

Hugh L. Carey Battery Park City Authority
Meeting of the Investment Committee
200 Liberty Street, 24th Floor
New York, New York 10281
August 26, 2020
12:30 p.m.

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF THE JUNE 24, 2020 MINUTES
- III. QUARTERLY INVESTMENT REPORT
- IV. MUNICIPAL INVESTMENTS AND MARKET REVIEW
- V. MOTION TO ADJOURN



Hugh L. Carey **Battery Park City Authority**

Review of Investment Performance

Quarter Ended July 31, 2020

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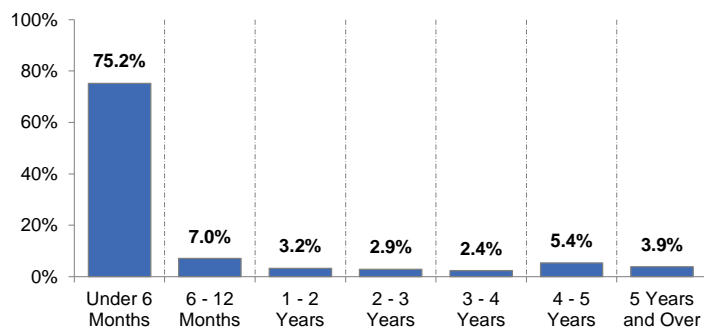
I. Executive Summary



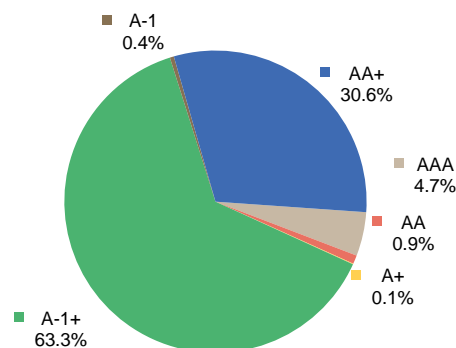
Aggregate Portfolio Composition and Credit Quality

Security Type ¹	July 31, 2020	% of Portfolio	Effective Duration	April 30, 2020	% of Portfolio	Effective Duration	QoQ Change (% of portfolio)
U.S. Treasuries	\$488,746,521	86.5%	0.75	\$379,732,759	85.2%	1.00	1.4%
Federal Agencies and Instrumentalities (non-MBS)	\$26,790,965	4.7%	1.70	\$27,342,851	6.1%	1.90	(1.4%)
Commercial Paper	\$25,246,695	4.5%	0.21	\$6,376,673	1.4%	0.26	3.0%
Municipals	\$19,338,244	3.4%	0.98	\$27,278,635	6.1%	0.98	(2.7%)
Government MBS	\$4,631,300	0.8%	2.91	\$5,024,797	1.1%	2.62	(0.3%)
Totals	\$564,753,725	100.0%	0.80	\$445,755,715	100.0%	1.06	

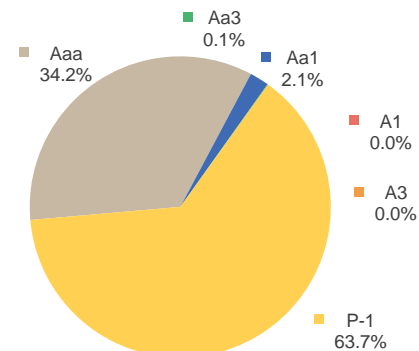
**Maturity Distribution
As of 7/31/2020**



**Credit Quality Distribution (S&P)
as of 7/31/2020**



**Credit Quality Distribution (Moody's)
as of 7/31/2020**



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.
3. NR holdings are not rated by S&P, but rated by Moody's and are in compliance with BPCA's Investment Policy.



Performance Overview – Total Return Strategies – July 31, 2020

	Past Quarter	Past 12 Months	Past 3-Years	Since Inception
Long-Term Strategy:				
2003 Reserve Fund	0.54%	5.16%	2.83%	3.31%
<i>BM: BAML 1-5 Year US Treasury Note Index</i>	<i>0.36%</i>	<i>5.61%</i>	<i>3.19%</i>	<i>3.27%</i>
BPCPC Operating Reserve Contingency Insurance Fund	0.84%	7.28%	3.87%	3.81%
Operating Budget Reserve	0.79%	7.22%	3.82%	3.77%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>0.83%</i>	<i>7.13%</i>	<i>3.83%</i>	<i>3.90%</i>
BPCA Other Post-Employment Benefits	0.55%	7.48%	4.05%	3.57%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>0.94%</i>	<i>7.44%</i>	<i>4.10%</i>	<i>3.15%</i>
BPCPC Other Post-Employment Benefits	0.94%	7.43%	4.12%	2.70%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>0.55%</i>	<i>7.48%</i>	<i>4.05%</i>	<i>2.75%</i>
Short-Term Strategy:				
2003 Pledged Revenue	0.05%	1.40%	1.70%	1.30%
2003 Project Operating Fund	0.04%	1.28%	1.74%	1.31%
<i>BM: BAML 3 Month US Treasury Bill Index</i>	<i>0.04%</i>	<i>1.47%</i>	<i>1.74%</i>	<i>1.24%</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. Performance of the highlighted portfolios was impacted in the 2nd and 3rd calendar quarters of 2019 by a temporary suspension of investment strategy in order to provide liquidity for the 2019 bond financing."
3. 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
4. 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.
5. Since inception performance for the 'BPCA Other Post Employment Benefits' is calculated from January 31, 2008 to present.
6. Since inception performance for the 'BPCPC Other Post Employment Benefits' is calculated from February 12, 2010 to present.



Portfolio Recap – Market Drivers

Economy

- Global health crisis – Broad lockdowns and stay-at-home orders were effective in initially slowing the spread of COVID-19 and easing stress on the U.S. healthcare system, but late in Q2 as social distancing measures were eased, daily confirmed coronavirus cases in the U.S. began to spike sharply higher.
- The U.S. economy is now in its first recession in more than a decade, with gross domestic product falling by an annualized 5% in the first quarter, ending the longest period of economic expansion on record. Chair Powell suggested that the second quarter decline “is likely to be the most severe on record.”
- Despite these elements, the U.S. labor market rebounded strongly in back-to-back months. June’s non-farm payrolls rose by 4.8 million, while the unemployment rate fell to 11.1% — marked improvement, but the unemployment rate remains far above pre-COVID-19 levels.

Federal Reserve

- The Federal Reserve (Fed), mobilized its arsenal of emergency lending programs to stabilize fragile markets and shore up market liquidity. The Fed’s balance sheet expanded from \$4 trillion to more than \$7 trillion and included the first purchases of corporate bond exchange-traded funds and individual corporate bonds. Measures of market stress experienced notable improvements as a result.

U.S. Treasury Yields

- Following the plunge in the U.S. Treasury yield curve during Q1, yields were relatively stable over the second quarter, leading to muted returns for Treasury indexes. They remain at historically low levels with the 10-year Treasury yield ending July at 0.53%.



Portfolio Recap – Performance & Cash Flows

Longer-Term Funds

- Absolute performance for long-term portfolios was modest for the quarter. Relative to benchmarks the long-term portfolios outperformed benchmark returns.
- U.S. Treasury performance continued to lead all investment-grade fixed income sectors. Diversification away from U.S. Treasury securities was additive, though most sectors still trail Treasuries.
- The municipal sector saw performance strengthen during the quarter, generating positive excess returns as the Fed stepped in to support issuance.

Short-Term Funds

- The Operating Fund portfolio and the Pledged Revenue portfolio each performed in line with BAML 3 Month Treasury Bill index for the quarter.
- Each portfolio is positioned to match the unique requirements of expected cash flows. As expected, the 2003 Pledged Revenue Fund saw significant contributions during the quarter.



Investment Guidelines Compliance

Compliance Issuer Check						
Issuer	Actual (%)	Actual (\$)	IPS Limit	S&P Rating	Moody's Rating	Check
U.S. Treasury	86.54%	488,746,521	100%	AA+	Aaa	OK
Fannie Mae	0.92%	5,204,016	250,000,000	AA	Aaa	OK
Toyota Motor Credit Corporation	0.43%	2,448,654	10%	AAA	P-1	OK
International Bank of Recon and Development	0.79%	4,463,477	-	A-1+	Aaa	OK
New York City	0.28%	1,589,734	10%	AAA	Aa1	OK
New York City Transitional Finance Authority	0.21%	1,174,231	5%	AAA	Aa1	OK
Pfizer Inc.	0.34%	1,905,665	10%	AAA	P-1	OK
Salt River Project	0.36%	2,008,872	10%	AAA	P-1	OK
Texas State	0.05%	261,145	-	AAA	Aaa	OK
Asian Development Bank	0.73%	4,097,867	-	AAA	Aaa	OK
International American Development Bank	0.76%	4,273,718	250,000,000	AAA	Aaa	OK
JP Morgan	0.39%	2,225,343	10%	AAA	P-1	OK
Ginnie Mae	2.08%	11,757,368	-	AA+	Aaa	OK
Maryland State	0.06%	365,582	5%	AAA	Aaa	OK
African Development Bank	0.72%	4,071,680	100%	AAA	Aaa	OK
Apple Inc	0.54%	3,077,540	250,000,000	AAA	P-1	OK
Small Business Administration	2.06%	11,619,362	10%	A-1+	Aaa	OK
New York State	0.08%	433,127	10%	AAA	Aa1	OK
Federal Home Loan Bank	0.79%	4,473,187	10%	AAA	P-1	OK
MetLife Funding Inc	0.31%	1,733,817	10%	AAA	P-1	OK
Delaware State	0.02%	102,869	10%	AAA	Aaa	OK
Georgia State	0.07%	414,825	10%	AAA	Aaa	OK
NY State Dorm Authority	0.13%	719,990	10%	AAA	Aa1	OK
Port Authority of NY/NJ	0.13%	707,668	10%	AAA	Aa3	OK
New York State Development Corporation	0.09%	507,702	250,000,000	AAA	Aa1	OK
Freddie Mac	1.03%	5,813,800	10%	AAA	Aaa	OK
Babylon, Town of	0.10%	555,966	10%	AAA	Aaa	OK

Notes:

1. BPCA's investment guidelines does not detail sector limits for commercial paper, supranationals, or Government MBS.
2. Commercial paper issuer limits are subject to the lesser of 5% or \$250 million per issuer.
3. Actual (\$) include market value plus accrued interest.



Change in Value – Total Return Accounts

Account Name	Beginning Period Value ¹	(+/-)	Net Transfers ²	(+/-)	Change in Value	=	Ending Period Value ¹
Longer Term Investment Strategy							
2003 Reserve Fund	\$34,914,305		\$0		\$201,726		\$35,116,031
BPCPC Operating Reserve Contingency	\$14,587,150		\$344		\$122,313		\$14,709,807
Insurance Fund	\$6,274,571		\$0		\$49,845		\$6,324,416
Operating Budget Reserve	\$10,657,617		\$0		\$88,411		\$10,746,028
BPCA Other Post-Employment Benefits	\$28,055,036		\$0		\$264,192		\$28,319,227
BPCPC Other Post-Employment Benefits	\$14,738,905		\$0		\$139,087		\$14,877,993
Subtotal	\$109,227,584		\$344		\$865,573		\$110,093,502
Shorter Term Investment Strategy							
2003 Pledged Revenue	\$79,119,797		\$113,216,684		\$69,364		\$192,405,846
2003 Project Operating Fund	\$7,932,040		\$25,000		\$3,215		\$7,960,254
Subtotal	\$87,051,837		\$113,241,684		\$72,579		\$200,366,100
Total	\$196,279,421		\$113,242,028		\$938,152		\$310,459,602

Notes:

1. Beginning Period Value is as of April 30, 2020 and Ending Period Value is as of July 31, 2020. Beginning Period Value and Ending Period Value equal market values of portfolio holdings plus accrued interest and cash.
2. Net Transfers represent the total portfolio contributions and withdrawals during the quarter. The Net Transfers for 2003 Pledged Revenue and 2003 Project Operating Fund include securities transfers between the portfolios in July.



Change in Value – Other BPCA Accounts

Account Name	Beginning Period Value ¹	(+/-)	Net Transfers ²	(+/-)	Change in Value	=	Ending Period Value ¹
PFM Asset Management Accounts							
Corporate Funds	\$850,636		\$0		\$604		851,240
2000 Arbitrage Rebate	\$835,119		\$0		\$264		835,383
1993 Unpledged Revenue	\$6,587,719		\$3,916,379		\$3,383		10,507,481
2003 Residual Fund	\$42,404,531		(\$41,323,443)		\$10,241		1,091,329
Joint Purpose Fund	\$377,248		\$41,323,443		\$787		41,701,477
Special Fund	\$965,200		\$0		\$305		965,506
BPCPC Operating Reserve	\$1,040,010		\$0		\$481		1,040,491
BPCA Goldman Sachs Liberty Contribution Fund	\$1,438		\$0		\$0		1,438
BPCA Series 2009A Project Costs	\$571,062		(\$8,217)		\$278		563,122
BPCA Series 2009B Project Costs	\$82		\$0		\$0		82
BPCA Insurance Advance	\$704		\$0		\$0		704
BPCA2013ACDE Proj Cost Sub AC	\$13,844,058		(\$350,798)		\$4,149		13,497,409
BPCA Pier A Reserve Fund	\$995,864		\$0		\$315		996,179
BPCA Subordinated Pmt Acct	\$0		\$0		\$0		-
BPCA 2019A Comm Ctr SB Proj	\$5,978,488		(\$1,031,896)		\$2,378		4,948,971
BPCA 2019A Sustainable Proj	\$69,656,231		(\$2,373,545)		\$31,961		67,314,647
BPCA 2019ABCDE COI	\$5,628		\$0		\$0		5,628
BPCA 2019BDE Project	\$9,667,607		(\$495,509)		\$4,401		9,176,500
BPCA 2019C Pier A SB Proj	\$3,550,118		\$0		\$1,200		3,551,318
Subtotal	\$157,331,743		(\$343,585)		\$60,746		157,048,905

Notes:

1. Beginning Period Value is as of April 30, 2020 and Ending Period Value is as of July 31, 2020. Beginning Period Value and Ending Period Value equal market values of portfolio holdings plus accrued interest and cash.
2. Net Transfers represent the total portfolio contributions and withdrawals during the quarter.



