Hugh L. Carey Battery Park City Authority

Review of Investment Performance

Quarter Ended October 31, 2011

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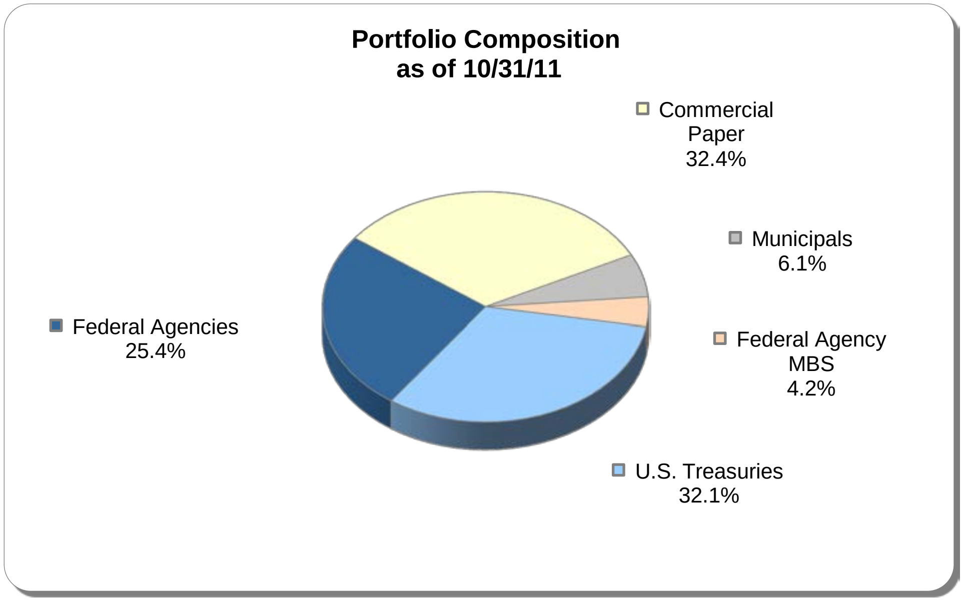
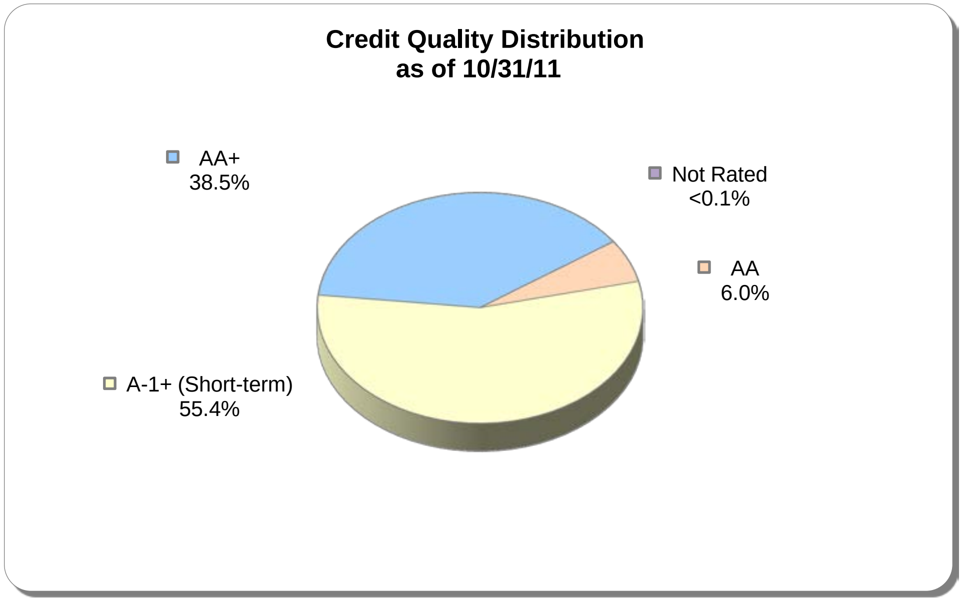
Section I –
Summary of Aggregate Portfolio

Hugh L. Carey
Battery Park
City Authority

Aggregate Portfolio Composition and Credit Quality

Security Type[1]	October 31, 2011	% of Portfolio	Effective Duration	*July 31, 2011*	*% of Portfolio*	*Effective Duration*
U.S. Treasuries	**$148,255,239**	**32.1%**	**1.74**	*$70,569,773*	*16.1%*	*2.47*
Federal Agencies	**$117,284,175**	**25.4%**	**1.58**	*$298,355,264*	*68.2%*	*0.86*
Commercial Paper	**$149,715,500**	**32.4%**	**0.03**	*$20,757,574*	*4.7%*	*0.25*
Municipals	**$28,068,075**	**6.1%**	**3.71**	*$27,304,616*	*6.2%*	*3.36*
Federal Agency MBS	**$19,200,015**	**4.2%**	**2.91**	*$20,632,310*	*4.7%*	*3.31*
Totals	**$462,523,004**	**100.0%**	**1.31**	*$437,619,537*	*100.0%*	*1.36*





