

Hugh L. Carey Battery Park City Authority  
Meeting of the Investment Committee  
200 Liberty Street, 24<sup>th</sup> Floor  
New York, New York 10281  
December 15, 2021  
12:30 p.m.

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF THE AUGUST 25, 2021 MINUTES
- III. QUARTERLY INVESTMENT REPORT
- IV. INTEREST RATE ANALYSIS
- V. SWAP PORTFOLIO AND VARIABLE RATE INDEX UPDATE
- VI. MOTION TO ADJOURN



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

## **Review of Investment Performance**

Quarter Ended October 31, 2021

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PFM Asset  
Management LLC

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Ewing, NJ 08628

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- II. Summary of Aggregate Portfolio
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- IV. Market Commentary



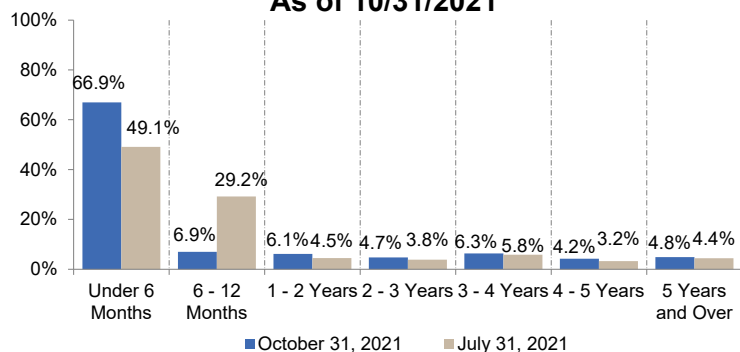
# **I. Executive Summary**



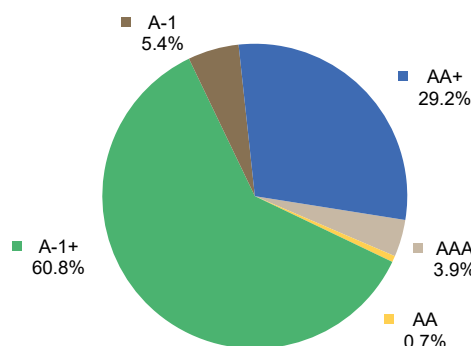
## Aggregate Portfolio Composition and Credit Quality

Security Type <sup>1</sup>	October 31, 2021 <sup>4</sup>	% of Portfolio	Effective Duration	July 31, 2021	% of Portfolio	Effective Duration	QoQ Change (% of portfolio)
U.S. Treasuries	\$383,344,952	83.0%	1.04	\$445,509,938	81.7%	1.03	1.3%
Federal Agencies and Instrumentalities (non-MBS)	\$19,565,737	4.2%	2.79	\$19,427,084	3.6%	2.95	0.7%
Commercial Paper	\$52,587,689	11.4%	0.29	\$72,683,914	13.3%	0.38	(1.9%)
Municipals	\$3,994,638	0.9%	2.91	\$4,917,475	0.9%	2.59	(0.0%)
Government MBS <sup>2</sup>	\$2,597,134	0.6%	3.20	\$2,859,809	0.5%	2.80	0.0%
<b>Totals</b>	<b>\$462,090,151</b>	<b>100.0%</b>	<b>1.05</b>	<b>\$545,398,219</b>	<b>100.0%</b>	<b>1.04</b>	

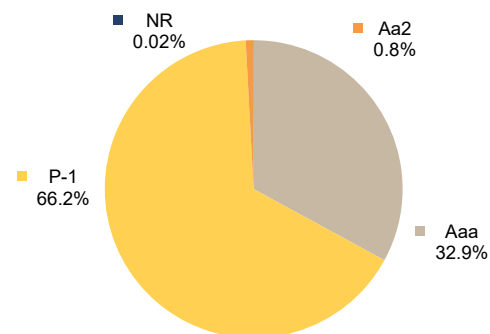
**Maturity Distribution  
As of 10/31/2021**



**Credit Quality Distribution (S&P)  
as of 10/31/2021**



**Credit Quality Distribution (Moody's)  
as of 10/31/2021**



**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.
- There were \$641k in RAM forward settling trades across 8 portfolios which settled after quarter end. These transactions are included in end of period values. Forward settling RAM maturities of \$26 million in the 2003 Debt Service Senior portfolio are netted to cash



## Performance Overview – Total Return Strategies – October 31, 2021

	Past Quarter	Past 12 Months	Past 3-Years	Since Inception
<b>Long-Term Strategy:</b>				
<b>2003 Reserve Fund</b>	<b>-0.73%</b>	<b>-0.49%</b>	<b>2.65%</b>	<b>3.04%</b>
<i>BM: BAML 1-5 Year US Treasury Note Index</i>	<i>-0.81%</i>	<i>-0.73%</i>	<i>3.03%</i>	<i>2.97%</i>
<b>BPCPC Operating Reserve Contingency Insurance Fund</b>	<b>-1.24%</b>	<b>-1.23%</b>	<b>3.47%</b>	<b>3.45%</b>
<b>Operating Budget Reserve</b>	<b>-1.24%</b>	<b>-1.25%</b>	<b>3.46%</b>	<b>3.40%</b>
	<b>-1.26%</b>	<b>-1.20%</b>	<b>3.47%</b>	<b>3.53%</b>
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>-1.27%</i>	<i>-1.48%</i>	<i>3.73%</i>	<i>3.19%</i>
<b>BPCA Other Post-Employment Benefits</b>	<b>-1.22%</b>	<b>-1.03%</b>	<b>3.81%</b>	<b>2.82%</b>
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>-1.27%</i>	<i>-1.48%</i>	<i>3.73%</i>	<i>2.59%</i>
<b>BPCPC Other Post-Employment Benefits</b>	<b>-1.25%</b>	<b>-1.13%</b>	<b>3.80%</b>	<b>2.35%</b>
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>-1.27%</i>	<i>-1.48%</i>	<i>3.73%</i>	<i>2.33%</i>
<b>Short-Term Strategy:</b>				
<b>2003 Pledged Revenue</b>	<b>0.02%</b>	<b>0.10%</b>	<b>1.13%</b>	<b>1.21%</b>
<b>2003 Project Operating Fund</b>	<b>0.02%</b>	<b>0.09%</b>	<b>1.11%</b>	<b>1.22%</b>
<i>BM: BAML 3 Month US Treasury Bill Index</i>	<i>0.01%</i>	<i>0.05%</i>	<i>1.12%</i>	<i>1.15%</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 BAML 1-5 Year Treasury Index became the performance benchmark on 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

- Economic conditions during the quarter were characterized by slowing Covid-19 cases nationwide, record job openings, persistently high inflation data, continued supply chain back-ups, and the beginning of Fed tapering of asset purchases with the timing of future rate hike still uncertain.
- U.S. economic growth slowed more than expected in the third quarter of 2021, dampened by the delta-variant COVID surge and ongoing supply chain issues. Following a 6.7% pace in the second quarter, U.S. real GDP expanded at just a 2% annualized rate.
- Consumer prices surged again in October, rising 6.2% YOY, the largest increase since 1990. High housing prices, continuing material shortages, and surging energy prices will likely keep inflationary pressures higher for longer.
- Strong employment gains resumed as the U.S. economy added 531,000 new jobs in October. The unemployment rate fell by 0.2% to a recovery-cycle low of 4.6%. Job openings are plentiful while the labor force participation rate remains depressed and the “quits rate” – one measure of workers’ willingness to leave or change jobs – has reached a record high.

### U.S. Treasury Yields

- U.S. Treasury yield curve “bear flattened” in October as yields on 2-5 year Treasuries moved higher while the yield on the 30-year Treasury bond moved lower. The Fed’s tapering of bond purchases will begin in November and inflation presents a substantial risk to interest rates. The debt ceiling is unresolved and will reappear in December.

### Federal Reserve

- At its November 3rd meeting, the FOMC announced the anticipated tapering of bond purchases, reducing purchases by a total of \$15 billion per month in November and December. Fed Chair Powell was careful to note that the tapering decision does not imply any direct signal regarding future interest rate policy.



## Portfolio Recap – Performance & Cash Flows

### Longer-Term Funds.

- The Reserve Fund outperformed the 1-5 Year U.S. Treasury benchmark by 8 basis points. Diversification away from Treasuries was additive to relative performance albeit returns were negative as a result of pronounced intermediate rate steepening. Most investment-grade sectors produced positive excess returns for Q3, but at a lesser-pace than recent quarters.
- For the quarter, the portfolios managed to the 1-10 Year U.S. Treasury benchmark outperformed by between 2 to 5 basis points.
  - A conservative duration position relative to the benchmark contributed to modest outperformance. Considering inflationary pressures and Fed policy uncertainty, we continue to maintain a modestly defensive duration bias (95-98%) for these longer mandates.

### Short-Term Funds

- Both portfolios returned 2 basis points for the quarter, outperforming the 3-Month U.S. Treasury benchmark, which returned 1 basis points.
- Each portfolio continues to be structured based on anticipated liquidity needs. Given the Fed has signaled it plans to complete its tapering program ahead of any changes to the Federal Funds Rate, we anticipate interest rates at the short end of the Treasury yield curve to remain anchored for the intermediate future.





## Investment Issuer Guidelines

Investment Policy Issuer Guidelines					
Issuer	Actual (%)	Actual <sup>2</sup> (\$)	IPS Limit	S&P Rating	Moody's Rating
U.S. Treasury	82.96%	383,344,952	100%	AA+	Aaa
Royal Bank of Canada NY	3.24%	14,993,685	5%	A-1+	P-1
MetLife Funding Inc	2.62%	12,108,963	5%	A-1+	P-1
Bank of Montreal	2.16%	9,996,870	5%	A-1	P-1
Collat Comm Paper	2.16%	9,989,470	5%	A-1	P-1
International Bank of Recon and Development	1.49%	6,868,785	\$250,000,000	AAA	Aaa
JP Morgan	1.08%	4,998,920	5%	A-1	P-1
International American Development Bank	1.05%	4,864,838	\$250,000,000	AAA	Aaa
Asian Development Bank	0.87%	4,036,010	\$250,000,000	AAA	Aaa
New York City	0.66%	3,045,453	10%	AA	Aa2
African Development Bank	0.53%	2,461,150	\$250,000,000	AAA	Aaa
Federal Home Loan Bank	0.29%	1,334,953	\$250,000,000	A-1+	P-1
Small Business Administration	0.26%	1,194,221	100%	AA+	Aaa
Ginnie Mae	0.19%	875,847	100%	AA+	Aaa
New York State	0.18%	849,769	10%	AA+	Aa2
<b>Toyota Motor Credit Corporation</b>	<b>0.11%</b>	<b>499,782</b>	<b>5%</b>	<b>A-1+</b>	<b>P-1</b>
Fannie Mae	0.08%	373,245	\$250,000,000	AA+	Aaa
Freddie Mac	0.03%	153,821	\$250,000,000	AA+	Aaa
NY State Dorm Authority	0.02%	99,417	10%	AA+	NR

### Notes:

1. For informational/analytical purposes only and is not provided for compliance assurance. Subject to interpretation as derived from our interpretation of your Investment Policy as provided
2. There were \$641k in RAM forward settling trades across 8 portfolios which settled after quarter end. These transactions are included in end of period values. Forward settling RAM maturities of \$26 million in the 2003 Debt Service Senior portfolio are netted to cash
3. BPCA's investment guidelines do not detail sector limits for commercial paper, supranationals, or Government MBS.
4. Commercial paper issuer limits are subject to the lesser of 5% or \$250 million per issuer.
5. Actual (\$) include market value plus accrued interest.
6. Bolded Issuers are new additions to the portfolio.



## Change in Value – Total Return Accounts

Account Name	Beginning Period Value <sup>1</sup>	(+/-)	Net Transfers <sup>2</sup>	(+/-)	Change in Value	=	Ending Period Value <sup>1</sup>
<b>Longer Term Investment Strategy</b>							
2003 Reserve Fund	\$35,108,309		\$0		(\$278,830)		\$34,829,479
BPCPC Operating Reserve Contingency	\$14,591,138		\$22,500		(\$181,719)		\$14,431,919
Insurance Fund	\$6,294,028		\$0		(\$77,930)		\$6,216,099
Operating Budget Reserve	\$20,709,636		\$2,100,000		(\$261,692)		\$22,547,944
BPCA Other Post-Employment Benefits	\$28,250,459		\$0		(\$345,471)		\$27,904,988
BPCPC Other Post-Employment Benefits	\$14,828,670		\$0		(\$185,305)		\$14,643,365
<b>Subtotal</b>	<b>\$119,782,240</b>		<b>\$2,122,500</b>		<b>(\$1,330,946)</b>		<b>\$120,573,794</b>
<b>Shorter Term Investment Strategy</b>							
2003 Pledged Revenue	\$183,184,364		\$28,335,043		\$34,060		\$211,553,467
2003 Project Operating Fund	\$10,115,134		(\$379)		\$1,639		\$10,116,394
<b>Subtotal</b>	<b>\$193,299,498</b>		<b>\$28,334,664</b>		<b>\$35,699</b>		<b>\$221,669,861</b>
<b>Total</b>	<b>\$313,081,738</b>		<b>\$30,457,164</b>		<b>(\$1,295,247)</b>		<b>\$342,243,655</b>

Notes:

