



HUGH L. CAREY
BATTERY PARK
CITY AUTHORITY

Hugh L. Carey Battery Park City Authority

Review of Investment Performance
Quarter Ended April 30, 2015



PFM Asset Management LLC

Table of Contents

- A. Executive Summary
- B. Summary of Aggregate Portfolio
- C. Performance Attributes
- D. Market Commentary

**Section A –
Executive Summary**

Performance Overview

	Past Quarter	Past 12 Months	Past 3-Years	Since Inception
Short-Term Strategy:				
2003 Pledged Revenue	0.06%	0.19%	0.12%	1.39%
2003 Project Operating Fund	0.05%	0.10%	0.11%	1.37%
<i>BM: Merrill Lynch 3 Month US Treasury Bill Index</i>	0.00%	0.02%	0.07%	1.31%
Long-Term Strategy:				
2003 Reserve Fund	0.10%	1.63%	0.94%	4.06%
<i>BM: Merrill Lynch 1-5 Year US Treasury Note Index</i>	-0.06%	1.69%	0.74%	3.92%
BPCPC Operating Reserve Contingency	-0.27%	2.75%	1.42%	4.49%
Insurance Fund	-0.27%	2.70%	1.25%	4.49%
Operating Budget Reserve	-0.25%	2.79%	1.52%	4.65%
<i>BM: Merrill Lynch 1-10 Year US Treasury Note Index</i>	-0.47%	2.94%	1.23%	4.08%
BPCA Other Post Employment Benefits	-0.29%	2.66%	1.35%	3.48%
<i>BM: Merrill Lynch 1-10 Year US Treasury Note Index</i>	-0.47%	2.94%	1.23%	3.18%
BPCPC Other Post Employment Benefits	-0.28%	2.60%	1.35%	2.68%
<i>BM: Merrill Lynch 1-10 Year US Treasury Note Index</i>	-0.47%	2.94%	1.23%	2.81%

Notes:

1. Bank of America/Merrill Lynch (BAML) indices provided by Bloomberg Financial Markets. The total returns shown for periods longer than a year are the annualized returns for the stated period.
2. Since inception performance for all portfolios other than 'BPCA Other Post Employment Benefits' and 'BPCPC Other Post Employment Benefits' is calculated from January 31, 2006 to present
3. For the 'Reserve Fund,' the inception of the BAML 1-5 Year Treasury Index as the performance benchmark is July 31, 2013. For prior periods, the BAML 1-10 Year Treasury Index was utilized.
4. Since inception performance for the 'BPCA Other Post Employment Benefits' is calculated from January 31, 2008 to present.
5. Since inception performance for the 'BPCPC Other Post Employment Benefits' is calculated from February 12, 2010 to present.

Portfolio Summary

Portfolios are in compliance with the Authority's investment policy, diversified by sector and issuer, and are of high credit quality.

Short-Term Funds

- The Authority's Short-Term portfolios outperformed the benchmark return for the quarter.
 - The short-term portfolios are structured to meet the unique liquidity needs of each. Liquidity considerations are the primary determinant of portfolio positioning.
 - Where liquidity constraints permitted, portfolios were structured to take advantage of the steepness of the yield curve and maximize duration exposure.
 - Commercial paper was utilized to take advantage of attractive yields compared to the Treasury sector.
 - Since inception, the Short-Term portfolios have outperformed the benchmark by an average of 7 basis points per year.

Longer-Term Funds

- The Authority's Longer-Term portfolios outperformed their benchmarks during the quarter.
- Increasing interest rates and a general steepening of the yield curve, particularly on the long end, had a significant impact on portfolio returns. For example, the 5-year Treasury yield increased 25 basis points to 1.43%, and the 10-year Treasury yield increased 37 basis points to 2.05% during the quarter. The portfolios outperformed benchmarks due to a defensive duration position, favorable yield curve positioning and sector diversification achieved through active management.
 - The portfolios were positioned at 90%-92% of their respective benchmark durations at the end of the quarter.
 - Generally speaking, portfolios were underweight the benchmark in the 5-10 year duration range.
 - The portfolios are diversified in securities other than US Treasuries, including federal agencies, municipals, and mortgage-backed securities. Up to 50% of some portfolios are invested in sectors other than US Treasuries.
- Additional exposure to securities with a full faith and credit guarantee of the United States was added to portfolios during the quarter. Funds were generally reallocated from the Treasury sector to facilitate these purchases.

Portfolio Value – Strategy Level

	April 30, 2015			January 31, 2015			Change in Strategy Value Summary			
	Market Value	Effective Duration	% of Total Portfolio	Market Value	Effective Duration	% of Total Portfolio	Net Cash Flows	Market Value Change	Change in Cash Balance	(+/-)
Total Return Accounts										
Longer Term Investment Strategy	\$139,049,415	3.10	24.9%	\$139,019,563	2.91	26.7%	\$0	\$29,852	(\$143,970)	(\$114,117)
Short Term Investment Strategy	\$56,932,980	0.43	10.2%	\$80,704,592	0.29	15.5%	(\$23,663,838)	(\$23,771,612)	\$139,143	\$31,369
Subtotal of Total Return	\$195,982,395	2.33	35.1%	\$219,724,155	1.95	42.1%	(\$23,663,838)	(\$23,741,760)	(\$4,827)	(\$82,748)
Other BPCA Accounts										
Subtotal of Other BPCA Accounts	\$363,070,849	0.37	64.9%	\$301,586,100	0.41	57.9%	\$58,016,105	\$61,484,748	(\$3,337,614)	\$131,030
Grand Total BPCA Portfolio	\$559,053,244	1.06	100.0%	\$521,310,255	1.06	100.0%	\$34,352,267	\$37,742,989	(\$3,342,441)	\$48,281

Notes:

1. "Market Value" includes accrued interest, but does not include cash balances held at the bank.

Portfolio Value – Account Level

Total Return Accounts	April 30, 2015			January 31, 2015			Change in Account Value Summary			
	Market Value	Effective Duration		Market Value	Effective Duration		Net Cash Flows	Market Value Change	Change in Cash Balance	(+/-)
Longer Term Investment Strategy										
2003 Reserve Fund	\$71,618,205	2.59		\$71,455,640	2.40		\$0	\$162,564	(\$89,562)	\$73,003
BPCPC Operating Reserve Contingency Insurance Fund	\$20,018,406	3.67		\$20,048,228	3.49		\$0	(\$29,822)	(\$24,748)	(\$54,570)
Operating Budget Reserve	\$4,511,339	3.60		\$4,516,746	3.41		\$0	(\$5,407)	(\$6,582)	(\$11,989)
BPCA Other Post Employment Benefits	\$9,322,558	3.64		\$9,337,215	3.47		\$0	(\$14,656)	(\$8,916)	(\$23,572)
BPCPC Other Post Employment Benefits	\$20,774,106	3.63		\$20,828,839	3.43		\$0	(\$54,732)	(\$6,107)	(\$60,839)
BPCPC Other Post Employment Benefits	\$12,804,801	3.66		\$12,832,895	3.45		\$0	(\$28,094)	(\$8,056)	(\$36,150)
Short Term Investment Strategy										
2003 Pledged Revenue	\$49,267,037	0.47		\$73,837,185	0.30		(\$24,457,894)	(\$24,570,148)	\$140,554	\$28,299
2003 Project Operating Fund	\$7,665,943	0.19		\$6,867,407	0.13		\$794,056	\$798,536	(\$1,411)	\$3,070
Subtotal of Total Return Accounts	\$195,982,395	2.33		\$219,724,155	1.95		(\$23,663,838)	(\$23,741,760)	(\$4,827)	(\$82,748)
Other BPCA Accounts										
Liberty Terr Mariners Cove-K	\$286,295	0.89		\$285,912	0.35		\$0	\$383	(\$271)	\$112
Liberty House Mariners J	\$234,388	0.92		\$233,933	0.32		\$0	\$455	(\$364)	\$91
Rector Park L	\$31,854	1.29		\$32,000	0.01		\$0	(\$146)	\$156	\$11
Hudson View W Towers G	\$164,789	0.67		\$164,921	0.53		\$0	(\$132)	\$200	\$69
Hudson Towers E/F	\$200,738	0.67		\$199,904	0.53		\$0	\$834	(\$751)	\$84
Hudson View Towers C	\$180,764	0.67		\$179,914	0.53		\$0	\$850	(\$775)	\$75
Liberty Ct Mariners Cove B	\$583,440	0.93		\$583,839	0.31		\$0	(\$399)	\$623	\$225
Millenium	\$3,523,458	0.67		\$3,521,313	0.53		\$0	\$2,145	(\$677)	\$1,467
Liberty Battery Place Assoc 4	\$422,394	0.70		\$421,807	0.51		\$0	\$588	(\$413)	\$175
South Cove Assoc 11	\$383,507	0.67		\$382,816	0.53		\$0	\$690	(\$531)	\$160
Soundings Rector Park A	\$204,738	0.67		\$204,902	0.53		\$0	(\$164)	\$249	\$85
The Regatta Site 10	\$467,399	0.67		\$466,776	0.53		\$0	\$623	(\$428)	\$195
Corporate Funds	\$1,722,466	0.59		\$1,719,877	0.62		\$0	\$2,589	(\$1,787)	\$802
2000 Arbitrage Rebate	\$785,994	0.15		\$785,914	0.40		\$0	\$79	\$0	\$79
1993 Unpledged Revenue	\$167,999	0.15		\$93,990	0.40		\$70,441	\$74,009	(\$3,554)	\$13
2003 Residual Fund	\$167,457,789	0.14		\$167,401,218	0.31		\$0	\$56,571	\$502	\$57,072
Joint Purpose Fund	\$9,000	0.15		\$8,999	0.40		\$0	\$1	\$0	\$1
Special Fund	\$1,328,766	0.23		\$1,461,590	1.49		(\$126,316)	(\$132,824)	(\$1,060)	(\$7,567)
Debt Service Junior Payments	\$37,345,920	0.39		\$14,331,340	0.24		\$22,501,849	\$23,014,580	(\$492,745)	\$19,986
2003 Debt Service Senior Payments	\$44,055,304	0.40		\$4,494,061	0.43		\$39,533,754	\$39,561,243	(\$7,311)	\$20,177
BPCPC Operating Reserve	\$977,987	1.21		\$886,313	1.36		\$0	\$91,673	(\$91,780)	(\$107)
BPCA Millenium Tower Security Fund 2A	\$2,942,204	0.67		\$2,941,592	0.53		\$0	\$612	\$614	\$1,225
BPCA S 16/17 Riverhouse Security Fund	\$6,246,452	0.81		\$6,243,666	0.42		\$0	\$2,786	(\$286)	\$2,500
BPCA Goldman Sachs Liberty Contribution F	\$0	0.00		\$0	0.00		\$0	\$0	\$0	\$0
BPCA Visionaire Security Fund	\$3,808,208	0.76		\$3,807,452	0.45		\$0	\$756	\$787	\$1,544
BPCA Series 2009A Project Costs	\$12,390,569	0.57		\$14,752,999	0.73		(\$2,371,472)	(\$2,362,430)	(\$2,671)	\$6,371
BPCA Series 2009B Project Costs	\$1,550,993	0.08		\$1,590,923	0.25		(\$39,965)	(\$39,929)	\$60	\$96
BPCA Pier A Security Deposit Account	\$400,838	0.31		\$400,910	0.44		\$0	(\$72)	\$152	\$80
BPCA One Rector Park Security Fund	\$933,140	0.80		\$932,649	0.42		\$0	\$491	(\$117)	\$374
BPCA Rector Square Security Fund Site D	\$215,727	0.66		\$215,896	0.53		\$0	(\$169)	\$259	\$90
BPCA Insurance Advance	\$0	0.00		\$0	0.00		\$0	\$0	\$0	\$0
BPCA WFC TOWER C RETAIL RENT ESCI	\$242,890	1.29		\$243,000	0.01		\$0	(\$110)	\$193	\$83
BPCA2013ACDE COI SUB AC	\$0	0.00		\$0	0.00		\$0	\$0	\$0	\$0
BPCA2013B COI SUB AC	\$0	0.00		\$0	0.00		\$0	\$0	\$0	\$0
BPCA2013ACDE PROJ COST SUB AC	\$72,874,842	0.72		\$71,665,686	0.54		(\$1,552,186)	\$1,209,156	(\$2,735,913)	\$25,429
BPCA2013B PROJ COSTS SUB AC	\$929,998	0.04		\$929,989	0.17		\$0	\$9	\$25	\$34
Subtotal of Other BPCA Accounts	\$363,070,849	0.37		\$301,586,100	0.41		\$58,016,105	\$61,484,748	(\$3,337,614)	\$131,030
GRAND TOTAL	\$559,053,244	1.06		\$521,310,255	1.06		\$34,352,267	\$37,742,989	(\$3,342,441)	\$48,281