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

In addition to the PFM-managed funds listed above, BPCA, with oversight by its investment Committee, maintains the following outside investment(s).
a) Pier A Funding - $141.19 held in a Chase Public Funds Commercial MMDA as of October 31, 2011 earning 0.00%

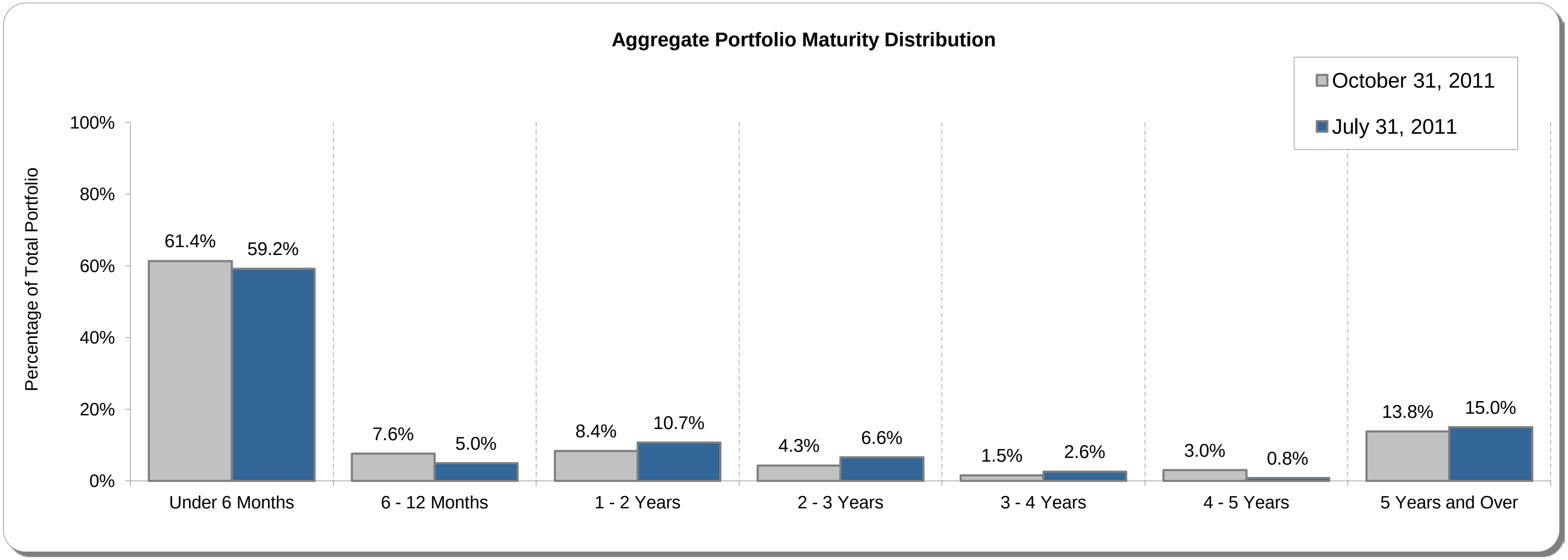
Aggregate Portfolio Issuer Breakdown

Security Type[1]	October 31, 2011	% of Portfolio	*July 31, 2011*	*% of Portfolio*	QoQ % Change
United States Treasury[2]					
U.S. Treasury	**$148,255,239**	**32.1%**	*$70,569,773*	*16.1%*	**15.9%**
Federal Agencies (includes Mortgaged-Backed Securities)[2]					
Freddie Mac	**$54,719,561**	**11.8%**	*$180,984,371*	*41.4%*	**(29.5%)**
Fannie Mae	**$46,865,814**	**10.1%**	*$81,982,722*	*18.7%*	**(8.6%)**
Federal Home Loan Bank	**$22,428,338**	**4.8%**	*$29,742,902*	*6.8%*	**(1.9%)**
Federal Farm Credit Bank	**$8,811,140**	**1.9%**	*$22,370,716*	*5.1%*	**(3.2%)**
Ginnie Mae	**$3,659,337**	**0.8%**	*$3,906,863*	*0.9%*	**(0.1%)**
Commercial Paper[2]					
Bank of Nova Scotia NY	**$19,999,720**	**4.3%**	*$14,261,163*	*3.3%*	**1.1%**
Chevron Corporation	**$19,999,980**	**4.3%**	*$0*	*0.0%*	**4.3%**
Exxon Mobil Corporation	**$19,999,920**	**4.3%**	*$0*	*0.0%*	**4.3%**
General Electric Capital Corporation	**$17,508,787**	**3.8%**	*$3,673,086*	*0.8%*	**2.9%**
General Electric Capital Services	**$2,239,776**	**0.5%**	*$0*	*0.0%*	**0.5%**
HSBC USA Inc.	**$19,999,263**	**4.3%**	*$0*	*0.0%*	**4.3%**
Nordea NA Inc.	**$19,998,460**	**4.3%**	*$0*	*0.0%*	**4.3%**
Toyota Motor Credit Corporation	**$20,298,721**	**4.4%**	*$0*	*0.0%*	**4.4%**
US Bank NA	**$9,670,874**	**2.1%**	*$2,823,325*	*0.6%*	**1.4%**
Municipal Issuers[2]					
New York City	**$22,001,344**	**4.8%**	*$21,253,916*	*4.9%*	**(0.1%)**
New York State	**$5,966,716**	**1.3%**	*$5,950,688*	*1.4%*	**(0.1%)**
NY State Housing Finance Authority	**$100,014**	**<0.1%**	*$100,012*	*<0.1%*	**-**
TOTAL	**$462,523,004**	**100.0%**	*$437,619,536*	*100.0%*	