1. Beginning Period Value is as of July 31, 2021 and Ending Period Value is as of October 31, 2021. 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 <sup>1</sup>	(+/-)	Net Transfers <sup>2</sup>	(+/-)	Change in Value	=	Ending Period Value <sup>1</sup>
<b>PFM Asset Management Accounts</b>							
Corporate Funds	\$4,143,908		\$0		(\$3,036)		\$4,140,872
2000 Arbitrage Rebate	\$836,139		\$0		\$29		\$836,168
1993 Unpledged Revenue	\$6,237,096		\$5,634,088		\$866		\$11,872,050
2003 Residual Fund	\$44,764,977		(\$44,722,646)		\$4,743		\$47,074
Joint Purpose Fund	\$382,021		\$0		(\$7)		\$382,014
Special Fund	\$966,380		\$0		\$33		\$966,413
BPCPC Operating Reserve	\$1,041,382		\$0		\$125		\$1,041,508
BPCA Goldman Sachs Liberty Contribution Fund	\$1,438		\$0		\$0		\$1,438
BPCA Series 2009A Project Costs	\$251,157		(\$142,924)		\$19		\$108,252
BPCA Series 2009B Project Costs	\$0		\$0		\$0		\$0
BPCA Insurance Advance	\$0		\$0		\$0		\$0
BPCA2013ACDE Proj Cost Sub AC	\$11,219,111		(\$692,201)		\$679		\$10,527,590
BPCA Pier A Reserve Fund	\$997,056		\$0		\$110		\$997,166
BPCA Subordinated Pmt Acct	\$0		\$0		\$0		\$0
BPCA 2019A Comm Ctr SB Proj	\$2,630,380		(\$1,366,920)		\$162		\$1,263,623
BPCA 2019A Sustainable Proj	\$53,559,364		(\$7,565,842)		(\$743)		\$45,992,778
BPCA 2019ABCDE COI	\$5,628		\$0		\$0		\$5,628
BPCA 2019BDE Project	\$8,603,588		(\$770,826)		(\$274)		\$7,832,488
BPCA 2019C Pier A SB Proj	\$3,554,669		\$0		(\$476)		\$3,554,193
<b>Subtotal</b>	<b>\$139,194,295</b>		<b>(\$49,627,271)</b>		<b>\$2,231</b>		<b>\$89,569,255</b>

Notes:

1. Beginning Period Value is as of July 31, 2021 and Ending Period Value is as of October 31, 2021. 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 <sup>1</sup>	(+/-)	Net Transfers <sup>2</sup>	(+/-)	Change in Value	=	Ending Period Value <sup>1</sup>
<b>Ramirez Asset Management Accounts</b>							
Liberty Terr Mariners Cove-K	\$305,301		\$0		\$12		\$305,312
Liberty House Mariners J	\$249,749		\$0		\$9		\$249,759
Rector Park L	\$34,770		\$0		\$2		\$34,772
Hudson View W Towers G	\$175,820		\$0		\$12		\$175,832
Hudson Towers E/F	\$213,838		\$0		\$8		\$213,846
Hudson View Towers C	\$188,754		\$0		\$7		\$188,761
Liberty Ct Mariners Cove B	\$623,435		\$0		\$40		\$623,476
Millenium	\$3,764,003		\$0		\$139		\$3,764,143
Liberty Battery Place Assoc 4	\$449,543		\$0		\$17		\$449,560
South Cove Assoc 11	\$408,230		\$0		\$29		\$408,259
Soundings Rector Park A	\$218,485		\$0		\$8		\$218,493
The Regatta Site 10	\$498,403		\$0		\$49		\$498,452
Debt Service Junior Payments	\$17,782,506		(\$3,499,404)		\$2,032		\$14,285,134
2003 Debt Service Senior Payments	\$50,009,805		\$0		\$7,604		\$50,017,409
BPCA Millenium Tower Security Fund 2A	\$3,143,272		\$0		\$116		\$3,143,389
BPCA S 16/17 Riverhouse Security Fund	\$6,678,623		\$0		\$315		\$6,678,938
BPCA Visionaire Security Fund	\$4,067,068		\$0		\$154		\$4,067,222
BPCA Pier A Security Deposit Account	\$427,349		\$0		\$16		\$427,365
BPCA One Rector Park Security Fund	\$998,148		\$0		\$38		\$998,185
BPCA Rector Square Security Fund Site D	\$229,851		\$0		\$9		\$229,860
BPCA WFC Tower C Retail Rent Escrow	\$259,167		\$0		\$10		\$259,176
BPCA River & Warren Sec Fund - Site 19A	\$6,151,009		\$0		\$283		\$6,151,292
BPCA North Cove Marina Security Fund	\$53,213		\$0		\$2		\$53,215
<b>Subtotal</b>	<b>\$96,930,343</b>		<b>(\$3,499,404)</b>		<b>\$10,911</b>		<b>\$93,441,850</b>

### Notes:

1. Beginning Period Value is as of July 31, 2021 and Ending Period Value is as of October 31, 2021. 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.
3. There were \$641k in RAM forward settling trades across 8 portfolios which settled after quarter end. These transactions are included in end of period values. Forward settling RAM maturities of \$26 million in the 2003 Debt Service Senior portfolio are netted to cash



## **II. Summary of Aggregate Portfolio**



## Aggregate Portfolio Issuer Breakdown

Security Type	October 31, 2021	% of Portfolio	July 31, 2021	% of Portfolio	QoQ % Change
<b>United States Treasury<sup>2</sup></b>					
U.S. Treasury	\$383,344,952	83.0%	\$445,509,938	81.7%	1.3%
Ginnie Mae	\$875,847	0.2%	\$995,055	0.2%	0.0%
Small Business Administration	\$1,194,221	0.3%	\$1,260,654	0.2%	0.0%
<b>Federal Agencies and Instrumentalities<sup>2,3</sup></b>					
Freddie Mac	\$153,821	0.0%	\$166,856	0.0%	0.0%
Fannie Mae	\$373,245	0.1%	\$576,175	0.1%	0.0%
Federal Home Loan Bank	\$1,334,953	0.3%	\$1,334,709	0.2%	0.0%
International Bank of Recon and Development	\$6,868,785	1.5%	\$6,934,820	1.3%	0.2%
International American Development Bank	\$4,864,838	1.1%	\$3,896,996	0.7%	0.3%
Asian Development Bank	\$4,036,010	0.9%	\$4,623,889	0.8%	0.0%
African Development Bank	\$2,461,150	0.5%	\$2,497,739	0.5%	0.1%
<b>Commercial Paper<sup>2</sup></b>					
JP Morgan	\$4,998,920	1.1%	\$4,996,570	0.9%	0.2%
Toyota Motor Credit Corporation	\$499,782	0.1%	\$0	0.0%	0.1%
Bank of Montreal	\$9,996,870	2.2%	\$9,992,510	1.8%	0.3%
Collat Comm Paper	\$9,989,470	2.2%	\$9,987,600	1.8%	0.3%
Royal Bank of Canada NY	\$14,993,685	3.2%	\$14,986,770	2.7%	0.5%
MetLife Funding Inc	\$12,108,963	2.6%	\$18,986,872	3.5%	(0.9%)
<b>Municipal Issuers<sup>2</sup></b>					
New York City	\$3,045,453	0.7%	\$3,532,837	0.6%	0.0%
NY State Dorm Authority	\$99,417	0.0%	\$524,574	0.1%	(0.1%)
New York State	\$849,769	0.2%	\$860,064	0.2%	0.0%
<b>TOTAL</b>	<b>\$462,090,151</b>	<b>100.0%</b>	<b>\$545,398,219</b>	<b>100.0%</b>	

Notes:

- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- There were \$641k in RAM forward settling trades across 8 portfolios which settled after quarter end. These transactions are included in end of period values. Forward settling RAM maturities of \$26 million in the 2003 Debt Service Senior portfolio are netted to cash.
- 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

	October 31, 2021			July 31, 2021			
<b>Longer Term Investment Strategy</b>	<b>Market Value <sup>1</sup></b>	<b>Effective Duration</b>	<b>% of Total Portfolio</b>	<b>Market Value <sup>1</sup></b>	<b>Effective Duration</b>	<b>% of Total Portfolio</b>	<b>QoQ % Change</b>
2003 Reserve Fund	\$34,821,555	2.56	7.5%	\$35,059,596	2.70	6.4%	1.1%
BPCPC Operating Reserve Contingency	\$14,429,711	3.64	3.1%	\$14,572,009	3.65	2.7%	0.5%
Insurance Fund	\$6,214,906	3.57	1.3%	\$6,279,460	3.65	1.2%	0.2%
Operating Budget Reserve	\$22,539,449	3.48	4.9%	\$20,686,331	3.59	3.8%	1.1%
BPCA Other Post-Employment Benefits	\$27,902,620	3.57	6.0%	\$28,228,499	3.71	5.2%	0.9%
BPCPC Other Post-Employment Benefits	\$14,642,213	3.66	3.2%	\$14,817,565	3.69	2.7%	0.5%
<b>Subtotal Longer Term Investment Strategy</b>	<b>\$120,550,455</b>	<b>3.28</b>	<b>26.1%</b>	<b>\$119,643,459</b>	<b>3.38</b>	<b>21.9%</b>	<b>4.2%</b>
<b>Short Term Investment Strategy</b>							
2003 Pledged Revenue	\$209,458,299	0.23	45.3%	\$180,928,537	0.46	33.2%	12.2%
2003 Project Operating Fund	\$10,116,233	0.10	2.2%	\$10,114,415	0.20	1.9%	0.3%
<b>Subtotal Short Term Investment Strategy</b>	<b>\$219,574,531</b>	<b>0.22</b>	<b>47.5%</b>	<b>\$191,042,952</b>	<b>0.44</b>	<b>35.0%</b>	<b>12.5%</b>
<b>Subtotal of Total Return Accounts</b>	<b>\$340,124,986</b>	<b>1.31</b>	<b>73.6%</b>	<b>\$310,686,411</b>	<b>1.58</b>	<b>57.0%</b>	<b>16.6%</b>

Notes:

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



## Portfolio Value – Other BPCA Accounts

	October 31, 2021			July 31, 2021			
	Market Value <sup>1</sup>	Effective Duration	% of Total Portfolio	Market Value <sup>1</sup>	Effective Duration	% of Total Portfolio	QoQ % Change
Corporate Funds	\$4,140,040	1.02	0.9%	\$4,143,077	1.27	0.8%	0.1%
2000 Arbitrage Rebate	\$835,784	0.41	0.2%	\$835,755	0.66	0.2%	0.0%
1993 Unpledged Revenue	\$11,729,394	0.09	2.5%	\$6,236,943	0.35	1.1%	1.4%
2003 Residual Fund	\$46,994	0.23	0.0%	\$44,762,025	0.10	8.2%	(8.2%)
Joint Purpose Fund	\$381,807	0.64	0.1%	\$381,984	0.11	0.1%	0.0%
Special Fund	\$965,751	0.41	0.2%	\$965,717	0.66	0.2%	0.0%
BPCPC Operating Reserve	\$1,039,214	0.09	0.2%	\$1,039,536	0.35	0.2%	0.0%
BPCA Goldman Sachs Liberty Contribution Fund	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Series 2009A Project Costs	\$107,999	0.04	0.0%	\$250,984	0.15	0.0%	0.0%
BPCA Series 2009B Project Costs	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Pier A Construction Escrow	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Insurance Advance	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA2013ACDE COI SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA2013B COI SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA2013ACDE PROJ COST SUB AC	\$10,526,224	0.35	2.3%	\$11,218,485	0.29	2.1%	0.2%
BPCA2013B PROJ COSTS SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA PIER A RESERVE FUND	\$996,825	0.33	0.2%	\$996,715	0.58	0.2%	0.0%
BPCA SUBORDINATED PAYMENT ACCOUNT	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA 2019A Comm Ctr SB Proj	\$1,263,544	0.45	0.3%	\$2,626,244	0.56	0.5%	(0.2%)
BPCA 2019A Sustainable Proj	\$45,992,182	0.29	10.0%	\$53,557,695	0.45	9.8%	0.1%
BPCA 2019ABCDE COI	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA 2019BDE Project	\$7,831,873	0.31	1.7%	\$8,603,237	0.40	1.6%	0.1%
BPCA 2019C Pier A SB Proj	\$3,552,472	0.30	0.8%	\$3,553,021	0.49	0.7%	0.1%
Liberty Terr Mariners Cove-K	\$304,909	0.48	0.1%	\$304,934	0.46	0.1%	0.0%
Liberty House Mariners J	\$248,926	0.48	0.1%	\$248,946	0.46	0.0%	0.0%
Rector Park L	\$33,990	0.48	0.0%	\$33,996	0.22	0.0%	0.0%
Hudson View W Towers G	\$174,948	0.48	0.0%	\$174,981	0.22	0.0%	0.0%
Hudson Towers E/F	\$212,937	0.48	0.0%	\$212,954	0.46	0.0%	0.0%
Hudson View Towers C	\$187,944	0.48	0.0%	\$187,959	0.46	0.0%	0.0%
Liberty Ct Mariners Cove B	\$622,815	0.48	0.1%	\$623,320	0.45	0.1%	0.0%
Millenium	\$3,763,882	0.48	0.8%	\$3,763,235	0.44	0.7%	0.1%
Liberty Battery Place Assoc 4	\$448,867	0.48	0.1%	\$448,903	0.46	0.1%	0.0%
South Cove Assoc 11	\$407,879	0.48	0.1%	\$407,956	0.22	0.1%	0.0%
Soundings Rector Park A	\$217,935	0.48	0.0%	\$217,953	0.46	0.0%	0.0%
The Regatta Site 10	\$497,852	0.48	0.1%	\$498,341	0.22	0.1%	0.0%
Debt Service Junior Payments	\$3,391,794	0.13	0.7%	\$16,404,882	0.23	3.0%	(2.3%)
2003 Debt Service Senior Payments	\$35,923	1.96	0.0%	\$50,009,431	0.25	9.2%	(9.2%)
BPCA Millenium Tower Security Fund 2A	\$3,143,066	0.48	0.7%	\$3,142,348	0.45	0.6%	0.1%
BPCA S 16/17 Riverhouse Security Fund	\$6,678,016	0.48	1.4%	\$6,678,340	0.44	1.2%	0.2%
BPCA Visionaire Security Fund	\$4,066,792	0.48	0.9%	\$4,066,142	0.45	0.7%	0.1%
BPCA Pier A Security Deposit Account	\$426,873	0.48	0.1%	\$426,908	0.46	0.1%	0.0%
BPCA One Rector Park Security Fund	\$997,704	0.48	0.2%	\$997,801	0.43	0.2%	0.0%
BPCA Rector Square Security Fund Site D	\$228,932	0.48	0.0%	\$228,951	0.46	0.0%	0.0%
BPCA WFC TOWER C RETAIL RENT ESCROW	\$258,923	0.48	0.1%	\$258,944	0.46	0.0%	0.0%
BPCA RIVER & WARREN SEC FUND - SITE 19A	\$6,151,173	0.48	1.3%	\$6,150,176	0.44	1.1%	0.2%
BPCA NORTH COVE MARINA SECURITY FUND	\$52,984	0.48	0.0%	\$52,989	0.46	0.0%	0.0%
<b>Subtotal of Other BPCA Accounts</b>	<b>\$121,965,165</b>	<b>0.35</b>	<b>26.4%</b>	<b>\$234,711,809</b>	<b>0.33</b>	<b>43.0%</b>	<b>(16.6%)</b>

