

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  
May 25, 2022  
12:30 p.m.

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF THE MARCH 30, 2022 MINUTES
- III. QUARTERLY INVESTMENT REPORT
- IV. INTEREST RATE SENSITIVITY
- V. MOTION TO ADJOURN

# Hugh L. Carey Battery Park City Authority

## Review of Investment Performance

Quarter Ended April 30, 2022 | [pfmam.com](http://pfmam.com) | 609.452.0263

*PFM Asset Management LLC*

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**

# Agenda

**I. Executive Summary**

**II. Summary of Aggregate Portfolio**

**III. Total Return Performance Attributes**

**IV. Market Commentary**

**V. Market Appendix**

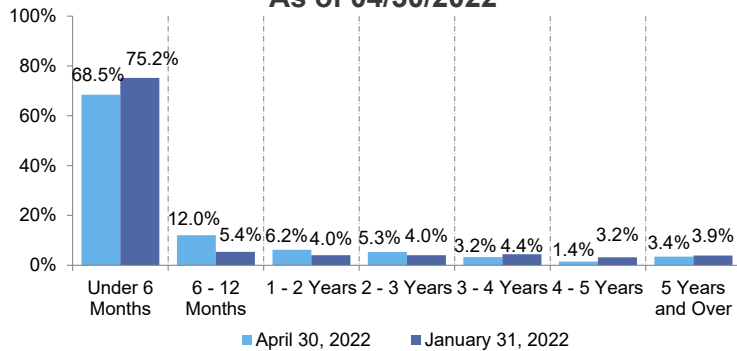
# I. Executive Summary



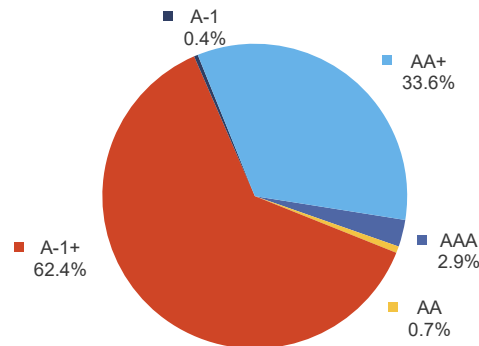
# Aggregate Portfolio Composition and Credit Quality

| Security Type <sup>1</sup>                       | April 30, 2022       | % of Portfolio | Effective Duration | January 31, 2022     | % of Portfolio | Effective Duration | QoQ Change (% of portfolio) |
|--|----------------------|----------------|--------------------|----------------------|----------------|--------------------|-----------------------------|
| U.S. Treasuries                                  | \$560,362,324        | 95.0%          | 0.67               | \$499,118,624        | 87.5%          | 0.69               | 7.5%                        |
| Federal Agencies and Instrumentalities (non-MBS) | \$16,873,934         | 2.9%           | 2.55               | \$17,965,512         | 3.1%           | 2.73               | (0.3%)                      |
| Commercial Paper                                 | \$5,492,584          | 0.9%           | 0.31               | \$46,995,795         | 8.2%           | 0.04               | (7.3%)                      |
| Municipals                                       | \$5,337,000          | 0.9%           | 1.99               | \$3,924,895          | 0.7%           | 2.65               | 0.2%                        |
| Government MBS <sup>2</sup>                      | \$2,000,919          | 0.3%           | 3.05               | \$2,349,863          | 0.4%           | 3.03               | (0.1%)                      |
| <b>Totals</b>                                    | <b>\$590,066,762</b> | <b>100.0%</b>  | <b>0.74</b>        | <b>\$570,354,689</b> | <b>100.0%</b>  | <b>0.73</b>        |                             |

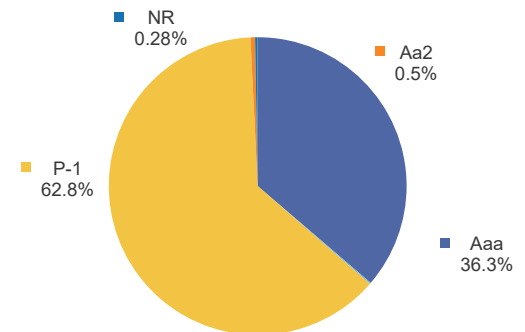
**Maturity Distribution  
As of 04/30/2022**



**Credit Quality Distribution (S&P)  
as of 04/30/2022**



**Credit Quality Distribution (Moody's)  
as of 04/30/2022**



**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.

# Performance Overview – Total Return Strategies – April 30, 2022

|   | Past Quarter  | Past 12 Months | Past 3-Years | Since Inception |
|---|---------------|----------------|--------------|-----------------|
| <b>Long-Term Strategy:</b>                                |               |                |              |                 |
| <b>2003 Reserve Fund</b>                                  | <b>-2.69%</b> | <b>-4.15%</b>  | <b>0.47%</b> | <b>2.70%</b>    |
| <i>BM: BAML 1-5 Year US Treasury Note Index</i>           | <i>-3.11%</i> | <i>-4.68%</i>  | <i>0.59%</i> | <i>2.61%</i>    |
| <b>BPCPC Operating Reserve Contingency Insurance Fund</b> | <b>-4.04%</b> | <b>-5.58%</b>  | <b>0.51%</b> | <b>3.00%</b>    |
| <b>Operating Budget Reserve</b>                           | <b>-3.96%</b> | <b>-5.57%</b>  | <b>0.49%</b> | <b>2.96%</b>    |
|   | <b>-3.92%</b> | <b>-5.53%</b>  | <b>0.52%</b> | <b>3.09%</b>    |
| <i>BM: BAML 1-10 Year US Treasury Note Index</i>          | <i>-4.35%</i> | <i>-5.81%</i>  | <i>0.52%</i> | <i>2.73%</i>    |
| <b>BPCA Other Post-Employment Benefits</b>                | <b>-3.94%</b> | <b>-5.50%</b>  | <b>0.81%</b> | <b>2.34%</b>    |
| <i>BM: BAML 1-10 Year US Treasury Note Index</i>          | <i>-4.35%</i> | <i>-5.81%</i>  | <i>0.52%</i> | <i>2.09%</i>    |
| <b>Short-Term Strategy:</b>                               |               |                |              |                 |
| <b>2003 Pledged Revenue</b>                               | <b>0.05%</b>  | <b>0.11%</b>   | <b>0.75%</b> | <b>1.17%</b>    |
| <b>2003 Project Operating Fund</b>                        | <b>-0.01%</b> | <b>0.01%</b>   | <b>0.68%</b> | <b>1.18%</b>    |
| <i>BM: BAML 3 Month US Treasury Bill Index</i>            | <i>0.06%</i>  | <i>0.08%</i>   | <i>0.75%</i> | <i>1.12%</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.
7. BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021

# Portfolio Recap – Market Drivers

## Economy

- ▶ Strategic themes shifted during the quarter as interest rates surged, volatility increased, credit spreads widened, and equity markets sold off. The Fed's tightening cycle began with a 0.25% rate increase, while Russia's invasion of Ukraine increased geopolitical uncertainty.
- ▶ Inflation continued to run hot with the consumer price index (CPI) increasing 8.5% over the past year – a new 40 year high. Energy costs again led the surge, with gasoline prices nearly doubling and fuel oil rising 70% from a year ago. Used car prices moderated, but food, transportation and shelter costs all rose at a strong clip. Rising costs are negatively impacting consumer finances, felt most acutely by lower-income households, pushing consumer sentiment readings to a decade low.
- ▶ The labor market continued to be a strong sector of the economy. In March, the U.S. economy added 431,000 jobs while the jobless rate fell to 3.6%. The number of job openings remain high as businesses continue to struggle to find workers with nearly 2 job openings for every unemployed person.

## U.S. Treasury Yields

- ▶ Treasury yields continued to rise significantly. The jump in yields comes as Fed policymakers are increasingly voicing support for front-loading the rate hike cycle to curb persisting inflation. Prospects of aggressive rate increases inspired the selloff in Treasuries.

## Federal Reserve

- ▶ The Fed raised interest rates by 25 basis points (bps) in March and signaled 7 total rate hikes in 2022. The rate hike occurred after two years of highly accommodative monetary policy to support the economy amid the Covid-19 pandemic. The Fed has taken a decidedly hawkish tilt, suggesting that reduction of its \$8.9 trillion balance sheet will begin soon and 50 bp rate hikes could occur at the next few FOMC meetings.

# Portfolio Recap – Performance & Cash Flows

## Longer-Term Funds.

- ▶ As a result of rapidly rising yields, longer-term portfolio returns were sharply negative for the quarter. On a relative basis, conservative duration positioning contributed to strong relative outperformance for the quarter. For the trailing year, relative performance remains strong, with the longer-term portfolios outperforming by 9-36 bps.
- As a result of the expectation for continued upward pressure on rates, we plan to maintain a modestly defensive duration bias relative to benchmarks.
- Supranational spreads are expected to remain tight and below historical levels as net issuance for Q1 finished well below expectations. U.S. dollar funding has recently appeared more attractive to the issuers, which could result in higher volume and new buying opportunities.
- The Agency MBS sector is likely going to continue to struggle with slow prepayments, elevated volatility, and reduction in Fed sponsorship. We remain defensive in the sector.

## Short-Term Funds

- ▶ The 2003 Pledged Revenue Fund returned 5 basis points for the quarter, performing in line with the 3-Month U.S. Treasury benchmark. The Project Operating Fund, which carries a slightly longer duration, returned -0.01%.
- ▶ Commercial paper saw significant repricing to higher yields, especially on maturities greater than six months as issuers sought longer-term funding in response to Fed rate hike expectations. Short-term paper has fully priced numerous rate hikes, offering excellent buying opportunities.
- ▶ Each portfolio continues to be structured based on anticipated liquidity needs. We expect short-term rates to continue to rise in line with FOMC meeting dates.

# Investment Policy Issuer Guidelines

| Investment Policy Issuer Guidelines         |              |                          |                        |             |                |
|---|--------------|--------------------------|------------------------|-------------|----------------|
| Issuer                                      | Actual (%)   | Actual <sup>4</sup> (\$) | IPS Limit <sup>2</sup> | S&P Rating  | Moody's Rating |
| U.S. Treasury                               | 95.13%       | 560,362,324              | 100%                   | AA+         | Aaa            |
| International Bank of Recon and Development | 1.11%        | 6,527,287                | \$250,000,000          | AAA         | Aaa            |
| International American Development Bank     | 0.78%        | 4,617,564                | \$250,000,000          | AAA         | Aaa            |
| Asian Development Bank                      | 0.57%        | 3373096.92               | \$250,000,000          | AAA         | Aaa            |
| New York City                               | 0.49%        | 2,863,903                | 10%                    | AA          | Aa2            |
| JP Morgan                                   | 0.42%        | 2,470,319                | 5%                     | A-1         | P-1            |
| African Development Bank                    | 0.40%        | 2,355,986                | \$250,000,000          | AAA         | Aaa            |
| MetLife Funding Inc                         | 0.34%        | 2,024,182                | 5%                     | A-1+        | P-1            |
| <b>Suffolk County NY</b>                    | <b>0.22%</b> | <b>1,278,999</b>         | <b>10%</b>             | <b>AA</b>   | <b>NR</b>      |
| <b>Salt River Project</b>                   | <b>0.17%</b> | <b>998,083</b>           | <b>5%</b>              | <b>A-1+</b> | <b>P-1</b>     |
| Small Business Administration               | 0.15%        | 895,909                  | 100%                   | AA+         | Aaa            |
| New York State                              | 0.14%        | 809,794                  | 10%                    | AA+         | Aa1            |
| Ginnie Mae                                  | 0.11%        | 662,922                  | 100%                   | AA+         | Aaa            |
| NY State Dorm Authority                     | 0.07%        | 384,304                  | 10%                    | AA+         | NR             |
| Fannie Mae                                  | 0.05%        | 315,300                  | \$250,000,000          | AA+         | Aaa            |
| Freddie Mac                                 | 0.02%        | 126,787                  | \$250,000,000          | AA+         | Aaa            |

## 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. BPCA's investment guidelines do not detail sector limits for commercial paper, supranationals, or Government MBS.
3. Commercial paper issuer limits are subject to the lesser of 5% or \$250 million per issuer.
4. Actual (\$) include market value plus accrued interest.
5. Bolded Issuers are new additions to the portfolio.

# Change in Value – Total Return Accounts

| Account Name                            | Beginning<br>Period Value <sup>1</sup> | (+/-) | Net Transfers <sup>2</sup> | (+/-) | Change in Value      | = | Ending<br>Period Value <sup>1</sup> |
|---|--|-------|----------------------------|-------|----------------------|---|-------------------------------------|
| <b>Longer Term Investment Strategy</b>  |  |       |                            |       |                      |   |                                     |
| 2003 Reserve Fund                       | \$34,438,912                           |       | \$0                        |       | (\$983,204)          |   | \$33,455,708                        |
| BPCPC Operating Reserve Contingency     | \$14,249,448                           |       | (\$512,551)                |       | (\$554,870)          |   | \$13,182,027                        |
| Insurance Fund                          | \$6,138,081                            |       | \$0                        |       | (\$243,016)          |   | \$5,895,065                         |
| Operating Budget Reserve                | \$22,268,031                           |       | \$0                        |       | (\$873,471)          |   | \$21,394,561                        |
| BPCA Other Post-Employment Benefits     | \$42,003,564                           |       | \$0                        |       | (\$1,654,555)        |   | \$40,349,010                        |
| BPCPC Other Post-Employment Benefits    | \$0                                    |       | \$0                        |       | \$0                  |   | \$0                                 |
| <b>Subtotal</b>                         | <b>\$119,098,036</b>                   |       | <b>(\$512,551)</b>         |       | <b>(\$4,309,115)</b> |   | <b>\$114,276,371</b>                |
| <b>Shorter Term Investment Strategy</b> |  |       |                            |       |                      |   |                                     |
| 2003 Pledged Revenue                    | \$314,153,932                          |       | (\$240,978,415)            |       | \$35,195             |   | \$73,210,712                        |
| 2003 Project Operating Fund             | \$10,614,996                           |       | (\$501,846)                |       | (\$1,037)            |   | \$10,112,112                        |
| <b>Subtotal</b>                         | <b>\$324,768,928</b>                   |       | <b>(\$241,480,261)</b>     |       | <b>\$34,158</b>      |   | <b>\$83,322,824</b>                 |
| <b>Total</b>                            | <b>\$443,866,964</b>                   |       | <b>(\$241,992,812)</b>     |       | <b>(\$4,274,957)</b> |   | <b>\$197,599,195</b>                |

Notes:

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2. Net Transfers represent the total portfolio contributions and withdrawals during the quarter.

# Change in Value – Other BPCA Accounts

| Account Name                                 | Beginning<br>Period Value <sup>1</sup> | (+/-) | Net Transfers <sup>2</sup> | (+/-) | Change in Value | = | Ending<br>Period Value <sup>1</sup> |
|--|--|-------|----------------------------|-------|-----------------|---|-------------------------------------|
| <b>PFM Asset Management Accounts</b>         |  |       |                            |       |                 |   |                                     |
| Corporate Funds                              | \$4,127,046                            |       | \$0                        |       | (\$14,965)      |   | \$4,112,081                         |
| 2000 Arbitrage Rebate                        | \$836,283                              |       | \$0                        |       | \$405           |   | \$836,688                           |
| 1993 Unpledged Revenue                       | \$12,883,050                           |       | (\$7,800,421)              |       | \$1,507         |   | \$5,084,136                         |
| 2003 Residual Fund                           | \$47,080                               |       | \$219,636,824              |       | \$82,370        |   | \$219,766,275                       |
| Joint Purpose Fund                           | \$381,727                              |       | \$0                        |       | \$263           |   | \$381,990                           |
| Special Fund                                 | \$966,546                              |       | \$0                        |       | \$468           |   | \$967,014                           |
| BPCPC Operating Reserve                      | \$1,041,654                            |       | \$0                        |       | \$375           |   | \$1,042,028                         |
| BPCA Goldman Sachs Liberty Contribution Fund | \$1,438                                |       | \$0                        |       | \$0             |   | \$1,438                             |
| BPCA Series 2009A Project Costs              | \$104,819                              |       | (\$40,137)                 |       | \$44            |   | \$64,725                            |
| BPCA2013ACDE Proj Cost Sub AC                | \$10,439,567                           |       | (\$143,059)                |       | \$5,939         |   | \$10,302,447                        |
| BPCA Pier A Reserve Fund                     | \$1,421,999                            |       | \$0                        |       | (\$2,401)       |   | \$1,419,598                         |
| BPCA 2019A Comm Ctr SB Proj                  | \$731,856                              |       | (\$564,047)                |       | \$22            |   | \$167,831                           |
| BPCA 2019A Sustainable Proj                  | \$39,175,955                           |       | (\$5,166,297)              |       | \$106           |   | \$34,009,765                        |
| BPCA 2019ABCDE COI                           | \$5,628                                |       | \$0                        |       | \$0             |   | \$5,628                             |
| BPCA 2019BDE Project                         | \$6,977,796                            |       | (\$151,984)                |       | (\$1,116)       |   | \$6,824,696                         |
| BPCA 2019C Pier A SB Proj                    | \$3,550,243                            |       | \$0                        |       | (\$505)         |   | \$3,549,737                         |
| <b>Subtotal</b>                              | <b>\$82,692,686</b>                    |       | <b>\$205,770,880</b>       |       | <b>\$72,513</b> |   | <b>\$288,536,078</b>                |

## Notes:

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2. Net Transfers represent the total portfolio contributions and withdrawals during the quarter.

