

Bryant University

Bryant Digital Repository

Archway Investment Fund

Archway Investment Fund

2-2023

Equity Fund Monthly Report, February 2023

Bryant University, Archway Investment Fund

Follow this and additional works at: https://digitalcommons.bryant.edu/archway_investment



Part of the [Portfolio and Security Analysis Commons](#)

Portfolio Description

The primary objective of the Archway Investment Equity Portfolio (the Portfolio) is to provide students in Bryant University's Equity Portfolio Management course with a hands-on learning experience. Student portfolio managers are organized into teams responsible for managing the holdings in their assigned sectors. The Portfolio launched in August 2005 with \$200,000. Including subsequent inflows and outflows the net capital contributed has been \$130,000 and the cumulative investment return is \$1,528,910.

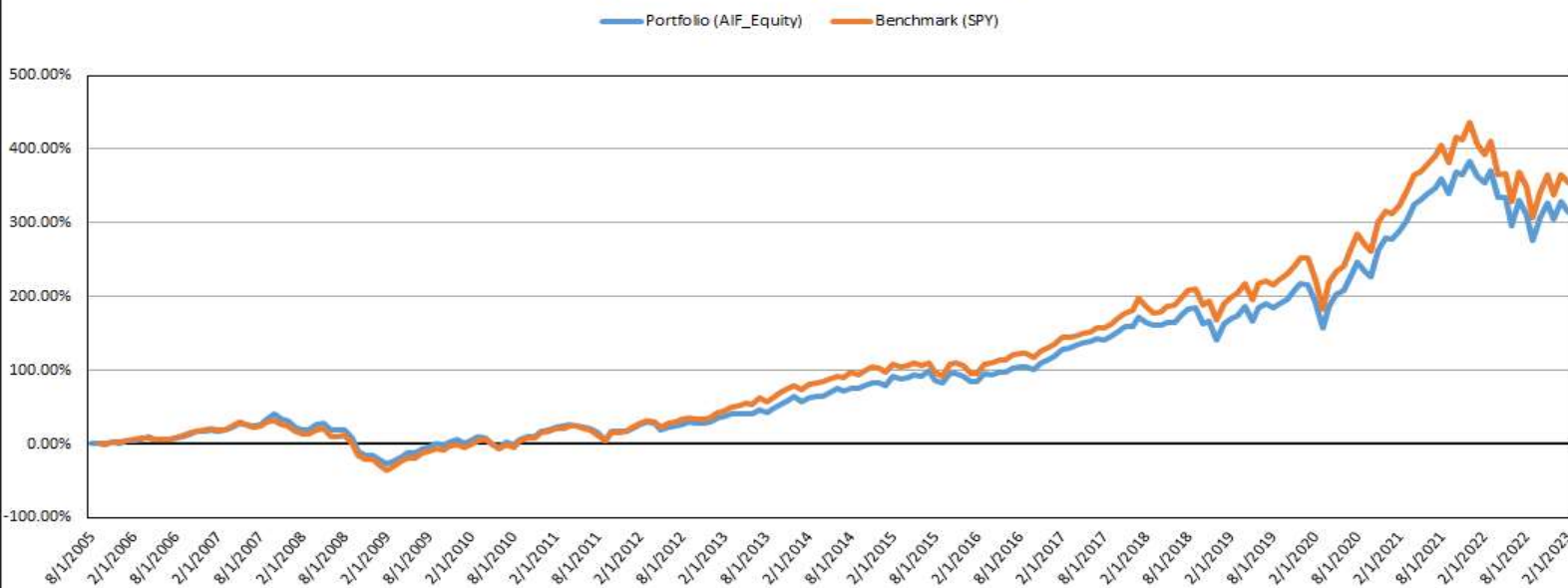
Investment Strategy

The Portfolio strategy focuses on buying stocks for less than their intrinsic value, based on both value and growth considerations, to achieve risk-adjusted returns that equal or exceed benchmark returns. The investment process is built around sector teams responsible for overseeing the holdings and the weightings of the securities in their sectors. Formal stock pitches are required to add new names to the portfolio. Portfolio managers and security analysts use traditional fundamental analysis and valuation modeling, and they incorporate ESG metrics to identify risk factors and aid in generating risk-adjusted excess returns. The overall benchmark used for performance evaluation is the State Street SPDR S&P 500 Exchange Traded Fund (SPY), while benchmarks used for individual sectors are the corresponding SPDR sector ETFs. Each sector is initially weighted in the portfolio based on their weighting in the S&P 500 Index and are then adjusted to reflect portfolio manager expectations about the performance of each sector. While the purchase of international equities via ADRs is allowed, the Fund remains heavily weighted in domestic assets. Option use is limited to covered call and protective put strategies. Options are used only to control risk and the underlying security must be held in the Fund. Performance attribution analysis, and factor risk modeling are integral parts of the portfolio management and reporting process.

