



Hugh L. Carey Battery Park City Authority

Review of Investment Performance

Quarter Ended October 31, 2017

PFM Asset
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A. Executive Summary



Performance Overview – Total Return Strategies

	Past Quarter	Past Quarter Annualized	Past 12 Months	Past 3-Years	Since Inception
Short-Term Strategy:					
2003 Pledged Revenue	0.28%	1.10%	0.80%	0.45%	1.20%
2003 Project Operating Fund	0.28%	1.13%	0.86%	0.50%	1.20%
<i>BM: BAML 3 Month US Treasury Bill Index</i>	<i>0.27%</i>	<i>1.07%</i>	<i>0.72%</i>	<i>0.35%</i>	<i>1.11%</i>
Long-Term Strategy:					
2003 Reserve Fund	-0.02%	-0.06%	0.37%	1.16%	3.41%
<i>BM: BAML 1-5 Year US Treasury Note Index</i>	<i>-0.09%</i>	<i>-0.35%</i>	<i>0.04%</i>	<i>1.00%</i>	<i>3.25%</i>
BPCPC Operating Reserve Contingency Insurance Fund	0.06%	0.24%	0.15%	1.55%	3.79%
Operating Budget Reserve	-0.02%	-0.07%	-0.01%	1.31%	3.74%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>0.02%</i>	<i>0.07%</i>	<i>0.02%</i>	<i>1.48%</i>	<i>3.90%</i>
BPCA Other Post Employment Benefits	0.00%	0.00%	0.05%	1.44%	2.88%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>-0.13%</i>	<i>-0.50%</i>	<i>-0.34%</i>	<i>1.34%</i>	<i>2.61%</i>
BPCPC Other Post Employment Benefits	0.01%	0.04%	0.06%	1.44%	2.19%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>-0.13%</i>	<i>-0.50%</i>	<i>-0.34%</i>	<i>1.34%</i>	<i>2.22%</i>

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.



Performance Summary – Total Return Strategies

Short-Term Funds

- Both portfolios outperformed the BAML 3 Month Treasury Bill index for the quarter and 12 months ending October 31, 2017.
 - Although yield spreads on commercial paper relative to U.S. Treasuries continued to narrow from their exceptionally wide levels of late 2016 and early 2017, commercial paper continues to offer some value relative to both short and intermediate-term government securities.
 - For the 12 months ended October 31, 2017, the Short-Term portfolios outperformed the benchmark by an average of 11 basis points.
- Liquidity considerations are the primary determinant of portfolio structure and duration positioning.
- Potential tax code change remains in the spotlight, with the potential reduction of corporate taxes likely to dominate the headlines. Legislation that prompts cash repatriation may reduce supply from short-term credit issuers, and may affect relative valuation in the short-term markets.

Longer-Term Funds

- All portfolios outperformed their respective benchmarks for the quarter and 12 months ending October 31, 2017.
- The 2-year U.S. Treasury yield rose 26 basis points (0.26%) over the quarter, pushing to a 9-year high, while the yield on the 10-year U.S. Treasury rose 6 basis points (0.06%). The modest sell-off caused most Treasury benchmarks to book negative returns for the quarter.
- Portfolio durations ended the quarter shorter than the respective benchmarks. This was partially due to being mindful of the timing of activity at fiscal year-end, but contributed to relative performance during the quarter as short term interest rates increased.
- Our prevailing economic theme includes moderate growth expectations in the U.S. and abroad, further improvements in the tightening U.S. labor market, healthy consumer demand, and a stable corporate backdrop.



Portfolio Value – Strategy Level

	October 31, 2017			July 31, 2017			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	(+/-)
<i>Total Return Accounts</i>										
Longer Term Investment Strategy	\$140,907,406	3.17	32.0%	\$139,416,076	3.25	30.8%	\$1,396,155	\$1,491,331	(\$108,201)	(\$13,026)
Short Term Investment Strategy	\$195,897,536	0.02	44.5%	\$165,755,567	0.21	36.6%	\$30,699,879	\$30,141,969	\$1,056,985	\$499,075
Subtotal of Total Return Accounts	\$336,804,943	1.34	76.5%	\$305,171,643	1.60	67.4%	\$32,096,034	\$31,633,300	\$948,784	\$486,049
<i>Other BPCA Accounts</i>										
Subtotal of Other BPCA Accounts	\$103,554,843	0.29	23.5%	\$147,525,063	0.35	32.6%	(\$11,446,787)	(\$43,970,219)	\$30,835,044	(\$1,688,388)
Grand Total BPCA Portfolio	\$440,359,786	1.09	100.0%	\$452,696,705	1.19	100.0%	\$20,649,247	(\$12,336,919)	\$31,783,827	(\$1,202,339)

Notes:

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



Portfolio Value – Total Return Accounts

Total Return Accounts

	October 31, 2017		July 31, 2017		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	\$73,839,050	2.93	\$73,819,158	2.97	\$0	\$19,892	(\$43,242)	(\$23,350)
BPCPC Operating Reserve Contingency	\$13,539,450	3.48	\$13,630,773	3.59	(\$103,845)	(\$91,324)	(\$4,172)	\$8,349
Insurance Fund	\$5,649,528	3.39	\$5,644,527	3.46	\$0	\$5,001	(\$5,977)	(\$977)
Operating Budget Reserve	\$9,599,209	3.45	\$9,582,959	3.58	\$0	\$16,250	(\$14,484)	\$1,766
BPCA Other Post Employment Benefits	\$25,102,402	3.42	\$23,580,485	3.54	\$1,500,000	\$1,521,917	(\$22,027)	(\$109)
BPCPC Other Post Employment Benefits	\$13,177,768	3.46	\$13,158,174	3.60	\$0	\$19,594	(\$18,299)	\$1,296
Short Term Investment Strategy								
2003 Pledged Revenue	\$188,793,996	0.02	\$158,741,236	0.21	\$30,624,170	\$30,052,760	\$1,055,264	\$483,854
2003 Project Operating Fund	\$7,103,540	0.02	\$7,014,331	0.12	\$75,709	\$89,209	\$1,721	\$15,221
Subtotal of Total Return Accounts	\$336,804,943	1.34	\$305,171,643	1.60	\$32,096,034	\$31,633,300	\$948,784	\$486,049

Notes:

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



Portfolio Value – Other BPCA Accounts

Other BPCA Accounts	October 31, 2017		July 31, 2017		Net Cash Flows	Market Value Change	Change in Cash Balance	(+/-)
	Market Value	Effective Duration	Market Value	Effective Duration				
Liberty Terr Mariners Cove-K	\$290,141	0.17	\$288,517	0.24	\$0	\$1,625	(\$845)	\$780
Liberty House Mariners J	\$237,150	0.16	\$236,360	0.23	\$0	\$790	(\$150)	\$640
Rector Park L	\$32,962	0.12	\$32,092	0.16	\$0	\$870	(\$782)	\$88
Hudson View W Towers G	\$167,082	0.17	\$165,885	0.24	\$0	\$1,197	(\$748)	\$449
Hudson Towers E/F	\$203,115	0.16	\$202,132	0.23	\$0	\$983	(\$436)	\$547
Hudson View Towers C	\$179,143	0.17	\$178,070	0.24	\$0	\$1,073	(\$589)	\$484
Liberty Ct Mariners Cove B	\$591,270	0.17	\$590,066	0.24	\$0	\$1,205	\$389	\$1,594
Millenium	\$3,565,570	0.27	\$3,556,339	0.31	\$0	\$9,231	\$182	\$9,413
Liberty Battery Place Assoc 4	\$427,184	0.17	\$426,190	0.24	\$0	\$994	\$156	\$1,150
South Cove Assoc 11	\$388,155	0.17	\$386,935	0.24	\$0	\$1,220	(\$176)	\$1,044
Soundings Rector Park A	\$207,111	0.16	\$207,137	0.23	\$0	(\$26)	\$587	\$561
The Regatta Site 10	\$472,207	0.17	\$471,449	0.24	\$0	\$758	\$517	\$1,275
Corporate Funds	\$806,849	0.33	\$809,039	0.12	\$0	(\$2,190)	\$4,139	\$1,949
2000 Arbitrage Rebate	\$792,694	0.25	\$789,814	0.03	\$0	\$2,880	(\$730)	\$2,151
1993 Unpledged Revenue	\$1,710,644	0.02	\$954,145	0.28	\$943,868	\$756,499	\$190,780	\$3,411
2003 Residual Fund	\$613,216	0.25	\$609,856	0.03	\$0	\$3,360	(\$1,697)	\$1,663
Joint Purpose Fund	\$134,608	0.25	\$134,968	0.03	\$0	(\$360)	\$725	\$365
Special Fund	\$917,331	0.25	\$914,784	0.03	\$0	\$2,547	(\$58)	\$2,489
Debt Service Junior Payments	\$9,691,096	0.08	\$24,734,908	0.16	(\$2,065,477)	(\$15,043,812)	\$13,042,066	\$63,732
2003 Debt Service Senior Payments	\$17,371,942	0.04	\$34,875,142	0.17	\$0	(\$17,503,200)	\$17,597,642	\$94,443
BPCPC Operating Reserve	\$990,306	0.28	\$985,277	0.29	\$0	\$5,029	(\$2,906)	\$2,123
BPCA Millenium Tower Security Fund 2A	\$2,977,559	0.25	\$2,970,070	0.28	\$0	\$7,489	\$478	\$7,967
BPCA S 16/17 Riverhouse Security Fund	\$6,323,337	0.27	\$6,306,204	0.30	\$0	\$17,133	\$405	\$17,538
BPCA Goldman Sachs Liberty Contribution Fund	\$0	0.00	\$0	0.00	\$0	\$0	\$0	\$0
BPCA Visionaire Security Fund	\$3,855,814	0.29	\$3,845,513	0.32	\$0	\$10,301	(\$19)	\$10,282
BPCA Series 2009A Project Costs	\$1,903,175	0.09	\$2,787,943	0.14	(\$889,999)	(\$884,767)	\$217	\$5,448
BPCA Series 2009B Project Costs	\$1,317,154	0.20	\$1,324,408	0.05	(\$6,926)	(\$7,254)	\$3,572	\$3,243
BPCA Pier A Construction Escrow	\$0	0.00	\$0	0.00	\$0	\$0	\$0	\$0
BPCA Pier A Security Deposit Account	\$406,209	0.17	\$405,129	0.24	\$0	\$1,080	\$14	\$1,094
BPCA One Rector Park Security Fund	\$944,385	0.26	\$942,085	0.32	\$0	\$2,300	\$288	\$2,587
BPCA Rector Square Security Fund Site D	\$218,098	0.16	\$217,163	0.23	\$0	\$934	(\$345)	\$589
BPCA Insurance Advance	\$0	0.00	\$0	0.00	\$0	\$0	\$0	\$0
BPCA WFC TOWER C RETAIL RENT ESCROW	\$246,140	0.16	\$245,394	0.23	\$0	\$746	(\$81)	\$665
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	\$39,101,922	0.50	\$50,875,822	0.63	(\$11,893,731)	(\$11,773,900)	(\$838)	\$118,992
BPCA2013B PROJ COSTS SUB AC	\$0	0.00	\$0	0.00	\$0	\$0	\$0	\$0
BPCA RIVER & WARREN SEC FUND - SITE 19/	\$5,823,073	0.28	\$5,807,213	0.30	\$0	\$15,860	\$124	\$15,984
BPCA NORTH COVE MARINA SECURITY FUND	\$49,942	0.12	\$50,145	0.16	\$0	(\$203)	\$338	\$135
BPCA PIER A RESERVE FUND	\$598,259	0.00	\$198,869	0.00	\$400,000	\$399,390	\$2,823	\$2,214
Subtotal of Other BPCA Accounts	\$103,554,843	0.29	\$147,525,063	0.35	(\$13,512,265)	(\$43,970,219)	\$30,835,044	\$377,089

