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### The Archway Investment Fund Semi Annual Report, May 2012

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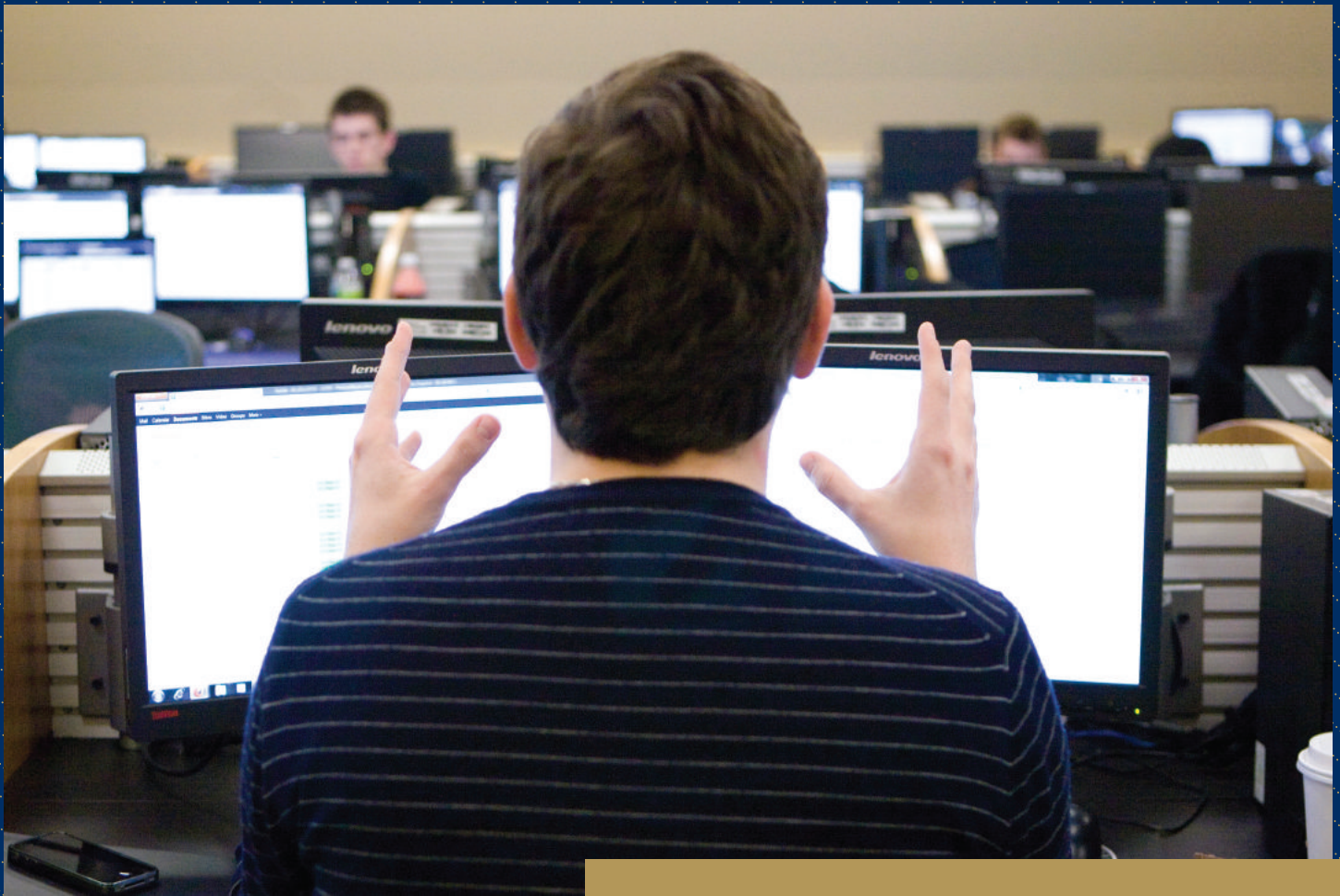
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Bryant University, Archway Investment Fund, "The Archway Investment Fund Semi Annual Report, May 2012" (2012). *Archway Investment Fund*. Paper 13.  
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## The Archway Investment Fund

BRYANT UNIVERSITY

*Semi-Annual* REPORT • SPRING 2012

## Message from the President and Mrs. Machtley

The Archway Investment Fund was established to provide Bryant University students the experience and competitive advantage of making real world investment decisions - exactly like investment managers around the world. Based on this idea, the faculty, led by Professor David Louton, have developed a sophisticated pedagogy and set of investment protocols to create a world-class course on investment strategy.

The University provided an initial fund and annual augmentations (now over \$650,000) to provide students the real-world experience of investing in financial markets. By applying the discipline of sector analysis and benchmark comparison, the students come to appreciate how theory and practice come together in real-time and in real-life. Managed by a student-led executive committee, the security analysis for the Fund, which is incorporated into a three credit course (Finance 450), provides a unique and powerful academic experience. In the follow up course, Finance 454, student portfolio managers begin to develop the perspective of seasoned professionals by the time the semester is complete. Through exposure to best-of-class investment practices in the financial world, Bryant students gain a real 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. It gives us great pride to watch our distinguished faculty and students actively contribute to this important field of knowledge.

We are very proud of the students and faculty who have made the Archway Fund such a successful model blending academic theory and real-world experience. Well done and congratulations.

Ron and Kati Machtley



***"Individuals who cannot master their emotions are ill-suited to profit from the investment process."***

~John Maynard Keynes





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## Investment Advisory Board

### **Rodney Baillargeon '76**

*Senior Vice President, Portfolio Manager*  
Bank of America

### **Nicholas Bohnsack '00**

*Operating Partner and Investment Strategist*  
Strategas Research Partners, LLC

### **Jonathan Burke '03**

*Senior Investment Analyst*  
Amica

### **Todd Carey '00 MBA**

*Vice President*  
J.P. Morgan Private Bank

### **J. Steven Cowen '69**

*Owner and Principal*  
Cowen & Associates

### **Michael Fisher '67**

*Chairman, Board of Trustees*  
Bryant University

### **Andrew Goldberg '03**

*Vice President*  
J.P. Morgan Asset Management

### **Kristen Goldberg '05**

*Assistant Vice President*  
Citi Private Bank

### **Frank Guest '06**

*Senior Financial Analyst*  
Hartford Investment Management Company

### **David Louton**

*Associate Dean, College of Business*  
*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

### **Peter Nigro**

*Sarkisian Professor of Financial Services*  
Bryant University

### **Peter Phillips**

*Vice President and Investment Officer*  
Washington Trust Investors

### **Jerry Porter**

*Director, Business and Industry Training*  
Fidelity Investments

### **Steven Rogé '03**

*Portfolio Manager*  
R.W. Rogé & Company, Inc.

### **Louis Silk '99**

*NYSE Sales Trader*  
Dermott Clancy, Inc.

## Investment Objective

Our goal is to achieve a risk adjusted return that is equal to or exceeds the S&P 500 benchmark, using the Sharpe ratio to measure risk and the portfolio's risk adjusted performance. We implement a value based, active management strategy that focuses on finding companies with fundamental indicators that are better than industry averages. These fundamentals, ranked in importance, include: beta, price to earnings, return on equity, dividend yield, return on assets, price-to-book value, and price to sales.

### What We Do

- We buy companies trading below their intrinsic value with fundamental indicators better than their industry averages.
- We hold companies trading below their intrinsic value that have fundamentals around their industry averages.
- We sell companies that fall below the fundamentals of their industry averages.

### How We Do It

Our process for determining intrinsic value employs quantitative and qualitative analysis. We identify companies with favorable criteria such as financial ratios, operating metrics, stock metrics, operating margins, and growth.