Notes:

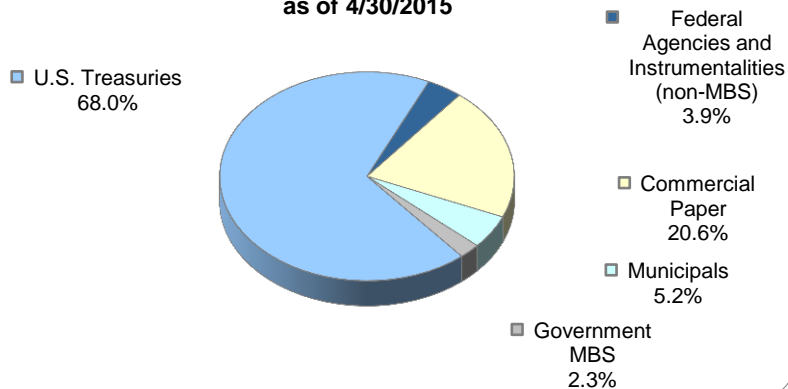
1. "Market Value" includes accrued interest, but does not include cash balances held at the bank.

**Section B –
Summary of Aggregate Portfolio**

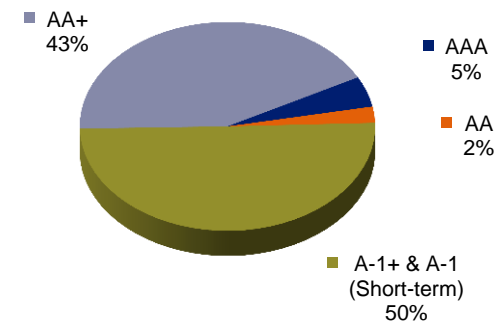
Aggregate Portfolio Composition and Credit Quality

Security Type ¹	April 30, 2015		Effective	January 31, 2015		Effective
	Amount	% of Portfolio	Duration	Amount	% of Portfolio	Duration
U.S. Treasuries	\$380,224,172	68.0%	1.02	\$352,906,042	67.7%	0.95
Federal Agencies and Instrumentalities (non-MBS)	\$21,756,652	3.9%	2.81	\$29,968,608	5.7%	2.32
Commercial Paper	\$115,023,775	20.6%	0.12	\$99,692,461	19.1%	0.32
Municipals	\$28,950,007	5.2%	2.56	\$29,224,833	5.6%	2.78
Government MBS	\$13,098,638	2.3%	4.03	\$9,518,311	1.8%	3.53
Totals	\$559,053,244	100.0%	1.06	\$521,310,255	100.0%	1.06

Portfolio Composition as of 4/30/2015



Credit Quality Distribution as of 4/30/2015



Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

Aggregate Portfolio Issuer Breakdown

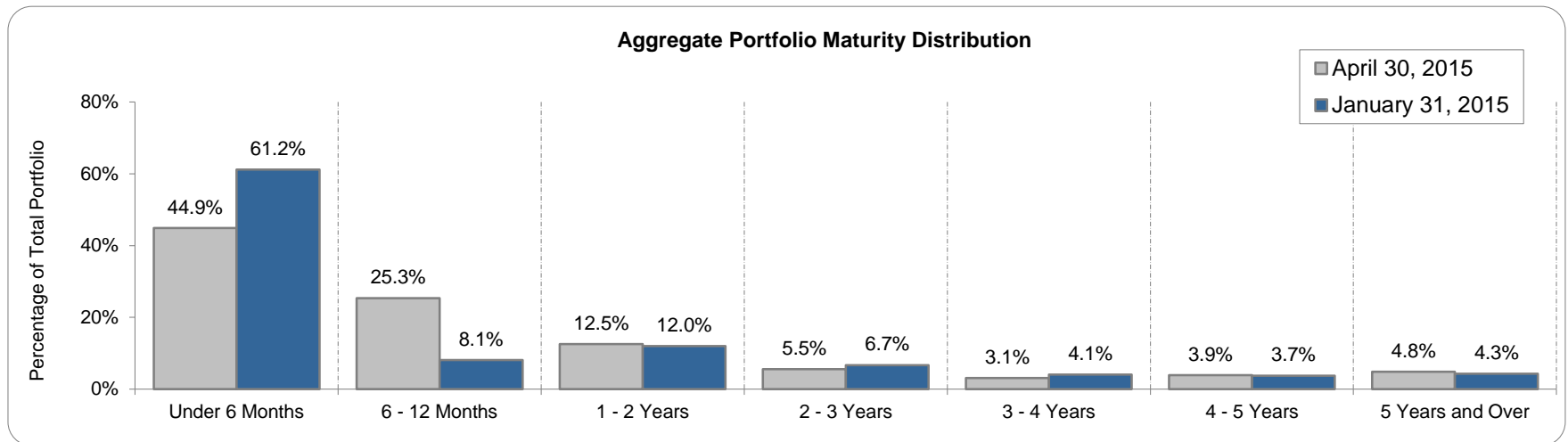
Security Type	April 30, 2015	% of Portfolio	January 31, 2015	% of Portfolio	QoQ % Change
United States Treasury²					
U.S. Treasury	\$380,224,172	68.0%	\$352,906,042	67.7%	0.3%
Ginnie Mae	\$7,182,654	1.3%	\$4,889,633	0.9%	0.3%
Small Business Administration	\$2,510,907	0.4%	\$511,107	0.1%	0.4%
Federal Agencies and Instrumentalities (includes Mortgaged-Backed Securities)²					
Freddie Mac	\$7,353,618	1.3%	\$9,876,814	1.9%	(0.6%)
Fannie Mae	\$2,035,746	0.4%	\$3,522,609	0.7%	(0.3%)
International Bank of Recon and Development	\$10,756,233	1.9%	\$17,081,332	3.3%	(1.4%)
Asian Development Bank	\$1,596,975	0.3%	\$1,602,423	0.3%	(0.0%)
African Development Bank	\$3,419,157	0.6%	\$2,003,002	0.4%	0.2%
Commercial Paper²					
Canadian Imperial Bank of Commerce	\$21,553,357	3.9%	\$19,979,220	3.8%	0.0%
Exxon Mobil Corporation	\$26,993,493	4.8%	\$9,701,846	1.9%	3.0%
General Electric Capital Corporation	\$20,995,922	3.8%	\$20,980,662	4.0%	(0.3%)
General Electric Company	\$3,071,490	0.5%	\$0	0.0%	0.5%
HSBC USA Inc.	\$0	0.0%	\$9,988,360	1.9%	(1.9%)
Prudential Funding LLC	\$21,412,459	3.8%	\$6,594,798	1.3%	2.6%
Toyota Motor Credit Corporation	\$20,997,054	3.8%	\$19,981,540	3.8%	(0.1%)
US Bank NA	\$0	0.0%	\$12,466,035	2.4%	(2.4%)
Municipal Issuers²					
Georgia State	\$3,245,124	0.6%	\$3,258,185	0.6%	(0.0%)
Nassau County, New York	\$3,050,848	0.5%	\$3,044,848	0.6%	(0.0%)
New York City	\$14,031,369	2.5%	\$14,225,252	2.7%	(0.2%)
New York City Transitional Finance Authority	\$4,360,677	0.8%	\$4,388,724	0.8%	(0.1%)
New York State	\$4,261,989	0.8%	\$4,307,824	0.8%	(0.1%)
TOTAL	\$559,053,244	100.0%	\$521,310,255	100.0%	

Notes:

- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Pursuant to the Authority's Investment Policy, investments in obligations other than those backed by the full faith and credit of the U.S. Government are limited to the following: (1) Federal Agencies - \$250 million per issuer, (2) Commercial Paper - the lesser of 5% or \$250 million per issuer, (3) Bankers' Acceptances - the lesser of 5% or \$250 million per issuer and (4) Municipal Bonds - 10%.
- CIBC commercial paper was less than 5% at the time of purchase, the last purchase being made in April 2014.

