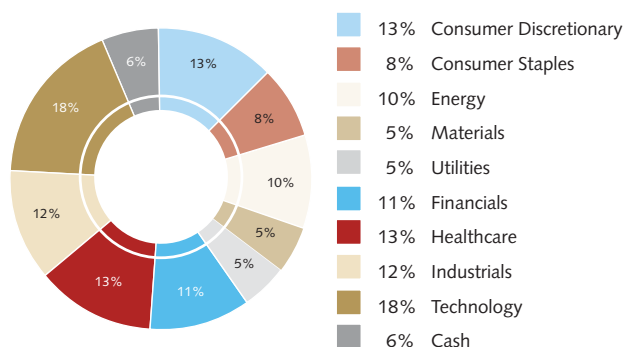
Market Capitalization	Large	19%	21%	40%
	Medium	7%	5%	3%
	Small	0%	2%	4%
		VALUE	BLEND	GROWTH
Valuation				

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.

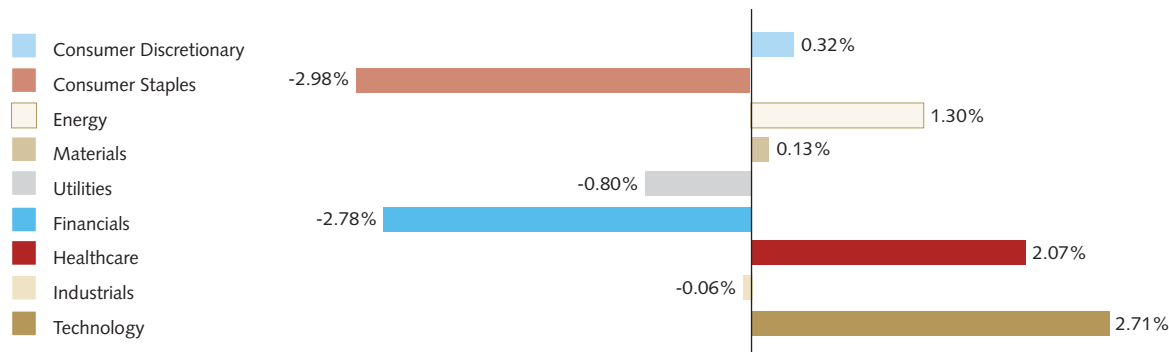
Archway Investment Fund Weightings October 31, 2014



Archway Investment Fund Weightings December 31, 2013



AIF versus S&P 500 Weight Differentials



Consumer Staples and Discretionary

Overview

The Consumer Staples sector consists of all products that are considered essential. These are goods that people are unwilling or unable to cut from their budget, regardless of their financial situation. Among consumer staples are food, beverages, tobacco, and household items. Companies in this sector help to insulate the portfolio from cyclical risk.

Contrary to Consumer Staples, the Consumer Discretionary sector comprises businesses that sell nonessential goods and services. Constituents of this sector include retailers, consumer durables, consumer services companies, media companies, automobiles and components firms, textile and apparel companies, and leisure. Consumer Discretionary companies are highly sensitive to economic cycles. Firms in this sector tend to do very well in times of expansion, and poorly in adverse economic times.

The outlook for the Consumer Staples and Discretionary sectors are driven by three important factors: the unemployment rate, wage growth, and consumer sentiment. Unemployment has been steadily declining throughout 2014 to a recent low of 5.9%. The real unemployment rate has also been declining, yet is still elevated at 11.8%. Private sector wages have risen slightly by about 2% over the past year, but have not seen any broad pickup. Consumer confidence has recently risen to the highest level in seven years, largely due to the drop in gas prices and increased traction in the labor market.

Some of the primary risks involved with the Consumer Staples and Discretionary are increasing input costs and pricing pressure. Both of these risks threaten a firm's ability to maintain current levels of profitability. It can be difficult for companies to raise prices accordingly with their rising cost of production, especially during these volatile economic times. However, as the price of gas has recently been declining and consumer sentiment improves, we believe that stronger consumer spending will mitigate these effects.

The Consumer Staples and Discretionary sectors have delivered strong performance through the economic recovery. However, there has been a pullback in performance in the Discretionary sector over the past year. Despite some mixed macroeconomic signals, we are optimistic that these sectors will continue to deliver the strong performance they have provided over the past five years



Portfolio Management

Standing (L-R): Kevin Dozois, James Adams, David Ferraro
Seated (L-R): Mara Valenzuela, Karli Theleman, Rachel Severino

Strategic Outlook

At the beginning of the semester, our holdings were heavily positioned in food and beverage industries. These included Buffalo Wild Wings, Starbucks, General Mills, Coca-Cola, and McDonald's. We sold McDonald's as we felt there is little growth in the fast food industry, especially now that consumer tastes have changed to focus on healthier options. We will pursue more attractive opportunities that we believe will provide alpha.

As unemployment continues to decline and consumer confidence is at its highest level in about a decade, we believe the Consumer Staples and Discretionary sectors have a positive outlook. Consumers are beginning to gain spending power and thus we see greater potential return for the Consumer Discretionary sector. Certain industries such as media, hotels and lodging, and automotive seem to be potentially profitable opportunities.

Media is an attractive industry to look into as demand for media and entertainment has never been greater. With the current positive economic conditions, media and entertainment profitability has boosted from expansion into international markets as well as higher advertising spending and acquisitions.

Hotels and lodging as well as automobiles, are attractive industries that we see as opportunities. With consumer confidence and spending power increasing, we believe that the demand in both industries will pick up. Demand in the hotel industry will continue to grow as consumers, with increased spending power, will be less conservative in traveling. For this reason we hold Wynn Resorts. Also with gas prices falling, higher job growth, and a strengthening economy demand in the automotive industry will also increase.

YTD Performance

Consumer Discretionary Benchmark:	2.89%
Consumer Discretionary AIF:	9.92%
Consumer Staples Benchmark:	10.68%
Consumer Staples AIF:	15.37%

“Price is what you pay; value is what you get.
Whether we’re talking about socks or stocks,
I like buying quality merchandise when it is
marked down.”

— Warren Buffett

Current Holdings as of October 31, 2014

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	2.45%	7.00%	110.69%
Discretionary	3/26/2013	HAS	Hasbro, Inc.	400	\$ 43.86	\$ 57.98	2.44%	5.40%	32.19%
Discretionary	9/29/2011	JWN	Nordstrom, Inc.	180	\$ 45.79	\$ 73.43	1.39%	18.82%	60.36%
Discretionary	10/17/2013	WYNN	Wynn Resorts, Limited	109	\$ 169.77	\$177.18	2.03%	-8.77%	4.36%
Discretionary	4/22/2014	SBUX	Starbucks Corporation	320	\$ 71.06	\$ 77.79	2.62%	-0.77%	9.47%
Discretionary	10/24/2014	XLY	Consumer Discretionary Sector SPDR	162	\$ 67.55	\$ 68.01	1.16%	1.77%	0.68%
Staples	4/20/2010	MO	Altria Group Inc	382	\$ 34.48	\$ 49.87	0.00%	29.90%	44.63%
Staples	11/9/2009	PG	Procter & Gamble Co	191	\$ 61.44	\$ 89.13	2.00%	9.48%	45.07%
Staples	11/18/2010	GIS	General Mills, Inc.	260	\$ 44.44	\$ 51.36	1.79%	2.91%	15.57%
Staples	11/20/2007	KO	The Coca-Cola Co	329	\$ 46.27	\$ 42.32	1.40%	2.44%	-8.54%