Change in Value – Other BPCA Accounts

Account Name	Beginning Period Value ¹	(+/-)	Net Transfers ²	(+/-)	Change in Value	=	Ending Period Value ¹
Ramirez Asset Management Accounts							
Liberty Terr Mariners Cove-K	\$304,884		\$0		\$83		\$304,967
Liberty House Mariners J	\$249,409		\$0		\$68		\$249,477
Rector Park L	\$34,726		\$0		\$9		\$34,735
Hudson View W Towers G	\$175,596		\$0		\$48		\$175,643
Hudson Towers E/F	\$213,547		\$0		\$58		\$213,605
Hudson View Towers C	\$188,497		\$0		\$52		\$188,548
Liberty Ct Mariners Cove B	\$621,797		\$0		\$836		\$622,633
Millenium	\$3,753,276		\$0		\$5,642		\$3,758,919
Liberty Battery Place Assoc 4	\$448,928		\$0		\$123		\$449,051
South Cove Assoc 11	\$407,708		\$0		\$112		\$407,819
Soundings Rector Park A	\$218,187		\$0		\$60		\$218,246
The Regatta Site 10	\$497,075		\$0		\$719		\$497,794
Debt Service Junior Payments	\$30,654,595		(\$3,619,818)		\$16,663		\$27,051,440
2003 Debt Service Senior Payments	\$55,734,568		(\$11,131,886)		\$35,939		\$44,638,622
BPCA Millenium Tower Security Fund 2A	\$3,135,184		\$0		\$3,987		\$3,139,171
BPCA S 16/17 Riverhouse Security Fund	\$6,659,293		\$0		\$10,502		\$6,669,795
BPCA Visionaire Security Fund	\$4,056,964		\$0		\$4,876		\$4,061,840
BPCA Pier A Security Deposit Account	\$426,765		\$0		\$117		\$426,882
BPCA One Rector Park Security Fund	\$994,775		\$0		\$1,381		\$996,156
BPCA Rector Square Security Fund Site D	\$229,538		\$0		\$63		\$229,600
BPCA WFC Tower C Retail Rent Escrow	\$258,812		\$0		\$71		\$258,883
BPCA River & Warren Sec Fund - Site 19A	\$6,132,400		\$0		\$9,917		\$6,142,317
BPCA North Cove Marina Security Fund	\$53,141		\$0		\$14		\$53,155
Subtotal	\$115,449,662		(\$14,751,704)		\$91,341		\$100,789,300

Notes:

1. Beginning Period Value is as of April 30, 2020 and Ending Period Value is as of July 31, 2020. Beginning Period Value and Ending Period Value equal market values of portfolio holdings plus accrued interest and cash balance.
2. Net Transfers represent the total portfolio contributions and withdrawals during the quarter.



II. Summary of Aggregate Portfolio



Aggregate Portfolio Issuer Breakdown

Security Type	July 31, 2020	% of Portfolio	April 30, 2020	% of Portfolio	QoQ % Change
United States Treasury²					
U.S. Treasury	\$488,746,521	86.5%	\$379,732,759	85.2%	1.4%
Ginnie Mae	\$2,225,343	0.4%	\$2,501,960	0.6%	(0.2%)
Small Business Administration	\$1,589,734	0.3%	\$1,647,969	0.4%	(0.1%)
Federal Agencies and Instrumentalities^{2,3}					
Freddie Mac	\$261,145	0.0%	\$299,284	0.1%	(0.0%)
Fannie Mae	\$11,757,368	2.1%	\$11,765,506	2.6%	(0.6%)
Federal Home Loan Bank	\$719,990	0.1%	\$1,365,803	0.3%	(0.2%)
International Bank of Recon and Development	\$5,813,800	1.0%	\$5,791,391	1.3%	(0.3%)
International American Development Bank	\$3,077,540	0.5%	\$3,049,279	0.7%	(0.1%)
Asian Development Bank	\$4,071,680	0.7%	\$4,050,615	0.9%	(0.2%)
African Development Bank	\$1,905,665	0.3%	\$1,895,840	0.4%	(0.1%)
Commercial Paper²					
JP Morgan	\$2,448,654	0.4%	\$0	0.0%	0.4%
Toyota Motor Credit Corporation	\$11,619,362	2.1%	\$0	0.0%	2.1%
Apple Inc	\$1,733,817	0.3%	\$1,731,044	0.4%	(0.1%)
Pfizer Inc.	\$4,463,477	0.8%	\$0	0.0%	0.8%
MetLife Funding Inc	\$707,668	0.1%	\$0	0.0%	0.1%
Salt River Project	\$4,273,718	0.8%	\$4,645,629	1.0%	(0.3%)
Municipal Issuers²					
New York City	\$5,204,016	0.9%	\$5,050,434	1.1%	(0.2%)
New York City Transitional Finance Authority	\$4,473,187	0.8%	\$4,462,569	1.0%	(0.2%)
NY State Dorm Authority	\$433,127	0.1%	\$5,881,358	1.3%	(1.2%)
Port Authority of NY/NJ	\$414,825	0.1%	\$412,142	0.1%	(0.0%)
NY Metro Transportation Authority	\$0	0.0%	\$150,762	0.0%	(0.0%)
Babylon, Town of	\$102,869	0.0%	\$104,265	0.0%	(0.0%)
New York State Development Corporation	\$365,582	0.1%	\$361,759	0.1%	(0.0%)
New York State	\$1,174,231	0.2%	\$1,142,900	0.3%	(0.0%)
Georgia State	\$507,702	0.1%	\$505,532	0.1%	(0.0%)
Maryland State	\$2,008,872	0.4%	\$2,002,128	0.4%	(0.1%)
Texas State	\$4,097,867	0.7%	\$4,087,667	0.9%	(0.2%)
Delaware State	\$555,966	0.1%	\$552,590	0.1%	(0.0%)
Three VLG Cent School District	\$0	0.0%	\$1,216,004	0.3%	(0.3%)
NY State Environmental Facilities Corporation	\$0	0.0%	\$332,757	0.1%	(0.1%)
Utah State	\$0	0.0%	\$1,015,769	0.2%	(0.2%)
TOTAL	\$564,753,725	100.0%	\$445,755,715	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%.
- Federal Agencies and Instrumentalities includes Mortgage-Backed Securities.



Portfolio Value – Total Return Accounts

	July 31, 2020			April 30, 2020		
Longer Term Investment Strategy	Market Value	Effective Duration	% of Total Portfolio	Market Value	Effective Duration	% of Total Portfolio
2003 Reserve Fund	\$35,076,320	2.78	6.2%	\$34,913,481	3.02	7.8%
BPCPC Operating Reserve Contingency	\$14,702,066	3.54	2.6%	\$14,577,949	3.77	3.3%
Insurance Fund	\$6,322,260	3.61	1.1%	\$6,270,862	3.84	1.4%
Operating Budget Reserve	\$10,739,850	3.56	1.9%	\$10,655,012	3.81	2.4%
BPCA Other Post-Employment Benefits	\$28,312,451	3.48	5.0%	\$28,054,611	3.72	6.3%
BPCPC Other Post-Employment Benefits	\$14,872,349	3.49	2.6%	\$14,738,365	3.72	3.3%
Subtotal Longer Term Investment Strategy	\$110,025,296	3.28	19.5%	\$109,210,279	3.52	24.5%
Short Term Investment Strategy						
2003 Pledged Revenue	\$190,375,682	0.29	33.7%	\$79,106,981	0.34	17.7%
2003 Project Operating Fund	\$7,959,675	0.08	1.4%	\$7,931,349	0.08	1.8%
Subtotal Short Term Investment Strategy	\$198,335,356	0.28	35.1%	\$87,038,330	0.32	19.5%
Subtotal of Total Return Accounts	\$308,360,653	1.35	54.6%	\$196,248,609	2.10	44.0%

Notes:

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



Portfolio Value – Other BPCA Accounts

	July 31, 2020			April 30, 2020		
	Market Value	Effective Duration	% of Total Portfolio	Market Value	Effective Duration	% of Total Portfolio
Corporate Funds	\$850,364	0.62	0.2%	\$849,759	0.88	0.2%
2000 Arbitrage Rebate	\$834,994	0.00	0.1%	\$834,730	0.24	0.2%
1993 Unpledged Revenue	\$10,506,491	0.31	1.9%	\$6,475,116	0.18	1.5%
2003 Residual Fund	\$1,090,973	0.00	0.2%	\$42,402,616	0.09	9.5%
Joint Purpose Fund	\$41,700,704	0.00	7.4%	\$376,878	0.24	0.1%
Special Fund	\$964,993	0.00	0.2%	\$964,688	0.24	0.2%
BPCPC Operating Reserve	\$1,039,925	0.25	0.2%	\$1,034,835	0.14	0.2%
BPCA Series 2009A Project Costs	\$562,908	0.14	0.1%	\$569,932	0.08	0.1%
BPCA Series 2009B Project Costs	\$0	0.00	0.0%	\$0	0.00	0.0%
BPCA2013ACDE PROJ COST SUB AC	\$13,495,915	0.06	2.4%	\$13,839,885	0.11	3.1%
BPCA PIER A RESERVE FUND	\$995,993	0.00	0.2%	\$995,678	0.24	0.2%
BPCA SUBORDINATED PAYMENT ACCOUNT	\$0	0.00	0.0%	\$0	0.00	0.0%
BPCA 2019A Comm Ctr SB Proj	\$4,947,907	0.36	0.9%	\$5,978,278	0.20	1.3%
BPCA 2019A Sustainable Proj	\$67,310,684	0.37	11.9%	\$69,652,026	0.25	15.6%
BPCA 2019ABCDE COI	\$0	0.00	0.0%	\$0	0.00	0.0%
BPCA 2019BDE Project	\$9,175,300	0.35	1.6%	\$9,665,555	0.25	2.2%
BPCA 2019C Pier A SB Proj	\$3,549,974	0.00	0.6%	\$3,549,574	0.08	0.8%
Liberty Terr Mariners Cove-K	\$304,926.19	0.00	0.1%	\$304,843	0.51	0.1%
Liberty House Mariners J	\$248,939.74	0.00	0.0%	\$248,872	0.51	0.1%
Rector Park L	\$33,991.77	0.00	0.0%	\$33,982	0.51	0.0%
Hudson View W Towers G	\$174,957.65	0.00	0.0%	\$174,910	0.51	0.0%
Hudson Towers E/F	\$212,948.45	0.00	0.0%	\$212,890	0.51	0.0%
Hudson View Towers C	\$187,954.50	0.00	0.0%	\$187,905	0.50	0.0%
Liberty Ct Mariners Cove B	\$622,076.60	0.00	0.1%	\$621,246	0.56	0.1%
Millenium	\$3,758,824.84	0.00	0.7%	\$3,752,468	0.46	0.8%
Liberty Battery Place Assoc 4	\$448,891.34	0.00	0.1%	\$448,772	0.50	0.1%
South Cove Assoc 11	\$406,901.51	0.00	0.1%	\$406,792	0.51	0.1%
Soundings Rector Park A	\$217,947.24	0.00	0.0%	\$217,888	0.51	0.0%
The Regatta Site 10	\$496,953.49	0.00	0.1%	\$496,239	0.57	0.1%
Debt Service Junior Payments	\$25,639,507.14	0.00	4.5%	\$18,668,922	0.24	4.2%
2003 Debt Service Senior Payments	\$44,638,021.91	0.00	7.9%	\$44,601,141	0.32	10.0%
BPCA Millenium Tower Security Fund 2A	\$3,138,945.40	0.00	0.6%	\$3,134,366	0.46	0.7%
BPCA S 16/17 Riverhouse Security Fund	\$6,669,429.73	0.00	1.2%	\$6,658,987	0.51	1.5%
BPCA Visionaire Security Fund	\$4,061,599.93	0.00	0.7%	\$4,056,563	0.45	0.9%
BPCA Pier A Security Deposit Account	\$425,896.91	0.00	0.1%	\$425,784	0.50	0.1%
BPCA One Rector Park Security Fund	\$995,933.45	0.00	0.2%	\$993,859	0.56	0.2%
BPCA Rector Square Security Fund Site D	\$228,944.58	0.00	0.0%	\$228,882	0.51	0.1%
BPCA WFC TOWER C RETAIL RENT ESCROW	\$257,937.56	0.00	0.0%	\$257,869	0.50	0.1%
BPCA RIVER & WARREN SEC FUND - SITE 19	\$6,141,430.77	0.00	1.1%	\$6,131,405	0.51	1.4%
BPCA NORTH COVE MARINA SECURITY FUNI	\$52,987.17	0.00	0.0%	\$52,973	0.51	0.0%
Subtotal of Other BPCA Accounts	\$256,393,073	0.14	45.4%	\$249,507,105	0.25	56.0%

Notes:

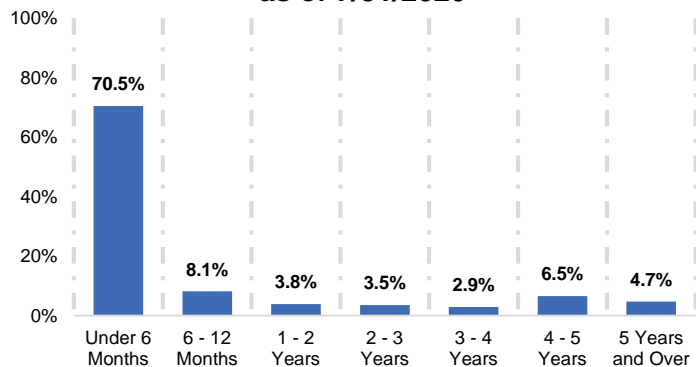
1. "Market Value" includes accrued interest, but does not include cash balances held at the bank.
2. Highlighted funds are managed by Ramirez Asset Management ("RAM"). Market values for these funds are provided by RAM.