### 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.
3. There were \$641k in RAM forward settling trades across 8 portfolios which settled after quarter end. These transactions are included in end of period values. Forward settling RAM maturities of \$26 million in the 2003 Debt Service Senior portfolio are netted to cash

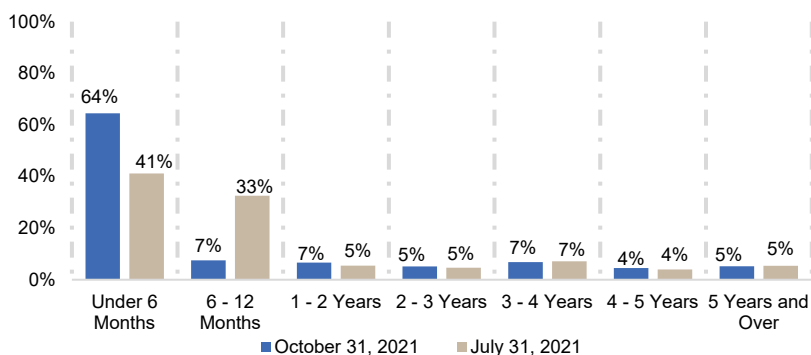




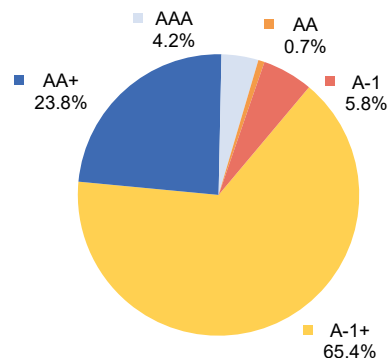
## Aggregate Portfolio Summary: PFM Asset Management

Security Type <sup>1</sup>	October 31, 2021	% of Advisor	% of Total Portfolio	Effective Duration	July 31, 2021	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$350,825,812	81.7%	75.9%	1.09	\$350,501,944	77.9%	64.3%	1.23	3.8%
Federal Agencies and Instrumentalities	\$19,565,737	4.6%	4.2%	2.79	\$19,288,153	4.3%	3.5%	2.97	0.3%
Commercial Paper	\$52,587,689	12.2%	11.4%	0.29	\$72,683,914	16.2%	13.3%	0.38	(3.9%)
Municipals	\$3,994,638	0.9%	0.9%	2.91	\$4,563,573	1.0%	0.8%	2.78	(0.1%)
Government MBS <sup>2</sup>	\$2,561,212	0.6%	0.6%	3.22	\$2,820,246	0.6%	0.5%	2.80	(0.0%)
<b>Totals</b>	<b>\$429,535,088</b>	<b>100%</b>	<b>93.0%</b>	<b>1.10</b>	<b>\$449,857,829</b>	<b>100.0%</b>	<b>82.5%</b>	<b>1.19</b>	

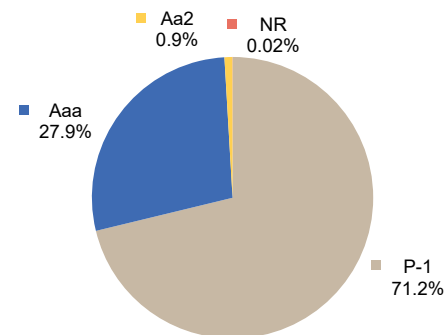
**Maturity Distribution  
as of 10/31/2021**



**Credit Quality (S&P)  
as of 10/31/2021**



**Credit Quality (Moody's)  
as of 10/31/2021**



**Notes:**

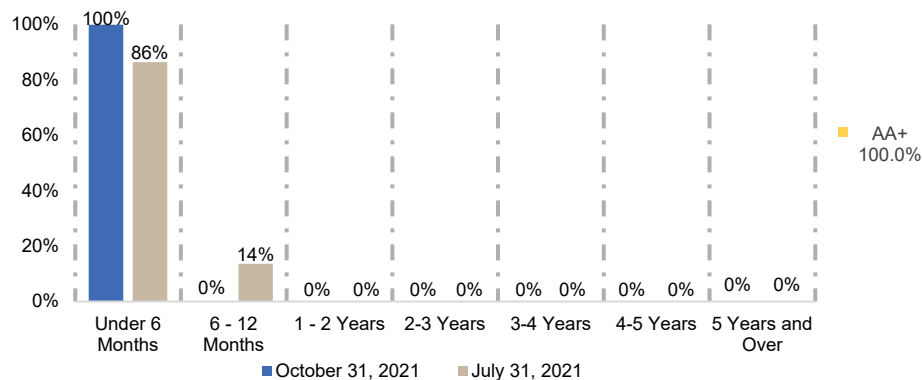
1. Market Value includes accrued interest but does not include cash balances held at the bank.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.
3. NR holdings are not rated by S&P, but rated by Moody's and are in compliance with BPCA's investment policy.



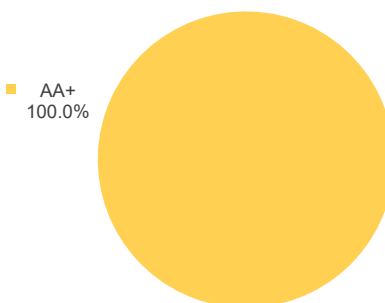
## Aggregate Portfolio Summary: Ramirez Asset Management

Security Type <sup>1</sup>	October 31, 2021	% of Advisor	% of Total Portfolio	Effective Duration	July 31, 2021	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$32,519,140	99.9%	7.0%	0.44	\$95,007,994	99.4%	22.1%	0.30	0.4%
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	0.0%	0.00	\$138,931	0.1%	0.0%	0.19	(0.1%)
Commercial Paper	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Municipals	\$0	0.0%	0.0%	0.00	\$353,903	0.4%	0.1%	0.36	(0.4%)
Government MBS <sup>2</sup>	\$35,923	0.1%	0.0%	1.96	\$39,564	0.0%	0.0%	2.66	0.1%
<b>Totals</b>	<b>\$32,555,063</b>	<b>100%</b>	<b>7.0%</b>	<b>0.44</b>	<b>\$95,540,391</b>	<b>100.0%</b>	<b>22.2%</b>	<b>0.31</b>	

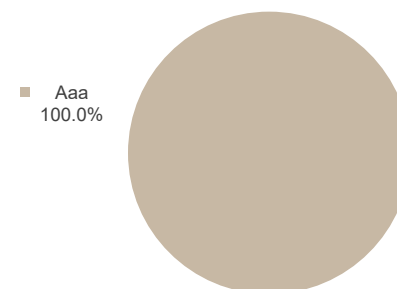
**Maturity Distribution  
as of 10/31/2021**



**Credit Quality (S&P)  
as of 10/31/2021**



**Credit Quality (Moody's)  
as of 10/31/2021**



**Notes:**

1. Market Value includes accrued interest but does not include cash balances held at the bank.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.
3. There were \$641k in RAM forward settling trades across 8 portfolios which settled after quarter end. These transactions are included in end of period values. Forward settling RAM maturities of \$26 million in the 2003 Debt Service Senior portfolio are netted to cash



## Portfolio Earnings – PFM-Managed Accounts

<b>Portfolio Earnings</b> <i>Quarter-Ended October 31, 2021</i>		
	<b>Market Value Basis <sup>3</sup></b>	<b>Accrual (Amortized Cost) Basis</b>
Beginning Value - July 2021 <sup>1</sup>	\$449,275,645	\$446,250,413
Net Purchases (Sales)	(\$18,471,925)	(\$18,471,925)
Change in Value	(\$1,760,212)	\$45,873
Ending Value - October 2021 <sup>1</sup>	\$429,043,508	\$427,824,360
Net Income <sup>2</sup>	\$467,196	\$467,196
Portfolio Earnings	(\$1,293,016)	\$513,068

Notes:

1. Beginning and ending Values exclude accrued income and cash balances at the bank.
2. Interest earned 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

<b>Portfolio Earnings</b> <i>Quarter-Ended October 31, 2021</i>		
	<b>Market Value Basis <sup>1,4</sup></b>	<b>Accrual (Amortized Cost) Basis <sup>2</sup></b>
Beginning Value - April 2021	\$95,385,506	\$95,643,011
Net Purchases (Sales)	(\$62,711,041)	(\$62,711,041)
Change in Value	(\$130,638)	(\$374,744)
Ending Value - July 2021	\$32,543,828	\$32,557,226
Net Income <sup>3</sup>	\$140,130	\$140,130
Portfolio Earnings	\$9,492	(\$234,614)

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.
5. There were \$641k in RAM forward settling trades across 8 portfolios which settled after quarter end. These transactions are included in end of period values. Forward settling RAM maturities of \$26 million in the 2003 Debt Service Senior portfolio are netted to cash



## **III. Total Return Performance Attributes**



## Total Return Portfolio Attributes

### Effective Duration (in years)

### Yield To Maturity - At Market

### Yield To Maturity - On Cost

#### Yields

October 31, 2021 July 31, 2021

October 31, 2021 July 31, 2021

October 31, 2021 July 31, 2021

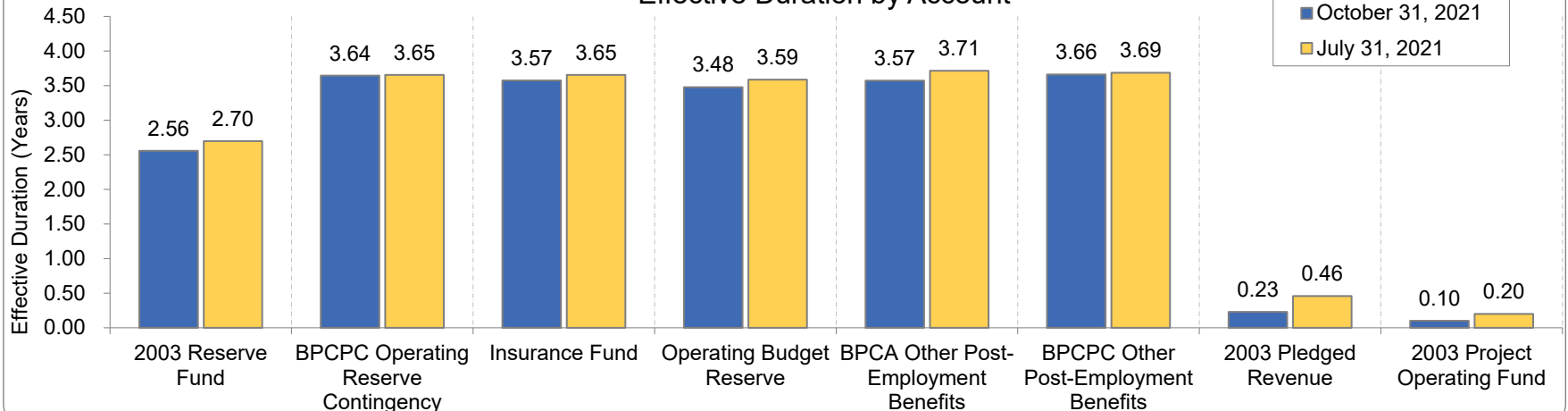
#### Longer Term Investment Strategy

2003 Reserve Fund	<b>2.56</b>	2.70	<b>0.74%</b>	0.44%	<b>1.20%</b>	1.26%
BPCPC Operating Reserve Contingency	<b>3.64</b>	3.65	<b>0.95%</b>	0.60%	<b>1.43%</b>	1.46%
Insurance Fund	<b>3.57</b>	3.65	<b>0.88%</b>	0.52%	<b>1.39%</b>	1.45%
Operating Budget Reserve	<b>3.48</b>	3.59	<b>0.87%</b>	0.53%	<b>0.94%</b>	1.01%
BPCA Other Post-Employment Benefits	<b>3.57</b>	3.71	<b>0.90%</b>	0.55%	<b>1.56%</b>	1.62%
BPCPC Other Post-Employment Benefits	<b>3.66</b>	3.69	<b>0.91%</b>	0.55%	<b>1.54%</b>	1.59%

#### Short Term Investment Strategy

2003 Pledged Revenue	<b>0.23</b>	0.46	<b>0.08%</b>	0.08%	<b>0.07%</b>	0.08%
2003 Project Operating Fund	<b>0.10</b>	0.20	<b>0.05%</b>	0.07%	<b>0.05%</b>	0.07%