# Change in Value – Other BPCA Accounts

| Account Name                             | Beginning<br>Period Value <sup>1</sup> | (+/-) | Net Transfers <sup>2</sup> | (+/-) | Change in Value    | = | Ending<br>Period Value <sup>1</sup> |
|--|--|-------|----------------------------|-------|--------------------|---|-------------------------------------|
| <b>Ramirez Asset Management Accounts</b> |  |       |                            |       |                    |   |                                     |
| Liberty Terr Mariners Cove-K             | \$305,291                              |       | \$0                        |       | \$0                |   | 305,291.10                          |
| Liberty House Mariners J                 | \$249,741                              |       | \$0                        |       | \$0                |   | \$249,741                           |
| Rector Park L                            | \$34,770                               |       | \$0                        |       | \$0                |   | \$34,770                            |
| Hudson View W Towers G                   | \$175,820                              |       | \$0                        |       | \$0                |   | \$175,820                           |
| Hudson Towers E/F                        | \$213,831                              |       | \$0                        |       | \$0                |   | \$213,831                           |
| Hudson View Towers C                     | \$188,748                              |       | \$0                        |       | \$1                |   | \$188,748                           |
| Liberty Ct Mariners Cove B               | \$623,431                              |       | \$0                        |       | \$1                |   | \$623,432                           |
| Millenium                                | \$3,763,876                            |       | \$0                        |       | \$4                |   | \$3,763,880                         |
| Liberty Battery Place Assoc 4            | \$449,528                              |       | \$0                        |       | \$1                |   | \$449,529                           |
| South Cove Assoc 11                      | \$408,230                              |       | \$0                        |       | \$0                |   | \$408,230                           |
| Soundings Rector Park A                  | \$218,478                              |       | \$0                        |       | \$0                |   | \$218,478                           |
| The Regatta Site 10                      | \$498,416                              |       | \$0                        |       | \$1                |   | \$498,417                           |
| Debt Service Junior Payments             | \$6,570,054                            |       | \$17,944,317               |       | (\$51,980)         |   | \$24,462,391                        |
| 2003 Debt Service Senior Payments        | \$12,507,975                           |       | \$52,381,401               |       | (\$196,535)        |   | \$64,692,841                        |
| BPCA Millenium Tower Security Fund 2A    | \$3,143,166                            |       | \$0                        |       | \$3                |   | \$3,143,169                         |
| BPCA S 16/17 Riverhouse Security Fund    | \$6,678,464                            |       | \$0                        |       | \$7                |   | \$6,678,471                         |
| BPCA Visionaire Security Fund            | \$4,066,933                            |       | \$0                        |       | \$4                |   | \$4,066,938                         |
| BPCA One Rector Park Security Fund       | \$998,114                              |       | \$0                        |       | \$1                |   | \$998,115                           |
| BPCA Rector Square Security Fund Site D  | \$229,843                              |       | \$0                        |       | \$1                |   | \$229,844                           |
| BPCA WFC Tower C Retail Rent Escrow      | \$259,158                              |       | \$0                        |       | \$0                |   | \$259,158                           |
| BPCA River & Warren Sec Fund - Site 19A  | \$6,150,855                            |       | \$0                        |       | \$7                |   | \$6,150,862                         |
| BPCA North Cove Marina Security Fund     | \$53,211                               |       | \$0                        |       | \$0                |   | \$53,212                            |
| <b>Subtotal</b>                          | <b>\$47,787,933</b>                    |       | <b>\$70,325,718</b>        |       | <b>(\$248,483)</b> |   | <b>\$117,865,169</b>                |

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## II. Summary of Aggregate Portfolio



# Aggregate Portfolio Issuer Breakdown

| Security Type   | April 30, 2022       | % of Portfolio | January 31, 2022     | % of Portfolio | QoQ % Change |
|---|----------------------|----------------|----------------------|----------------|--------------|
| <b>United States Treasury<sup>2</sup></b>                   |                      |                |                      |                |              |
| U.S. Treasury   | \$560,362,324        | 95.0%          | \$499,118,624        | 87.5%          | 7.5%         |
| Ginnie Mae  | \$662,922            | 0.1%           | \$772,735            | 0.1%           | (0.0%)       |
| Small Business Administration                               | \$895,909            | 0.2%           | \$1,089,043          | 0.2%           | (0.0%)       |
| <b>Federal Agencies and Instrumentalities<sup>2,3</sup></b> |                      |                |                      |                |              |
| Freddie Mac   | \$126,787            | 0.0%           | \$141,702            | 0.0%           | (0.0%)       |
| Fannie Mae  | \$315,300            | 0.1%           | \$346,383            | 0.1%           | (0.0%)       |
| International Bank of Recon and Development                 | \$6,527,287          | 1.1%           | \$6,753,724          | 1.2%           | (0.1%)       |
| International American Development Bank                     | \$4,617,564          | 0.8%           | \$4,794,704          | 0.8%           | (0.1%)       |
| Asian Development Bank                                      | \$3,373,097          | 0.6%           | \$3,983,198          | 0.7%           | (0.1%)       |
| African Development Bank                                    | \$2,355,986          | 0.4%           | \$2,433,885          | 0.4%           | (0.0%)       |
| <b>Commercial Paper<sup>2</sup></b>                         |                      |                |                      |                |              |
| JP Morgan   | \$2,470,319          | 0.4%           | \$1,999,822          | 0.4%           | 0.1%         |
| Toyota Motor Credit Corporation                             | \$0                  | 0.0%           | \$499,882            | 0.1%           | (0.1%)       |
| Salt River Project  | \$998,083            | 0.2%           | \$0                  | 0.0%           | 0.2%         |
| Bank of Montreal  | \$0                  | 0.0%           | \$9,999,870          | 1.8%           | (1.8%)       |
| Collat Comm Paper   | \$0                  | 0.0%           | \$9,998,550          | 1.8%           | (1.8%)       |
| Royal Bank of Canada NY                                     | \$0                  | 0.0%           | \$14,998,740         | 2.6%           | (2.6%)       |
| MetLife Funding Inc   | \$2,024,182          | 0.3%           | \$9,498,932          | 1.7%           | (1.3%)       |
| <b>Municipal Issuers<sup>2</sup></b>                        |                      |                |                      |                |              |
| New York City   | \$2,863,903          | 0.5%           | \$2,987,094          | 0.5%           | (0.0%)       |
| NY State Dorm Authority                                     | \$384,304            | 0.1%           | \$97,926             | 0.0%           | 0.0%         |
| New York State  | \$809,794            | 0.1%           | \$839,875            | 0.1%           | (0.0%)       |
| Suffolk County NY   | \$1,278,999          | 0.2%           | \$0                  | 0.0%           | 0.2%         |
| <b>TOTAL</b>  | <b>\$590,066,762</b> | <b>100.0%</b>  | <b>\$570,354,689</b> | <b>100.0%</b>  |              |

## 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

|   | April 30, 2022            |                    |                      | January 31, 2022          |                    |                      |               |
|---|---------------------------|--------------------|----------------------|---------------------------|--------------------|----------------------|---------------|
| <b>Longer Term Investment Strategy</b>          | Market Value <sup>1</sup> | Effective Duration | % of Total Portfolio | Market Value <sup>1</sup> | Effective Duration | % of Total Portfolio | QoQ % Change  |
| 2003 Reserve Fund                               | \$33,446,768              | 2.35               | 5.7%                 | \$34,404,119              | 2.48               | 6.0%                 | -0.4%         |
| BPCPC Operating Reserve Contingency             | \$13,179,699              | 3.38               | 2.2%                 | \$14,244,957              | 3.54               | 2.5%                 | -0.3%         |
| Insurance Fund                                  | \$5,893,762               | 3.31               | 1.0%                 | \$6,128,058               | 3.58               | 1.1%                 | -0.1%         |
| Operating Budget Reserve                        | \$21,384,186              | 3.29               | 3.6%                 | \$22,256,530              | 3.56               | 3.9%                 | -0.3%         |
| BPCA Other Post-Employment Benefits             | \$40,343,655              | 3.28               | 6.8%                 | \$41,997,831              | 3.54               | 7.4%                 | -0.5%         |
| <b>Subtotal Longer Term Investment Strategy</b> | <b>\$114,248,070</b>      | <b>3.02</b>        | <b>19.4%</b>         | <b>\$119,031,493</b>      | <b>3.24</b>        | <b>20.9%</b>         | <b>-1.5%</b>  |
| <b>Short Term Investment Strategy</b>           |                           |                    |                      |                           |                    |                      |               |
| 2003 Pledged Revenue                            | \$73,135,210              | 0.09               | 12.4%                | \$311,934,768             | 0.04               | 54.7%                | -42.3%        |
| 2003 Project Operating Fund                     | \$10,111,754              | 0.23               | 1.7%                 | \$10,614,582              | 0.15               | 1.9%                 | -0.1%         |
| <b>Subtotal Short Term Investment Strategy</b>  | <b>\$83,246,963</b>       | <b>0.11</b>        | <b>14.1%</b>         | <b>\$322,549,351</b>      | <b>0.05</b>        | <b>56.6%</b>         | <b>-42.4%</b> |
| <b>Subtotal of Total Return Accounts</b>        | <b>\$197,495,033</b>      | <b>1.79</b>        | <b>33.5%</b>         | <b>\$441,580,844</b>      | <b>0.91</b>        | <b>77.4%</b>         | <b>-44.0%</b> |

Notes:

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

# Portfolio Value – Other BPCA Accounts

|  | April 30, 2022            |                    |                      | January 31, 2022          |                    |                      | QoQ % Change |
|--|---------------------------|--------------------|----------------------|---------------------------|--------------------|----------------------|--------------|
|  | Market Value <sup>1</sup> | Effective Duration | % of Total Portfolio | Market Value <sup>1</sup> | Effective Duration | % of Total Portfolio |              |
| Corporate Funds                              | \$4,110,333               | 0.56               | 0.7%                 | \$4,124,161               | 0.76               | 0.7%                 | (0.0%)       |
| 2000 Arbitrage Rebate                        | \$835,282                 | 0.15               | 0.1%                 | \$835,899                 | 0.14               | 0.1%                 | (0.0%)       |
| 1993 Unpledged Revenue                       | \$5,081,313               | 0.09               | 0.9%                 | \$12,724,971              | 0.01               | 2.2%                 | (1.4%)       |
| 2003 Residual Fund                           | \$219,765,387             | 0.08               | 37.2%                | \$46,995                  | 0.14               | 0.0%                 | 37.2%        |
| Joint Purpose Fund                           | \$381,783                 | 0.13               | 0.1%                 | \$381,520                 | 0.38               | 0.1%                 | (0.0%)       |
| Special Fund                                 | \$965,170                 | 0.15               | 0.2%                 | \$965,884                 | 0.14               | 0.2%                 | (0.0%)       |
| BPCPC Operating Reserve                      | \$1,040,998               | 0.01               | 0.2%                 | \$1,040,963               | 0.11               | 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              | \$63,897                  | 0.21               | 0.0%                 | \$103,972                 | 0.20               | 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                | \$10,301,245              | 0.10               | 1.7%                 | \$10,437,608              | 0.25               | 1.8%                 | (0.1%)       |
| BPCA2013B PROJ COSTS SUB AC                  | \$0                       | 0.00               | 0.0%                 | \$0                       | 0.00               | 0.0%                 | -            |
| BPCA PIER A RESERVE FUND                     | \$1,417,448               | 0.41               | 0.2%                 | \$1,419,452               | 0.53               | 0.2%                 | (0.0%)       |
| BPCA SUBORDINATED PAYMENT ACCOUNT            | \$0                       | 0.00               | 0.0%                 | \$0                       | 0.00               | 0.0%                 | -            |
| BPCA 2019A Comm Ctr SB Proj                  | \$167,614                 | 0.26               | 0.0%                 | \$718,281                 | 0.26               | 0.1%                 | (0.1%)       |
| BPCA 2019A Sustainable Proj                  | \$34,009,072              | 0.21               | 5.8%                 | \$39,174,674              | 0.11               | 6.9%                 | (1.1%)       |
| BPCA 2019ABCDE COI                           | \$0                       | 0.00               | 0.0%                 | \$0                       | 0.00               | 0.0%                 | -            |
| BPCA 2019BDE Project                         | \$6,823,828               | 0.23               | 1.2%                 | \$6,975,593               | 0.14               | 1.2%                 | (0.1%)       |
| BPCA 2019C Pier A SB Proj                    | \$3,548,013               | 0.25               | 0.6%                 | \$3,548,522               | 0.15               | 0.6%                 | (0.0%)       |
| Liberty Terr Mariners Cove-K                 | \$305,272                 | 0.27               | 0.1%                 | \$304,888                 | 0.00               | 0.1%                 | (0.0%)       |
| Liberty House Mariners J                     | \$249,406                 | 0.27               | 0.0%                 | \$248,908                 | 0.00               | 0.0%                 | (0.0%)       |
| Rector Park L                                | \$33,919                  | 0.27               | 0.0%                 | \$33,987                  | 0.00               | 0.0%                 | (0.0%)       |
| Hudson View W Towers G                       | \$175,581                 | 0.27               | 0.0%                 | \$174,936                 | 0.00               | 0.0%                 | (0.0%)       |
| Hudson Towers E/F                            | \$213,491                 | 0.27               | 0.0%                 | \$212,922                 | 0.00               | 0.0%                 | (0.0%)       |
| Hudson View Towers C                         | \$188,551                 | 0.27               | 0.0%                 | \$187,931                 | 0.00               | 0.0%                 | (0.0%)       |
| Liberty Ct Mariners Cove B                   | \$622,516                 | 0.27               | 0.1%                 | \$622,771                 | 0.00               | 0.1%                 | (0.0%)       |
| Millenium                                    | \$3,763,030               | 0.27               | 0.6%                 | \$3,763,614               | 0.00               | 0.7%                 | (0.0%)       |
| Liberty Battery Place Assoc 4                | \$448,930                 | 0.27               | 0.1%                 | \$448,835                 | 0.00               | 0.1%                 | (0.0%)       |
| South Cove Assoc 11                          | \$408,027                 | 0.27               | 0.1%                 | \$407,850                 | 0.00               | 0.1%                 | (0.0%)       |
| Soundings Rector Park A                      | \$217,482                 | 0.27               | 0.0%                 | \$217,920                 | 0.00               | 0.0%                 | (0.0%)       |
| The Regatta Site 10                          | \$497,813                 | 0.27               | 0.1%                 | \$497,817                 | 0.00               | 0.1%                 | (0.0%)       |
| Debt Service Junior Payments                 | \$22,901,651              | 0.52               | 3.9%                 | \$5,069,883               | 0.00               | 0.9%                 | 3.0%         |
| 2003 Debt Service Senior Payments            | \$52,459,108              | 0.61               | 8.9%                 | \$12,507,034              | 0.00               | 2.2%                 | 6.7%         |
| BPCA Millenium Tower Security Fund 2A        | \$3,142,509               | 0.27               | 0.5%                 | \$3,142,843               | 0.00               | 0.6%                 | (0.0%)       |
| BPCA S 16/17 Riverhouse Security Fund        | \$6,678,082               | 0.27               | 1.1%                 | \$6,677,542               | 0.00               | 1.2%                 | (0.0%)       |
| BPCA Visionaire Security Fund                | \$4,066,307               | 0.27               | 0.7%                 | \$4,066,503               | 0.00               | 0.7%                 | (0.0%)       |
| BPCA Pier A Security Deposit Account         | \$0                       | 0.00               | 0.0%                 | \$0                       | 0.00               | 0.0%                 | -            |
| BPCA One Rector Park Security Fund           | \$997,622                 | 0.27               | 0.2%                 | \$997,633                 | 0.00               | 0.2%                 | (0.0%)       |
| BPCA Rector Square Security Fund Site D      | \$229,453                 | 0.27               | 0.0%                 | \$228,916                 | 0.00               | 0.0%                 | (0.0%)       |
| BPCA WFC TOWER C RETAIL RENT ESCROW          | \$258,384                 | 0.27               | 0.0%                 | \$258,905                 | 0.00               | 0.0%                 | (0.0%)       |
| BPCA RIVER & WARREN SEC FUND - SITE 19A      | \$6,150,340               | 0.27               | 1.0%                 | \$6,150,736               | 0.00               | 1.1%                 | (0.0%)       |
| BPCA NORTH COVE MARINA SECURITY FUND         | \$52,874                  | 0.27               | 0.0%                 | \$52,981                  | 0.00               | 0.0%                 | (0.0%)       |
| <b>Subtotal of Other BPCA Accounts</b>       | <b>\$392,571,729</b>      | <b>0.22</b>        | <b>66.5%</b>         | <b>\$128,773,845</b>      | <b>0.10</b>        | <b>22.6%</b>         | <b>44.0%</b> |

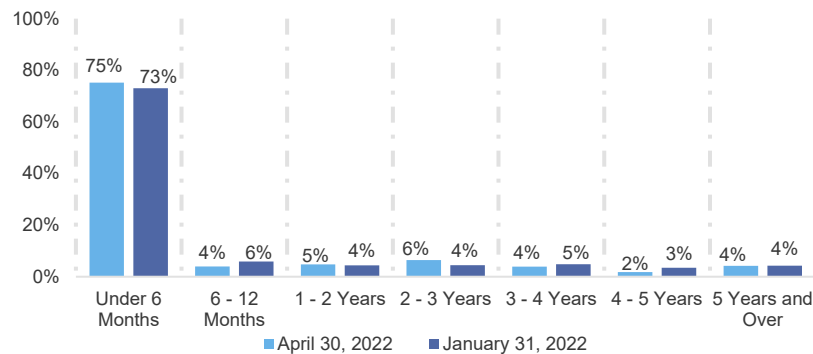
## Notes:

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.

