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The Archway Investment Fund Semi Annual Report, May 2011

Bryant University, Archway Investment Fund

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The Archway Investment Fund

BRYANT UNIVERSITY



Semi-Annual REPORT

May 2011

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Note from the Coordinator

The first quarter has been an interesting and volatile time in the market. It has also provided us with a good lesson on the benefits of asset allocation. During the last quarter of 2010 the positive performance of the Archway Investment Fund portfolio was driven to a significant extent by our substantial (approximately 15 percent) allocation to emerging markets. However, the performance of our emerging markets holdings went flat for January and most of February, while the S&P500 surged. Then the situation reversed for the second half of the quarter. If I had ordered up a perfect sequence of events to motivate the asset allocation module, I could not have hoped for a better outcome. Of course even though learning is our primary goal, we also put a great deal of emphasis on investment performance. Fortunately, we beat our composite benchmark by a modest margin, so the first quarter of 2011 turned out to be a period when we learned *and* beat the market. For once, we managed to have the best of both worlds!

One of our new ventures this Spring was the initiation of a “rising middle class” theme within the emerging markets portion of the Fund. So far our only two purchases have been Baidu and Tata Motors, but we are looking at a number of other opportunities and we have high hopes for this project.

On March 29th, we held our 6th Annual Financial Services Forum. We were privileged to have Gary Shilling as the keynote speaker. His talk on the dangers of deflation provided plenty of material for classroom discussion. We were delighted to share this event with the Providence Society of Financial Analysts for the first time this year. We also owe a debt of gratitude to Strategas Research Partners for their continued support over the last four years.

The day after the Financial Services Forum, ten students from the combined Archway Investment Fund classes attended the first annual Global Asset Management Education Forum hosted this year by Quinnipiac University. The varied perspectives offered by the many speakers proved once again that experts can disagree and still remain experts.

We are always looking for ways to improve the Archway Investment Fund program. If you have comments or suggestions, please send them to archwayfund@bryant.edu.

~Prof. David Louton



Thoughts from Professor McCarthy



Students in the Archway Investment Fund continue to excel despite confusing and conflicting signals with respect to the economic environment. In the 2011 Spring semester, we have experienced rapidly increasing commodity prices, especially for food and energy. Housing prices have continued to decline and unemployment and under-employment remain well above their long-term trend.

What is a student investor to do? Seek value, by carefully searching for those firms that provide exceptional value to their customers.

~Prof. Joseph McCarthy

Quinnipiac G.A.M.E. Forum

On March 31 to April 2, 2011, a group of 10 students from Bryant's Archway Investment Fund attended the inaugural Quinnipiac University Global Asset Management Education (G.A.M.E.) Forum, which brought together an international group of current and future leaders from the financial industry. The Forum gave participants an opportunity to explore important economic developments, challenges, and opportunities that face investment professionals within our global financial markets. Over the two and a half days, students were joined by 88 keynote speakers, panelists, workshop presenters, and judges of the student-managed portfolio competition.

On the first day of the Forum, participants attended four panel discussions that explored topics such as the economy, alternative assets, stocks markets, and corporate governance. The keynote speakers' discussions were thought-provoking and provided valuable insight on various investment strategy perspectives.

"The investor of today does not profit from yesterday's growth."

~Warren Buffett

On day two, students, faculty, and business professionals participated in four personally selected interactive breakout sessions, workshop presentations, and keynote perspectives that explored various investment topics. The breakout sessions focused on issues such as investment management after the financial crisis, equity portfolio management, fixed-income portfolio management, proprietary trading with options, and ethical decision-making. Following the breakout sessions, participants attended a networking reception where all the schools with student-managed portfolios had the opportunity to showcase their fund, investment strategies, and performance results.

The G.A.M.E. Forum concluded on day three with two interactive panel discussions that focused on career and academic program development. Students, faculty, and business professionals were able to select from a variety of career panels including topics such as Financial Media and Journalism, the CFA Designation, Hedge Fund and Alternative Asset Management, and Sales and Trading: Fixed Income, Options, and Derivatives.

For the Archway Investment Fund students who participated in the G.A.M.E. Forum, it was a terrific learning opportunity, as it shed light on a variety of investment perspectives and challenges that we are facing with the sub-par economic recovery. After the Forum, the students shared with the rest of the class the various investment perspectives they learned. This knowledge will help the students collectively make better investment decisions for the Fund.



(L-R): Corey Hill, Matthew Barnes, Thomas Allin, Andrew Fitzgerald, Kelly Campelia, Megan McKenzie, Professor David Louton, Regina Salgado, Christopher Patterson, Michelle Figat, Thomas Carroll

6th Annual Financial Services Forum

On March 29, 2011, the Archway Investment Fund hosted its 6th Annual Financial Services Forum. Bryant faculty, students, alumni, and members of the Providence Society of Financial Analysts, as well as the Financial Planning Association of Rhode Island were in attendance. The program began with an insightful panel discussion on current market trends and their effects on investment decisions. Macroeconomic topics such as the still-weak housing market, slowly improving unemployment figures, and strong industrial production were discussed, as were new investment themes including a recent industry trend towards high dividend yield funds. The panelists included Robert Covino, CAIA, Senior VP of Product Development at SSARIS Advisors, LLC; Peter Phillips, CFA, CAIA, Director of Research at Washington Trust Investors; and Chris Steward, CFA, Institutional Portfolio Manager at Pyramis Global Advisors. The panel discussion was moderated by Nicholas Bohnsack, Operating Partner and Sector Strategist at Strategas Research Partners.



Keynote Speaker: Dr. Gary Shilling

A keynote address by well-known economic forecaster and investment advisor, Dr. Gary Shilling, followed the panel discussion. A long-time columnist at *Forbes Magazine*, a frequent guest on CNBC, and author of the book *The Age of Deleveraging: Investment Strategies for a Decade of Slow Growth and Deflation*, Dr. Shilling provided the audience with valuable insight. His views on the global economy, his future outlook, and how investors should position their portfolios based on trends such as the increasing savings rate, slow recovery of employment, and the decimated housing market were interesting and informative. Dr. Shilling also discussed the potential impacts of Japan's large deficit and aging population, China's unsustainable GDP growth, and the impact of the continued European sovereign debt crisis.

After the program portion of the Forum, guests attended the Networking Luncheon, where the Archway Investment Fund Executive Committee gave an informational presentation about the Fund, investment strategies employed, and performance results. The luncheon provided an opportunity for students to network with alumni and business professionals in the financial services industry. Overall, the Forum was a great success in connecting industry professionals, current students, and alumni in an informative, interactive, and insightful setting.

"A thoughtful investment process contemplates both probability and payoffs and carefully considers where the consensus—as revealed by a price—may be wrong."

~Michael Mauboussin (chief investment strategist at Legg Mason)



(L-R): Nicholas Bohnsack, Chris Steward, Robert Covino, Peter Phillips

Letter from the Executive Committee

The Executive Committee faced many unique challenges in overseeing the Archway Investment Fund through the first quarter of 2011. We began the semester with expectations of impending inflation that never quite materialized. Our conservative investment strategy helped us to withstand the volatility that followed the natural disasters in New Zealand and Japan, political unrest in the Middle East and Northern Africa, the resurgence of the European sovereign debt crisis, and the threat of a government shutdown. We continue to face a weak housing market and high unemployment rates domestically, as well as rising food and energy prices globally. The extension of the Bush-era tax cuts and healthier corporate balance sheets; however, helped to counter these otherwise bearish indicators.

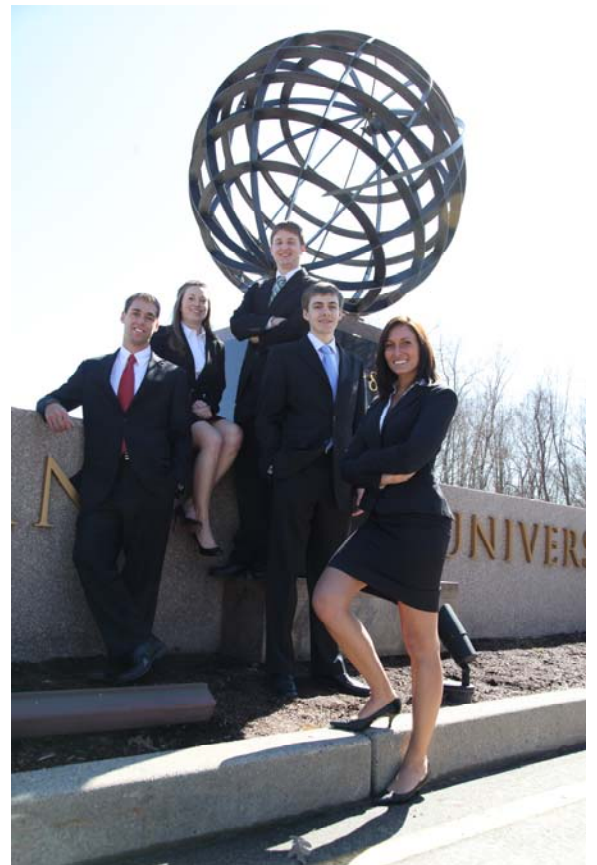
Following the close of the fourth quarter of 2010, the Archway Investment Fund was not properly positioned to take full advantage of the strong bull market run that occurred in January and early February. With significant cash on the sidelines and a defensive sector allocation, the Fund began the semester under-performing our composite benchmark by 2.33 percent. Recognizing this challenge, each sector developed a strategy to capitalize on the macroeconomic outlook and industry-specific trends. Considering each sector's recommendations, we developed a strategic weighting scheme for the Fund and allocated excess cash reserves accordingly. Upon implementing these changes, we quickly narrowed the performance gap and ended the semester outperforming our composite benchmark by 0.23 percent.