When we believe a stock meets these criteria, we apply qualitative analysis. This includes researching a company to identify the following: business models, company strategy, governance, market factors, global diversification, and business segment diversification.

Once this research has been conducted, and we believe a company meets our Investment Objective, we build financial models to calculate the intrinsic value of a company.

In an attempt to outperform the S&P 500 benchmark, we plan to investigate American Depositary Receipts and invest in international companies. Additionally, we will use covered options to hedge risk and generate excess return.

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

~Charlie Munger, Vice Chairman, Berkshire Hathaway

## Archway Investment Fund Performance

The Archway Investment Fund underperformed the S&P 500 index by 65 basis points, or .65% over the three months ending on March 31, 2012. When compared to the dynamic benchmark, the Fund underperformed by 8 basis points, or .08%.

The Archway Investment Fund's overall close performance to the dynamic benchmark indicates that our analysis accurately forecasted industry trends, which translated into collective portfolio gains. The dynamic benchmark is calculated using the fund's actual sector weights. These weights are used to determine what the performance of the Fund would have been if all resources were solely invested in sector SPDRs. Furthermore, the Morningstar style box indicates that the Fund increased its position in large-cap equities, significantly increasing the amount of large-cap blend stocks, while decreasing the amount of large-cap growth and value stocks. Meanwhile, the Fund's position in mid-cap stocks decreased, while the position in small-cap stocks increased.



### Annualized and Risk Adjusted Returns

Fund	YTD Return	Annualized YTD Return	YTD Differential Return	Annualized Differential Return	Beta	Standard Deviation	Sharpe Measure	Treynor Measure
Archway Investment Fund	11.35%	45.40%	-0.65%	-2.60	0.91	18.24%	0.61	0.041
Dynamic Benchmark	11.92%	47.68%	-0.08%	-0.32%	1.03	33.50%	0.35	0.038
S&P 500 Index	12.00%	48.00%	-	-	1.00	33.46%	0.35	0.040

*"Successful investing is anticipating the anticipations of others."*

~John Maynard Keynes (1883-1946), British economist



**Business Spending:** Solid growth in business investment in 2011 is expected to slow in 2012, as businesses show some caution investing in or buying big-ticket items. Business spending (which comprises investment in buildings, equipment, and software) is expected to grow by 6% in 2012, after growing by 8% in 2011. While not bad in an average year, this number is growing at a disappointing pace after the steep fall of the Great Recession in 2007, which slashed such investment by 19%. Even after a 17% gain in 2010, business investment is still running behind the level reached in 2007. The recent infusion of capital into the European banking system eases concerns about a global financial crisis. Congress seems to be moving toward a full-year extension of the payroll tax cut, which would remove a cloud over consumer spending. Japanese companies are again venturing offshore, and this time a new breed of business is striking deals overseas (targeting the U.S.). We believe business spending will gradually increase with the help of stimulation of money circulation in the economy.

**Inflation:** The Federal Reserve has announced its goal is to keep inflation at 2% for the next year in order to foster long term stability as well as moderate long term interest rates. Chair of the Federal Reserve and the Federal Open Market Committee, Ben Bernanke said on January 25<sup>th</sup>, 2012 that “the statutory mandate of the FOMC is to promote maximum employment, stable prices, and moderate long term interest rates.” We think Bernanke and the FOMC will be successful at using monetary policy tools in order to maintain a 2% inflation rate. Further, consumer spending, GDP, and job-market activity should show signs of improvement over the next six months.

**Interest Rates:** Ben Bernanke, representing the Federal Reserve, has stated that it is very unlikely we will see a raise in interest rates before 2014. Bernanke and the Federal Open Market Committee have not ruled out a third round of bond purchases to try and bolster the sluggish economy. Currently the Federal Funds Rate is around zero to ¼%, and we are confident that this number will not change between now and the end of quarter 2. As the economy continues to recover, rates will modestly edge upward even as the Fed continues to put downward pressure on long-term rates. Although this rate is extremely low, we do not see an increase in lending during the upcoming months. This is because banks will continue to build a surplus of money in order to hedge against the uncertainty that is always present during an election year.

**Employment:** In January of 2012, employment rose by 243,000 and the unemployment rate decreased to 8.3%. This is down from 8.5% in December and has fallen .8% since August. We see this number continuing to fall as the market becomes more bullish over the next six months. Hurdles to a decreasing unemployment rate include: an Asian economic slowdown, a European recession,

and consistent weak housing demand in the United States. We believe the unemployment rate will drop to 8.1% and the areas that will add the most positions will be construction, manufacturing, retail, and healthcare. This would lead to both GDP and consumer confidence increasing or the rest of 2012.

**U.S. Trade Deficit:** U.S. exports are expected to continue to grow in 2012, although at a slightly slower pace than in 2011. The drop in exports in November to \$177.8 billion, down 0.9% from October and the second consecutive monthly decline, foreshadows more export sluggishness in the first quarter of 2012 as shipments to Europe continue to drop. The 27 members of the European Union make up the United States' largest trading partner, consuming about 15% of U.S. exports. Slower growth in emerging markets is also playing a role in reducing demand for U.S. goods. However, we expect exports to rebound in the second half of 2012, finishing the year up about 12%, compared with a 15% pace in 2011.

**The European Debt Crisis:** The debt crisis in Europe has dampened the U.S. recovery and remains a major concern. The European Commission forecasts real GDP growth at a meager 0.6% for 2012. Real GDP in the U.S. is forecasted to increase 1.8% from 2011 to 2012 according to S&P, projecting the slowdown of the major economies. The U.S. prime money market fund (MMF) exposure trends to European banks continued stabilization in February 2012, according to a Fitch Ratings report. Fitch believes a balance appears to be emerging after the relatively large reductions in allocations to Eurozone banks during the second half of 2011. Reuters - “European Central Bank President Mario Draghi said he was against any suggestion of Greece leaving the Eurozone because that would not solve the country's woes and would lead to higher inflation as well as instability in Greece.” We believe the Eurozone debt is still fragile. Further actions from the EU leaders to tackle bailout fund will set the stage for the future of the Eurozone.



## Thoughts from Professor Dowling

It has been a pleasure for me to spend a semester with the Archway students again. These student portfolio managers didn't rush headlong into transactions; they took time to come together as a group around a set of investment objectives balancing risk and return. They worked diligently to refine their understanding of what they owned, what they felt required to sell, and what fit their criteria to buy. It's no surprise that developing sell criteria for securities they chose to buy or hold required a different kind of thought process.

There are no behavioral finance lessons better than those we learn through our own security selection as private investors and as managers of our client's money. The deep holistic learning for the student portfolio managers happens in the Archway Investment Fund while making and carrying out financial decisions in full view of your peers and your client (Bryant University). This group is full of bright enthusiastic teammates who have pulled for one another and challenged one another. The result as I write this is that the students are up nicely in the first quarter with about 12% less risk than their benchmark—a prudent strategy considering the employment numbers, the Eurozone, the landmark case before the Supreme Court challenging the healthcare law, and a presidential election year.

This semester the portfolio management students elected to follow a value approach in their Investment Objective. They wrote their own security research from the top-down viewpoint, and then revisited their sector reports with a bottom-up approach. Ultimately, drawing from the strengths of the team they wrote a third comprehensive research report that will be available in a digital archive at the library along with past Archway Investment Fund reports. We hope all past, present and future friends of the Archway Investment Fund will enjoy accessing this delightful growing body of student work.

*~Professor Maura Ann Dowling, CFP*



## Thoughts from Professor Inci

Archway Investment Fund courses offer great opportunities for Bryant University Finance students in applying their knowledge to real life investment decisions. The students face very similar challenges as those confronted by investment professionals. The increase in the financial markets over the last few months are coupled with new uncertainties such as those related to the upcoming elections in the U.S., the future of the healthcare bill at the Supreme Court, and the middle to longer term reactions to the Eurozone policies attempting to avert the debt crisis. The dynamic economic and investment environments will encourage students to update their portfolios and to search for different and better investment decisions and trading recommendations. All these challenges are additional learning opportunities for students.