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

Aggregate Portfolio Maturity Structure

Security Type[1]	October 31, 2011	% of Portfolio	*July 31, 2011*	*% of Portfolio*	QoQ % Change
Under 6 Months	**$283,867,808**	**61.4%**	*$259,202,441*	*59.2%*	**2.14%**
6 - 12 Months	**$35,114,529**	**7.6%**	*$21,662,997*	*5.0%*	**2.64%**
1 - 2 Years	**$38,656,494**	**8.4%**	*$46,999,126*	*10.7%*	**(2.38%)**
2 - 3 Years	**$19,978,908**	**4.3%**	*$28,891,126*	*6.6%*	**(2.28%)**
3 - 4 Years	**$7,120,378**	**1.5%**	*$11,486,679*	*2.6%*	**(1.09%)**
4 - 5 Years	**$14,006,282**	**3.0%**	*$3,665,336*	*0.8%*	**2.19%**
5 Years and Over	**$63,778,605**	**13.8%**	*$65,711,831*	*15.0%*	**(1.23%)**
Totals	**$462,523,004**	**100.0%**	*$437,619,537*	*100.0%*	



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

Section II –
Performance Attributes

HUGH L. CAREY
BATTERY PARK
CITY AUTHORITY

Information contained in Section B

Breakdown of Portfolio Value by Account

Total Return Accounts	October 31, 2011		*July 31, 2011*		
Longer Term Investment Strategy	**Market Value**	**Effective Duration**	*Market Value*	*Effective Duration*	Market Value Change
2003 Reserve Fund	**$73,009,210**	**3.82**	*$74,268,544*	*3.59*	($1,259,334)
BPCPC Operating Reserve	**$939,466**	**3.17**	*$974,293*	*3.09*	($34,827)
BPCPC Operating Reserve Contingency	**$19,734,842**	**3.83**	*$19,515,150*	*3.39*	$219,692
Insurance Fund	**$5,219,124**	**3.84**	*$5,144,950*	*3.41*	$74,174
Operating Budget Reserve	**$9,180,842**	**3.92**	*$9,058,920*	*3.42*	$121,922
BPCA Other Post Employment Benefits	**$19,328,940**	**3.92**	*$18,595,470*	*3.29*	$733,470
BPCPC Other Post Employment Benefits	**$9,645,331**	**3.88**	*$8,674,747*	*3.36*	$970,585
Short Term Investment Strategy					
2003 Pledged Revenue	**$124,683,418**	**0.05**	*$98,908,760*	*0.25*	$25,774,658
2003 Project Operating Fund	**$7,685,954**	**0.03**	*$3,099,937*	*0.01*	$4,586,016
Joint Purpose Fund	**$153,979**	**0.39**	*$153,983*	*0.15*	($5)
Subtotal of Total Return Accounts	**$269,581,105**	**1.98**	*$238,394,754*	*2.09*	$31,186,352