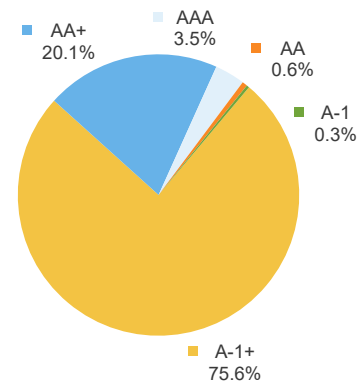
# Aggregate Portfolio Summary: PFM Asset Management

| Security Type <sup>1</sup>             | April 30, 2022       | % of Advisor | % of Total Portfolio | Effective Duration | January 31, 2022     | % of Advisor  | % of Total Portfolio | Effective Duration | QoQ Change (% of Advisor) |
|--|----------------------|--------------|----------------------|--------------------|----------------------|---------------|----------------------|--------------------|---------------------------|
| U.S. Treasuries                        | \$459,603,884        | 94.6%        | 77.9%                | 0.71               | \$452,875,896        | 86.4%         | 79.4%                | 0.76               | 8.2%                      |
| Federal Agencies and Instrumentalities | \$16,873,934         | 3.5%         | 2.9%                 | 2.55               | \$17,965,512         | 3.4%          | 3.1%                 | 2.73               | 0.0%                      |
| Commercial Paper                       | \$3,499,048          | 0.7%         | 0.6%                 | 0.36               | \$46,995,795         | 9.0%          | 8.2%                 | 0.04               | (8.2%)                    |
| Municipals                             | \$4,058,001          | 0.8%         | 0.7%                 | 2.58               | \$3,924,895          | 0.7%          | 0.7%                 | 2.65               | 0.1%                      |
| Government MBS <sup>2</sup>            | \$1,971,546          | 0.4%         | 0.3%                 | 3.07               | \$2,317,238          | 0.4%          | 0.4%                 | 3.07               | (0.0%)                    |
| <b>Totals</b>                          | <b>\$486,006,414</b> | <b>100%</b>  | <b>82.4%</b>         | <b>0.80</b>        | <b>\$524,079,337</b> | <b>100.0%</b> | <b>91.9%</b>         | <b>0.79</b>        |                           |

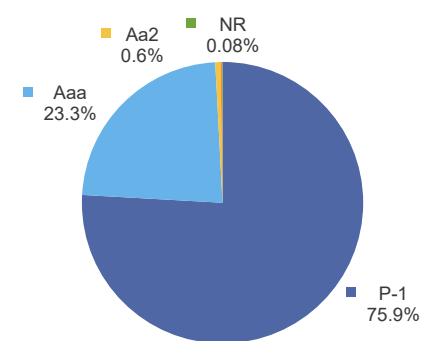
**Maturity Distribution  
as of 04/30/2022**



**Credit Quality (S&P)  
as of 04/30/2022**



**Credit Quality (Moody's)  
as of 04/30/2022**



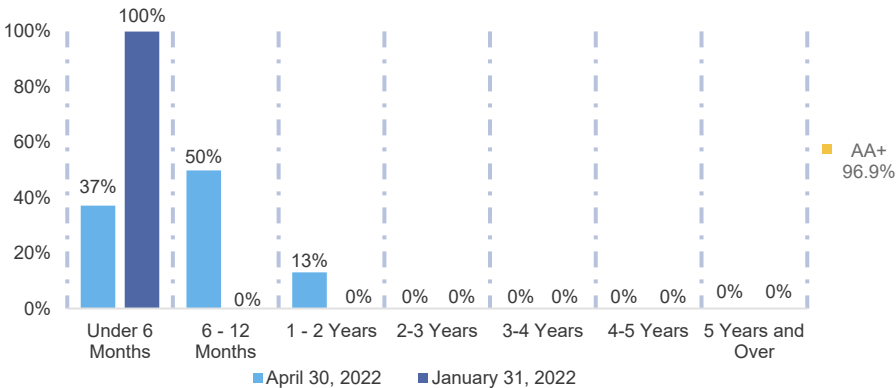
**Notes:**

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.

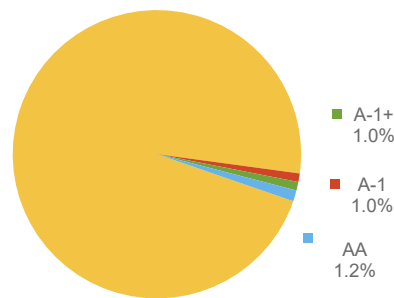
# Aggregate Portfolio Summary: Ramirez Asset Management

| Security Type <sup>1</sup>                       | April 30, 2022       | % of Advisor | % of Total Portfolio | Effective Duration | January 31, 2022    | % of Advisor  | % of Total Portfolio | Effective Duration | QoQ Change (% of Advisor) |
|--|----------------------|--------------|----------------------|--------------------|---------------------|---------------|----------------------|--------------------|---------------------------|
| U.S. Treasuries                                  | \$100,758,440        | 96.8%        | 17.1%                | 0.51               | \$46,242,727        | 99.9%         | 9.5%                 | 0.21               | (3.1%)                    |
| Federal Agencies and Instrumentalities (non-MBS) | \$0                  | 0.0%         | 0.0%                 | 0.00               | \$0                 | 0.0%          | 0.0%                 | 0.00               | -                         |
| Commercial Paper                                 | \$1,993,536          | 1.9%         | 0.3%                 | 0.22               | \$0                 | 0.0%          | 0.0%                 | 0.00               | 1.9%                      |
| Municipals                                       | \$1,278,999          | 1.2%         | 0.2%                 | 0.12               | \$0                 | 0.0%          | 0.0%                 | 0.00               | 1.2%                      |
| Government MBS <sup>2</sup>                      | \$29,373             | 0.0%         | 0.0%                 | 1.70               | \$32,625            | 0.1%          | 0.0%                 | 1.77               | (0.0%)                    |
| <b>Totals</b>                                    | <b>\$104,060,348</b> | <b>100%</b>  | <b>17.6%</b>         | <b>0.50</b>        | <b>\$46,275,352</b> | <b>100.0%</b> | <b>9.5%</b>          | <b>0.21</b>        |                           |

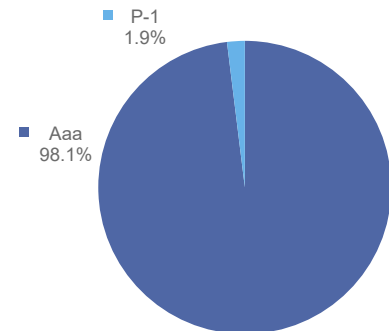
**Maturity Distribution  
as of 04/30/2022**



**Credit Quality (S&P)  
as of 04/30/2022**



**Credit Quality (Moody's)  
as of 04/30/2022**



**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.

# Portfolio Earnings – PFMAM-Managed Accounts

| <b>Portfolio Earnings</b><br><i>Quarter-Ended April 30, 2022</i> |  |                                       |
|--|--|---------------------------------------|
|  | <b>Market Value Basis <sup>3</sup></b> | <b>Accrual (Amortized Cost) Basis</b> |
| Beginning Value - January 2022 <sup>1</sup>                      | \$523,501,456                          | \$524,241,840                         |
| Net Purchases (Sales)  | (\$33,321,204)                         | (\$33,321,204)                        |
| Change in Value  | (\$4,660,720)                          | \$64,200                              |
| Ending Value - April 2022 <sup>1</sup>                           | \$485,519,532                          | \$490,984,836                         |
| Net Income <sup>2</sup>  | \$458,276                              | \$458,276                             |
| Portfolio Earnings   | (\$4,202,445)                          | \$522,476                             |

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><br><i>Quarter-Ended April 30, 2022</i> |  |  |
|--|--|--|
|  | <b>Market Value Basis <sup>1,4</sup></b> | <b>Accrual (Amortized Cost) Basis <sup>2</sup></b> |
| Beginning Value - January 2022                                   | \$46,275,176                             | \$46,274,515                                       |
| Net Purchases (Sales)  | \$58,272,585                             | \$58,272,585                                       |
| Change in Value  | (\$560,751)                              | (\$533,663)  |
| Ending Value -April 2022   | \$103,987,010                            | \$104,013,437                                      |
| Net Income <sup>3</sup>  | \$312,263                                | \$312,263  |
| Portfolio Earnings   | (\$248,488)                              | (\$221,400)  |

Notes:

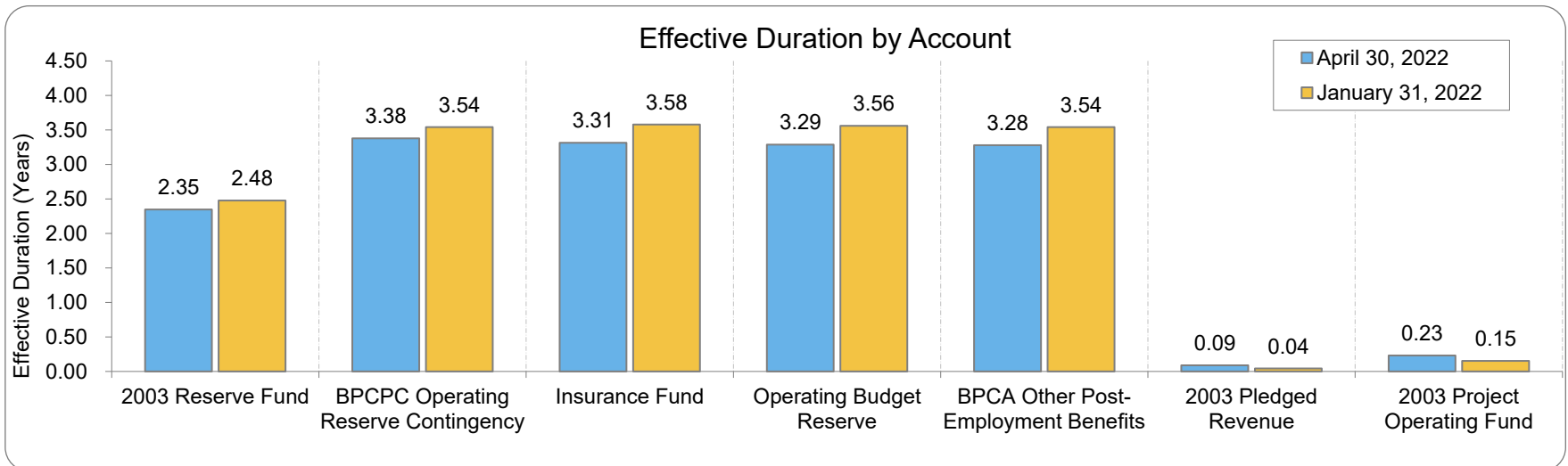
1. Underlying data for Market Value Basis supplied by Advent APX, values exclude accrued income and cash balances at the bank.
2. Accrual (Amortized Cost) Basis data provided by custodian, BNY-Mellon.
3. Net Income includes coupon income paid, change in beginning and ending accruals, and purchased/sold 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 |                  |
|--|-------------------------------|------------------|-------------------------------|------------------|-----------------------------|------------------|
|  | April 30, 2022                | January 31, 2022 | April 30, 2022                | January 31, 2022 | April 30, 2022              | January 31, 2022 |
| <b>Longer Term Investment Strategy</b> |                               |                  |                               |                  |                             |                  |
| 2003 Reserve Fund                      | <b>2.35</b>                   | 2.48             | <b>2.70%</b>                  | 1.30%            | <b>1.18%</b>                | 1.15%            |
| BPCPC Operating Reserve Contingency    | <b>3.38</b>                   | 3.54             | <b>2.79%</b>                  | 1.44%            | <b>1.44%</b>                | 1.44%            |
| Insurance Fund                         | <b>3.31</b>                   | 3.58             | <b>2.74%</b>                  | 1.40%            | <b>1.41%</b>                | 1.41%            |
| Operating Budget Reserve               | <b>3.29</b>                   | 3.56             | <b>2.74%</b>                  | 1.41%            | <b>0.99%</b>                | 0.99%            |
| BPCA Other Post-Employment Benefits    | <b>3.28</b>                   | 3.54             | <b>2.77%</b>                  | 1.42%            | <b>1.36%</b>                | 1.36%            |
| <b>Short Term Investment Strategy</b>  |                               |                  |                               |                  |                             |                  |
| 2003 Pledged Revenue                   | <b>0.09</b>                   | 0.04             | <b>0.30%</b>                  | 0.06%            | <b>0.35%</b>                | 0.05%            |
| 2003 Project Operating Fund            | <b>0.23</b>                   | 0.15             | <b>0.74%</b>                  | 0.15%            | <b>0.65%</b>                | 0.12%            |



BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021

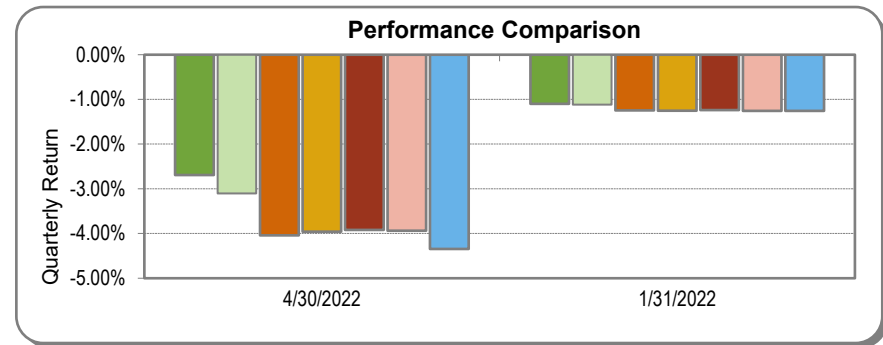
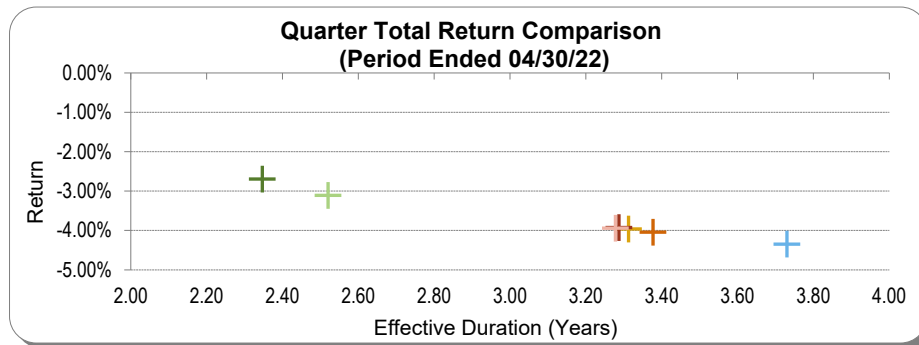
# **Portfolios Managed with a Longer-Term Investment Strategy**