*-A. Can Inci, Associate Professor of Finance, Bryant University College of Business*



## Letter from the Executive Committee

We oversaw many initiatives during the first quarter of 2012 that aimed to improve the Archway Investment Fund with respect to our performance as well as the experience in the classroom. We have continued to hold a value-based active management strategy that is in line with our Investment Policy Statement. This led us to crafting an Investment Objective which we now use to describe our methodology for measuring risk and when to initiate trades. We have made significant strides in improving compliance by better understanding our current holdings and updating the method we use for making trades. In addition, the creation of several new committees to plan our final presentation, write covered calls, and research the macroeconomic environment helped us make more informed decisions.

It took all of us some time to adjust to our new roles as portfolio managers due to the fact that we were still in analyst mindsets. Our professor, Maura Dowling, facilitated several in-class exercises that provided us with a paradigm shift regarding our roles. Soon after, we began to develop the personas of managers and started using the proper terminology to reflect our value strategy.

The most important initiative we took on this semester was improving communication between the portfolio managers and the security analysts. For instance, portfolio managers taught the analysts stock screening, research tools, and valuation methods. Likewise, the portfolio managers are reviewing the analysts' stock valuations more carefully in order to decide whether to buy or sell. Each sector is working more closely with one another, which has improved the function of the Fund.



(L-R) Tim Figueredo, Erik Budlong, Fan Zhou, Parker Williams. Not Pictured: Matt Mineose

***"We're not a horse in Central Park. We're hunters, so your peripheral vision better be damn good."***

~Theodore Banttinen

# Securities Analysis



## Securities Analysis — FIN 450

### 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





## Portfolio Management — FIN 454

### 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 Policy Statement development





## Financial Sector

The Financial Sector is comprised of firms that provide products and services to commercial, institutional, and retail customers. The four primary subsectors include diversified financials, banking, insurance, and real estate investment trusts (REITs). The Financial Sector has experienced continued uncertainty and volatility following the financial crisis of 2008. A potential default in the Euro-zone created great uncertainty in the Financial Sector. Despite these negative indicators, credit markets and bank lending have begun to improve, along with an improved housing market.

In the spring of 2012, The Financial Sector primarily focused on investing in financial institutions with high intrinsic value and international exposure through American Depository Receipts (ADRs). Overall, we have a positive outlook for the Financial Sector through the end of the 2012, with potential for continued strong rebound from the recession. The improving mortgage market, increasing small business loan demand, and rise in business spending are key drivers that are expected to contribute to the success of the financial industry through the end of the year. However, fears of a Euro-Zone collapse and default have depressed the industry in recent months. For these reasons, we believe the Financial Sector should be overweight or market weight relative to the S&P 500 benchmark.

More specifically, we have chosen to maintain exposure to the REIT industry, with a direct focus on equity REITs as these investments look to continue to be prosperous and provide very attractive dividend yield. In addition to REITs, we have continued exposure to the banking subsector, as we believe it may be systematically undervalued. Lastly, we have sought to expand our international exposure through the use of ADRs to gain more exposure to investments outside our benchmark, XLF.

### SECURITY ANALYSTS



(L-R) Nick Gentile, Hanna Nguyen, Brittany Ballou, Adrian Leon

### PORTFOLIO MANAGERS



(L-R) Alex Wong, Nick Testa  
Not Pictured: Matt Mineese

Financial Sector Returns (YTD): 18.58%

SPDR (XLF): 22.46%

## Trades

Sector	Date	Ticker	Stock Name	Trade	Quantity	Price
Financial	2/22/2012	CB	Chubb Corp.	Buy	250	\$ 68.66
Financial	2/22/2012	RGA	Reinsurance Group of America Inc.	Sell	319	\$ 57.52
Financial	3/1/2012	GS	Goldman Sachs	Sell	259	\$ 121.19

## Current Holdings

Sector	Purchase Date	Ticker	Name	Shares	Purchase Price	Current Price	Stock Weight in Portfolio	YTD % Change	HPR % Change
Financial	2/25/2011	REZ	iShares FTSE NAREIT	399	\$ 41.43	\$ 46.41	2.67%	4.95%	12.02%
Financial	2/22/2012	CB	Chubb Corp	250	\$ 68.66	\$ 69.11	2.56%	-0.16%	0.66%
Financial	9/29/2011	BLK	BlackRock Inc.	147	\$ 151.66	\$ 204.90	4.38%	14.96%	35.10%
Financial	4/23/2010	JPM	JPMorgan Chase & Co.	712	\$ 44.94	\$ 45.98	4.61%	38.29%	2.31%

*"No matter how great the talent or efforts, some things just take time. You can't produce a baby in one month by getting nine women pregnant."*

~Warren Buffett, Chairman and CEO, Berkshire Hathaway



## Technology Sector

The Technology Sector is composed of companies primarily involved in industries such as computer software, hardware, IT services, telecommunications, and internet. Over the past few months, the Technology Sector has operated cautiously. Although the market has experienced strong growth in recent months, we are not certain how long this trend will continue. As a result, we chose to hold securities with low betas and diversified market exposure to reduce downside risk.

The technology holdings maintained in the Fund represent securities that are low risk in industries we expect to grow. We believe that over the long-term, growth opportunities exist in the IT services and telecommunications industries. Based on this outlook, we continue to hold IT services companies Cognizant Technology Solutions Corporation and IBM. Cognizant offers the Fund exposure to IT outsourcing services and emerging markets and is positioned to benefit from an improving economic environment, when businesses increase their spending on IT services. Similarly, IBM offers international exposure as well as the opportunity to benefit from advancements in the field of cloud computing. Vodafone Group Plc represents the sector's exposure to the telecommunications industry. Vodafone continues to be held in the Fund due to

its low price volatility and healthy dividend yield which is backed by strong cash flows. Google Inc. is the final holding of the Technology Sector. Google continues to be held in the Fund due to the company's low price volatility and exposure into multiple technology industries.

Going forward, the Technology Sector should continue to hold low beta securities that will protect against potential losses in the current volatile environment. As the economy continues to improve and the market sees lower volatility, higher beta stocks may be considered. In addition, we believe the IT services, telecommunications, and computer software industries offer the greatest growth opportunities as both businesses and consumers seek innovative products and services that increase productivity. Companies with international exposure, preferably in emerging markets, should be held as this reduces the risk of negative performance due to underperformance in a single market. By implementing this strategy, we believe price stability while achieving a modest risk adjusted return can be achieved.