Notes:

1. "Market Value" includes accrued interest, but does not include cash balances held at the bank.
2. Highlighted funds are managed by Ramirez Asset Management ("RAM"). Market values for these funds are provided by RAM.



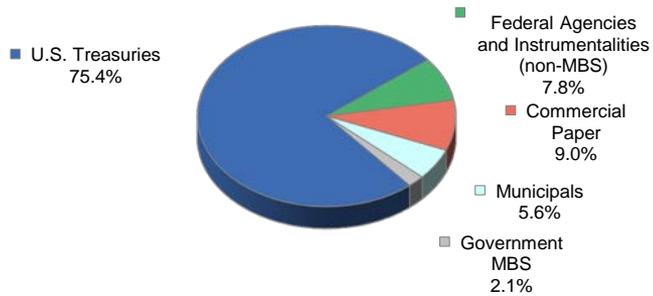
B. Summary of Aggregate Portfolio



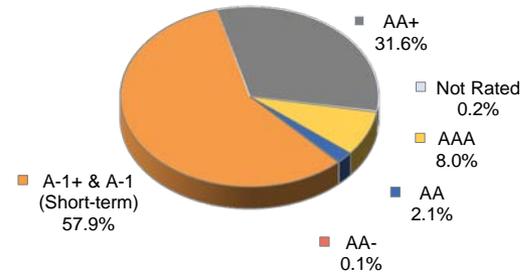
Aggregate Portfolio Composition and Credit Quality

Security Type ¹	October 31, 2017	% of Portfolio	Effective Duration	July 31, 2017	% of Portfolio	Effective Duration
U.S. Treasuries	\$332,117,476	75.4%	1.10	\$347,221,418	76.7%	1.18
Federal Agencies and Instrumentalities (non-MBS)	\$34,536,443	7.8%	1.48	\$23,727,380	5.2%	2.13
Commercial Paper	\$39,800,777	9.0%	0.03	\$41,029,699	9.1%	0.21
Municipals	\$24,473,897	5.6%	1.30	\$30,772,194	6.8%	1.16
Government MBS	\$9,431,193	2.1%	3.35	\$9,946,014	2.2%	3.29
Totals	\$440,359,786	100.0%	1.09	\$452,696,705	100.0%	1.19

**Portfolio Composition
as of 10/31/2017**



**Credit Quality Distribution
as of 10/31/2017**



Notes:

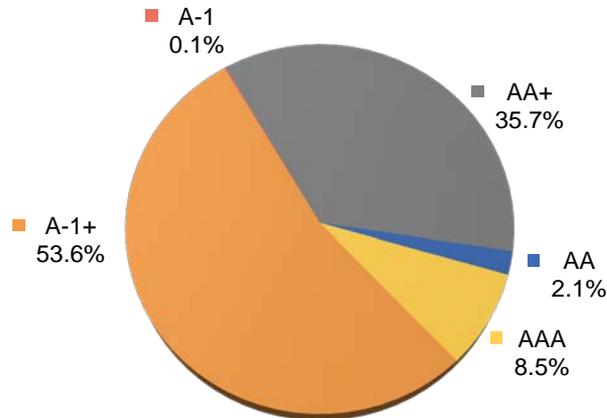
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



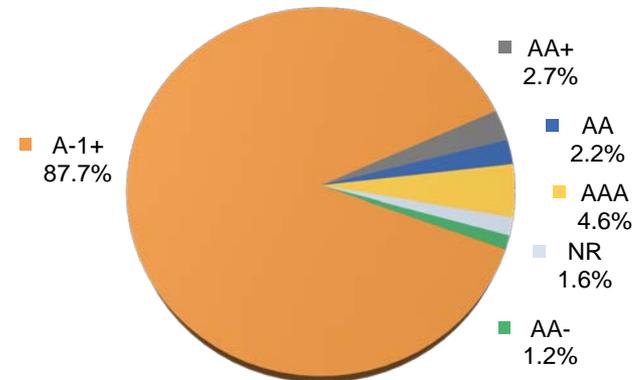
Aggregate Portfolio Composition and Credit Quality by Advisor

Security Type ¹	PFM Asset Management	% of Advisor	% of Total Portfolio	Effective Duration	Ramirez Asset Management	% of Advisor	% of Total Portfolio	Effective Duration
U.S. Treasuries	\$305,106,844	79.1%	69.3%	1.19	\$27,010,631	49.4%	6.1%	0.12
Federal Agencies and Instrumentalities (non-MBS)	\$24,728,443	6.4%	5.6%	2.06	\$9,808,000	17.9%	2.2%	0.00
Commercial Paper	\$28,667,309	7.4%	6.5%	0.02	\$11,133,468	20.4%	2.5%	0.03
Municipals	\$17,859,142	4.6%	4.1%	1.52	\$6,614,756	12.1%	1.5%	0.71
Government MBS	\$9,329,363	2.4%	2.1%	3.35	\$101,830	0.2%	0.0%	2.92
Totals	\$385,691,101	100%	87.6%	1.23	\$54,668,685	100.0%	12.4%	0.16