### Effective Duration by Account





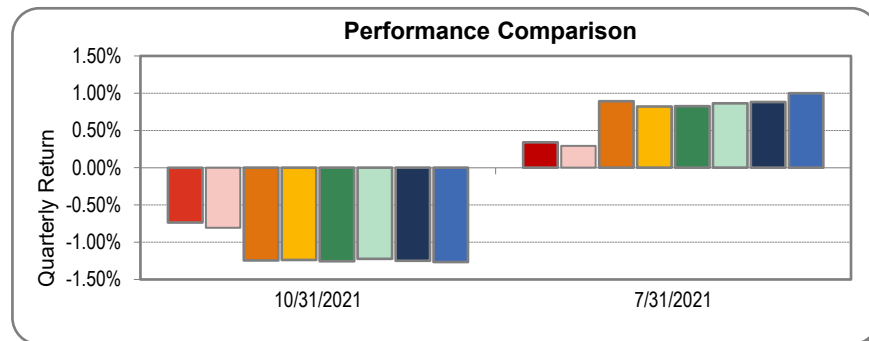
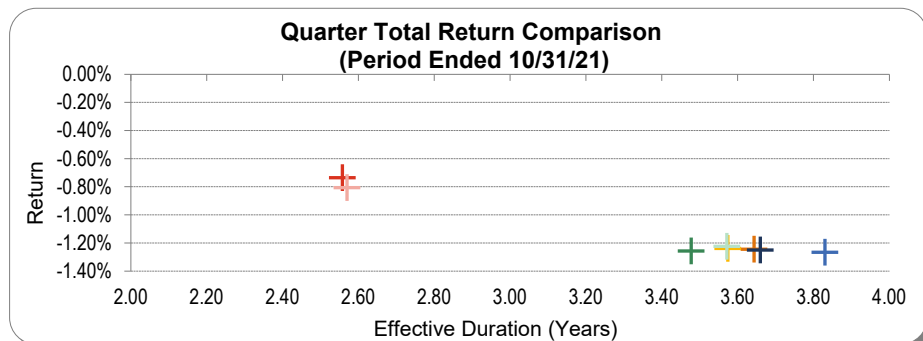
# ***Portfolios Managed with a Longer-Term Investment Strategy***



# Longer-Term Investment Strategy

Total Return <sup>1,2,4,5</sup>	October 31, 2021	Annualized Since Inception
2003 Reserve Fund	(0.73%)	3.04%
BM: BAML 1-5 Year US Treasury Note Index	(0.81%)	2.97%
BPCPC Operating Reserve Contingency	(1.24%)	3.45%
Insurance Fund	(1.24%)	3.40%
Operating Budget Reserve	(1.26%)	3.53%
BM: BAML 1-10 Year US Treasury Note Index	(1.27%)	3.19%
BPCA Other Post-Employment Benefits	(1.22%)	2.82%
BM: BAML 1-10 Year US Treasury Note Index	(1.27%)	2.59%
BPCPC Other Post-Employment Benefits	(1.25%)	2.35%
BM: BAML 1-10 Year US Treasury Note Index	(1.27%)	2.33%

Effective Duration (in years) <sup>3</sup>	October 31, 2021	July 31, 2021
2003 Reserve Fund	2.56	2.70
BM: BAML 1-5 Year US Treasury Note Index	2.57	2.58
BPCPC Operating Reserve Contingency	3.64	3.65
Insurance Fund	3.57	3.65
Operating Budget Reserve	3.48	3.59
BPCA Other Post-Employment Benefits	3.57	3.71
BPCPC Other Post-Employment Benefits	3.66	3.69
BM: BAML 1-10 Year US Treasury Note Index	3.83	3.87



## 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 temporarily suspended their investment strategies from June 2019 to December 2019 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.

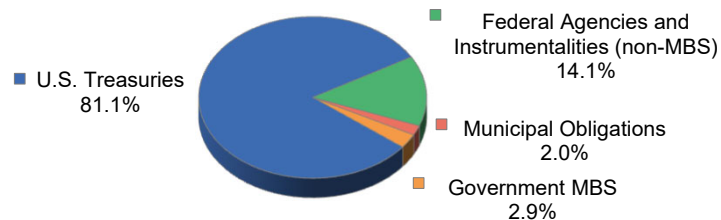




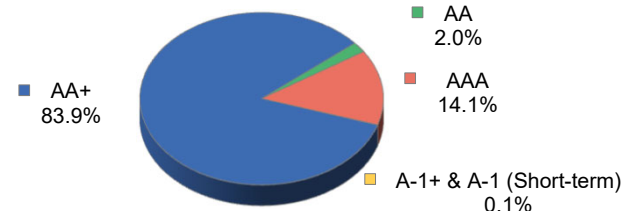
## 2003 Reserve Fund Portfolio

Security Type <sup>1</sup>	October 31, 2021	% of Portfolio	July 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$28,237,963	81.1%	\$28,486,692	81.3%	(0.2%)
Federal Agencies and Instrumentalities (non-MBS)	\$4,907,622	14.1%	\$4,688,219	13.4%	0.7%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$679,675	2.0%	\$786,166	2.2%	(0.3%)
Government MBS	\$996,296	2.9%	\$1,098,518	3.1%	(0.3%)
<b>Totals</b>	<b>\$34,821,555</b>	<b>100.0%</b>	<b>\$35,059,596</b>	<b>100.0%</b>	

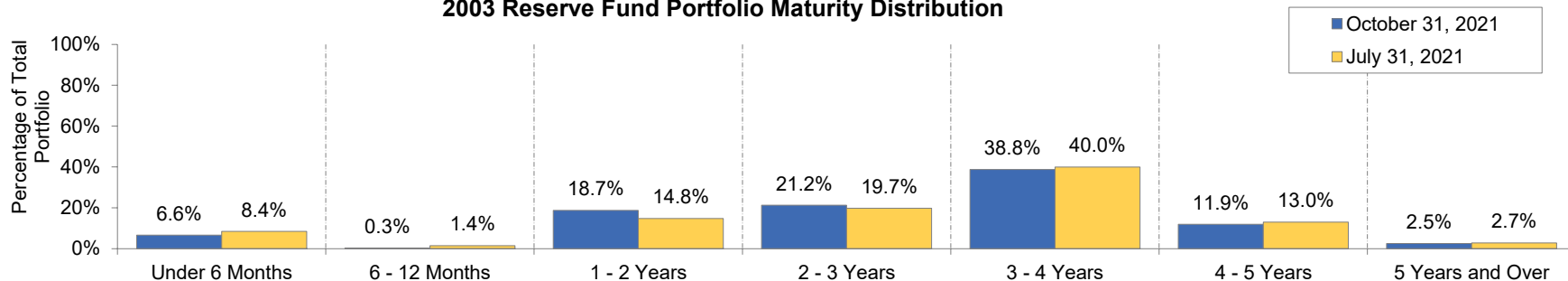
**Portfolio Composition  
as of 10/31/21**



**Credit Quality Distribution  
as of 10/31/21**



**2003 Reserve Fund Portfolio Maturity Distribution**



**Notes:**

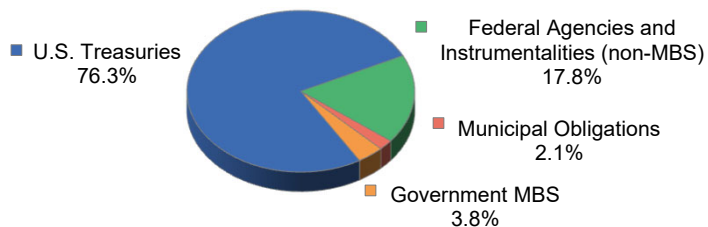
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



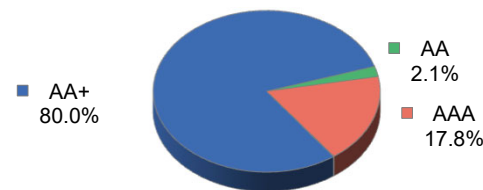
# BPCPC Operating Reserve Contingency Portfolio

Security Type <sup>1</sup>	October 31, 2021	% of Portfolio	July 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$11,016,321	76.3%	\$10,947,294	75.1%	1.2%
Federal Agencies and Instrumentalities (non-MBS)	\$2,569,253	17.8%	\$2,720,626	18.7%	(0.9%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$299,231	2.1%	\$301,810	2.1%	0.0%
Government MBS	\$544,905	3.8%	\$602,280	4.1%	(0.4%)
<b>Totals</b>	<b>\$14,429,711</b>	<b>100.0%</b>	<b>\$14,572,009</b>	<b>100.0%</b>	

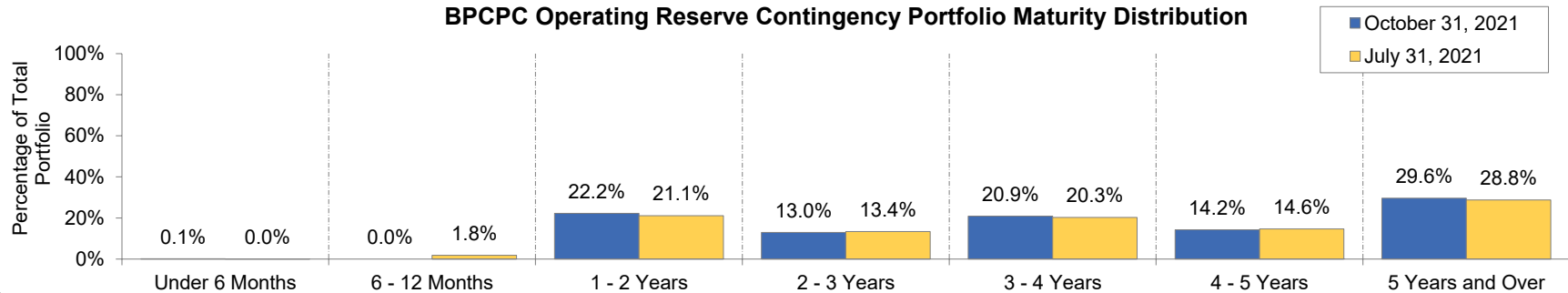
**Portfolio Composition  
as of 10/31/21**



**Credit Quality Distribution  
as of 10/31/21**



**BPCPC Operating Reserve Contingency Portfolio Maturity Distribution**



**Notes:**

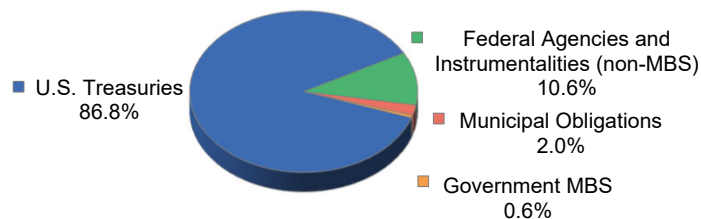
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



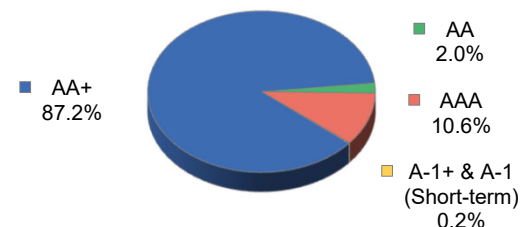
# Insurance Fund Portfolio

Security Type <sup>1</sup>	October 31, 2021	% of Portfolio	July 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$5,393,210	86.8%	\$5,443,478	86.7%	0.1%
Federal Agencies and Instrumentalities (non-MBS)	\$659,985	10.6%	\$668,112	10.6%	(0.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$126,793	2.0%	\$127,885	2.0%	0.0%
Government MBS	\$34,918	0.6%	\$39,985	0.6%	(0.1%)
<b>Totals</b>	<b>\$6,214,906</b>	<b>100.0%</b>	<b>\$6,279,460</b>	<b>100.0%</b>	

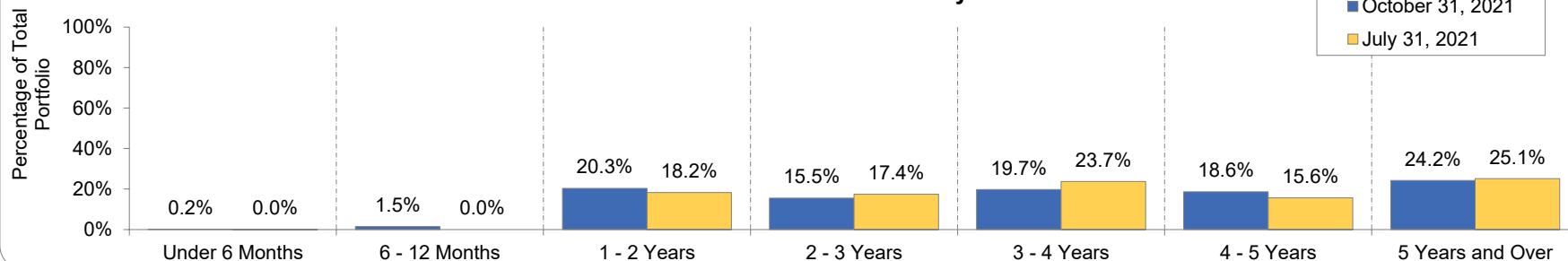
**Portfolio Composition  
as of 10/31/21**



**Credit Quality Distribution  
as of 10/31/21**



**Insurance Fund Portfolio Maturity Distribution**



**Notes:**

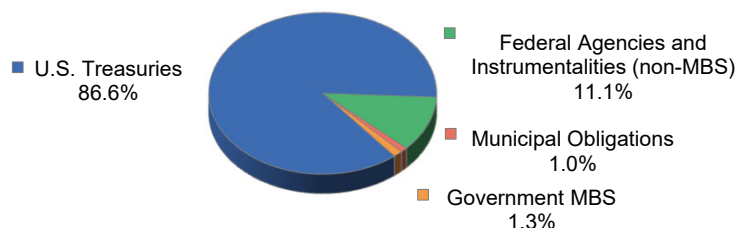
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