Trades

SECTOR	DATE	TICKER	STOCK NAME	TRADE	QUANTITY	PRICE
Consumers	2/11/2014	BKE	The Buckle, Inc.	Sell	310	\$ 43.11
Consumers	3/7/2014	XLY	Consumer Discretionary Sector SPDR	Buy	353	\$ 67.55
Consumers	4/22/2014	SBUX	Starbucks Corporation	Buy	320	\$ 71.04
Consumers	4/22/2014	XLY	Consumer Discretionary Sector SPDR	Sell	353	\$ 64.67
Consumers	5/28/2014	WYNN	(Call) Wynn Resorts, Limited	Sell	1	\$ 8.70
Consumers	10/14/2014	MCD	McDonalds Corporation	Sell	208	\$ 92.86
Consumers	10/29/2014	KO	Coca Cola Co	Sell	155	\$ 40.99
Consumers	10/29/2014	MO	Altria Group, Inc	Sell	133	\$ 47.26
Consumers	10/29/2014	GIS	General Mills, Inc	Sell	63	\$ 50.65
Consumers	10/29/2014	XLY	Consumer Discretionary Sector SPDR	Buy	162	\$ 66.16

Securities Analysts

(L-R) Stephanie Vlohiotis,
Mitchell Dupre,
Neha Moolchandani,
Asad Siddiqui,
Christopher Butrym



Energy, Materials, and Utilities

Overview – Energy

Energy stocks as a whole can attribute most of their growth and decline to the spot price of the crude oil market. The sector, which tends to perform best during the late phase of the business cycle, is in the mid-cycle expansion leading to lower returns over the short term. In the current market, the producers worldwide, including the U.S. and the countries within OPEC, are over producing. The demand for oil does not justify the current crude oil price.

Strategic Outlook

Our outlook on the Energy sector is underweight. We believe that the volatility in the crude oil price is a risk for the entire sector. We hold Halliburton Company, Schlumberger Limited, and Tesoro Corporation, all of which are producers of oil and are taking huge financial hits from the lack of market demand. The last company that we hold in the sector is Bristow Group Inc. This company's focus is the transportation of laborers onto offshore drilling rigs using helicopters. This company is also affected by the lack of demand in the oil markets.

Overview – Materials

Materials includes the mining and refining of metals, chemical producers, and forestry products, so these stocks tend to perform well during the mid-cycle expansion phase of the business cycle. The U.S. economy is currently improving but growth trends remain slow globally, and performance has become increasingly divergent. Domestically, the housing market continues to expand and the construction and nonresidential building industry will see increased performance and be poised to make a strong recovery likely to continue into 2015. The slowing of global production has led to poor performance and lower demand for input products in the short term but we see potential for long-term growth as the stock market and global economies pick up.

Strategic Outlook

Our outlook for the Materials sector is currently neutral, due primarily to weaker sub-industries within the sector. We currently see the best opportunity within the chemicals and industrial gas industry due to improved consumer confidence and growth in disposable income domestically. Our current holdings, Praxair and Ashland, are within this sub-industry. Both holdings are financially stable through various business cycles but the European markets and other developing markets throughout the globe have affected demand within this industry. We have invested in the Materials sector SPDR to create more diversification within the industry.



Portfolio Management

(L-R) Chad Connor, Colton Faddish, Kyle Irving
(Not Pictured: Ernesto Arguello)

Overview – Utilities

Utilities stocks have traditionally been the safest bet amid market fluctuation due to their defensive nature of operations. Besides offering steady returns, utilities regularly pay dividends to shareholders. Major drivers of electric and natural gas utilities are the number of domestic households, electricity/natural gas consumption, and price of natural gas/electricity. Water utilities are primarily driven by annual rainfall, the agricultural price index, and number of domestic households. Opportunities in the sector include renewable energy sources such as solar and wind power. Risks that impact this sector are the decreasing prices of oil and natural gas.

Strategic Outlook

Our outlook for the Utilities sector is neutral, due primarily to macroeconomic and business cycle factors. We hold Duke Energy, which reduces volatility within the Fund and provides high dividend payments. We also hold NextEra Energy, which provides a diverse and efficient array of renewable energy assets and an attractive dividend yield. Both of these companies are large, well-established, and dividend-producing, which should provide stability to the Fund during volatile economic times. We see potential in solar energy companies, which are expected to become major players within the utilities industry in coming years.

Current Holdings as of October 31, 2014

SECTOR	PURCHASE DATE	TICKER	STOCK NAME	SHARES	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	PERIOD CHANGE	HPR CHANGE
Energy	4/14/2014	BRS	Bristow Group Inc	232	\$ 73.15	\$ 73.63	1.80%	0.66%	0.66%
Energy	3/26/2013	SLB	Schlumberger Limited.	205	\$ 74.50	\$ 98.73	2.13%	9.57%	32.52%
Energy	9/29/2011	HAL	Halliburton Company	353	\$ 32.07	\$ 53.86	2.00%	6.13%	67.95%
Energy	10/24/2013	TSO	Tesoro Corporation	331	\$ 47.30	\$ 71.95	2.50%	22.99%	52.11%
Energy	10/24/2014	XLE	Energy Sector SPDR	219	\$ 87.42	\$ 87.79	2.02%	0.42%	0.42%
Materials	3/7/2014	ASH	Ashland Inc	102	\$ 97.74	\$ 109.81	1.17%	12.35%	12.35%
Materials	5/8/2009	PX	Praxair, Inc.	149	\$ 99.61	\$ 126.67	1.99%	-2.58%	27.17%
Materials	3/7/2014	XLB	Materials Sector SPDR	57	\$ 47.91	\$ 48.64	0.29%	1.53%	1.53%
Utilities	3/2/2011	NEE	NextEra Energy Inc	71	\$ 55.53	\$ 104.73	0.78%	22.32%	88.60%
Utilities	2/9/2012	DUK	Duke Energy Corp	150	\$ 64.57	\$ 82.08	1.29%	18.94%	27.12%
Utilities	10/24/2014	XLU	Utilities Sector SPDR	73	\$ 45.47	\$ 46.25	0.36%	1.72%	1.72%

Trades

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 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 Sector SPDR	Buy	164	\$ 87.79
Energy	4/14/2014	BRS	Bristow Group Inc	Buy	232	\$ 73.63
Materials	5/27/2014	XLB	Materials Sector SPDR	Sell	42	\$ 48.64
Energy	5/27/2014	XLE	Energy Sector SPDR	Buy	21	\$ 87.79
Materials	10/14/2014	XLB	Materials Sector SPDR	Sell	127	\$ 48.64
Energy	10/14/2014	XLE	Energy Sector SPDR	Sell	185	\$ 87.79
Materials	10/29/2014	XLB	Materials Sector SPDR	Buy	5	\$ 48.64
Energy	10/29/2014	XLE	Energy Sector SPDR	Buy	19	\$ 87.79
Energy	10/29/2014	XLE	Energy Sector SPDR	Buy	200	\$ 87.79
Utilities	10/29/2014	XLU	Utilities Sector SPDR	Buy	73	\$ 46.25

YTD Performance

Energy Sector Benchmark:	.22%
Energy Sector AIF:	9.82%
Materials Sector Benchmark:	6.12%
Materials Sector AIF:	3.07%
Utilities Sector Benchmark:	22.87%
Utilities Sector AIF:	23.37%

Securities Analysts

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



Financials

Overview

The Financial sector focuses on several different sub-sectors including banking, insurance, diversified financials, and real estate investment trusts (REITs). The sector is currently underweighted within the Archway Investment Fund due to our neutral short-term outlook.