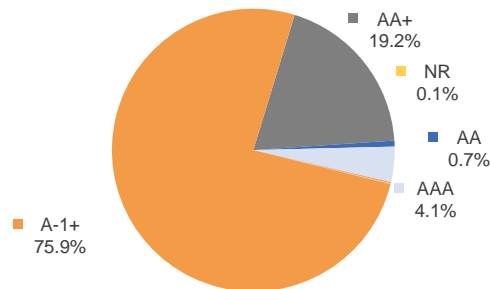
Aggregate Portfolio Summary: PFM Asset Management

Security Type ¹	July 31, 2020	% of Advisor	% of Total Portfolio	Effective Duration	April 30, 2020	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$406,632,447	87.4%	72.0%	0.90	\$311,197,935	88.0%	69.8%	1.14	(0.7%)
Federal Agencies and Instrumentalities (non-MBS)	\$26,650,346	5.7%	4.7%	1.71	\$27,202,456	7.7%	6.1%	1.91	(2.0%)
Commercial Paper	\$18,993,907	4.1%	3.4%	0.28	\$1,731,044	0.5%	0.4%	0.56	3.6%
Municipals	\$8,533,670	1.8%	1.5%	2.22	\$8,339,390	2.4%	1.9%	2.43	(0.5%)
Government MBS	\$4,577,409	1.0%	0.8%	2.94	\$4,967,333	1.4%	1.1%	2.62	(0.4%)
Totals	\$465,387,777	100%	82.4%	0.97	\$353,438,158	100.0%	79.3%	1.25	

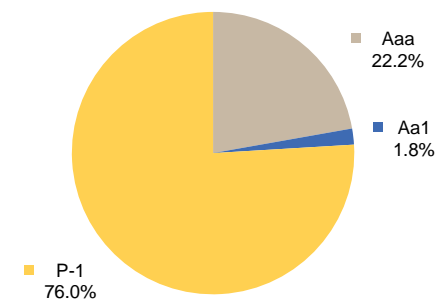
**Maturity Distribution
as of 7/31/2020**



**Credit Quality (S&P)
as of 7/31/2020**



**Credit Quality (Moody's)
as of 7/31/2020**



Notes:

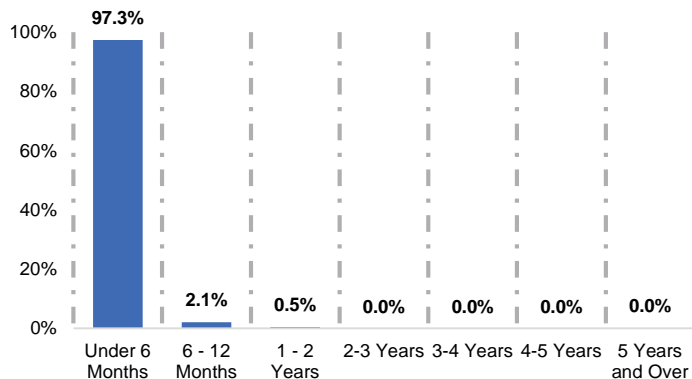
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



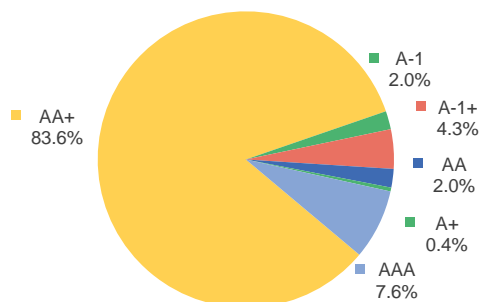
Aggregate Portfolio Summary: Ramirez Asset Management

Security Type ¹	July 31, 2020	% of Advisor	% of Total Portfolio	Effective Duration	April 30, 2020	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$82,114,074	82.6%	14.5%	0.25	\$68,534,823	74.2%	15.4%	0.37	8.4%
Federal Agencies and Instrumentalities (non-MBS)	\$140,620	0.1%	0.0%	1.18	\$140,395	0.2%	0.0%	1.42	(0.0%)
Commercial Paper	\$6,252,788	6.3%	1.1%	0.17	\$4,645,629	5.0%	1.0%	0.14	1.3%
Municipals	\$10,804,574	10.9%	1.9%	0.24	\$18,939,245	20.5%	4.2%	0.34	(9.6%)
Government MBS	\$53,891	0.1%	0.0%	2.32	\$57,464	0.1%	0.0%	2.41	(0.0%)
Totals	\$99,365,948	100%	17.6%	0.24	\$92,317,557	100.0%	20.7%	0.36	

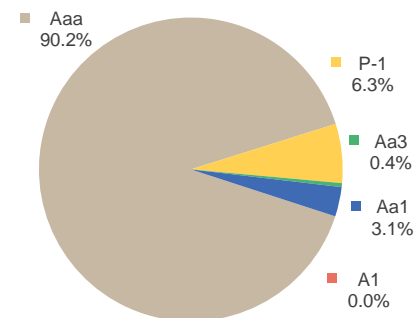
**Maturity Distribution
as of 7/31/2020**



**Credit Quality (S&P)
as of 7/31/2020**



**Credit Quality (Moody's)
as of 7/31/2020**



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.
- NR holdings are not rated by S&P, but rated by Moody's and are in compliance with BPCA's Investment Policy.



Portfolio Earnings – PFM-Managed Accounts

Portfolio Earnings <i>Quarter-Ended July 31, 2020</i>		
	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value - April 2020	\$352,881,021	\$347,781,415
Net Purchases (Sales)	\$111,405,743	\$111,405,743
Change in Value	\$449,524	\$281,041
Ending Value - July 2020	\$464,736,288	\$459,468,198
Interest Earned	\$549,375	\$549,375
Portfolio Earnings	\$998,899	\$830,415

Notes:

1. Beginning and Ending Values exclude accrued income and cash balances at the bank.
2. Net Income includes coupon income paid, change in beginning and ending accruals, and purchased/sold accrued interest.
3. A negative change in market value does not mean a realized loss. Losses are not realized until security/securities are sold.



Portfolio Earnings – Ramirez-Managed Accounts

Portfolio Earnings <i>Quarter-Ended July 31, 2020</i>		
	Market Value Basis¹	Accrual (Amortized Cost) Basis²
Beginning Value - April 2020	\$92,086,717	\$91,927,828
Net Purchases (Sales)	\$7,192,799	\$7,192,799
Change in Value	(\$117,932)	\$73,467
Ending Value - July 2020	\$99,161,584	\$99,194,094
Net Income ³	\$292,486	\$292,486
Portfolio Earnings	\$174,554	\$365,953

Notes:

1. Underlying data for Market Value Basis supplied by Advent APX, values exclude accrued income and cash balances at the bank.
2. Accrual (Amortized Cost) Basis data provided by custodian, BNY-Mellon.
3. Net Income includes coupon income paid, change in beginning and ending accruals, and purchased/sold accrued interest.
4. A negative change in market value does not mean a realized loss. Losses are not realized until security/securities are sold.

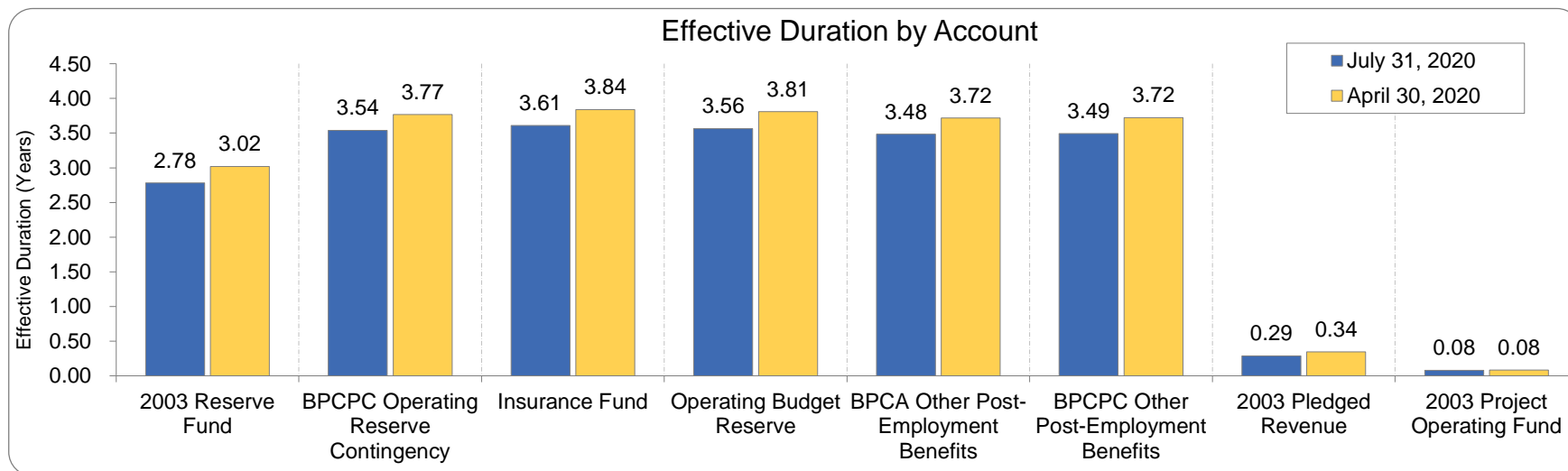


III. Total Return Performance Attributes



Total Return Portfolio Attributes

Yields	Effective Duration (in years)		Yield To Maturity - At Market		Yield To Maturity - On Cost	
	July 31, 2020	April 30, 2020	July 31, 2020	April 30, 2020	July 31, 2020	April 30, 2020
Longer Term Investment Strategy						
2003 Reserve Fund	2.78	3.02	0.33%	0.48%	1.57%	1.59%
BPCPC Operating Reserve Contingency	3.54	3.77	0.47%	0.64%	1.78%	1.80%
Insurance Fund	3.61	3.84	0.32%	0.50%	1.72%	1.73%
Operating Budget Reserve	3.56	3.81	0.42%	0.60%	1.75%	1.77%
BPCA Other Post-Employment Benefits	3.48	3.72	0.36%	0.58%	1.96%	1.97%
BPCPC Other Post-Employment Benefits	3.49	3.72	0.37%	0.59%	1.95%	1.96%
Short Term Investment Strategy						
2003 Pledged Revenue	0.29	0.34	0.12%	0.50%	0.19%	0.72%
2003 Project Operating Fund	0.08	0.08	0.13%	0.15%	0.15%	0.08%





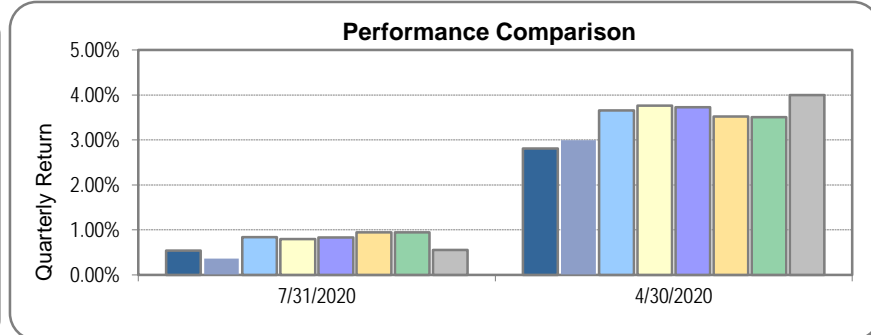
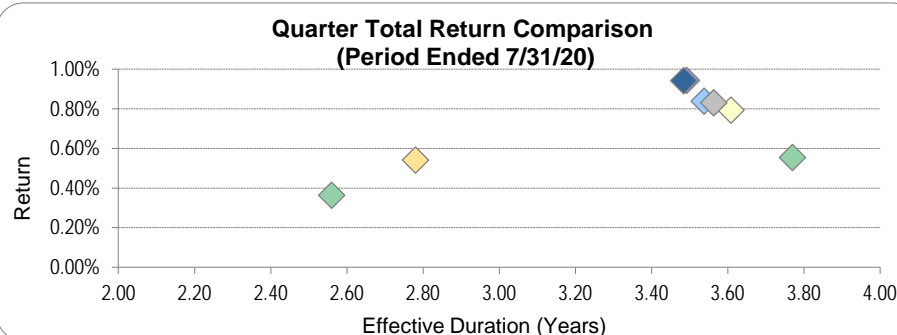
Portfolios Managed with a Longer-Term Investment Strategy



Longer-Term Investment Strategy

Total Return ^{1,2,4,5}	July 31, 2020	Annualized Since Inception
2003 Reserve Fund	0.54%	3.31%
BM: BAML 1-5 Year US Treasury Note Index	0.36%	3.27%
BPCPC Operating Reserve Contingency	0.84%	3.81%
Insurance Fund	0.79%	3.77%
Operating Budget Reserve	0.83%	3.90%
BM: BAML 1-10 Year US Treasury Note Index	0.55%	3.57%
BPCA Other Post-Employment Benefits	0.94%	3.15%
BM: BAML 1-10 Year US Treasury Note Index	0.55%	2.97%
BPCPC Other Post-Employment Benefits	0.94%	2.70%
BM: BAML 1-10 Year US Treasury Note Index	0.55%	2.75%

Effective Duration (in years) ³	July 31, 2020	April 30, 2020
2003 Reserve Fund	2.78	3.02
BM: BAML 1-5 Year US Treasury Note Index	2.56	2.63
BPCPC Operating Reserve Contingency	3.54	3.77
Insurance Fund	3.61	3.84
Operating Budget Reserve	3.56	3.81
BPCA Other Post-Employment Benefits	3.48	3.72
BPCPC Other Post-Employment Benefits	3.49	3.72
BM: BAML 1-10 Year US Treasury Note Index	3.77	3.79



Notes:

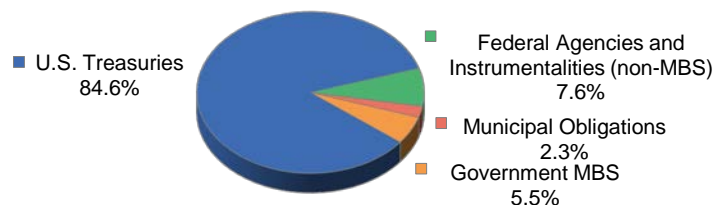
- Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
- 2003 Reserve Fund, Operating Budget Reserve, Insurance Fund, and the Operating Reserve Contingency Funds have temporarily suspended their investment strategies due to 2019 bond funding.
- 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.



