

The Archway Investment Fund - Equity Portfolio

Bryant University

Monthly Report
Data as of 5/31/2019

Portfolio Description

The primary objective of the Archway Investment Equity Portfolio (the Portfolio) is to provide students in Bryant University's Equity Portfolio Management course with a hands-on learning experience. Student portfolio managers are organized into teams responsible for managing the holdings in their assigned sectors. The Portfolio launched in August 2005 with \$200,000.00. Including subsequent inflows and outflows the net capital contributed has been \$450,000.00, and the cumulative investment return is \$843,968.78.

Investment Strategy

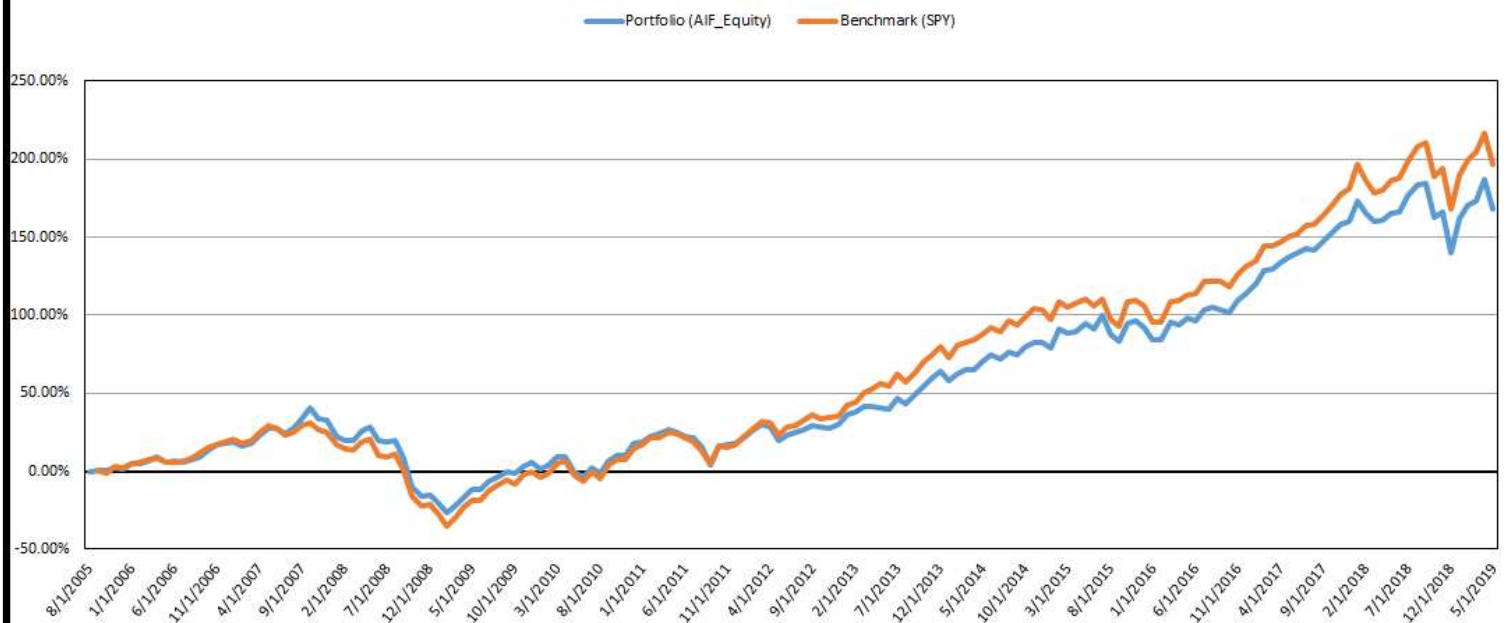
The Portfolio strategy is to purchase stocks for less than their intrinsic value based on both value and growth considerations to achieve risk adjusted returns that equal or exceed benchmark returns. The overall benchmark used for performance evaluation is the State Street SPDR S&P500 Exchange Traded Fund (SPY), while benchmarks used for individual sectors are the corresponding SPDR sector ETFs. Each sector is initially weighted in the portfolio based on their weighting in the S&P500 Index and are then adjusted to reflect portfolio manager expectations about the performance of each sector. While the purchase of foreign equities is allowed, the Fund remains heavily weighted in domestic assets. At times, the Fund uses options as a method to control risk. Option use is limited to covered call and protective put strategies. Options are used only to control risk and the underlying security must be held in the Fund.