# Longer-Term Investment Strategy

| Total Return <sup>1,2,4,5</sup>           | April 30, 2022 | Annualized Since Inception |
|---|----------------|----------------------------|
| 2003 Reserve Fund                         | (2.69%)        | 2.70%                      |
| BM: BAML 1-5 Year US Treasury Note Index  | (3.11%)        | 2.61%                      |
| BPCPC Operating Reserve Contingency       | (4.04%)        | 3.00%                      |
| Insurance Fund                            | (3.96%)        | 2.96%                      |
| Operating Budget Reserve                  | (3.92%)        | 3.09%                      |
| BM: BAML 1-10 Year US Treasury Note Index | (4.35%)        | 2.73%                      |
| BPCA Other Post-Employment Benefits       | (3.94%)        | 2.34%                      |
| BM: BAML 1-10 Year US Treasury Note Index | (4.35%)        | 2.09%                      |

| Effective Duration (in years) <sup>3</sup> | April 30, 2022 | January 31, 2022 |
|--|----------------|------------------|
| 2003 Reserve Fund                          | 2.35           | 2.48             |
| BM: BAML 1-5 Year US Treasury Note Index   | 2.52           | 2.55             |
| BPCPC Operating Reserve Contingency        | 3.38           | 3.54             |
| Insurance Fund                             | 3.31           | 3.58             |
| Operating Budget Reserve                   | 3.29           | 3.56             |
| BPCA Other Post-Employment Benefits        | 3.28           | 3.54             |
| BM: BAML 1-10 Year US Treasury Note Index  | 3.73           | 3.81             |



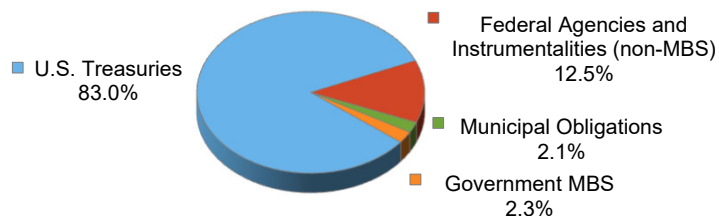
## Notes:

- 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.
- BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021

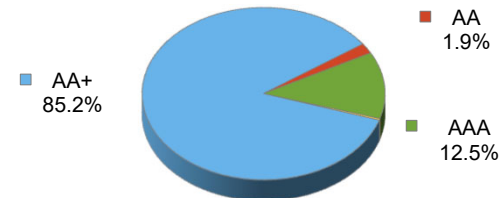
# 2003 Reserve Fund Portfolio

| Security Type <sup>1</sup>                       | April 30, 2022      | % of Portfolio | January 31, 2022    | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|---------------------|----------------|--------------|
| U.S. Treasuries                                  | \$27,753,383        | 83.0%          | \$28,012,092        | 81.4%          | 1.6%         |
| Federal Agencies and Instrumentalities (non-MBS) | \$4,194,527         | 12.5%          | \$4,839,664         | 14.1%          | (1.5%)       |
| Commercial Paper                                 | \$0                 | 0.0%           | \$0                 | 0.0%           | 0.0%         |
| Municipal Obligations                            | \$715,096           | 2.1%           | \$667,242           | 1.9%           | 0.2%         |
| Government MBS                                   | \$783,762           | 2.3%           | \$885,121           | 2.6%           | (0.2%)       |
| <b>Totals</b>                                    | <b>\$33,446,768</b> | <b>100.0%</b>  | <b>\$34,404,119</b> | <b>100.0%</b>  |              |

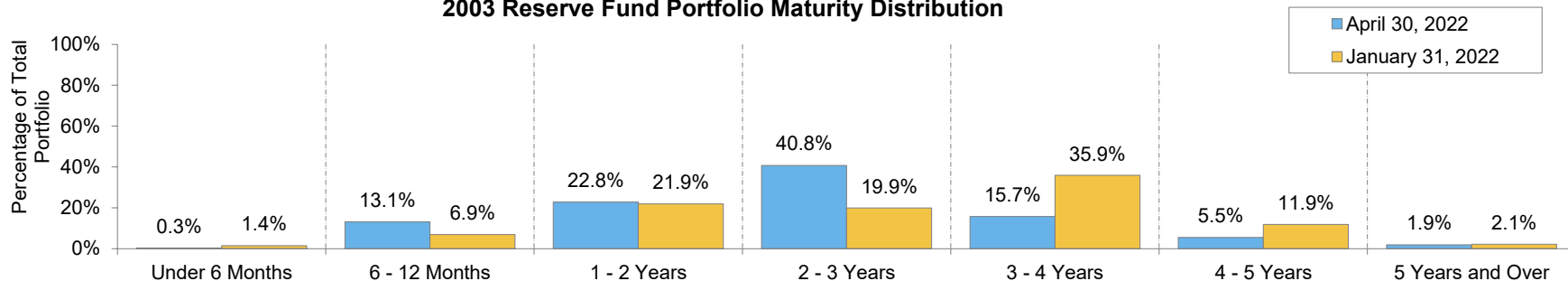
**Portfolio Composition  
as of 04/30/22**



**Credit Quality Distribution  
as of 04/30/22**



**2003 Reserve Fund Portfolio Maturity Distribution**



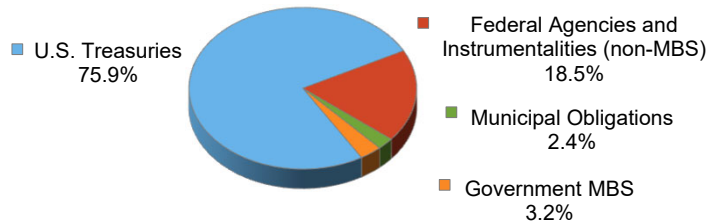
**Notes:**

- 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.

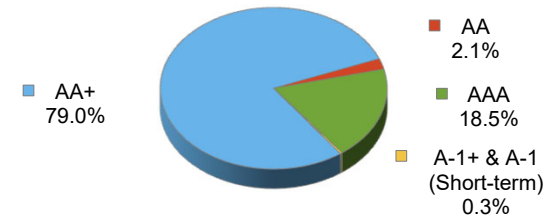
# BPCPC Operating Reserve Contingency Portfolio

| Security Type <sup>1</sup>                       | April 30, 2022      | % of Portfolio | January 31, 2022    | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|---------------------|----------------|--------------|
| U.S. Treasuries                                  | \$10,004,954        | 75.9%          | \$10,922,422        | 76.7%          | (0.8%)       |
| Federal Agencies and Instrumentalities (non-MBS) | \$2,444,670         | 18.5%          | \$2,531,060         | 17.8%          | 0.8%         |
| Commercial Paper                                 | \$0                 | 0.0%           | \$0                 | 0.0%           | 0.0%         |
| Municipal Obligations                            | \$314,472           | 2.4%           | \$292,948           | 2.1%           | 0.3%         |
| Government MBS                                   | \$415,604           | 3.2%           | \$498,526           | 3.5%           | (0.3%)       |
| <b>Totals</b>                                    | <b>\$13,179,699</b> | <b>100.0%</b>  | <b>\$14,244,957</b> | <b>100.0%</b>  |              |

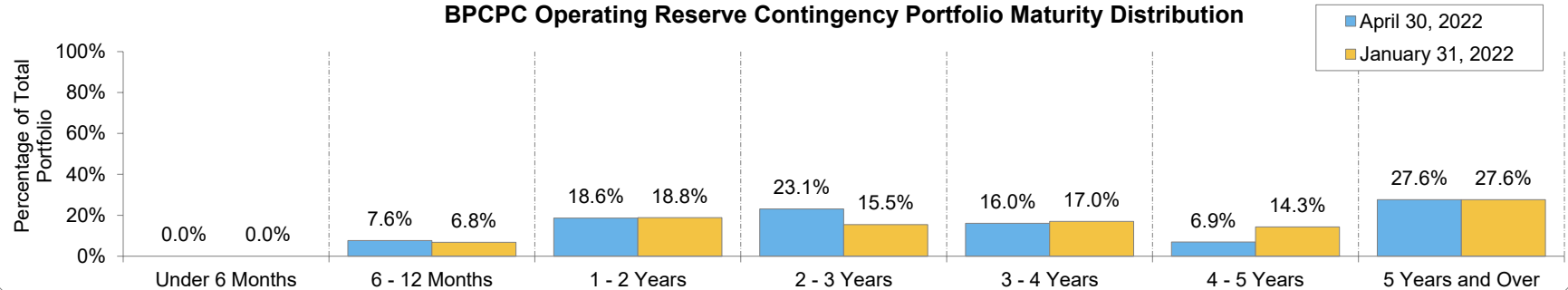
**Portfolio Composition  
as of 04/30/22**



**Credit Quality Distribution  
as of 04/30/22**



**BPCPC Operating Reserve Contingency Portfolio Maturity Distribution**



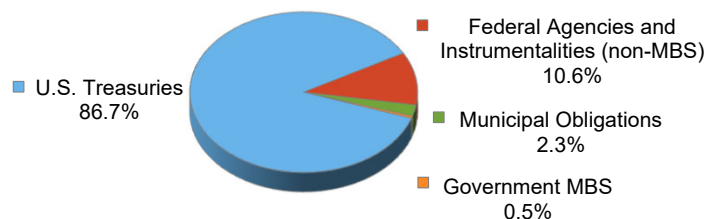
**Notes:**

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.

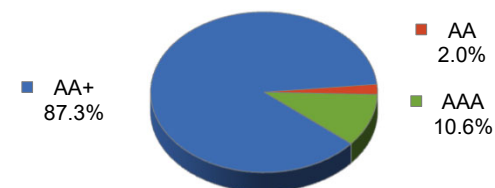
# Insurance Fund Portfolio

| Security Type <sup>1</sup>                       | April 30, 2022     | % of Portfolio | January 31, 2022   | % of Portfolio | QoQ % Change |
|--|--------------------|----------------|--------------------|----------------|--------------|
| U.S. Treasuries                                  | \$5,107,051        | 86.7%          | \$5,323,185        | 86.9%          | (0.2%)       |
| Federal Agencies and Instrumentalities (non-MBS) | \$626,476          | 10.6%          | \$649,778          | 10.6%          | 0.0%         |
| Commercial Paper                                 | \$0                | 0.0%           | \$0                | 0.0%           | 0.0%         |
| Municipal Obligations                            | \$133,416          | 2.3%           | \$124,130          | 2.0%           | 0.2%         |
| Government MBS                                   | \$26,819           | 0.5%           | \$30,965           | 0.5%           | (0.1%)       |
| <b>Totals</b>                                    | <b>\$5,893,762</b> | <b>100.0%</b>  | <b>\$6,128,058</b> | <b>100.0%</b>  |              |

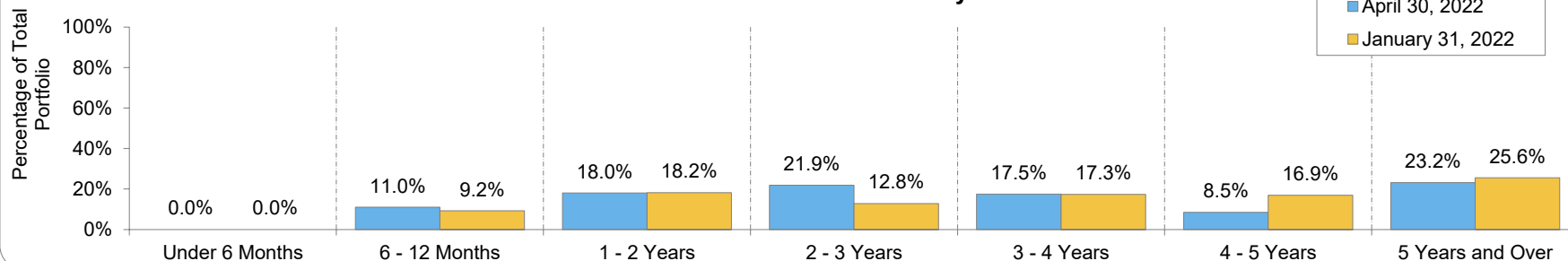
**Portfolio Composition  
as of 04/30/22**



**Credit Quality Distribution  
as of 04/30/22**



**Insurance Fund Portfolio Maturity Distribution**



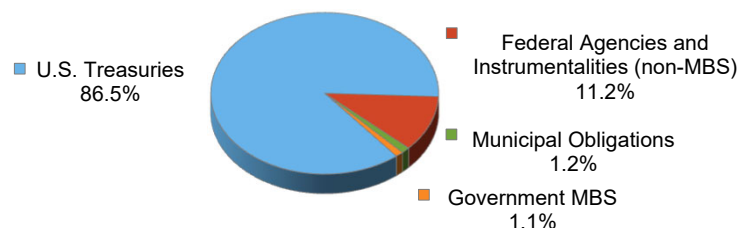
**Notes:**

- 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.

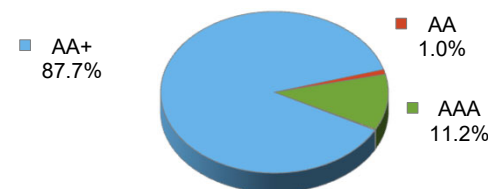
# Operating Budget Reserve Portfolio

| Security Type <sup>1</sup>                       | April 30, 2022      | % of Portfolio | January 31, 2022    | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|---------------------|----------------|--------------|
| U.S. Treasuries                                  | \$18,493,681        | 86.5%          | \$19,292,694        | 86.7%          | (0.2%)       |
| Federal Agencies and Instrumentalities (non-MBS) | \$2,392,362         | 11.2%          | \$2,474,941         | 11.1%          | 0.1%         |
| Commercial Paper                                 | \$0                 | 0.0%           | \$0                 | 0.0%           | 0.0%         |
| Municipal Obligations                            | \$262,816           | 1.2%           | \$213,504           | 1.0%           | 0.3%         |
| Government MBS                                   | \$235,328           | 1.1%           | \$275,390           | 1.2%           | (0.1%)       |
| <b>Totals</b>                                    | <b>\$21,384,186</b> | <b>100.0%</b>  | <b>\$22,256,530</b> | <b>100.0%</b>  |              |

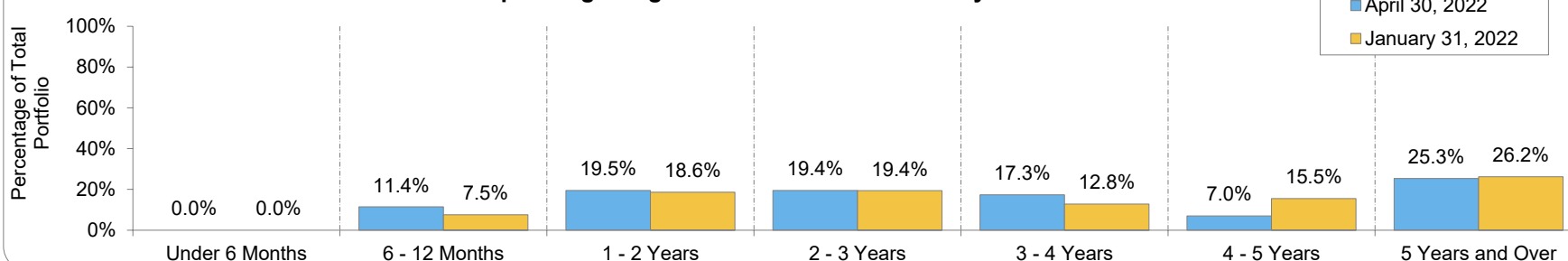
**Portfolio Composition  
as of 04/30/22**



**Credit Quality Distribution  
as of 04/30/22**



**Operating Budget Reserve Portfolio Maturity Distribution**



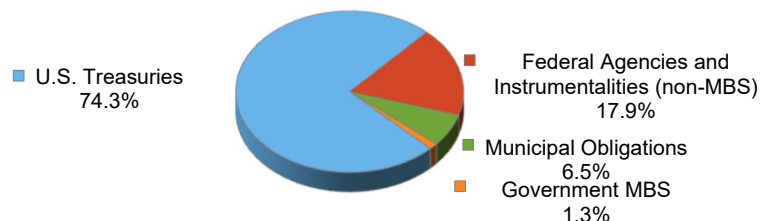
**Notes:**

- 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.