Aggregate Portfolio Maturity Structure

Security Type ¹	April 30, 2015	% of Portfolio	January 31, 2015	% of Portfolio	QoQ % Change
Under 6 Months	\$251,037,316	44.9%	\$319,126,337	61.2%	(16.3%)
6 - 12 Months	\$141,443,744	25.3%	\$42,000,722	8.1%	17.2%
1 - 2 Years	\$70,051,709	12.5%	\$62,496,403	12.0%	0.5%
2 - 3 Years	\$30,969,741	5.5%	\$34,766,185	6.7%	(1.1%)
3 - 4 Years	\$17,125,576	3.1%	\$21,114,876	4.1%	(1.0%)
4 - 5 Years	\$21,559,540	3.9%	\$19,493,015	3.7%	0.1%
5 Years and Over	\$26,865,618	4.8%	\$22,312,718	4.3%	0.5%
Totals	\$559,053,244	100.0%	\$521,310,255	100.0%	



Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

Statement of Broker Trades

	Quarterly, February 01, 2015 to April 30, 2015		Cumulative, November 01, 2014 to April 30, 2015	
Direct Issuers	Quarterly Trades	Quarterly Par Amount	Cumulative Trades	Cumulative Par Amount
Exxon Mobil Corp	1	27,000,000	2	36,705,000
General Electric Corp	1	3,072,000	3	24,072,000
Toyota Motor Credit Corp.	1	1,000,000	2	21,000,000
US Bank	2	37,470,000	6	65,252,000
Total	5	68,542,000	13	147,029,000

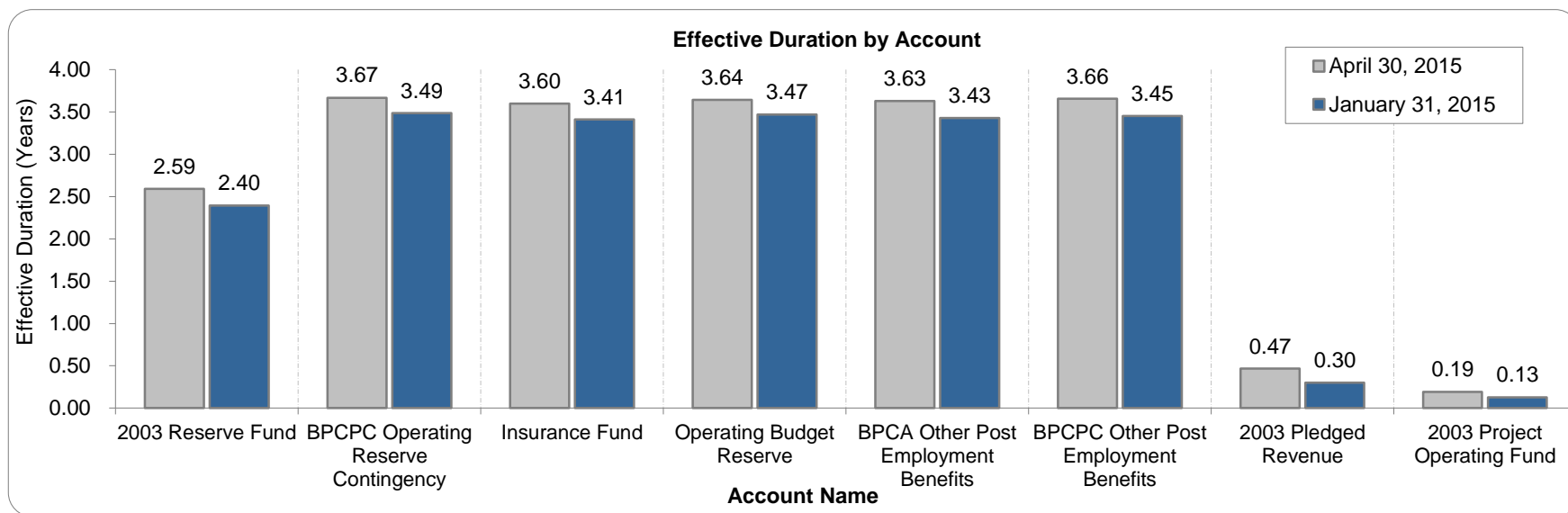
	Quarterly, February 01, 2015 to April 30, 2015		Cumulative, November 01, 2014 to April 30, 2015	
Broker/Dealers	Quarterly Trades	Quarterly Par Amount	Cumulative Trades	Cumulative Par Amount
Bank of New York	10	472,595	10	472,595
Barclays Capital, Inc.	22	2,262,000	35	31,319,000
BNP Paribas Securities Corp.	8	1,350,000	9	1,490,000
CIBC World Markets Corp.	2	1,555,000	3	21,555,000
Citigroup Global Markets, Inc.	86	106,316,437	135	157,225,437
FTN Financial	9	2,323,684	9	2,323,684
Goldman, Sachs & Co.	8	1,372,304	27	2,202,882
HSBC Securities (USA) Inc.	2	11,400,000	2	11,400,000
J. P. Morgan Securities LLC	23	28,535,000	33	31,366,806
Jefferies & Company, Inc.	-	-	5	340,000
Merrill Lynch, Pierce, Fenner & Smith Inc.	34	70,250,000	75	153,056,000
Morgan Stanley & Co., Inc.	69	43,180,000	81	54,091,000
Nomura Securities USA, Inc.	1	120,000	1	120,000
Prudential Funding Corp.	39	70,469,000	69	122,019,000
RBC Capital Markets, LLC.	60	24,747,000	79	95,814,000
RBS Securities, Inc.	2	3,527,000	7	10,038,000
Wells Fargo Securities, LLC	8	26,401,000	18	45,801,000
Total	383	394,281,019	598	740,634,404

	Quarterly, February 01, 2015 to April 30, 2015		Cumulative, November 01, 2014 to April 30, 2015	
	Quarterly Trades	Quarterly Par Amount	Cumulative Trades	Cumulative Par Amount
	388	462,823,019	611	887,663,404

Section C – Performance Attributes

Total Return Portfolio Attributes

Yields	Effective Duration (in years)		Yield To Maturity - At Market		Yield To Maturity - On Cost	
	April 30, 2015	January 31, 2015	April 30, 2015	January 31, 2015	April 30, 2015	January 31, 2015
Longer Term Investment Strategy						
2003 Reserve Fund	2.59	2.40	1.02%	0.81%	1.61%	1.49%
BPCPC Operating Reserve Contingency	3.67	3.49	1.31%	1.07%	1.95%	2.10%
Insurance Fund	3.60	3.41	1.24%	1.02%	1.66%	1.57%
Operating Budget Reserve	3.64	3.47	1.31%	1.06%	2.04%	2.15%
BPCA Other Post Employment Benefits	3.63	3.43	1.26%	1.01%	1.82%	1.98%
BPCPC Other Post Employment Benefits	3.66	3.45	1.25%	0.99%	1.69%	1.64%
Short Term Investment Strategy						
2003 Pledged Revenue	0.47	0.30	0.06%	0.12%	0.11%	0.13%
2003 Project Operating Fund	0.19	0.13	0.16%	0.15%	0.16%	0.12%

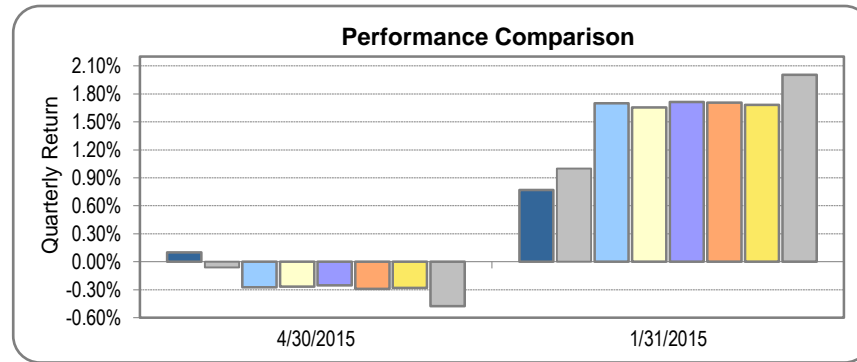
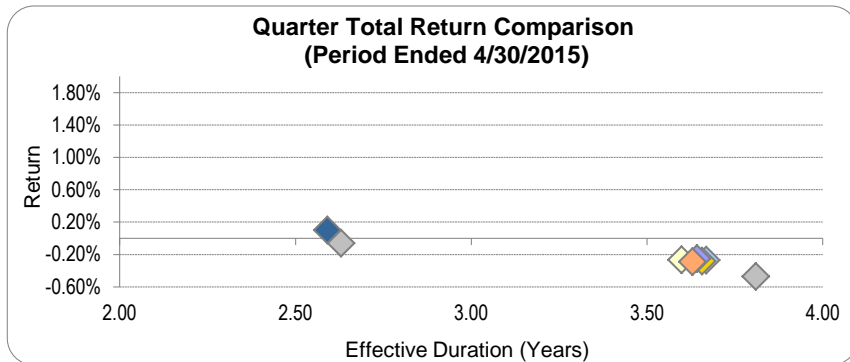