### SECURITY ANALYSTS



(L-R) Mike Pentz, Daniel Fernandez-Muniz, Alex McKelvey, Sahil Khurana, Barrett Brooks

### PORTFOLIO MANAGERS



(L-R) Jason Clinton, Tim Drechsler-Martell, Samir Kothari

Technology Sector Returns (YTD): 10.87%

SPDR (XLT): 19.76%

## Trades

Sector	Date	Ticker	Stock Name	Trade	Quantity	Price
Technology	2/13/2012	GME	GameStop Corp.	Sell	250	\$ 22.97
Technology	2/22/2012	NVDA	NVIDIA Corp.	Sell	1618	\$ 16.14
Technology	3/28/2012	MSFT	Microsoft	Sell	766	\$ 32.07

## Current Holdings

Sector	Purchase Date	Ticker	Name	Shares	Purchase Price	Current Price	Stock Weight in Portfolio	YTD % Change	HPR % Change
Technology	11/2/2011	IBM	IBM Inc.	128	\$ 173.29	\$ 208.65	3.82%	13.47%	20.41%
Technology	11/2/2011	VOD	Vodafone Group PLC	1068	\$ 25.70	\$ 27.67	4.25%	-1.28%	7.67%
Technology	12/18/2009	GOOG	Google Inc. Cl A	57	\$ 596.42	\$ 641.24	5.28%	-0.72%	7.51%
Technology	3/28/2012	MSFT	Microsoft	766	\$ 32.07	\$ 32.26	3.49%	24.27%	0.59%
Technology	9/29/2011	CTSH	Cognizant Technology Solutions	394	\$ 65.05	\$ 76.95	4.39%	19.65%	18.29%







## Industrials Sector

The Industrials Sector consists of companies that provide industrial and commercial supplies and services, diversified trading, distribution operations, and transportation services. We saw the potential for value investments in a few industries within the sector, such as road and rail, construction and engineering, and machinery. We believe that many companies in these industries were undervalued, and showed financial strength and stability. These areas should continue to benefit from increased operations in emerging markets and effective cost cutting initiatives.

Based on our outlook, some changes were made to the sector's holdings in order to become better aligned with the Fund's Investment Objective. For instance, the sector sold its entire stake in 3M Company as the security analysts' assessment showed that the company was overvalued. Also, 3M is in an industry which we believe will not produce a positive alpha for the sector in the foreseeable future.

The sale of 3M allowed us to invest in a very dynamic rail transportation company, CSX Corporation. We determined this company is undervalued and in an industry that is poised to have a lot

of positive performance. We continue to keep an eye on Honeywell Incorporated, which we have placed a stop loss order on at \$55, as the stock price has shown resistance near \$60. This stop loss order will allow us to lock in our gains on the stock, and also benefit further if the company is able to break resistance coming off one of its best performance years in recent history.

In order to provide the fund with a positive alpha through value investments, we will continue to look to invest in companies in the areas that we believe are poised for growth. However, we are open to investing in other industries if we determine those companies are in line with the Fund's Investment Objective. We believe that the Greek debt crisis will continue to resolve and emerging market growth will present numerous investing opportunities.

### SECURITY ANALYSTS



(L-R) Mark Ortelle, Alex Bigelow, Jenifer Dilapi, Brian Hardeman, Corey Silva

### PORTFOLIO MANAGERS



(L-R) Brett Millier, Alena Korshunova, Jordan Brown, Kee Ming Yeung

Industrials Returns (YTD): 16.86%

SPDR (XLI): 11.59%

## Trades

Sector	Date	Ticker	Stock Name	Trade	Quantity	Price
Industrials	3/8/2012	MMM	3M Co.	Sell	143	\$ 86.52
Industrials	3/8/2012	CSX	CSX Corp.	Buy	610	\$ 20.63

## Current Holdings

Sector	Purchase Date	Ticker	Name	Shares	Purchase Price	Current Price	Stock Weight in Portfolio	YTD % Change	HPR % Change
Industrials	3/7/2011	FDX	FedEx Corp.	320	\$ 90.71	\$ 91.96	4.21%	10.12%	1.38%
Industrials	3/8/2012	CSX	CSX Corporation	610	\$ 20.63	\$ 21.52	1.98%	2.18%	4.31%
Industrials	3/10/2009	HON	Honeywell International Inc.	191	\$ 26.93	\$ 61.05	1.66%	12.33%	126.70%
Industrials	10/11/2011	CMI	Cummins Inc.	161	\$ 95.75	\$ 120.04	2.73%	36.38%	25.37%





## Consumer Discretionary and Staples Sector

The Consumer Staples Sector is considered a stable area of the market and is utilized in portfolios as a safety net to regulate market variations. Companies within this sector produce items that are considered basic needs for consumers and follow a non-cyclical demand that is fairly constant. The Consumer Discretionary Sector relies greatly on the spending decisions made by individuals, which tend to be based on the perceived strength of the economy. The sector comprises products that are not considered consumer necessities.

Recent indicators have been pointing towards a slow economic recovery in the U.S. and abroad. The general consumer's spending power on a macro level is directly tied to unemployment levels, which have declined slightly for each of the last five consecutive months, reaching 8.3% in January (the lowest since February 2009). Earlier this year we witnessed inflationary pressures on gasoline prices and certain other commodities. The unemployment rate is expected to stay above 8% over the next 6 months, indicating that consumer spending and discretionary income will not change drastically. The end of 2011 showed an increase in consumer confidence noted in The Conference Board's Consumer Confidence Index which rose through November and December. January figures were not as optimistic, as the Index fell 3.7 points from the previous month to 61.1. As a result of our interpretations of the key economic indicators, we intend to overweight the Consumer Discretionary and Staples Sectors.

Our goal as a sector group this semester has been to select companies with some international exposure, but healthy brand recognition in the U.S. Our holdings consist of well-known firms that focus on providing relatively inexpensive products in order to take advantage of any substitution or trade down effects during the economic recovery. While high net worth individuals continue to benefit from historically low interest rates, we feel the majority of consumers have been tightening their purse strings. This has benefited firms in certain areas of retail that place emphasis on providing consumers cost savings. Much of our outlook also has to do with the financial turmoil being witnessed internationally in Greece, Spain, Portugal and the rest of the EU. Besides the uncertainty, this sovereign debt crisis will cause lackluster demand for U.S. goods and services and act as a major headwind towards the recovery.

Moving forward, we will continue seeking securities with low betas, and P/E ratios and dividend yields better than industry averages. We will also continue investing in quality companies that perform well during slow economic growth as well as those that do not show signs of high volatility. This semester we also began to expand our holdings in international companies through the purchase of an ADR. In the future, we hope to allocate more of our assets in international companies that align with investing goals. Consistently reviewing the conditions of the economy, specifically consumer confidence and discretionary income, is essential when seeking diversified companies that would be beneficial for the portfolio.

### SECURITY ANALYSTS



(L-R) Mark Texiera, Zoe White, Malvika Tibrewala, Greg LeBorgne

### PORTFOLIO MANAGERS



(L-R) David Peagram, Evan Bekasi, Shauna SKiba

Consumer Discretionary Returns (YTD): 7.87%      SPDR (XLY): 15.86%  
 Consumer Staples Returns (YTD): 0.16%      SPDR (XLP): 5.72%

## Trades

Sector	Date	Ticker	Stock Name	Trade	Quantity	Price
Staples	3/1/2012	NSRGY	Nestle SA	Buy	254	\$ 61.39
Discretionary	3/28/2012	SPLS	Staples	Buy	830	\$ 16.48
Discretionary	3/28/2012	MCD	McDonald's Corp.	Buy	54	\$ 97.34

## Current Holdings

Sector	Purchase Date	Ticker	Name	Shares	Purchase Price	Current Price	Stock Weight in Portfolio	YTD % Change	HPR % Change
Discretionary	2/25/2011	AAP	Advance Auto Parts Inc.	221	\$ 62.63	\$ 88.57	2.89%	27.20%	41.42%
Discretionary	9/30/2010	BIG	Big Lots Inc.	379	\$ 33.44	\$ 43.02	2.43%	13.93%	28.65%
Discretionary	10/25/2005	MCD	McDonald's Corp.	200	\$ 32.29	\$ 98.10	2.83%	-2.22%	203.81%
Discretionary	3/28/2012	SPLS	Staples	830	\$ 16.48	\$ 16.19	1.95%	16.56%	-1.76%
Discretionary	9/29/2011	JWN	Nordstrom Inc.	180	\$ 46.65	\$ 55.72	1.46%	12.09%	19.44%
Staples	4/20/2010	GIS	General Mills Inc.	323	\$ 35.32	\$ 39.45	1.84%	-2.38%	11.69%
Staples	11/9/2009	PG	Procter & Gamble Co.	191	\$ 61.61	\$ 67.21	1.87%	0.75%	9.09%
Staples	11/18/2010	MO	Altria Group Inc.	478	\$ 24.74	\$ 30.87	2.16%	4.11%	24.78%
Staples	3/1/2012	NSRGY	Nestle SA	254	\$ 61.39	\$ 63.00	2.26%	9.55%	2.62%
Staples	11/20/2007	KO	Coca-Cola Co.	232	\$ 62.30	\$ 74.01	2.47%	5.77%	18.80%

*"Money is very emotional."*

~Maura Dowling, Advisor, Archway Investment Fund





## Healthcare Sector

The Healthcare Sector comprises companies with opportunities in pharmaceuticals, managed care, medical devices and supplies, and facilities. We currently own securities in each of these four areas that show potential for healthy returns. Our outlook over the last quarter has been positive. This quarter our sector weighting has remained consistent with market weighting.

