

# The Archway Investment Fund - Equity Portfolio

## Bryant University

**Monthly Report**  
**Data as of 10/31/2019**

### 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. Including subsequent inflows and outflows the net capital contributed has been \$450,000, and the cumulative investment return is \$979,165.

### Investment Strategy

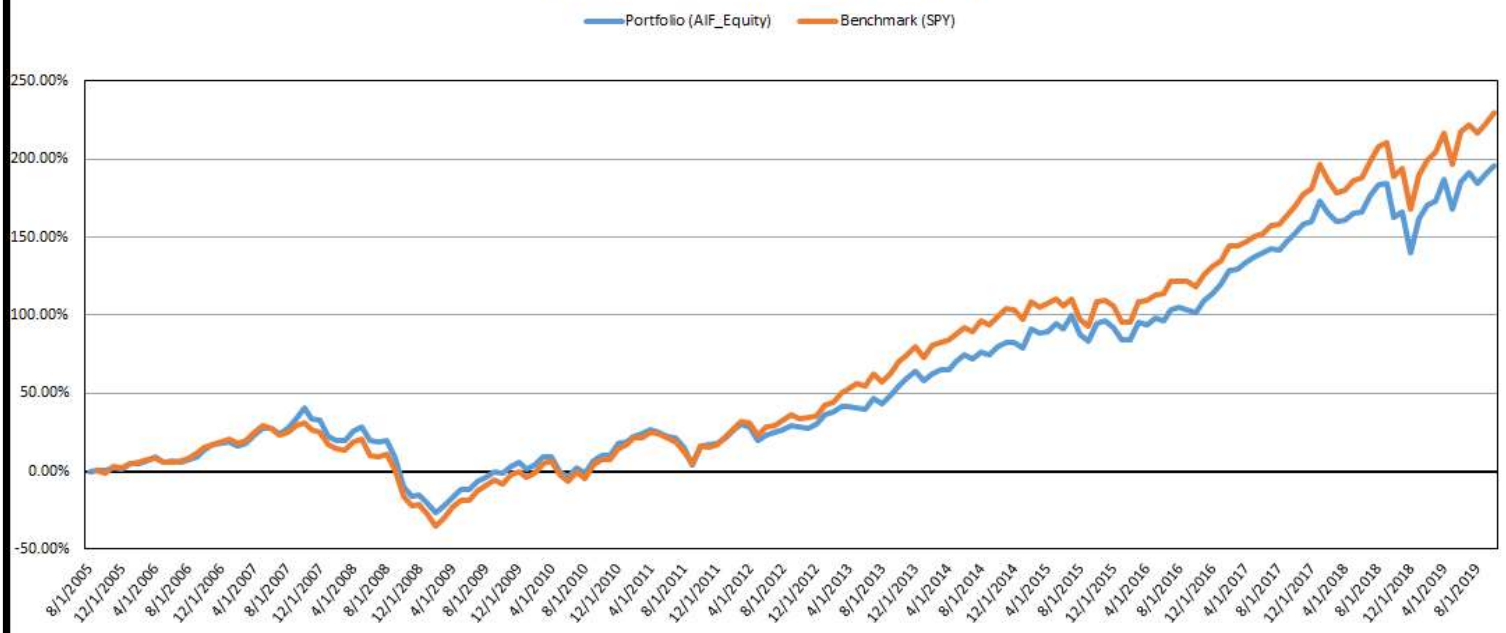
The Portfolio strategy focuses on buying stocks for less than their intrinsic value, based on both value and growth considerations, to achieve risk-adjusted returns that equal or exceed benchmark returns. The investment process is built around sector teams responsible for overseeing the holdings and the weightings of the securities in their sectors. Formal stock pitches are required to add new names to the portfolio. The inclusion of ESG factors into the stock selection process was a recent enhancement. Portfolio managers and security analysts utilize ESG metrics to identify risk factors and aid in generating risk-adjusted excess returns. The overall benchmark used for performance evaluation is the State Street SPDR S&P 500 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&P 500 Index and are then adjusted to reflect portfolio manager expectations about the performance of each sector. While the purchase of international equities is allowed, the Fund remains heavily weighted in domestic assets. 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. In 2018, monthly performance reports, performance attribution analysis, and factor risk modeling were added to the process.