Aside from narrowing the performance gap this semester, we have undertaken many initiatives to improve the overall performance of the Fund and some of its internal efficiencies. Communication between the two classes was particularly important this semester following changes in the class structure. Portfolio managers worked closely with security analysts to demonstrate stock screening methods, software application, and valuation methods using Excel. We believe that a consolidation of current holdings will help each individual sector to focus on key stocks with strong alpha-generating potential. To achieve this, we have recommended that all current holdings represent at least one percent of the total portfolio value.

It is our hope that the new ideas we have implemented this semester will aid future portfolio managers and contribute to the continued success of the Archway Investment Fund.

"Successful investing is anticipating the anticipations of others."

~John Maynard Keynes



(L-R) Andrew Fitzgerald, Megan McKenzie, Thomas Allin, Thomas Carroll, Michelle Figat

Economic Overview

The world continues to see rising crude oil prices due in large part to the political and civil unrest spreading throughout the Middle East and Northern Africa. Similarly, rising food prices have had a direct impact on people and economies worldwide. Natural disasters, including the earthquake in Japan, will continue to put a strain on the global economy. With the reemergence of the European sovereign debt crisis, and the efforts of developing nations to fight inflation and slow growth in their economies, the United States faces an uphill battle to full economic recovery. The current level of U.S. debt relative to GDP is high, but it is still within the Standard & Poors 'AAA' rating. However, the U.S. deficit is in excess of 10 percent of GDP and the projected debt level for 2013 would remove the U.S. from this rating. This high level of debt has caused the U.S. to rely heavily on foreign capital and the current fiscal policy needs to correct itself to retain the 'AAA' rating. The Federal Reserve Board used its first ever news conference to reassure the public it will maintain exceptionally low rates for an extended period and that it will use any necessary policy tools to support the economic recovery and help to ensure that inflation levels are consistent with its mandate.

In the last four months and as the United States continues to come out of its longest recession in recent history, we have witnessed a respectable bull market fueled by strong corporate balance sheets, healthy cash flows, and an increase in merger and acquisition activity. Furthermore, as consumer confidence and personal consumption climb, the managers and analysts in the Archway Investment Fund are confident that we can take advantage of a future bull market. In terms of the housing market, home sales rose 3.7 percent in March to an annual rate of 5.1 million, which is slightly above the consensus estimate of 5.0 million. Total housing inventory rose to 3.55 million homes representing an 8.4-month supply. The Standard and Poors data suggests that weakness in the housing market this winter was due to weather-related causes and adjustment to the rebate programs. Furthermore, consumer sentiment rose to 69.5 in the preliminary April poll; resulting in a slightly higher number than expected. Excluding food and energy, consumer prices were up only 0.1 percent, while the Producer Price Index (PPI) was up 0.3 percent. Also, the economic outlook rose to 61.2 after dropping to 58.3 in March amidst worries in the Middle East. In addition, oil prices rose to over \$110/barrel from \$106.5/barrel after crude inventories unexpectedly declined. The Energy Information Administration's inventory data showed a 2.3 million barrel drop in crude stocks and gasoline supplies fell 1.6 million barrels.

The Federal Open Market Committee has committed to finishing the second round of quantitative easing, which was proposed to stimulate the economy and maintain the historically low Federal Funds rate. The \$600 billion bond purchase program (QE2) has helped to fight deflationary pressures, but GDP growth expectations have recently been revised down to 2.8 percent from 3.0 percent. Challenges against the program's effectiveness have begun to arise. According to S&P data, the U.S. housing market is improving, but it still has not seen significant recovery from the impact of QE2. Some argue that finishing the quantitative easing program will run the risk of bringing inflation to undesirable levels while others argue the end of the program will entail premature fiscal tightening, thus hampering economic growth. In spite of all this uncertainty, we remain cautiously optimistic about the economic recovery, but must closely monitor how the economy and the stock market fare in the summer once the government intervention has eased.



"I think the most important factor in getting out of the recession actually is just the regenerative capacity of American capitalism."

~Warren Buffet

Archway Investment Fund Alumni Update

This semester, the Archway Investment Fund students had the opportunity to hear from successful Bryant alumni working in fixed income analysis roles. In their presentation, the alumni provided students with insight into various bond markets as well as credit derivatives and also discussed the links between equity and fixed income analysis. They offered career-related advice and also explained how Archway Investment Fund students can put their skills to work in this type of industry niche. Among the speakers were Matt Zewinski and Frank Guest.

Matthew Zewinski '07

Matt Zewinski joined Hartford Investment Management Company shortly after graduation in June 2007. After a little over three years in a portfolio analyst role, he was recently promoted to Assistant Portfolio Manager and works with a small team responsible for managing a \$60 billion multi-sector fixed income portfolio. Matt spends the majority of his time focused on the credit sectors within the portfolio such as investment grade corporates, high yield corporates, emerging markets and municipal debt. In addition, he also plays a large role in the management of the firm's credit derivative (CDS) holdings. According to Matt, his experience with the Archway Investment Fund has given him a competitive advantage and a superior understanding of the investment process since he began his career. He found that the format of the Archway program is structured in a way that accurately represents the real-world investment process in a way no other course can. If Matt were to give one piece of advice to students eager to pursue a career in the investment industry, it would be to take advantage of any networking opportunities with the goal of learning the industry and building relationships that could prove to be valuable in the future.

Frank Guest '06, CFA

Frank is currently an analyst on a fixed income portfolio management team with a focus on insurance assets at Hartford Investment Management Company. His responsibilities include daily management of the portfolio and leading various projects, with an emphasis on enhancement of the investment process. A Bryant University graduate of 2006, Frank's first experiences in the markets came during his time as a student in the Archway Investment Fund. In his own words: "The Archway Investment Fund was a great experience for me, not only because it introduced me to the investment world, but also because it was an excellent opportunity to learn from and interact with other smart students in a competitive but friendly environment. I believe I was more prepared to enter the working world directly because of my experiences with the Archway Investment Fund."



Speakers and Other Special Guests

Throughout the semester, the Portfolio Management and Securities Analysis classes meet for a joint session on Thursday nights. These classes are typically broken up between guest speakers, strategy presentations, and stock pitches.

At the start of the semester, the Executive Committee and Portfolio Managers present their strategic outlook for the Fund and individual sector weightings. During this time, the class as a whole asks questions and gives feedback regarding these initiatives and the securities analysts can begin researching niche opportunities as directed by the portfolio managers.

As the semester progresses, securities analysts use this time to pitch stock proposals and present updates on the sectors and sub-sectors for which they are responsible. This is an opportunity for the portfolio managers to hear the analysts' views and initiatives.

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 following individuals, who took the time to share their insights with us in class and at other special events such as the Archway Investment Fund's 6th Annual Financial Services Forum.

Special thanks to the following guest speakers:

Nicholas Bohnsack '00

*Operating Partner and Sector Strategist
Strategas Research Partners*

Jack Murphy '84 MBA

*Portfolio Manager
Levin Capital*

Robert Covino '92, CAIA

*Senior VP of Product Development
SSARIS Advisors, LLC*

Peter Phillips, CFA, CAIA

*Director of Research
Washington Trust Investors*

J. Steven Cowen '69

*Owner and Principal
Cowen & Associates*

Omar Sanchez

*Senior Consultant
Cambridge Associates*

James Gallant '07

*Associate Analyst
Fidelity Management & Research Company*

Dr. Gary Shilling

*President
A. Gary Shilling & Co.*

Frank Guest '06, CFA

*Portfolio Manager
Hartford Investment Management Company*

Christopher Steward, CFA

*Institutional Portfolio Manager
Pyramis Global Advisors*

Andrew Martin

*Senior Consultant
Cambridge Associates*

Matthew Zewinski '07

*Assistant Portfolio Manager
Hartford Investment Management Company*



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

Archway Fund Sectors

Economic Analysis and Emerging Opportunities Sector

<i>Energy Sector Returns (YTD):</i> 15.09%	<i>SPDR (XLE):</i> 17.30%
<i>Materials Sector Returns (YTD):</i> -5.11%	<i>SPDR (XLB):</i> 4.43%
<i>Utilities Sector Returns (YTD):</i> 7.10%	<i>SPDR (XLU):</i> 2.62%

The Economic Analysis and Emerging Opportunities Sector (EEO) is responsible for investments in the Energy, Materials, and Utilities Sectors. Companies in the Energy Sector primarily develop and produce crude oil and natural gas and provide drilling and other energy-related services. Our outlook on this sector is positive, and as such, we look to stay overweight. We are bullish on this sector because of improved global economic growth as well as high crude and Brent oil prices due to increased global demand and instability in the Middle East.