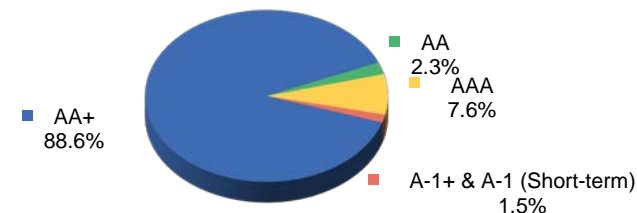
2003 Reserve Fund Portfolio

Security Type ¹	July 31, 2020	% of Portfolio	April 30, 2020	% of Portfolio	QoQ % Change
U.S. Treasuries	\$29,668,375	84.6%	\$29,353,026	84.1%	0.5%
Federal Agencies and Instrumentalities (non-MBS)	\$2,672,198	7.6%	\$2,651,911	7.6%	0.0%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$789,488	2.3%	\$757,519	2.2%	0.1%
Government MBS	\$1,946,259	5.5%	\$2,151,025	6.2%	(0.6%)
Totals	\$35,076,320	100.0%	\$34,913,481	100.0%	

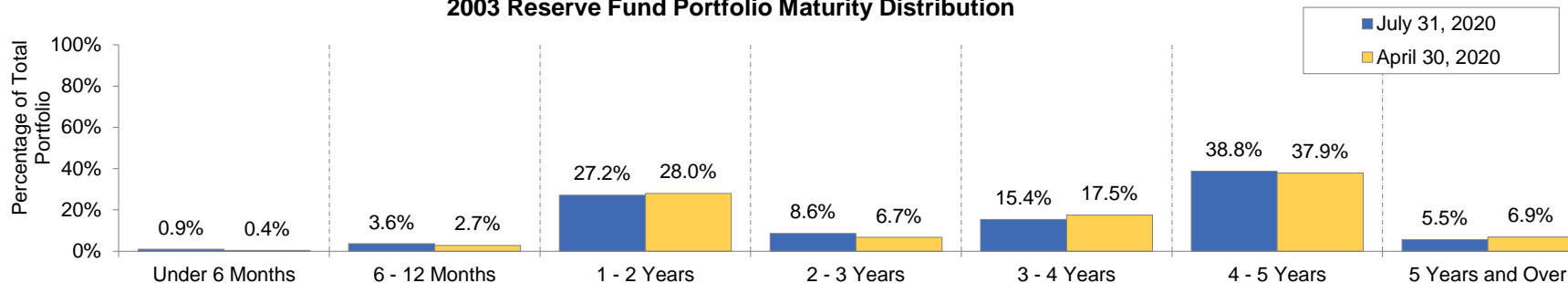
**Portfolio Composition
as of 07/31/20**



**Credit Quality Distribution
as of 7/31/20**



2003 Reserve Fund Portfolio Maturity Distribution



Notes:

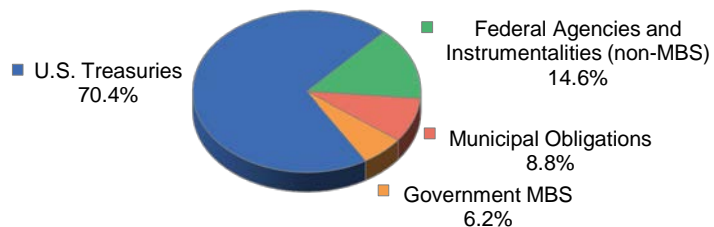
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



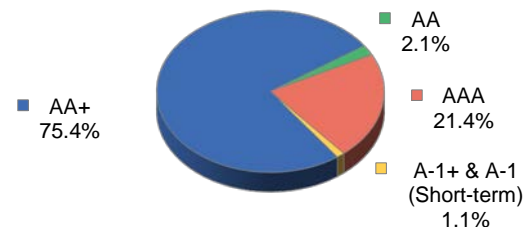
BPCPC Operating Reserve Contingency Portfolio

Security Type ¹	July 31, 2020	% of Portfolio	April 30, 2020	% of Portfolio	QoQ % Change
U.S. Treasuries	\$10,351,816	70.4%	\$10,199,201	70.0%	0.4%
Federal Agencies and Instrumentalities (non-MBS)	\$2,152,100	14.6%	\$2,138,840	14.7%	(0.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$1,293,474	8.8%	\$1,276,126	8.8%	0.0%
Government MBS	\$904,676	6.2%	\$963,782	6.6%	(0.5%)
Totals	\$14,702,066	100.0%	\$14,577,949	100.0%	

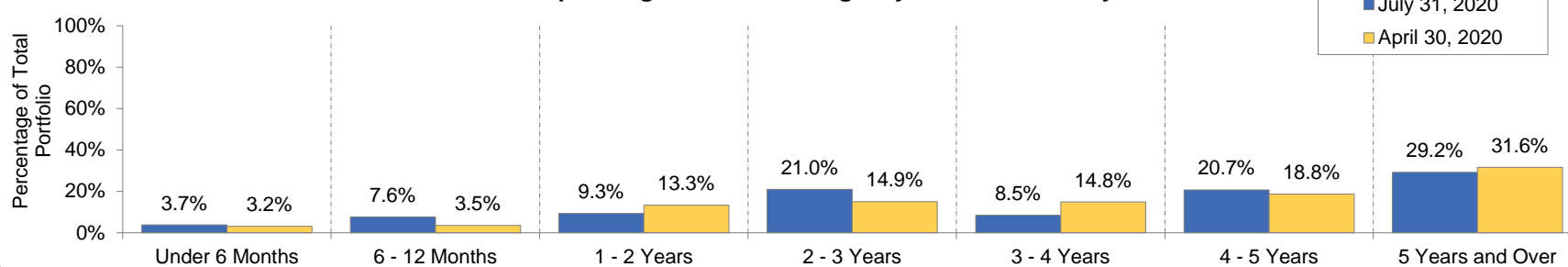
**Portfolio Composition
as of 07/31/20**



**Credit Quality Distribution
as of 7/31/20**



BPCPC Operating Reserve Contingency Portfolio Maturity Distribution



Notes:

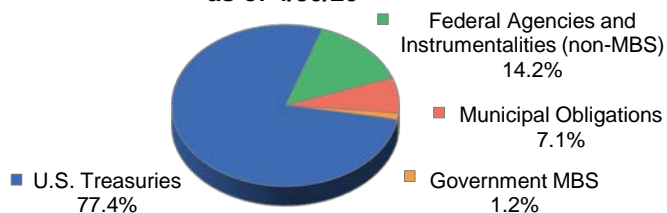
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



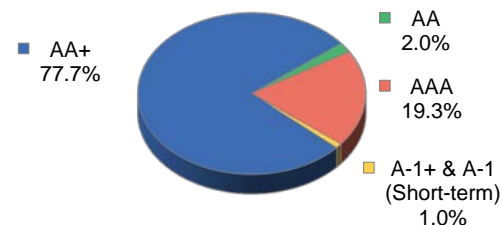
Insurance Fund Portfolio

Security Type ¹	July 31, 2020	% of Portfolio	April 30, 2020	% of Portfolio	QoQ % Change
U.S. Treasuries	\$4,895,714	77.4%	\$4,845,399	77.3%	0.2%
Federal Agencies and Instrumentalities (non-MBS)	\$898,892	14.2%	\$893,295	14.2%	(0.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$451,701	7.1%	\$444,681	7.1%	0.1%
Government MBS	\$75,953	1.2%	\$87,487	1.4%	(0.2%)
Totals	\$6,322,260	100.0%	\$6,270,862	100.0%	

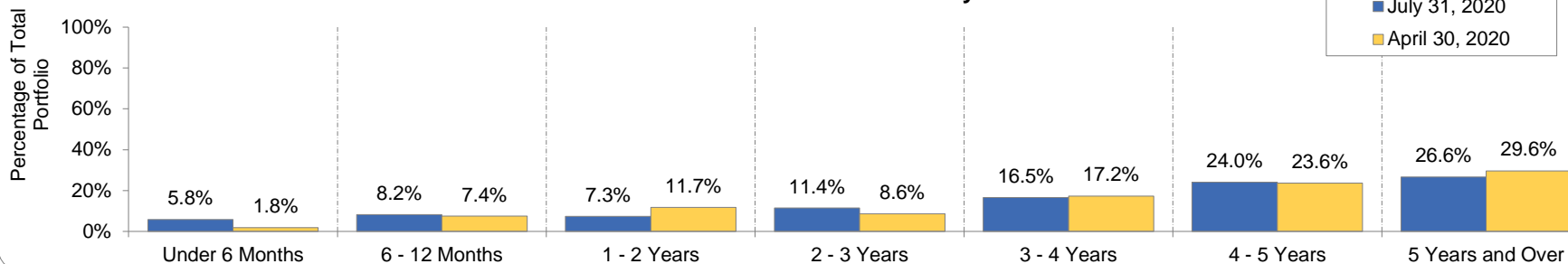
**Portfolio Composition
as of 4/30/20**



**Credit Quality Distribution
as of 7/31/20**



Insurance Fund Portfolio Maturity Distribution



Notes:

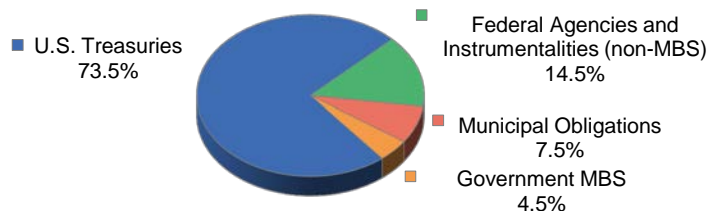
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



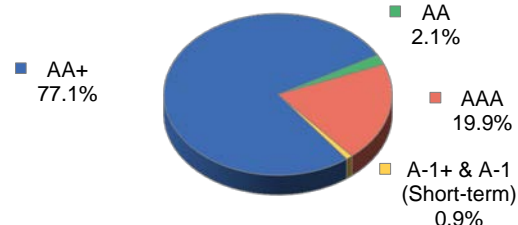
Operating Budget Reserve Portfolio

Security Type ¹	July 31, 2020	% of Portfolio	April 30, 2020	% of Portfolio	QoQ % Change
U.S. Treasuries	\$7,897,852	73.5%	\$7,806,132	73.3%	0.3%
Federal Agencies and Instrumentalities (non-MBS)	\$1,556,417	14.5%	\$1,546,758	14.5%	(0.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$801,829	7.5%	\$789,660	7.4%	0.1%
Government MBS	\$483,752	4.5%	\$512,463	4.8%	(0.3%)
Totals	\$10,739,850	100.0%	\$10,655,012	100.0%	

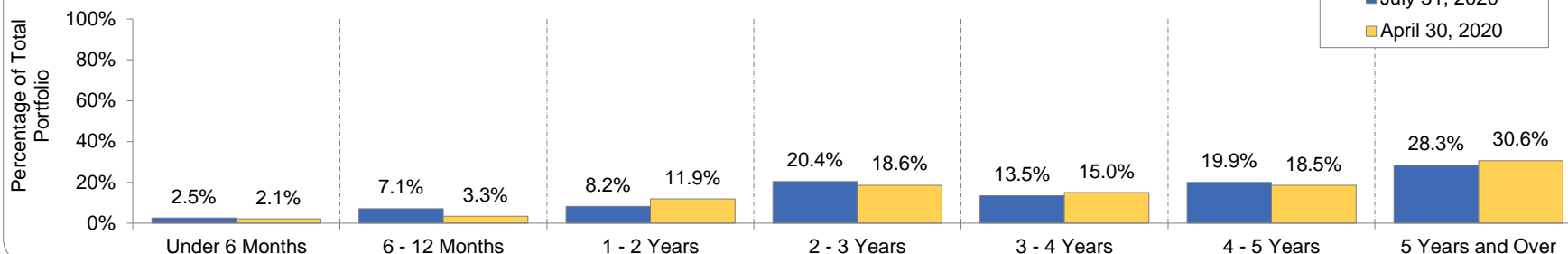
**Portfolio Composition
as of 07/31/20**



**Credit Quality Distribution
as of 7/31/20**



Operating Budget Reserve Portfolio Maturity Distribution



Notes:

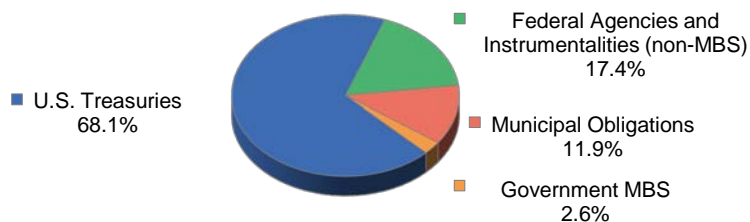
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



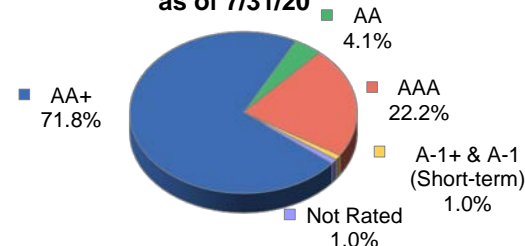
BPCA OPEB Portfolio

Security Type ¹	July 31, 2020	% of Portfolio	April 30, 2020	% of Portfolio	QoQ % Change
U.S. Treasuries	\$19,275,852	68.1%	\$19,067,350	68.0%	0.1%
Federal Agencies and Instrumentalities (non-MBS)	\$4,930,267	17.4%	\$4,908,978	17.5%	(0.1%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$3,367,475	11.9%	\$3,284,971	11.7%	0.2%
Government MBS	\$738,857	2.6%	\$793,312	2.8%	(0.2%)
Totals	\$28,312,451	100.0%	\$28,054,611	100.0%	