### Performance Commentary

The Archway Equity Portfolio returned 1.82% in October, while the benchmark returned 2.21%. Significant developments in the US and China trade dispute, specifically the beginning of a phase one deal as well as tariff rollbacks, brought the market to record highs. Unemployment remains near record lows with job creation for the month beating estimates by a large margin, supporting consumer spending. Sentiment from the Fed points toward steady interest rates so long as inflation continues not to pose a threat. Additionally, Q3 earnings reports for companies have been generally positive. The positive economic news led to a rotation away from defensive sectors and defensive names within sectors, and back toward growth and cyclical names.

The best performing SPDR Sector ETFs were Healthcare (+5.13%), Technology (+3.90%), Financials (+2.50%), and Communication Services (+2.22%). Sector ETFs with negative returns were Energy (-2.09%), Utilities (-0.76%) and Consumer Staples (-0.42%). The portfolio currently contains 2.13% in Cash, down over 1.5% from the beginning of the month. The portfolio as a whole had negative sector alpha of (-10 bps) and negative security selection alpha of (-15 bps). Positive security selection alpha contributions came in Technology (+23 bps) and Materials (+5 bps). Negative security selection alpha contributions came from Healthcare (-18 bps) and Communication Services (-9 bps). For the fall term thus far, the portfolio returned 3.91% while the benchmark returned 4.20%. Since the inception of the fund in August 2005, the portfolio has an annualized return of 7.95% and the benchmark has an annualized return of 8.79%.

Cumulative Return Since Inception



Bryant University  
1150 Douglas Pike  
Smithfield, RI 02917-1284  
<http://aif.bryant.edu>

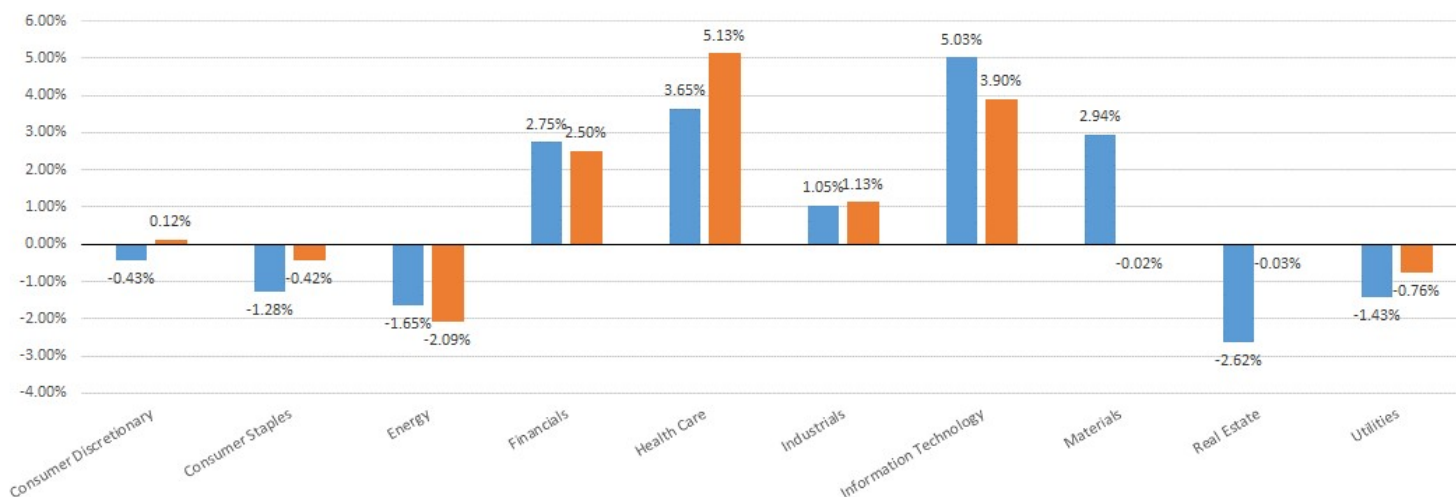
Performance data is calculated from the official portfolio valuation data provided by National Financial Services LLC, the custodian for the Fund's Fidelity Brokerage Account. Additional security price and analytic data has been obtained from Bloomberg LP. Returns for the portfolio and benchmark include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