PFM Credit Quality Distribution as of 10/31/2017



RAM Credit Quality Distribution as of 10/31/2017



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	October 31, 2017	% of Portfolio	July 31, 2017	% of Portfolio	QoQ % Change
United States Treasury²					
U.S. Treasury	\$332,117,476	75.4%	\$347,221,418	76.7%	(1.3%)
Ginnie Mae	\$5,302,862	1.2%	\$5,703,637	1.3%	(0.1%)
Small Business Administration	\$2,501,812	0.6%	\$2,502,390	0.6%	0.0%
Federal Agencies and Instrumentalities (includes Mortgaged-Backed Securities)²					
Freddie Mac	\$2,618,951	0.6%	\$3,755,496	0.8%	(0.2%)
Fannie Mae	\$920,292	0.2%	\$970,092	0.2%	(0.0%)
Federal Home Loan Bank	\$9,808,000	2.2%	\$0	0.0%	2.2%
International Bank of Recon and Development	\$10,980,264	2.5%	\$8,865,497	2.0%	0.5%
International American Development Bank	\$1,809,902	0.4%	\$1,806,666	0.4%	0.0%
Asian Development Bank	\$6,496,335	1.5%	\$6,515,785	1.4%	0.0%
African Development Bank	\$3,529,219	0.8%	\$3,553,831	0.8%	0.0%
Commercial Paper²					
Canadian Imperial Bank of Commerce	\$0	0.0%	\$1,297,400	0.3%	(0.3%)
JP Morgan	\$499,847	0.1%	\$13,284,704	2.9%	(2.8%)
General Electric Capital Tsy Services	\$1,003,803	0.2%	\$1,000,775	0.2%	0.0%
General Electric Company	\$0	0.0%	\$2,566,154	0.6%	(0.6%)
Prudential Funding LLC	\$3,705,527	0.8%	\$2,504,798	0.6%	0.3%
Toyota Motor Credit Corporation	\$16,588,620	3.8%	\$17,531,062	3.9%	(0.1%)
Exxon Mobil Corporation	\$18,002,980	4.1%	\$2,844,805	0.6%	3.5%
Municipal Issuers²					
Nassau County, NY IFA	\$4,138,455	0.9%	\$4,124,913	0.9%	0.0%
New York City	\$8,498,501	1.9%	\$12,528,011	2.8%	(0.8%)
New York City Transitional Finance Authority	\$6,924,018	1.6%	\$6,959,803	1.5%	0.0%
NY State Dorm Authority	\$2,302,026	0.5%	\$2,082,119	0.5%	0.1%
Port Authority of NY/NJ	\$103,457	0.0%	\$489,575	0.1%	(0.1%)
Maryland State	\$0	0.0%	\$2,265,750	0.5%	(0.5%)
NY Metro Transportation Authority	\$152,182	0.0%	\$151,925	0.0%	0.0%
Rye City School District	\$0	0.0%	\$102,472	0.0%	(0.0%)
West Islip NY Union Free SD	\$0	0.0%	\$892,089	0.2%	(0.2%)
Scarsdale SD NY	\$0	0.0%	\$61,200	0.0%	(0.0%)
Orange County, NY	\$586,537	0.1%	\$588,300	0.1%	0.0%
Eastport-South Manor CSD	\$0	0.0%	\$15,216	0.0%	(0.0%)
Westchester, County of	\$267,510	0.1%	\$266,954	0.1%	0.0%
Babylon, Town of	\$229,264	0.1%	\$228,395	0.1%	0.0%
Brocton CSD	\$15,510	0.0%	\$15,474	0.0%	0.0%
Syracuse, NY	\$863,638	0.2%	\$0	0.0%	0.2%
NY State Housing Finance Agency	\$392,799	0.1%	\$0	0.0%	0.1%
TOTAL	\$440,359,786	100.0%	\$452,696,705	100.0%	

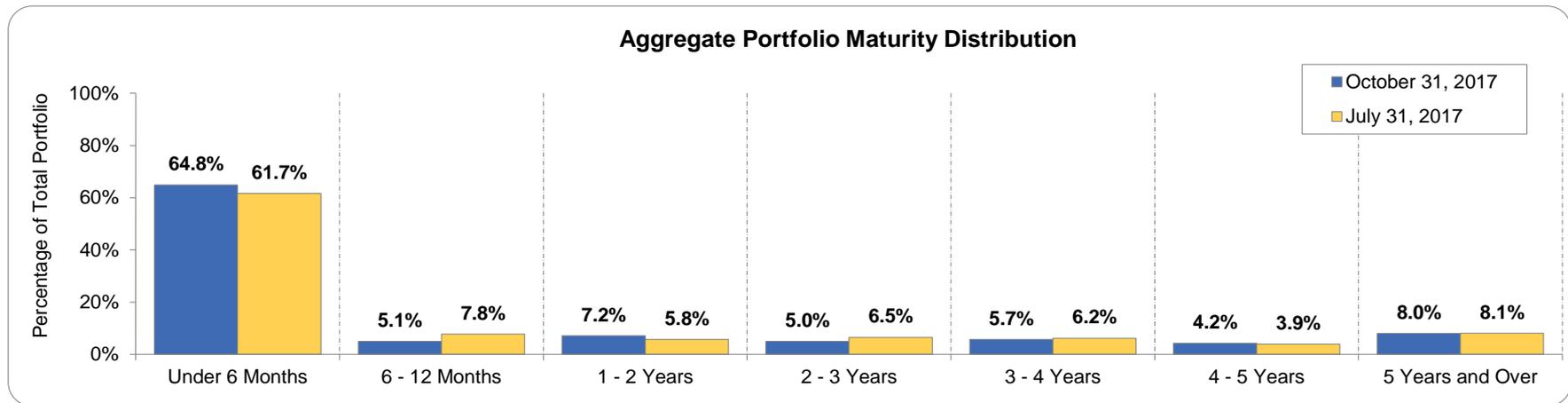
Notes:

- 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%.



Aggregate Portfolio Maturity Structure

Security Type ¹	October 31, 2017	% of Portfolio	July 31, 2017	% of Portfolio	QoQ % Change
Under 6 Months	\$285,473,872	64.8%	\$279,144,982	61.7%	3.2%
6 - 12 Months	\$22,253,349	5.1%	\$35,222,695	7.8%	(2.7%)
1 - 2 Years	\$31,634,993	7.2%	\$26,075,551	5.8%	1.4%
2 - 3 Years	\$21,869,360	5.0%	\$29,544,888	6.5%	(1.6%)
3 - 4 Years	\$25,137,929	5.7%	\$28,201,087	6.2%	(0.5%)
4 - 5 Years	\$18,541,713	4.2%	\$17,669,735	3.9%	0.3%
5 Years and Over	\$35,448,570	8.0%	\$36,837,767	8.1%	(0.1%)
Totals	\$440,359,786	100.0%	\$452,696,705	100.0%	



Notes:

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

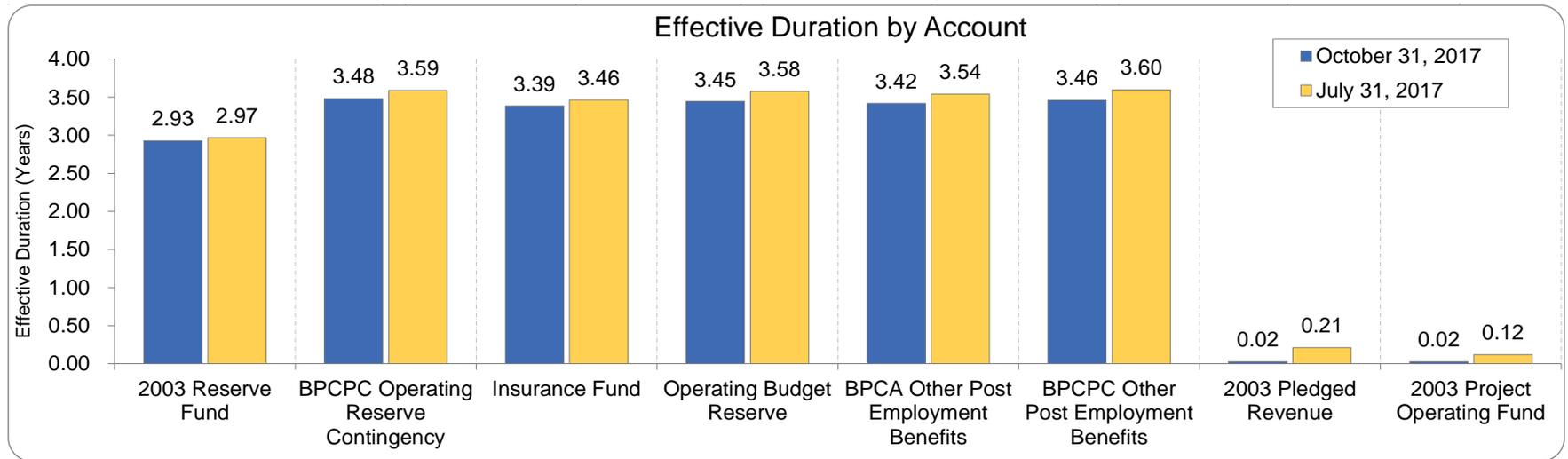


C. Performance Attributes



Total Return Portfolio Attributes

Yields	Effective Duration (in years)		Yield To Maturity - At Market		Yield To Maturity - On Cost	
	October 31, 2017	July 31, 2017	October 31, 2017	July 31, 2017	October 31, 2017	July 31, 2017
Longer Term Investment Strategy						
2003 Reserve Fund	2.93	2.97	1.84%	1.67%	1.77%	1.72%
BPCPC Operating Reserve Contingency	3.48	3.59	1.95%	1.83%	2.07%	2.06%
Insurance Fund	3.39	3.46	1.87%	1.72%	1.85%	1.83%
Operating Budget Reserve	3.45	3.58	1.92%	1.77%	1.99%	1.99%
BPCA Other Post Employment Benefits	3.42	3.54	1.88%	1.74%	1.89%	1.88%
BPCPC Other Post Employment Benefits	3.46	3.60	1.89%	1.74%	1.84%	1.83%
Short Term Investment Strategy						
2003 Pledged Revenue	0.02	0.21	0.87%	1.04%	1.00%	1.01%
2003 Project Operating Fund	0.02	0.12	0.83%	0.95%	0.88%	1.04%