In the short-term, natural gas prices are expected to stay suppressed as supply continues to outpace demand, but in the mid- to long-term, we expect prices to increase as countries are looking to move away from oil and nuclear power in search of cheaper alternatives. We remain neutral on Equipment and Services companies; however, there are opportunities in drilling and exploration as the Gulf continues to recover and the United States looks to increase domestic production. In terms of Refining and Marketing companies, we also maintain a neutral outlook because imbalances in supply and demand as well as low margins look to adversely affect companies' bottom lines. We have a positive outlook on the Integrated Oil & Gas industry as major companies can take advantage of rising oil and natural gas prices as well as increased global demand due to a recovering global economy.

The Materials Sector is currently overweight, due to an optimistic outlook for emerging markets and a weakening dollar. Specifically, we are bullish on specialty chemicals as many companies receive a significant share of their sales from abroad, and on base metals due to an increased demand as emerging markets expand and Japan looks to rebuild. Some of the specific companies that we have targeted have large concentrations in copper, aluminum, coking coal, iron ore, and zinc.

Our short-term sector allocation for the Utilities Sector is underweight. With current trends of increasing governmental regulation in the industry, we see profits being adversely affected. However, we do see opportunities in utility companies that are involved with the generation or distribution of renewable energy and we expect to maintain this outlook in the future. We are also looking to examine opportunities that will benefit from an increase in governmental spending and infrastructure development.

SECURITIES ANALYSTS



(L-R) Rodrigo Arguello, Ryan Busby, Christopher Patterson, Eric Eskridge

PORTFOLIO MANAGERS



(L-R) Jeffrey Doyle, Brendan O'Donnell, Jordan Lardieri, Thomas Carroll, Andrew Fitzgerald

Consumer Discretionary and Staples Sector

Consumer Discretionary Returns (YTD): 8.31% *SPDR (XLY): 4.61%*
Consumer Staples Returns (YTD): 2.35% *SPDR (XLP): 2.64%*

The Consumer Staples Sector is comprised of companies that develop and produce consumer products in the areas of beverages, food, tobacco, household, and personal products. These retail items tend to be common necessities of everyday life, and thus demand for them is fairly constant. The Consumer Discretionary Sector relies heavily on consumer spending and involves companies whose products are not consumer necessities. Industries within this sector include automobiles and auto parts, consumer durables, apparel, hotels, restaurants, leisure, media, and retailing.

Over the course of the semester, it is necessary for us to understand the economy as a whole, and key economic indicators such as consumer confidence, consumer spending, and unemployment must be closely monitored. We have not seen indications in consumer confidence or unemployment to fully convince us that we are positioned for a strong economic recovery. The Consumer Confidence Index increased in January and February, and declined in March. The Index now stands at 63.4, down from 72.0 in February. The unemployment rate fell by 0.1 percent to 8.8 percent in March indicating that we are recovering at an extremely stagnant pace; however, we feel that this number will improve over time and consumer spending will start to pick up within the next six months. As a result of our interpretation of these key indicators, we are currently underweight in the Consumer Staples Sector and at market weight in the Consumer Discretionary Sector, as compared to the weights of these sectors in the S&P 500 Index.

We have made it a goal this semester to select companies from within each industry represented within our sectors that have a strong chance of outperforming their respective sector SPDRs. This allows us to practice active management, while still preserving diversification within each sector. Our sector strategy has involved increasing our international exposure with a special focus on emerging markets. Furthermore, we have seen global sales gains being driven by the growth of the middle classes in the Middle East and Asia, leading to increased sales in developing markets. However, with U.S. unemployment expected to stay relatively high throughout 2011, we think less expensive private label goods, discount retailers, and do-it-yourself retailers will remain attractive to many consumers. We have also remained positive on the auto parts industry, as many consumers prefer to repair automobiles instead of purchasing new ones. We feel this strategy has allowed us to capitalize on consumer trends while attempting to outperform the sector SPDRs.

Moving forward, our primary focus in the Consumer Staples Sector is to move away from the XLP and XLY Sector SPDRs and consolidate our holdings to fewer companies that fall under the small- and mid-size categories. Also, as a result of the positive international outlook for the Consumer Staples and Consumer Discretionary Sector, we continue to look into increasing our international exposure, with a particular focus on emerging markets. With this strategy, we hope to offer the fund stability while generating alpha.

SECURITIES ANALYSTS



(L-R) John Centonze, Taylor Wood, Stephanie DelMistro, Christopher Pace

PORTFOLIO MANAGERS



(L-R) Matthew Barnes, Kelly Campelia, Thomas Allin, Christopher Beels, Regina Salgado

Archway Fund Sectors

Healthcare Sector

Healthcare Returns (YTD): 4.08%

SPDR (XLV): 5.57%

The Healthcare Sector is comprised of investment opportunities in biotechnology, managed care, and medical products as well as supplies and pharmaceutical companies. Overall, we are positive on the Healthcare Sector and see investment opportunities in each of the industries listed above. In terms of sector allocation, we maintained a neutral sector weighting this semester relative to the S&P 500.

The major trends that are currently changing the dynamics of the sector are an increase in merger and acquisition activity, expansion of the generic pharmaceutical market, higher enrollment in managed care companies, and an increase in demand for information technology in hospitals and physicians' offices. By recognizing these positive trends, the Healthcare Sector can capitalize on opportunities resulting from an increased consumer demand due to an aging demographic and a shift toward newer technology to maximize efficiency. Despite these encouraging trends that present ample opportunities, there is also a trend of major cost increases for many companies in different industries that must be monitored closely.

Investment opportunities in this sector are mostly shaped and fostered by the recently passed Healthcare Reform Bill. The Bill has different pieces of legislation that will affect companies throughout the next few years. This will allow for various investment opportunities at different times in the near future, as pieces of the Bill will continually change the environment in which healthcare companies operate. The full effects of the Healthcare Reform Bill are still uncertain. Understanding how this bill will help or hurt a particular company in the long term has been vital in our evaluation process.

Our main priority this semester was to purchase a Healthcare IT company and on February 25, 2011, we purchased AllScripts Healthcare Solutions Inc. (MDRX). AllScripts presented itself as an attractive investment opportunity because of its electronic health record systems (EHRs) which are expected to be implemented in thousands of hospitals in the United States and worldwide. There is also a new incentive program by the government as a part of the reform that encourages hospitals and physician offices to change to the new health record systems.

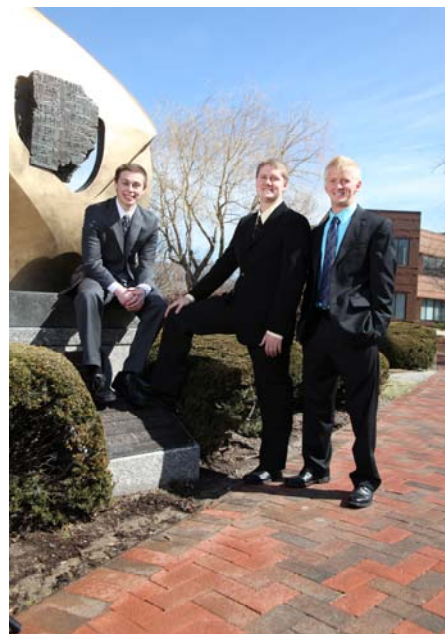
Going forward, constant analysis of the Healthcare Reform Bill and understanding the changing environment is crucial. It is also important to continuously re-evaluate how new trends will lead to investment opportunities in emerging markets, healthcare IT companies, blockbuster drugs, and undervalued companies with the potential to be acquisition targets.

SECURITIES ANALYSTS



(L-R) Sarah Perlman, Garrett Kent, Laura Brayfield, Olga Bourtseva

PORTFOLIO MANAGERS



(L-R) Corey Hill, Brian Murphy, Myles Ojala

Financial Sector

Financial Sector Returns (YTD): 5.81%

SPDR (XLF): 3.02%

The Financial Sector is comprised of firms that provide financial products and services to commercial, institutional, and retail customers. It is composed of four primary subsectors, which include diversified financials, banking, insurance, and real estate investment trusts (REITs). The Financial Sector has experienced continued uncertainty and volatility since the financial crisis of 2008. The sector is slowly recovering and stock prices are approaching pre-crisis levels; however, growth has remained somewhat stagnant due to the uncertainty surrounding new financial regulation and still wary investor sentiment. Credit markets have begun to improve, though loan demand and business spending remain constrained.