We have been able to capitalize on certain trends that were recognized during the previous quarter. One of the most prevalent macroeconomic trends we took advantage of was the declining unemployment rate. A lower unemployment rate means more people have health insurance, and can afford healthcare services such as retirement homes and elective procedures. We purchased the Ensign Group (ENSG), a small-cap skilled nursing facility with more than 100 retirement communities in the Western United States.

We have continued to hold Express Scripts, which is one of the largest pharmacy benefit management companies that specializes in retail network pharmacy management, home delivery services, specialty pharmaceutical services, and pharmaceutical plan design. There have been recent discussions about a possible merger between Express Scripts and Medco, another prominent pharmacy benefit management company. This would enhance Express Script's market share and profitability.

Covidian, a global healthcare products leader, has been profitable this quarter due to aging demographics in the United States, as well as increasing capital expenditure budgets for medical facilities. Covidien's international presence and large selection of medical devices has allowed this company to be an industry leader. We also see their pharmaceutical division spinoff as a positive aspect.

Healthcare reform has continued to provide areas of opportunity and uncertainty within the industry. Many of these effects will remain unknown for years to come, especially with the pending presidential election in November 2012. An understanding of the implications of the Patient Protection and Affordable Care Act will be crucial for the performance of the sector.

Going forward, we wish to strengthen our weighting in the pharmaceuticals sub-sector due to strong earnings estimates for the upcoming quarters. This is an area that the XLV, the Healthcare Sector SPDR, has been capitalizing on. It is vital to continue evaluating trends in order to discover undervalued securities within the sector.

### SECURITY ANALYSTS



(L-R) Ami Shah, Christina Destefanis,, Matt Quinn, James Lineburger

### PORTFOLIO MANAGERS



(L-R) Tim Figueredo, Pat Cronin

Healthcare Returns (YTD): 2.67%

SPDR (XLV): 8.79%

## Trades

Sector	Date	Ticker	Stock Name	Trade	Quantity	Price
Healthcare	2/15/2012	ENSG	Ensign	Buy	580	\$ 26.06

## Current Holdings

Sector	Purchase Date	Ticker	Name	Shares	Purchase Price	Current Price	Stock Weight in Portfolio	YTD % Change	HPR % Change
Healthcare	3/23/2010	MYL	Mylan Inc.	641	\$ 22.38	\$ 23.45	2.14%	9.27%	4.78%
Healthcare	9/28/2011	WLP	Covidien PLC	220	\$ 44.97	\$ 73.80	1.72%	11.40%	64.11%
Healthcare	4/20/2010	COV	Wellpoint Inc.	208	\$ 57.98	\$ 54.68	2.17%	21.48%	-5.69%
Healthcare	9/28/2011	ESRX	Express Scripts	341	\$ 38.33	\$ 54.18	2.83%	21.24%	41.35%
Healthcare	2/15/2012	ENSG	Ensign	580	\$ 26.06	\$ 27.16	2.28%	10.86%	4.22%

*"The stock market is filled with individuals who know the price of everything but the value of nothing."*

~Philip Fisher

*"That's a great metaphor, but I have no idea what it means!"*

~Timothy Figueredo



## Economic Analysis and Emerging Opportunities Sector

The Economic Analysis and Emerging Opportunities Sector (EEO) is responsible for investments in the Energy, Materials, and Utilities Sectors. Companies in the Energy Sector produce and develop natural gas and crude oil, as well as provide drilling and other energy related services. We are expecting strong oil prices and production continuing through 2013, which will generate higher earnings. International demand for deep-water drilling should continue to grow as well. Continued high storage levels and strong production of natural gas should keep prices low, which will depress U.S. gas drilling through 2012. We hold a positive view for oil refiners, and the strong demand for natural gas liquids (NGLs) has increased prices and production. Flowserve Corp. has surpassed its price target and continues to be a great stock to hold in our portfolio. We decided to sell Consol Energy since it was no longer in line with our Investment Objective.

The Materials Sector comprises firms involved in construction materials, packaging and containers, metals and mining, paper and forest products, and chemicals. The chemical industry as a whole has remained healthy. Specialty chemical companies should report organic growth as commodity costs have eased recently. Fertilizer and seed companies are expected to focus on emerging markets, as the markets in developed countries are, for the most part, mature. The demand for iron ore, coking coal, and nickel has been strong. The export of coal and metallurgical coal has had continued demand from China and India's industrialization. The combination of rising GDP and increased auto sales should increase demand and profitability for steel companies. We believe the housing market will

remain weak, with only slight improvement in the short term. However, residential spending should rebound after hitting a historical low. The recovering economy should also lead to modestly rising demand for corrugated packaging. Positive growth in the U.S. Monetary base and the M-2 money supply should act as a catalyst for a rise in the price of gold for 2012. Both Stepan Company and Praxair Inc. have offered the fund great returns. We have increased our position in Stepan because of its strong fundamentals.

Companies in the Utilities Sector generate, produce, distribute, or transmit electricity or natural gas. Nuclear power companies will continue to find difficulty in getting license extensions for their plants. This is due to the fact that the health of the Japanese nuclear power plant in Fukushima is still uncertain. Likewise, there will be continued scrutiny from regulators as companies try to acquire rate increases. Hot weather expected this summer should boost earnings for electric utilities. Since customers are faced with lower bills, they may be less inclined to conserve energy, which could add to earnings growth. We sold Southern Company after it had reached its price target and bought Duke Energy. We are confident Duke will be a valuable asset to the Utilities Sector in the long run.

### SECURITY ANALYSTS



(L-R) Michael Banville, Tyler Smith, Alyssa Wypychoski, John Zuluaga, Adam Doyle

### PORTFOLIO MANAGERS



(L-R) Chris Willson, Parker Williams, Fan Zhou, Erik Budlong  
Not Pictured: Joey Griffiths

Energy Sector Returns (YTD): 1.18%      SPDR (XLE): 4.80%  
 Materials Sector Returns (YTD): 8.23%      SPDR (XLB): 11.91%  
 Utilities Sector Returns (YTD): -0.86%      SPDR (XLU): -2.11%

## Trades

Sector	Date	Ticker	Stock Name	Trade	Quantity	Price
Utilities	2/9/2012	SO	Southern Company	Sell	321	\$ 44.65
Utilities	2/9/2012	DUK	Duke Energy Corp.	Buy	688	\$ 21.45
Energy	3/28/2012	CNX	Consol Energy Inc.	Sell	460	\$ 33.16
Materials	3/28/2012	SCL	Stepan Co.	Buy	78	\$ 88.69