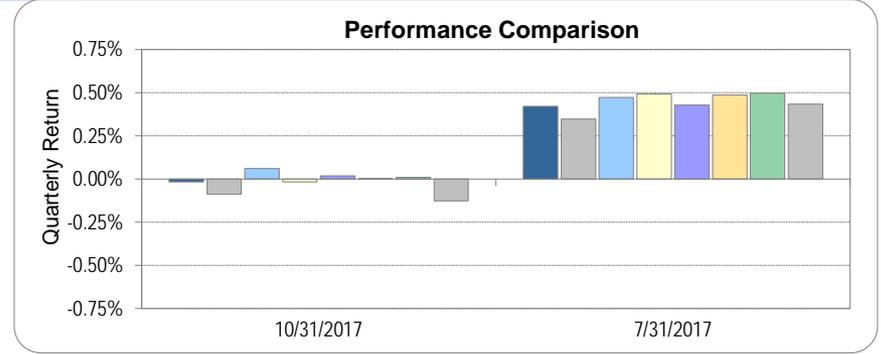
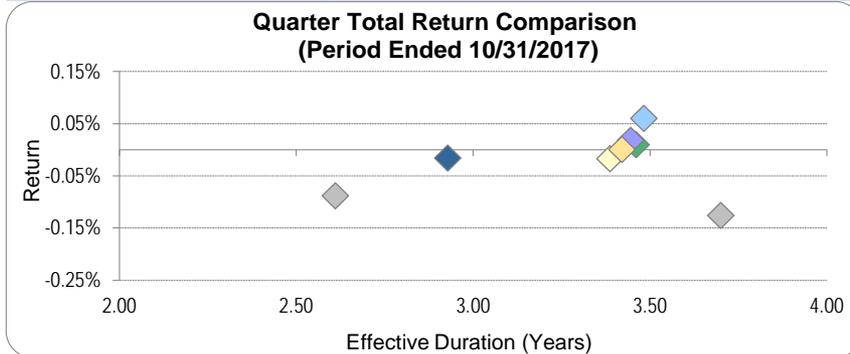
Portfolios Managed with a Longer-Term Investment Strategy



Longer-Term Investment Strategy

Total Return ^{1,2,4,5}	October 31, 2017	Annualized Quarter	Annualized Since Inception
2003 Reserve Fund	(0.02%)	(0.06%)	3.41%
BM: BAML 1-5 Year US Treasury Note Index	(0.09%)	(0.35%)	3.25%
BPCPC Operating Reserve Contingency	0.06%	0.24%	3.79%
Insurance Fund	(0.02%)	(0.07%)	3.74%
Operating Budget Reserve	0.02%	0.07%	3.90%
BM: BAML 1-10 Year US Treasury Note Index	(0.13%)	(0.50%)	3.41%
BPCA Other Post Employment Benefits	0.00%	0.00%	2.88%
BM: BAML 1-10 Year US Treasury Note Index	(0.13%)	(0.50%)	2.61%
BPCPC Other Post Employment Benefits	0.01%	0.04%	2.19%
BM: BAML 1-10 Year US Treasury Note Index	(0.13%)	(0.50%)	2.22%

Effective Duration (in years) ³	October 31, 2017	July 31, 2017
2003 Reserve Fund	2.93	2.97
BM: BAML 1-5 Year US Treasury Note Index	2.61	2.62
BPCPC Operating Reserve Contingency	3.48	3.59
Insurance Fund	3.39	3.46
Operating Budget Reserve	3.45	3.58
BPCA Other Post Employment Benefits	3.42	3.54
BPCPC Other Post Employment Benefits	3.46	3.60
BM: BAML 1-10 Year US Treasury Note Index	3.70	3.72



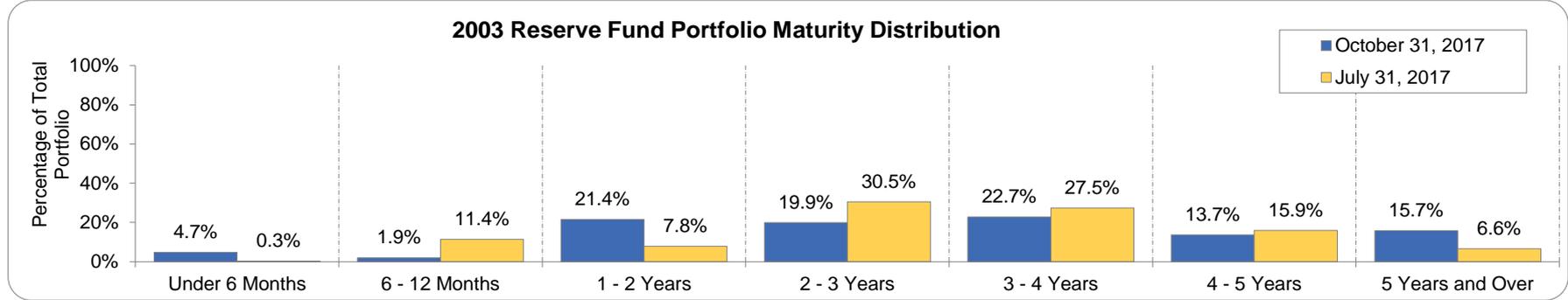
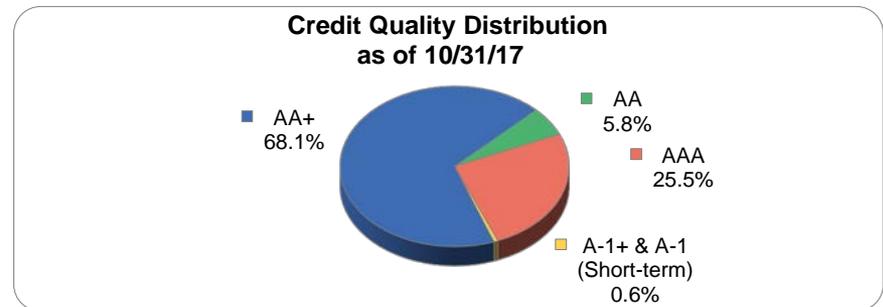
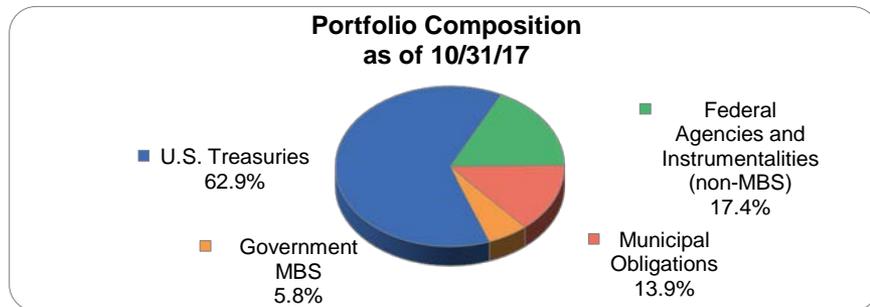
Notes:

- 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	October 31, 2017	% of Portfolio	July 31, 2017	% of Portfolio	QoQ % Change
U.S. Treasuries	\$46,426,917	62.9%	\$40,424,336	61.2%	1.7%
Federal Agencies and Instrumentalities (non-MBS)	\$12,884,613	17.4%	\$10,755,424	16.3%	1.2%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$10,247,669	13.9%	\$10,340,102	15.6%	(1.8)%
Government MBS	\$4,279,851	5.8%	\$4,572,131	6.9%	(1.1)%
Totals	\$73,839,050	100.0%	\$66,091,994	100.0%	



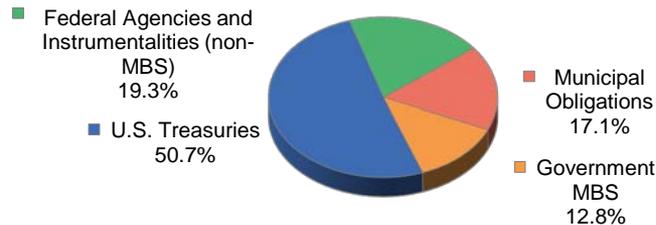
Notes:
 1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
 2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



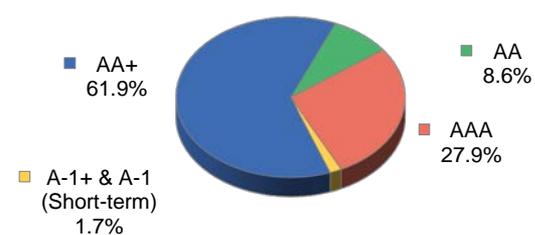
BPCPC Operating Reserve Contingency Portfolio

Security Type ¹	October 31, 2017	% of Portfolio	July 31, 2017	% of Portfolio	QoQ % Change
U.S. Treasuries	\$6,870,596	50.7%	\$6,847,889	50.2%	0.5%
Federal Agencies and Instrumentalities (non-MBS)	\$2,614,242	19.3%	\$2,628,580	19.3%	0.0%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$2,318,741	17.1%	\$2,340,865	17.2%	(0.0%)
Government MBS	\$1,735,870	12.8%	\$1,813,440	13.3%	(0.5%)
Totals	\$13,539,450	100.0%	\$13,630,773	100.0%	