The Financial Sector began the year on a strong note; however, performance declined slightly in the middle of the first quarter. Although we saw many opportunities for growth in the first quarter of 2011, we ultimately determined that a neutral weighting, relative to the S&P 500, would be ideal due to the mixed economic outlook. Our strategy this semester was primarily focused on investing in financial institutions with international exposure in key emerging markets. Specifically, we sought to invest in well-capitalized, diversified financial firms and banks, as well as to gain exposure to life insurance companies and residential REITs, as we maintain a positive outlook on these industries. Because of the continued dismal performance of the U.S. housing market, we moved away from investments in regional banks that rely heavily on mortgage operations and instead focused on opportunities in the apartment rental industry that will benefit from weak home ownership. Recognizing that more people are now renting apartments rather than becoming homeowners, we capitalized on this trend by investing in the FTSE NAREIT All Residential Capped Index ETF (REZ) which has significant exposure to apartment REITs.

Overall, we maintain a positive outlook for the Financial Sector for the remainder of 2011 as we expect credit quality to continue to strengthen and lending levels to increase. This will therefore, directly benefit financial institutions. We also see that the industry as a whole is well capitalized relative to international regulatory standards and most firms have paid back TARP funds. Going forward, we see strong growth potential for this sector as the economy continues to recover and move into an expansionary stage.

SECURITIES ANALYSTS



(L-R) Robert Sinewick, Taylor Fisher, Kristy Albano, Anthony Nader, Michael Petrocelli

PORTFOLIO MANAGERS



(L-R) Andrew Hayden, Megan McKenzie, Michael LaBrosse, Michelle Figat, Mark Descoteaux

Archway Fund Sectors

Technology Sector

Technology Returns (YTD): 4.77%

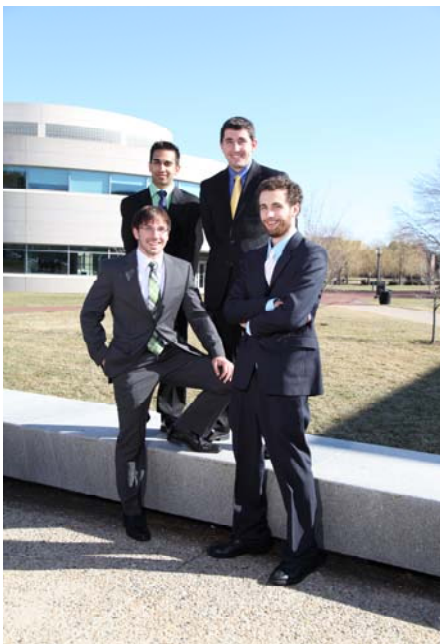
SPDR (XLK): 3.78%

The Technology Sector is composed of companies primarily involved in such industries as IT consulting services, semiconductor equipment and products, computers and peripherals, diversified telecommunication services, and software. It has been a solid performer this semester as the economy has picked up and consumer spending has risen. The market for mobile computing devices and smartphones has seen tremendous innovation and growth. In turn, this has translated into growth for companies in industries such as wireless telecommunications, computer hardware, and semiconductors. IT consulting has also expanded, as companies emerging from the latest recession look for innovative ways to become leaner. Overall, as competition increases throughout the sector, we expect demand to continue to rise and profits to remain relatively healthy.

We recommended a neutral weighting for the Technology Sector in order to capitalize on strong opportunities that we identified early on in the semester. Our strategy has been to identify excellent companies within industries we believe stand to benefit most from an increase in spending and from economic recovery. We identified the semiconductor industry as an area of particular interest. For example, industrial chip makers such as Advanced Energy Industries, and companies such as Broadcom and Marvell, that make and design processors for mobile devices. Another priority was to scale back our holdings in the XLK Sector SPDR in order to diversify further, with the ultimate goal of outperforming our benchmark. The majority of our holdings have performed quite well this semester, despite some company specific issues. While Apple dealt with its CEO Steve Jobs' health problems, Google faced anti-trust accusations from the European Union. Cisco also struggled, missing expectations on two consecutive earnings reports. Despite these issues, however, our sector has remained a strong performer, and we remain confident in the long-term potential of every stock that we have chosen for the Archway Investment Fund.

Our outlook on the Technology Sector moving forward is positive. It is expected that in 2011 nearly 150,000 jobs will be added in this sector alone, which, in turn, will increase innovation and profitability. Having carefully selected outstanding companies that are not largely represented in the XLK, we are confident that our group of holdings will generate significant alpha for the portfolio and help us achieve our performance goals. With venture capitalists hungry to invest in tech startups and demand surging in emerging markets, we feel that technology companies, especially those involved in IT consulting, have plenty of room for growth.

SECURITIES ANALYSTS



(L-R) Christopher Kirkman, Prashant Mehta, David Zastrow, Jackson Webster

PORTFOLIO MANAGERS



(L-R) Bill Chau, Jennifer Chau, Luke Stankiewicz, Matthew Van Gelder

Industrial Sector

Industrials Returns (YTD): 10.71%

SPDR (XLI): 8.45%

The Industrial Sector is comprised of a wide array of companies involved in machinery, aerospace and defense, air freight and logistics, road and rail, electrical equipment, as well as construction and engineering, which provide the sector a variety of ways to produce alpha for the Fund.

Because of our positive outlook on the sector this semester, we received an overweight allocation. Historically, industrial-based stocks have moved closely with the overall economy, giving us reason to believe that this semester, we could produce significant returns for the Archway Investment Fund. Being cyclical in nature, opportunities were abundant, and we followed our investment strategy closely throughout the semester in hopes of taking advantage of a few specific trends we expected to materialize.

We researched potential investments in airfreight and logistics, railroads, and aerospace and defense, while diligently looking for investments in other subsectors in order to diversify our holdings. In terms of exploiting the timeliness of the airfreight and logistics subsector, we wanted the reliability of a domestic company and the opportunity that comes with significant exposure to emerging markets. As FedEx continued to invest in infrastructure overseas, specifically in China and India, it positioned itself as a promising opportunity to fit our objectives – by providing us with the safety of a proven company and the opportunity associated with ample exposure to the expanding middle class in Asia.

As international trade outpaces global GDP, we also saw opportunities in the railroad industry, recognizing that strong worldwide commerce benefits transportation. Accordingly, we added to our investment in Norfolk Southern Corporation, and have begun further analysis on other railroad companies domestically and abroad. With great political uncertainty overseas, an increase in defense contracts bolstered our view on the aerospace and defense subsector. Honeywell provides us with such exposure; however, we would like to expand this exposure in the future.

Looking forward, much of the success of the Industrials Sector will ultimately be linked to the overall market. As the global economy continues to slowly recover, there are still many increasing opportunities for advantage in this sector. By matriculating out of the XLI Sector SPDR, we have greatly improved our ability to outperform our benchmark. Going into next semester, we recommend maintaining sector focus on investing in domestic companies with emerging markets exposure, while simultaneously paying special attention to the infrastructure needs stemming from the political tension overseas.

SECURITIES ANALYSTS



(L-R) Daniel Branco, Kyle Satenstein, Sharique Khan, John Dorff

PORTFOLIO MANAGERS



(L-R) Chris Engel, Kevin Lee, Thomas Nelan

Portfolio Management



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

Archway Fund Committees



(L-R) Luke Stankiewicz, Jordan Lardieri, Michelle Figat, Regina Salgado

The Reporting Committee

With input from all the sectors and committees, the Reporting Committee creates, organizes, and designs the Archway Investment Fund's semi-annual report at the end of each semester. The report is circulated among current, past, and incoming Archway Investment Fund students as well as the Fund's Advisory Board and the Bryant University Board of Trustees. In addition, the report is distributed to select Bryant undergraduate and graduate school alumni in the finance and financial services industry. With the support of the Portfolio Accounting Committee, the report conveys data related to the semester's performance, sector comparisons, current holdings and recent trade activity. The report contains a concise economic overview and highlights events, forums, and guest speakers for the semester and illustrates strong commitment by all those involved in the Archway Investment Fund.

The Compliance Committee

The Compliance Committee follows the current holdings of the Archway Investment Fund and updates securities analysts and portfolio managers when securities achieve their price targets or floors and are in danger of violating constraints outlined in the Investment Policy Statement. Furthermore, the Compliance Committee ensures all securities maintain proper weights in regard to market capitalization, sector, and individual security requirements.

A significant achievement of the Compliance Committee this semester has been the reconstruction of a uniform spreadsheet to better identify when securities are approaching investment policy constraints. The compliance spreadsheet directly imports data such as prices and market capitalization from FactSet Research Systems in order to calculate returns and ensure that the portfolio conforms to the Investment Policy Statement. The spreadsheet also allows us to monitor holdings relative to target prices, last evaluation dates, weighting within the sectors, and overall weight within the Archway Investment Fund. In addition, we have altered the spreadsheet to increase its user-friendliness as well as enhance the transition process for incoming portfolio managers designated to serve on the Compliance Committee.