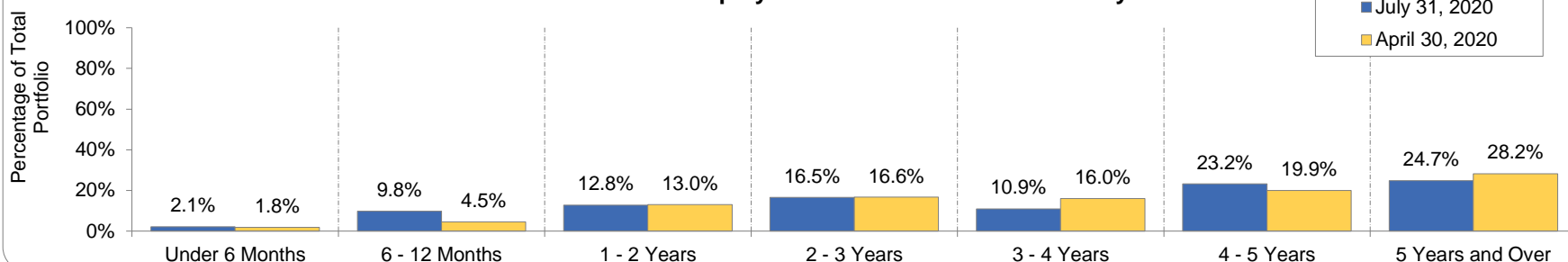
**Portfolio Composition
as of 07/31/20**



**Credit Quality Distribution
as of 7/31/20**



BPCA Other Post Employment Benefits Portfolio Maturity Distribution



Notes:

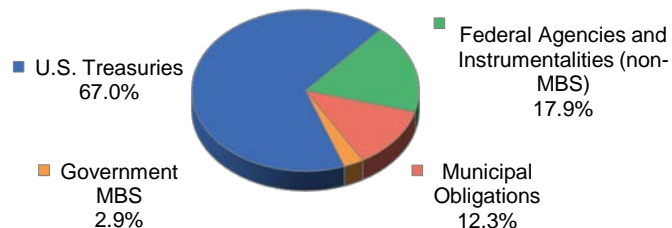
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



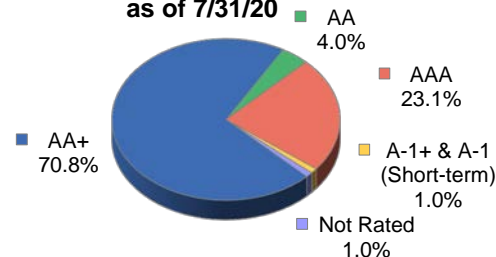
BPCPC OPEB Portfolio

Security Type ¹	July 31, 2020	% of Portfolio	April 30, 2020	% of Portfolio	QoQ % Change
U.S. Treasuries	\$9,959,135	67.0%	\$9,849,337	66.8%	0.1%
Federal Agencies and Instrumentalities (non-MBS)	\$2,658,812	17.9%	\$2,647,344	18.0%	(0.1%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$1,829,702	12.3%	\$1,786,433	12.1%	0.2%
Government MBS	\$424,701	2.9%	\$455,252	3.1%	(0.2%)
Totals	\$14,872,349	100.0%	\$14,738,365	100.0%	

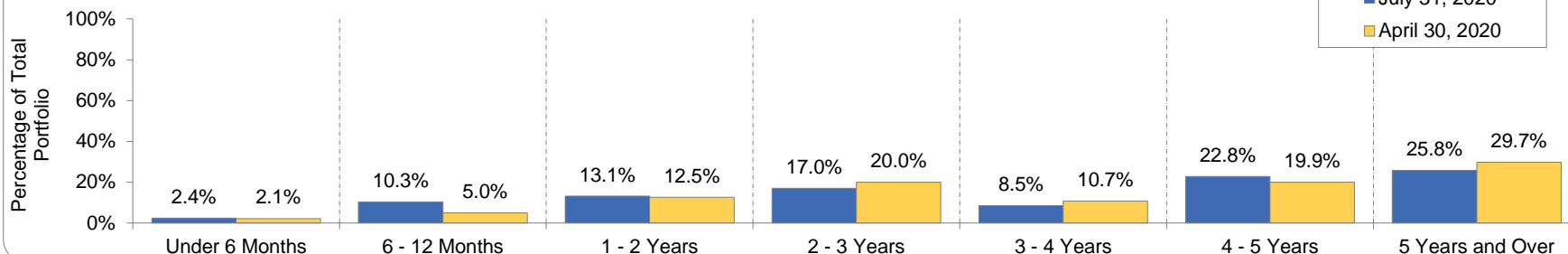
**Portfolio Composition
as of 7/31/20**



**Credit Quality Distribution
as of 7/31/20**



BPCPC Other Post Employment Benefits 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.



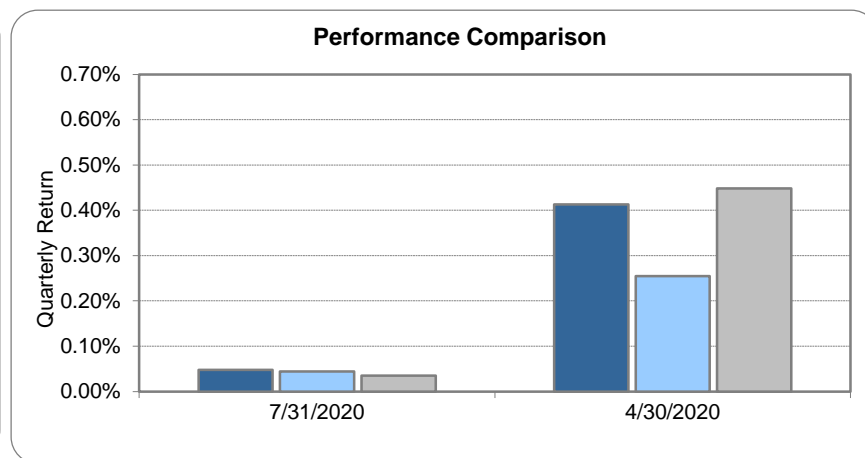
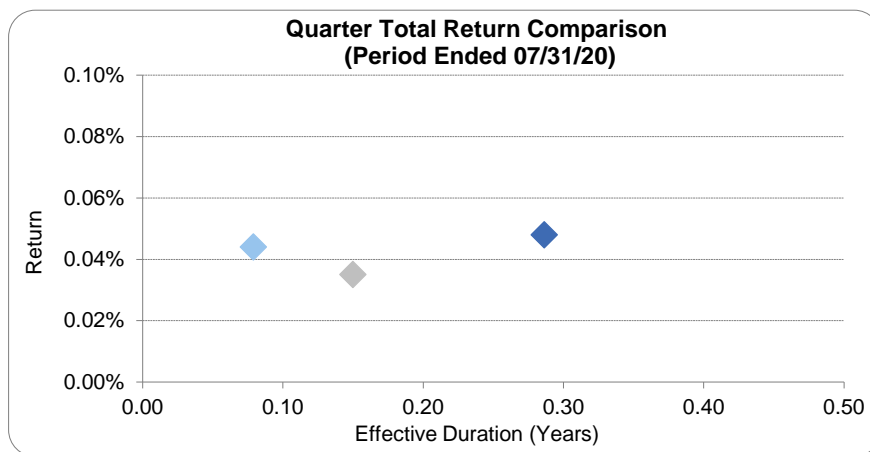
Portfolios Managed with a Shorter-Term Investment Strategy



Shorter-Term Investment Strategy

Total Return ^{1,2,4,5}	July 31, 2020	Annualized Since Inception
■ 2003 Pledged Revenue	0.05%	1.30%
■ 2003 Project Operating Fund	0.04%	1.31%
■ BM: BAML 3 Month US Treasury Bill Index	0.04%	1.24%

Effective Duration (in years) ³	July 31, 2020	April 30, 2020
■ 2003 Pledged Revenue	0.29	0.34
■ 2003 Project Operating Fund	0.08	0.08
■ BM: BAML 3-Month US Treasury Bill Index	0.15	0.25



Notes:

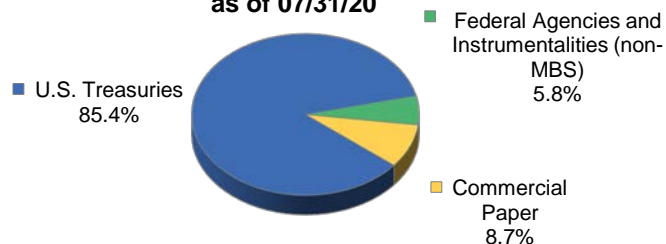
1. Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. Bank of America/Merrill Lynch (BAML) indices provided by Bloomberg Financial Markets. The total returns shown for periods longer than a year are the annualized returns 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.



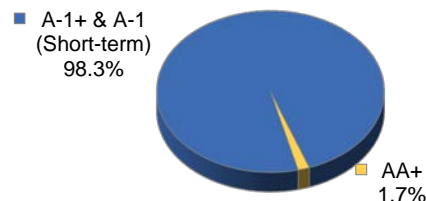
2003 Pledged Revenue

Security Type ¹	July 31, 2020	% of Portfolio	April 30, 2020	% of Portfolio	QoQ % Change
U.S. Treasuries	\$162,657,254	85.4%	\$66,061,600	83.5%	1.9%
Federal Agencies and Instrumentalities (non-MBS)	\$11,061,670	5.8%	\$11,314,337	14.3%	(8.5%)
Commercial Paper	\$16,656,757	8.7%	\$1,731,044	2.2%	6.6%
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Totals	\$190,375,682	100.0%	\$79,106,981	100.0%	

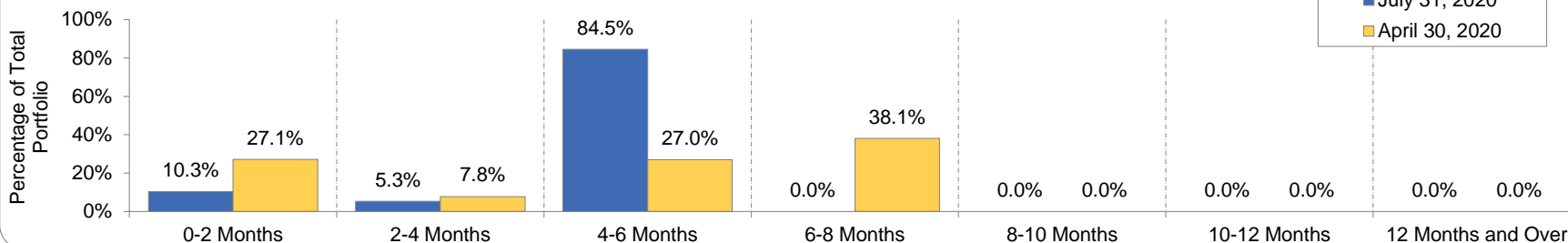
**Portfolio Composition
as of 07/31/20**



**Credit Quality Distribution
as of 7/31/20**



2003 Pledged Revenue Portfolio Maturity Distribution



Notes:

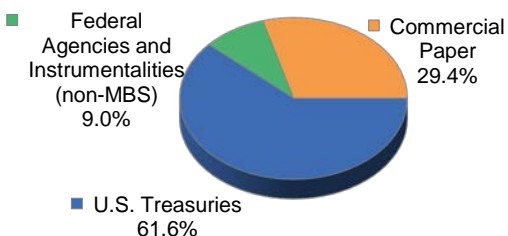
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



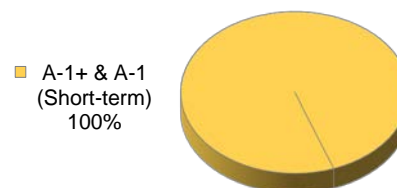
2003 Project Operating Fund Portfolio

Security Type ¹	July 31, 2020	% of Portfolio	April 30, 2020	% of Portfolio	QoQ % Change
U.S. Treasuries	\$4,902,535	61.6%	\$7,053,196	88.9%	(27.3%)
Federal Agencies and Instrumentalities (non-MBS)	\$719,990	9.0%	\$878,153	11.1%	(2.0%)
Commercial Paper	\$2,337,150	29.4%	\$0	0.0%	29.4%
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Totals	\$7,959,675	100.0%	\$7,931,349	100.0%	

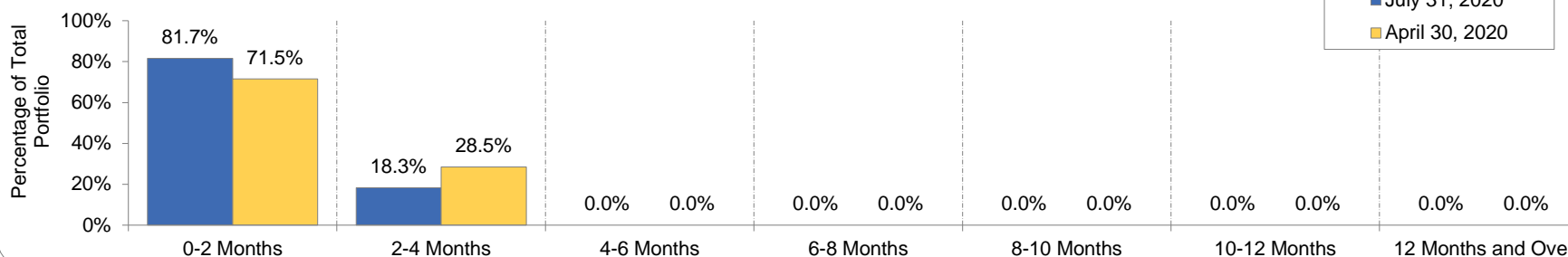
**Portfolio Composition
as of 7/31/20**



**Credit Quality Distribution
as of 7/31/20**



2003 Project Operating 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.



IV. Market Commentary



Market Commentary – Quarter Ended July 31, 2020

SUMMARY

- Over the Quarter, U.S. economic conditions were characterized by: economic indicators rebounding off historical lows, yet still trailing pre-crisis levels; (3) equity markets posting strong quarterly performance on a positive forward outlook; (4) improving bond market dynamics as the Federal Reserve (Fed) continued to flood the market with liquidity, and; (5) COVID-19 hotspots (re)appearing around the nation, raising concerns that the economic recovery may slow.
- The Fed spent the second quarter mobilizing and refining its arsenal of emergency lending programs to provide liquidity and stabilize financial markets. The central bank left the target range for the federal funds rate unchanged at 0% to 0.25%. Released at its June policy meeting, the Federal Open Committee's updated economic projections now anticipate a long, slow recovery, with persistently high unemployment, and short-term rates pegged at near 0%.