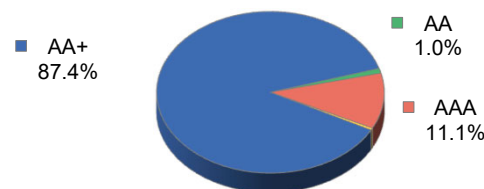
# Operating Budget Reserve Portfolio

Security Type <sup>1</sup>	October 31, 2021	% of Portfolio	July 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$19,512,512	86.6%	\$17,790,077	86.0%	0.6%
Federal Agencies and Instrumentalities (non-MBS)	\$2,511,451	11.1%	\$2,339,432	11.3%	(0.2%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$218,084	1.0%	\$219,963	1.1%	(0.1%)
Government MBS	\$297,403	1.3%	\$336,858	1.6%	(0.3%)
<b>Totals</b>	<b>\$22,539,449</b>	<b>100.0%</b>	<b>\$20,686,331</b>	<b>100.0%</b>	

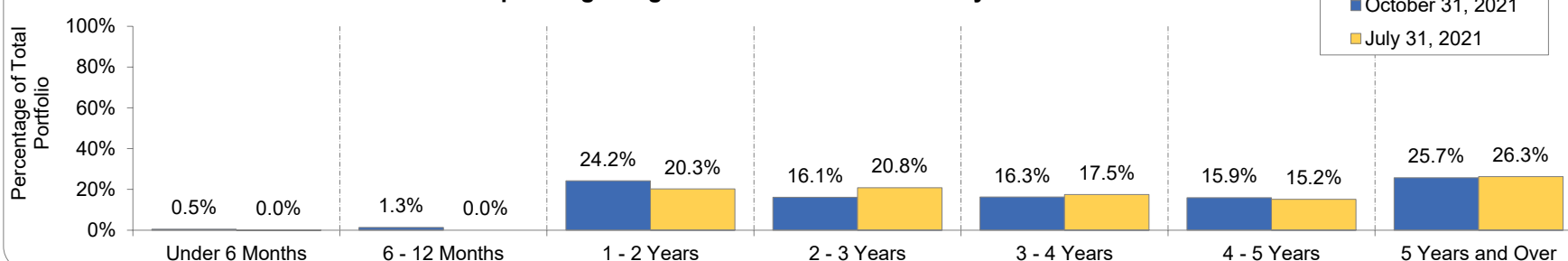
**Portfolio Composition  
as of 10/31/21**



**Credit Quality Distribution  
as of 10/31/21**



**Operating Budget Reserve Portfolio Maturity Distribution**



**Notes:**

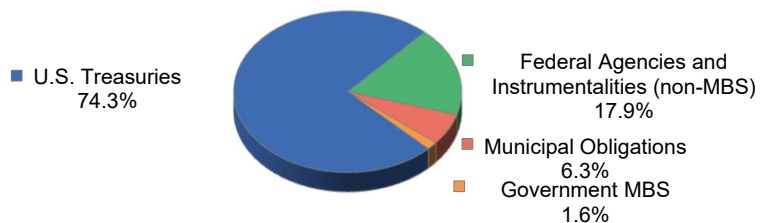
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



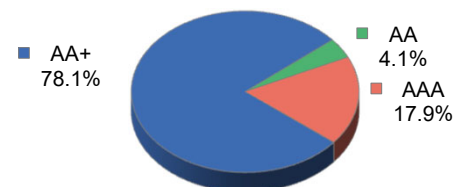
# BPCA OPEB Portfolio

Security Type <sup>1</sup>	October 31, 2021	% of Portfolio	July 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$20,726,808	74.3%	\$20,937,253	74.2%	0.1%
Federal Agencies and Instrumentalities (non-MBS)	\$4,983,146	17.9%	\$4,766,068	16.9%	1.0%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$1,756,623	6.3%	\$2,053,859	7.3%	(1.0)%
Government MBS	\$436,043	1.6%	\$471,318	1.7%	(0.1)%
<b>Totals</b>	<b>\$27,902,620</b>	<b>100.0%</b>	<b>\$28,228,499</b>	<b>100.0%</b>	

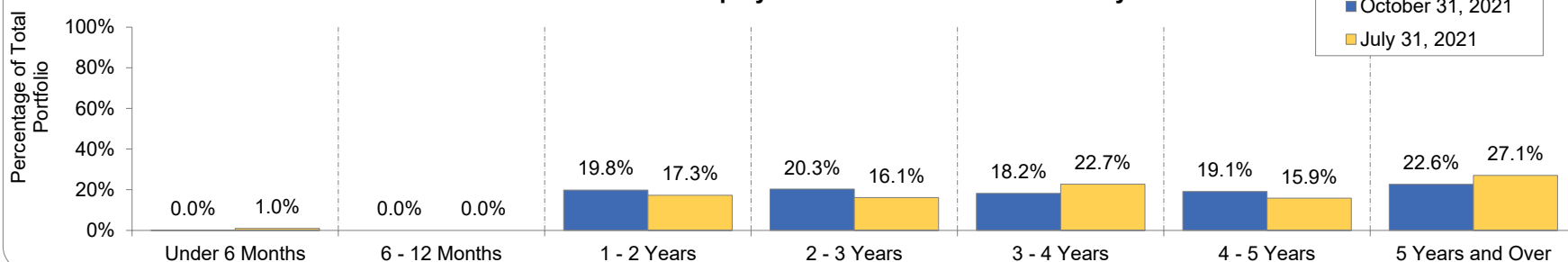
**Portfolio Composition  
as of 10/31/21**



**Credit Quality Distribution  
as of 10/31/21**



**BPCA Other Post Employment Benefits Portfolio Maturity Distribution**



**Notes:**

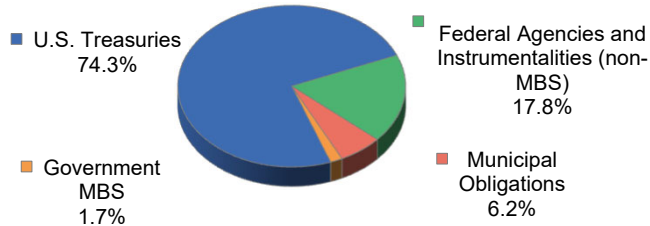
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.
3. NR holdings are not rated by S&P, but rated by Moody's and are in compliance with BPCA's investment policy.



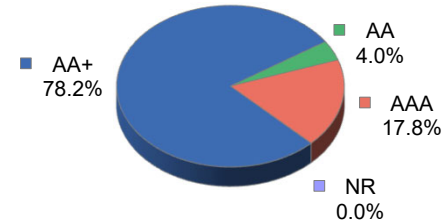
# BPCPC OPEB Portfolio

Security Type <sup>1</sup>	October 31, 2021	% of Portfolio	July 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$10,877,275	74.3%	\$10,702,115	72.2%	2.1%
Federal Agencies and Instrumentalities (non-MBS)	\$2,599,327	17.8%	\$2,770,986	18.7%	(0.9%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$914,233	6.2%	\$1,073,889	7.2%	(1.0%)
Government MBS	\$251,379	1.7%	\$270,574	1.8%	(0.1%)
<b>Totals</b>	<b>\$14,642,213</b>	<b>100.0%</b>	<b>\$14,817,565</b>	<b>100.0%</b>	

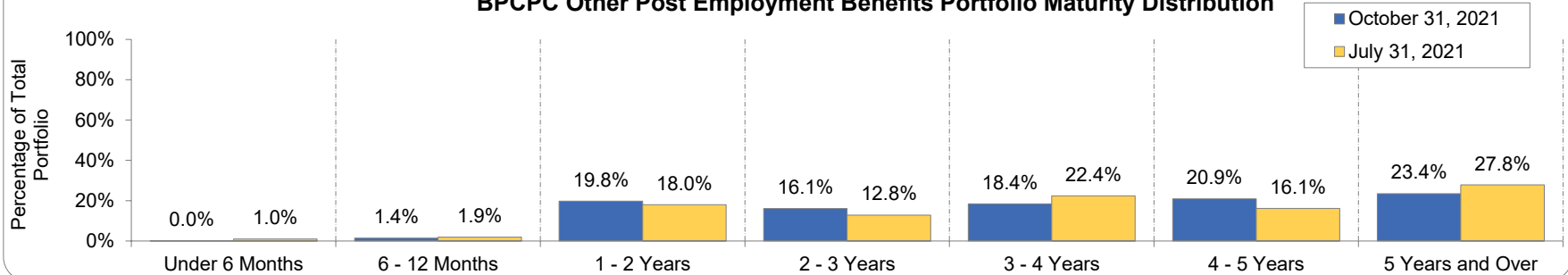
**Portfolio Composition  
as of 10/31/21**



**Credit Quality Distribution  
as of 10/31/21**



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



# ***Portfolios Managed with a Shorter-Term Investment Strategy***

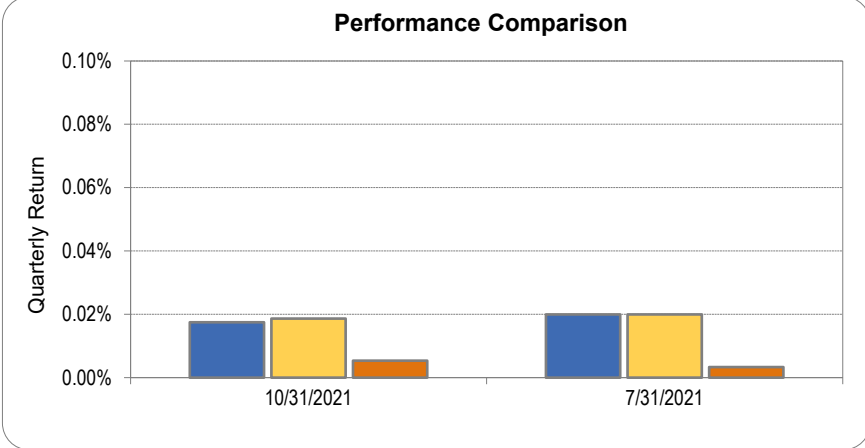
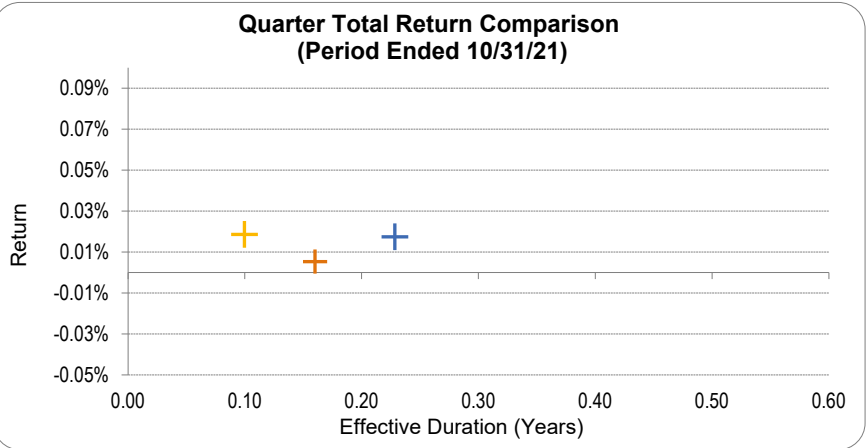


# Shorter-Term Investment Strategy

Total Return <sup>1,2,4,5</sup>	October 31, 2021	Annualized Since Inception
2003 Pledged Revenue	0.02%	1.21%
2003 Project Operating Fund	0.02%	1.22%
<b>BM: BAML 3 Month US Treasury Bill Index</b>	<b>0.01%</b>	<b>1.15%</b>

Effective Duration (in years) <sup>3</sup>	October 31, 2021	July 31, 2021
2003 Pledged Revenue	0.23	0.46
2003 Project Operating Fund	0.10	0.20
<b>BM: BAML 3-Month US Treasury Bill Index</b>	<b>0.16</b>	<b>0.15</b>



## 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.

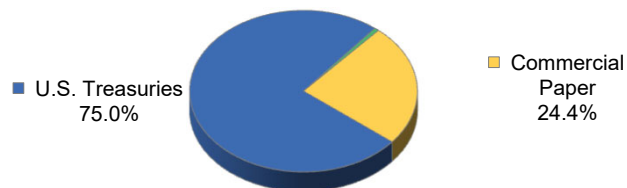




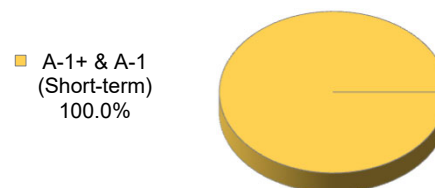
## 2003 Pledged Revenue

Security Type <sup>1</sup>	October 31, 2021	% of Portfolio	July 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$157,003,115	75.0%	\$121,126,021	66.9%	8.0%
Federal Agencies and Instrumentalities (non-MBS)	\$1,334,953	0.6%	\$1,334,709	0.7%	(0.1%)
Commercial Paper	\$51,120,230	24.4%	\$58,467,807	32.3%	(7.9%)
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
<b>Totals</b>	<b>\$209,458,299</b>	<b>100.0%</b>	<b>\$180,928,537</b>	<b>100.0%</b>	

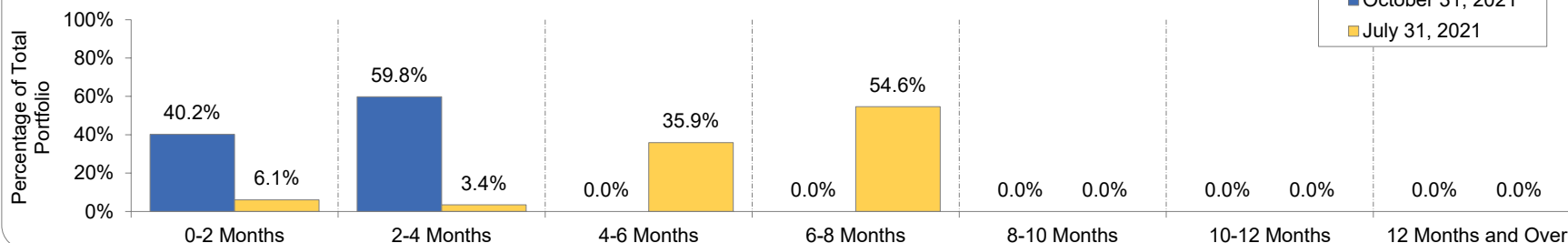
**Portfolio Composition  
as of 10/31/21**