	October 31, 2011		*July 31, 2011*		
Other BPCA Accounts	**Market Value**	**Effective Duration**	*Market Value*	*Effective Duration*	Market Value Change
2000 Arbitrage Rebate	**$779,998**	**0.82**	*$773,415*	*1.07*	$6,583
1993 Unpledged Revenue	**$2,830,982**	**0.05**	*$2,434,281*	*0.25*	$396,700
2003 Debt Service Senior Payments	**$28,540,558**	**0.13**	*$28,508,482*	*0.37*	$32,077
2003 Residual Fund	**$90,987**	**0.39**	*$90,990*	*0.15*	($3)
Corporate Funds	**$2,125,660**	**0.62**	*$2,120,558*	*0.31*	$5,102
Debt Service Junior Payments	**$56,491,424**	**0.33**	*$57,103,968*	*0.24*	($612,544)
Hudson View W Towers G	**$163,993**	**0.12**	*$163,842*	*0.37*	$151
Hudson Towers E/F	**$199,991**	**0.12**	*$199,807*	*0.37*	$184
Hudson View Towers C	**$178,992**	**0.12**	*$178,827*	*0.37*	$165
Liberty Terr Mariners Cove-K	**$590,974**	**0.12**	*$590,430*	*0.37*	$544
Liberty House Mariners J	**$517,977**	**0.12**	*$517,500*	*0.37*	$477
Liberty Ct Mariners Cove B	**$1,314,942**	**0.12**	*$1,313,732*	*0.37*	$1,210
Liberty Battery Place Assoc 4	**$478,979**	**0.12**	*$478,538*	*0.37*	$441
Millenium	**$3,506,844**	**0.12**	*$3,503,618*	*0.37*	$3,227
Rector Park L	**$31,999**	**0.12**	*$31,969*	*0.37*	$29
The Regatta Site 10	**$464,979**	**0.12**	*$464,552*	*0.37*	$428
Soundings Rector Park A	**$203,991**	**0.12**	*$203,803*	*0.37*	$188
South Cove Assoc 11	**$380,983**	**0.12**	*$380,633*	*0.37*	$351
Special Fund	**$34,222,774**	**0.56**	*$34,670,158*	*0.76*	($447,384)
BPCA Millenium Tower Security Fund 2A	**$2,927,870**	**0.12**	*$2,925,176*	*0.37*	$2,694
BPCA S 16/17 Riverhouse Security Fund	**$6,212,721**	**0.31**	*$6,205,705*	*0.56*	$7,016
BPCA Goldman Sachs Liberty Contribution Fund	**$129,982**	**0.39**	*$129,986*	*0.15*	($4)
BPCA Visionaire Security Fund	**$3,207,355**	**0.18**	*$3,049,944*	*0.40*	$157,411
BPCA Series 2009A Project Costs	**$34,104,588**	**0.54**	*$36,278,492*	*0.64*	($2,173,904)
BPCA Series 2009B Project Costs	**$13,035,363**	**0.63**	*$16,656,590*	*0.79*	($3,621,226)
BPCA Pier A Construction Escrow	**$81,996**	**0.12**	*$124,879*	*0.00*	($42,883)
BPCA Pier A Security Deposit Account	**$124,995**	**0.12**	*$124,908*	*0.00*	$87
Subtotal of Other BPCA Accounts	**$192,941,899**	**0.39**	*$199,224,783*	*0.49*	($6,282,884)
GRAND TOTAL	**$462,523,004**	**1.31**	*$437,619,537*	*1.36*	**$24,903,467**

Breakdown of Portfolio Value by Strategy

	October 31, 2011			*July 31, 2011*			
	Market Value	**Effective Duration**	**% of Total Portfolio**	*Market Value*	*Effective Duration*	*% of Total Portfolio*	Market Value Change
Total Return Accounts							
Longer Term Investment Strategy	**$137,057,755**	**3.84**	**29.6%**	*$136,232,073*	*3.48*	*31.1%*	$825,682
Short Term Investment Strategy	**$132,523,350**	**0.05**	**28.7%**	*$102,162,680*	*0.24*	*23.3%*	$30,360,670
Subtotal of Total Return Accounts	**$269,581,105**	**1.98**	**58.3%**	*$238,394,754*	*2.09*	*54.5%*	$31,186,352
Other BPCA Accounts							
Subtotal of Other BPCA Accounts	**$192,941,899**	**0.39**	**41.7%**	*$199,224,783*	*0.49*	*45.5%*	($6,282,884)
Grand Total BPCA Portfolio	**$462,523,004**	**1.31**	**100.0%**	*$437,619,537*	*1.36*	*100.0%*	$24,903,467

Portfolio Recap

- The Battery Park City Authority portfolios are in compliance with the Authority's investment policy. The Authority's portfolios are of high quality and are well diversified by sector, issuer, and maturity.
- Throughout the final month of the quarter (October 2011), the spread between 2-year U.S. Treasuries and federal agencies gradually narrowed quite notably from its over 2-year wide of 30 basis points (0.30%) to its quarter-end level of 21 basis points (0.21%), representing a 29% decrease in spread. PFM repositioned several of the Authority's portfolios near the end of October as fiscal year-end approached by selling short-term federal agency securities and purchasing high quality commercial paper.
    - The combination of (1) federal agency sales and (2) the Authority's inability to purchase additional federal agency securities due to the recent downgrade of federal agency debt led to the decline in the Authority's exposure to the federal agency sector by 42.8% to 25.4% by quarter end.
    - Allocations to U.S. Treasuries doubled during the quarter, while commercial paper increased significantly from 4.7% to 32.4%.
- Mortgage-backed and municipal allocations remained constant and continue to add value to the Authority's portfolio relative to intermediate- to longer-term U.S. Treasury and federal agency securities of similar duration.
- For the quarter, the Authority's Short-Term Investment Strategy performed in line with its benchmark while meeting the Authority's cash flow needs. Short-term portfolios benefited from attractive high quality commercial paper purchases. Our portfolio strategy will remain focused on providing the necessary liquidity in what has become a challenging market.
- The Authority's longer-term portfolios posted strong absolute total returns ranging from 1.29% to 1.79% for the quarter. Portfolios lagged the benchmark performance for the quarter as durations were conservatively positioned shorter than the benchmark. The Authority's Longer-Term Investment Strategy has outperformed the benchmark over the past three years and since inception.