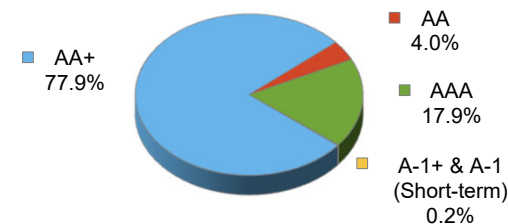
# BPCA OPEB Portfolio

| Security Type <sup>1</sup>                       | April 30, 2022      | % of Portfolio | January 31, 2022    | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|---------------------|----------------|--------------|
| U.S. Treasuries                                  | \$29,985,521        | 74.3%          | \$31,273,456        | 74.5%          | (0.1%)       |
| Federal Agencies and Instrumentalities (non-MBS) | \$7,215,900         | 17.9%          | \$7,470,068         | 17.8%          | 0.1%         |
| Commercial Paper                                 | \$0                 | 0.0%           | \$0                 | 0.0%           | 0.0%         |
| Municipal Obligations                            | \$2,632,202         | 6.5%           | \$2,627,071         | 6.3%           | 0.3%         |
| Government MBS                                   | \$510,032           | 1.3%           | \$627,236           | 1.5%           | (0.2%)       |
| <b>Totals</b>                                    | <b>\$40,343,655</b> | <b>100.0%</b>  | <b>\$41,997,831</b> | <b>100.0%</b>  |              |

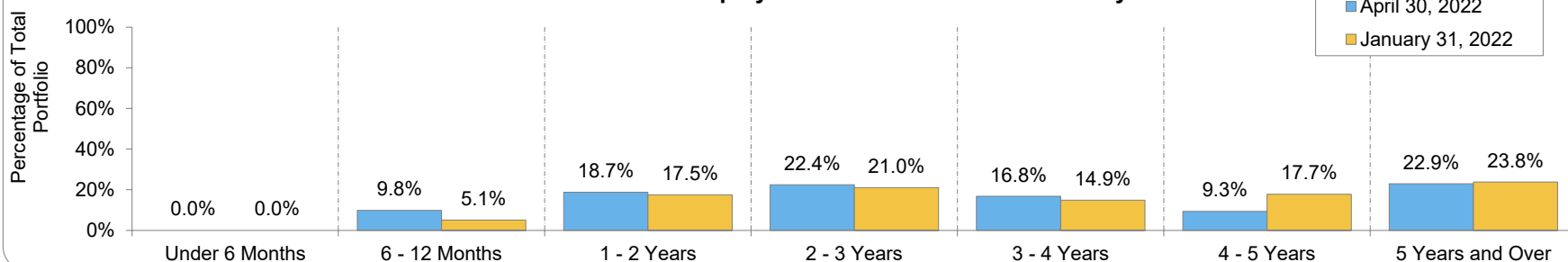
**Portfolio Composition  
as of 04/30/22**



**Credit Quality Distribution  
as of 04/30/22**



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



**Notes:**

- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, 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.
- BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021

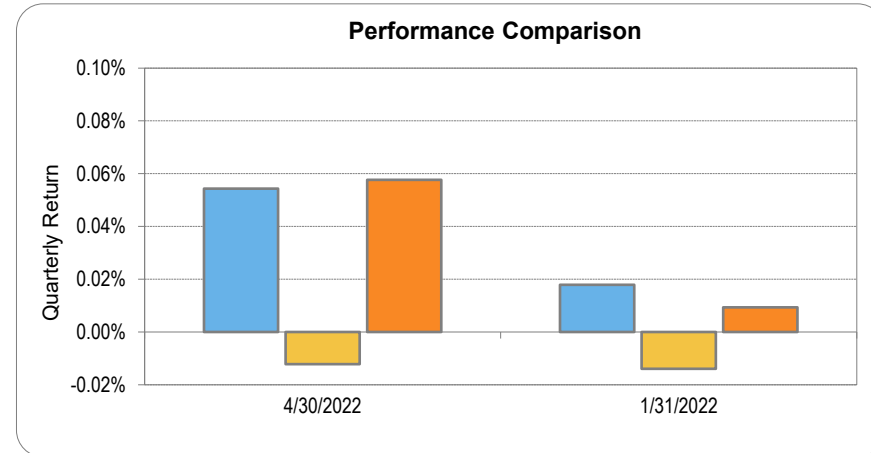
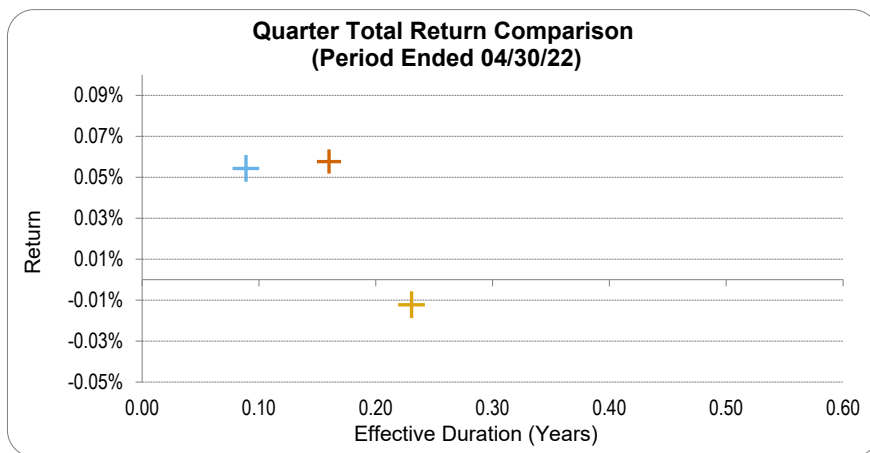
# **Portfolios Managed with a Shorter-Term Investment Strategy**



# Shorter-Term Investment Strategy

| Total Return <sup>1,2,4,5</sup>         | April 30, 2022 | Annualized Since Inception |
|---|----------------|----------------------------|
| 2003 Pledged Revenue                    | 0.05%          | 1.17%                      |
| 2003 Project Operating Fund             | -0.01%         | 1.18%                      |
| BM: BAML 3 Month US Treasury Bill Index | 0.06%          | 1.12%                      |

| Effective Duration (in years) <sup>3</sup> | April 30, 2022 | January 31, 2022 |
|--|----------------|------------------|
| 2003 Pledged Revenue                       | 0.09           | 0.04             |
| 2003 Project Operating Fund                | 0.23           | 0.15             |
| BM: BAML 3-Month US Treasury Bill Index    | 0.16           | 0.16             |



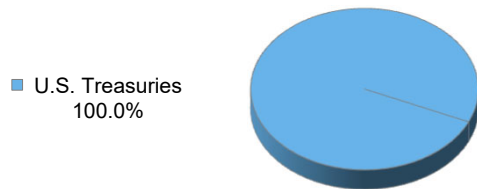
## Notes:

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

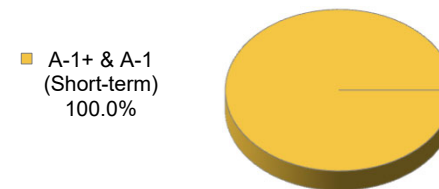
# 2003 Pledged Revenue

| Security Type <sup>1</sup>                       | April 30, 2022      | % of Portfolio | January 31, 2022     | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|----------------------|----------------|--------------|
| U.S. Treasuries                                  | \$73,135,210        | 100.0%         | \$268,406,634        | 86.0%          | 14.0%        |
| Federal Agencies and Instrumentalities (non-MBS) | \$0                 | 0.0%           | \$0                  | 0.0%           | 0.0%         |
| Commercial Paper                                 | \$0                 | 0.0%           | \$43,528,134         | 14.0%          | (14.0%)      |
| Municipal Obligations                            | \$0                 | 0.0%           | \$0                  | 0.0%           | 0.0%         |
| Government MBS                                   | \$0                 | 0.0%           | \$0                  | 0.0%           | 0.0%         |
| <b>Totals</b>                                    | <b>\$73,135,210</b> | <b>100.0%</b>  | <b>\$311,934,768</b> | <b>100.0%</b>  |              |

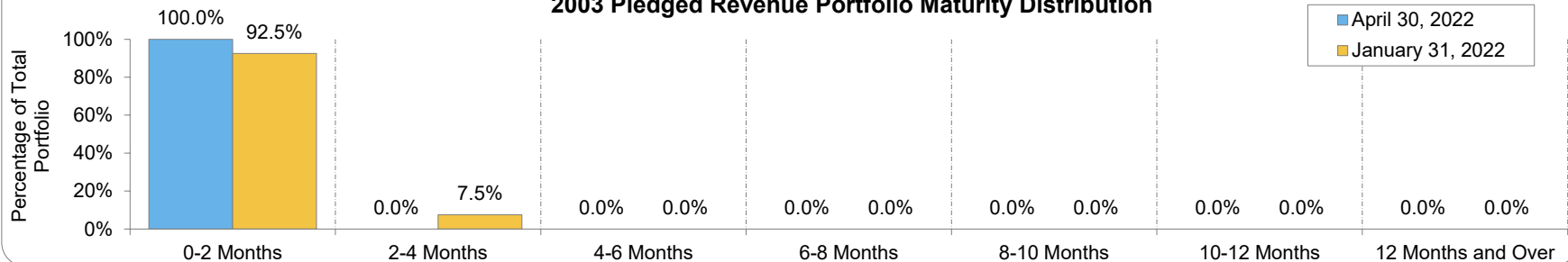
**Portfolio Composition  
as of 04/30/22**



**Credit Quality Distribution  
as of 04/30/22**



**2003 Pledged Revenue Portfolio Maturity Distribution**



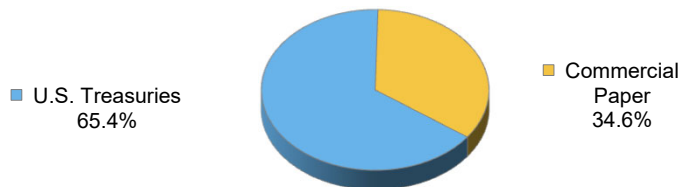
**Notes:**

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.

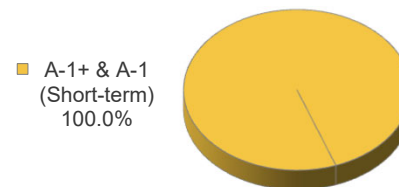
# 2003 Project Operating Fund Portfolio

| Security Type <sup>1</sup>                       | April 30, 2022      | % of Portfolio | January 31, 2022    | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|---------------------|----------------|--------------|
| U.S. Treasuries                                  | \$6,612,706         | 65.4%          | \$7,146,921         | 67.3%          | (1.9%)       |
| Federal Agencies and Instrumentalities (non-MBS) | \$0                 | 0.0%           | \$0                 | 0.0%           | 0.0%         |
| Commercial Paper                                 | \$3,499,048         | 34.6%          | \$3,467,661         | 32.7%          | 1.9%         |
| Municipal Obligations                            | \$0                 | 0.0%           | \$0                 | 0.0%           | 0.0%         |
| Government MBS                                   | \$0                 | 0.0%           | \$0                 | 0.0%           | 0.0%         |
| <b>Totals</b>                                    | <b>\$10,111,754</b> | <b>100.0%</b>  | <b>\$10,614,582</b> | <b>100.0%</b>  |              |

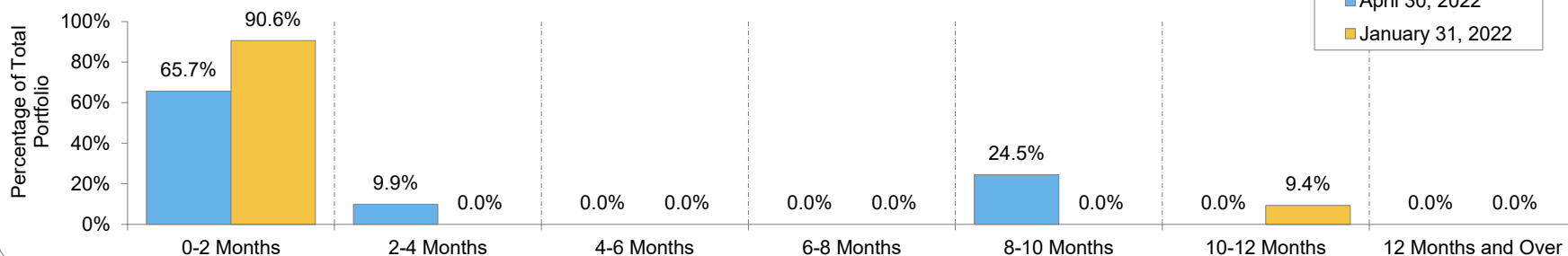
**Portfolio Composition  
as of 04/30/22**



**Credit Quality Distribution  
as of 04/30/22**



**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



## Summary

► In Q1, U.S. economic conditions were characterized by: (1) persistent high inflation; (2) the Federal Reserve (Fed) kicking off a shift to tighter monetary policy; (3) rapidly rising interest rates; (4) elevated energy and commodity prices; (5) increased volatility and risk-off sentiment in credit and equity markets; (6) stronger than ever labor market.

► Just as Omicron's potential to impact the economy waned, geopolitical tensions in Ukraine dominated headlines, applying further pressure to an already fragile inflation narrative. Simultaneously, the macro focus on economic growth and continued recovery shifted from elevated virus infections to surging consumer prices. The U.S. Personal Consumption Expenditure Core Price Index, the Fed's preferred inflation measure, rose 5.2% on a year-on-year basis in March, while the headline Consumer Price Index increased 8.3% year-over-year through April.

► On the heels of rising consumer prices, geopolitical uncertainty stemming from Russia's invasion of Ukraine has stoked risks for both hampering global economic growth and creating additional pressures on supply chains and commodity prices. While the U.S. is largely insulated from the direct conflict, the global impact on energy prices is undeniable, as Russia produces about 12% of global crude oil supplies. Europe's heavier dependence on Russian natural gas suggests that the EU's economy may face stiffer headwinds, ultimately dampening global growth in 2022 and beyond.

► As a result of surging inflation that proved not to be transitory, the Fed raised the overnight federal funds target rate to 0.25% in March 2022 for the first time since December 2018, underscoring the risk that inflation now poses to economic growth and stability. The Fed also forecasts several more rate hikes this year. In addition, the Fed will likely begin reducing its balance sheet through a reduction in the reinvestment of maturities and principal payments on its nearly nine trillion holdings of Treasuries and agency mortgage-backed securities.

## Economic Snapshot

► Underneath the headlines, the American consumer remains in good standing with strong household balance sheets supporting consumer demand. The final reading for Q4 2021 GDP showed that the U.S. economy grew at an annualized growth rate of 6.9%. Given current conditions, economists forecast a large drop in the pace of growth for 2022 and more moderate growth for the year, around 3.2%. That path will depend, in part, on how well the economy can handle an aggressive series of rate hikes.

► The U.S. labor market remains a strength of the economy, adding 6.7 million new jobs in 2021 and another 1.7 million jobs in Q1. The unemployment rate remains at a pandemic-cycle low of 3.6%. At the same time, initial jobless claims have fallen to a 50-year low, and 11.3 million jobs remain unfilled. The labor force participation rate also improved steadily through the quarter, reaching a two-year high of 62.2 through March.

► Manufacturing and services remained expansionary in Q1 and above five-year averages. On the housing front, sales of both new and existing homes remained strong and continued the decade-long improvement following the 2007-2008 housing crash. However, refinancing activity fell drastically in Q1 as mortgage rates increased noticeably, and more recent readings appear to be softening.

## Interest Rates

► U.S. Treasury yields rose meaningfully during Q1 on surging inflation data and growing expectations for multiple Fed rate hikes in 2022. Given their maturity horizon, two- and three-year yields were most impacted by the increased probability of future rate hikes, with both tenors increasing over 130 basis points (1.30%) from February to April.

► Ten-year yields, which are more influenced by inflation expectations than Fed policy, increased 112 basis points during the fiscal quarter, resulting in a briefly inverted yield curve between three- and ten-year maturities, suggesting markets expect inflation levels to ease over the longer run. Fed policy remains on a rate-hiking trajectory for the foreseeable future.

► As a result of sharply higher Treasury yields, fixed income indices posted some of the worst total returns dating back over 40 years. For example, during the fiscal quarter the ICE BofA 1-, 5-, and 10-year U.S. Treasury indices returned -0.73%, -5.52%, and -8.89%, respectively.

## Sector Performance

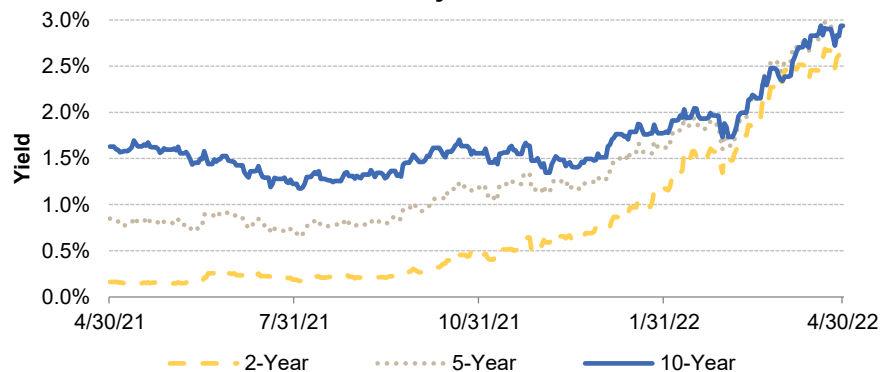
► Diversification away from U.S. Treasury securities generally detracted from fixed-income performance during Q1 as no sector was immune from spread widening caused by risk-off sentiment during the quarter.