ECONOMIC SNAPSHOT

- The U.S. economy contracted at 5.0% in Q1 as the pandemic-induced economic shutdown negatively affected most businesses. The American consumer, which is generally the driving force behind gross domestic product figures, was the largest detractor in Q1 as consumer spending and confidence experienced record drops.
- The U.S. labor market continued to battle the economic slowdown in Q2. Despite surprisingly strong jobs gains in May and June, total employment still fell by about 17 million jobs in Q2 while the unemployment rate ended the quarter at 11.1%, the highest rate in over 50 years.
- Retail sales rebounded nearly 18% in May after cratering 8% and 15% in March and April, respectively. Similarly, on modest reopenings of the economy throughout the country, consumer confidence recovered sharply from five-year lows in the first quarter.

INTEREST RATES

- Short-term rates (with maturities less than 6-months) remained relatively stable. The longest maturity Treasuries (20 and 30 years), fell by 10 bps. Intermediate-term yields, with maturities between 2 and 7 years, declined between 9 and 15 bps, largely on prospects of potential Fed yield curve control – the targeting by the Fed of specific yields on specific maturities.
- At quarter-end, the 3-month Treasury Bill yield was 0.09%, while the 5-year and 10-year maturities were 0.21% and 0.53%, respectively.

SECTOR PERFORMANCE

- In contrast to Q1, most non-U.S. Treasury fixed income investment-grade (IG) sectors generated positive excess returns, making up most of the Q1 underperformance; though most sectors still trail Treasuries' strong year-to-date returns. Diversification away from Treasuries was significantly additive to fixed income portfolios during Q2.
- Agency yield spreads eventually normalized closer to pre-crisis levels, particularly for securities maturing in three years or less. While the agency spread curve steepened, the general tightening across the board resulted in similar return attributes for fixed-rate maturities less than five years.
- Corporate bonds were one of the best performing sectors in Q2, as spreads snapped back toward pre-crisis levels. The Fed's corporate bond support programs kicked off in earnest, with the Fed buying both IG ETFs and a broad range of individual corporate bonds in the secondary market.
- Mortgage-backed securities (MBS) saw yield spreads tighten due to the Fed's support, though not to pre-crisis levels and record low mortgage rates continue to pose concerns over the stability and timing of future payments.
- Both taxable and tax-exempt municipals generated positive excess returns as the Fed's support improved liquidity, allayed investors' fears, and triggered new supply.



Economic Snapshot

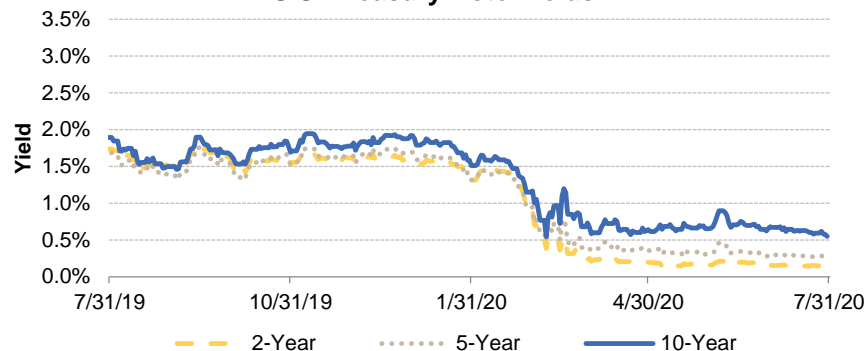
Labor Market		Latest	Apr '20	Jul '19	<div>Unemployment Rate (left) vs. Change in Nonfarm Payrolls (right)</div> <div><div>Change In Non-Farm Payrolls</div><div>Unemployment Rate</div></div>
Unemployment Rate	Jul'20	10.2%	14.7%	3.7%	
Change In Non-Farm Payrolls	Jul'20	1,763,000	-20,787,000	194,000	
Average Hourly Earnings (YoY)	Jul'20	4.8%	8.0%	3.5%	
Personal Income (YoY)	Jun'20	7.4%	14.0%	3.4%	
Initial Jobless Claims (week)	8/8/20	963,000	3,867,000	216,000	
Growth					<div>Real GDP (QoQ)</div>
Real GDP (QoQ SAAR)	2020Q2	-32.9%	-5.0% ¹	1.5% ²	
GDP Personal Consumption (QoQ SAAR)	2020Q2	-34.6%	-6.9% ¹	3.7% ²	
Retail Sales (YoY)	Jul'20	2.7%	-19.9%	3.5%	
ISM Manufacturing Survey (month)	Jul'20	54.2	41.5	51.3	
Existing Home Sales SAAR (month)	Jun'20	4.72 mil.	4.33 mil.	5.39 mil.	
Inflation / Prices					<div>Consumer Price Index</div> <div><div>CPI (YoY)</div><div>Core CPI (YoY)</div></div>
Personal Consumption Expenditures (YoY)	Jun'20	0.8%	0.5%	1.5%	
Consumer Price Index (YoY)	Jul'20	1.0%	0.3%	1.8%	
Consumer Price Index Core (YoY)	Jul'20	1.6%	1.4%	2.2%	
Crude Oil Futures (WTI, per barrel)	Jul 31	\$40.27	\$18.84	\$58.58	
Gold Futures (oz.)	Jul 31	\$1,963	\$1,694	\$1,426	

Source: Bloomberg.

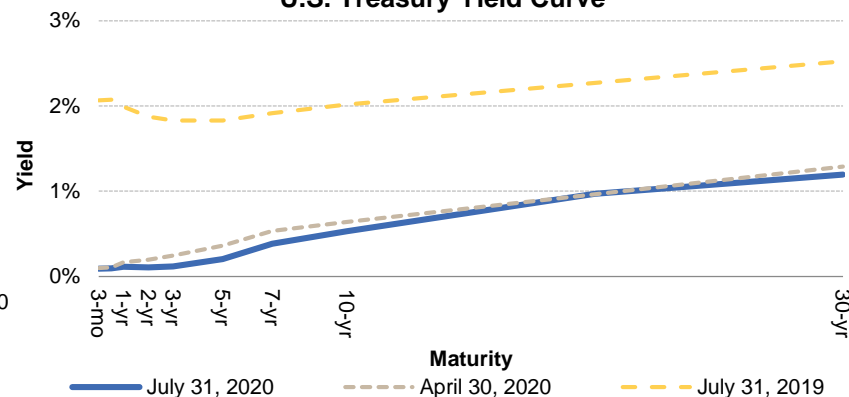


Interest Rate Overview

U.S. Treasury Note Yields



U.S. Treasury Yield Curve



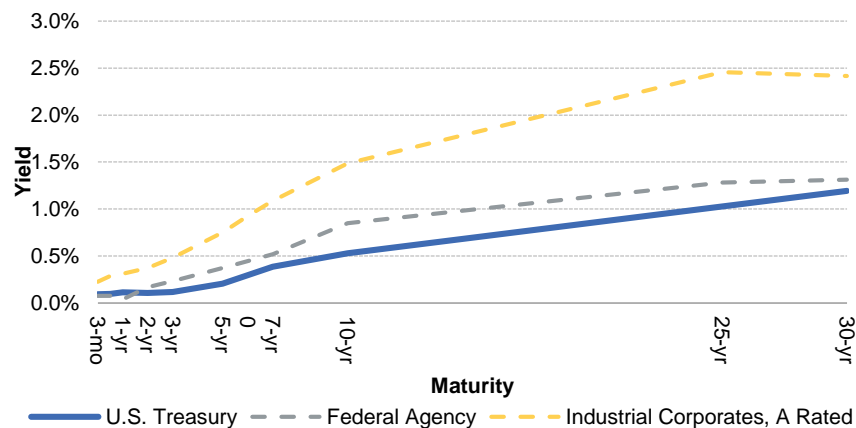
U.S. Treasury Yields

Maturity	Jul '20	Apr '20	Change over Quarter	Jul '19	Change over Year
3-month	0.09%	0.10%	(0.01%)	2.07%	(1.98%)
1-year	0.11%	0.17%	(0.06%)	1.99%	(1.88%)
2-year	0.11%	0.20%	(0.09%)	1.87%	(1.76%)
5-year	0.21%	0.36%	(0.15%)	1.83%	(1.62%)
10-year	0.53%	0.64%	(0.11%)	2.02%	(1.49%)
30-year	1.19%	1.29%	(0.10%)	2.53%	(1.34%)

LIBOR Rates

Maturity	July '20	Apr '20	Change over Quarter	July '19	Change over Year
3-month	0.25%	0.56%	(0.31%)	2.27%	(2.51%)
1-year	0.45%	0.86%	(0.41%)	2.19%	(2.64%)

Yield Curves as of 7/31/20



Source: Bloomberg.



Bank of America Merrill Lynch Index Returns

July 31, 2020	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.88	0.13%	0.19%	4.29%	2.64%
Federal Agency	1.63	0.25%	0.29%	3.73%	2.53%
U.S. Corporates, A-AAA rated	1.90	0.56%	1.85%	5.11%	3.38%
Agency MBS (0 to 3 years)	2.11	1.35%	0.46%	5.98%	4.01%
Taxable Municipals	1.93	1.46%	1.38%	4.26%	3.46%
1-5 Year Indices					
U.S. Treasury	2.63	0.14%	0.36%	5.61%	3.19%
Federal Agency	2.12	0.31%	0.41%	4.36%	2.79%
U.S. Corporates, A-AAA rated	2.69	0.68%	2.67%	6.59%	4.06%
Agency MBS (0 to 5 years)	1.58	1.39%	0.13%	4.86%	3.34%
Taxable Municipals	2.80	1.18%	2.19%	5.14%	3.73%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	7.56	0.43%	1.01%	12.22%	6.09%
Federal Agency	3.99	0.54%	0.75%	7.43%	4.37%
U.S. Corporates, A-AAA rated	8.76	1.50%	5.85%	12.99%	7.23%
Agency MBS (0 to 30 years)	1.93	1.45%	0.25%	5.55%	3.97%
Taxable Municipals	11.93	2.41%	9.51%	14.30%	9.18%

Returns for periods greater than one year are annualized

Source: BofA Merrill Lynch Indices



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RAMIREZ ASSET MANAGEMENT



Battery Park City Authority – Municipal Investments and Market Update



**Battery Park
City Authority**



Our Clients' Success is Essential to Ours
Integrity ♦ Experience ♦ Teamwork ♦ Performance

EMERGING MANAGER MONTHLY
FIXED-INCOME
MANAGER OF THE YEAR | 2016 & 2017



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I	Executive Summary
II	Municipal Market Macro Overview
III	Battery Park City Authority – Municipal Holdings
Appendix	Credit Overview and Outlook

I. Overview of BPCA Municipal Holdings

Overview of BPCA Municipal Holdings

- Ramirez Asset Management (RAM) and PFM Asset Management (PFM); jointly manage a \$564.5MM portfolio on behalf of BPCA, as of 08/07/2020.
- BPCA's portfolio contains \$14.9 in municipal securities (9.3%); with RAM managing \$7.8MM and PFM managing \$7.1MM, as of 08/07/2020.
- The sector typically offers relative value compared to other permissible investment options

BPCA's Investment Policy municipal security restrictions:

- Issued by New York State
- Bonds issued by any county, town, village, fire district of New York
- Certain authorities of New York State
- General Obligations of other states provided that the state has received the highest rating by one rating agency
- Minimum of "A" rating for all securities permitted by the policy
- 20% sector allocation limit and 10% per-issuer limit

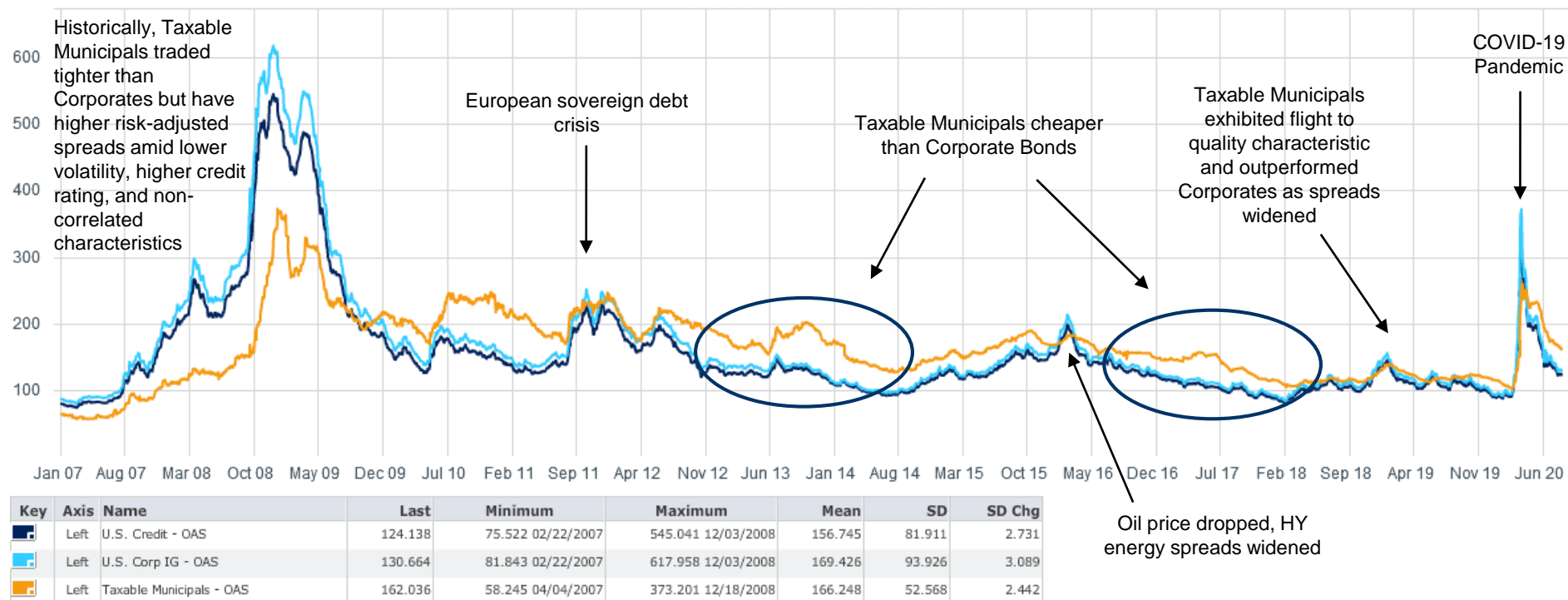
- PFM has generally focused on New York State, New York City and Authorities of the State
- For BPCA's municipal investments, RAM focuses on the following 5 sub-sectors:

	State & Local Governments	School Districts	Dedicated Taxes	Mass Transit	Water & Sewer, Utility
Issue Type	General Obligation	General Obligation	Revenue Bond	Revenue Bond	Revenue Bond
Targeted Issuer and Security Characteristics	<ul style="list-style-type: none"> ▪ Strong general fund reserve ▪ Diverse revenue sources 		<ul style="list-style-type: none"> ▪ High credit rating ▪ Strong legal covenants ▪ High debt service coverage 	<ul style="list-style-type: none"> ▪ Securities with non-fare lock box ▪ Examples include: Sales Tax to mitigate ridership volatility 	<ul style="list-style-type: none"> ▪ Provide essential services ▪ Strong reserves ▪ Rate-setting authority
BPCA Portfolio %	6.7%	0.0%	0.7%	0.4%	0.0%
BPCA Average Quality	AA+/Aaa	-	AA+/Aa1	A+/Aa3	-

II. Municipal Market Macro Overview

Taxable Municipals | Historical Trading Levels vs Corporate

Taxable Municipals – Option Adjusted Spread (OAS) Chart



Source: Barclays Live - Chart

Ramirez' Thesis:

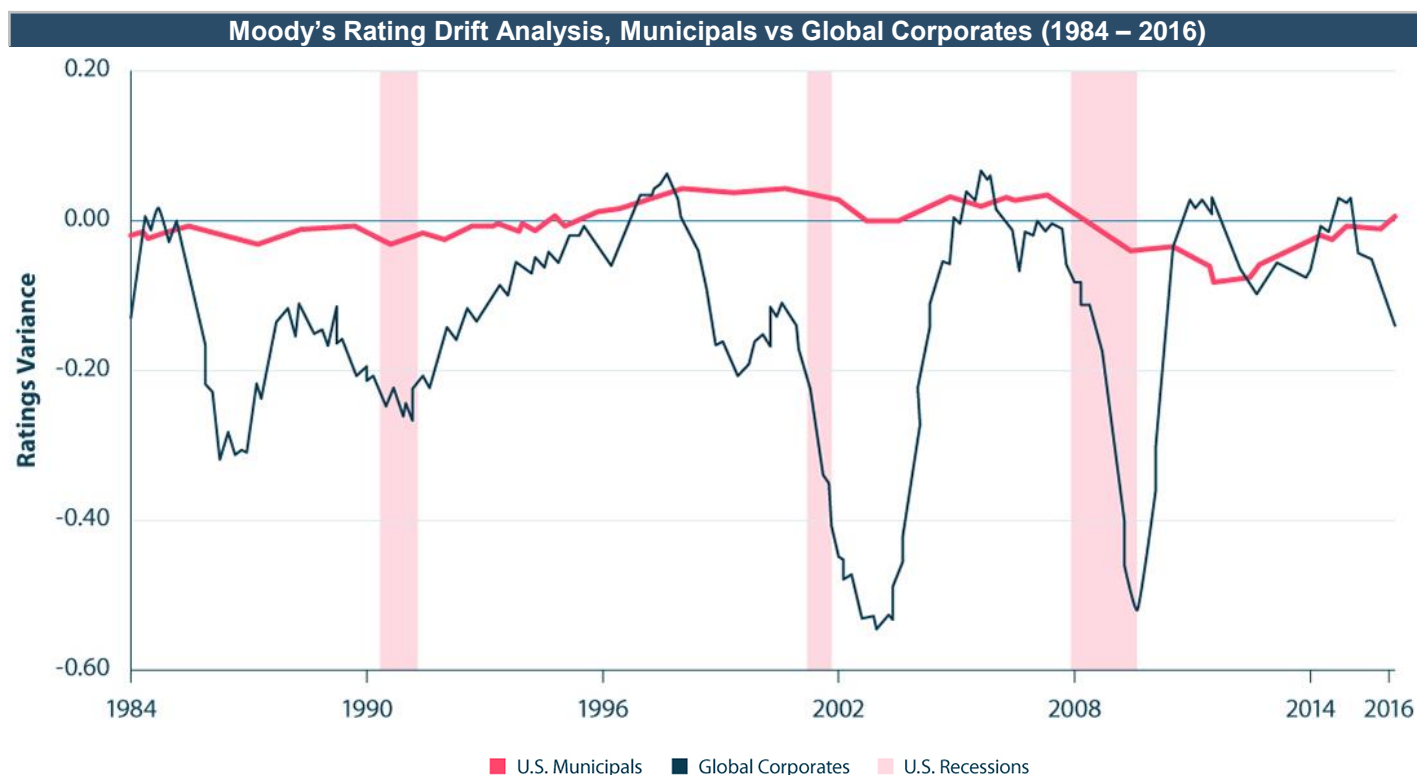
As of 08/03/2020, the taxable municipal sector provides:

- High relative value (+162 bps) with a positive risk/reward profile vs. corporates (+130 bps) and Credit (+124 bps)*.
- Lower volatility (~ half of corporates' volatility) as measured by standard deviation (SD).
- Attractive opportunity for continuing strong performance amid the FED tightening cycle.



Source: *OAS sector valuations and historical data provided by Barclays on 8/3/2020

Sector Comparison | Rating Drift (1984 – 2016)



- The above comparison shows rating drift for the municipal and global corporates sectors through multiple market cycles; during recessionary periods, global corporates' volatility is significant and pronounced to the downside, while municipals tended to remain fairly stable on a relative basis.
- Historically, *Aa-rated Corporate bonds have a comparable default rate to Baa-rated U.S. Municipal Bonds*. In addition, the municipal sector is second only to the U.S. Government sector in terms of credit and default risk.

U.S. Municipal & Corporate Issuer Default History

	Municipals	Corporates
Aaa	0.00%	0.37%
Aa	0.02%	0.81%
A	0.11%	2.16%
Baa	1.15%	3.76%

Taxable Municipals | Relative Value Opportunities

World Top 35 GDP							
Rank	Country	(Bn. USD)	Yield (2y)	Rank	Top 10 State	(Bn. USD)	Yield (2y)
1	United States (Aaa/AA+)	19,390	0.14%	5	California (Aa3/AA-)	2,746	0.44%
2	China (A1/A+)	12,237	2.32%				
3	Japan (A1/A+)	4,872	-0.16%				
4	Germany (Aaa/AAA)	3,677	-0.68%				
6	United Kingdom (Aa1/AA)	2,622	-0.12%				
7	India (Baa3/BBB-)	2,597	4.15%	11	Texas (Aaa/AAA)	1,696	0.34%
8	France (Aa2/AA)	2,582	-0.65%				
9	Brazil (Ba2/BB)	2,055	1.38%				
10	Italy (Baa2/BBB-)	1,934	-0.03%				
12	Canada (Aaa/AAA)	1,653	0.26%				
13	Russia (Ba1/BB+)	1,577	0.79%	14	New York (Aa1/AA+)	1,547	0.49%
15	S. Korea (Aa2/AA)	1,530	0.72%				
16	Australia (Aaa/AAA)	1,323	0.25%				
17	Spain (Baa2/BBB+)	1,311	-0.43%				
18	Mexico (A3/BBB+)	1,149	0.81%				
19	Indonesia (Baa3/BBB-)	1,015	1.13%	20	Florida (Aa1/AAA)	967	0.44%
21	Turkey (Ba1/BB)	851	4.41%				
22	Netherlands (Aaa/AAA)	826	-0.63%				
25	Saudi Arabia (A1/A-)	683	0.76%				
26	Switzerland (Aaa/AAA)	678	-0.86%				
28	Argentina (B3/B)	637	42.21%	23	Illinois (Baa3/BBB-)	820	2.44%
31	Sweden (Aaa/AAA)	538	-0.39%				
34	Poland (A2/BBB+)	524	0.05%				
35	Belgium (Aa3)	492	-0.60%				
				24	Pennsylvania (Aa3/A+)	752	0.74%
				27	Ohio (Aa1/AA+)	649	0.39%
				29	New Jersey (A3/A-)	591	2.04%
				30	Georgia (Aaa/AAA)	554	0.34%
				32	North Carolina (Aaa/AAA)	538	0.34%
				33	Massachusetts (Aa1/AAA)	527	0.39%

- Taxable municipal securities provide access to credits with broad and diverse economies.

- Taxable municipal issuers held in BPCA's portfolio are highlighted in yellow.

Relative Value

- Texas +103 bps vs. Germany
- New York +52 bps vs. Italy
- Georgia +73 bps vs. Sweden

III. Battery Park City Authority – Municipal Holdings

BPCA | Municipal Holdings at RAM

Issuer	Par (\$)	Market Value (\$)	% of Portfolio	Coupon (%)	Maturity	YTM (%)	Duration (yr)	OAS (bps)	S&P	Moody's
General Obligations (State)										
State of Texas	4,000,000	4,098,036	4.1%	5.00	10/1/2020	0.03	0.14	-5.4	AAA	Aaa
State of Maryland	700,000	727,585	0.7%	4.20	3/1/2021	0.39	0.55	28.4	AAA	Aaa
State of Delaware	530,000	556,068	0.6%	5.00	3/1/2021	0.07	0.54	-4.5	AAA	Aaa
State of Georgia	500,000	507,730	0.5%	3.22	10/1/2020	0.26	0.14	17.8	AAA	Aaa
State of New York	295,000	306,093	0.3%	4.44	3/1/2021	1.14	0.54	103.6	AA+	Aa1
General Obligations (Local)										
City of New York NY	405,000	416,869	0.4%			0.33	1.05	21.1	AA	Aa1
	350,000	360,946		2.34	10/1/2021					
	55,000	55,923		1.95	3/1/2021					
Town of Babylon NY	100,000	102,868	0.1%	4.00	7/1/2021	1.21	0.88	109.3	AA+	Aaa
Essential Service Revenue Bonds										
Port Authority of New York & New Jersey	410,000	414,854	0.4%	2.48	9/15/2020	0.36	0.09	26.5	A+	Aa3
Dedicated Tax Revenue Bonds										
New York City Transitional Finance Auth.	320,000	322,979	0.3%	2.00	11/1/2020	0.24	0.22	15.5	AAA	Aa1
New York State Urban Development Corporation	350,000	365,567	0.4%	4.81	3/15/2021	0.52	0.58	41.4	AA+	Aa1
Grand Total	7,610,000	7,818,648	7.8%			0.21	0.30	11.2	AA+	Aaa

- As of 08/07/2020, RAM manages \$99.7MM for BPCA, with 7.8% total exposure to the municipal sector.
- This exposure is allocated to 10 high-grade issuers with an average credit ratings of AA+/Aaa.
- These are generally large issuers that have the balance sheet strength to sustain short-term disruptions caused by the COVID-19 pandemic.
- In March 2020, the fixed income market was in stress due to demand for liquidity. The tax-exempt municipal market became dislocated with 1Y and 2Y tax-exempt/taxable relative ratios spiking to ~2990% and ~805%, respectively.
- RAM took advantage of this market opportunity by selling U.S. Treasuries and buying tax-exempt municipal bonds. Currently, 60% of BPCA's municipal exposure is allocated to the tax-exempt sector.

BPCA | Municipal Holdings at PFM

Issuer	Par (\$)	Market Value (\$)	% of Portfolio	Coupon (%)	Maturity	YTM (%)	Duration (yr)	OAS (bps)	S&P	Moody's
The City of New York	3,085,000	3,171,219	0.68%			1.47	4.11		AA	Aa1
	105,000	107,517	0.02%	1.68	10/1/2021	1.68	1.14	24.2	AA	Aa1
	405,000	426,825	0.09%	1.69	10/1/2022	1.69	2.11	31.1	AA	Aa1
	100,000	101,341	0.02%	2.13	8/1/2024	2.03	3.84	47.8	AA	Aa1
	400,000	416,732	0.09%	1.79	10/1/2024	1.79	4.00	49.4	AA	Aa1
	2,075,000	2,118,803	0.46%	1.28	3/1/2025	1.28	4.43	53.7	AA	Aa1
New York City Transitional Finance Auth.	2,625,000	2,642,456	0.57%	1.50	5/1/2021	1.98	0.73	53.7	AAA	Aa1
The State of New York	820,000	860,565	0.19%	2.01	2/15/2024	2.01	3.39	43.4	AA+	Aa1
Dormitory Auth. of the State of New York	400,000	428,216	0.09%	3.25	3/15/2023	3.25	2.49	39.6	NR	Aa1
Total	6,930,000	7,102,456	1.53%			1.83	2.67		AAA	Aa1

- As of 08/07/2020, PFM manages \$7.1MM in municipal exposure.
- This exposure is allocated to 4 high-grade issuers consistent with the Authority's Investment Guidelines.
- Municipal securities have been utilized primarily in longer duration portfolios: OPEB and Reserve Fund, for example.
- PFM focus on issuers which price at wider spreads relative to other permissible sectors, such as US Treasuries and supranationals.
- Holdings also reflect BPCA's historical stated preference to support New York State and City issuers.