Performance Commentary

The Archway Equity Portfolio returned -3.34% in February, while the benchmark returned -2.51%. Overall, the US economy had strong performance in February. Consumer sentiment improved, the labor market remains strong supporting household spending. Inflation figures were higher than expected, which led to hawkish comments from a variety of Federal Reserve officials. Analyst expectations for the next Fed meeting have changed drastically over the month of February as 25% of analysts are now expecting a 50 basis point hike. The entire Treasury yield curve moved higher in February in response, and ten of the eleven SPDR sector ETFs finished down this month. The sector ETFs with the highest returns in February were Technology (+0.41%), and Industrials (-0.86%). The lowest returning ETFs were Energy (-6.94%), Utilities (-5.92%), and Real Estate (-5.86%). Sector allocation contributed -0.03% in alpha in February. We had positive allocation alpha from the overweight in Cash (+0.04%) and underweight Real Estate (+.017%). Negative sector allocation alpha contributions came from our overweight in Energy (-0.028%) and underweight in Technology (-0.026%). Security Selection contributed -1.02% of alpha for the month. The sectors with the highest securities selection alpha contributions were Energy (+0.128%) and Healthcare (+0.052%), while the sectors with the lowest were Information Technology (-0.423%) and Consumer Discretionary (-0.294%). Cash income and index tracking contributed 0.22% of excess return during the month. For the calendar year thus far, the portfolio returned 2.50% while the benchmark returned 3.62%. Since the inception of the fund in August 2005, the portfolio has an annualized return of 8.47% and the benchmark has an annualized return of 9.03%. It is important to note that our large holding of 3.85% cash in the portfolio resulted from an asset allocation decision made during February to move \$25,000 from the Archway Fixed Income fund to the Archway Equity Portfolio. As of month end, the portfolio managers in the Archway Equity Fund had not yet deployed that cash or adjusted to the updated sector targets proposed by the Macroeconomic Committee. Those trading decisions are being implemented as this is being written in early March.