► Investment-grade (IG) corporate credit spreads widened to a two-year wide in mid-March before partially retreating into quarter-end. Despite the late quarter retracement, IG corporate spreads remained elevated from a post-pandemic perspective. As a result, the corporate sector underperformed Treasuries in Q1, with lower quality bonds like those rated BBB performing worst. On the other hand, spreads now look attractive, assuming strong underlying fundamentals persist and the economy avoids a recession.

► Mortgage-backed securities (MBS) continued their trend of underperformance as rate increases and volatility impacted the sector more than others. As the Fed embarks on their tightening cycle and the reduction of the balance sheet, MBS have felt pressure from the combination of higher rates, slower prepayments (and therefore duration extensions), and demand concerns with the removal of the Fed as the larger price-insensitive purchaser for the past two years. The result was significant negative excess returns from the sector and continuing concerns for the balance of 2022.

## Interest Rate Overview

U.S. Treasury Note Yields



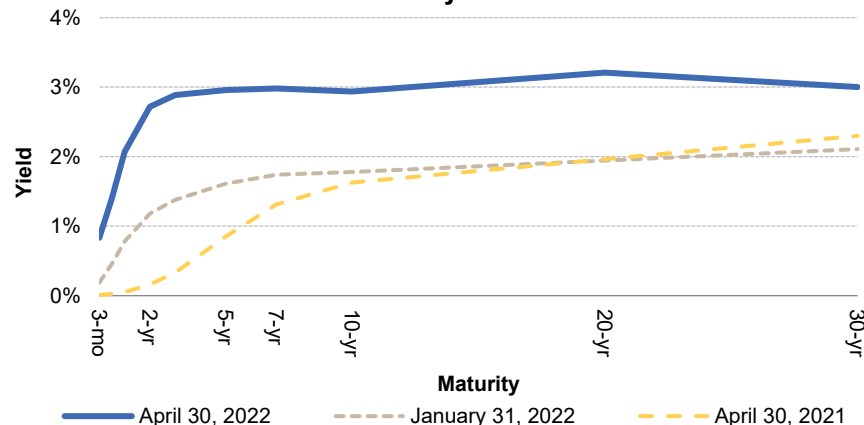
U.S. Treasury Yields

| Maturity | Apr '22 | Jan '22 | Change over Quarter | Apr '21 | Change over Year |
|----------|---------|---------|---------------------|---------|------------------|
| 3-month  | 0.83%   | 0.19%   | 0.64%               | 0.01%   | 0.82%            |
| 1-year   | 2.07%   | 0.78%   | 1.29%               | 0.05%   | 2.02%            |
| 2-year   | 2.72%   | 1.18%   | 1.54%               | 0.16%   | 2.56%            |
| 5-year   | 2.96%   | 1.61%   | 1.35%               | 0.85%   | 2.11%            |
| 10-year  | 2.94%   | 1.78%   | 1.16%               | 1.63%   | 1.31%            |
| 30-year  | 3.00%   | 2.11%   | 0.89%               | 2.30%   | 0.70%            |

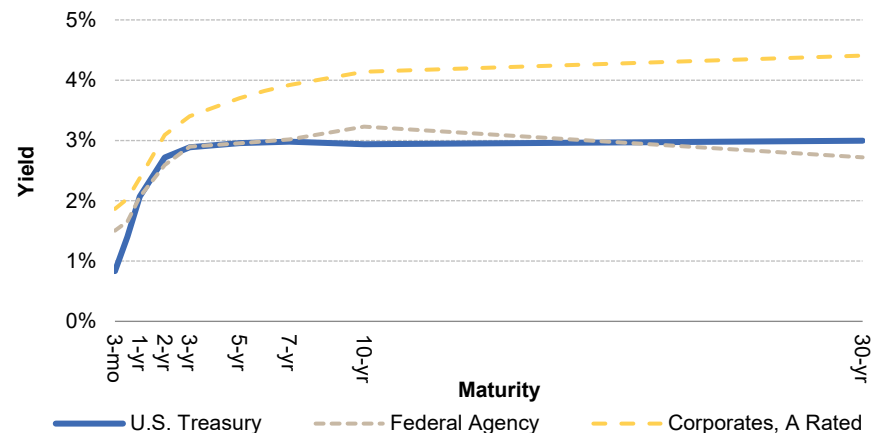
LIBOR Rates

| Maturity | Apr '22 | Jan '22 | Change over Quarter | Apr '21 | Change over Year |
|----------|---------|---------|---------------------|---------|------------------|
| 3-month  | 1.36%   | 0.31%   | 1.05%               | 0.18%   | 1.18%            |
| 1-year   | 2.63%   | 0.96%   | 1.67%               | 0.28%   | 2.35%            |

U.S. Treasury Yield Curve



Yield Curves as of 4/30/2022



| Labor Market                  |        | Latest  | Jan '22 | Apr '21 |
|-------------------------------|--------|---------|---------|---------|
| Unemployment Rate             | Apr'22 | 3.6%    | 4.0%    | 6.0%    |
| Change In Non-Farm Payrolls   | Apr'22 | 428,000 | 504,000 | 263,000 |
| Average Hourly Earnings (YoY) | Apr'22 | 5.5%    | 5.4%    | 0.6%    |
| Personal Income (YoY)         | Mar'22 | -11.6%  | -2.0%   | -0.2%   |
| Initial Jobless Claims (week) | 5/7/22 | 203,000 | 214,000 | 517,000 |

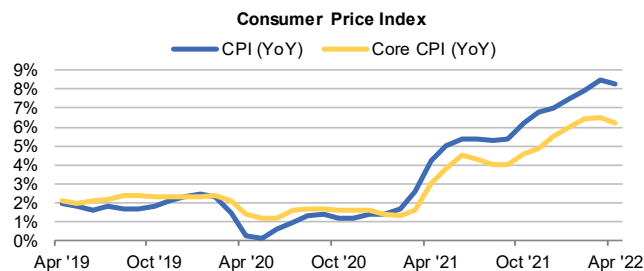
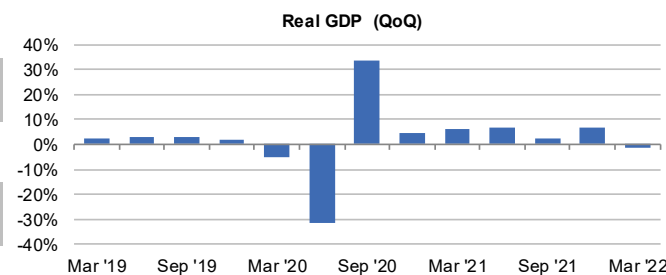
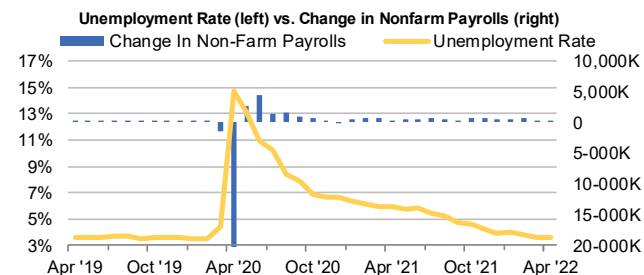
**Growth**

|                                     |        |           |                   |                    |
|-------------------------------------|--------|-----------|-------------------|--------------------|
| Real GDP (QoQ SAAR)                 | 2022Q1 | -1.4%     | 6.9% <sup>1</sup> | 6.3% <sup>2</sup>  |
| GDP Personal Consumption (QoQ SAAR) | 2022Q1 | 2.7%      | 2.5% <sup>1</sup> | 11.4% <sup>2</sup> |
| Retail Sales (YoY)                  | Mar'22 | 6.6%      | 13.7%             | 54.5%              |
| ISM Manufacturing Survey (month)    | Apr'22 | 55.4      | 57.6              | 60.6               |
| Existing Home Sales SAAR (month)    | Mar'22 | 5.77 mil. | 6.49 mil.         | 5.96 mil.          |

**Inflation / Prices**

|   |        |          |         |         |
|---|--------|----------|---------|---------|
| Personal Consumption Expenditures (YoY) | Mar'22 | 6.6%     | 6.0%    | 3.6%    |
| Consumer Price Index (YoY)              | Apr'22 | 8.3%     | 7.5%    | 4.2%    |
| Consumer Price Index Core (YoY)         | Apr'22 | 6.2%     | 6.0%    | 3.0%    |
| Crude Oil Futures (WTI, per barrel)     | Apr 30 | \$104.69 | \$88.15 | \$63.58 |
| Gold Futures (oz.)                      | Apr 30 | \$1,912  | \$1,795 | \$1,768 |



1. Data as of Fourth Quarter 2021

2. Data as of First Quarter 2022

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

## ICE BofAML Index Returns

| As of 04/30/2022                                     |          | Returns for Periods ended 04/30/2022 |          |          |         |
|--|----------|--------------------------------------|----------|----------|---------|
| April 30, 2022                                       | Duration | Yield                                | 3 Month  | 1 Year   | 3 Years |
| <b>1-3 Year Indices</b>                              |          |                                      |          |          |         |
| U.S. Treasury  | 1.85     | 2.61%                                | (2.17%)  | (3.35%)  | 0.65%   |
| Federal Agency                                       | 1.80     | 2.59%                                | (2.12%)  | (3.21%)  | 0.55%   |
| U.S. Corporates, A-AAA rated                         | 1.93     | 3.24%                                | (2.43%)  | (3.52%)  | 1.14%   |
| Agency MBS (0 to 3 years)                            | 2.15     | 3.31%                                | (3.83%)  | (6.01%)  | 0.25%   |
| Taxable Municipals                                   | 1.63     | 3.08%                                | (2.11%)  | (1.63%)  | 2.13%   |
| <b>1-5 Year Indices</b>                              |          |                                      |          |          |         |
| U.S. Treasury  | 2.58     | 2.73%                                | (3.11%)  | (4.68%)  | 0.58%   |
| Federal Agency                                       | 2.42     | 2.71%                                | (3.03%)  | (4.45%)  | 0.30%   |
| U.S. Corporates, A-AAA rated                         | 2.68     | 3.40%                                | (3.81%)  | (5.33%)  | 1.07%   |
| Agency MBS (0 to 5 years)                            | 3.41     | 3.39%                                | (5.11%)  | (6.99%)  | (0.16%) |
| Taxable Municipals                                   | 2.29     | 3.24%                                | (3.29%)  | (4.00%)  | 1.43%   |
| <b>Master Indices (Maturities 1 Year or Greater)</b> |          |                                      |          |          |         |
| U.S. Treasury  | 6.73     | 2.86%                                | (6.83%)  | (7.23%)  | 0.48%   |
| Federal Agency                                       | 3.83     | 2.85%                                | (4.67%)  | (5.68%)  | 0.76%   |
| U.S. Corporates, A-AAA rated                         | 7.48     | 3.95%                                | (8.97%)  | (9.76%)  | 0.82%   |
| Agency MBS (0 to 30 years)                           | 5.65     | 3.61%                                | (6.99%)  | (8.96%)  | (0.59%) |
| Taxable Municipals                                   | 10.12    | 4.17%                                | (12.11%) | (11.14%) | 1.69%   |

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

# V. Market Appendix



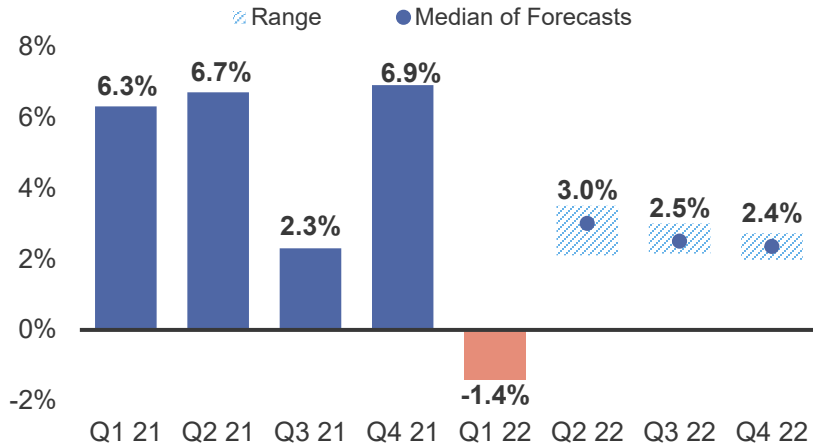
# Current Market Themes

## Highlights from the May 4, 2022 FOMC Meeting

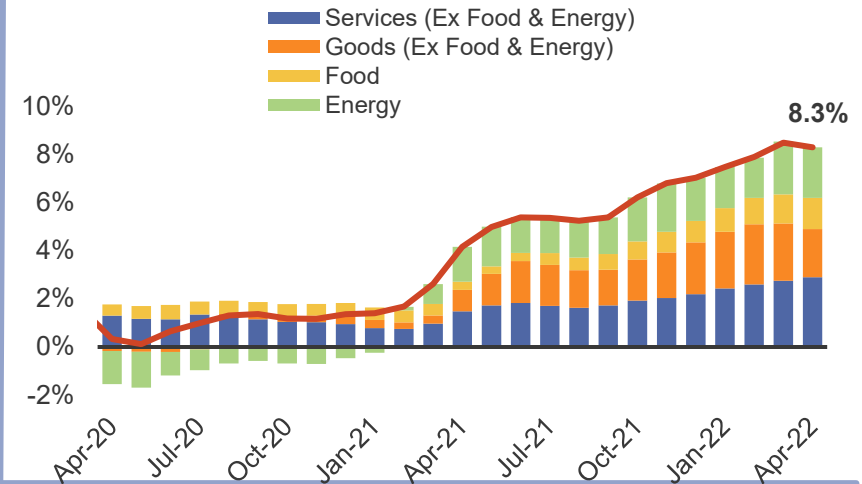
- ▶ Although overall **economic activity edged down** in the first quarter, **household spending and business fixed investment remained strong**. Job gains have been robust in recent months, and the **unemployment rate has declined** substantially.
- ▶ Inflation **remains elevated**, reflecting **supply and demand imbalances** related to the **pandemic, higher energy prices, and broader price pressures**.
- ▶ The invasion of Ukraine by Russia is causing tremendous human and economic hardship. The implications for the U.S. economy are **highly uncertain**. The invasion and related events are **creating additional upward pressure on inflation** and are likely to weigh on economic activity.
- ▶ COVID-related lockdowns in China are likely to **exacerbate supply chain disruptions**. The Committee is **highly attentive** to inflation risks.
- ▶ The Committee decided to raise the target range for the federal funds rate **to  $\frac{3}{4}$  to 1 percent** and **anticipates that ongoing increases** in the target range will be appropriate.
- ▶ The Committee decided to **begin reducing its holdings** of Treasury securities and agency debt and agency mortgage-backed securities on **June 1...**

# Overview of Current Economic Conditions

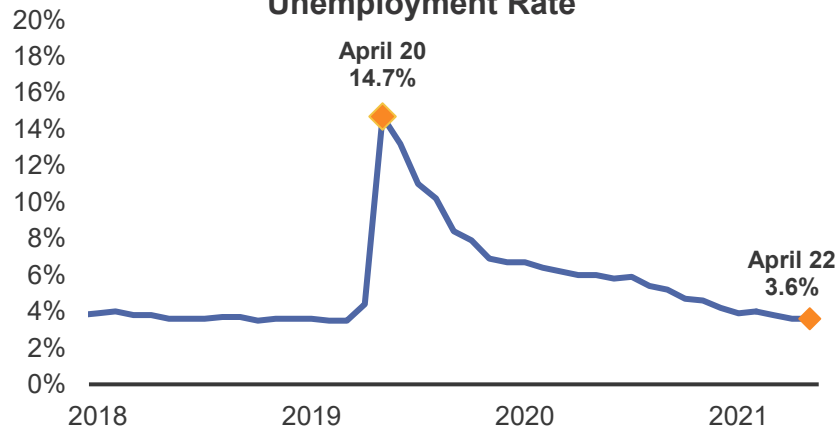
## U.S. Real GDP Annualized Rate



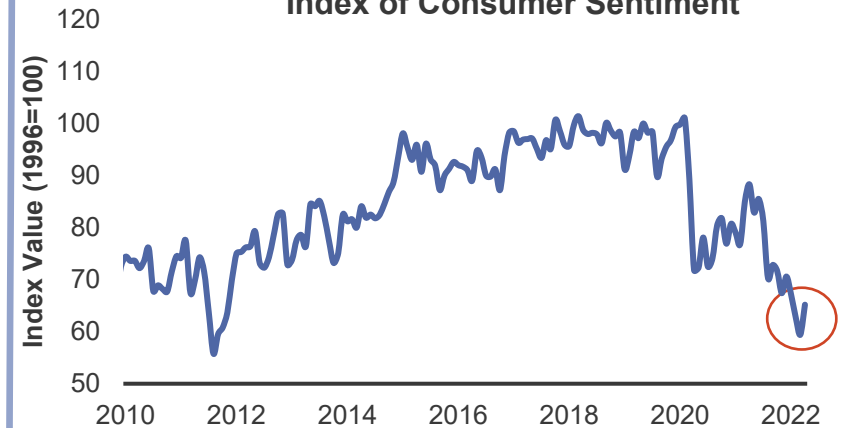
## Factors Contributing to the Consumer Price Index (CPI YoY)