In the years since the 2008 economic crisis, the financial industry has been characterized by increasing regulation and low interest rates. The increase in regulation stems from the need for structure intended to better protect investors and ensure the stability of the economy in the long term. Regulation has been gradually introduced across the federal and state levels as companies are now required to adhere to these new policies.

Following the financial crisis, the Federal Reserve began increasing the money supply by implementing monthly purchasing of government and mortgage bonds from banks, a policy known as “quantitative easing” or QE. The intent of QE is to stimulate the economy by suppressing interest rates and encouraging more borrowing. Today, interest rates on everything from government bonds to mortgages to corporate debt are undoubtedly lower than they would have been without QE.

However, we do not expect the low rates to continue for much longer, based on continued statements by Federal Reserve officials about raising the target rate in coming months. We expect rates to rise slowly to avoid a shock to the market but an exact timeline is still uncertain.

Recently, the financial industry and capital markets have cause for concern following a heavy mix of economic and geopolitical woes that have shaken investor confidence. At the center of these fears are slowing global growth and the spreading Ebola epidemic. The Eurozone economy is at the heart of global economic uncertainty. Fears include deflation as a result of a decrease in demand across Europe. In Germany the government has cut its growth forecasts for the next two years after emerging signs indicate that the country could slide into recession. Also, in Greece, the markets are down due to fears of political turmoil as the country struggles to put its economy back on track.

Geopolitical tensions, including the protests in Hong Kong, the turmoil in the Middle East, and the spread of Ebola have also unsettled the markets. While uncertainty exists within the sector as the Fed prepares to exit its QE policy, we at the Archway Investment Fund still believe alpha can be found within certain sub-sectors of the industry.



Portfolio Management

(L-R) Benjamin Cahill, Andrew Buzzanca, Kevin Cousineau, Michael Foust

Strategic Outlook

The Archway Investment Fund currently has holdings in the areas of insurance, consumer credit and lending, and diversified financial services. We have positive growth outlooks across these sub-sectors and our current holdings. ACE Limited (ACE) is a global provider of insurance products, covering property and casualty, accident and health, reinsurance, and life insurance. Discover Financial Services (DFS) is a direct banking and payment company and has the third largest credit card brand in the U.S. Wells Fargo & Company (WFC) is a diversified financial services company that derives 60% of its revenue from community banking. We are actively avoiding REITs due to a modest outlook on the housing market. We also hold the Financial Sector Select SPDR to allow for diversification and meet our target weighting for our sector.

To improve upon our current holdings, we will seek alpha by value investing in large cap, blue chip stocks in the Financial sector that are undervalued as a result of investor uncertainty and fear-driven trading. Specifically we are seeking large cap diversified financial companies with stable growth and a good mix of interest and fee-based income. With the end of QE and long-term rates expected to begin rising, companies with revenue streams through net interest margins as well as fees will be well positioned to see higher returns. While we already own Wells Fargo in this sub-sector, we believe we can improve our position and limit our risk by diversifying in companies such as JP Morgan or Citigroup.

“When buying shares, ask yourself,
would you buy the whole company?”

— Rene Rivkin

YTD Performance

Financial Sector Benchmark: 10.37%

Financial Sector AIF: 5.86%

Current Holdings as of October 31, 2014

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	\$109.30	2.2%	8.27%	5.64%
Financials	10/23/2012	WFC	Wells Fargo & Co	436	\$ 34.33	\$ 52.74	2.4%	19.40%	53.63%
Financials	10/19/2013	DFS	Discover Financial Services	380	\$ 53.64	\$ 63.54	2.5%	15.38%	18.46%
Financials	10/24/2014	JPM	JPMorgan Chase & Co.	397	\$ 58.34	\$ 60.48	2.5%	6.20%	3.67%
Financials	3/7/2014	XLF	Financial Sector SPDR	1533	\$ 22.59	\$ 23.84	3.8%	10.37%	5.54%

Trades

SECTOR	DATE	TICKER	STOCK NAME	TRADE	QUANTITY	PRICE
Financials	2/25/2014	TGH	Textainer Group Holdings	Sell	450	\$ 37.04
Financials	2/25/2014	BAC	Bank of America Corporation	Buy	1050	\$ 16.43
Financials	3/7/2014	XLF	Financial Sector SPDR	Buy	1465	\$ 22.40
Financials	4/3/2014	FITB	Fifth Third Bancorp	Buy	585	\$ 23.12
Financials	4/3/2014	XLF	Financial Sector SPDR	Sell	605	\$ 22.40
Financials	5/27/2014	CB	The Chubb Corporation	Sell	250	\$ 92.41
Financials	5/27/2014	BAC	Bank of America Corporation	Sell	1050	\$ 15.25
Financials	5/27/2014	ACE	ACE Limited	Buy	195	\$103.46
Financials	5/27/2014	XLF	Financial Sector SPDR	Buy	838	\$ 22.28
Financials	10/14/2014	FITB	Fifth Third Bancorp	Sell	1000	\$ 19.72
Financials	10/14/2014	XLF	Financial Sector SPDR	Buy	61	\$ 22.82
Financials	10/24/2014	XLF	Financial Sector SPDR	Sell	1026	\$ 22.97
Financials	10/24/2014	JPM	JP Morgan Chase & Co.	Buy	397	\$ 58.34



Securities Analysts

(L-R) William Bryce,
Brent Lavitt,
Corey Mania,
Mark Ritchey,
Matt Pechenik

Healthcare

Overview

The Healthcare sector comprises companies that provide services and products to the healthcare industry, such as hospitals, pharmaceutical companies, and health insurers. Currently, within Healthcare we are exposed to risk as a result of issues relating to the Affordable Care Act (ACA). Subsidies regarding the ACA and their validity are currently under question. Disputes between Republicans and Democrats create the potential for policy change given the shift in senate leadership. For example, ACA regulations such as the medical device tax, which is a 2.3 % tax on medical device makers, have the potential to be reversed, which would be a positive sign for companies in this sub-sector. Political party leadership is expected to have a significant impact on further changes in regulations regarding the ACA, which could affect our choice of holdings

Advances in Healthcare Information Technology and collaboration with third party researchers known as Contract Research Organizations (CROs) specializing in the clinical and preclinical research of pharmaceuticals have led to a streamlined FDA approval process on drugs. This is a huge opportunity for companies especially within the biotechnology and pharmaceuticals segments as their solvency depends on getting new treatments to market. Although these sub-sectors have seen substantial growth over the past few quarters, at least one sub-sector—biotechnology—may be valued excessively according to Janet Yellen and the Federal Reserve. This is largely due to the instability of earnings potential for many of these firms that are dependent upon FDA approval for their drugs.

Another major concern that our sector faced was the threat of the Ebola virus. The Center for Disease Control (CDC) and federal governments had warned citizens of the significant risks that Ebola presents. The 2014 outbreak in western Africa is the worst yet, and the potential for rapid spread of this disease is a major concern. Governments have been taking proactive measures such as screening individuals who arrive from affected African countries. Through proper containment methods the spread of this virus can easily be stopped. The potential for an Ebola vaccine in the near future is unlikely as substantial time and resources are needed to develop a viable vaccination. However, efforts to contain the spread of this virus may increase the sales within the medical supplies sub-sector that provides disposable medical supplies such as face masks and surgical gloves.