**Credit Quality Distribution  
as of 10/31/21**



**2003 Pledged Revenue Portfolio Maturity Distribution**



**Notes:**

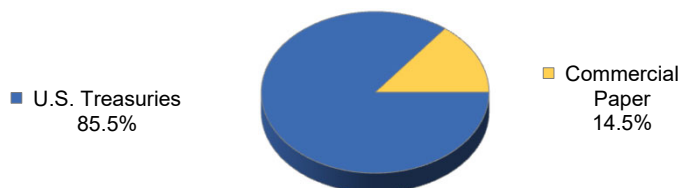
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



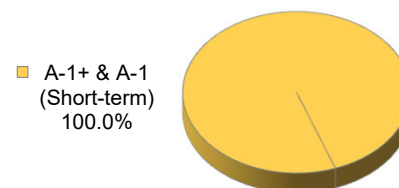
## 2003 Project Operating Fund Portfolio

Security Type <sup>1</sup>	October 31, 2021	% of Portfolio	July 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$8,648,774	85.5%	\$5,897,468	58.3%	27.2%
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$0	0.0%	0.0%
Commercial Paper	\$1,467,459	14.5%	\$4,216,947	41.7%	(27.2%)
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
<b>Totals</b>	<b>\$10,116,233</b>	<b>100.0%</b>	<b>\$10,114,415</b>	<b>100.0%</b>	

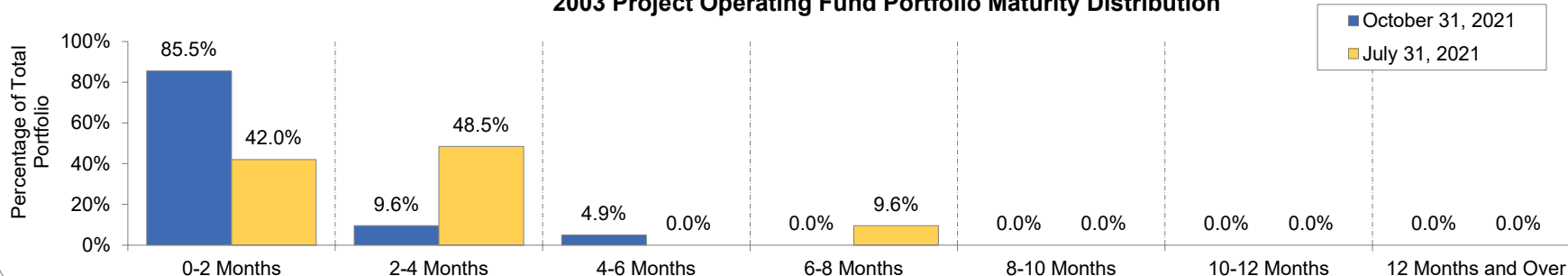
**Portfolio Composition  
as of 10/31/21**



**Credit Quality Distribution  
as of 10/31/21**



**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 October 31, 2021

## SUMMARY

- In Q3, U.S. economic conditions were impacted by: (1) a summer surge of COVID-19 infections driven by the highly contagious delta variant negatively affected consumer and business sentiment; (2) moderating but still above-trend economic growth; (3) higher inflation (headline inflation 6.2% year-over-year ended October 31, 2021) caused by material increases in the price of energy, other raw materials and various consumer goods and services; (4) continuing supply chain disruptions and shortages; (5) a Federal Reserve (Fed) planning to begin an accelerated pace of asset purchase tapering; and (6) political wrangling over both government funding and the expired suspension of the debt ceiling.
- The recovery is continuing, but the economy faces familiar headwinds. The COVID-19 surge in the U.S. that continued in August peaked in September before trailing off sharply late in the quarter. The overall toll remains staggering: over 44 million cases and over 700,000 deaths in the U.S.
- At the Federal Open Market Committee's (FOMC) October meeting, officials hinted that a tapering of bond purchases could begin as soon as November. More importantly, the Fed indicated that a likely path of tapering could conclude around summer of next year. Half of the FOMC participants indicated that they expect to increase short-term rates at least once in 2022, with multiple hikes in place by the end of 2023. In its updated September projections, the Fed also lowered its forecast for GDP growth for 2021 from 7% to 5.9%. At its November 3rd meeting, the FOMC formerly announced the tapering of bond purchases, reducing purchases by a total of \$15 billion per month.

## ECONOMIC SNAPSHOT

- Real GDP in the U.S. increased by 6.7% in Q2 (ended June 30, 2021), following a 6.3% expansion in Q1. Spending was again the primary driver, with consumer spending rising by 12% as public health restrictions eased and businesses reopened earlier in the year. U.S. economic growth slowed more than expected in the third quarter (ended September 30, 2021) of 2021, dampened by the delta-variant COVID surge and ongoing supply chain issues. Following a strong pace in the second quarter, U.S. real GDP expanded at just a 2% annualized rate. The deceleration reflected a sharp slowdown in the pace of consumer spending, especially for durable goods, like autos and appliances.

## INTEREST RATES

- After remaining relatively flat for the majority of the quarter, intermediate U.S. Treasury yields saw material steepening in October. Surges in rates were driven by inflation worries and the impending announcement of a reduction to Fed monthly asset purchases. During the quarter, 2-5 year yields increased by 30-50 bps while longer-term yields (10-years and over) saw less pronounced cheapening. Short-term rates continued to remain larger anchored near rock-bottom lows with exception to yields out 9-12 months rising by 6-8 bps.
- As a result of a steepening curve, index returns were negative for the quarter. Shorter-duration U.S. Treasury total return indices (1 year and under) provided some insulation to rising yields while intermediate and longer-duration indices posted sharp negative returns. For example, the 3-month Treasury Bill index returned 0.01% for the quarter, the 1-3-year Treasury index returned -0.41%, and the 1-10-year Treasury index returned -1.27%.

## SECTOR PERFORMANCE

- Diversification away from U.S. Treasuries was generally additive to performance in Q3. Broad, global demand for yield has continued to pressure yield spreads, which remained in very low and tight trading ranges. Most investment-grade (IG) sectors produced positive excess returns for Q3 – returns in excess of comparable maturity Treasuries – but at a lesser pace than in recent prior quarters. Low yields mean lesser income, while narrow spreads mean less opportunity for price gains from further spread compression. Something close to index-level returns is about all that can be expected in upcoming quarters.
- Federal agency spreads were mostly unchanged again, and the sector generated modest positive excess returns. Supranational opportunities were better in Q3 as several attractively priced new issues came to market.
- The taxable municipal sector was one of the few IG fixed income sectors to post negative excess returns for Q3. New issues remain heavily oversubscribed albeit YTD returns remain near the top, despite recent underperformance.
- Agency mortgage-backed securities (MBS) spreads widened but remain susceptible to further duration extension and price deterioration as rates rise. Fed tapering is a lingering concern, as the Fed has been the largest buyer in the sector. Returns were sharply negative, with returns depending on the specific term and collateral type. Lower coupons suffered, while higher coupons performed best.



# Economic Snapshot

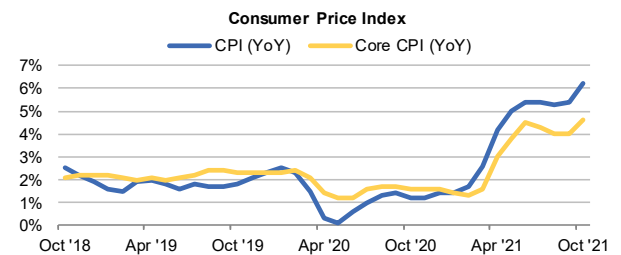
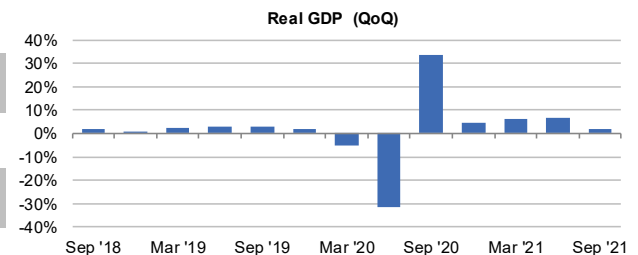
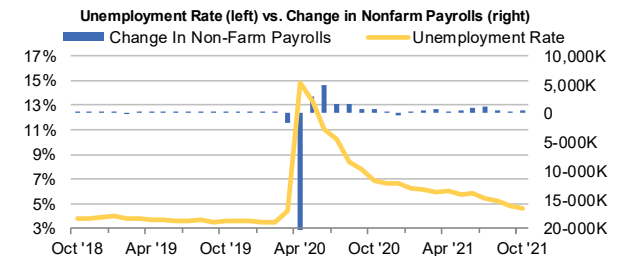
Labor Market		Latest	Jul '21	Oct '20
Unemployment Rate	Oct'21	4.6%	5.4%	6.9%
Change In Non-Farm Payrolls	Oct'21	531,000	1,091,000	680,000
Average Hourly Earnings (YoY)	Oct'21	4.9%	4.0%	4.5%
Personal Income (YoY)	Sep'21	4.2%	2.7%	5.6%
Initial Jobless Claims (week)	11/6/21	267,000	387,000	765,000

Growth		Latest	Jul '21	Oct '20
Real GDP (QoQ SAAR)	2021Q3	2.0%	6.7% <sup>1</sup>	33.8% <sup>2</sup>
GDP Personal Consumption (QoQ SAAR)	2021Q3	1.6%	12.0% <sup>1</sup>	41.4% <sup>2</sup>
Retail Sales (YoY)	Sep'21	13.9%	15.3%	5.6%
ISM Manufacturing Survey (month)	Oct'21	60.8	59.5	58.8
Existing Home Sales SAAR (month)	Sep'21	6.29 mil.	6.00 mil.	6.73 mil.

Inflation / Prices		Latest	Jul '21	Oct '20
Personal Consumption Expenditures (YoY)	Sep'21	4.4%	4.2%	1.2%
Consumer Price Index (YoY)	Oct'21	6.2%	5.4%	1.2%
Consumer Price Index Core (YoY)	Oct'21	4.6%	4.3%	1.6%
Crude Oil Futures (WTI, per barrel)	Oct 31	\$83.57	\$73.95	\$35.79
Gold Futures (oz.)	Oct 31	\$1,784	\$1,813	\$1,880



1. Data as of Second Quarter 2021

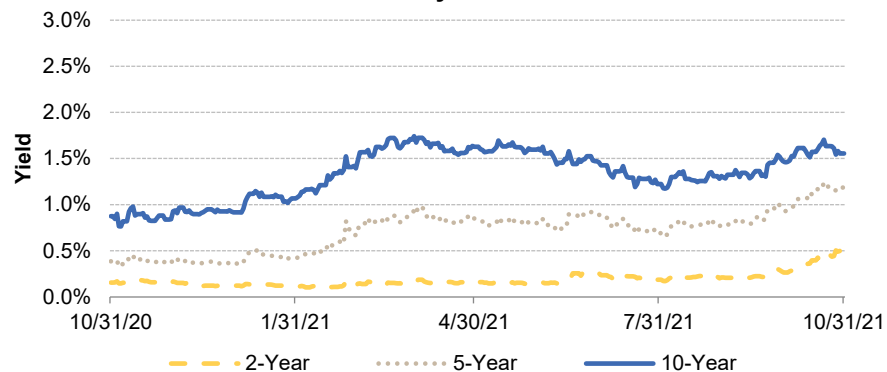
2. Data as of Third Quarter 2021

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



# Interest Rate Overview

## U.S. Treasury Note Yields



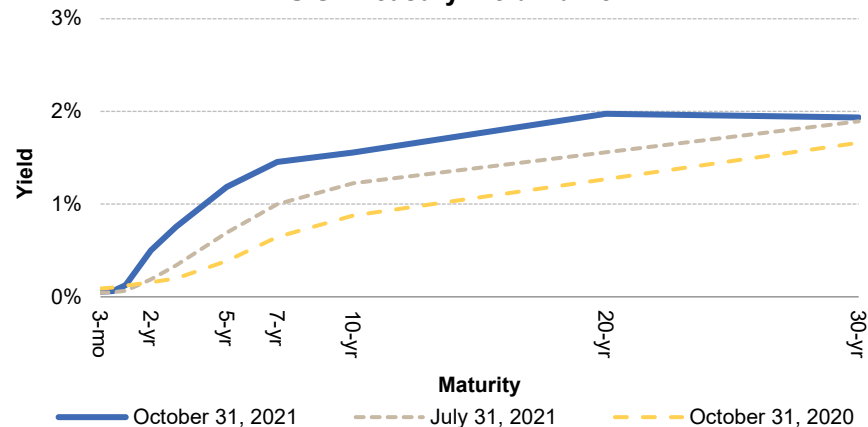
## U.S. Treasury Yields

Maturity	Oct '21	Jul '21	Change over Quarter	Oct '20	Change over Year
3-month	0.06%	0.04%	0.02%	0.09%	(0.03%)
1-year	0.12%	0.07%	0.05%	0.12%	0.00%
2-year	0.50%	0.19%	0.31%	0.16%	0.34%
5-year	1.19%	0.69%	0.50%	0.39%	0.80%
10-year	1.56%	1.22%	0.34%	0.88%	0.68%
30-year	1.93%	1.89%	0.04%	1.66%	0.27%

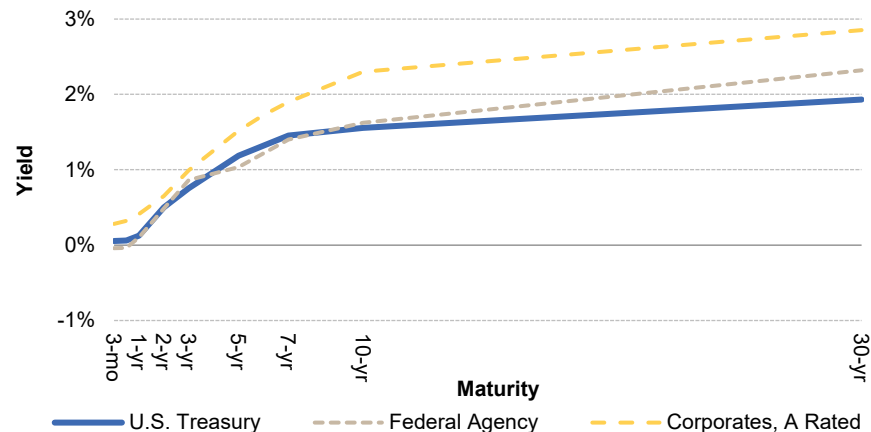
## LIBOR Rates

Maturity	Oct '21	Jul '21	Change over Quarter	Oct '20	Change over Year
3-month	0.13%	0.12%	0.01%	0.21%	(0.08%)
1-year	0.36%	0.24%	0.12%	0.33%	0.03%

## U.S. Treasury Yield Curve



## Yield Curves as of 10/31/21



Source: Bloomberg.