## Unemployment Rate

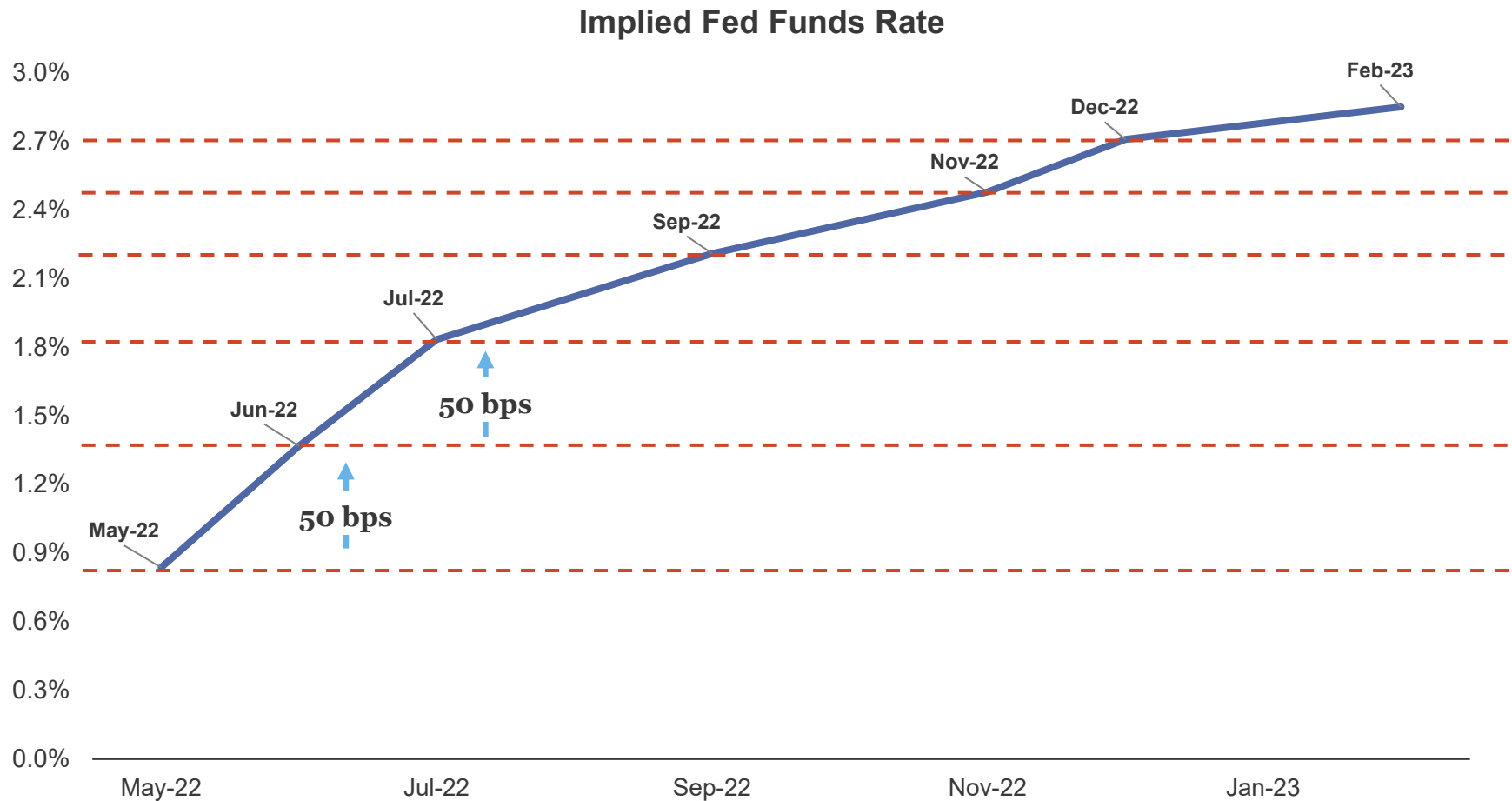


## Index of Consumer Sentiment



Sources: Bloomberg; University of Michigan Consumer Sentiment and underlying index components, as of April 2022.

# Market Pricing in 7-8 Additional Rate Hikes During 2022



Source: Bloomberg, WIRP, as of 5/10/2022. Rate hikes are based on assumed rate move of 25 basis points (0.25%).

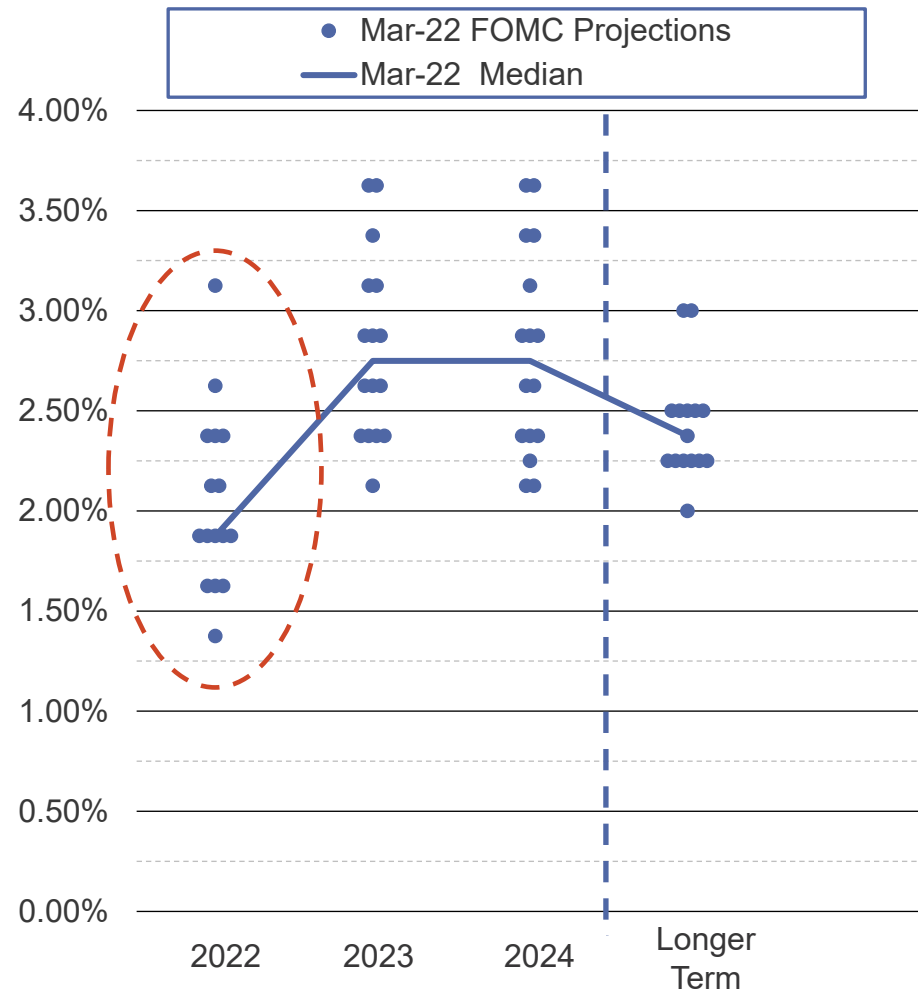
# What The Fed is Telling Us

## Federal Reserve's Changing Stance on Inflation and Monetary Policy

- ▶ **April 2021:** Fed characterizes inflationary pressure as “transitory”
- ▶ **June 2021:** Widening dispersion between Fed participants' views on monetary policy as economy improves; more officials indicate rate lift-off is expected by end of 2023
- ▶ **September 2021:** Signals tapering of asset purchases could begin later in the year, but rates will remain near zero
- ▶ **November 2021:** Retires the term “transitory,” announces tapering of bond purchases; signals 2-3 rate hikes in 2022
- ▶ **December 2021:** Announces accelerated tapering; sees three rate hikes in 2022
- ▶ **March 2022:** Completion of tapering; **first rate hike of 25bps**
- ▶ **May 2022:** **50 bps rate hike**; Expectation for more rate hikes; strong potential for multiple 50 basis point rate hikes. Plans unveiled for balance sheet reduction

## Fed Funds Target Rate Expectations

### Fed Participants' Assessments of “Appropriate” Monetary Policy

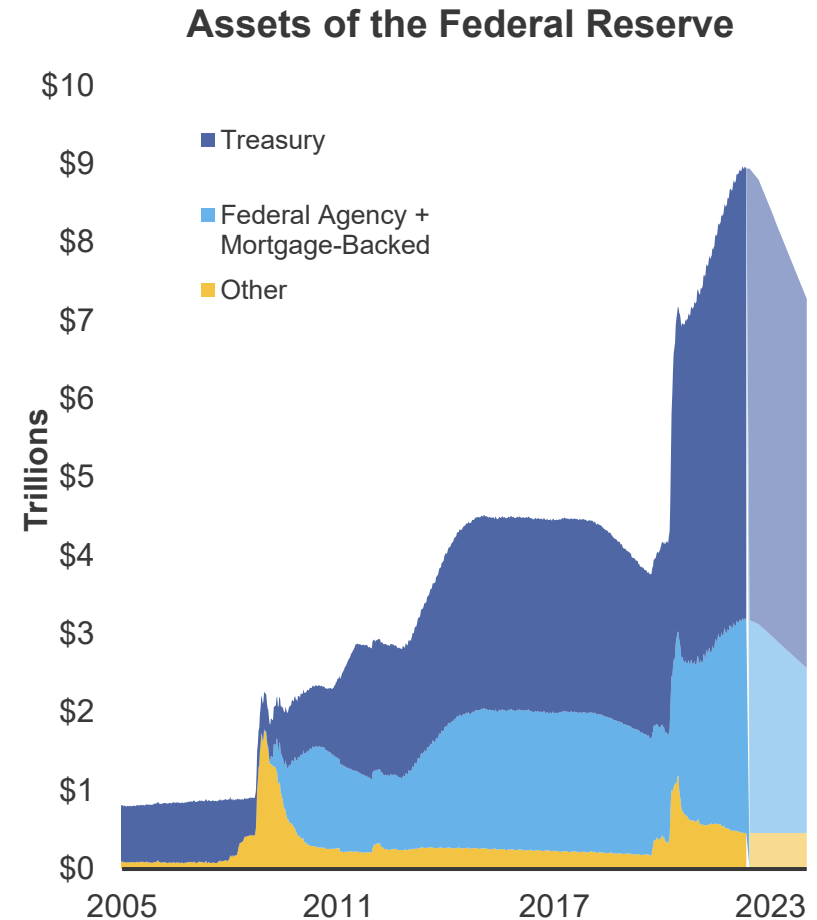


Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

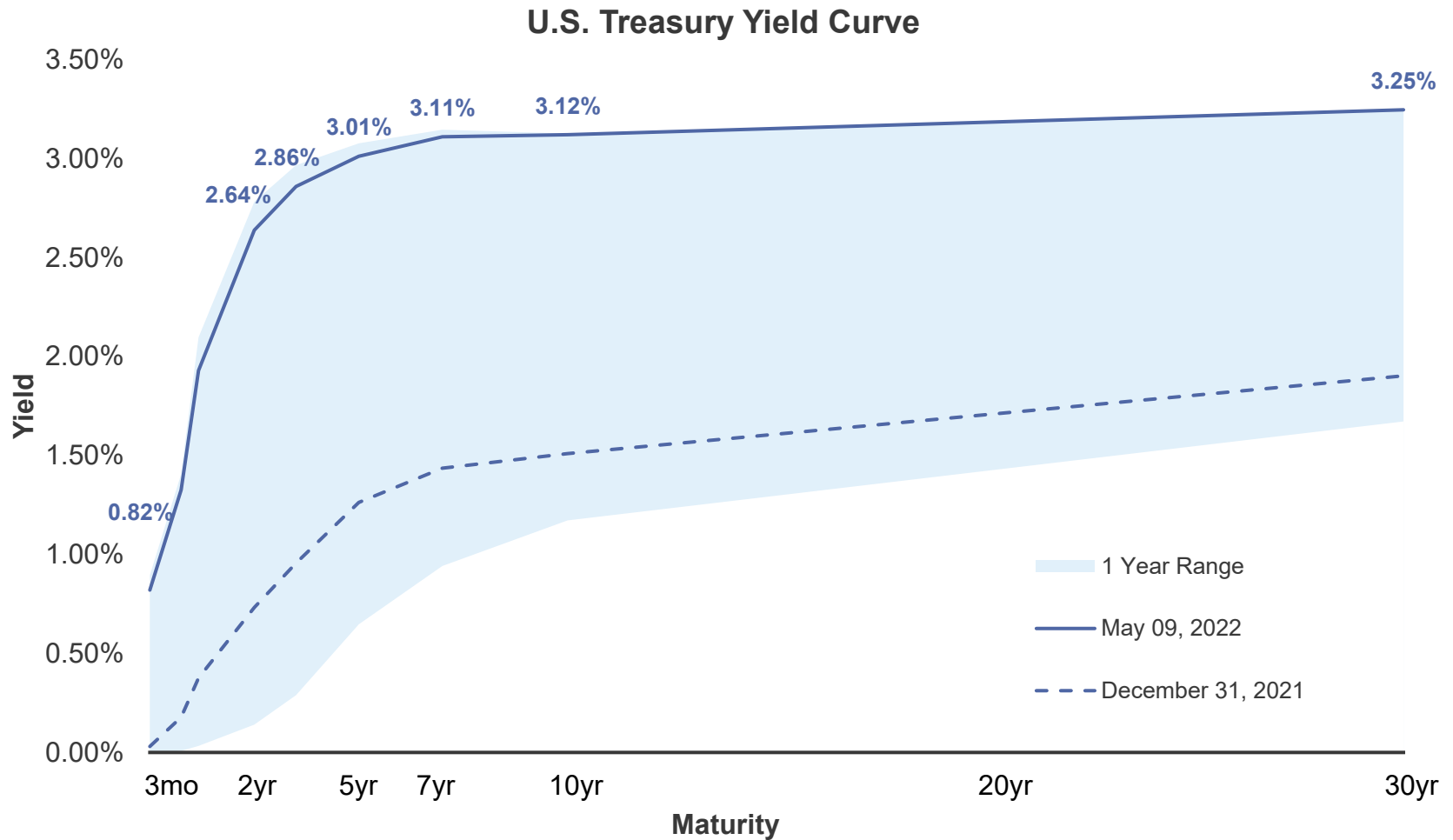
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# Federal Reserve's Plan for Reducing the Size of the Balance Sheet

- ▶ Balance sheet reduction will begin June 1st
- ▶ Treasury Securities – decreasing \$30 billion per month
  - ▶ Reduction will increase to \$60 billion after three months
- ▶ Federal agencies and mortgage-backed securities – decreasing \$17.5 billion per month
  - ▶ Reduction will increase to \$35 billion after three months
- ▶ The Fed will adjust the rate of reduction in response to economic and financial developments