Portfolios Managed with a Longer-Term Investment Strategy

Longer-Term Investment Strategy

Total Return ^{1,2,4,5}	April 30, 2015	Annualized Quarter	Annualized Since Inception
2003 Reserve Fund	0.10%	0.42%	4.06%
BM: Merrill Lynch 1-5 Year US Treasury Note Index	(0.06%)	(0.25%)	3.92%
BPCPC Operating Reserve Contingency	(0.27%)	(1.11%)	4.49%
Insurance Fund	(0.27%)	(1.08%)	4.49%
Operating Budget Reserve	(0.25%)	(1.03%)	4.65%
BM: Merrill Lynch 1-10 Year US Treasury Note Index	(0.47%)	(1.93%)	4.08%
BPCA Other Post Employment Benefits	(0.29%)	(1.19%)	3.48%
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BPCPC Other Post Employment Benefits	(0.28%)	(1.15%)	2.68%
BM: Merrill Lynch 1-10 Year US Treasury Note Index	(0.47%)	(1.93%)	2.81%

Effective Duration (in years) ³	April 30, 2015	January 31, 2015
2003 Reserve Fund	2.59	2.40
BM: Merrill Lynch 1-5 Year US Treasury Note Index	2.63	2.63
BPCPC Operating Reserve Contingency	3.67	3.49
Insurance Fund	3.60	3.41
Operating Budget Reserve	3.64	3.47
BPCA Other Post Employment Benefits	3.63	3.43
BPCPC Other Post Employment Benefits	3.66	3.45
BM: Merrill Lynch 1-10 Year US Treasury Note Index	3.81	3.81

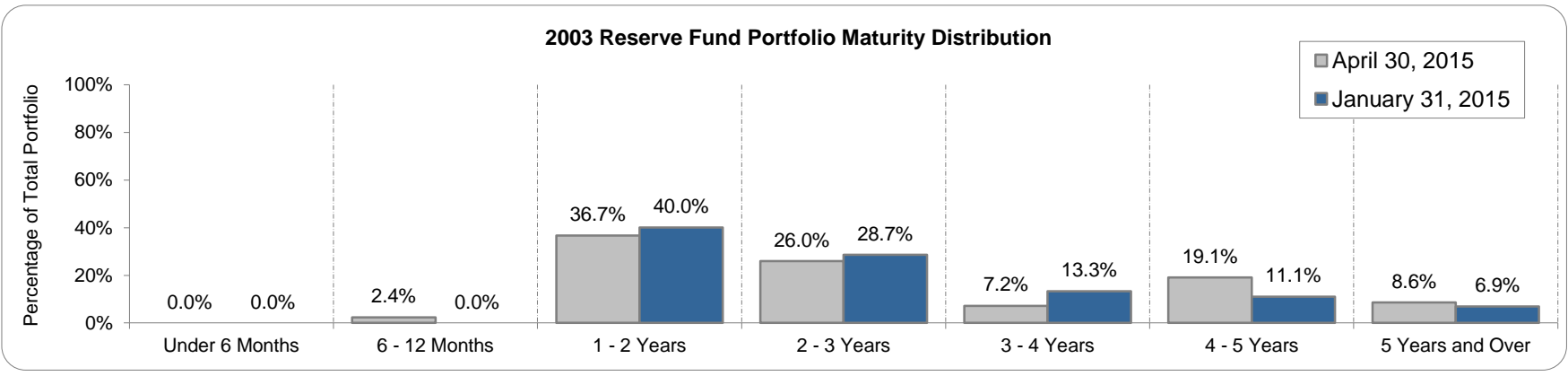
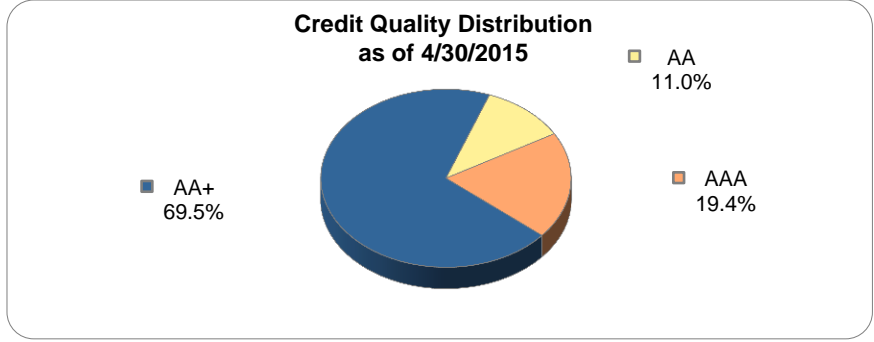
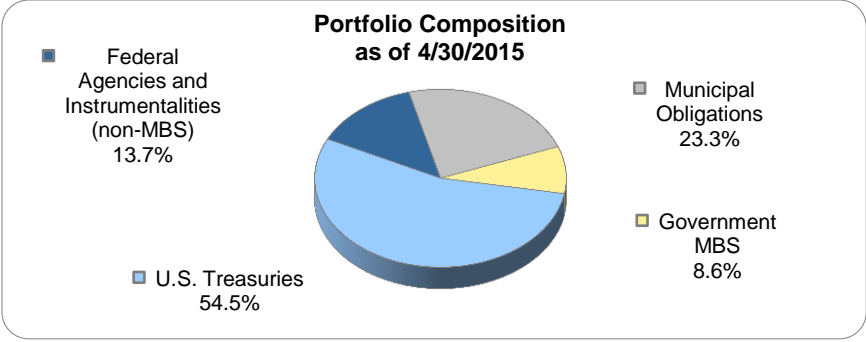


Notes:

- Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
- Bank of America/Merrill Lynch (BAML) indices provided by Bloomberg Financial Markets. The total returns shown for periods longer than a year are the annualized returns for the stated period.
- Duration is the change in the value of a security that will result from a 1% change in interest rates, stated in years.
- Periodic performance numbers are presented both as the periodic return and on an annualized basis. The annualized return assumes the periodic return is compounded at the same rate and is presented for reference only. The actual annual return will be the result of chaining the most recent four quarterly returns.
- Since inception performance for all portfolios other than 'BPCA Other Post Employment Benefits' and 'BPCPC Other Post Employment Benefits' is calculated from January 31, 2006 to present. For the 'Reserve Fund,' the inception of the BAML 1-5 Year Treasury Index as the performance benchmark is July 31, 2013. For prior periods, the BAML 1-10 Year Treasury Index was utilized. Since inception performance for the 'BPCA Other Post Employment Benefits' is calculated from January 31, 2008 to present. Since inception performance for the 'BPCPC Other Post Employment Benefits' is calculated from February 12, 2010 to present.

2003 Reserve Fund Portfolio

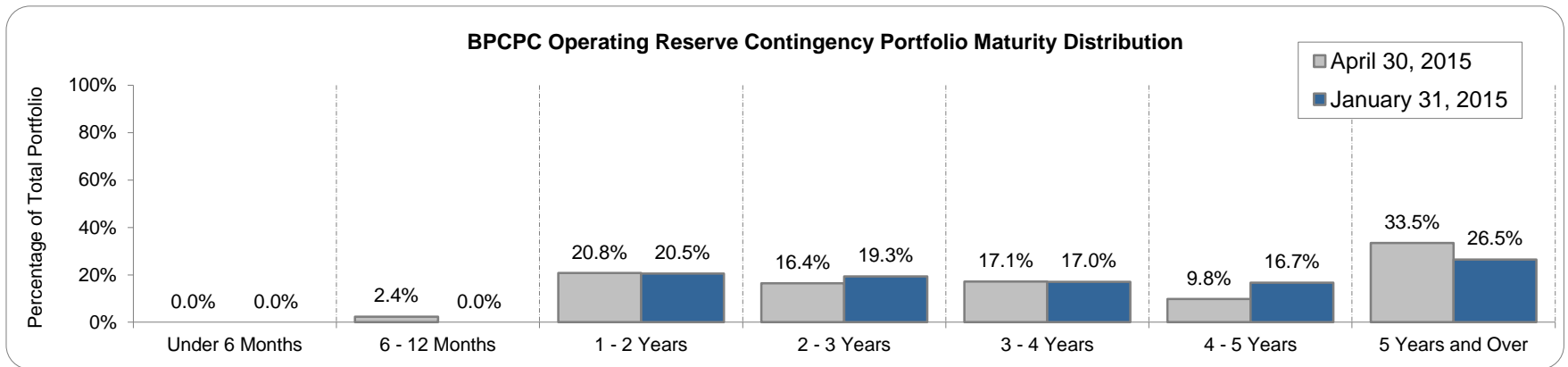
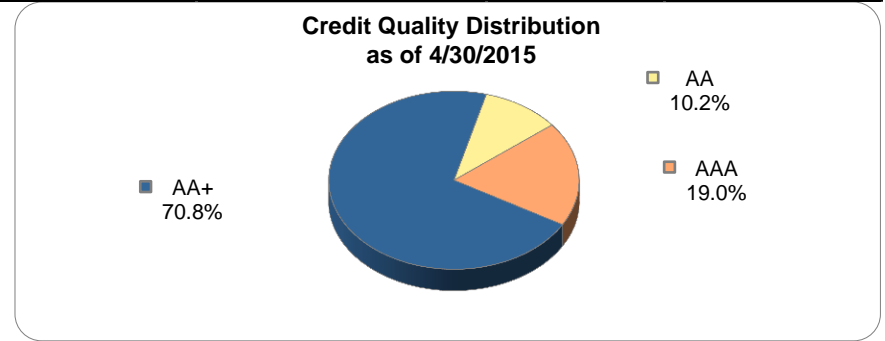
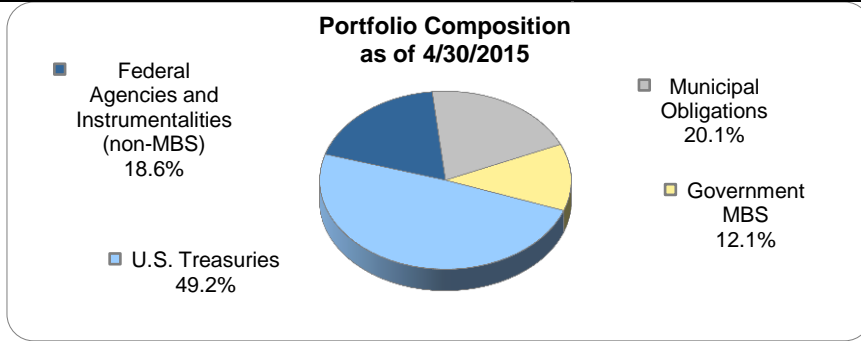
Security Type ¹	April 30, 2015	% of Portfolio	January 31, 2015	% of Portfolio	QoQ % Change
U.S. Treasuries	\$39,013,088	54.5%	\$41,282,754	61.6%	(7.1%)
Federal Agencies and Instrumentalities (non-MBS)	\$9,809,480	13.7%	\$8,451,588	12.6%	1.1%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$16,667,831	23.3%	\$16,812,020	25.1%	(1.8%)
Government MBS	\$6,127,805	8.6%	\$511,107	0.8%	7.8%
Totals	\$71,618,205	100.0%	\$67,057,469	100.0%	