Investment Performance				Portfolio and Benchmark Characteristics		
Historical Returns through 10/31/2019	Portfolio	Benchmark	Excess	Characteristics as of 10/31/2019	Portfolio	Benchmark
Month to Date Return	1.82%	2.21%	-0.39%	Portfolio Market Value	\$ 1,429,165	
Academic Term to Date Return	3.91%	4.20%	-0.30%	Number of Individual Equities Held	48	506
Year to Date Return	22.94%	23.07%	-0.13%	Number of ETFs Held	21	0
1 Year Trailing Return	12.36%	14.30%	-1.94%	Weight in Individual Equities	63.77%	99.96%
3 Year Trailing Return (Annualized)	13.54%	14.78%	-1.24%	Weight in ETFs	34.09%	0.00%
5 Year Trailing Return (Annualized)	10.46%	10.69%	-0.23%	Weight in Options	0.00%	0.00%
Since Inception Return (Annualized)	7.95%	8.79%	-0.85%	Weight in Cash	2.14%	0.04%
				Wtd. Avg. 2 Year Beta to S&P 500	0.97	1.00

### Sector Returns

Monthly Sector Returns: Portfolio vs. Benchmark

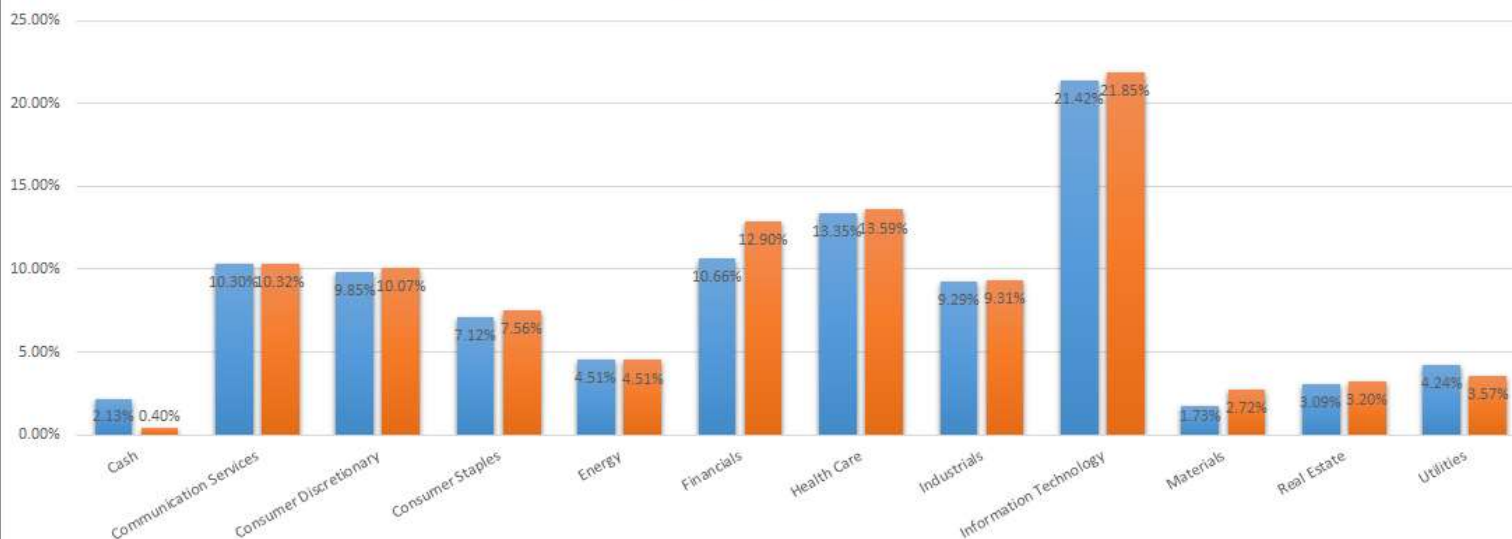
■ Portfolio ■ SPDR Sector ETF



### Sector Weights


Sector Weights: Portfolio vs. Benchmark

■ Portfolio ■ Benchmark



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1150 Douglas Pike  
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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	179.61	\$	61,247.01	4.22%	\$32,810.58	\$28,436.43	
APPLE INC		AAPL	218	256.38	\$	55,890.84	3.85%	\$27,918.40	\$27,972.44	
ALPHABET INC CAP STK CL A		GOOGL	32	1288.49	\$	41,231.68	2.84%	\$14,279.82	\$26,951.86	
MISCROSOFT CORP INC		MSFT	236	144.73	\$	34,156.28	2.36%	\$30,505.52	\$3,650.76	
DISNEY WALT CO		DIS	247	132.92	\$	32,831.24	2.26%	\$22,671.31	\$10,159.93	
JPMORGAN CHASE & CO		JPM	245	128.9025	\$	31,581.11	2.18%	\$24,553.70	\$7,027.41	
BANK OF AMERICA CORP		BAC	975	32.39	\$	31,580.25	2.18%	\$16,140.89	\$15,439.37	
CISCO SYS INC COM		CSCO	570	47.565	\$	27,112.05	1.87%	\$22,340.94	\$4,771.11	
AMAZON INC		AMZN	15	1810.093	\$	27,151.40	1.87%	\$27,475.23	-\$323.83	
TJX COS INC NEW COM		TJX	440	58.375	\$	25,685.00	1.77%	\$15,514.95	\$10,170.05	
Exchange Traded Funds		Ticker	Shares	Price	Market Value		% of Portfolio	Historical Cost	Unrealized Gain/Loss	
SECTOR SPDR TR SHS BEN INT TECHNOLOGY		XLK	590	\$ 85.04	\$	50,173.60	3.46%	\$ 31,078.05	\$19,095.55	