Market Outlook

- Federal Reserve policy and continued European concerns continue to be the drivers of the money markets. Treasury and agency yields remain very close to 0%, while strong demand for agencies from short-term investors has kept short-term agency spreads very narrow.
- The short-term credit curve has steepened over the course of the past month. Most measures of credit risk continue to trend higher, with 3-month LIBOR trading above 0.50% for the first time since July of 2010. European banks are still finding it difficult to fund in U.S. markets, as many large investors, like money market funds, are avoiding those issuers.
- Moving forward, PFM will continue to focus on the long-term objectives of the Authority's portfolios, including safety of principal and liquidity.
- The Authority's short-term portfolios continue to be managed in line with liquidity mandates. Absent liquidity needs, portfolio durations will be positioned to match or slightly exceed that of the benchmark.
- For the Authority's longer-term portfolios, with market yields near their all-time lows, a conservative duration stance is still warranted. As always, we strive to maintain the safety of principal while at the same time positioning the portfolio for growth and searching for tactical opportunities to enhance return. In these changing times, our strategy will remain flexible and may change in response to changes in interest rates, economic data, market outlook or specific opportunities that arise.

Statement of Broker Trades

	Quarterly, August 01, 2011 to October 31, 2011		Cumulative, November 01, 2010 to October 31, 2011	
Direct Issuers	**Quarterly Trades**	**Quarterly Par Amount**	**Cumulative Trades**	**Cumulative Par Amount**
Abbey National NA LLC	-	-	1	20,055,000
BNP Paribas	-	-	13	140,335,000
Chevron Corp	2	20,000,000	8	114,800,000
Credit Agricole SA	-	-	7	79,940,000
Exxon Mobil Corp	2	20,000,000	5	65,000,000
General Electric Corp	33	130,919,000	111	276,898,000
Toyota Motor Credit Corp.	2	20,300,000	14	51,970,000
US Bank	51	105,056,000	96	289,605,207
Total	**90**	**296,275,000**	**255**	**1,038,603,207**

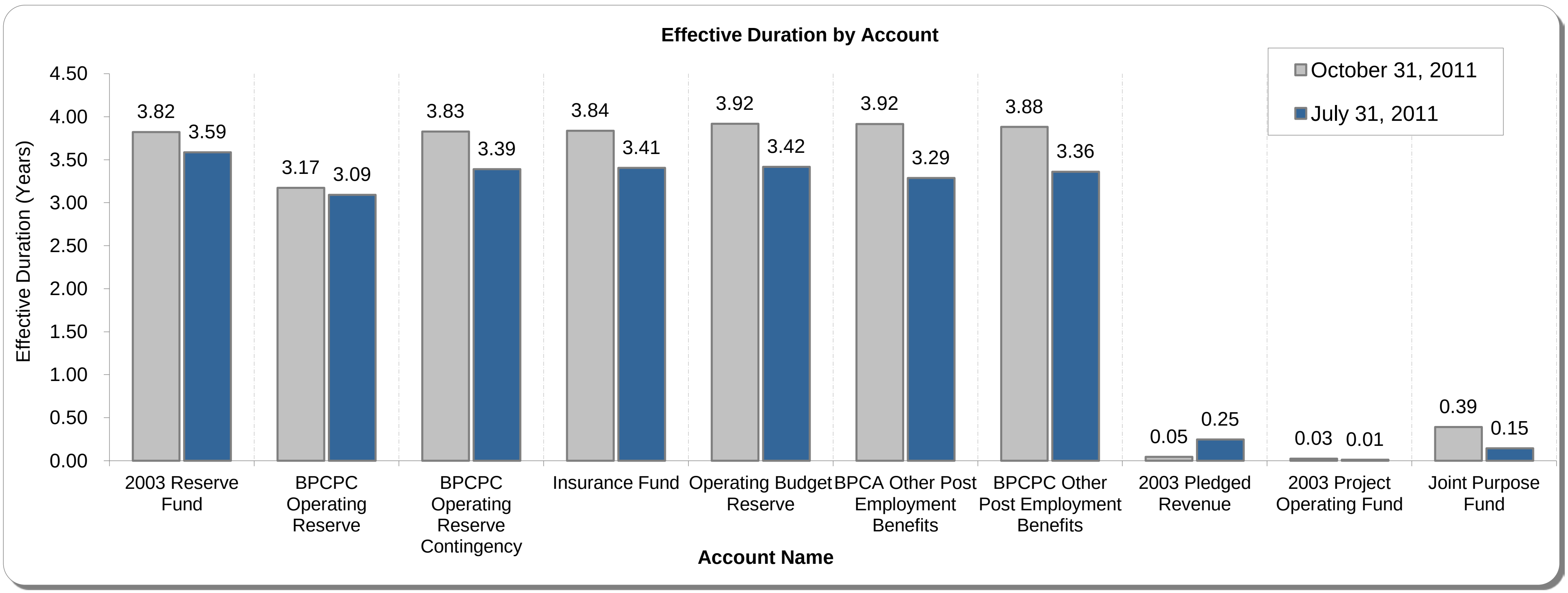
	Quarterly, August 01, 2011 to October 31, 2011		Cumulative, November 01, 2010 to October 31, 2011	
MWBE Broker/Dealers	**Quarterly Trades**	**Quarterly Par Amount**	**Cumulative Trades**	**Cumulative Par Amount**
Cabrera Capital Markets, LLC	-	-	2	1,582,000
Loop Capital Markets LLC	3	3,228,000	23	69,072,000
Muriel Siebert & Co., Inc.	6	2,550,000	6	2,550,000
The Williams Capital Group, LP	1	20,000,000	22	165,679,000
Total	**10**	**25,778,000**	**53**	**238,883,000**