Notes:
 1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
 2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

BPCPC Operating Reserve Contingency Portfolio

Security Type ¹	April 30, 2015	% of Portfolio	January 31, 2015	% of Portfolio	QoQ % Change
U.S. Treasuries	\$9,840,744	49.2%	\$10,213,866	55.0%	(5.8%)
Federal Agencies and Instrumentalities (non-MBS)	\$3,721,586	18.6%	\$4,293,211	23.1%	(4.5%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$4,024,341	20.1%	\$4,066,992	21.9%	(1.8%)
Government MBS	\$2,431,736	12.1%	\$0	0.0%	12.1%
Totals	\$20,018,406	100.0%	\$18,574,069	100.0%	



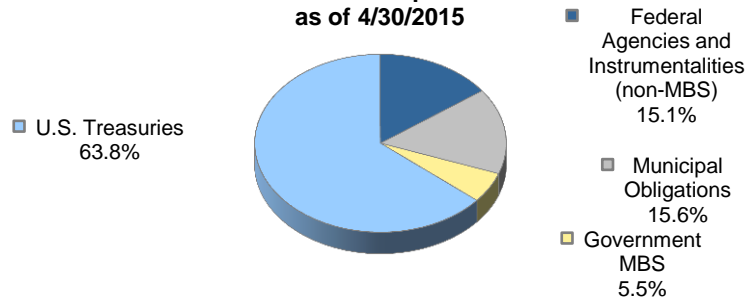
Notes:

- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

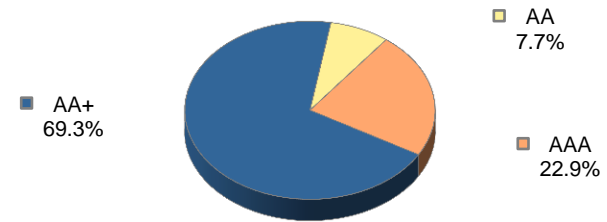
Insurance Fund Portfolio

Security Type ¹	April 30, 2015	% of Portfolio	January 31, 2015	% of Portfolio	QoQ % Change
U.S. Treasuries	\$2,878,556	63.8%	\$2,854,279	67.2%	(3.4%)
Federal Agencies and Instrumentalities (non-MBS)	\$679,008	15.1%	\$683,360	16.1%	(1.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$703,783	15.6%	\$712,278	16.8%	(1.2%)
Government MBS	\$249,992	5.5%	\$0	0.0%	5.5%
Totals	\$4,511,339	100.0%	\$4,249,918	100.0%	

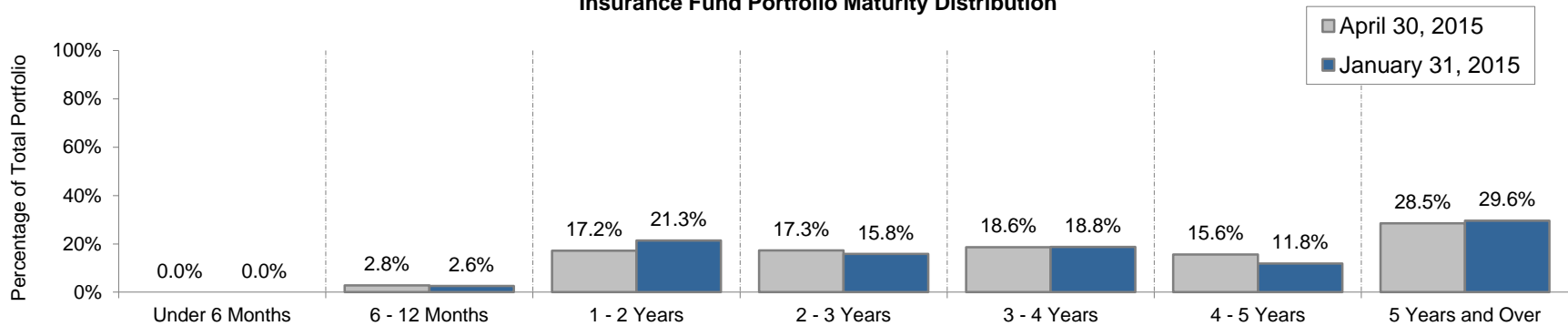
Portfolio Composition as of 4/30/2015



Credit Quality Distribution as of 4/30/2015



Insurance Fund Portfolio Maturity Distribution

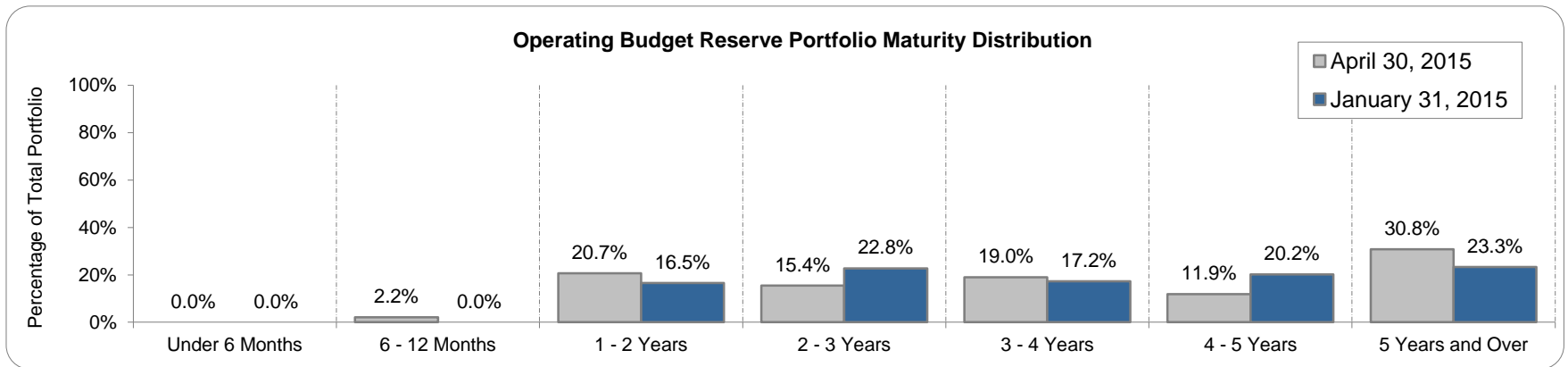
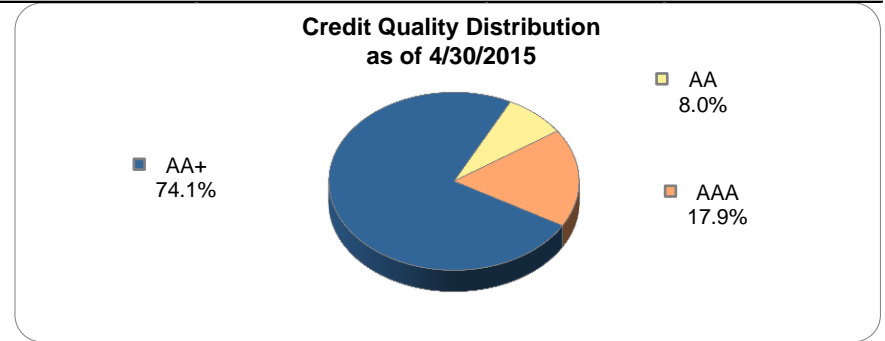
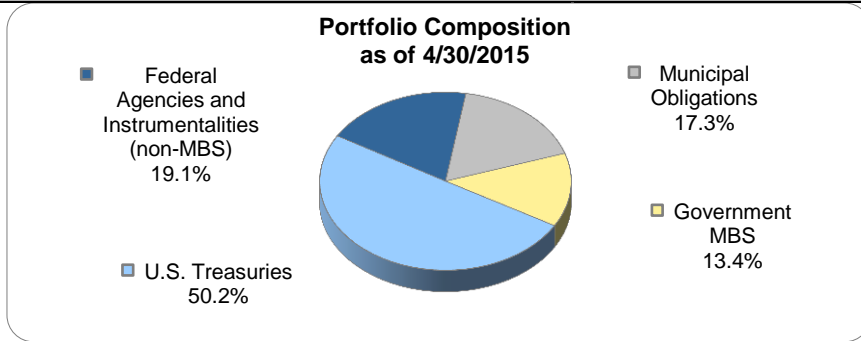


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

Operating Budget Reserve Portfolio

Security Type ¹	April 30, 2015	% of Portfolio	January 31, 2015	% of Portfolio	QoQ % Change
U.S. Treasuries	\$4,677,184	50.2%	\$4,553,841	53.3%	(3.1%)
Federal Agencies and Instrumentalities (non-MBS)	\$1,779,693	19.1%	\$2,357,871	27.6%	(8.5%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$1,615,165	17.3%	\$1,631,103	19.1%	(1.8%)
Government MBS	\$1,250,517	13.4%	\$0	0.0%	13.4%
Totals	\$9,322,558	100.0%	\$8,542,816	100.0%	