## Current Holdings

Sector	Purchase Date	Ticker	Name	Shares	Purchase Price	Current Price	Stock Weight in Portfolio	YTD % Change	HPR % Change
Energy	2/25/2011	CVX	Chevron Corp.	267	\$ 102.10	\$ 107.21	4.10%	0.76%	5.00%
Energy	5/7/2010	STO	Statoil ASA ADS	385	\$ 21.39	\$ 27.11	1.48%	5.86%	26.74%
Energy	5/8/2009	FLS	Flowserve Corp.	95	\$ 74.38	\$ 115.51	1.60%	16.30%	55.30%
Energy	9/29/2011	HAL	Halliburton Company	353	\$ 30.52	\$ 33.19	1.69%	-3.82%	8.75%
Materials	11/24/2010	SCL	Stepan Co.	158	\$ 72.24	\$ 87.80	2.00%	9.53%	21.54%
Materials	5/8/2009	PX	Praxair Inc.	66	\$ 73.16	\$ 114.64	1.09%	7.24%	56.70%
Utilities	3/2/2011	NEE	NextEra Energy Inc	293	\$ 56.20	\$ 61.08	2.68%	0.33%	8.68%
Utilities	2/9/2012	DUK	Duke Energy Corp	668	\$ 21.45	\$ 21.01	2.04%	-4.50%	-2.05%

*"I've been following  
Chevron since I was in the  
fourth grade."*

~Parker Williams



# Archway Investment Fund Administrative Committees

## Reporting Committee

The Reporting Committee designs and creates the Archway Investment Fund Semi-Annual Report. This 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. The report contains sector reviews and outlooks, committee responsibilities, financial data, performance data and an economic outlook for the upcoming semester. The report is a culmination of the hard work that the students of the Archway Investment Fund have accomplished throughout the semester and is an excellent tool to display the skills that students have acquired. This semester the Committee spent a lot of time reformatting the style and content of the Report in an attempt to give it a fresh new look.

## Compliance Committee

The Compliance Committee is responsible for tracking the holdings of the Archway Investment Fund and determining whether the Fund is in compliance with the Investment Policy Statement. The committee must track metrics such as price targets, re-evaluation prices, security and sector weightings, market capitalizations, betas, and holding periods. This committee must fully understand the Investment Policy Statement and take actions with the portfolio accordingly. This semester the Committee updated our Google Docs spreadsheet so that it will provide students with updates on current holdings that more accurately portray our market position. The Committee also played a key role in developing the Investment Objective, which provides a clearer understanding of the Fund's investment approach.

## Portfolio Accounting Committee

The Accounting Committee is responsible for tracking the performance of the Fund throughout the semester and year. This includes tracking both the purchases and divestiture of positions, daily performance of current holdings, dividends received, and stock splits. These actions are cross-referenced with statements from our brokerage account with Fidelity, where we reconcile differences on a monthly basis. The Committee has made great efforts at finding more efficient and effective ways to collect information regarding the Fund's performance with respect to transactions that occurred.

## Marketing Committee

The Marketing Committee is responsible for promoting awareness of the Archway Investment Fund throughout the semester. The committee provides the needed communication between the Fund and the Bryant community. To promote awareness of the Fund on campus the Marketing Committee performed a variety of activities including visiting classes to explain the program to prospective students, as well as conducting interviews for new members. Special emphasis was placed on speaking to International Business classes in order to attract students with knowledge of international markets.

## Macroeconomic Committee

The Macroeconomic Committee is responsible for keeping the class aware of changes taking place in the global economy. It is important for us to be aware of interest rates, inflation, GDP, and other indicators which could adversely effect our investment decisions. Throughout the semester, the Committee has given updates on relevant global news occurrences that may affect our current holdings or present investment opportunities.

## Research Committee

The Research Committee is responsible for the creation of a research report outlining the investment strategies implemented by the sectors to achieve the Fund's Investment Objective. This research report served as a method to share economic trends, industry outlooks, and investment information across the sectors. Through the creation of the research report, we believe Securities Analysts and Portfolio Managers have a better understanding of the factors affecting the market and trends occurring in the other sectors.

## Ad-Hoc Options Committee

The Options Committee focused on using options strategies in order to provide additional income into the portfolio. The Committee explored the implementation of low risk strategies such as covered calls and protective puts on certain holdings. Since the Consumer Discretionary Portfolio Managers did not want to sell out of their strong position in Advance Auto Parts, the Committee placed a covered call on the security.

## Ad-Hoc Final Presentation Committee

The Final Presentation Committee is in charge of developing the framework and planning out the final semester presentation of the Archway Investment Fund. The Committee focuses on increasing attendance and making the overall presentation more dynamic and interesting. This semester the Committee has made an effort to include students from each sector in the preparation process so that everyone will be ready for the final presentation.

## The Ad-Hoc Committee Committee

The Committee Committee is in charge of thinking up new committees that may prove useful to the Archway Investment Fund's internal processes. The Options Committee, Final Presentation Committee, and Research Committee have complimented the other Administrative Committees very well. The Committee Committee will continue to be on the look-out for future committees as needs arise within the Portfolio Management class.