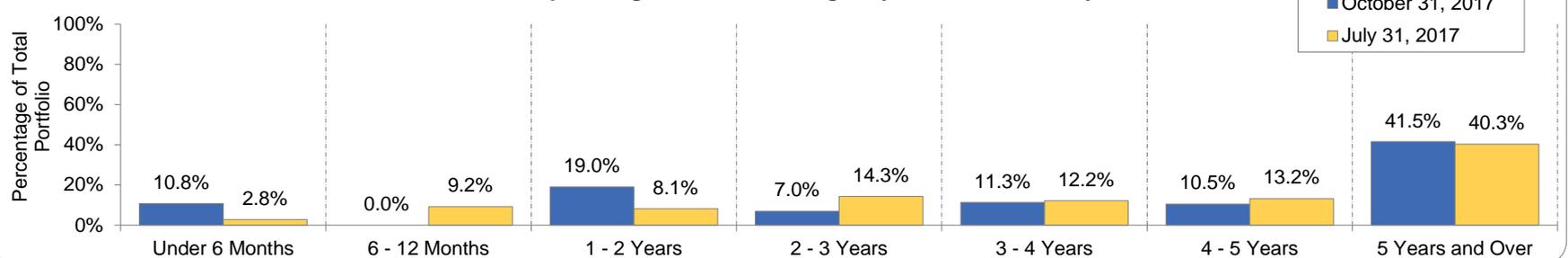
Portfolio Composition as of 10/31/17



Credit Quality Distribution as of 10/31/17



BPCPC Operating Reserve Contingency Portfolio Maturity Distribution



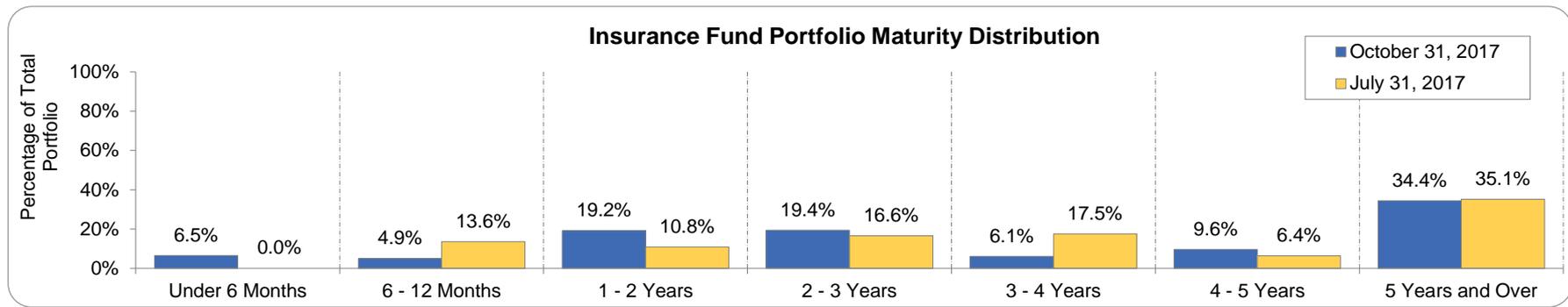
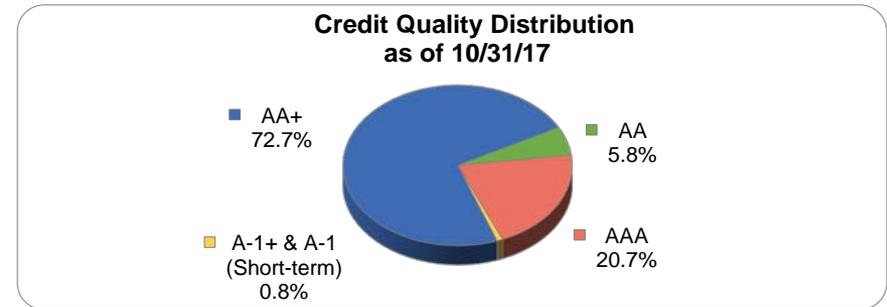
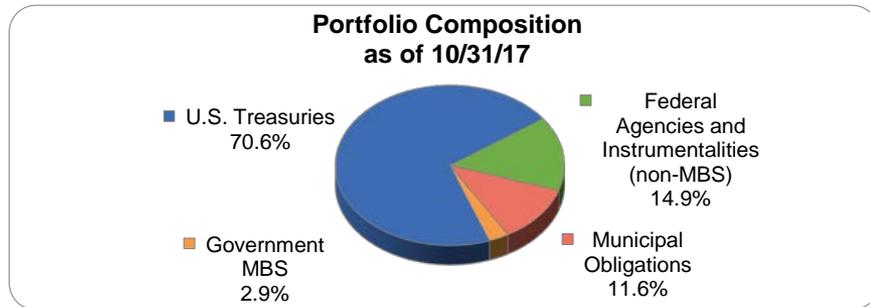
Notes:

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.



Insurance Fund Portfolio

Security Type ¹	October 31, 2017	% of Portfolio	July 31, 2017	% of Portfolio	QoQ % Change
U.S. Treasuries	\$3,989,382	70.6%	\$3,963,738	70.2%	0.4%
Federal Agencies and Instrumentalities (non-MBS)	\$842,694	14.9%	\$847,573	15.0%	(0.1%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$655,799	11.6%	\$661,711	11.7%	(0.1%)
Government MBS	\$161,654	2.9%	\$171,505	3.0%	(0.2%)
Totals	\$5,649,528	100.0%	\$5,644,527	100.0%	



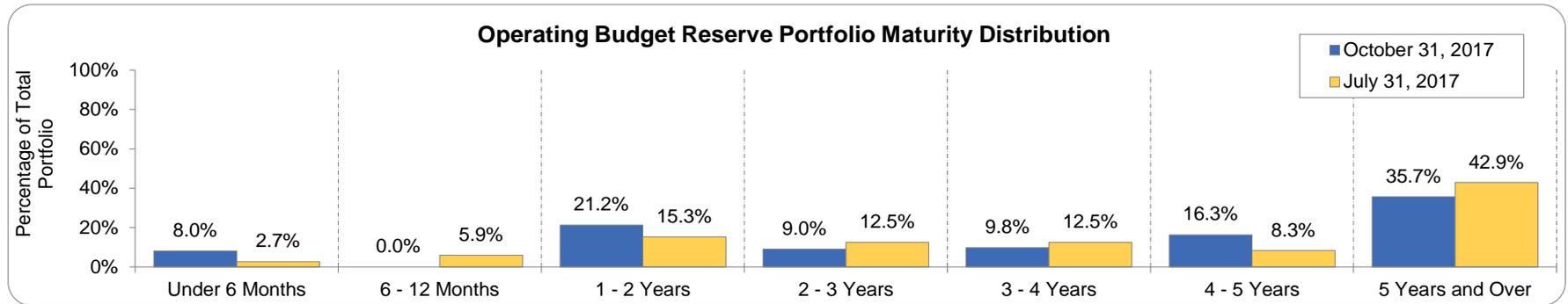
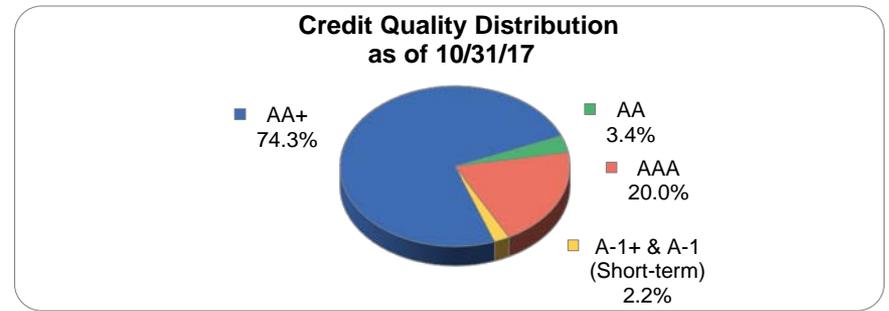
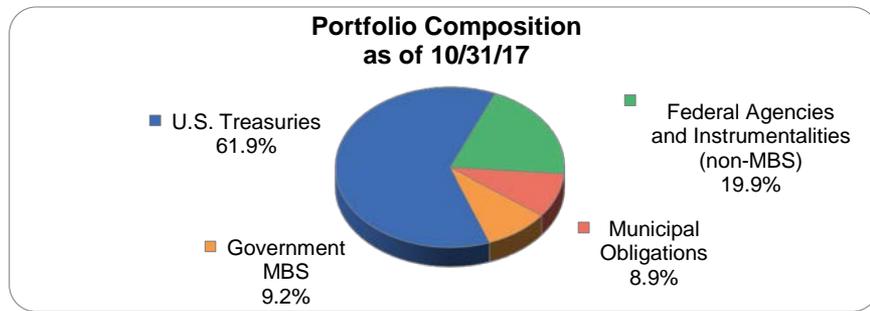
Notes:

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.