	Quarterly, August 01, 2011 to October 31, 2011		Cumulative, November 01, 2010 to October 31, 2011	
Broker/Dealers	**Quarterly Trades**	**Quarterly Par Amount**	**Cumulative Trades**	**Cumulative Par Amount**
Barclays Capital, Inc.	49	83,068,000	163	542,531,000
BNP Paribas Securities Corp.	4	1,760,000	56	69,102,000
Citigroup Global Markets, Inc.	20	24,689,000	126	58,299,000
Credit Suisse Securities (USA) LLC	-	-	12	32,196,000
Deutsche Bank Securities, Inc	31	31,239,000	68	85,097,000
FTN Financial	-	-	3	10,224,000
Goldman, Sachs & Co.	20	10,848,000	41	70,859,000
HSBC Securities (USA) Inc.	5	31,998,000	21	351,142,000
J. P. Morgan Securities LLC	6	11,960,000	65	217,541,000
Jefferies & Company, Inc.	6	15,298,000	35	107,113,000
Merrill Lynch, Pierce, Fenner & Smith Inc.	32	92,565,000	148	480,621,000
MF Global, Inc.	4	14,849,000	4	14,849,000
Mizuho Securities USA, Inc.	-	-	2	13,675,000
Morgan Stanley & Co., Inc.	6	1,785,000	91	37,023,000
Nomura Securities USA, Inc.	3	1,120,000	29	166,364,000
RBC Capital Markets, LLC.	-	-	5	49,720,000
RBS Securities, Inc.	42	15,999,000	52	92,465,000
SG Americas Securities, LLC	3	1,150,000	5	3,771,000
UBS Securities, LLC	4	1,179,000	25	18,655,000
Wells Fargo Securities, LLC	-	-	19	53,908,000
Total	**235**	**339,507,000**	**970**	**2,475,155,000**

Quarterly, August 01, 2011 to October 31, 2011		Cumulative, November 01, 2010 to October 31, 2011	
Quarterly Trades	**Quarterly Par Amount**	**Cumulative Trades**	**Cumulative Par Amount**
335	**661,560,000**	**1,278**	**3,752,641,207**

Total Return Portfolio Attributes

Yields	Effective Duration (in years) October 31, 2011	Effective Duration (in years) July 31, 2011	Yield To Maturity - At Market October 31, 2011	Yield To Maturity - At Market July 31, 2011	Yield To Maturity - On Cost October 31, 2011	Yield To Maturity - On Cost July 31, 2011
Longer Term Investment Strategy						
2003 Reserve Fund	**3.82**	3.59	**1.45%**	1.64%	**3.24%**	3.29%
BPCPC Operating Reserve	**3.17**	3.09	**1.23%**	1.41%	**3.53%**	3.62%
BPCPC Operating Reserve Contingency	**3.83**	3.39	**1.55%**	1.69%	**2.99%**	3.14%
Insurance Fund	**3.84**	3.41	**1.31%**	1.44%	**3.00%**	3.17%
Operating Budget Reserve	**3.92**	3.42	**1.60%**	1.72%	**3.22%**	3.22%
BPCA Other Post Employment Benefits	**3.92**	3.29	**1.22%**	1.30%	**2.97%**	3.02%
BPCPC Other Post Employment Benefits	**3.88**	3.36	**1.15%**	1.30%	**1.98%**	2.05%
Short Term Investment Strategy						
2003 Pledged Revenue	**0.05**	0.25	**0.11%**	0.23%	**0.06%**	0.10%
2003 Project Operating Fund	**0.03**	0.01	**0.07%**	0.17%	**0.03%**	0.06%
Joint Purpose Fund	**0.39**	0.15	**0.03%**	0.07%	**0.02%**	0.04%