(L-R) Jeff Doyle, Myles Ojala, Mark Descoteaux

Archway Fund Committees

The Portfolio Accounting Committee

The Portfolio Accounting Committee maintains accurate investment records and calculates performance data for the Archway Investment Fund. The committee uses monthly summary statements from Fidelity Investments to update the Fund's accounting records. This includes making entries for buy and sell orders, dividends received, and mutual fund reinvestments, which affect the Fund's current holdings and fees.

At the end of the fiscal year, the committee closes the prior year's accounting records and prepares for the transition to the next semester. We compute a variety of risk-adjusted performance metrics that are presented in the semester report.

We began using the FactSet Research Systems database this semester to analyze the portfolio and track its performance. This will allow for an easier transition for future Archway Investment Fund students and give the class access to a second set of performance statistics.



(L-R) Bill Chau, Andrew Hayden, Chris Beels, Matthew Van Gelder, Thomas Allin

The Technical Committee

Each semester the Fund grows more efficient and professional through the use of technology. In the past, the Technical Committee has been responsible for updating the website, generating standard internal documents and templates, and assisting with any other technological needs of the Fund. As the Archway Investment Fund undergoes a major technical change with the development of a new stock pitch voting site and a new website, the Technical Committee has been very busy this past semester making sure the new systems will transition flawlessly into the Fall 2011 semester.

This semester the Technical Committee undertook four initiatives which will contribute to the effective and efficient management of the Fund into the future. By improving the holdings sheet, external website, internal Portfolio Management class site, and the stock pitch voting site, we have created value for the Fund. The holdings sheet has been improved to now reflect the performance of the Fund's alternative investments relative to their respective benchmarks, as well as the performance of each sector as compared to its corresponding Sector SPDR ETF.

Several suggestions have been made for the new stock pitch voting site, such as the ability to upload multiple documents, to include a stock pitch, a stock valuation, stock presentation, and the ability to rank analysts based on returns their stocks have earned, as well as hiding the vote to avoid group think. Minor technical suggestions have been made to the internal site to make it more user-friendly.

The Technical Committee has been working to design, develop, and deploy a new external website that will be more visually appealing, user-friendly, and create a positive experience for users.



(L-R) Brian Murphy, Thomas Carroll, Chris Engel, Michael LaBrosse

The Alternative Investments Committee

The Alternative Investments Committee seeks to find investment opportunities outside of the traditional S&P sector holdings that will contribute alpha to the Fund or provide a defensive position against looming threats to performance. Alternative Investments primarily invests in mutual funds and ETFs surrounding a particular theme. This semester we concentrated on two specific themes, the first was to build an inflation hedge and capitalize on rising commodity prices, and the second, to explore the strong growth potential of developing markets.

After conducting extensive research, we ultimately designed our investment strategy to follow the two aforementioned themes and implemented it with conviction. We decided on a 65/35 weighting structure, with 65 percent of our Alternatives holdings in securities focused on emerging and developing markets, and the remaining 35 percent of our holdings allotted to precious and base metal ETFs. While recognizing the continued growth potential of the BRIC countries, we sought to find an opportunity that many investors have not yet recognized, ultimately settling on opportunities in developing markets. We have seen demand for base metals increase significantly over the past year based on the growth of emerging economies and increased industrial production in developed countries. In addition, as some macroeconomic uncertainty lingers, we see a continued demand for precious metals both from increasing investment demand and from increased industrial production.

The Alternative Investments Committee undertook many initiatives this semester to improve its internal structure. With the introduction of a new theme portfolio under the Alternative Investments umbrella, it was imperative that we fully analyze our current holdings and identify any compliance-related issues that might arise. In doing so, we calculated our exposure to each country and specific industries and researched the initial rationale for investment in a given security. We then compared this with our current outlook, and reviewed the performance of each security to identify its overall fit with our strategy moving forward. We look forward to passing on our research and strategies to the incoming Committee members as they integrate their personal ideas and outlook into the Alternatives sector, and perhaps, expand upon other trends for the creation of new themed portfolios.

“The stock market is filled with individuals who know the price of everything, but the value of nothing”

~Philip Fisher



(L-R) Andrew Fitzgerald, Brendan O'Donnell, Megan McKenzie, Corey Hill, Kevin Lee

Archway Fund Committees

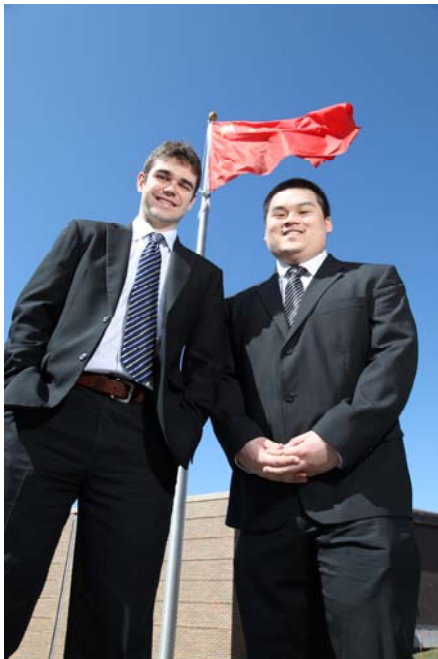
The Marketing Committee

The Marketing Committee is responsible for promoting awareness of the Archway Investment Fund throughout the semester. The committee provides a necessary communication bridge between the Fund and the Bryant community. During this semester, the committee assisted in the organization of the Financial Services Forum and displayed the Fund's accomplishments during Bryant's Prospective Student Open House, as well as at the Quinnipiac G.A.M.E. Forum during a networking reception. The Marketing Committee members visited International Business and Finance classes to tell prospective students about the Fund and to answer questions on the Fund's history and class structure.



(L-R) Matthew Barnes, Kelly Campelia, Jennifer Chau, Thomas Nelan

The Theme Portfolio Committee



(L-R) Chris Beels, Bill Chau

This semester, the Archway Investment Fund implemented a new theme portfolio to capitalize on the emerging middle class trend in the BRIC countries. The Theme Portfolio Committee collaborates with, and resides under, the Alternative Investments Committee. Our portfolio's goal is to identify investment opportunities primarily in China and India. Our investment strategy is based upon the rapid growth of the emerging middle class within these two countries, in terms of disposable income and purchasing power. We will primarily utilize American Depository Receipts (ADRs), Exchange Traded Funds (ETF), and stocks from the Hong Kong Stock Exchange (HKSE) as mechanisms for investments.

Our committee has surveyed these two countries and identified industries such as commercial and passenger automobile manufacturing, consumer durables and non-durables, as well as Internet services, as profitable investment opportunities. Investment opportunities include Chinese companies such as Baidu (BIDU), Haier (1169-HK), Dongfeng (489-HK), and Indian companies such as Tata Motors (TTM). These particular securities offer tremendous investment opportunities, with exposure that falls in line with our strategy of investing in the emerging middle class in China and India.

Looking forward, we forecast that the GDP of India and China will continue to grow. In turn, the level of disposable income will also increase. Within this environment, we foresee the Indian and Chinese markets making a shift towards a consumer market. This type of shift indicates the increase in capital expenditures from the populous of these two countries. Based on this information, we are optimistic concerning the growth in the aforementioned industries for the foreseeable future.

Archway Investment Fund Performance

Fund Performance Summary



The Archway Investment Fund underperformed the S&P 500 Index by 11 basis points, or 0.11 percent over the first three months of 2011. However, the fund outperformed the composite benchmark by 23 basis points, or 0.23 percent. When compared to the dynamic benchmark, the Fund underperformed by 15 basis points, or 0.15 percent.

The Archway Investment Fund's overall out-performance of the composite benchmark indicates that our analysts accurately forecasted industry trends, which translated into collective portfolio gains. The dynamic benchmark is calculated using the fund's actual sector weights in order to determine what the performance of the Fund would have been if all resources were solely invested in sector SPDRs. In terms of the underperformance of the composite benchmark when compared to the dynamic benchmark, we conclude that while industry outlooks have been accurate, imperfect individual security choices and/or untimely purchase or sales of individual stocks were the main factors contributing to the under-performance of the Fund.

The Morningstar style box indicates that the Fund has increased its position in large-cap equities by 4.0 percent, reducing the amount of large-cap growth stocks, while significantly increasing the amount of large-cap blend stocks and value stocks. Mid-cap stocks experienced a decrease of 3.1 percent with a significant reduction in the amount of mid-cap growth stocks and a significant increase in the amount of mid-cap blend stocks and value stocks. Additionally, the Fund increased its position in small-cap stocks by 2.1 percent, completely eliminating small-cap value stocks, while increasing the amount of small-cap blend stocks and maintaining the same amount of small-cap growth stocks.