Cumulative Return Since Inception



Bryant University
 1150 Douglas Pike
 Smithfield, RI 02917-1284

<http://aif.bryant.edu>

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

Investment Performance

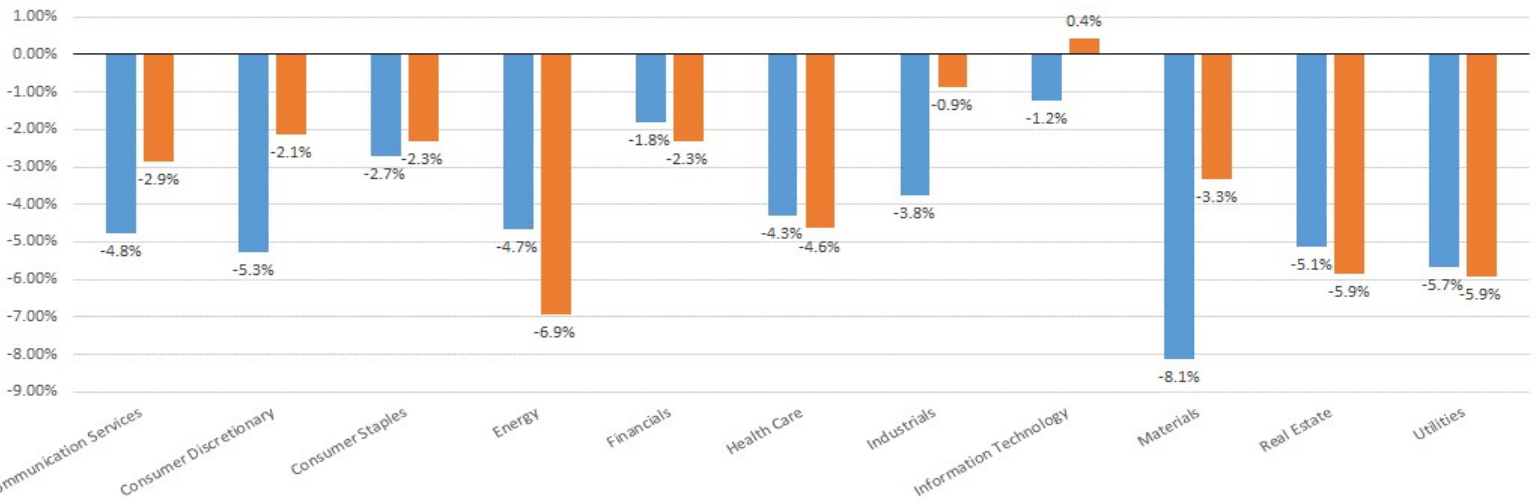
Portfolio and Benchmark Characteristics

Historical Returns through 02/28/2023				Portfolio	Benchmark	Excess	Characteristics as of 02/28/2023		Portfolio	Benchmark
Month to Date Return				-3.34%	-2.51%	-0.82%	Portfolio Market Value		\$ 1,663,153	
Academic Term to Date Return				2.50%	3.62%	-1.12%	Number of Individual Equities Held		66	504
Year to Date Return				2.50%	3.62%	-1.12%	Number of ETFs Held		18	0
1 Year Trailing Return				-8.80%	-7.75%	-1.05%	Weight in Individual Equities		75.97%	99.83%
3 Year Trailing Return (Annualized)				12.47%	11.94%	0.53%	Weight in ETFs		20.17%	0.00%
5 Year Trailing Return (Annualized)				9.35%	9.70%	-0.35%	Weight in Options		0.00%	0.00%
Since Inception Return (Annualized)				8.47%	9.03%	-0.57%	Weight in Cash		3.86%	0.17%
							Wtd. Avg. 2 Year Beta to S&P 500		0.93	1.01