Portfolio Management

(L-R) Alejandro Perez, Michael Roscoe, Michael Bergamo

Strategic Outlook

We are overweight on the pharmaceutical and biotechnology sub-sectors. As the number and rate of FDA approvals rises, the potential for these firms to realize future profits will also increase. In order to capitalize on their earnings potential, we currently hold Gilead Sciences, Inc., which is a leading biotechnology firm. We continue to research additional pharmaceutical and biotechnology companies to add to our portfolio. We believe it is in our best interest to reduce our current holdings within healthcare insurers, service providers and managed care sub-sectors, such as Express Scripts and Universal Health Services, which may be adversely affected by ACA regulations. Alpha potential may exist in CROs and life sciences companies that offer advanced molecular genetic testing, which is now widely used within the Healthcare sector.

Parexel International is a CRO currently held by the Fund that also offers data trial analytics and software platforms that integrate communication and data retrieval between patients and pharmaceutical companies. We also look to hold the Healthcare sector SPDR (XLV), which allows us to gain exposure to industries of interest not yet covered within our equity holdings. Further purchases for the sector will focus on pharmaceutical and biotechnology firms as well as medical equipment and device suppliers.

YTD Performance

Healthcare Sector Benchmark: 22.64%
Healthcare Sector AIF: 32.22

"Investors should always keep in mind that the most important metric is not the returns achieved but the returns weighed against the risks incurred. Ultimately, nothing should be more important to investors than the ability to sleep soundly at night."

— Seth Klarman

Current Holdings as of October 31, 2014

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	\$ 54.31	1.04%	20.21%	8.17%
Healthcare	4/20/2010	WLP	Wellpoint Inc	200	\$ 64.64	\$126.69	2.66%	37.13%	95.99%
Healthcare	9/28/2011	ESRX	Express Scripts Holding Company	341	\$ 39.22	\$ 76.82	2.76%	9.37%	95.87%
Healthcare	3/22/2013	UHS	Universal Health Services Inc	200	\$ 62.45	\$103.71	2.18%	27.63%	66.07%
Healthcare	3/7/2014	GILD	Gilead Sciences, Inc.	200	\$ 78.45	\$112.00	2.36%	49.13%	42.77%
Healthcare	10/24/2014	XLV	Healthcare Sector SPDR	756	\$ 64.85	\$ 67.27	5.35%	21.34%	3.73%

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 Corporation	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	Healthcare Sector SPDR	Buy	750	\$ 63.24
Healthcare	10/24/2014	XLV	Healthcare Sector SPDR	Buy	6	\$ 64.84



Securities Analysts

(L-R) Justin Robinson-Howe,
Arjun Sandhu,
Austin Hersh,
Meg Aman
(Not Pictured:
Harry Waterton)

Industrials

Overview

The Industrials sector comprises twelve sub-sectors that are all heavily reliant on the condition of the current economy. Industrials includes companies that turn raw materials into finished products that are often categorized as “heavy” or “light” industry. The sub-sectors range from commercial services to aerospace and defense and include companies that are related to providing industrial and commercial supplies, diversified trading, distribution operations, and transportation services. Containing more sub-sectors than any other, Industrials is easily the most diverse sector. Its market cap is about \$3.17 trillion and is represented by the Industrials SPDR Exchange Traded Fund (ETF). This Industrials ETF is our sector performance benchmark.

A decline in oil prices towards the end of Q3 and the beginning of Q4 may open opportunities in the transportation industries. Analysts expect oil prices to continue to decline into 2015 due to a drop in global demand. In the short term, we believe air, freight, logistics, road, and rail markets will see increasing profit margins. Transportation companies will realize a reduction in operating cost, including fuel and shipping expenses, ultimately increasing EPS. On the other hand, the decline in oil prices may slow U.S. production and the production of mining equipment. Diminishing oil prices offers less incentive for companies to mine, which reduces the demand for the equipment involved in this process.

With the Federal Reserve scheduled to finish its taper by the end of October, our Portfolio Managers plan to monitor the situation closely. Increasing rates can have a negative effect on company’s capital expenditures. Companies will face a higher cost to borrow money needed to purchase new equipment. We aren’t overly concerned about the rise in rates; however, it is something we will take into account when valuing a security.

Consumer spending, which is a driver for many transportation and freight-related companies, is expected to rise during 2014 and into 2015. A rise in consumer spending affects the shipment of goods, travel, and household-related industrial services as well as many other areas. This industry driver is often overlooked when researching industrial securities but is crucial to understanding the demand for goods and services in our sub-sectors. This driver, along with the ones mentioned previously, will be considered when looking for undervalued securities.

Strategic Outlook

The Industrials sector of the Archway Investment Fund currently has a neutral outlook and holds stock in The Boeing Company, United Technologies Co., and Union Pacific Railroad Corporation. After reflecting as a team, we realized that we’re not taking full advantage of the diversity of this sector. Thus, we have decided



Portfolio Management

(L-R) David Rossi, Tyler Pardee, Connor Norat

that it is important to increase the number of industrials holdings by following a bottom-up and value-driven approach. However, it is important that we remain cognizant of the industry trends and macroeconomic factors that may affect our current or future holdings.

The purchases of the small and mid-cap stocks will place us closer to our suggested sector weights and decrease our cash position as well. We will decrease risk by adding more stocks throughout the semester. We have three holdings within our sector and believe that we need more stocks from different sub-sectors that will continue to perform well. This will allow us to diversify the sector and decrease our risk exposure.

Industrials’ twelve sub-sectors is one of the largest in the S&P 500. However, we see the most potential in the air freight & logistics, road & rail, and machinery sub-sectors. As oil prices decrease and raw materials become cheaper, we feel these sub-sectors will be undervalued the most in the future. This approach will allow us to search for alpha within these specific sub-sectors.

YTD Performance

Industrials Sector Benchmark: 7.09%

Industrials Sector AIF: 10.21%

"I think you have to learn that there's a company behind every stock, and that there's only one real reason why stocks go up. Companies go from doing poorly to doing well or small companies grow to large companies."

— Peter Lynch

Current Holdings as of October 31, 2014

SECTOR	PURCHASE DATE	TICKER	STOCK NAME	SHARES	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	PERIOD CHANGE	HPR CHANGE
Industrials	3/18/2014	BA	Boeing Co	117	\$106.53	\$124.45	1.53%	-8.82%	16.82%
Industrials	4/3/2014	UNP	Union Pacific Corporation	240	\$ 94.93	\$118.75	3.00%	41.37%	25.09%
Industrials	10/10/2013	UTX	United Technologies Corporation	244	\$ 93.38	\$109.08	2.80%	-4.15%	16.81%
Industrials	10/24/2014	XLI	Industrials Sector SPDR	533	\$ 53.35	\$ 56.11	3.15%	7.37%	5.18%

Trades

SECTOR	DATE	TICKER	STOCK NAME	TRADE	QUANTITY	PRICE
Industrials	3/18/2014	BA	Boeing Co	Buy	100	\$124.56
Industrials	3/18/2014	BECN	Beacon Roofing Supply Inc.	Sell	500	\$ 39.14
Industrials	4/3/2014	DLX	Deluxe Corporation	Sell	495	\$ 53.91
Industrials	4/3/2014	XLI	Industrials Sector SPDR	Buy	167	\$ 53.07
Industrials	4/3/2014	UNP	Union Pacific Corporation	Buy	109	\$188.94
Industrials	5/27/2014	XLI	Industrials Sector SPDR	Sell	167	\$ 53.81
Industrials	5/27/2014	FDX	FedEx Corporation	Buy	16	\$142.60
Industrials	5/27/2014	BA	Boeing Co	Buy	17	\$133.68
Industrials	5/27/2014	UNP	Union Pacific Corporation	Buy	11	\$197.58
Industrials	5/27/2014	UTX	United Technologies Corporation	Buy	19	\$115.86
Industrials	10/14/2014	FDX	FedEx Corporation	Sell	256	\$155.59
Industrials	10/29/2014	XLI	Industrials Sector SPDR	Buy	533	\$ 53.35



Securities Analysts

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

Technology

Overview

The Archway Investment Fund currently holds positions in communications equipment, internet software and services, and IT services. We have a positive outlook on the Technology sector and have thus overweight the sector relative to the S&P 500.