## Bank of America Merrill Lynch Index Returns

October 31, 2021	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.88	0.47%	(0.41%)	(0.23%)	2.48%
Federal Agency	1.79	0.46%	(0.35%)	(0.07%)	2.35%
U.S. Corporates, A-AAA rated	1.88	0.80%	(0.37%)	0.31%	3.25%
Agency MBS (0 to 3 years)	1.76	0.93%	(0.57%)	(1.92%)	3.59%
Taxable Municipals	1.52	0.63%	(0.28%)	2.69%	4.06%
1-5 Year Indices					
U.S. Treasury	2.63	0.67%	(0.81%)	(0.73%)	3.03%
Federal Agency	2.40	0.64%	(0.66%)	(0.35%)	2.61%
U.S. Corporates, A-AAA rated	2.68	1.17%	(0.76%)	0.12%	4.08%
Agency MBS (0 to 5 years)	2.70	1.52%	(0.38%)	(0.85%)	3.40%
Taxable Municipals	2.65	0.99%	(0.76%)	1.40%	3.85%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	7.30	1.16%	(1.32%)	(2.59%)	5.13%
Federal Agency	4.06	0.95%	(1.01%)	(0.71%)	4.16%
U.S. Corporates, A-AAA rated	8.49	1.99%	(1.08%)	0.70%	7.37%
Agency MBS (0 to 30 years)	3.92	1.79%	(0.72%)	(0.66%)	4.08%
Taxable Municipals	11.27	2.49%	(1.08%)	5.65%	10.02%

Returns for periods greater than one year are annualized  
Source: Bloomberg, BofA Merrill Lynch Indices



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# Battery Park City Authority

## Investment Committee Rate Sensitivity Analysis



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PFM Asset  
Management LLC

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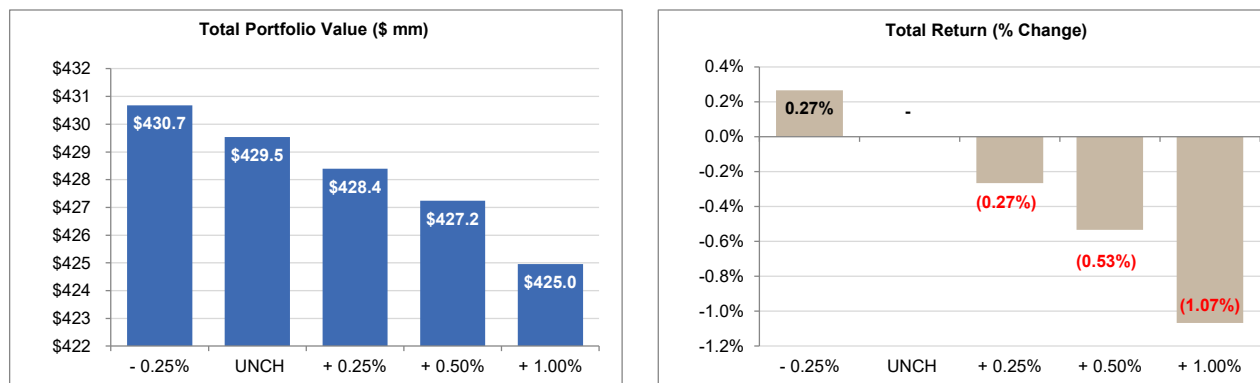
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Corporate Center  
Suite 270A  
Ewing, NJ 08628

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**pfm.com**

**BPCA (Aggregate PFM-Managed Assets)**  
**Estimated Earnings Summary and Stress Test**  
*Holdings as of October 31, 2021*

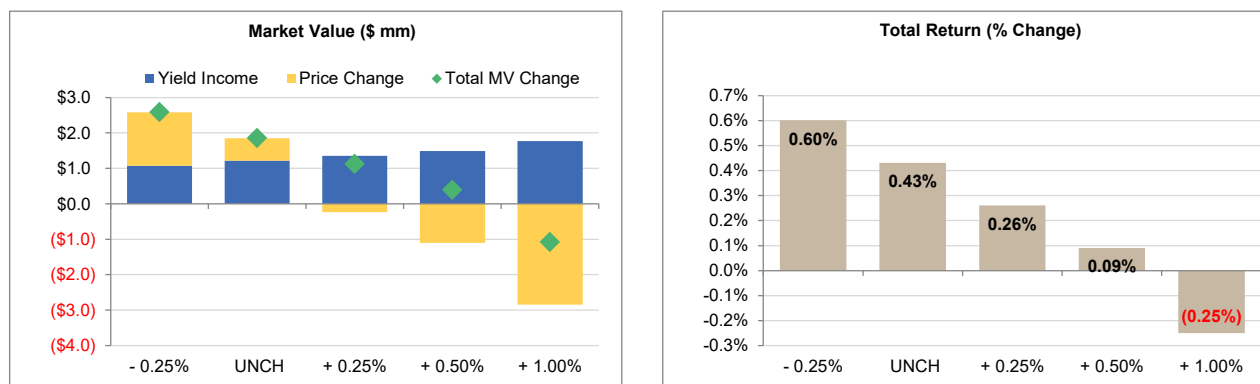
**Portfolio Stress Test -- Instantaneous Rate Shock**



**Summary of Market Value Earnings Estimates under Instantaneous Rate Shock**

Instantaneous	- 0.25%	UNCH	+ 0.25%	+ 0.50%	+ 1.00%
Ending Portfolio Value	430,680,571	429,535,088	428,389,606	427,244,123	424,953,157
Total Return %	0.27%	-	(0.27%)	(0.53%)	(1.07%)

**Portfolio Horizon Analysis -- 12-Month Horizon**



**Summary of Market Value Earnings Estimates over the Next 12 Months**

Next 12 Months	- 0.25%	UNCH	+ 0.25%	+ 0.50%	+ 1.00%
Yield Income	1,074,944	1,214,448	1,353,952	1,493,455	1,772,462
Price Change	1,508,513	637,159	(234,194)	(1,105,548)	(2,848,255)
Total MV Change	2,583,457	1,851,607	1,119,757	387,907	(1,075,793)

Next 12 Months	- 0.25%	UNCH	+ 0.25%	+ 0.50%	+ 1.00%
Yield Income %	0.25%	0.28%	0.32%	0.35%	0.41%
Price Change %	0.35%	0.15%	(0.05%)	(0.26%)	(0.66%)
Total Return %	0.60%	0.43%	0.26%	0.09%	(0.25%)

\* See important disclosures.

## **Important Disclosures**

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### **Notes to Stress Test and Earnings Estimates**

1. Portfolio holdings are as of October 31, 2021.
2. Yield curve data source Bloomberg.
3. Yield curve scenarios assume parallel rate shocks in even monthly increments.
4. Security maturities occurring during the analysis period are reinvested in a 1-Year US Treasury Note.
5. Reinvestments are at assumed prevailing rates for the benchmark Treasury Note, per the interest rate scenario.
6. Spreads are assumed to remain constant.

# Sensitivity Analysis of the RAM-managed Portfolios of the Battery Park City Authority

## Sensitivity Analysis of the BPCA-RAM portfolio:

- As of October 31, 2021, Ramirez Asset Management ("RAM") manages \$93.4M on in 23 separately managed accounts on behalf of the Authority.
- RAM conducted an "instantaneous" parallel shift scenario analysis on the combined portfolio holdings as of October 31, 2021, to simulate the aggregate portfolio performance after a one-time U.S. Treasury curve shock across the term structure of down -50 basis points and up to +150 basis points, and projecting potential returns over a 12-month horizon (below), as well as projecting the ending market values of the aggregate portfolio after the 12-month horizon (page 2).

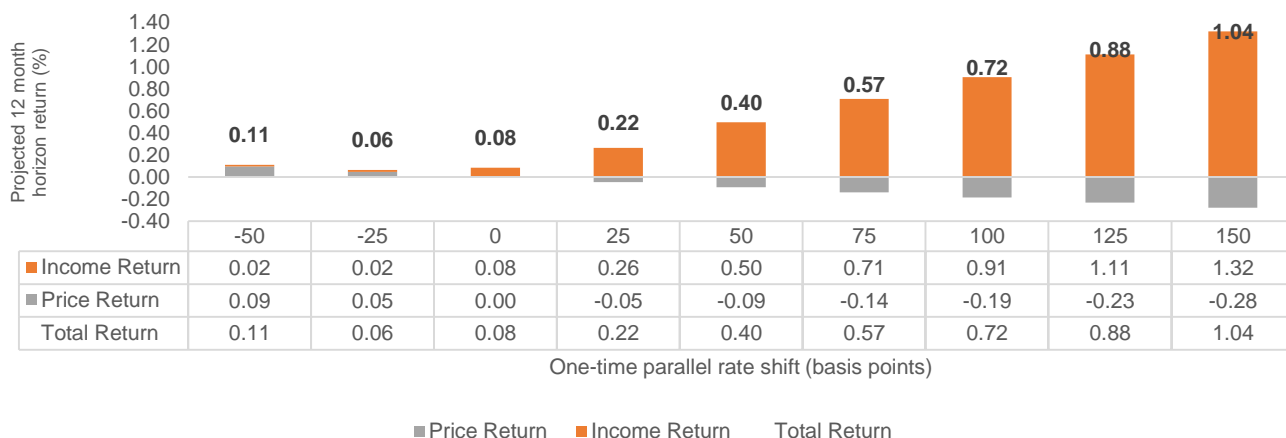
## Sensitivity Analysis of the BPCA-RAM portfolio:

Total Return is allocated between Income and Price Return as follows:

- Income Return %** - Income Return includes (i) all coupon payments; (ii) all principal payments from bonds which amortized, prepaid, matured or were called or put as a result of the interest rate scenario; (iii) all reinvestment income earned on these coupon and principal payments, and (iv) amortization and/or accretion of premiums and discounts. Thus, the income return for the portfolio will reflect any changes in coupon payments for CMO floaters, inverse floaters, ARMs and Floating Rate Notes based on the specified scenario.
- Price return %** - A security's Price Return is defined as the percentage change in its market value. In both Instantaneous and Aged simulations, Horizon and Beginning prices are weighted by the bond's remaining par amount as of the horizon date. This approach is consistent with the fact that, for mortgage-backed securities and other amortizing instruments, principal which is repaid at par during the horizon will not experience the price change caused by a change in interest rates. The price change only impacts the par amount which is "alive" as of the horizon date. Similarly, Corporate bonds which are called or put during the horizon period will not experience a price return, as none of the original par value would "survive" to the horizon date if that scenario occurred.

## BPCA Sensitivity Analysis—Projected Returns, Holdings as of October 31, 2021<sup>1</sup>

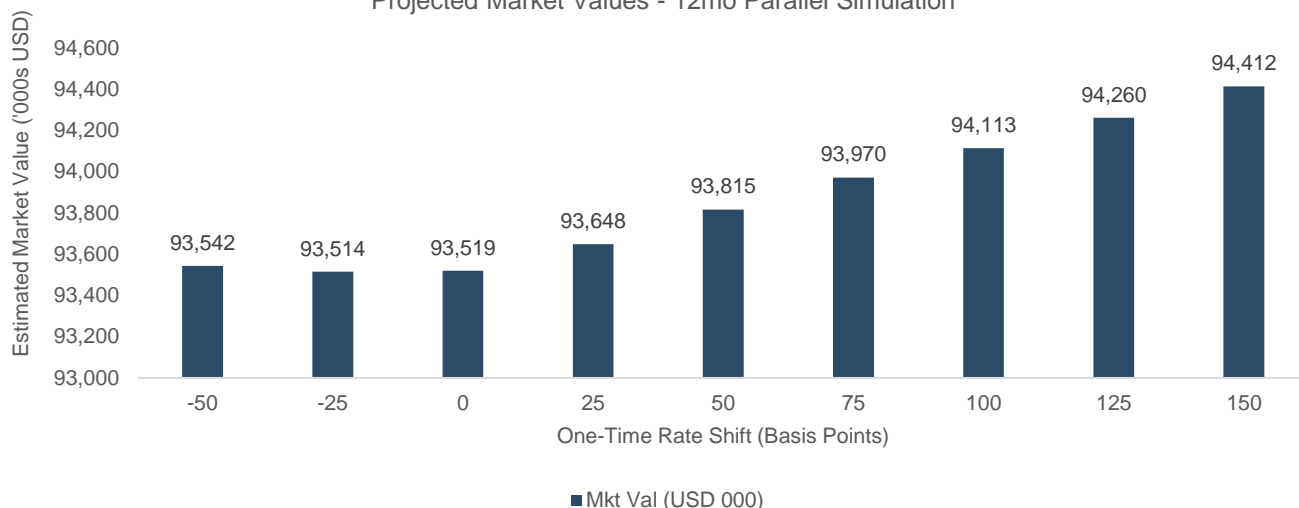
BPCA Total Portfolio Sensitivity Analysis  
Estimated Returns - 12mo Parallel Simulation



## Sensitivity Analysis of the RAM-managed Portfolios of the Battery Park City Authority

### BPCA Sensitivity Analysis—Projected Market Values 12mo Horizon <sup>(2)</sup>

BPCA Total Portfolio Sensitivity Analysis  
Projected Market Values - 12mo Parallel Simulation



#### Sensitivity Analysis — Key Assumptions (excerpted from ICE BondEdge Next-Generation)

- An instantaneous simulation assumes that income (coupon, amortization and reinvestment) is earned over the horizon period but the portfolio's duration does not shorten with the passage of time and the securities in the portfolio do not "roll" down the yield curve. *This consistent duration position is appropriate for a manager that rebalances the portfolio to maintain its initial duration, or manages the portfolio relative to a benchmark which is continuously rebalanced.*
- Reinvestment Rate - The initial user-specified reinvestment rate changes according to the shift in the 6 month Treasury rate. In an instantaneous simulation this shift occurs immediately.
- Coupon Rates - In Instantaneous simulations, coupons on floating rate instruments change assuming an immediate shift in the underlying index, subject to any reset features.
- Prepayment Speeds - In Instantaneous simulations, prepayment speeds for mortgage pass-throughs, CMOs and ARMs change immediately, given the specified shift in the Treasury curve.
- Horizon Prices - Horizon prices for all security types are calculated using the horizon date spot curve and a constant OAS.