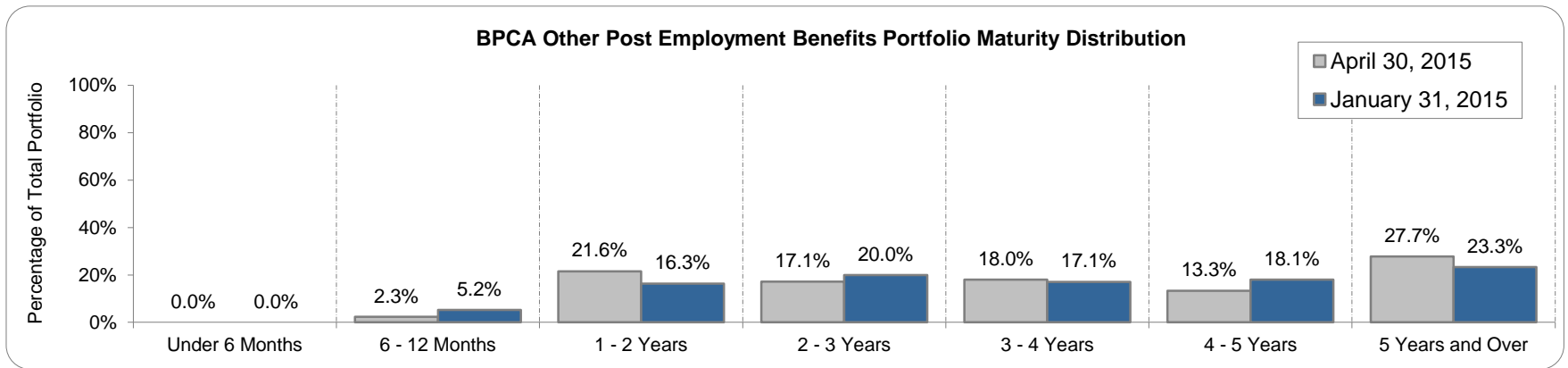
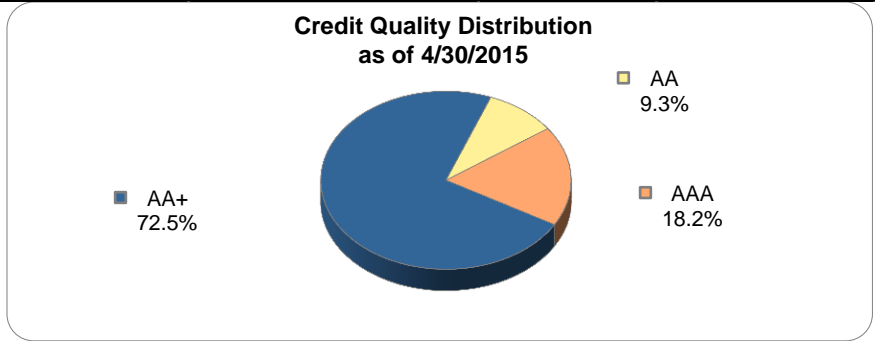
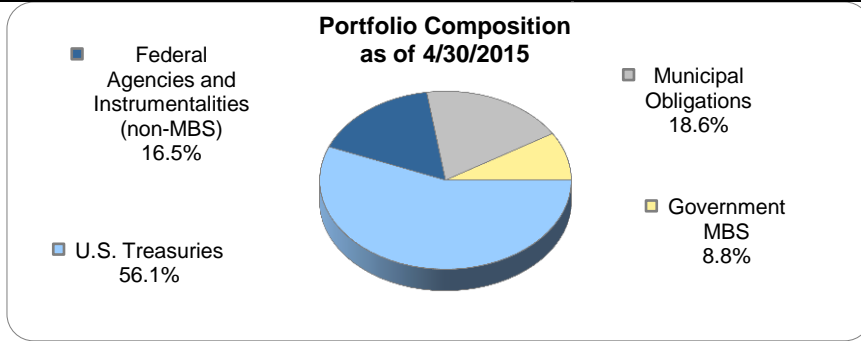


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

BPCA OPEB Portfolio

Security Type ¹	April 30, 2015	% of Portfolio	January 31, 2015	% of Portfolio	QoQ % Change
U.S. Treasuries	\$11,660,852	56.1%	\$11,130,622	55.6%	0.5%
Federal Agencies and Instrumentalities (non-MBS)	\$3,421,694	16.5%	\$4,982,058	24.9%	(8.4%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$3,865,807	18.6%	\$3,906,133	19.5%	(0.9%)
Government MBS	\$1,825,752	8.8%	\$0	0.0%	8.8%
Totals	\$20,774,106	100.0%	\$20,018,813	100.0%	

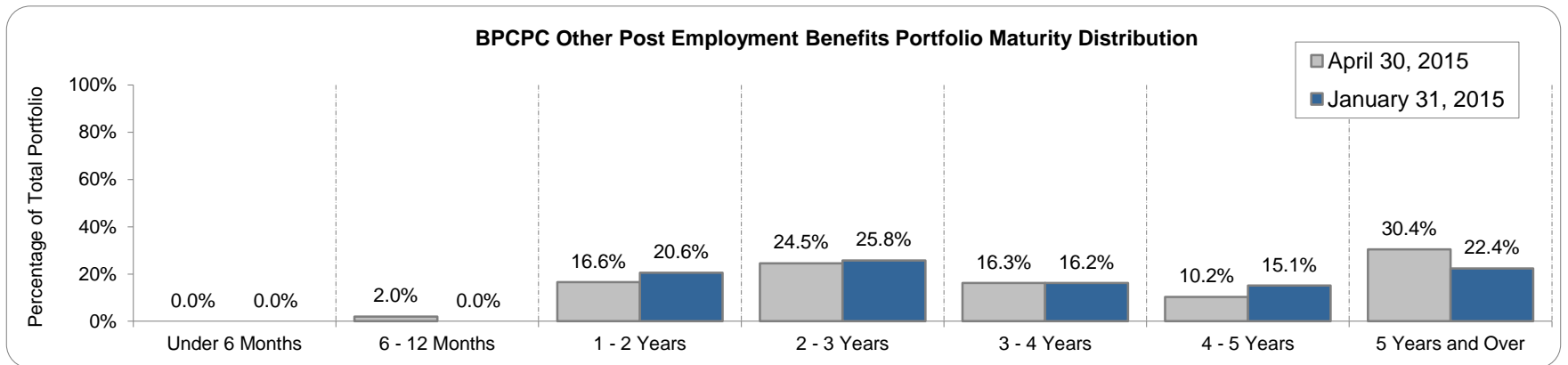
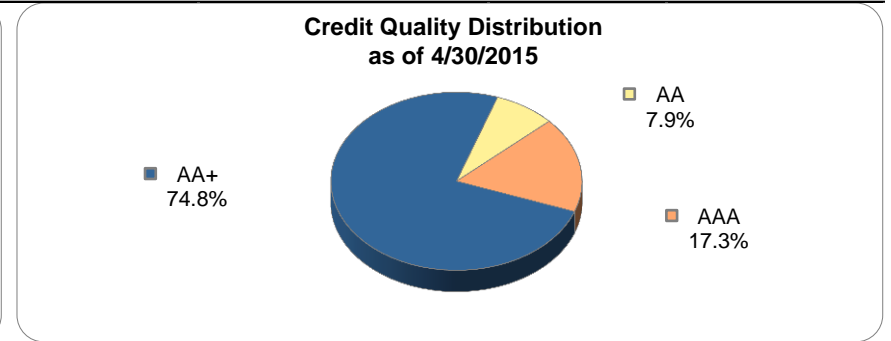
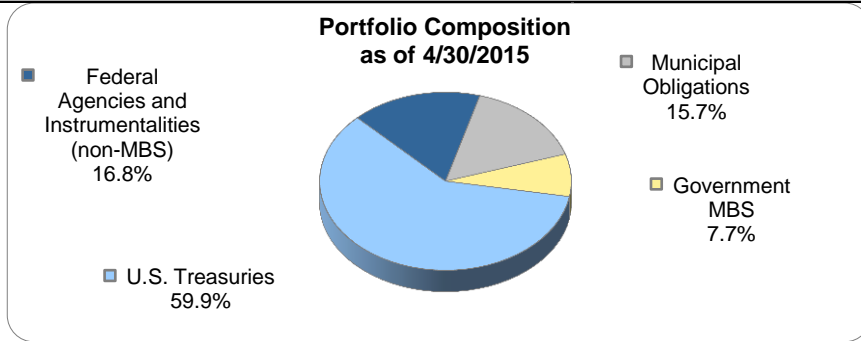


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

BPCPC OPEB Portfolio

Security Type ¹	April 30, 2015	% of Portfolio	January 31, 2015	% of Portfolio	QoQ % Change
U.S. Treasuries	\$7,664,518	59.9%	\$7,695,958	61.7%	(1.8%)
Federal Agencies and Instrumentalities (non-MBS)	\$2,146,761	16.8%	\$2,752,198	22.1%	(5.3%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$2,007,350	15.7%	\$2,029,340	16.3%	(0.6%)
Government MBS	\$986,173	7.7%	\$0	0.0%	7.7%
Totals	\$12,804,801	100.0%	\$12,477,496	100.0%	



Notes:

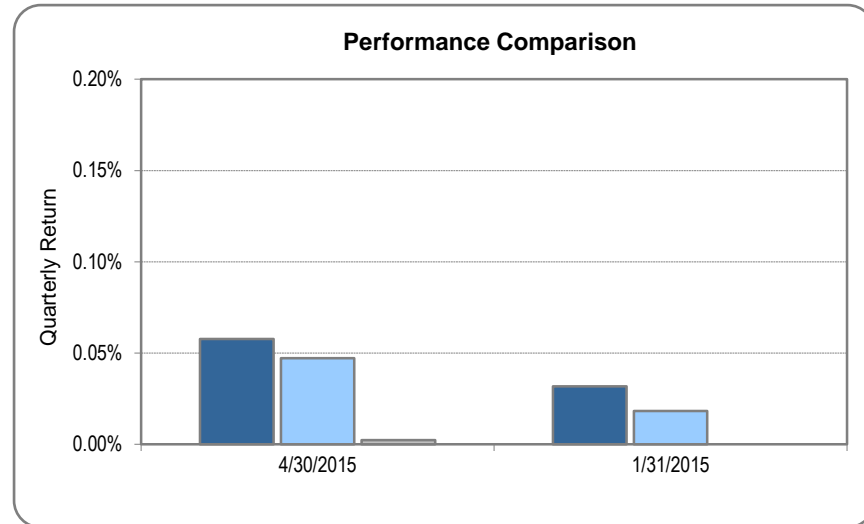
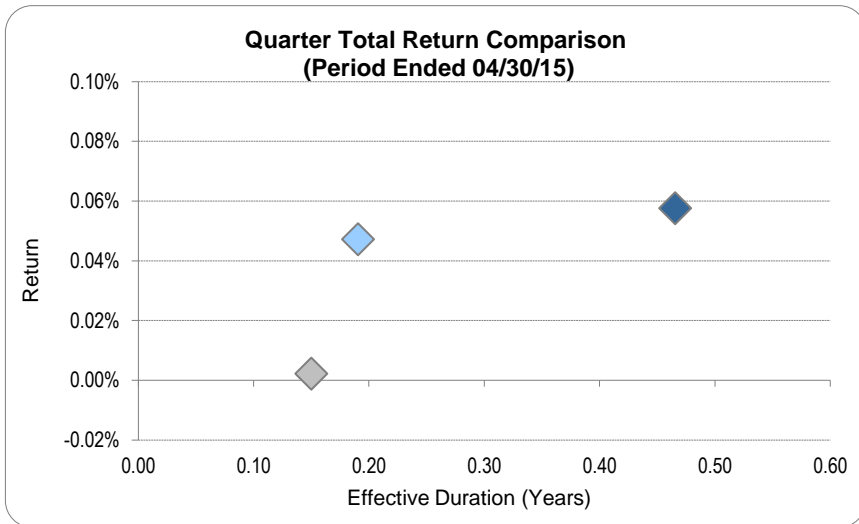
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

Portfolios Managed with a Shorter-Term Investment Strategy

Shorter-Term Investment Strategy

<u>Total Return</u> ^{1,2,4,5}	<u>April 30, 2015</u>	<u>Annualized Quarter</u>	<u>Annualized Since Inception</u>
■ 2003 Pledged Revenue	0.06%	0.24%	1.39%
■ 2003 Project Operating Fund	0.05%	0.19%	1.37%
■ BM: Merrill Lynch 3 Month US Treasury Bill Index	0.00%	0.01%	1.31%

<u>Effective Duration (in years)</u> ³	<u>April 30, 2015</u>	<u>January 31, 2015</u>
■ 2003 Pledged Revenue	0.47	0.30
■ 2003 Project Operating Fund	0.19	0.13
■ BM: Merrill Lynch 3-Month US Treasury Bill Index	0.15	0.15



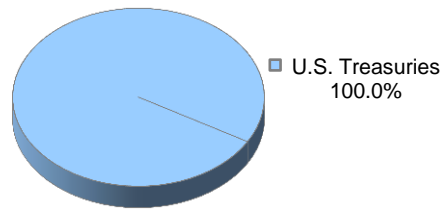
Notes:

1. Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. Bank of America/Merrill Lynch (BAML) indices provided by Bloomberg Financial Markets. The total returns shown for periods longer than a year are the annualized returns for the stated period.
3. Duration is the change in the value of a security that will result from a 1% change in interest rates, stated in years.
4. Periodic performance numbers are presented both as the periodic return and on an annualized basis. The annualized return assumes the periodic return is compounded at the same rate and is presented for reference only. The actual annual return will be the result of chaining the most recent four quarterly returns.
5. Since inception performance is calculated from January 31, 2006 to present.

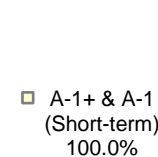
2003 Pledged Revenue Portfolio

Security Type ¹	April 30, 2015	% of Portfolio	January 31, 2015	% of Portfolio	QoQ % Change
U.S. Treasuries	\$49,267,037	100.0%	\$35,433,201	48.0%	52.0%
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$6,247,744	8.5%	(8.5%)
Commercial Paper	\$0	0.0%	\$32,156,240	43.6%	(43.6%)
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Totals	\$49,267,037	100.0%	\$73,837,185	100.0%	

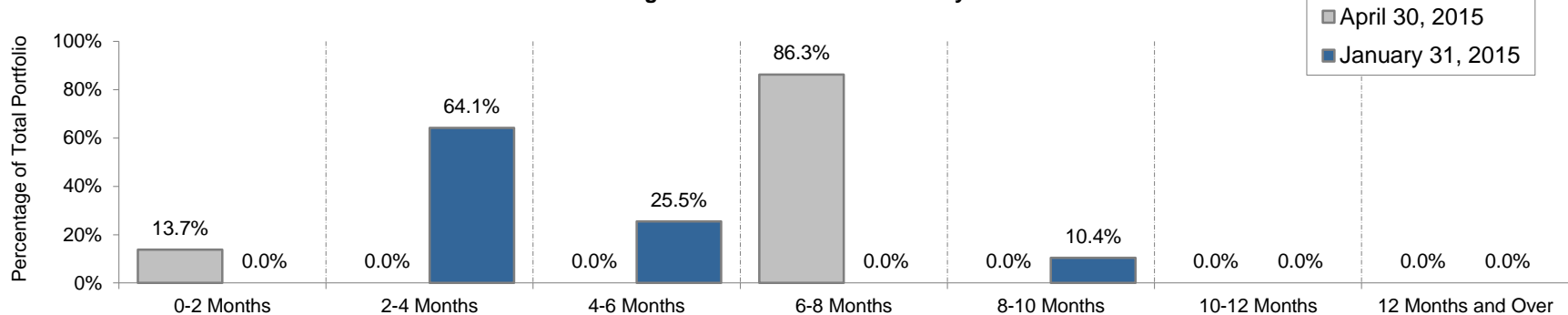
Portfolio Composition
as of 4/30/2015



Credit Quality Distribution
as of 4/30/2015



2003 Pledged Revenue Portfolio Maturity Distribution



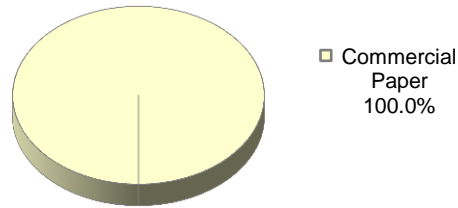
Notes:

- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

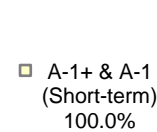
2003 Project Operating Fund Portfolio

Security Type ¹	April 30, 2015	% of Portfolio	January 31, 2015	% of Portfolio	QoQ % Change
U.S. Treasuries	\$0	0.0%	\$0	0.0%	0.0%
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$0	0.0%	0.0%
Commercial Paper	\$7,665,943	100.0%	\$6,867,407	100.0%	0.0%
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Totals	\$7,665,943	100.0%	\$6,867,407	100.0%	

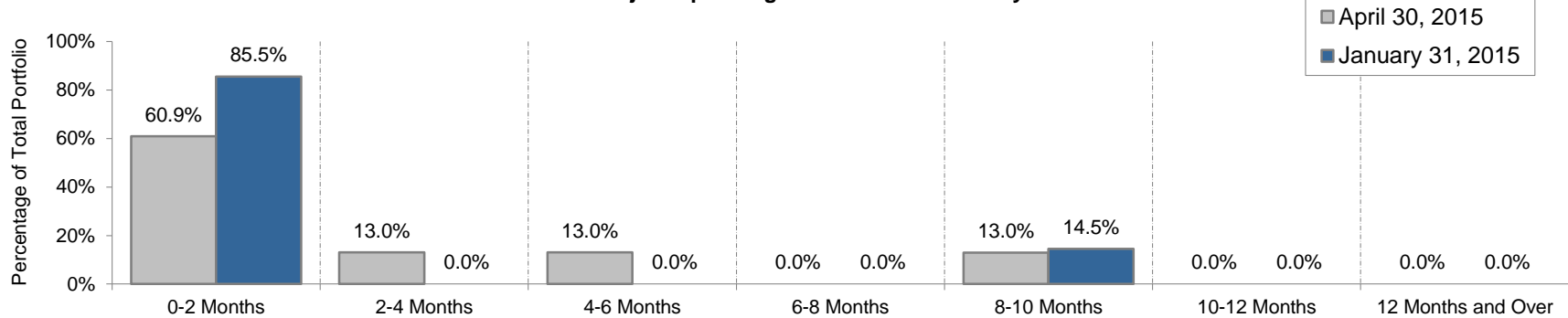
Portfolio Composition
as of 4/30/2015



Credit Quality Distribution
as of 4/30/2015



2003 Project Operating Fund Portfolio Maturity Distribution



Notes:

- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

**Section D –
Market Commentary**

Summary of Economic and Market Conditions

Summary

- For the first quarter of 2015, accommodative global central bank policies were a major driver of financial markets. The European Central Bank (ECB) initiated an asset purchase program similar to the Federal Reserve's (Fed's) quantitative easing (QE) policies that concluded last year, and the Federal Open Market Committee (FOMC) seemed to relax its stance on tightening monetary policy in the near future.
- U.S. Treasuries experienced their longest period of quarterly gains since 1998. The 10-year Treasury yield fell for the fifth consecutive quarter.
- After a brief period of recovery, oil prices headed toward the lower end of recent ranges.

Economic Snapshot

- For the fourth quarter of 2014, gross domestic product (GDP) grew at a pace of 2.2%. The components of the GDP report showed that household spending rose to a nine-year high and that an increase in exports was offset by growth in inventories, which were weaker than previously expected.
- The U.S. labor market continued to improve, as the unemployment rate fell from 5.6% in December to 5.5% in March, marking its lowest point since mid-2008.
- Consumer confidence for the first quarter reached its highest level since the second quarter of 2007, as lower gasoline prices and an increase in personal income helped generate higher amounts of disposable income. However, consumers slowed the pace of their spending for the quarter, as retail sales fell for the months of December, January, and February.
- New-home sales rose nearly 8% in February, marking their highest level since early 2008 and serving as a bright spot in a mixed bag of recent housing-market data.