Operating Budget Reserve Portfolio

Security Type ¹	October 31, 2017	% of Portfolio	July 31, 2017	% of Portfolio	QoQ % Change
U.S. Treasuries	\$5,945,702	61.9%	\$5,868,070	61.2%	0.7%
Federal Agencies and Instrumentalities (non-MBS)	\$1,912,619	19.9%	\$1,929,397	20.1%	(0.2%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$858,442	8.9%	\$865,683	9.0%	(0.1%)
Government MBS	\$882,445	9.2%	\$919,808	9.6%	(0.4%)
Totals	\$9,599,209	100.0%	\$9,582,959	100.0%	



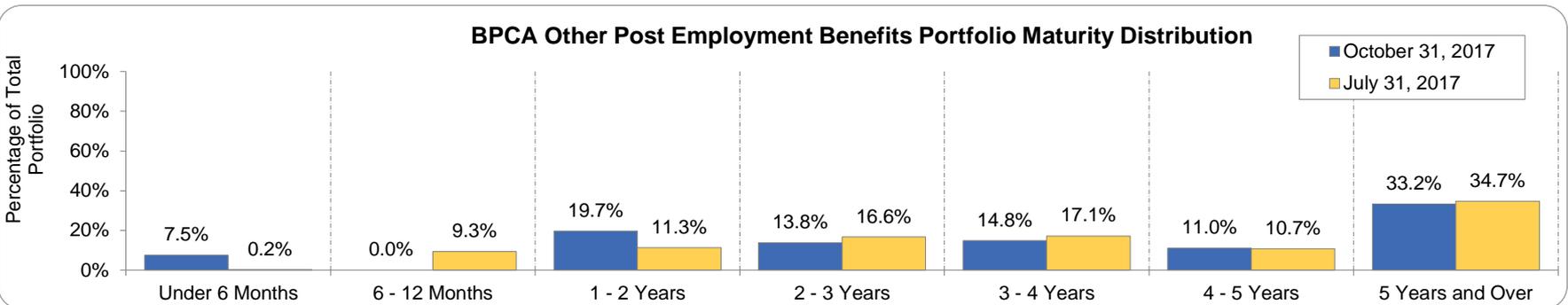
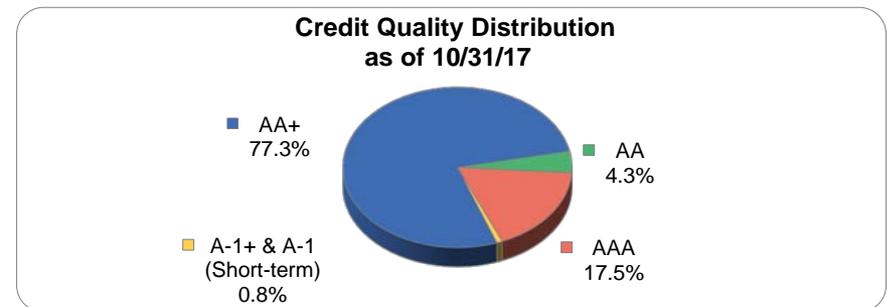
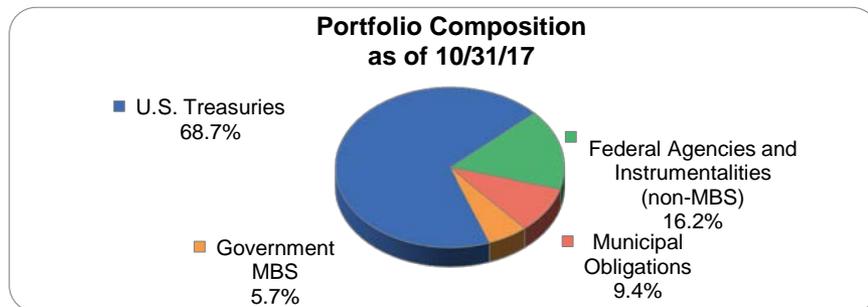
Notes:

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	October 31, 2017	% of Portfolio	July 31, 2017	% of Portfolio	QoQ % Change
U.S. Treasuries	\$17,239,171	68.7%	\$15,604,508	66.2%	2.5%
Federal Agencies and Instrumentalities (non-MBS)	\$4,055,252	16.2%	\$4,088,831	17.3%	(1.2%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$2,370,145	9.4%	\$2,390,196	10.1%	(0.7%)
Government MBS	\$1,437,834	5.7%	\$1,496,950	6.3%	(0.6%)
Totals	\$25,102,402	100.0%	\$23,580,485	100.0%	



Notes:

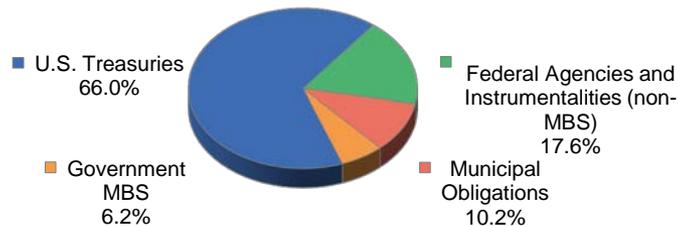
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



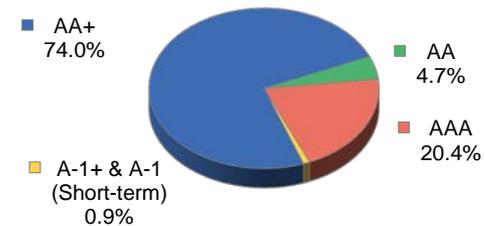
BPCPC OPEB Portfolio

Security Type ¹	October 31, 2017	% of Portfolio	July 31, 2017	% of Portfolio	QoQ % Change
U.S. Treasuries	\$8,699,844	66.0%	\$8,620,747	65.5%	0.5%
Federal Agencies and Instrumentalities (non-MBS)	\$2,315,633	17.6%	\$2,332,835	17.7%	(0.2%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$1,347,269	10.2%	\$1,358,666	10.3%	(0.1%)
Government MBS	\$815,022	6.2%	\$845,926	6.4%	(0.2%)
Totals	\$13,177,768	100.0%	\$13,158,174	100.0%	

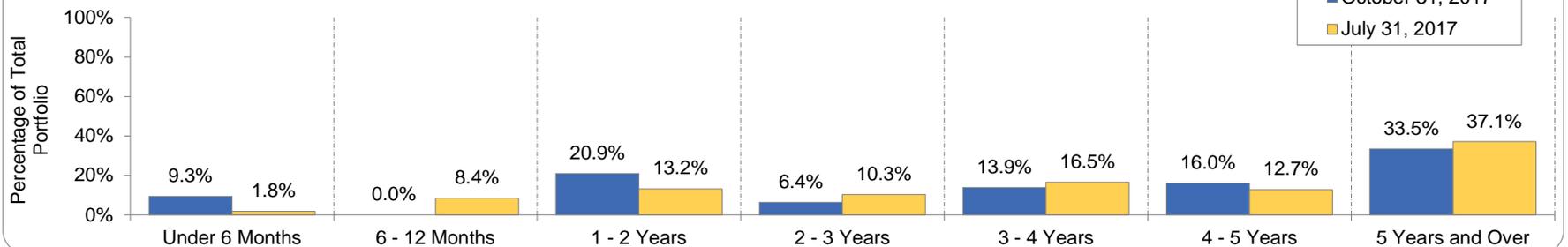
Portfolio Composition as of 10/31/17



Credit Quality Distribution as of 10/31/17



BPCPC Other Post Employment Benefits 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.



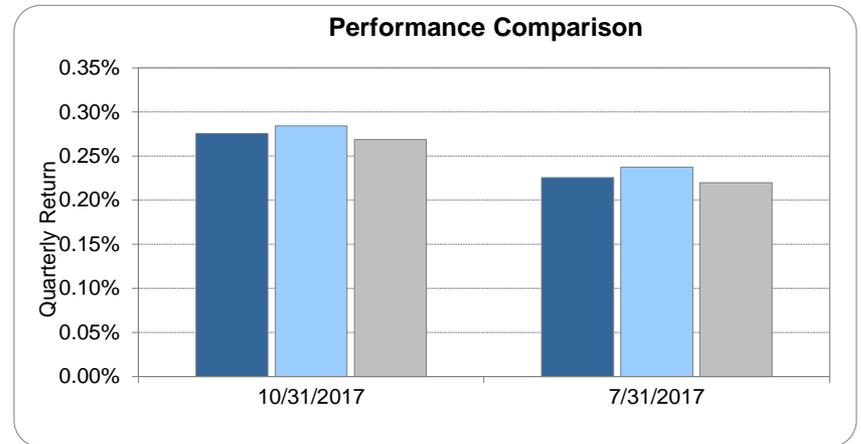
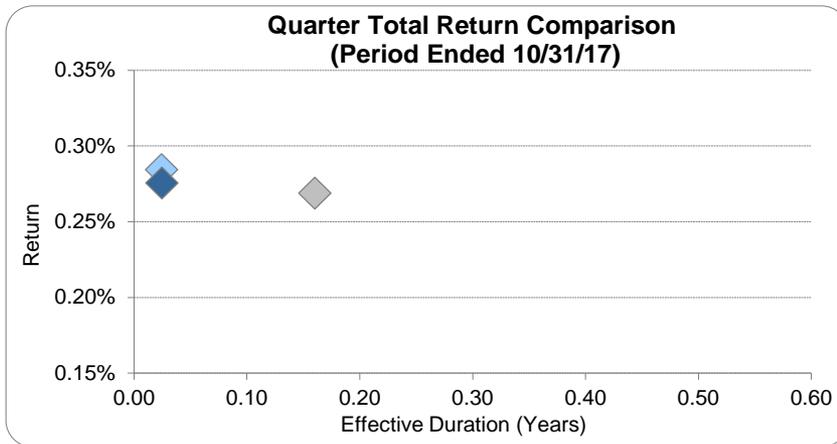
Portfolios Managed with a Shorter-Term Investment Strategy



Shorter-Term Investment Strategy

<u>Total Return^{1,2,4,5}</u>	<u>October 31, 2017</u>	<u>Annualized Quarter</u>	<u>Annualized Since Inception</u>
■ 2003 Pledged Revenue	0.28%	1.10%	1.20%
■ 2003 Project Operating Fund	0.28%	1.13%	1.20%
■ BM: BAML 3 Month US Treasury Bill Index	0.27%	1.07%	1.11%