The Technology sector remains hypercompetitive and, as such, is typically at the forefront of innovation. Currently, there are a number of major shifts and trends within the sector which are worth noting. In the IT services industry, the four major trends are big data, social, mobile, and cloud computing. As data storage technology advances, the importance of physical storage units is diminishing while software-defined storage and virtualization increases in importance. IT companies are racing against each other to offer cloud computing and flash-optimized storage systems at a lower cost.

A recent theme among software companies has been to offer Software-as-a-Service (SaaS) as a method of charging customers. Rather than charging a one-time license fee for their software, SaaS providers can build a recurring revenue stream by charging customers on a subscription basis.

Growing trends in the consumption of mobile data are sparking innovation and fierce competition in the telecommunications sub-sector between communications equipment suppliers such as Apple, Samsung, and Qualcomm. As higher resolution videos and pictures are shared on mobile devices, the networks are faced with increased bandwidth requirements. The devices themselves have been trending toward larger screen displays, higher performance chips and higher resolution screens, audio, and cameras. We believe there is significant opportunity for communications equipment providers to increase sales in emerging markets, specifically sales for mobile devices and tablets. Mobile data consumption has been increasing among emerging markets, which should result in healthy competition for market share and positive results for industry sales.

We also have a positive outlook in semiconductors, semiconductor equipment, and software. We see strong growth potential in semiconductors and semiconductor equipment primarily driven by the wireless and automotive demand in the BRIC economies. Long-term growth from this sub-sector is expected to average 7.4% until 2015. Although we have concerns with decreasing PC demand, the potential growth from tablets and handhelds offset those losses. Positive growth stems from strong players



Portfolio Management

(L-R) Terrence Murphy, Andrew Langellier, Michael Doran, Tiago Marinho

such as Micron Technology, Samsung, and Intel. Cloud computing provides a viable source for returns as corporate spending continues to increase with better economic conditions. The increased demand in cloud computing will favorably influence the performance of the software sub-sector. These sub-sectors provide opportunity for greater portfolio return and the possibility of surpassing our benchmark.

Strategic Outlook

The Technology sector holds securities in the three different sub-sectors: internet software & services, communication equipment, and IT services. Our current strategy is to overweight the sector due to its positive growth potential. Qualcomm has remained well ahead of its competitors by maintaining a market cap of \$121.39 billion. Qualcomm continues to develop LTE networks, an improved extension of 3G networks, in order to compete with other 4G networks. Google maintains a strong position within the online advertising industry. These sub-sectors have experienced organic growth through 2014, and we expect favorable results driven by increases in data consumption and online advertisement.

Our plan to alter IT service to market weight was due to the expectations of modest growth in the sub-sector. Cognizant is a strong player in the IT service sub-sector. It is better positioned than its peers to take advantage of the push to SMAC (Social, Mobile, Analytics, and Cloud). We expect a great push of outsourcing from Cognizant, which will return modestly favorable results.

“Risk comes from not
knowing what you’re doing”

— Warren Buffett

YTD Performance

Technology Sector Benchmark: 14.94%

Technology Sector AIF: 8.56%

Current Holdings as of October 31, 2014

SECTOR	PURCHASE DATE	TICKER	STOCK NAME	SHARES	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	PERIOD CHANGE	HPR CHANGE
Technology	12/18/2009	GOOGL	Google Inc Class A	60	\$ 524.08	\$551.82	14.42%	-1.62%	5.29%
Technology	2/28/2013	QCOM	QUALCOMM, Inc.	515	\$ 65.96	\$ 69.26	15.29%	-6.72%	5.00%
Technology	9/29/2011	CTSH	Cognizant Technology Solutions Corp	660	\$ 48.51	\$ 53.62	15.17%	6.20%	10.53%
Technology	3/7/2014	EQIX	Equinix Inc	92	\$ 193.08	\$214.03	8.44%	20.61%	10.85%
Technology	3/7/2014	XLK	Technology Sector SPDR	2678	\$ 36.47	\$ 40.84	46.89%	14.27%	11.98%

Trades

SECTOR	DATE	TICKER	STOCK NAME	TRADE	QUANTITY	PRICE
Technology	3/4/2014	VOD	Vodafone Group Plc	Sell	506	\$ 41.4
Technology	3/7/2014	XLK	Technology SPDR	Buy	868	\$ 36.48
Technology	3/7/2014	EQIX	Equinix Inc	Buy	92	\$193.08
Technology	4/17/2014	IBM	International Business Machine Corp.	Sell	128	\$190.19
Technology	5/8/2014	GOOG	Google Inc Class C	Sell	30	\$513.99
Technology	5/8/2014	GOOGL	Google Inc Class A	Buy	30	\$524.08
Technology	5/27/2014	VZ	Verizon Communications Inc.	Sell	244	\$ 49.57
Technology	5/27/2014	CTSH	Cognizant Technology Solutions Corp	Sell	128	\$ 48.51
Technology	5/27/2014	XLK	Technology Sector SPDR	Buy	490	\$ 37.5
Technology	10/14/2014	QCOM	Qualcomm, Inc.	Buy	165	\$ 73.70
Technology	10/14/2014	XLK	Technology Sector SPDR	Buy	1357	\$ 38.88
Technology	10/29/2014	XLK	Technology Sector SPDR	Sell	37	\$ 39.02