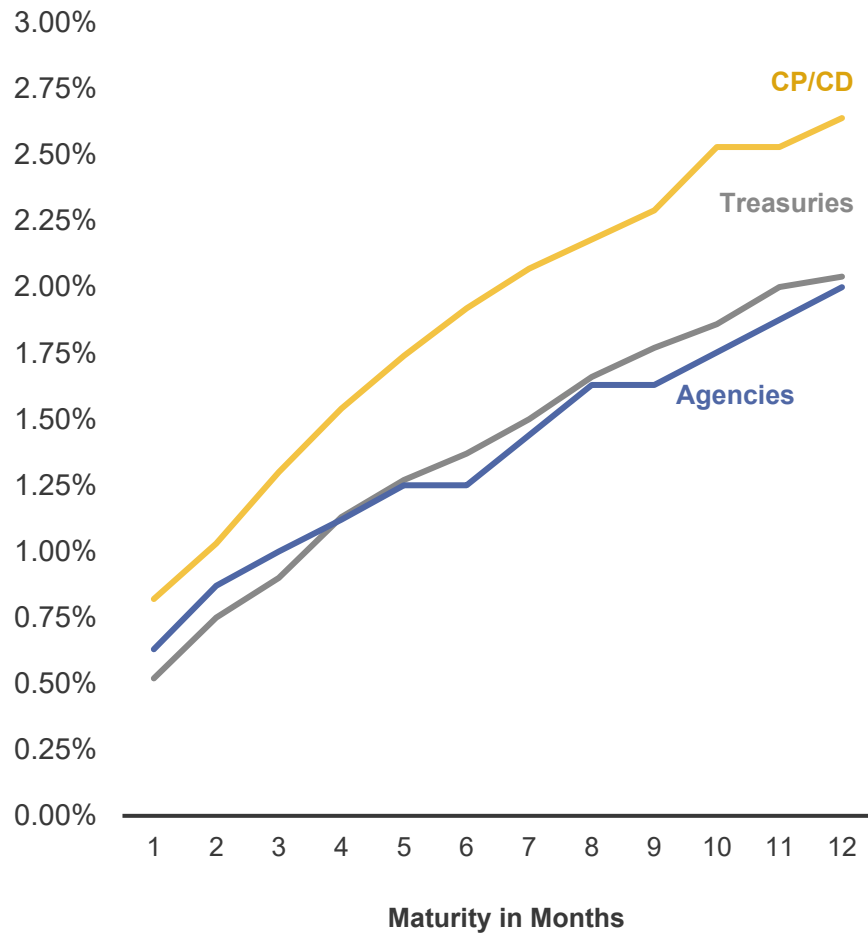
# Treasury Yields Continue to Rise



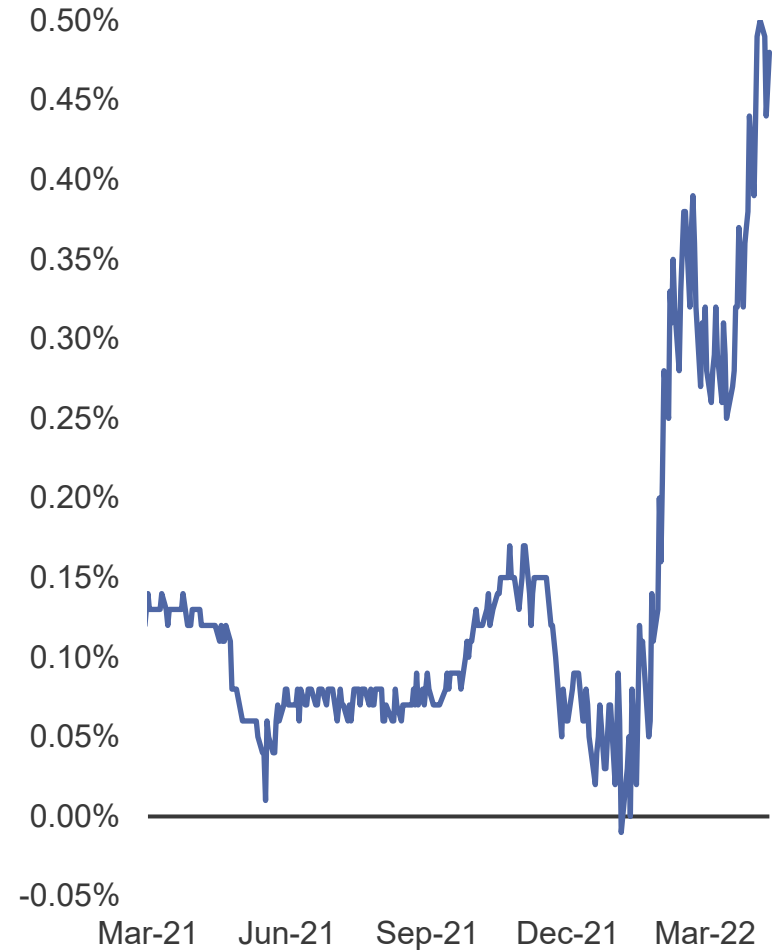
Source: Bloomberg, as of 5/9/2022.

# Short-Term Rates Rise in Anticipation of a Higher Federal Funds Rate

## Money Market Yield Curves

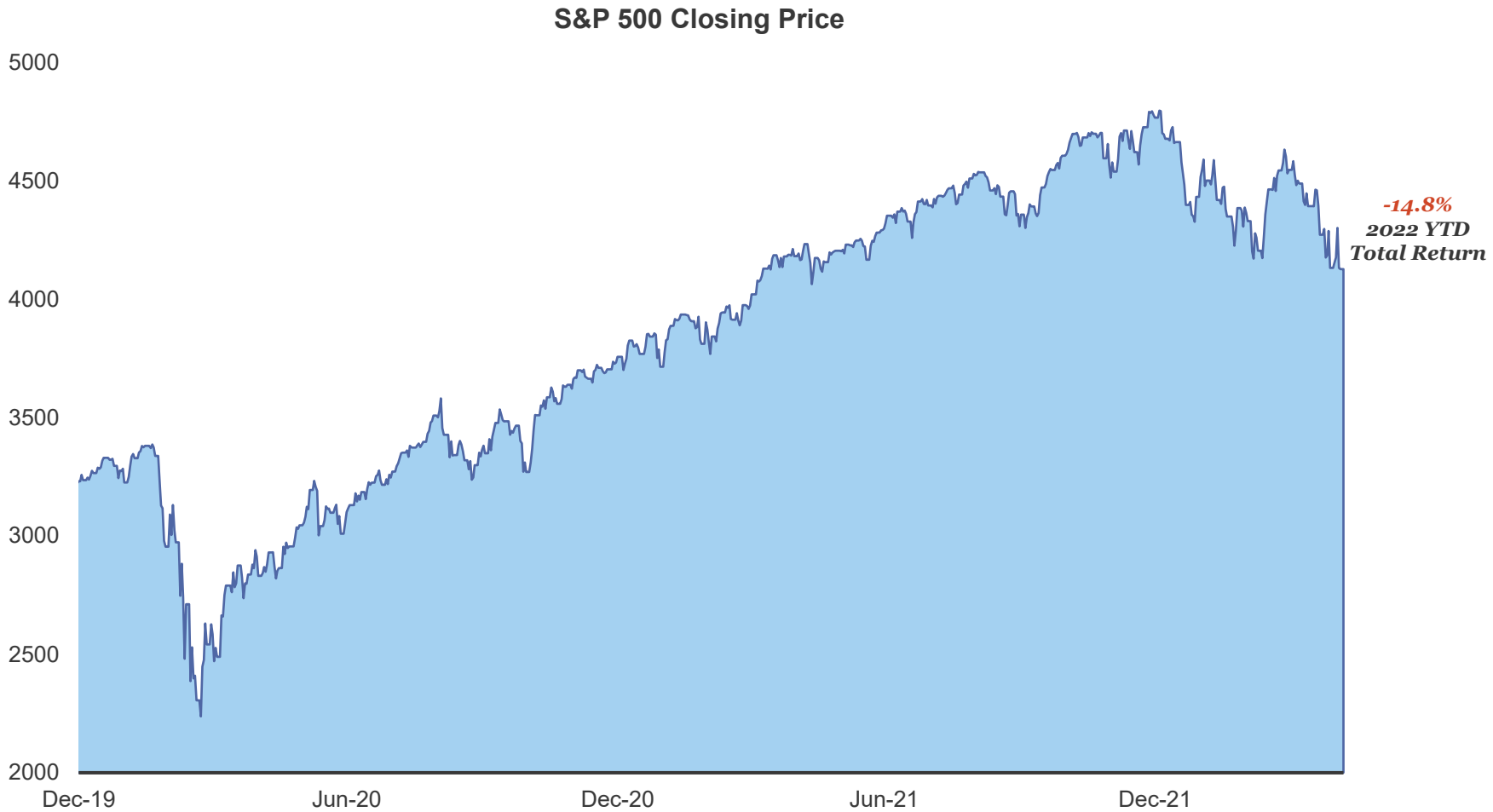


## 6-Month Commercial Paper Spread



Source (left): PFMAM Trading Desk, as of 5/12/2022. Yields are for indicative purposes only; actual yields may vary by issue.  
Source (right): Bloomberg, as of 5/12/2022.

# Stock Market Continues Decline



Source: Bloomberg, as of 5/9/2022.

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April 30, 2022

# Battery Park City Authority

Investment Committee  
Rate Sensitivity Analysis

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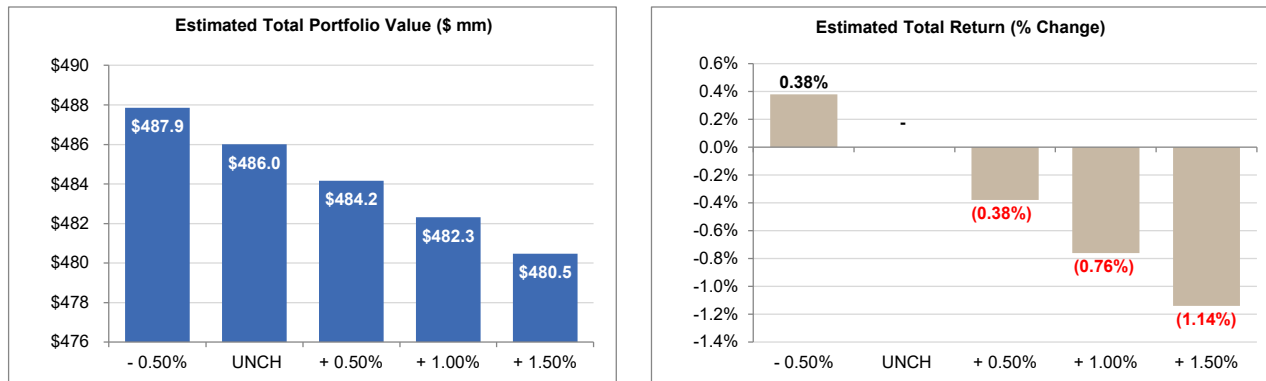
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**pfmam.com**

**BPCA (Aggregate PFM-Managed Assets)**  
**Estimated Earnings Summary and Stress Test**  
*Holdings as of April 30, 2022*

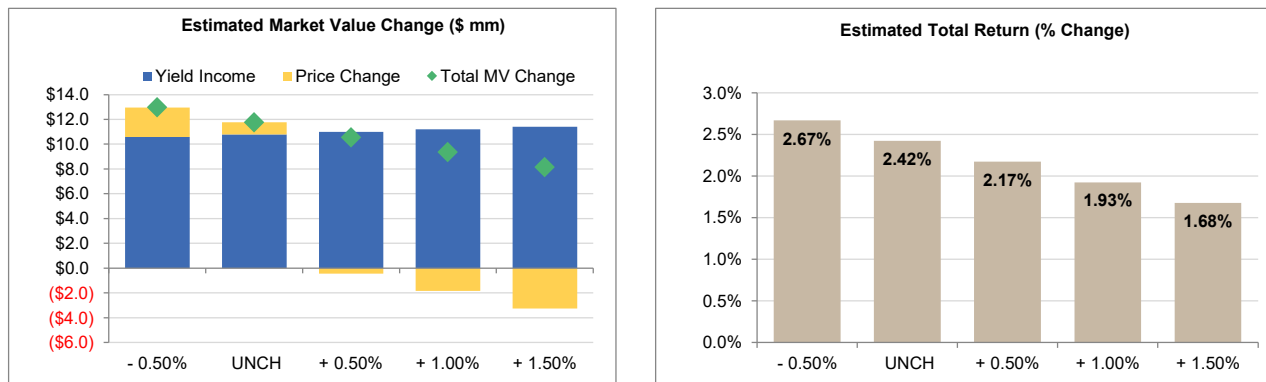
**Portfolio Stress Test -- Instantaneous Rate Shock**



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

| Instantaneous          | - 0.50%     | UNCH        | + 0.50%     | + 1.00%     | + 1.50%     |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Ending Portfolio Value | 487,853,693 | 486,006,414 | 484,159,134 | 482,311,854 | 480,464,575 |
| Total Return %         | 0.38%       | -           | (0.38%)     | (0.76%)     | (1.14%)     |

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



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

| Next 12 Months  | - 0.50%    | UNCH       | + 0.50%    | + 1.00%     | + 1.50%     |
|-----------------|------------|------------|------------|-------------|-------------|
| Yield Income    | 10,571,767 | 10,779,038 | 10,986,310 | 11,193,581  | 11,400,853  |
| Price Change    | 2,395,822  | 981,249    | (433,325)  | (1,847,898) | (3,262,472) |
| Total MV Change | 12,967,589 | 11,760,287 | 10,552,985 | 9,345,683   | 8,138,381   |

| Next 12 Months | - 0.50% | UNCH  | + 0.50% | + 1.00% | + 1.50% |
|----------------|---------|-------|---------|---------|---------|
| Yield Income % | 2.18%   | 2.22% | 2.26%   | 2.31%   | 2.35%   |
| Price Change % | 0.49%   | 0.20% | (0.09%) | (0.38%) | (0.67%) |
| Total Return % | 2.67%   | 2.42% | 2.17%   | 1.93%   | 1.68%   |

\* See important disclosures.

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

1. Portfolio holdings are as of April 30, 2022.
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 April 30, 2022, Ramirez Asset Management ("RAM") manages \$117.9M on in 22 separately managed accounts on behalf of the Authority.
- RAM conducted an "instantaneous" parallel shift scenario analysis on the combined portfolio holdings as of April 30, 2022, to simulate the aggregate portfolio performance after a one-time U.S. Treasury curve shock across the term structure of 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).

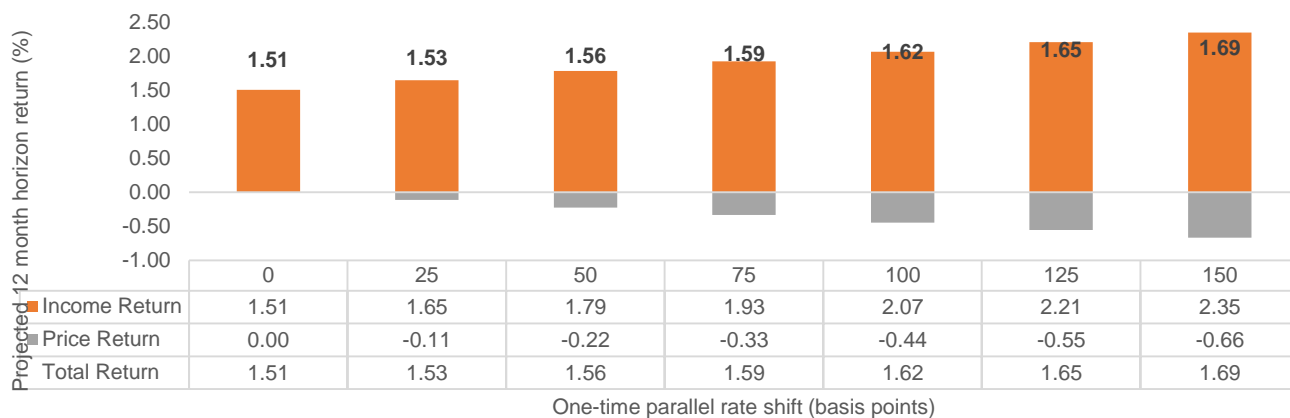
## Sensitivity Analysis of the BPCA-RAM portfolio:

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 April 30, 2022<sup>1</sup>

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

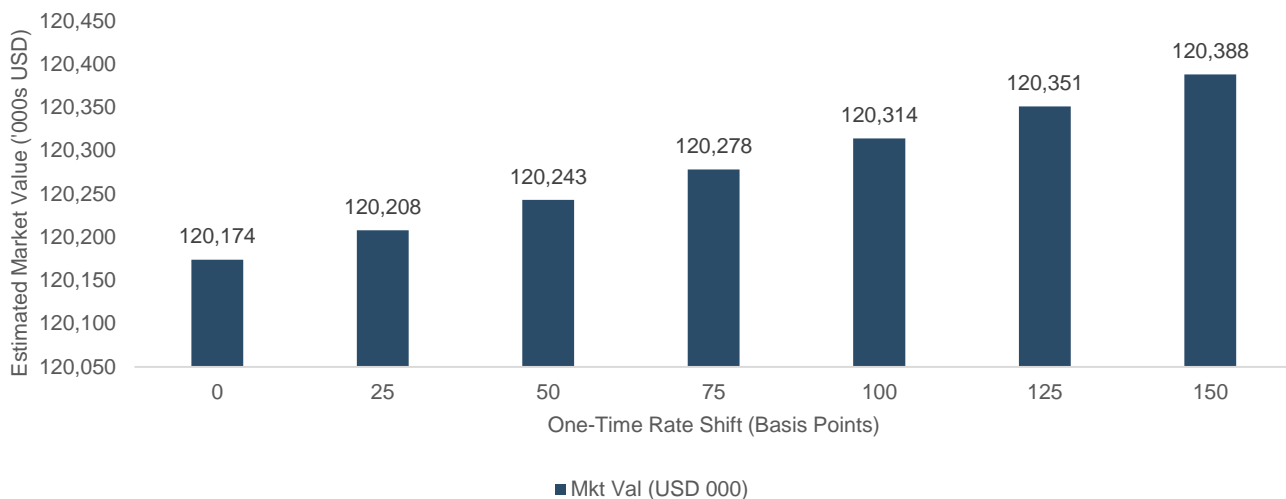


■ Price Return ■ Income Return ■ Total Return

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

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

#### BPCC 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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