Annualized and Risk Adjusted Returns

We evaluate performance against a composite benchmark consisting of the S&P500 Total Return for the portion of the Fund invested in domestic equities, and the ACWI All Country World Index for the portion of the fund invested in alternative assets.

Fund	YTD Return	Annualized YTD Return	YTD Differential Return	Annualized Differential Return	Beta	Standard Deviation	Sharpe Measure	Treynor Measure
Archway Investment Fund	5.31%	22.99%	0.23%	1.06%	0.99	12.32%	1.85	0.229
Dynamic Benchmark	5.46%	23.67%	0.37%	1.74%	1.07	15.57%	1.51	0.220
Composite Benchmark	5.08%	21.93%	-	-	1.00	12.94%	1.68	0.218
S&P 500 Index	5.42%	23.52%	-	-	1.00	13.11%	1.78	0.233
MSCI All World Index	3.31%	13.92%	-	-	1.15	15.56%	0.88	0.120

Top Performers

Listed below are the portfolio's five best performing securities for the year-to-date:

Purchase Date	Ticker	Name	Shares	Current Price	Stock Weight in Portfolio	YTD Gain/Loss	HPR
9/30/2010	BIG	Big Lots Inc.	255	\$43.43	1.69%	42.58%	31.26%
12/16/2008	VLO	Valero Energy Corp.	260	\$29.82	1.18%	29.20%	56.18%
12/2/2010	WLP	WellPoint Inc.	90	\$69.79	0.96%	23.18%	20.65%
5/7/2010	STO	Statoil ASA ADS	95	\$27.64	0.40%	16.28%	30.90%
4/20/2010	COV	Covidien PLC	78	\$51.94	0.62%	14.19%	0.38%

Worst Performers

Listed below are the portfolio's five worst performing securities for the year-to-date:

Purchase Date	Ticker	Name	Shares	Current Price	Stock Weight in Portfolio	YTD Gain/Loss	HPR
11/24/2009	CSCO	Cisco Systems Inc.	290	\$17.15	0.76%	-15.22%	-20.99%
2/3/2009	ATVI	Activision Blizzard Inc.	456	\$10.79	0.75%	-13.26%	19.20%
3/4/2010	FRN	Guggenheim Frontier Markets ETF	133	\$22.06	0.45%	-9.74%	18.45%
3/5/2010	INP	Barclays iPath MSCI India Index ETN	105	\$72.73	1.16%	-6.35%	13.09%
4/20/2010	LIFE	Life Technologies Corp.	75	\$52.42	0.60%	-5.55%	-1.22%

Archway Investment Fund Performance

Archway Fund Morningstar Style Box

MARKET CAPITALIZATION	Large	17.29%	26.25%	34.76%
	Medium	3.34%	8.12%	4.74%
	Small	0.00%	2.71%	2.78%
		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.

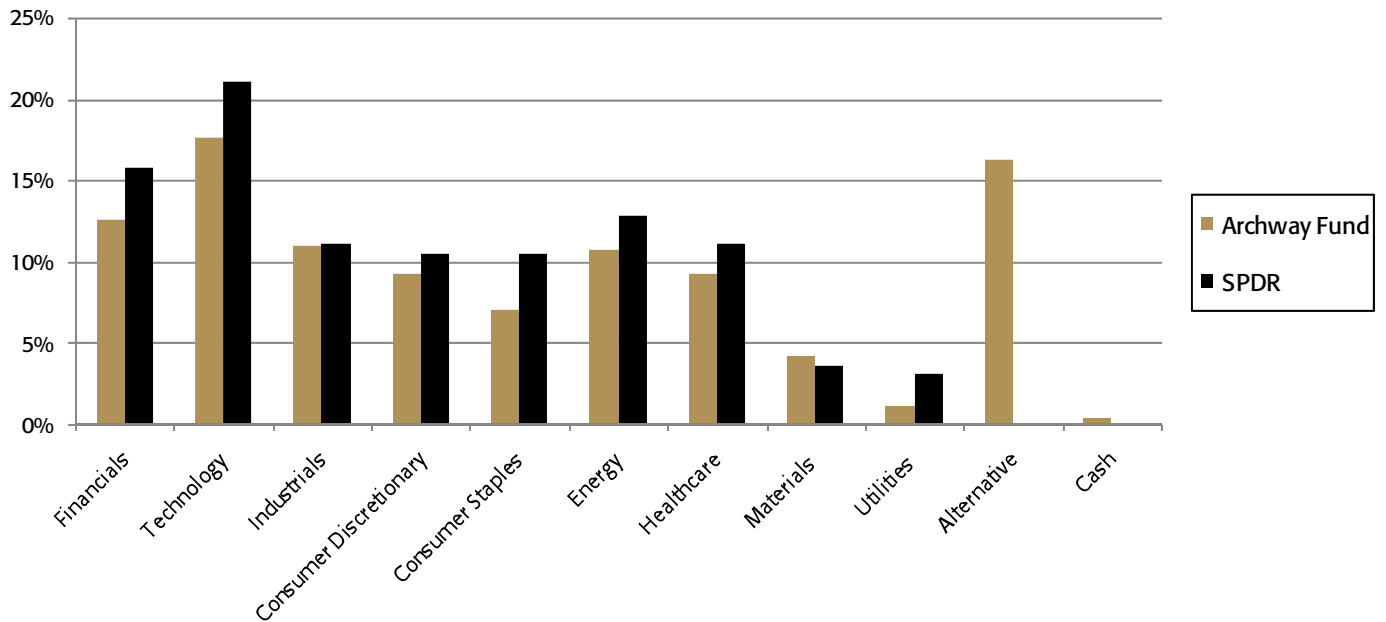
Year-to-Date Comparisons

Sector	Sector Weight	SPDR Weight	YTD Sector Returns	YTD Benchmark Returns	Sector Beta	Benchmark Beta
Financials	12.66%	15.80%	5.81%	3.02%	1.31	1.49
Technology	17.63%	21.06%	4.77%	3.78%	0.99	1.06
Industrials	10.97%	11.16%	10.71%	8.45%	1.13	1.22
Consumer Discretionary	9.27%	10.52%	8.31%	4.61%	0.93	1.12
Consumer Staples	7.11%	10.56%	2.35%	2.64%	0.51	0.60
Energy	10.80%	12.89%	15.09%	17.30%	1.16	0.97
Healthcare	9.36%	11.15%	4.08%	5.57%	0.73	0.67
Materials	4.23%	3.63%	-5.11%	4.43%	1.02	1.25
Utilities	1.24%	3.22%	7.10%	2.62%	0.75	0.58
Alternative	16.29%	0%	-0.24%	3.31%	1.00	1.15
Cash	0.45%	0%	-	-	-	-

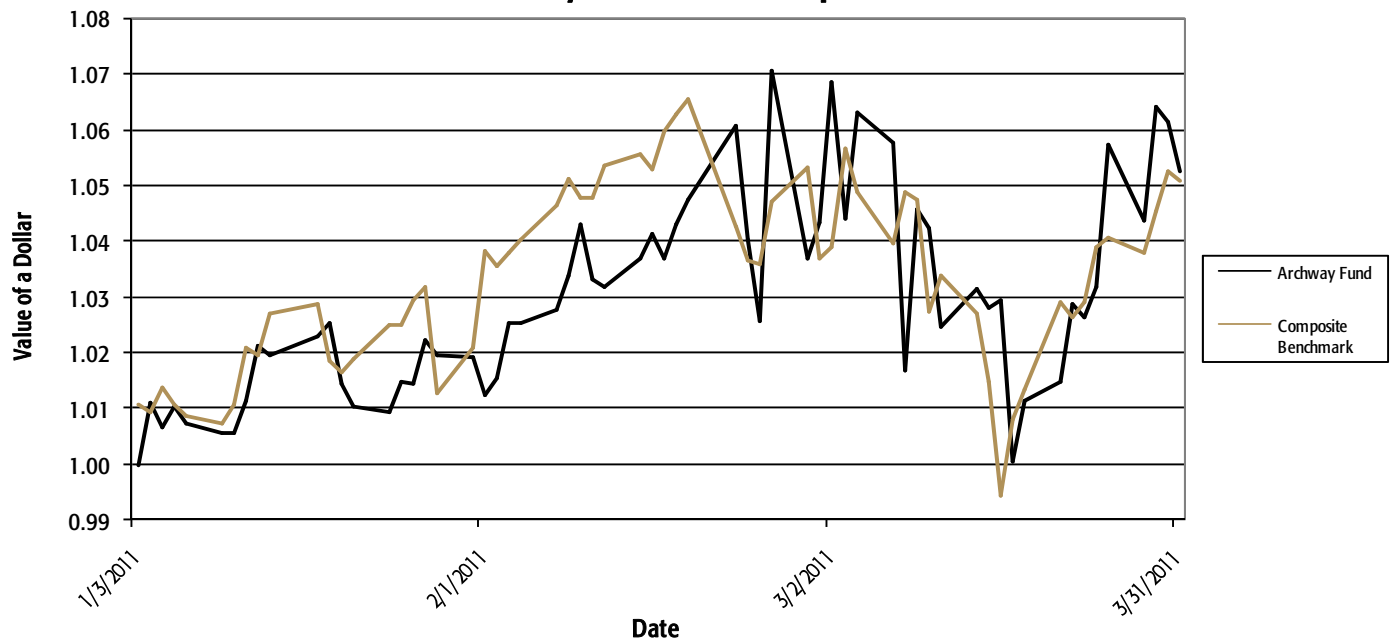
This table displays returns for each sector portfolio along with the sector weights and beta, compared to those of the sector benchmark.