Securities Analysts

(L-R) Marcello Leo,
Kara Walsh,
Philip Yanaros,
Renee Lawlor,
Seth Wing

HISTORICAL PERFORMANCE

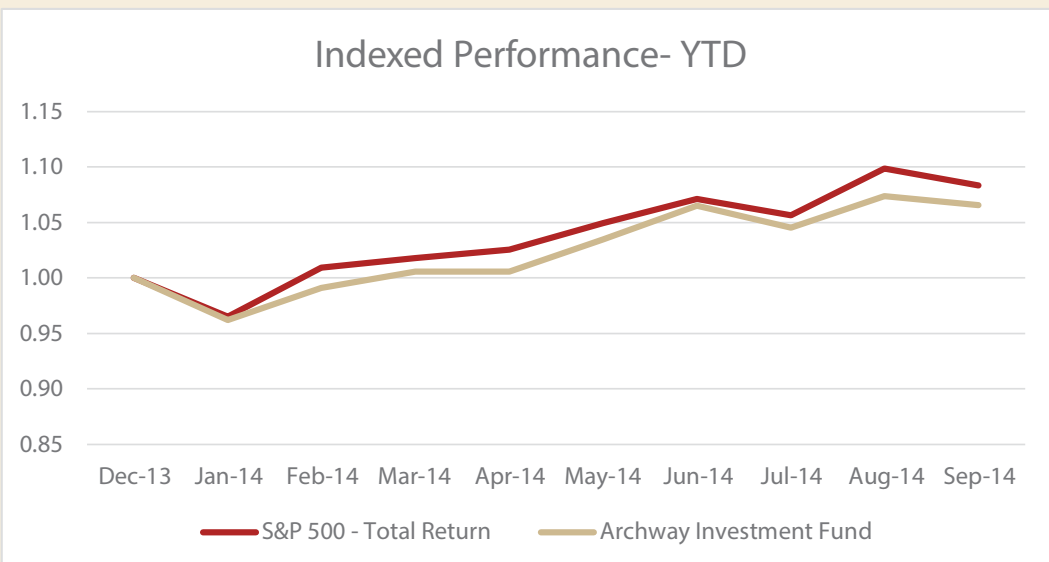
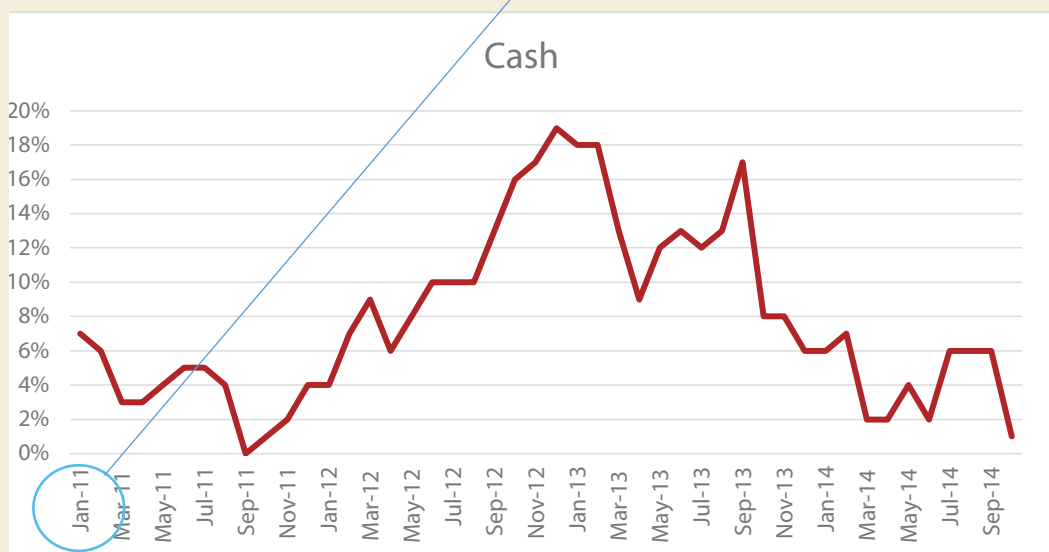
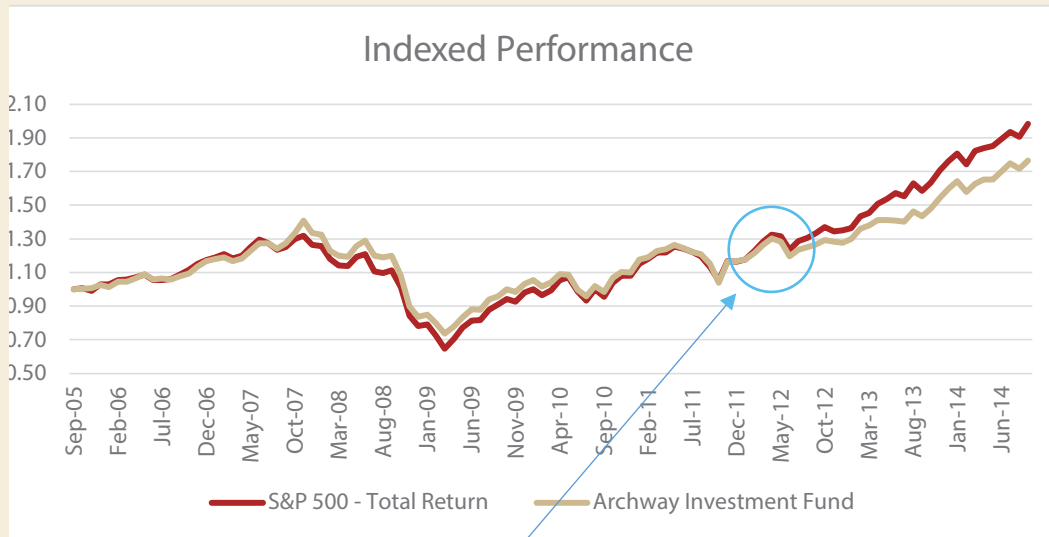
Historically, the Archway Investment Fund has weighted each sector relative to the S&P 500 sector weights, with a maximum variation of plus or minus 5 percent as specified in the Fund's Investment Policy Statement. As of 10/31/2014, the Fund had produced a year-to-date return of 9.40% and the S&P 500 had produced a return of 10.99%. The difference was due in large part to the high cash balances maintained by the Fund through most of the year. The current portfolio managers have recommended a policy change that would mandate lower cash balances going forward.

HISTORICAL PERFORMANCE YTD

As of 10/31/2014	1 Month	Latest Quarter	YTD	1 Year	Annualized		
					3 Year	5 Year	Since Inception*
S&P 500 – Total Return	2.44%	1.13%	10.99%	17.27%	19.77%	16.69%	7.88%
Archway Investment Fund	2.68%	0.04%	9.40%	16.39%	15.52%	12.76%	6.60%
Risk Adjusted Performance	2.89%	0.04%	10.13%	17.66%	16.72%	13.75%	7.11%
Risk Adjusted Differential Performance	0.44%	-1.09%	-0.86%	0.39%	-3.05%	-2.95%	-0.77%
Beta	0.93						

TOTAL PORTFOLIO RETURN YTD

As of 10/31/2014	Total Return						
	1 Month	Latest Quarter	YTD	1 Year	3 Year	5 Year	Since Inception*
S&P 500 – Total Return	2.44%	1.13%	10.99%	17.27%	71.82%	116.38%	100.40%
Archway Investment Fund	2.68%	0.04%	9.40%	16.39%	54.16%	82.31%	79.68%
Risk Adjusted Performance	2.89%	0.04%	10.13%	17.66%	58.34%	88.67%	85.83%
Risk Adjusted Differential Performance	0.44%	-1.09%	-0.86%	0.39%	-13.48%	-27.72%	-14.57%
Beta	0.93						
10 Year Treasury 10/31/2014	2.49%						



CURRENT ARCHWAY INVESTMENT FUND HOLDINGS (as of October 31, 2014)