## Archway Investment Fund Performance Charts

### Archway Fund Morningstar Style Box

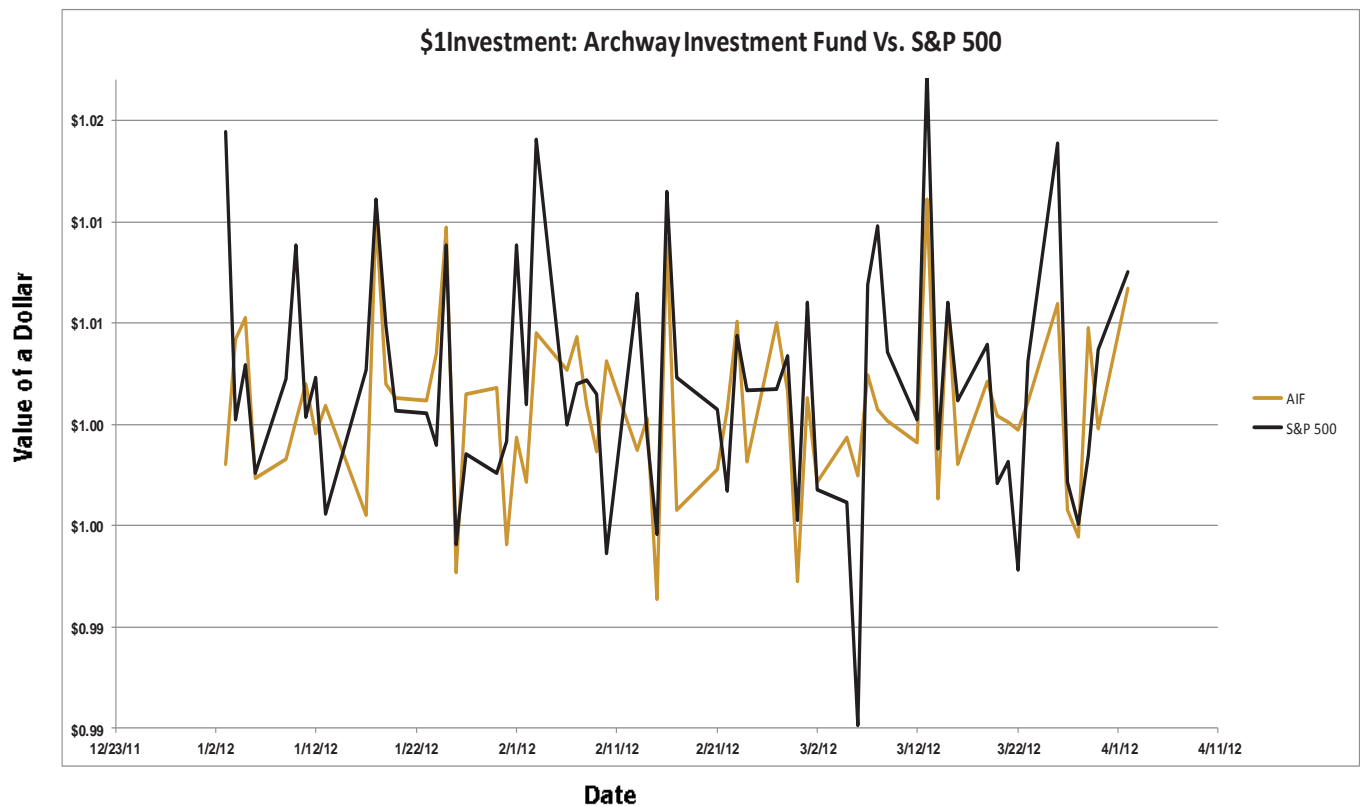
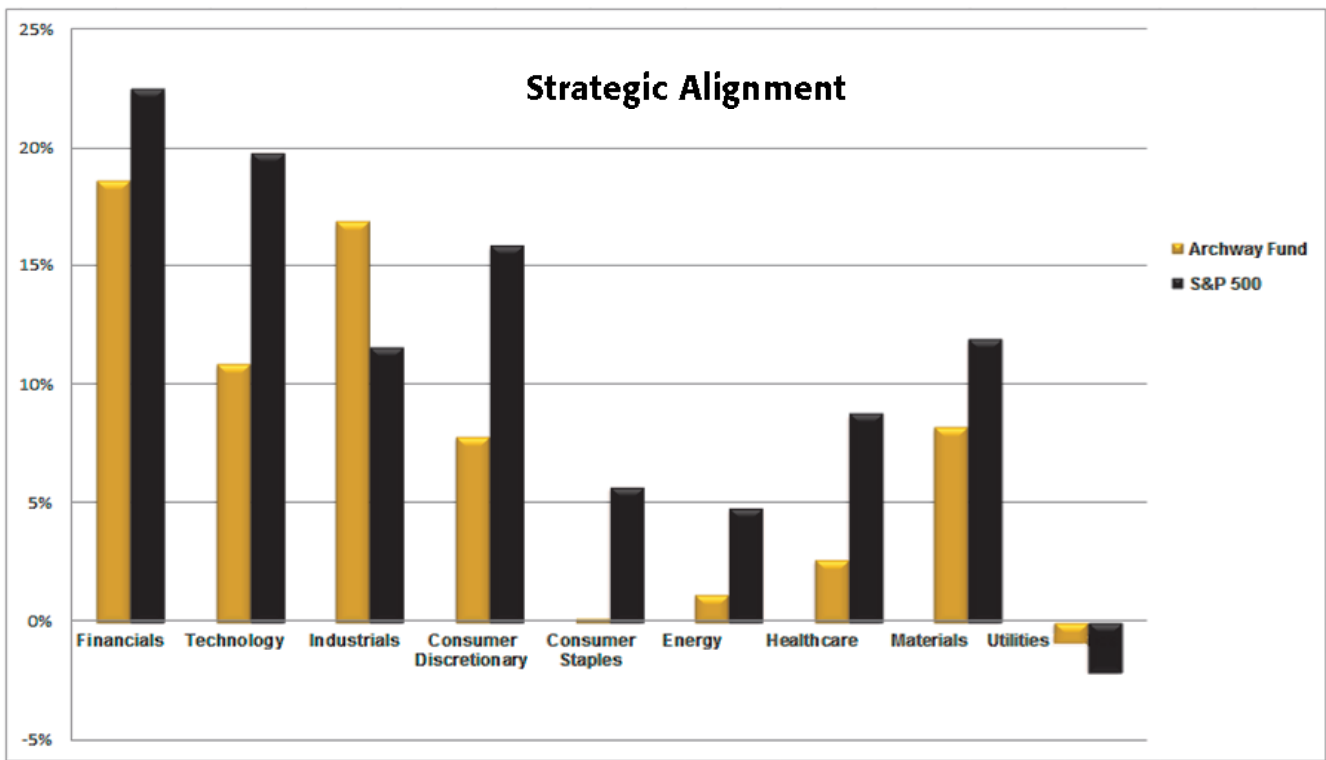
MARKET CAPITALIZATION	Large	19.08%	32.19%	25.23%
	Medium	1.94%	10.23%	2.89%
	Small	0.00%	4.26%	0.00%
		Value	Blend	Growth
VALUATION				

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.

### Year-to-Date Comparisons

Sector	Sector Weight	SPDR Weight	YTD Sector Returns	YTD Benchmark Returns	Sector Beta	Benchmark Beta
Financials	14.19%	14.80%	18.58%	22.46%	1.18	0.99
Technology	21.25%	23.47%	10.87%	19.76%	0.93	0.99
Industrials	10.53%	10.50%	16.86%	11.59%	1.46	1.00
Consumer Discretionary	11.57%	11.07%	7.83%	15.86%	0.78	1.01
Consumer Staples	10.60%	10.83%	0.16%	5.72%	0.44	0.99
Energy	8.81%	11.13%	1.18%	4.80%	1.14	1.00
Healthcare	11.10%	11.40%	2.67%	8.79%	0.90	1.00
Materials	3.08%	3.44%	8.23%	11.91%	1.09	1.00
Utilities	4.69%	3.38%	-0.86%	-2.11%	0.45	0.99
Cash	4.24%	-	-	-	-	-

This table displays returns for each sector portfolio along with the sector weights and beta, compared to those of the sector benchmark, as of March 31, 2012.





## Financial Services Forum

Bryant held its 7th Annual Financial Services Forum on March 27<sup>th</sup> in the Heidi and Walter Stepan Grand Hall. This event provides a great opportunity for students to gain insights from those in the investments industry.

The theme of the day was "Financial Market Disruptions: The Role of Public Policy and Electoral Implications." Nicholas Bohnsack '00, Operating Partner and Sector Strategist for Strategas Research Partners, acted as the moderator for a panel discussion on current market trends. The list of panelists included Robert Covino '92, Senior VP of Product Development, SSARIS Advisors, LLC; Betsey Purinton, Managing Director and CIO, StrategicPoint Investment Advisors; and Ognjen Sosa, Investment Strategist and Portfolio Manager, Pyramis Investment Advisors. Each panelist offered a unique perspective on market trends and macroeconomic indicators.

Following the panel was a great keynote address from Daniel Clifton, Partner at Strategas. He discussed how the upcoming presidential election will have serious implications on the economy. Mr. Clifton talked in great detail about how Strategas uses statistical information on economic and political trends to forecast who will be elected president as well as how the market will react.

Students from the Archway Investment Fund volunteered during the day by acting as ushers and MCs. Students also gave a brief presentation regarding the Fund's progress throughout the quarter.



**(L-R) Nicholas Bohnsack, Robert Covino, Betsey Purinton, Ognjen Sosa**



**(L-R) Matt Minese, Joey Griffiths, Taylor Wood**

## Rhode Island Foundation

On March 29<sup>th</sup>, four Archway Investment Fund portfolio managers traveled to The Rhode Island Foundation and met with Carol Golden, the Executive Vice President, and Michael Jenkinson, the Senior Vice President and CFO. Established in 1916, The Rhode Island Foundation is Rhode Island's only community foundation and is one of the oldest and largest in the country. The Foundation employs long-term investment strategies to ensure its endowment grows in perpetuity. Over the past decade, the Foundation has increased its investment position in equities and has expanded the portfolio to include emerging markets, alternative investments, and global fixed income assets. In 2010, the Foundation provided a record \$29.2 million in grants to its six funding sectors: Arts and Culture, Animal Welfare, Community and Economic Development, Education, Environment, Health, and Human Services.