<u>Effective Duration (in years)³</u>	<u>October 31, 2017</u>	<u>July 31, 2017</u>
■ 2003 Pledged Revenue	0.02	0.21
■ 2003 Project Operating Fund	0.02	0.12
■ BM: BAML 3-Month US Treasury Bill Index	0.16	0.16



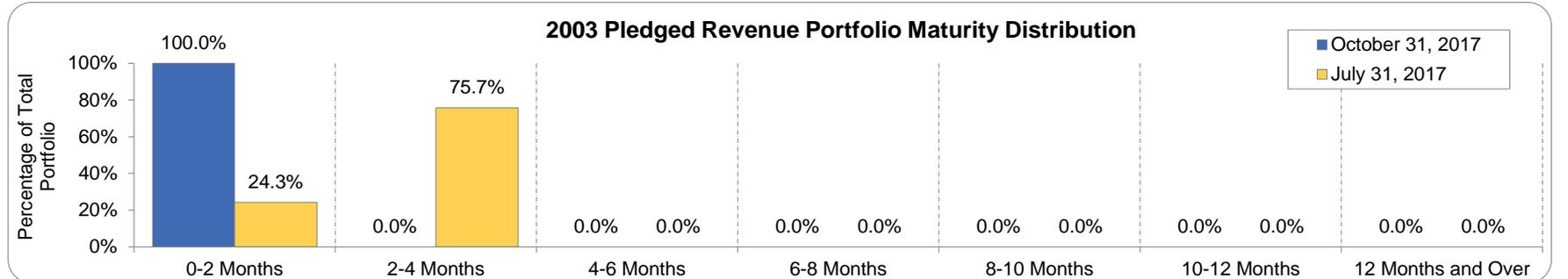
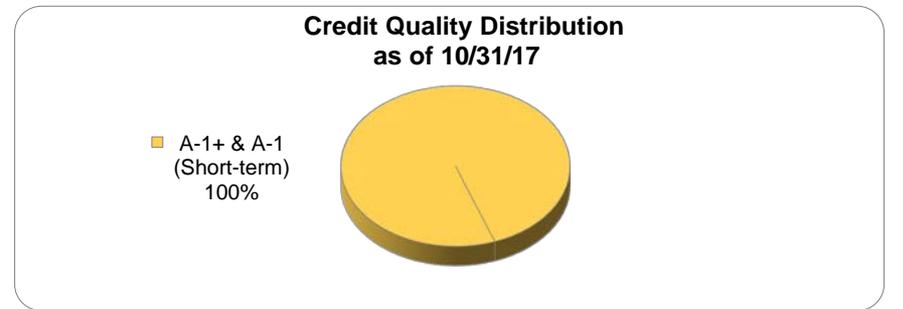
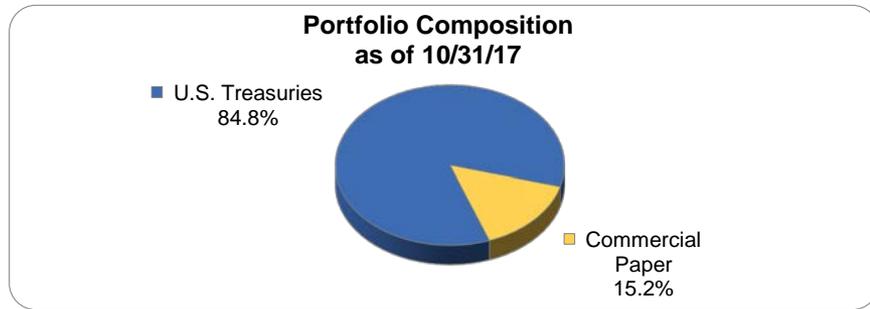
Notes:

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

Security Type ¹	October 31, 2017	% of Portfolio	July 31, 2017	% of Portfolio	QoQ % Change
U.S. Treasuries	\$160,126,687	84.8%	\$132,325,444	83.4%	1.5%
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$0	0.0%	0.0%
Commercial Paper	\$28,667,309	15.2%	\$26,415,792	16.6%	(1.5%)
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Totals	\$188,793,996	100.0%	\$158,741,236	100.0%	



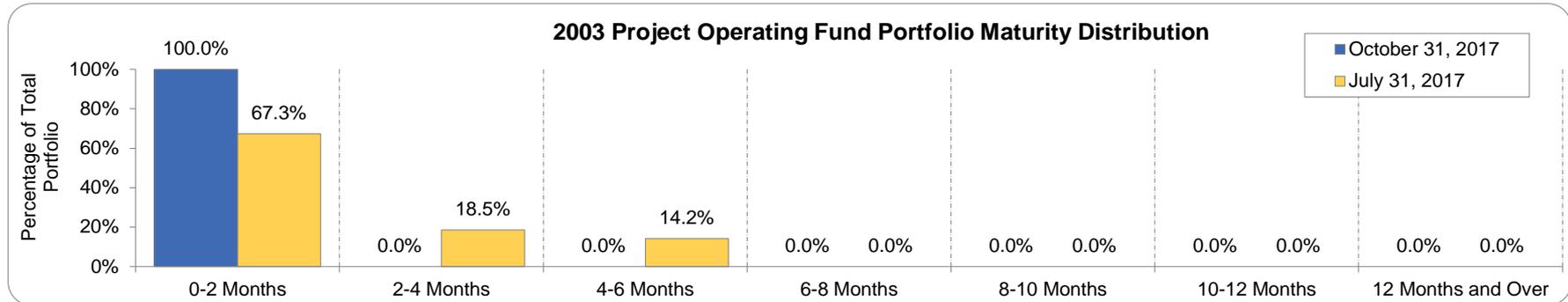
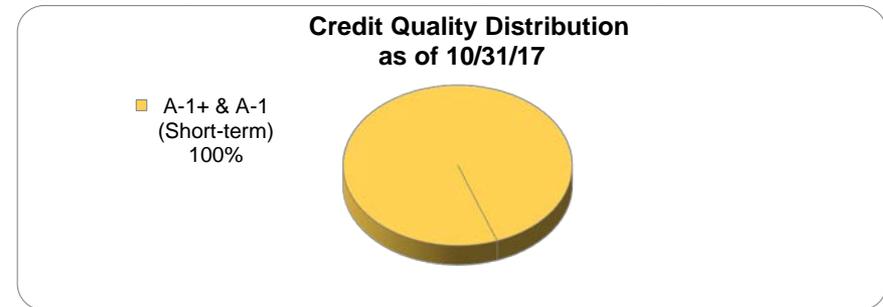
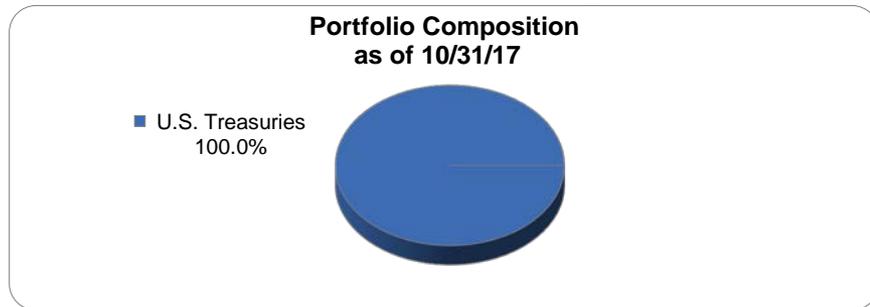
Notes:

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.



2003 Project Operating Fund Portfolio

Security Type ¹	October 31, 2017	% of Portfolio	July 31, 2017	% of Portfolio	QoQ % Change
U.S. Treasuries	\$7,103,540	100.0%	\$4,723,908	67.3%	32.7%
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$0	0.0%	0.0%
Commercial Paper	\$0	0.0%	\$2,290,423	32.7%	(32.7%)
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Totals	\$7,103,540	100.0%	\$7,014,331	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.



D. Market Commentary



Market Commentary

SUMMARY

- For the first time since 2007, all 45 national economies in the OECD (Organisation for Economic Co-operation and Development) are expanding. Against the backdrop of historically low interest rates, reasonably favorable economic data, and positive consumer, business and investor optimism, the U.S. economy is on track to grow at a modest pace in the range of 2% to 2.5% annually.
- Although a slow rate of inflation remains a conundrum, the Federal Reserve (Fed) is pursuing monetary policy normalization. At its September meeting, the Federal Open Market Committee (FOMC) announced a tapering of its balance sheet securities holdings to begin in October under the terms of the previously released normalization principles and plans. In addition, the updated “dot plot” projection indicated an expectation for one additional rate hike in 2017.
- The nomination of a replacement chair for the Federal Reserve Board and the introduction of legislation proposing the biggest change in Federal tax code since 1986 barely rippled the bond market. Both may still have an impact as Congressional debates and hearings await each one.
- Investor ebullience resulting from positive calendar year third quarter corporate earnings, coupled with strong consumer sentiment, continued to drive stocks higher. Major U.S. equity indices including the S&P 500, Dow Jones and NASDAQ logged new records in October.