PURCHASE DATE	TICKER	STOCK NAME	SHARES	BETA	PURCHASE PRICE	CURRENT PRICE	STOCK WEIGHT	HPR
Financials								
5/27/2014	ACE	ACE Limited	195	0.80	\$ 103.46	\$ 109.30	2.2%	5.6%
10/23/2012	WFC	Wells Fargo & Co	436	1.06	\$ 34.33	\$ 53.09	2.4%	53.6%
10/19/2013	DFS	Discover Financial Services	380	0.97	\$ 53.64	\$ 63.78	2.6%	18.5%
10/24/2014	JPM	JPMorgan Chase & Co.	397	1.54	\$ 58.34	\$ 60.48	2.5%	3.7%
3/7/2014	XLF	Financial Sector SPDR	1533	1.22	\$ 22.59	\$ 23.84	3.9%	5.5%
Technology								
12/18/2009	GOOGL	Google Inc	60	1.17	\$ 524.08	\$ 567.87	3.6%	5.3%
2/28/2013	QCOM	QUALCOMM, Inc.	515	1.18	\$ 65.96	\$ 78.51	4.3%	5.0%
9/29/2011	CTSH	Cognizant Technology Solutions Corp	660	1.24	\$ 48.51	\$ 48.85	3.4%	10.5%
3/7/2014	EQIX	Equinix Inc	92	1.03	\$ 193.08	\$ 208.90	2.0%	10.9%
3/7/2014	XLK	Technology Sector SPDR	2678	1.01	\$ 36.47	\$ 40.54	11.4%	12.0%
Industrials								
3/18/2014	BA	Boeing Co	117	1.05	\$ 106.53	\$ 124.91	1.5%	16.82%
4/3/2014	UNP	Union Pacific Corporation	240	1.01	\$ 94.93	\$ 116.45	2.9%	25.09%
10/10/2013	UTX	United Technologies Corporation	244	1.15	\$ 93.38	\$ 107.00	2.8%	16.81%
10/24/2014	XLI	Industrials Sector SPDR	533	1.21	\$ 53.35	\$ 55.21	3.1%	5.18%
Consumer Discretionary								
9/30/2012	BWLD	Buffalo Wild Wings	148	0.98	\$ 74.76	\$ 149.28	2.3%	110.69%
3/26/2013	HAS	Hasbro, Inc.	400	0.99	\$ 43.86	\$ 57.53	2.4%	32.19%
9/29/2011	JWN	Nordstrom, Inc.	180	1.31	\$ 45.79	\$ 72.61	1.4%	60.36%
10/17/2013	WYNN	Wynn Resorts, Limited	109	1.46	\$ 169.77	\$ 190.01	2.2%	4.36%
4/22/2014	SBUX	Starbucks Corporation	320	0.88	\$ 71.06	\$ 75.56	2.5%	9.47%
10/24/2014	XLY	Consumer Discretionary Sector SPDR	162	1.08	\$ 67.55	\$ 68.10	1.2%	0.00%
Consumer Staples								
4/20/2010	MO	Altria Group Inc	388	0.52	\$ 34.48	\$ 48.34	2.0%	44.63%
11/9/2009	PG	Procter & Gamble Co	191	0.41	\$ 61.44	\$ 87.27	1.8%	45.07%
11/18/2010	GIS	General Mills, Inc.	260	0.18	\$ 44.44	\$ 51.96	1.4%	15.57%
11/20/2007	KO	The Coca-Cola Co	332	0.49	\$ 46.27	\$ 41.88	1.5%	-8.54%
Healthcare								
5/27/2014	PRXL	PAREXEL International Corporation	182	.89	\$ 50.21	\$ 54.31	1.0%	8.17%
4/20/2010	WLP	WellPoint Inc	200	.64	\$ 64.64	\$ 126.69	2.7%	95.99%
9/28/2011	ESRX	Express Scripts Holding Company	341	1.19	\$ 39.22	\$ 76.82	2.8%	95.87%
3/22/2013	UHS	Universal Health Services, Inc.	200	1.35	\$ 62.45	\$ 103.71	2.2%	66.07%
3/7/2014	GILD	Gilead Sciences, Inc.	200	.74	\$ 78.45	\$ 112.00	2.4%	42.77%
10/24/2014	XLV	Healthcare Sector SPDR	756	.71	\$ 64.85	\$ 67.27	5.4%	3.73%
Energy								
4/14/2014	BRS	Bristow Group Inc	232	1.4	\$ 73.18	\$ 73.90	1.81%	0.66%
3/26/2013	SLB	Schlumberger Limited.	205	1.63	\$ 74.50	\$ 98.66	2.13%	32.52%
9/29/2011	HAL	Halliburton Company	353	1.58	\$ 32.07	\$ 55.14	2.05%	67.95%
10/24/2013	TSO	Tesoro Corporation	331	1.9	\$ 47.30	\$ 71.41	2.49%	52.11%
10/24/2014	XLE	Energy Sector SPDR	219	1.3	\$ 87.42	\$ 87.42	2.02%	0.42%
Materials								
3/7/2014	ASH	Ashland Inc	102	1.22	\$ 97.74	\$ 108.07	1.16%	12.35%
5/8/2009	PX	Praxair, Inc.	149	.8	\$ 99.61	\$ 125.99	1.98%	27.17%
3/7/2014	XLB	Materials Sector SPDR	57	1.34	\$ 185.88	\$ 48.40	0.29%	1.53%
Utilities								
3/2/2011	NEE	NextEra Energy Inc	71	.42	\$ 55.53	\$ 100.22	0.75%	88.60%
2/9/2012	DUK	Duke Energy Corp	150	.24	\$ 64.57	\$ 82.15	1.30%	27.12%
10/24/2014	XLU	Utilities Sector SPDR	73	.38	\$ 45.47	\$ 45.47	0.35%	1.72%

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 Sector SPDR	Technology	Buy	868	\$ 36.48
3/7/2014	XLF	Financial Sector 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 Sector SPDR	EMU	Buy	221	\$ 48.64
3/7/2014	SCL	Stepan Company	EMU	Sell	316	\$ 62.17
3/7/2014	XLY	Consumer Discretionary Sector 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	Industrials Sector SPDR	Industrials	Buy	167	\$ 53.07
4/3/2014	XLF	Financial Sector 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 Sector SPDR	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 Sector SPDR	Consumers	Sell	353	\$ 64.67
5/8/2014	GOOGL	Google Inc Class A	Technology	Buy	30	\$ 524.08
5/8/2014	GOOG	Google Inc Class C	Technology	Sell	30	\$ 513.99
5/27/2014	XLK	Technology Sector SPDR	Technology	Buy	490	\$ 37.5
5/27/2014	XLI	Industrials Sector SPDR	Industrials	Sell	167	\$ 53.81
5/27/2014	XLF	Financial Sector 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

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TRADES

DATE	TICKER	STOCK NAME	SECTOR	TRADE	QUANTITY	PRICE
5/27/2014	XLB	Materials Sector SPDR	EMU	Sell	42	\$ 48.64
5/27/2014	XLE	Energy Sector SPDR	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	Healthcare 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 Sector SPDR	Technology	Buy	1357	\$ 38.88
10/14/2014	XLF	Financial Sector 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 Sector SPDR	EMU	Sell	127	\$ 48.64
10/14/2014	XLE	Energy Sector SPDR	EMU	Sell	185	\$ 87.79
10/14/2014	MCD	McDonalds Corporation	Consumers	Sell	208	\$ 92.86
10/24/2014	XLV	Healthcare Sector SPDR	Healthcare	Buy	6	\$ 64.84
10/24/2014	XLF	Financial Sector SPDR	Financials	Sell	1026	\$ 22.97
10/24/2014	JPM	JP Morgan Chase & Co.	Financials	Buy	397	\$ 58.34
10/29/2014	XLK	Technology Sector SPDR	Technology	Sell	37	\$ 39.02
10/29/2014	XLI	Industrials Sector SPDR	Industrials	Buy	533	\$ 53.35
10/29/2014	XLB	Materials Sector SPDR	EMU	Buy	5	\$ 48.64
10/29/2014	XLE	Energy Sector SPDR	EMU	Buy	19	\$ 87.79
10/29/2014	XLE	Energy Sector SPDR	EMU	Buy	200	\$ 87.79
10/29/2014	XLU	Utilities Sector SPDR	EMU	Buy	73	\$ 46.25
10/29/2014	KO	Coca Cola Co	Consumers	Sell	155	\$ 40.99
10/29/2014	MO	Altria 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 Sector SPDR	Consumers	Buy	162	\$ 66.16