(1) Source: BondEdge Next-Generation Software, the indicated performance is an estimate and may change based on prevailing market conditions. (2) Market values are estimates only and will vary according to prevailing market conditions, reinvestment rates, and future liquidity needs.

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# Swap Portfolio Update and Variable Rate Alternatives

As of November 26, 2021



**Battery Park  
City Authority**

MohantyGargiulo<sub>LLC</sub>

*Advice for informed decisions*

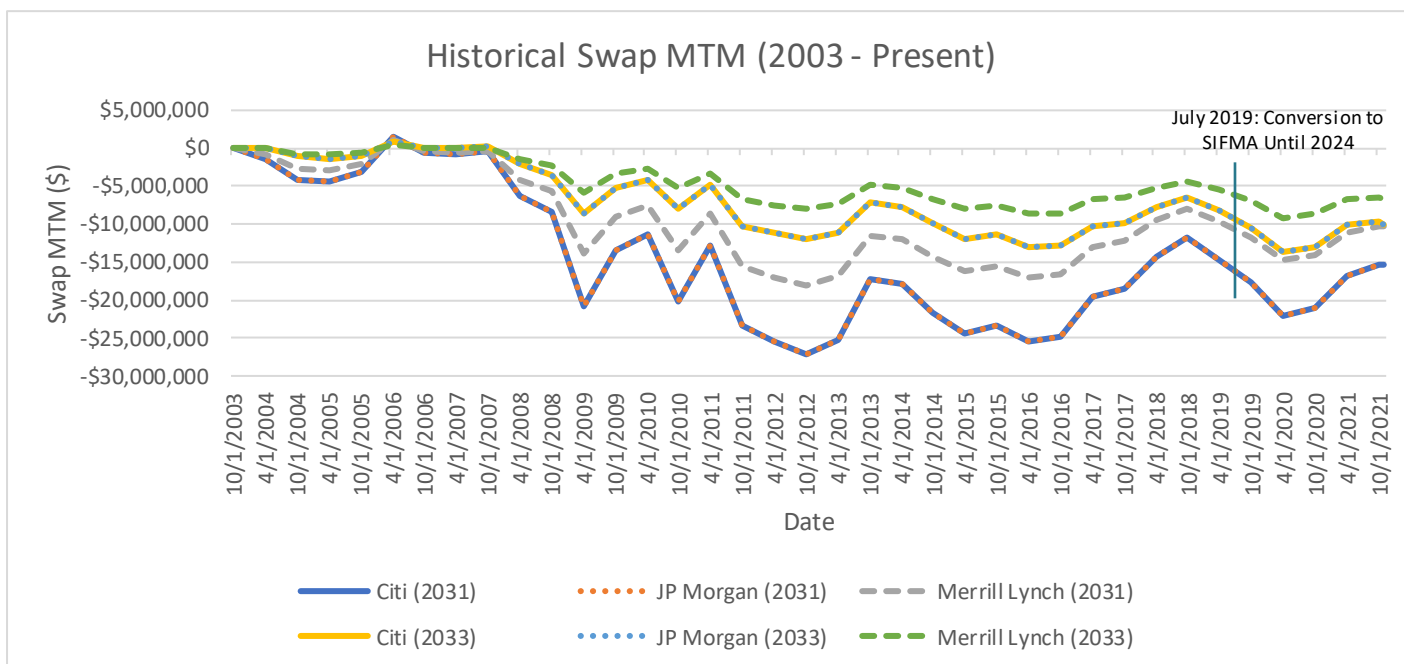
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# Summary of Battery Park City Swap Portfolio

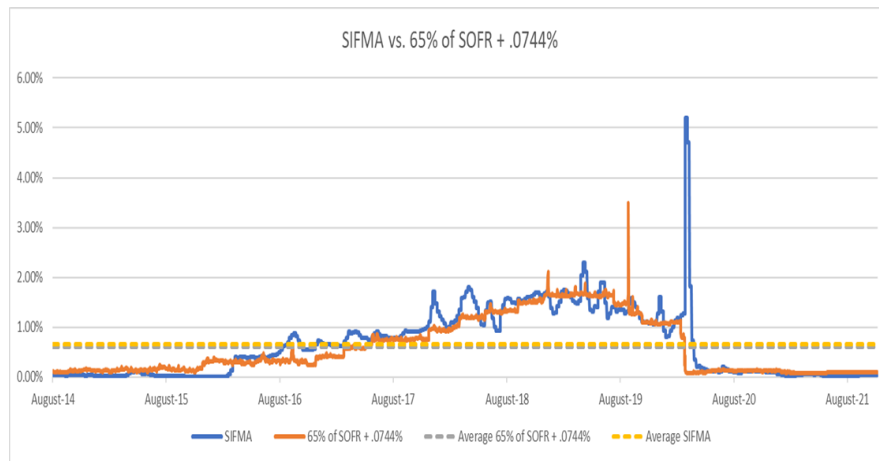
Trade Date	Current Notional	Counterparty	Termination Date	WAL (Years)	Pay	Receive	BPCA Receives SIFMA Until	Insured	Mid-MTM as of 11/26/2021	LIBOR Conversion Based on ISDA Protocol
10/02/03	\$84,356,000	Citibank	11/01/31	7.0	3.511%	SIFMA / 65% 1ML	08/06/24	-	(\$15,257,367)	65% SOFR + 0.0744%
10/02/03	\$84,356,000	JP Morgan	11/01/31	7.0	3.512%	SIFMA / 65% 1ML	08/06/24	-	(\$15,263,095)	65% SOFR + 0.0744%
10/02/03	\$56,238,000	Merrill Lynch Capital Services	11/01/31	7.0	3.512%	SIFMA / 65% 1ML	06/01/24	-	(\$10,189,322)	65% SOFR + 0.0744%
10/02/03	\$37,500,000	Citibank	11/01/33	10.9	3.500%	SIFMA / 65% 1ML	08/06/24	AGM	(\$9,977,185)	65% SOFR + 0.0744%
10/02/03	\$37,500,000	JP Morgan	11/01/33	10.9	3.4995%	SIFMA / 65% 1ML	08/06/24	AGM	(\$9,975,263)	65% SOFR + 0.0744%
10/02/03	\$25,000,000	Merrill Lynch Capital Services	11/01/33	10.9	3.490%	SIFMA / 65% 1ML	08/06/24	AGM	(\$6,625,622)	65% SOFR + 0.0744%
<b>\$324,950,000</b>				<b>8.2</b>					<b>(\$67,287,854)</b>	



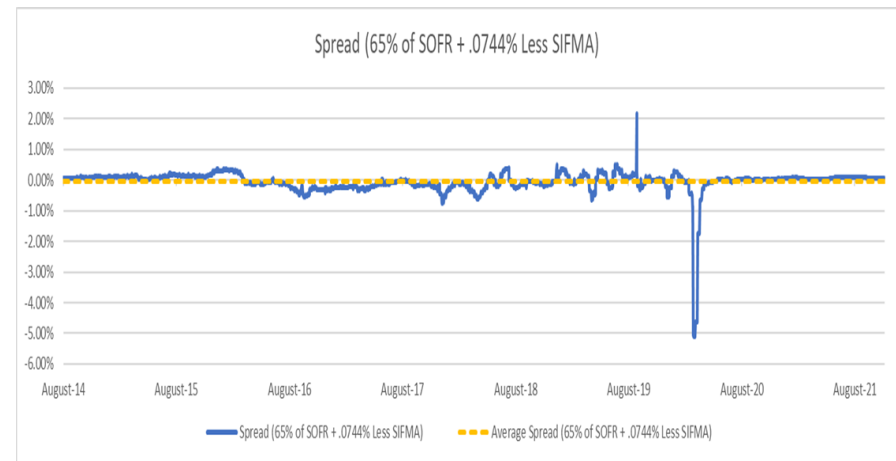


# Adherence to ISDA LIBOR Fallback Protocol

- As of October 29, 2021, Battery Park City Authority has adhered to the ISDA LIBOR Fallback Protocol
- Implications of ISDA LIBOR Fallback Protocol Adherence:
  - As of now, the floating rate on the swaps post-SIFMA in 2024 will convert to SOFR instead of LIBOR
    - Instead of 65% 1M LIBOR after 2024, BPCA will receive 65% SOFR + .0744%
  - The spread of the conversion from LIBOR to SOFR is locked in at 7.44 bps for all BPCA swaps
  - BPCA may issue floating rate notes at SOFR with no basis risk
  - Does not preclude BPCA from any restructuring or use of an alternative index for the swaps at any point



	65% of SOFR + .0744%	SIFMA	Spread (65% of SOFR + .0744% Less SIFMA)
Current	0.11%	0.05%	0.06%
Average	0.60%	0.66%	-0.06%
Max	3.49%	5.20%	2.18%
Min	0.08%	0.01%	-5.12%



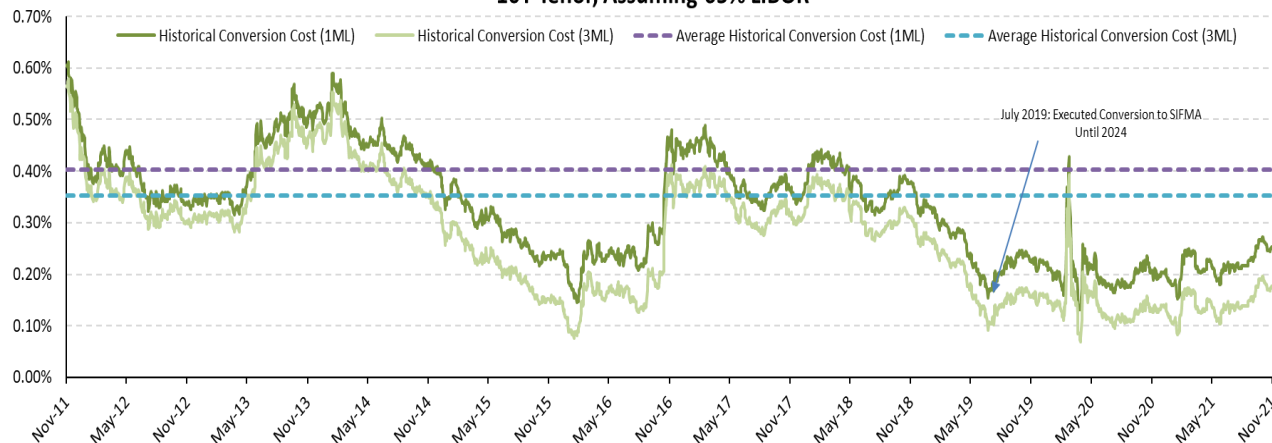
	Spread (65% of SOFR + .0744% Less SIFMA)
Current	0.06%
Average	-0.06%
Max	2.18%
Min	-5.12%

# Swap Amendment Sensitivity

- Currently, all BPCA swaps receive SIFMA until 2024 and thereafter receive 65% SOFR + .0744% until maturity
- The current market is more expensive to convert to SIFMA compared to when the original SIFMA conversion was done in 2019
- BPCA will continue to monitor the market for opportunities to convert to SIFMA or other indices

	Cost of SIFMA Conversion			
	5-Year SIFMA Conversion (2024 - 2029)		SIFMA Conversion to Maturity	
	Matures on 11/1/2031	Matures on 11/1/2033	Matures on 11/1/2031	Matures on 11/1/2033
Existing Fixed Rate	3.512%	3.500%	3.512%	3.500%
Est. New Fixed Rate	3.701%	3.665%	3.733%	3.813%
Est. Fixed Rate (Increase/Decrease)	0.189%	0.165%	0.221%	0.313%

10Y Tenor, Assuming 65% LIBOR



Est. Historical SIFMA Conversion Cost (1ML)

	Sept. 2008- Today	2014-Today	Past 2 Years	Past Year
Current	0.25%			
Average	0.40%	0.30%	0.21%	0.22%
Max.	1.23%	0.59%	0.43%	0.27%
Min.	0.13%	0.13%	0.13%	0.15%
St. Dev.	0.17%	0.10%	0.03%	0.02%

# Regulatory Disclosure

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Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, Mohanty Gargiulo LLC is required to make certain written disclosures to its municipal advisory clients which include, amongst other things, information regarding conflicts of interest and any legal or disciplinary events of Mohanty Gargiulo LLC and its associated persons. Therefore, Mohanty Gargiulo LLC is making the following disclosures.

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[www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html).

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