Sector Returns

Monthly Sector Returns: Portfolio vs. Benchmark

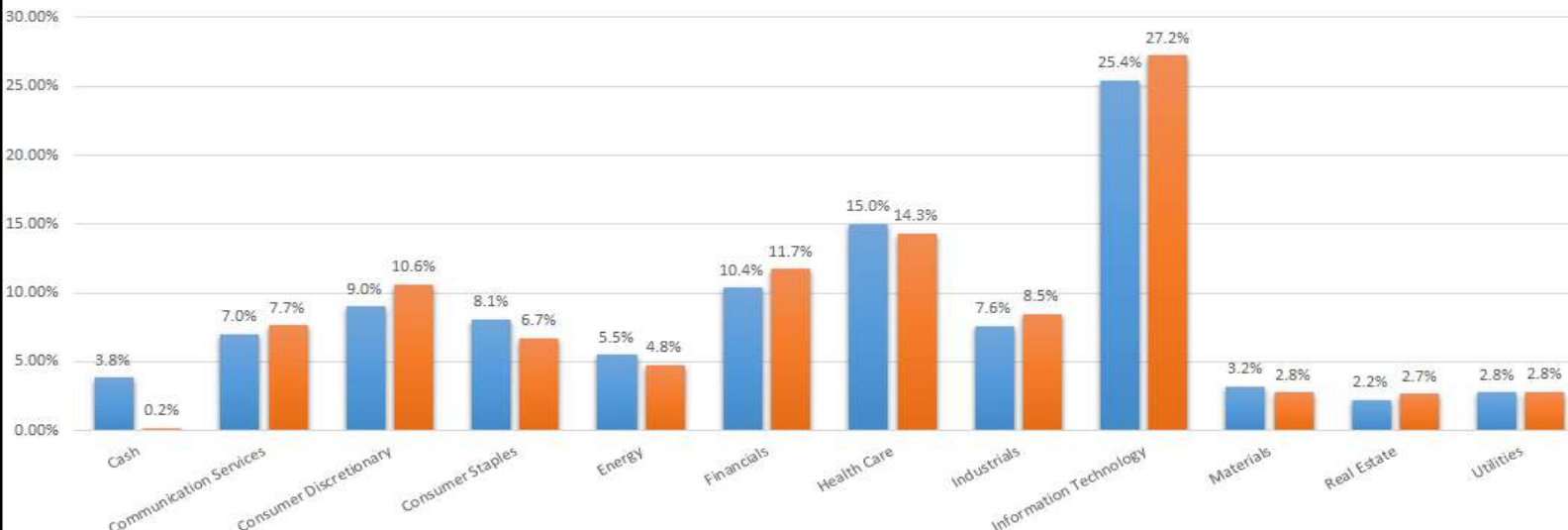
■ Portfolio ■ SPDR Sector ETF



Sector Weights

Sector Weights: Portfolio vs. Benchmark

■ Portfolio ■ Benchmark



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

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

Top 10 Individual Equity and ETF Holdings

Equities	Ticker	Shares	Price	Market Value	% of Portfolio	Historical Cost	Unrealized Gain/Loss
APPLE INC	AAPL	542	147.41	\$ 79,896.22	4.80%	\$17,352.95	\$62,543.27
ALPHABET INC CAP STK CL A	GOOGL	630	90.06	\$ 56,737.80	3.41%	\$27,757.27	\$28,980.53
MISCROSOFT CORP INC	MSFT	227	249.42	\$ 56,618.34	3.40%	\$35,559.42	\$21,058.92
VISA INC COM CL A	V	212	219.94	\$ 46,627.28	2.80%	\$29,527.28	\$17,100.00
3M CO	MMM	419	107.74	\$ 45,143.06	2.71%	\$62,097.80	-\$16,954.74
AMAZON INC	AMZN	460	94.23	\$ 43,345.80	2.61%	\$54,347.82	-\$11,002.02
OWENS CORNING	OC	350	97.79	\$ 34,226.50	2.06%	\$27,269.76	\$6,956.74
WALMART	WMT	204	142.13	\$ 28,994.52	1.74%	\$25,032.56	\$3,961.96
VERTEX PHARMACEUTICALS INC	VRTX	97	290.29	\$ 28,158.13	1.69%	\$18,071.07	\$10,087.06
SKYWORKS SOLUTIONS INC COM	SWKS	251	111.57	\$ 28,004.07	1.68%	\$28,842.24	-\$838.17
Exchange Traded Funds	Ticker	Shares	Price	Market Value	% of Portfolio	Historical Cost	Unrealized Gain/Loss
SELECT SECTOR SPDR TR ENERGY	XLE	539	\$ 83.69	\$ 45,108.91	2.71%	\$35,525.14	\$9,583.77
SELECT SECTOR SPDR TR FINANCIALS	XLF	1046	\$ 35.72	\$ 37,363.12	2.25%	\$37,726.87	-\$363.75
SECTOR SPDR TR SHS BEN INT TECHNOLOGY	XLK	243	\$ 136.52	\$ 33,174.36	1.99%	\$31,763.54	\$1,410.82
SECTOR SPDR TR SHS BEN INT CONSUMER STAPLES	XLP	405.713	\$ 72.03	\$ 29,223.51	1.76%	\$27,063.16	\$2,160.35
SECTOR SPDR TR SHS BEN INT UTILITIES	XLU	404	\$ 65.00	\$ 26,260.00	1.58%	\$25,319.27	\$940.73
SPDR SER TR S&P INS ETF	KIE	530	\$ 43.30	\$ 22,949.00	1.38%	\$17,202.33	\$5,746.67
ISHARES TR U.S. MED DVC ETF	IHI	383	\$ 51.99	\$ 19,912.17	1.20%	\$11,026.40	\$8,885.77
SELECT SECTOR SPDR TR CONSUMER DISCRETIONARY	XLY	126	\$ 145.54	\$ 18,338.04	1.10%	\$18,280.81	\$57.23
SELECT SECTOR SPDR TR HEALTH CARE	XLV	141	\$ 127.17	\$ 17,930.97	1.08%	\$16,764.27	\$1,166.70
SELECT SECTOR SPDR TR RL EST SEL SEC	XLRE	418	\$ 38.21	\$ 15,971.78	0.96%	\$15,413.87	\$557.91
Cash				\$ 63,987.51	3.85%		

Performance Analytics

Historical Risk Statistics and Ratios	Annualized Portfolio Volatility	Annualized Benchmark Volatility	Annualized Tracking Error	Annualized Information Ratio	Correlation to Benchmark	Beta to Benchmark	Jensen's Alpha	Treynor Ratio	Sharpe Ratio
Since Inception	14.86%	15.38%	3.32%	-0.17	0.98	0.94	-0.12%	0.08	0.49
1 Year Trailing	22.19%	22.78%	1.73%	-0.60	1.00	0.97	-1.33%	(0.11)	(0.49)
3 Year Trailing	19.62%	20.52%	2.10%	0.25	1.00	0.95	1.06%	0.12	0.59
5 Year Trailing	18.18%	18.47%	2.09%	-0.17	0.99	0.98	-0.16%	0.08	0.44
Monthly Performance Attribution Results	Portfolio	Benchmark	Excess	Top 5 Return Contributors			Bottom 5 Return Contributors		
Total	-3.34%	-2.51%	-0.82%	Ticker	Weight	Return Contrib.	Ticker	Weight	Return Contrib.
Return Contribution from Sector Allocation	-2.33%	-2.30%	-0.03%	NVDA	1.48%	0.2517%	GOOGL	3.67%	-0.3264%
Alpha from Equity and ETF Selection and Trading	-1.02%		-1.02%	META	0.90%	0.1563%	AMZN	2.80%	-0.2416%
Alpha from Option Selection and Trading	0.00%		0.00%	AAPL	4.61%	0.1071%	ADBE	1.79%	-0.2245%
Income from Cash Account	0.01%		0.01%	REGN	1.88%	0.0515%	XLE	2.86%	-0.1985%
Tracking/Rounding Difference	0.00%	-0.21%	0.21%	ABBV	0.85%	0.0437%	VRTX	1.85%	-0.1878%



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

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