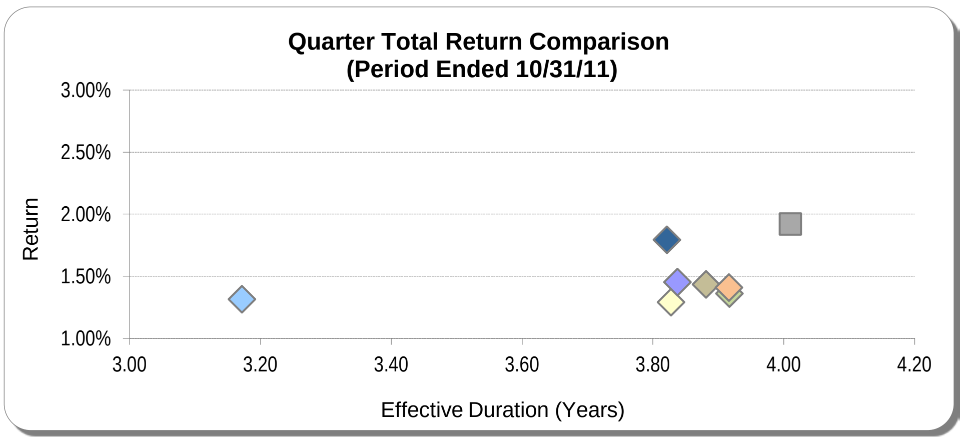
Portfolios managed with a Longer-Term Investment Strategy

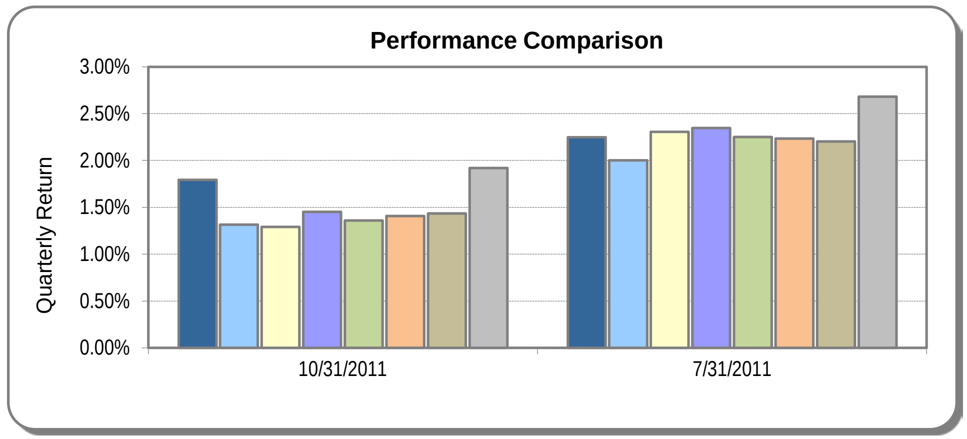
Hugh L. Carey
Battery Park
City Authority

Longer-Term Investment Strategy

Total Return[1,2,4,5]	October 31, 2011	Annualized Quarter	Since Inception[5]	Annualized Since Inception
2003 Reserve Fund	**1.79%**	7.31%	**37.75%**	5.73%
BPCPC Operating Reserve	**1.31%**	5.32%	**37.24%**	5.66%
BPCPC Operating Reserve Contingency	**1.29%**	5.22%	**40.92%**	6.15%
Insurance Fund	**1.45%**	5.89%	**41.71%**	6.25%
Operating Budget Reserve	**1.36%**	5.51%	**41.99%**	6.29%
BM: Merrill Lynch 1-10 Year US Treasury Note Index	**1.92%**	7.84%	**37.47%**	5.69%
BPCA Other Post Employment Benefits	**1.41%**	5.71%	**20.63%**	5.13%
BM: Merrill Lynch 1-10 Year US Treasury Note Index	**1.92%**	7.84%	**19.15%**	4.78%
BPCPC Other Post Employment Benefits	**1.43%**	5.81%	**8.15%**	4.67%
BM: Merrill Lynch 1-10 Year US Treasury Note Index	**1.92%**	7.84%	**9.72%**	5.56%

Effective Duration (in years)[3]	October 31, 2011	July 31, 2011
2003 Reserve Fund	**3.82**	3.59
BPCPC Operating Reserve	**3.17**	3.09
BPCPC Operating Reserve Contingency	**3.83**	3.39
Insurance Fund	**3.84**	3.41
Operating Budget Reserve	**3.92**	3.42
BPCA Other Post Employment Benefits	**3.92**	3.29
BPCPC Other Post Employment Benefits	**3.88**	3.36
BM: Merrill Lynch 1-10 Year US Treasury Note Index	**4.01**	3.93





Notes:
1. Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. Merrill Lynch 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 for all portfolios other than 'BPCA Other Post Employment Benefits' and 'BPCPC Other Post Employment Benefits' is calculated from January 31, 2006 to present.
   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.