The inclusion of ESG factors into the stock selection process has been a recent enhancement. Both portfolio managers and security analysts utilize ESG metrics to identify risk factors and aid in generating excess returns after adjusting for risk. Further enhancements to this process were adopted in 2018, as was the introduction of monthly performance reports, performance attribution analysis, and factor risk modeling.

Performance Commentary

The Archway Equity Portfolio returned -6.89% in May, while the benchmark returned -6.38%. The breakdown of trade talks between the US and China, and the imposition of new tariffs by both sides served as catalyst for a strong market sell-off during the month. President Trump also ramped up his rhetoric on trade with other countries. The President also walked away from talks with Democrats in the House and Senate over infrastructure spending, which significantly lowered the chances that growth-enhancing fiscal policy would be passed this year. Treasury yields fell considerably as the prospects for a recession in the US increased materially. A sharp decline in oil prices reinforced the risk-off trading mentality. Technology stocks led the decline in early May, but the pain spread across the market as the month unfolded. The worst performance came from the Energy (XLE: -11.13%), Technology (XLK: -8.66%), Materials (XLB: -8.18%), and Consumer Discretionary (XLY: -7.60%) sectors. Defensive sectors beat the broader market, but the only positive sector was Real Estate (XLRE: +1.22%). Sector Allocation contributed -0.09% of alpha, while Security Selection contributed -0.61% of alpha during the month. Positive security selection alpha contributions came from the Communication Services team (+10 bps), the Financials and Real Estate team (+5 bps), and the Industrials team (+4 bps). The Technology (-33 bps) and Consumer (-35 bps) teams accounted for the negative security selection alpha contributions in May. The Financial team executed a covered call strategy on Prudential as a way to sell a name that hit its price target, and this option trade added 9 bps to alpha. For the Spring Term, the portfolio returned 11.31% while the benchmark returned 10.62%. Since the inception of the fund in August 2005, the portfolio has an annualized return of 7.42% and the benchmark has an annualized return of 8.23%.

Cumulative Return Since Inception



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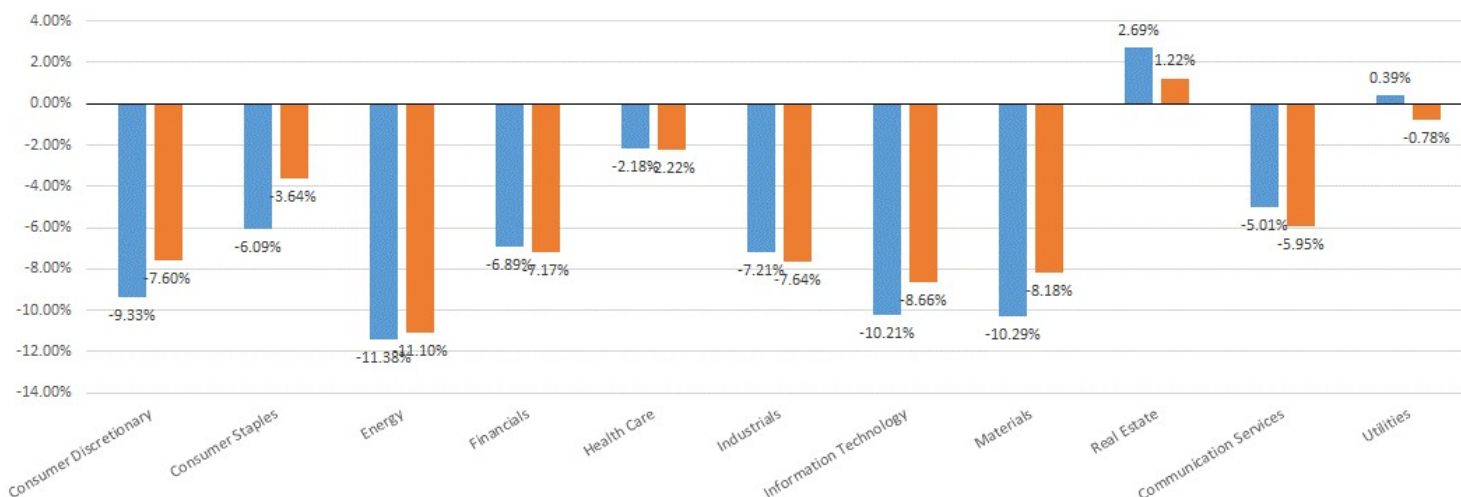
Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg LP. Returns for the portfolio and benchmark include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

Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 5/31/2019	Portfolio	Benchmark	Excess		Portfolio	Benchmark
Month to Date Return	-6.89%	-6.38%	-0.51%	Portfolio Market Value	\$ 1,293,969	
Academic Term to Date Return	11.31%	10.62%	0.69%	Number of Individual Equities Held	44	506
Year to Date Return	11.31%	10.62%	0.69%	Number of ETFs Held	20	0
1 Year Trailing Return	0.79%	3.56%	-2.77%	Weight in Individual Equities	61.74%	99.84%
3 Year Trailing Return (Annualized)	10.58%	11.63%	-1.05%	Weight in ETFs	33.61%	0.00%
5 Year Trailing Return (Annualized)	9.50%	9.55%	-0.05%	Weight in Options	0.00%	0.00%
Since Inception Return (Annualized)	7.42%	8.23%	-0.81%	Weight in Cash	4.65%	0.16%
				Wtd. Avg. 2 Year Beta to S&P 500	0.95	1.00

Sector Returns

Monthly Sector Returns: Portfolio vs. Benchmark

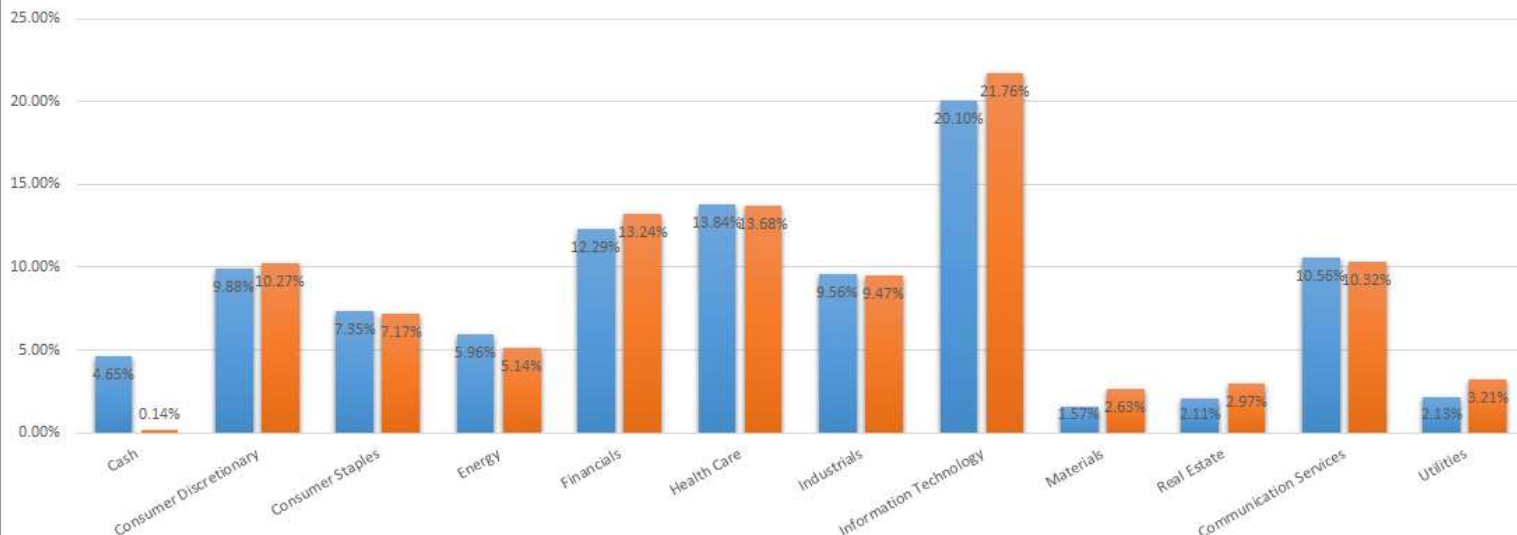
■ Portfolio ■ SPDR Sector ETF



Sector Weights


Sector Weights: Portfolio vs. Benchmark

■ Portfolio ■ Benchmark



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Top 10 Individual Equity and ETF Holdings										
Equities		Ticker	Shares	Price	Market Value		% of Portfolio	Historical Cost	Unrealized Gain/Loss	
VISA INC COM CL A		V	341	161.33	\$	55,013.53	4.25%	\$32,810.58	\$22,202.95	
APPLE INC		AAPL	218	175.07	\$	38,165.26	2.95%	\$27,918.40	\$10,246.86	
ALPHABET INC CAP STK CL A		GOOGL	32	1106.5	\$	35,408.00	2.74%	\$14,279.82	\$21,128.18	
DISNEY WALT CO		DIS	255	132.04	\$	33,670.20	2.60%	\$23,405.60	\$10,264.60	
CISCO SYS INC COM		CSCO	570	52.03	\$	29,657.10	2.29%	\$22,340.94	\$7,316.16	
MISCROSOFT CORP INC		MSFT	236	123.68	\$	29,188.48	2.26%	\$30,505.52	-\$1,317.04	
AMAZON INC		AMZN	15	1775.07	\$	26,626.05	2.06%	\$27,475.23	-\$849.18	
JPMORGAN CHASE & CO		JPM	245	105.96	\$	25,960.20	2.01%	\$24,553.70	\$1,406.50	
BANK OF AMERICA CORP		BAC	975	26.6	\$	25,935.00	2.00%	\$16,140.89	\$9,794.12	
HONEYWELL INTL INC		HON	143	164.31	\$	23,496.33	1.82%	\$20,045.95	\$3,450.38	
Exchange Traded Funds		Ticker	Shares	Price	Market Value		% of Portfolio	Historical Cost	Unrealized Gain/Loss	
SECTOR SPDR TR SHS BEN INT TECHNOLOGY		XLK	712	\$ 71.89	\$	51,185.68	3.96%	\$ 37,504.36	\$13,681.32	