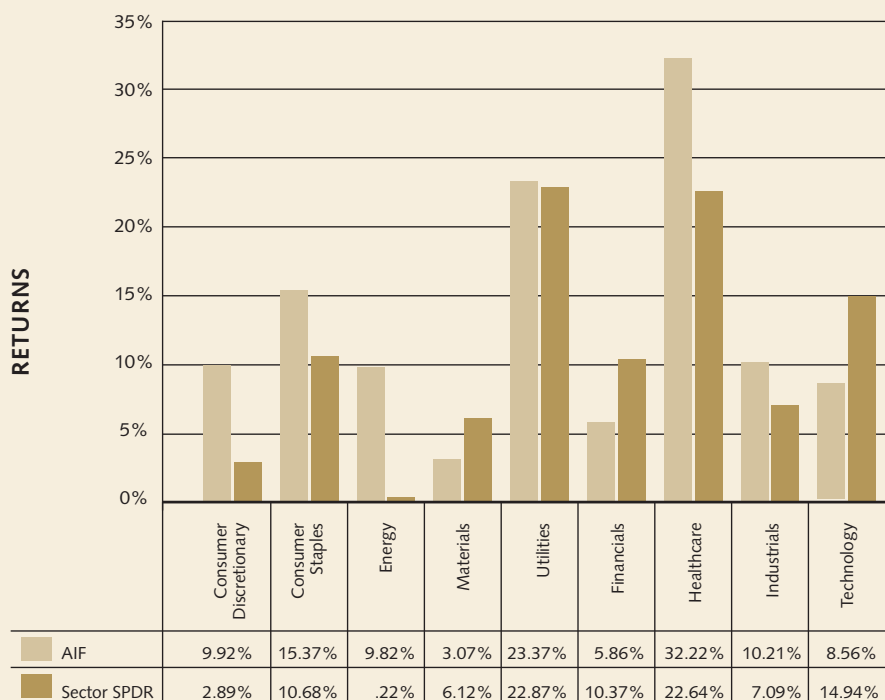
SUMMARY OF SECTOR PERFORMANCE

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 PERIOD RISK ADJUSTED RETURNS	BENCHMARK RISK ADJUSTED RETURN
Consumer Discretionary	1.02	1.08	12.02%	11.67%	9.92%	2.89%	9.76%	2.68%
Consumer Staples	0.40	0.59	6.59%	9.68%	15.37%	10.68%	38.22%	18.10%
Energy	1.55	1.30	10.23%	9.04%	9.82%	0.22%	6.34%	0.17%
Materials	1.06	1.34	3.41%	3.26%	3.07%	6.12%	2.89%	4.56%
Utilities	0.32	0.38	2.33%	3.18%	23.37%	22.87%	73.50%	60.18%
Financials	1.03	1.22	13.59%	16.48%	5.86%	10.37%	5.69%	8.50%
Healthcare	1.01	0.71	15.90%	14.27%	32.22%	22.64%	32.05%	31.89%
Industrials	1.26	1.21	10.45%	10.39%	10.21%	7.09%	8.08%	5.86%
Technology	1.09	1.01	24.69%	22.03%	8.56%	14.94%	7.84%	14.79%
Cash			0.79%	0.00%				

Sector Returns Comparison



STATEMENT OF OPERATIONS

January 1, 2014 through October 31, 2014

Income:

Dividends	\$ 17,496.10	
Interest	\$ —	
		\$ 17,496.10

Expenses:

Foreign Taxes	\$ —	
Trading Costs & Fees	\$ 607.88	
		\$ 607.88

Net Investment Income \$ 16,888.22

Realized Gain (Loss) on Investments:

Proceeds from securities sold	\$ 521,642.43	
Cost of securities sold	\$ 539,138.74	
Net realized gain (loss) on investments		\$ (17,496.31)

Net increase (decrease) in

unrealized appreciation on investments:

Market value of holdings as of October 31, 2014	\$ 956,862.70	
Market value of holdings as of December 31, 2013	\$ 874,018.63	
Increase (decrease) in net unrealized appreciation		\$ 82,844.07

Net realized gain (loss) and increase (decrease) in net unrealized depreciation \$ 65,347.76

Net increase (decrease) in assets resulting from operations \$ 82,235.98

ADMINISTRATIVE COMMITTEES



(L-R) Michael Foust, Michael Doran, Kevin Dozois, Alejandro Perez ,
(Not Pictured: Ernest Arguello)

Accounting Committee

The Accounting Committee is responsible for tracking 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, we have focused on automating and centralizing the calculation of the Fund's risk/return history relative to its benchmark since inception.



Standing (L-R) Kyle Irving, Connor Norat, Tyler Pardee;
Seated (L-R) Benjamin Cahill, Andrew Buzzanca

Compliance Committee

The goal of the Compliance Committee is to keep the Archway Investment Fund in line with our Investment Policy Statement (IPS) which acts as the underlying foundation for decisions. By understanding the IPS, we make sure sector weights, market capitalizations, beta, international exposure, and cash balance 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 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 ensure that we will remain in compliance, once those potential trades are executed.

ADMINISTRATIVE COMMITTEES



(L-R) Andrew Langellier, Mara Valenzuela, David Rossi, David Ferraro, Colton Faddish

Macroeconomic Committee

The Macroeconomic Committee is responsible for keeping the class abreast of changes in the global economy. We introduce our findings at the beginning of the semester in the Investment Strategy presentation. This semester we implemented a weekly economic newsletter to provide updates on relevant 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) James Adams, Karli Theleman, Michael Roscoe, Rachel Severino

Public Relations Committee

The Public Relations Committee is responsible for promoting the Archway Investment Fund to the Bryant community throughout the semester. The committee acts as a liaison between these two constituencies. To promote awareness of the Fund 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 a program 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 anniversary celebration.



(L-R) Tiago Marinho, Kevin Cousineau, Chad Connor, Michael Bergamo, Terrence Murphy

Reporting Committee

The Reporting Committee creates the Archway Investment Fund Semi-Annual Report and works with an outside designer and printing company to produce the report on time and within budget. 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 ninth year of operation, the Fund has developed a large network of investment industry alumni.

More than 200 students have graduated from the Archway Investment Fund program and are well-placed in the finance field. In hopes to build 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 the 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 nine years of its operation 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. Through this avenue alumni can provide current managers of the portfolio with valuable information on potential careers to pursue post-graduation. 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 on opportunities for involvement with the Fund. As an alternative, please feel free to send an email to Dave Louton at dlouton@bryant.edu to catch up and discuss your interest in future involvement.

SPECIAL THANKS

THROUGHOUT THE SEMESTER, the Archway Investment Fund students meet each Thursday night 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 Thursday evening classes also serve as a time for guest speakers to address the Archway Investment Fund students. We would like to extend a special thank you to the individuals listed below, who took the time to share their insights and knowledge with us in class and other special events.

Speakers

Michael Amico '82 MBA
First Vice President
UBS Financial Services, Inc.
Wealth Management

Jonathan Burke '03
Senior Investment Officer
Amica Mutual Insurance Co.

Todd G Carey '00, MBA, CIMA
Senior Vice President
UBS Financial Services, Inc.
Private Wealth Management

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

Julia Crowley Parmentier, Ph.D
Lecturer, Laboratory Manager
Bryant University
Department of Science and Technology

Roger S. Williams '78, CFA, CAIA
Senior Vice President
Segal Rogerscasey



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