Archway Investment Fund Performance Charts

Strategic Alignment



\$1 Investment: Archway Fund vs. Composite Benchmark



Current Holdings as of March 31, 2011

Sector	Purchase Date	Ticker	Name	Shares	Current Price	Stock Weight in Portfolio	YTD % Change	HPR % Change
Financials								
	10/25/2005	XLF	Financial Select Sector SPDR Fund	937	\$16.39	2.34%	1.61%	-15.86%
	2/22/2011	REZ	iShares FTSE NAREIT Residential PLUS Capped Index Fund	170	\$41.86	1.08%	3.29%	3.29%
	2/25/2011	RGA	Reinsurance Group of America Inc.	130	\$62.78	1.24%	6.88%	6.88%
	9/24/2010	BAC	Bank of America Corp.	620	\$13.33	1.26%	0.00%	-0.14%
	11/16/2009	TRV	Travelers Cos. Inc.	125	\$59.48	1.13%	7.41%	15.30%
	3/4/2010	WBK	Westpac Banking Corp. ADS	69	\$125.10	1.31%	10.33%	9.92%
	3/4/2010	AMP	Ameriprise Financial Inc.	200	\$61.08	1.86%	6.13%	39.70%
	4/23/2010	JPM	JPMorgan Chase & Co.	150	\$46.10	1.05%	8.79%	3.17%
	5/8/2009	LAZ	Lazard Ltd.	225	\$41.58	1.43%	3.08%	22.75%
Technology								
	10/25/2005	XLK	Technology Select Sector SPDR Fund	1110	\$26.06	4.41%	2.82%	21.86%
	11/24/2009	IBM	International Business Machines Corp.	58	\$163.07	1.44%	11.11%	30.75%
	2/16/2011	AEIS	Advanced Energy Industries Inc.	450	\$16.35	1.12%	10.47%	10.47%
	4/20/2010	GLW	Corning Inc.	350	\$20.63	1.10%	7.04%	3.96%
	5/7/2010	INTU	Intuit Inc.	200	\$53.11	1.62%	7.73%	50.97%
	11/24/2009	CSCO	Cisco Systems Inc.	290	\$17.15	0.76%	-15.22%	-28.20%
	4/20/2010	ABVT	AboveNet Inc.	100	\$64.86	0.99%	10.95%	32.11%
	10/19/2009	FDS	FactSet Research Systems Inc.	50	\$104.73	0.80%	11.95%	60.01%
	10/2/2009	AAPL	Apple Inc.	38	\$348.51	2.02%	8.05%	88.44%
	12/18/2009	GOOG	Google Inc. (Cl A)	20	\$586.76	1.79%	-1.21%	-1.84%
	2/16/2010	ADBE	Adobe Systems Inc.	180	\$33.16	0.91%	7.73%	4.08%
	2/3/2009	ATVI	Activision Blizzard Inc.	456	\$10.79	0.75%	-13.26%	19.20%
Industrials								
	2/25/2011	PH	Parker Hannifin Corp.	75	\$94.68	1.08%	9.71%	6.79%
	2/25/2011	FAST	Fastenal Co.	110	\$64.83	1.09%	5.65%	5.65%
	2/25/2011	LUV	Southwest Airlines Co.	550	\$12.63	1.06%	7.45%	7.45%
	3/2/2011	FDX	FedEx Corp.	185	\$93.55	2.64%	7.38%	7.38%
	12/14/2009	NSC	Norfolk Southern Corp.	100	\$69.27	1.06%	10.90%	33.90%
	12/14/2009	ACM	AECOM Technology Corp.	100	\$27.73	0.42%	-0.86%	5.72%
	3/5/2010	EME	EMCOR Group Inc.	100	\$30.97	0.47%	6.87%	30.07%
	12/20/2005	MMM	3M Co.	91	\$93.50	1.30%	8.34%	39.94%
	3/10/2009	HON	Honeywell International Inc.	100	\$59.71	0.91%	13.57%	162.67%
	4/15/2009	DOV	Dover Corp.	100	\$65.74	1.00%	12.94%	124.40%
Consumer Discretionary								
	10/25/2005	XLY	Consumer Discretionary Select Sector SPDR Fund	307	\$39.05	1.83%	4.38%	20.55%
	2/25/2011	AAP	Advance Auto Parts Inc.	150	\$65.62	1.50%	6.37%	6.37%
	9/30/2010	BIG	Big Lots Inc.	255	\$43.43	1.69%	42.58%	31.26%
	3/11/2011	COH	Coach Inc.	200	\$52.04	1.59%	1.74%	1.74%
	11/18/2010	SAM	Boston Beer Co. (Cl A)	110	\$92.62	1.55%	-2.60%	12.37%
	10/25/2005	MCD	McDonald's Corp.	100	\$79.06	1.20%	3.83%	169.60%
Consumer Staples								
	10/25/2005	XLP	Consumer Staples Select Sector SPDR Fund	594	\$29.92	2.71%	2.08%	56.03%
	4/20/2010	GIS	General Mills Inc.	170	\$36.55	0.95%	3.48%	6.57%
	11/9/2009	PG	Procter & Gamble Co.	100	\$61.60	0.94%	-3.49%	4.22%
	11/18/2010	MO	Altria Group Inc.	260	\$26.06	1.03%	7.39%	8.19%
	11/20/2007	KO	Coca-Cola Co.	150	\$66.34	1.52%	0.87%	17.98%

Current Holdings as of March 31, 2011 (cont.)

Sector	Purchase Date	Ticker	Name	Shares	Current Price	Stock Weight in Portfolio	YTD % Change	HPR % Change
Energy								
	3/21/2006	XLE	Energy Select Sector SPDR Fund	288	\$79.75	3.50%	16.85%	51.68%
	2/22/2011	CVX	Chevron Corp.	200	\$107.49	3.27%	6.68%	6.68%
	5/7/2010	STO	Statoil ASA ADS	95	\$27.64	0.40%	16.28%	30.90%
	12/16/2008	VLO	Valero Energy Corp.	260	\$29.82	1.18%	29.20%	56.18%
	5/8/2009	FLS	Flowserve Corp.	23	\$128.80	0.45%	8.28%	84.34%
	5/8/2009	CNX	Consol Energy Inc.	250	\$53.63	2.04%	10.37%	37.89%
Healthcare								
	10/25/2005	XLV	Health Care Select Sector SPDR Fund	367	\$33.11	1.85%	5.11%	25.30%
	2/25/2011	MDRX	Allscripts Healthcare Solutions Inc.	318	\$20.99	1.02%	-0.75%	-0.75%
	3/4/2010	FRX	Forest Laboratories Inc.	152	\$32.30	0.75%	1.00%	9.76%
	3/23/2010	MYL	Mylan Inc.	150	\$22.66	0.52%	7.24%	-1.26%
	3/30/2010	DGX	Quest Diagnostics Inc.	80	\$57.72	0.70%	7.13%	0.63%
	4/20/2010	LIFE	Life Technologies Corp.	75	\$52.42	0.60%	-5.55%	-1.22%
	4/20/2010	COV	Covidien PLC	78	\$51.94	0.62%	14.19%	0.38%
	4/17/2009	AMGN	Amgen Inc.	105	\$53.45	0.85%	-2.64%	13.25%
	12/2/2010	WLP	WellPoint Inc.	90	\$69.79	0.96%	23.18%	20.65%
	4/11/2008	TEVA	Teva Pharmaceutical Industries Ltd. ADS	201	\$50.17	1.54%	-3.76%	23.80%
Materials								
	11/24/2010	SCL	Stepan Co.	80	\$72.50	0.88%	-4.60%	1.00%
	3/24/2011	TCK	Teck Resources Ltd.	123	\$53.02	0.99%	-3.05%	-3.05%
	3/24/2011	RIO	Rio Tinto PLC ADS	125	\$71.12	1.35%	4.59%	5.03%
	5/8/2009	PX	Praxair Inc.	66	\$101.60	1.02%	4.70%	23.61%
Utilities								
	11/24/2010	NEE	NextEra Energy Inc	148	\$55.12	1.24%	4.59%	6.78%
Alternative								
	4/7/2009	EEM	iShares MSCI Emerging Markets Index Fund	250	\$48.67	1.85%	2.21%	87.94%
	4/8/2010	MCHFX	Matthews China Fund Investor Class	558.02	\$29.05	2.47%	-1.09%	7.44%
	3/4/2010	FRN	Guggenheim Frontier Markets ETF	133	\$22.06	0.45%	-9.74%	18.45%
	3/24/2011	EPU	iShares MSCI All Peru Capped Index Fund	140	\$45.65	0.97%	-3.39%	-3.39%
	3/24/2011	ALUM	Global X Aluminum ETF	425	\$15.75	1.02%	1.35%	1.35%
	3/24/2011	BIDU	Baidu Inc. ADS	60	\$137.81	1.26%	3.03%	3.03%
	3/5/2010	INP	Barclays iPath MSCI India Index ETN	105	\$72.73	1.16%	-6.35%	13.09%
	11/18/2010	TIP	iShares Barclays TIPS Bond Fund	155	\$109.16	2.58%	2.18%	1.71%
	11/18/2010	DBP	DBIQ Optimum Yield Precious Metals Index Excess Return	184	\$54.35	1.52%	4.88%	12.17%
	11/18/2010	DBB	DBIQ Optimum Yield Industrial Metals Index Excess Return	265	\$24.42	0.99%	-0.04%	11.34%
	3/2/2011	SPY	SPDR S&P 500	56	\$132.59	1.13%	0.95%	0.95%
	12/31/2010	FNMI	Fidelity New Markets Income	251.77	\$15.61	0.60%	-0.26%	2.16%