SPDR SER TR S&P INS ETF		KIE	1225	\$ 32.46	\$	39,763.50	3.07%	\$ 34,410.15	\$5,353.35	
ISHARES TR U.S. MED DVC ETF		IHI	163	\$ 220.63	\$	35,962.69	2.78%	\$ 28,156.20	\$7,806.49	
SELECT SECTOR SPDR TR HEALTH CARE		XLV	407	\$ 87.28	\$	35,522.96	2.75%	\$ 32,192.89	\$3,330.07	
SELECT SECTOR SPDR TR COMMUNICATION		XLC	602	\$ 47.09	\$	28,348.18	2.19%	\$ 27,821.77	\$526.41	
SELECT SECTOR SPDR TR CONSUMER DISCRETIONARY		XLY	250	\$ 110.94	\$	27,735.00	2.14%	\$ 21,646.91	\$6,088.09	
SELECT SECTOR SPDR TR RL EST SEL SEC		XLRE	750	\$ 36.47	\$	27,352.50	2.11%	\$ 25,734.98	\$1,617.52	
SECTOR SPDR TR SHS BEN INT CONSUMER STAPLES		XLP	448	\$ 55.61	\$	24,913.28	1.93%	\$ 24,140.18	\$773.10	
SELECT SECTOR SPDR TR ENERGY		XLE	374	\$ 58.77	\$	21,979.98	1.70%	\$ 26,190.56	-\$4,210.58	
SPDR SER TR S&P PHARMACEUTICALS ETF		XPH	552	\$ 36.75	\$	20,286.00	1.57%	\$ 23,879.35	-\$3,593.35	
Cash					\$	60,172.07	4.65%			
Performance Analytics										
Historical Risk Statistics and Ratios		Annualized Portfolio Volatility	Annualized Benchmark Volatility	Annualized Tracking Error	Annualized Information Ratio	Correlation to Benchmark	Beta to Benchmark	Jensen's Alpha	Treynor Ratio	Sharpe Ratio
Since Inception		13.69%	14.14%	3.61%	-0.22	0.97	0.94	-0.29%	7.93	0.54
1 Year Trailing		19.31%	17.68%	2.34%	-1.18	1.00	1.09	-3.08%	11.58	0.65
3 Year Trailing		12.17%	11.62%	2.21%	-0.47	0.98	1.03	-1.40%	20.51	1.74
5 Year Trailing		11.66%	11.69%	2.70%	-0.02	0.97	0.97	0.23%	20.58	1.71
Monthly Performance Attribution Results		Portfolio	Benchmark	Excess	Top 5 Return Contributors			Bottom 5 Return Contributors		
Total		-6.89%	-6.38%	-0.51%	Ticker	Weight	Return Contrib.	Ticker	Weight	Return Contrib.
Return Contribution from Sector Allocation		-6.38%	-6.29%	-0.09%	PRU190517C1	0.00%	0.0928%	AAPL	2.95%	-0.3895%
Alpha from Equity and ETF Selection and Trading		-0.61%	0.00%	-0.61%	MDT	1.47%	0.0556%	XLK	3.96%	-0.3494%
Alpha from Option Selection and Trading		0.09%	0.00%	0.09%	ANTM	0.86%	0.0430%	FTNT	1.25%	-0.3360%
Income from Cash Account		0.00%	0.00%	0.00%	XLRE	2.11%	0.0209%	BABA	1.15%	-0.3334%
Tracking/Rounding Difference		0.00%	-0.08%	0.08%	NEE	0.78%	0.0186%	BAC	2.00%	-0.2792%
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