SPDR SER TR S&P INS ETF		KIE	1225	\$ 34.63	\$	42,421.75	2.93%	\$ 34,410.15	\$8,011.60	
SELECT SECTOR SPDR TR HEALTH CARE		XLV	418	\$ 94.88	\$	39,657.75	2.73%	\$ 33,453.84	\$6,203.91	
ISHARES TR U.S. MED DVC ETF		IHI	150	\$ 248.75	\$	37,312.04	2.57%	\$ 25,910.61	\$11,401.43	
SPDR S&P 500 ETF TRUST UNIT SER 1 S&P		SPY	109	\$ 307.46	\$	33,513.14	2.31%	\$ 31,646.71	\$1,866.43	
SECTOR SPDR TR SHS BEN INT CONSUMER STAPLES		XLP	521	\$ 60.64	\$	31,593.44	2.18%	\$ 28,532.43	\$3,061.01	
SELECT SECTOR SPDR TR CONSUMER DISCRETIONARY		XLY	250	\$ 121.66	\$	30,415.00	2.10%	\$ 21,646.91	\$8,768.09	
SECTOR SPDR TR SHS BEN INT UTILITIES		XLU	449	\$ 63.49	\$	28,504.77	1.97%	\$ 24,516.79	\$3,987.97	
SELECT SECTOR SPDR TR RL EST SEL SEC		XLRE	675	\$ 38.82	\$	26,203.50	1.81%	\$ 23,161.48	\$3,042.02	
SELECT SECTOR SPDR TR COMMUNICATION		XLC	422	\$ 51.18	\$	21,597.96	1.49%	\$ 19,502.97	\$2,094.99	
Cash					\$	31,022.62	2.14%			
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		13.61%	14.06%	3.57%	-0.24	0.97	0.94	-1.48%	7.21	0.50
1 Year Trailing		18.34%	16.86%	2.44%	-0.80	0.99	1.08	-3.10%	9.30	0.55
3 Year Trailing		12.58%	12.02%	2.11%	-0.59	0.99	1.03	-1.72%	8.64	0.71
5 Year Trailing		11.87%	11.89%	2.64%	-0.09	0.98	0.97	0.06%	5.80	0.48
Monthly Performance Attribution Results		Portfolio	Benchmark	Excess	Top 5 Return Contributors			Bottom 5 Return Contributors		
Total		1.82%	2.21%	-0.39%	Ticker	Weight	Return Contrib.	Ticker	Weight	Return Contrib.
Return Contribution from Sector Allocation		1.97%	2.06%	-0.10%	AAPL	3.79%	0.3850%	HAS	1.36%	-0.3046%
Alpha from Equity and ETF Selection and Trading		-0.15%	0.00%	-0.15%	V	4.27%	0.1664%	BUD	0.73%	-0.1332%
Alpha from Option Selection and Trading		0.00%	0.00%	0.00%	BAC	2.13%	0.1459%	WMB	0.91%	-0.0728%
Income from Cash Account		0.00%	0.00%	0.00%	JPM	2.14%	0.1419%	KIE	2.95%	-0.0724%
Tracking/Rounding Difference		0.00%	0.15%	-0.15%	XLV	2.77%	0.1401%	CSCO	1.89%	-0.0629%
		Bryant University 1150 Douglas Pike Smithfield, RI 02917-1284 <a href="http://aif.bryant.edu">http://aif.bryant.edu</a>				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.				