BPCA | Municipal Holdings – General Obligations

State Issuer	GDP (MM)	Population (2019)	Population Change (YoY)	Median Housing Value	Median Household Income	Total Revenue (MM)	Days Cash on Hand	Pension Funded Ratio (%)	Held by
State of Texas	1,802,511	28,628,666	1.2%	161,700	59,570	128,917	57	69.4	RAM
State of Maryland	412,584	6,035,802	0.2%	305,500	81,868	37,578	31	70.3	RAM
State of Delaware	73,481	965,479	0.9%	244,700	65,627	8,028	170	84.5	RAM
State of Georgia	592,153	10,511,131	1.0%	166,800	55,679	43,751	90	79.8	RAM
State of New York	1,668,866	19,530,351	-0.3%	302,200	65,323	163,783	25	97.5	RAM/PFM

Local Issuer	Tax Base (MM)	Population (2019)	Population Change (YoY)	Median Housing Value	Median Household Income	Total Revenue (MM)	Days Cash on Hand	Pension Funded Ratio (%)	Held by
City of New York NY	1,250,707	8,390,081	-0.6%	570,500	60,762	91,344	42	78.7	RAM/PFM
Town of Babylon NY	21,840	210,570	-0.2%	350,000	89,736	173	406	91.7	RAM

- In the state and local government sub-sector, BPCA is currently allocated to issuers that have broad and diverse economies, largely driven by multiple industries such as banking, communication, energy, insurance, and technology.

Example of State and Local Government Allocations:

- State of Texas: \$1.8T GDP (11th in the world)
- State of New York: \$1.6T GDP (14th in the world)
- BPCA's municipal holdings include issuers which have stable populations, above average demographics, strong liquidity, and high pension funded ratios relative to the sector averages.
- BPCA's portfolio favors general obligation debt that is secured by the issuers' full faith and credit pledge and avoids debt in the lower capital structure.

BPCA | Municipal Holdings – Revenue Bonds

Issuer	Operating Revenue 6mo period 2020 (MM)	Days Cash on Hand	Debt Service Coverage	Managed by
Essential Service Revenue Bonds				
Port Authority of New York & New Jersey (6-mo period ended 6/30/2020 Unaudited)	2,160	342	1.9x	RAM

Issuer	Personal Income Tax Revenue (MM)	Sales Tax Revenue (MM)	Debt Service Coverage ¹	Managed by
Dedicated Tax Revenue Bonds				
New York City Transitional Finance Authority Future Tax Secured Revenue (NYC OMB 6/30/2020 FY20 forecast)	13,300	7,361	6.4x	RAM/PFM
New York State Urban Development Corporate Dormitory Authority of the State of New York (FY21 Enacted Budget Financial Plan)	24,524	N/A	5.2x	RAM/PFM

- BPCA's portfolio currently favors critical infrastructure revenue issuers that have monopolistic positions in its service area as well as expansive and diverse portfolio assets such as port, airport, tunnel, and bridges.
- BPCA's portfolio currently favors issuers that have multiple revenue streams, sound operating margin, healthy liquidity, and have independent rate-setting ability.
- BPCA's portfolio currently favors dedicated tax securities that have strong legal covenants such as flow of funds, additional bonds test and maximum annual debt service test.
- The City of New York forecasts personal income (PIT) and sales tax revenues to decline from \$21.9B to \$20.6B (excluding unrestricted grant for future debt service) providing debt service coverage (DSC) of 6.4x and projects the return to pre-pandemic level in 2023.
- In the State of New York, FY21 enacted budget, PIT revenue is expected to decline from \$52.6B to \$49.0B; 50% of the PIT revenue is dedicated to debt service, providing DSC of 5.2x. NYS forecasts the growth of PIT revenue to turn positive in 2023 and return to pre-pandemic level in 2024.

Appendix: Credit Overview and Outlook by Firm

Credit Overview | The Port Authority of New York and New Jersey (PANYNJ): RAM Perspective

Structure

- Established in 1921 to “keep the region moving”, has a diverse infrastructure portfolio and revenue base.
- PANYNJ is a self-supporting entity primarily dependent on its own resources, reserves, and credit to finance investments and operations.
- PANYNJ Consolidated Bonds have first lien on the system’s net revenues.
- Operating Performance (January – June, 2020)
 - Gross Operating Revenues: \$2.16B, 19.6% lower than the same 6-month period in 2019.
 - Net revenues available for debt service: \$1.06B, providing 1.9x of DSC.

COVID-19 Impacts

- PANYNJ continues to operate as the critical infrastructure provider by transporting essential workers as well as supporting the region’s phased reopening.
- PANYNJ facilities’ average weekly usage have declined YoY (July 19 vs. July 20): Aviation -86%, PATH -84%, Bridges/Tunnels (auto) -15%, Bridges/Tunnels (trucks) -2%. Ports activities have been more resilient than airports, -11% in 2Q20 as compared to 2Q19
- Since March 2020, activities have been gradually recovering from their low as NY/NJ/Federal travel restrictions are lifted (6/8/20 in NYC)

Liquidity Position

- Unrestricted cash and investments total \$3.03B, as of 06/30/2020 (2.5x annual debt service).
- Reduced operating expense by \$200MM in 2020 and continues to examine other costs saving measures.
- Obtained a \$250MM line of credit to provide additional liquidity support.
- Received ~\$450MM of Federal support through the CARES Act and continues to pursue additional relief.

Outlook:

Given PANYNJ’s adequate liquidity position and the short maturity profile of BPCA’s PANYNJ debt, RAM recommends a hold on BPCA’s PANYNJ exposure.

Credit Overview | The City of New York (NYC): RAM Perspective

Structure

- NYC has a broad and diverse economy.
- Stable population of 8.4MM (03/31/2019), an increase of 4.7% from 2000 U.S. Census, and a large tax base of \$1.2T.
- General Obligations are secured by NYC's pledge of its full faith and credit for the payment of debt service.
- Operating performance (FY ending 06/30/2019):
 - Total revenue: \$91.3B, total expense \$84.7B, fund balance \$488MM.
 - Total debt outstanding: \$89.9B, comprised of \$37.5B direct debt and \$52.4B enterprise debt.

COVID-19 Impacts

- NYC was the epicenter of the March 2020 outbreak; State of New York and NYC declared a state of emergency on 3/7/2020 and 3/12/2020, respectively.
- Despite the stable growth and positive fundamentals through the end of 2019, stay at home mandates, travel bans, and other strict social distancing policies are estimated to create sharp contraction through 4Q20.
- Total employment expected to fall by 533K in the first three quarters of 2020 with leisure, hospitality, and retail to account for an estimated 50% of the job cuts. NYC's employment rebounded from April's low of 3.7MM to 3.9MM in June and is projected to remain below the 2019 peak of 4.65MM until 2023.
- NYC budget reflects an aggregate lost of revenues of \$8B, from \$97.4B (FY20) to \$89.3B (FY21), and forecasted to recover by FY23.

Liquidity Position

- NYC has sufficient cash for its operations, with estimate cash balance at fiscal year-end (06/30/2020) of approximately \$5B, and doesn't anticipate issuing deficit bonds or notes in FY20 or FY21.

Outlook:

Given NYC's adequate liquidity position and the short maturity profile of BPCA's NYC debt, RAM recommends a hold on the current exposure.

Credit Overview | Town of Babylon, NY (Babylon): RAM Perspective

Structure

- Babylon is located approximately 33 miles east of New York City in Suffolk County.
- Babylon has a large tax base of \$25.5B and a stable population of 210,141 (12/31/2019), down 0.77% from 2000 U.S. Census.
- General Obligations are secured by a pledge of its faith and credit to support debt service.
- Operating performance (FY ending 12/31/2019):
 - Total revenue: \$62MM include property tax (65.6%) with a low reliance on state aid, 9.8%.
 - General Fund (GF) balance: \$57.9MM, an increase of \$3.8MM year-over-year.
 - Low debt burden: \$158MM outstanding which represents \$703 direct debt per capita.
 - Low tax concentration: Top 10 taxpayers totaling 4.33% of all taxes collected.

COVID-19 Impacts

- Babylon's unemployment rates spiked from 4% to 15%, as of 6/30/2020, (County, State spiked to 12.9% and 15.6%, respectively).
- Babylon extended the deadline to pay property taxes to 07/15/2020 without interest or penalty; 96% taxes collected in FY19 and currently at 94.9% for FY20.
- Lowered revenue and expense by 7.5% in its FY20 adopted budget. In addition, Babylon decreased its State's financial assistance from 9.8% to 7.3%.

Liquidity Position

- Babylon has a strong liquidity position with \$48.9MM of Cash & Cash Equivalents, representing 320 days cash on hand to weather the pandemic.
- In addition, Babylon has general fund flexibility with fund balance of \$57.9MM, covering 101% of adopted FY20 GF expenditures and debt service.

Outlook:

Given Babylon's strong liquidity position, RAM recommends a hold on BPCA's Babylon exposure.



Credit Overview | The City of New York (NYC): PFM Perspective

Exposure: \$3,171,219

General obligations of the City of New York.

Aa1/AA/AA with Moody's and Fitch assigning a Negative outlook

- Moody's revised its outlook to negative on 4/1/2020, reflecting the uncertainty of COVID-19 effects. Fitch took similar action on 4/21/2020.
- The New York City economy is considered strong and well diversified. The economy is supported by the City's position as a leader in finance, hospitality and media. The City's credit fundamentals are further supported by strong governance, good financial management and strong liquidity.
- Covid-19 resulted in a sudden stop of economic activity and revenue collection. The significant decline in economic activity is likely to result in falling revenue across a range of sources, including income and sales tax receipts. The City is faced with the challenge of closing a large budget gap over the next year.
- A full recovery from COVID-19 disruptions is likely to extend beyond 2021. Although the State and City were impacted early, health related concerns have improved. Economic recovery is likely to be highly correlated to health circumstances.
- The City has taken action to address the expected decline in revenue. Cost reductions have been identified and the City was able to pass a balanced budget. The City's cash reserves should be sufficient to bridge any gaps. PFM will continue to monitor closely.

Outlook:

We expect that the City's credit fundamentals will be negatively impacted by economic disruptions in the short-term. The City's cash reserve, proactive approach to budget management and access to the capital markets should allow the City to manage through this period.



Credit Overview | Dormitory Authority of the State of New York (DASNY): PFM Perspective

• **Structure**

- BPCA Exposure: \$428,216
- Aa1/AA+ with a stable outlook from Moody's and a negative outlook from Fitch
- Fitch lowered its outlook from stable to negative on 04/10/2020
- DASNY is one of five entities authorized to issue State Personnel Income Tax Revenue Bonds for certain purposes. The bonds are secured by a pledge of payments to be made to the Trustee by the State of New York under a financing agreement between the State and DASNY.
- New York State personal income tax receipts are pledged to secure the bonds. The State Controller is required to deposit in The Revenue Bond Fund an amount equal to 50% of the projected monthly receipts. We view this as a strong source of funds and the basis for DASNY's strong credit characteristics.

• **COVID-19 Impacts**

- The outbreak of COVID-19 is likely to have a negative impact on tax receipts in the State. A full recovery is not expected until 2023 or 2024. The funding agreement in place with the State provides significant support to DASNY's ability to service outstanding debt.

• **Liquidity Position**

- Liquidity will likely remain strong. Sources of revenue should continue to be stable.
- The Authority has significant resources. Cash and equivalents were reported at \$646 million of cash and equivalents and \$1.7 billion of other investments.

Outlook:

A strong source of revenue supports DASNY's strong credit profile, we expect that revenue will remain stable. The Authority will likely have sufficient liquidity to manage through this period.



Credit Overview | The State of New York (State): PFM Perspective

◆ Structure

- BPCA Exposure: \$880,565
- Aa1/AA+/AA+ with a Negative outlook from Fitch and Moody's
- Fitch lowered its outlook to negative on 04/10/2020 because of the fiscal and economic uncertainty as the State manages the COVID-19 pandemic. Moody's lowered its outlook for similar reasons on 04/09/2020.
- The State has a broad economic base with above average wealth and steady economic growth prior to the COVID-19 outbreak. The State's credit fundamentals benefit from strong budgeting practices and willingness to adjust finances to market and budgetary conditions.

◆ COVID-19 Impacts

- The State faced the unprecedented challenge of being in the epicenter of the COVID-19 outbreak. The pandemic resulted in a significant decline in economic activity, falling revenue and additional costs to address the outbreak.
- Full recovery is not expected to occur until 2023 or 2024. The State has passed a budget including a sharp decline in revenue to begin to confront the issues. There is some expectation of federal support to help states and local governments offset the cost of the pandemic.

◆ Liquidity Position

- The budget process and flexibility should allow sufficient flexibility to manage through this period. The State's credit fundamentals are further supported by good liquidity and access to the capital markets.

Outlook:

The COVID-19 outbreak will have a negative impact on the State's financial condition. PFM expects that the State will be able to effectively manage through this period.



Credit Overview | New York City Transitional Finance Authority: PFM Perspective

◆ Structure

- BPCA Exposure: \$2,642,456
- AAA/Aa1/ AAA with a stable outlook from S&P, Moody's and Fitch
- Bonds are supported by pledged revenue from personal taxes and sales and use taxes imposed by New York City. Payment of the PIT and sales tax revenue is not subject to city or state authorization. Estimated pledged revenue collection was \$20.5 billion in 2020 and provides a strong 6.3X coverage ratio. Roughly derived from \$13.3 billion in Personal Income Tax and \$7.2 billion in sales tax.

◆ COVID-19 Impacts

- Tax revenue is likely to decline because of the COVID-19 pandemic. Expectations are for a decline of about 12% in 2021 Personal Income Taxes. The city levies a 4.5% sales tax on a wide range of transactions and a 6% tax on receipts from parking and related services. Depressed economic activity is likely to have negative impact on both.

◆ Liquidity Position

- Although tax revenues will likely be lower, this should not have an impact on revenues supporting the bonds. The credit quality is further enhanced by strong coverage and liquidity which support the Authority's good credit fundamentals. The legally defined structure of the Authority and a first-perfected interest in the tax revenue are important credit considerations. The revenue is not subject to appropriation and covenants prohibit actions that might impair bondholders.

Outlook:

Revenue supporting the Authority's debt service should remain stable during this period. Strong current liquidity and coverage ratios will support bondholders.

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