List of Trades

Date	Ticker	Stock Name	Trade	Quantity	Price
1/28/2011	FCX	Freeport McMoran	Sell	90	\$105.31
2/2/2011	SLM	SLM Corp	Sell	500	\$14.41
2/8/2011	ALV	Autoliv Inc	Sell	50	\$73.62
2/22/2011	AEIS	Advanced Energy Industries, Inc.	Buy	50	\$14.80
2/22/2011	AEIS	Advanced Energy Industries, Inc.	Buy	400	\$14.80
2/22/2011	DBV	Powershares DB G10 Currency Harvest Fund	Sell	200	\$23.96
2/22/2011	DBV	Powershares DB G10 Currency Harvest Fund	Sell	60	\$23.97
2/22/2011	XLK	Technology SPDR	Sell	246	\$26.92
2/25/2011	AAP	Advance Auto Parts, Inc.	Buy	150	\$61.69
2/25/2011	CVX	Chevron Corporation	Buy	200	\$100.76
2/25/2011	REZ	iShares TR FTSE NAREIT RESIDENTIAL	Buy	170	\$40.88
2/25/2011	XLK	Technology SPDR	Sell	415	\$26.43
3/2/2011	LAZ	Lazard Ltd	Buy	50	\$43.31
3/2/2011	MDRX	Allscripts Healthcare Solutions Inc	Buy	318	\$21.15
3/2/2011	FAST	Fastenal Company	Buy	110	\$61.36
3/2/2011	NEE	NextEra Energy Inc	Buy	38	\$54.75
3/2/2011	PH	Parker-Hannifin Corporation	Buy	75	\$88.66
3/2/2011	RGA	Reinsurance Group of America	Buy	130	\$58.74
3/2/2011	XLB	Materials SPDR	Buy	152	\$38.94
3/2/2011	XLV	Health Care SPDR	Sell	82	\$32.32
3/2/2011	XLP	Consumer Staples Select Sect. SPDR	Sell	250	\$29.51
3/2/2011	XLY	Consumer Discretionary SPDR	Buy	146	\$39.17
3/2/2011	XLE	Energy Select Sector SPDR	Sell	232	\$77.70
3/2/2011	XLE	Energy Select Sector SPDR	Sell	100	\$77.70
3/2/2011	XLF	Financial Select Sector SPDR	Buy	570	\$16.79
3/2/2011	XLI	Industrial SPDR	Sell	633	\$36.81
3/2/2011	XLK	Technology SPDR	Buy	35	\$26.46
3/2/2011	XLK	Technology SPDR	Buy	100	\$26.46
3/2/2011	LUV	Southwest Airlines Co.	Buy	150	\$11.76
3/2/2011	LUV	Southwest Airlines Co.	Buy	400	\$11.76
3/7/2011	BOKF	BOK Financial Corporation	Sell	150	\$51.21
3/7/2011	FDX	FedEx Corporation	Buy	185	\$87.24
3/7/2011	FLR	Fluor Corporation	Sell	100	\$69.61
3/7/2011	TIP	iShares Barclays TIPS Bond Fund	Buy	110	\$108.41
3/7/2011	SPY	SPDR S&P 500 ETF	Buy	56	\$131.34
3/7/2011	XLI	Industrial SPDR	Sell	257	\$36.41
3/15/2011	RIO	Rio Tinto plc	Sell	128	\$63.62
3/18/2011	NTRS	Northern Trust Corporation	Sell	100	\$49.17
3/23/2011	WBK	Westpac Banking Corporation	Buy	44	\$112.78
3/25/2011	COH	Coach, Inc.	Buy	100	\$51.15
3/25/2011	COH	Coach, Inc.	Buy	100	\$51.15
3/25/2011	XLY	Consumer Discretionary SPDR	Sell	270	\$37.90
3/29/2011	BIDU	Baidu.com, Inc.	Buy	60	\$133.76
3/29/2011	EFN	DJ Emerging Markets Financials Ti Ind Fd	Sell	60	\$23.66
3/29/2011	ECL	Ecolab Inc.	Sell	60	\$49.66
3/29/2011	ALUM	Global X Aluminum ETF	Buy	425	\$15.54
3/29/2011	TIP	iShares Barclays TIPS Bond Fund	Sell	88	\$109.31
3/29/2011	EPU	iShares MSCI All Peru Capped Index Fund	Buy	140	\$47.25
3/29/2011	PXR	PowerShares Emerging Infra PF	Sell	100	\$52.37
3/29/2011	PXR	Praxair, Inc.	Buy	26	\$99.46
3/29/2011	RIO	Rio Tinto plc	Buy	25	\$68.62
3/29/2011	RIO	Rio Tinto plc	Buy	100	\$68.61
3/29/2011	EWX	SPDR S&P Emerging Markets Small Cap	Sell	110	\$53.25
3/29/2011	XLB	Materials SPDR	Sell	152	\$39.00
3/29/2011	TCK	Teck Resources Limited	Buy	123	\$54.69

Statement of Operations

January 1, 2011 through March 31, 2011

Income:

Dividends	\$ 1,810.14
Interest	\$ -
	<hr/>
	\$ 1,810.14

Expenses:

Trading Costs	369.31
	<hr/>
	\$ 369.31

Net Investment Income: \$ 1,440.83

Realized Gain (Loss) on Investments:

Proceeds from Securities Sold:	\$ 176,417.95
Cost of Securities Sold:	<u>\$ 152,118.89</u>
Net Realized Gain (Loss) of Securities Sold:	\$ 24,299.06

Net Increase (Decrease) in Unrealized Appreciation on Investments:

Market Value of Holdings as of 3/31/2011:	\$ 659,395.73
Less: Additional Contributions:	\$ -
Less : Market Value of Holdings as of 1/1/2011:	<u>\$ 651,862.95</u>

Increase (Decrease) in Net Unrealized Appreciation: \$ 7,532.78

Net Realized Gain (Loss) and Increase (Decrease) in Net Unrealized Appreciation: \$ 31,831.84

Net Increase (Decrease) in Assets Resulting from Operations: \$ 33,272.67

2011 Archway Investment Fund Graduates

Where Some of our 2011 Graduates are Going:

Kristy Albano

Financial Analyst
Fidelity Institutional Investments

Thomas Allin

Investment Analyst
Hartford Investment Management Company

Rodrigo Arguello

Client Associate/Analyst
Private Wealth Management: Latin America
Merrill Lynch

Matthew Barnes

Fixed Income Consultant
FactSet Research Systems

Olga Bourtseva

Risk Analyst
Pyramis Global Advisors

Kelly Campelia

Associate
Advisory-Business Planning & Performance Management
PricewaterhouseCoopers

Thomas Carroll

Financial Analyst
Financial Leadership Development Program
The Hartford Financial Services Group

Jennifer Chau

Leadership Development Program
Hanover Insurance

Michelle Figat

Financial Analyst
Financial Leadership Development Program
The Hartford Financial Services Group

Corey Hill

Consultant
FactSet Research Systems

Christopher Kirkman

Financial Leadership Development Program
Raytheon Company

Michael LaBrosse

Consultant
FactSet Research Systems

Kevin Lee

Fellowship in Finance and Accounting Program
Liberty Mutual