Interest Rates

- At its March meeting, the FOMC removed the word "patient" from its previous statement, indicating that the current target range for the federal funds rate will be appropriate until the FOMC is "reasonably confident" that inflation is moving toward its 2% objective. The statement also implied that economic growth has been somewhat weaker than it was earlier in the year.
- A Reuters poll released at the end of March showed that 17 of 21 primary dealers expect the first interest rate hike to occur in September at the earliest, with only four dealers expecting the first hike to occur in June.

Sector Performance

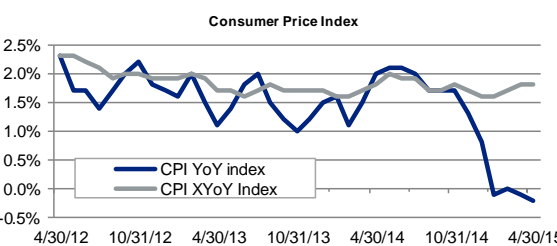
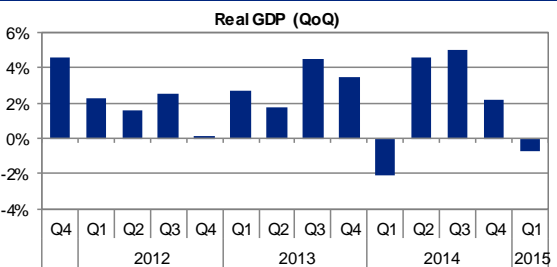
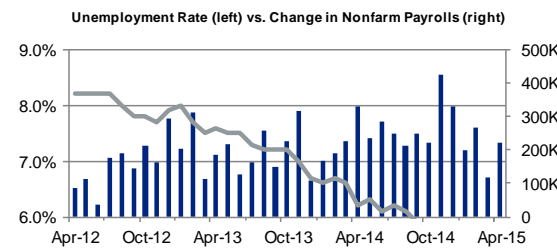
- Driven by a Treasury market rally, fixed-income market performance was generally positive for the quarter. Returns were dependent on both maturity and sector.
- The yield curve flattened modestly over the quarter as longer maturities declined further than shorter maturities. This market movement and its positive impact on longer durations combined to provide performance in excess of initial yields.
- Agency spreads for short and intermediate maturities widened modestly during the quarter. Accordingly, the sector's performance was largely in line with comparable-maturity Treasuries.
- Corporate securities slightly outperformed government-related options with similar maturities, as they were aided by excess income and a relatively unchanged yield spread relationship.
- While still generating positive performance, mortgage-backed and asset-backed securities trailed other high-quality investment options for the quarter.
- Yields on money market-related securities remained at the elevated levels to which they rose at the end of 2014, making them attractive options for short-maturity investment needs.

Economic Snapshot

Labor Market		Latest	Jan 2015	Apr 2014
Unemployment Rate	May	5.5%	5.7%	6.2%
Change In Non-Farm Payrolls	May	280,000	201,000	330,000
Average Hourly Earnings (YoY)	May	2.3%	2.2%	2.0%
Personal Income (YoY)	Apr	4.1%	4.8%	3.8%
Initial Jobless Claims	May 29	276,000	284,000	337,000

Growth		Latest	Jan 2015	Apr 2014
Real GDP (QoQ SAAR)	Mar 15	-0.7%	2.2% ¹	-2.1% ²
GDP Personal Consumption (QoQ SAAR)	Mar 15	1.8%	4.4% ¹	1.2% ²
Retail Sales (YoY)	Apr	0.9%	3.7%	4.7%
ISM Manufacturing Survey	May	52.8	53.5	55.3
Existing Home Sales (millions)	Apr	5.04	4.82	4.75

Inflation / Prices		Latest	Jan 2015	Apr 2014
Personal Consumption Expenditures (YoY)	Apr 15	0.1%	0.2%	1.5%
Consumer Price Index (YoY)	Apr 15	-0.2%	-0.1%	2.0%
Consumer Price Index Core (YoY)	Apr 15	-4.4%	-3.1%	3.1%
Crude Oil Futures (WTI, per barrel)	Apr 30	\$59.63	\$48.24	\$99.74
Gold Futures (oz)	Apr 30	\$1,182	\$1,279	\$1,296



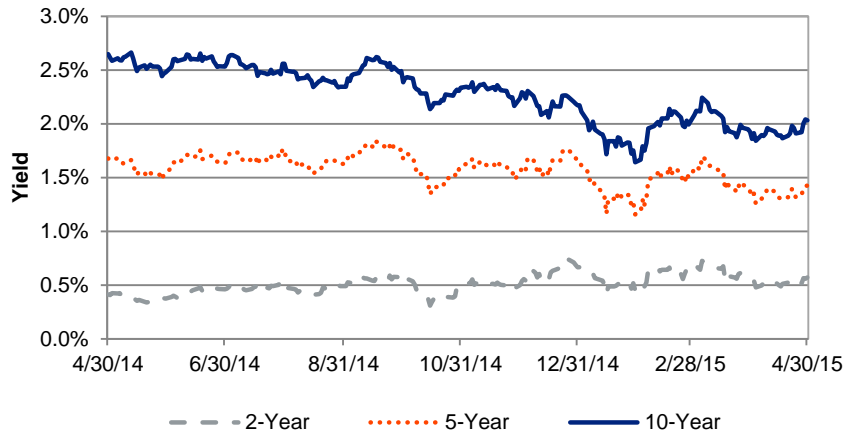
1. Data as of Fourth Quarter 2014 (December 2014) 2. Data as of First Quarter 2014 (March 2014)

Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

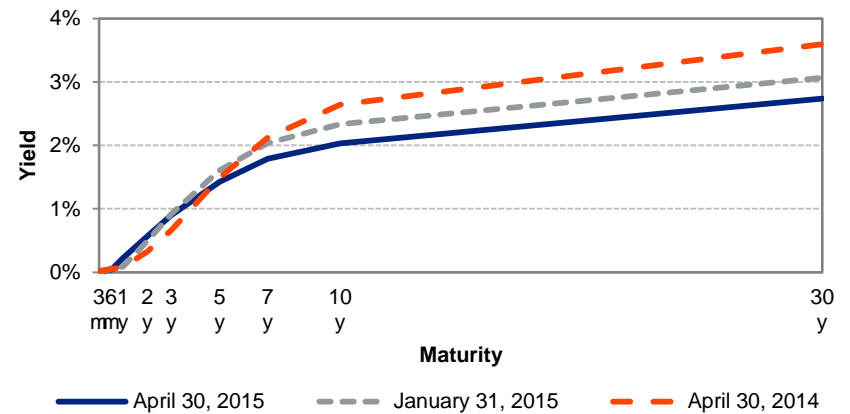
Source: Bloomberg

Interest Rate Overview

U.S. Treasury Note Yields



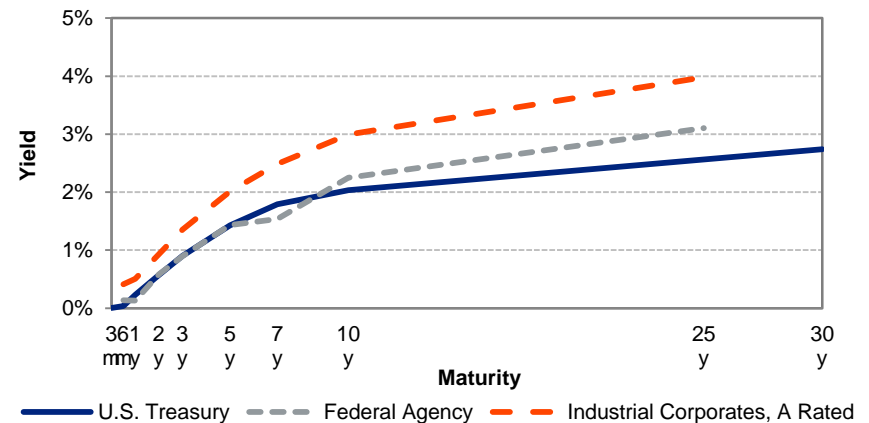
U.S. Treasury Note Yield Curve



U.S. Treasury Note Yields

Maturity	4/30/15	1/31/15	Change over Quarter	4/30/14	Change over Year
3-month	0.10%	0.06%	0.03%	0.03%	0.07%
1-year	0.24%	0.17%	0.07%	0.10%	0.14%
2-year	0.62%	0.49%	0.12%	0.41%	0.21%
5-year	1.46%	1.20%	0.26%	1.69%	(0.23%)
10-year	2.10%	1.73%	0.37%	2.67%	(0.57%)
30-year	2.76%	2.27%	0.48%	3.44%	(0.68%)

Yield Curves as of 4/30/15



Source: Bloomberg

Bank of America Merrill Lynch Index Returns

	As of 4/30/2015		Periods Ended 4/30/2015		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.86	0.57%	0.06%	0.92%	0.62%
Federal Agency	1.72	0.70%	0.12%	0.96%	0.71%
U.S. Corporates, A-AAA Rated	2.06	1.26%	0.32%	1.35%	1.84%
Agency MBS (0 to 3 years)	2.10	1.38%	0.27%	1.08%	1.00%
Municipals	1.75	0.70%	(0.03%)	0.59%	0.85%
1-5 Year Indices					
U.S. Treasury	2.68	0.84%	(0.06%)	1.69%	0.87%
Federal Agency	2.15	0.88%	0.05%	1.52%	0.97%
U.S. Corporates, A-AAA Rated	2.85	1.59%	0.23%	2.27%	2.55%
Agency MBS (0 to 5 years)	3.44	1.99%	0.46%	3.25%	2.00%
Municipals	2.53	1.01%	(0.36%)	0.94%	1.21%
Master Indices					
U.S. Treasury	6.14	1.39%	(1.71%)	4.84%	1.84%
Federal Agency	3.73	1.28%	(0.63%)	3.25%	1.64%
U.S. Corporates, A-AAA Rated	6.84	2.58%	(1.41%)	5.22%	4.20%
Agency MBS	3.97	2.19%	0.24%	4.52%	2.30%
Municipals	6.87	2.36%	(1.20%)	5.00%	3.67%

Returns for periods greater than one year are annualized

Source: Bloomberg

Important Disclosures

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