The meeting was an excellent learning opportunity for the Archway Investment Fund portfolio managers to discuss the investment process of a nonprofit organization and see a different aspect of fund management. Topics included endowment management, asset allocation, and the spending policy of the investment portfolio. The Foundation works with the investment consultant firm Prime Buchholz and hires investment managers from various asset management companies to meet the Foundation's investment goals. The Archway Investment Fund would like to thank Carol Golden and Michael Jenkinson for hosting the meeting and sharing their experiences with managing the Foundation's investments.

For more information about The Rhode Island Foundation please visit their website at [www.rifoundation.org](http://www.rifoundation.org).



(L-R) Evan Bekasi, Chris Willson, Carol Golden, Michael Jenkinson, Alena Korshunova, Patrick Cronin

## Quinnipiac G.A.M.E. Forum

Members of the Archway Investment Fund (pictured) traveled to New York City to take part in an engaging financial services conference. The three day conference, Global Asset Management Education (G.A.M.E.), sponsored by Quinnipiac University, included panels of keynote speakers discussing the global economy and other hot topics in the financial world. The conference also presented workshops for students to further build their knowledge on dynamic topics in the finance world such as Risk Mitigation, Fixed Income Strategies, Starting and Running a Hedge Fund, among several other topics. The speakers in each workshop were experts on the topics discussed.

The conference culminated in the Student Run Portfolio Competition that pitted student-managed investment funds against each other. Out of the 50 schools competing, members of the Archway Investment Fund were chosen to present. They were assessed on fund performance, strategy, risk analysis, Investment Policy Statement, and overall presentation skills.



(L-R) Taylor Wood, Matt Mineese, Sarah Perlman, Joey Griffiths, Tim Figueredo

*"Since they only announced who came in first,  
we must have come in second place!"*

~Matt Mineese

## Special Thanks

Throughout the semester, the Archway Investment Fund students meet for a joint session on Thursday nights. At the beginning of the semester, the Portfolio Managers demonstrate to the Security Analysts how to give a proper stock pitch. As the semester progresses and the Security Analysts begin to better understand evaluation methods, they begin presenting stocks to the two classes.

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 time to share their insights with us in class and at other special events, such as the 7th Annual Financial Services Forum. In addition, we would like to thank Jane St. Onge, Marcia Beaulieu, Sue Wandyes, Amy Paul, Christina Senecal, Douglas Boone, and Jennifer Zevon for all their help and assistance with the Archway Investment Fund.

### Special thanks to the following guest speakers:

#### **Nicholas Bohnsak '00**

*Operating Partner and Sector Strategist*  
Strategas Research Partners

#### **Theodore Benttinen**

*First Vice President*  
UBS Financial Services

#### **Jon Burke '03, CFA**

*Senior Investment Analyst*  
Amica Mutual Insurance

#### **Mark Carrison '05**

*Senior Accountant*  
DiSanto Priest & Co.

#### **Bob Clark '94, CFA**

*Securities Analyst*  
Lord Abbett

#### **Daniel Clifton**

*Partner*  
Strategas Research Partners

#### **J. Steven Cowen '69**

*Principal*  
Cowen & Associates

#### **Robert Covino '92, CAIA**

*Senior VP of Product Development*  
SSARIS Advisors

#### **Ashley Fritz**

*Consultant*  
FactSet

#### **Matt Goehlert**

*Vice President of Institutional Sales*  
FactSet

#### **Brett Lousararian '07, CFA**

*Asset Management*  
Invesco

#### **Betsey Purinton**

*Managing Director and CIO*  
StrategicPoint Investment Advisors

#### **Ognjen Sosa**

*Investment Strategist and Portfolio Manager*  
Pyramis Investment Advisors

#### **Taylor Wood '12**

*Research Associate*  
Pyramis Investment Advisors



# Statement of Operations

January 1, 2012 through March 31, 2012

Market Value of Portfolio as of 1/1/2012	\$622,634.87
Income	
Dividends	\$3,783.01
Interest	\$ <u>          -</u>
	\$3,783.01
Less Expenses	
Trading Costs	<u>\$(142.66)</u>
	\$3,640.35
Increase (Decrease) in Market Value	<u>\$67,215.31</u>
Market Value of Portfolio as of 3/31/2012	<u>\$693,490.53</u>
<hr/>	
Realized Gain (Loss) on Investments	
Proceeds from Securities Sold	\$65,627.97
Cost of Securities Sold	<u>\$63,270.64</u>
Net Realized Gain (Loss) of Securities Sold	<u>\$2,357.33</u>

*"Compound interest is the eighth wonder of the world. He who understands it, earns it. He who doesn't, pays it."*

~Albert Einstein



*"I checked over the Archway  
students' numbers three times.  
Everything looks good!"*

~Ironclad Tupper I

## With Gratitude to Professor David Louton

In 2004 David Louton Ph.D., Professor of Finance and Coordinator of the C.V. Starr Financial Markets Center, had the idea to provide a hands-on investment experience for undergraduate finance majors. David visited several universities to get a better understanding of how the program could work. Then in 2005, from conception to implementation, The Archway Investment Fund began at Bryant University with a contribution of \$200,000. Today the Fund operates at just under \$700,000 and continues to grow.

The hands-on experiential curriculum covered in this 9-credit, two course sequence allows students to immerse themselves in the career path of a securities analyst and a portfolio manager over the period of a year. The program provides students with a distinctive advantage in the job market due to their experience in managing real money and using the state-of-the-art research resources in the C.V. Starr Financial Markets Center. Each year a new class is "hired" by the prior year students through the interview and application process that further teaches students how to evaluate and build a cohesive and talented successor team.

Professor Louton explored, designed, developed, and offered a truly unique professional learning program to undergraduate students through The Archway Investment Fund. His number one priority has always been to provide an optimal learning environment and his dedication consistently yields near perfect student evaluation scores.

In 2011, Professor Louton was asked to serve as the Associate Dean of the College of Business, which requires him to take a break from the teaching he loves.

*The past and present students of the Archway Investment Fund wish to sincerely thank Professor David Louton, Ph.D., for everything he has done to make the program such a valuable and successful part of the finance major at Bryant University.*





## Passing the Torch



**(L-R Top to Bottom Clockwise) Jordan Brown, Jason Clinton, Pat Cronin, David Peagram, Tim Drechsler-Martell, Nick Testa, Matt Mineese, Joey Griffiths, Parker Williams, Alena Korshunova, Alex Wong, Evan Bekasi, Kee Ming Yeung, Tim Figueredo, Shauna Skiba, Brett Millier, Erik Budlong, Chris Willson**

Congratulations on making it to the end of the report! All of us involved with the Archway Investment Fund hope you enjoyed it and got a strong sense of our identities as portfolio managers and securities analysts. The Fund's portfolio managers would like to take this space to offer some final advice to the securities analysts so that they may make a seamless transition into their new roles as managers of the Fund.

The most critical task is to find your identity as managers of the Fund and be confident in that identity. This semester the portfolio managers have worked hard on creating an Investment Objective that provides a strong framework for the value investing strategy that has been enacted. There will always be people who will question why the Fund holds certain securities, but being confident in your investment framework will allow you to provide answers with confidence. Also, be experts in the securities that are held in your sector. Knowing when and why each security was bought, as well as why it is still held, will help you to determine when it may be time to make replacements within the Fund.

It has been an honor for the portfolio managers to work with a group of analysts that have been tremendous assets to Fund as it continues to grow. We appreciate all of the analysts' active participation in attempts to promote the Archway Investment Fund to others. Continue to be vigilant, as the financial world is always changing and active management will help prevent major losses within the Fund. Most importantly, have fun and enjoy your fellow classmates, instructors, and all others involved with this program. You have been given the opportunity to have a real-world management experience; get the most you can possibly get out of it.

Cheers,  
Portfolio Managers, Spring 2012