ECONOMIC SNAPSHOT

- The initial estimate of third quarter gross domestic product (GDP) indicated the U.S. economy grew at an annualized pace of 3.0% despite the rough hurricane season. 3% growth in each of the second and third quarters was the fastest back-to-back quarterly pace since 2014. Personal spending, business investment and net exports were significant contributors.
- The U.S. labor market rebounded, adding 261,000 jobs in October. Importantly, the prior month’s hurricane-induced decline was revised to a gain of 18,000 jobs. The unemployment rate fell to a 16-year low of 4.1%.
- Inflation remained well short of the Fed’s target level of 2%. The Fed’s preferred metric, core personal consumption expenditures (PCE), excluding food and energy, grew only 1.3% YoY through September. Despite the low inflation reading, the positive overall economic backdrop led U.S. central bankers to signal they would continue to tighten monetary policy.

INTEREST RATES

- Shorter-term Treasury yields (5 years and under) rose in the third quarter on the expectation of further monetary policy tightening. Long-term Treasury yields (10 years and longer) rose just a couple basis points, with the exception of the 30-year Treasury yield, which fell 1 basis point. This continued the trend of modest flattening of the Treasury yield curve since the beginning of the year.
- The 2-year Treasury yield ended the quarter higher by 26 basis points (bps) (0.26%) to 1.62% -- the highest level since 2008 – while the 10-year Treasury yield rose only 6 bps (0.06%) over the quarter to close at 2.38%.
- In the money market space, federal debt ceiling concerns resulted in a temporary inversion of the short-term yield curve. The higher risk associated with Treasuries maturing in early October, the expected date for the U.S. Treasury to run out of borrowing capacity, translated into higher yields for those maturities. But, the yield curve quickly normalized after Congress passed an extension to the debt limit until December, along with a hurricane aid package, and a temporary resolution to fund the government for three months.
- In the short-term credit markets, yields on commercial paper and bank CDs rose in lockstep with expectations about future Fed rate hikes.

SECTOR PERFORMANCE

- U.S. Treasury index returns were slightly negative for the 3-months ended October 31. Flattening of the yield curve caused longer maturities to outperform shorter ones, as the increase in short-term rates modestly detracted from returns for the quarter.
- Federal agency yields kept pace with those of Treasuries, as yield spreads remained narrow. Agency indices generally outperformed similar-maturity Treasury indices.
- Investment-grade corporates continued to outperform comparable-maturity Treasuries. Robust calendar year third quarter earnings results have kept the demand for corporate bonds strong.
- After three straight quarters of underperformance, the mortgage backed securities (MBS) sector performed well in the third quarter, outperforming Treasuries and traditional agencies.
- Short-term commercial paper and bank CDs continue to offer value relative to both short and intermediate-term government securities.

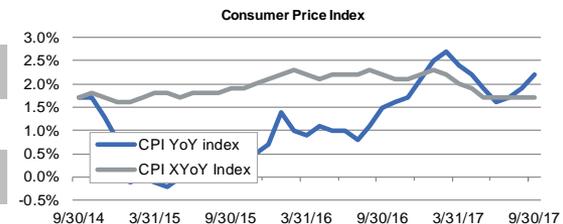
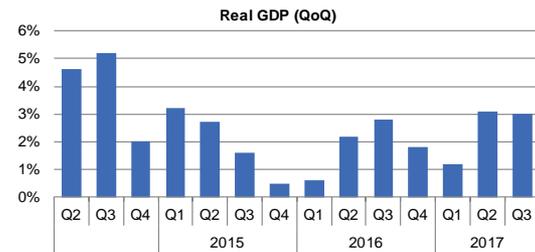
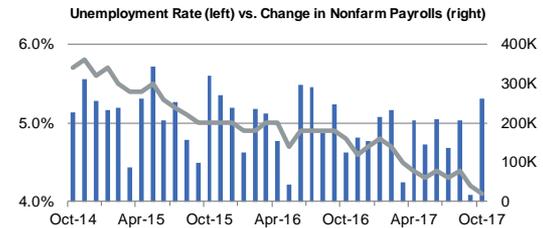


Economic Snapshot

Labor Market		Latest	Jul 2017	Oct 2016
Unemployment Rate	Oct	4.1%	4.3%	4.8%
Change In Non-Farm Payrolls	Oct	261,000	138,000	124,000
Average Hourly Earnings (YoY)	Oct	2.4%	2.6%	2.7%
Personal Income (YoY)	Sep	3.0%	2.6%	1.8%
Initial Jobless Claims	Nov 04	239,000	241,000	261,000

Growth				
Real GDP (QoQ SAAR)	Q2	3.0%	3.1% ¹	2.8% ²
GDP Personal Consumption (QoQ SAAR)	Q2	2.4%	3.3% ¹	2.8% ²
Retail Sales (YoY)	Sep	4.4%	3.7%	4.0%
ISM Manufacturing Survey	Oct	58.7	56.3	52.0
Existing Home Sales (millions)	Sep	5.39	5.44	5.53

Inflation / Prices				
Personal Consumption Expenditures (YoY)	Sep 17	1.6%	1.4%	1.6%
Consumer Price Index (YoY)	Sep 17	2.2%	1.7%	1.6%
Consumer Price Index Core (YoY)	Oct 17	2.9%	2.2%	0.7%
Crude Oil Futures (WTI, per barrel)	Oct 31	\$54.38	\$50.17	\$46.86
Gold Futures (oz)	Oct 31	\$1,271	\$1,267	\$1,273



1. Data as of Second Quarter 2017 (June 2017), 2. Data as of Third Quarter 2016 (September 2016)

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

Source: Bloomberg.

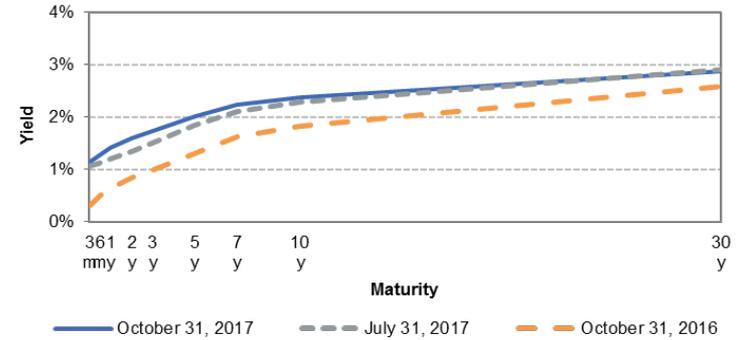


Interest Rate Overview

U.S. Treasury Note Yields

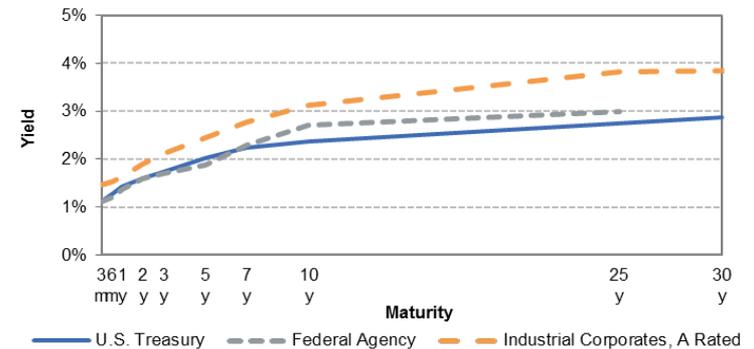


U.S. Treasury Note Yield Curve



Maturity	10/31/17	7/31/17	Change over Quarter	10/31/16	Change over Year
3-month	1.19%	1.12%	0.07%	0.45%	0.74%
1-year	1.42%	1.22%	0.20%	0.65%	0.76%
2-year	1.62%	1.37%	0.26%	0.87%	0.75%
5-year	2.02%	1.85%	0.17%	1.36%	0.67%
10-year	2.38%	2.32%	0.06%	1.87%	0.51%
30-year	2.89%	2.90%	(0.01%)	2.59%	0.30%

Yield Curves as of 10/31/17



Source: Bloomberg.



Bank of America Merrill Lynch Index Returns

	As of 10/31/2017		Periods Ended 10/31/2017		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.86	1.60%	(0.04%)	0.24%	0.65%
Federal Agency	1.81	1.68%	0.04%	0.48%	0.82%
U.S. Corporates, A-AAA Rated	1.91	2.01%	0.26%	1.49%	1.56%
Agency MBS (0 to 3 years)	2.29	2.07%	0.17%	0.36%	1.24%
Municipals	1.79	1.22%	0.03%	1.00%	0.84%
1-5 Year Indices					
U.S. Treasury	2.65	1.72%	(0.09%)	0.04%	1.00%
Federal Agency	2.22	1.75%	0.01%	0.41%	1.07%
U.S. Corporates, A-AAA Rated	2.73	2.20%	0.28%	1.60%	2.06%
Agency MBS (0 to 5 years)	3.26	2.32%	0.20%	0.19%	1.61%
Municipals	2.43	1.33%	(0.00%)	1.14%	1.10%
Master Indices					
U.S. Treasury	6.35	2.04%	0.13%	(0.70%)	1.79%
Federal Agency	3.98	2.00%	0.25%	0.50%	1.76%
U.S. Corporates, A-AAA Rated	7.19	2.89%	0.93%	2.65%	3.63%
Agency MBS	4.53	2.76%	0.44%	0.54%	2.08%
Municipals	6.80	2.30%	0.65%	2.11%	3.17%

Returns for periods greater than one year are annualized

Source: Bloomberg.



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