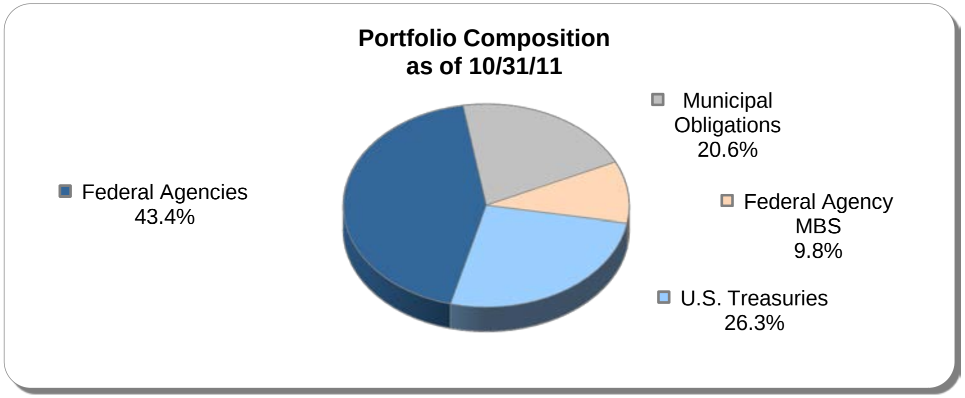
Longer-Term Investment Strategy – Historical Performance

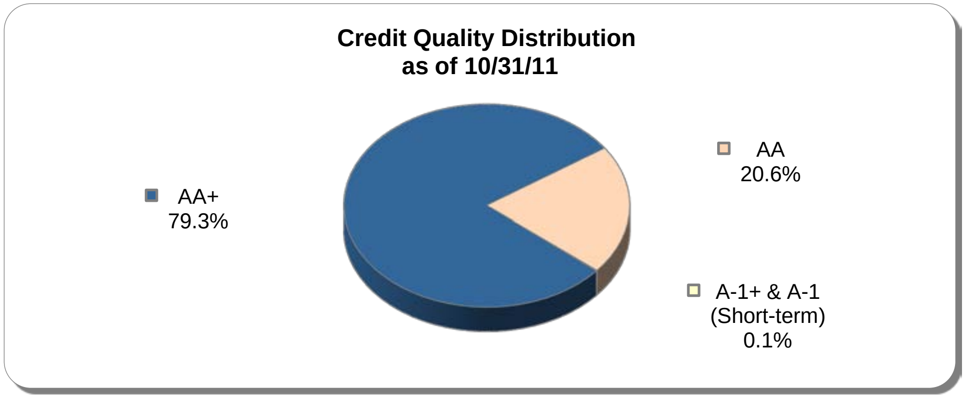
Total Return Period [1]	2003 Reserve Fund	BPCPC Operating Reserve	BPCPC Operating Reserve Contingency	Insurance Fund	Operating Budget Reserve	*ML 1-10 Year U.S. Treasury Index*	BPCA Other Post Employment Benefits[1]	*ML 1-10 Year U.S. Treasury Index[1]*	BPCPC Other Post Employment Benefits[1]	*ML 1-10 Year U.S. Treasury Index[1]*
4Q 2011	1.79%	1.31%	1.29%	1.45%	1.36%	*1.92%*	1.41%	*1.92%*	1.43%	*1.92%*
Annualized	**7.31%**	**5.32%**	**5.22%**	**5.89%**	**5.51%**	***7.84%***	**5.71%**	***7.84%***	**5.81%**	***7.84%***
3Q 2011	2.25%	2.00%	2.30%	2.35%	2.25%	*2.68%*	2.23%	*2.68%*	2.20%	*2.68%*
Annualized	**9.21%**	**8.18%**	**9.46%**	**9.64%**	**9.24%**	***11.07%***	**9.16%**	***11.07%***	**9.03%**	***11.07%***
2Q 2011	1.29%	1.03%	1.23%	1.14%	1.29%	*0.70%*	1.14%	*0.70%*	1.15%	*0.70%*
Annualized	**5.39%**	**4.30%**	**5.13%**	**4.75%**	**5.41%**	***2.90%***	**4.78%**	***2.90%***	**4.82%**	***2.90%***
1Q 2011	(1.71%)	(1.64%)	(1.59%)	(1.76%)	(1.53%)	*(1.76%)*	(1.77%)	*(1.76%)*	(1.96%)	*(1.76%)*
Annualized	**(6.60%)**	**(6.35%)**	**(6.17%)**	**(6.79%)**	**(5.92%)**	***(6.81%)***	**(6.85%)**	***(6.81%)***	**(7.57%)**	***(6.81%)***
3 Years	19.13%	18.34%	20.56%	20.07%	21.06%	*15.98%*	19.37%	*15.98%*	n/a	*n/a*
Annualized	**6.01%**	**5.77%**	**6.43%**	**6.29%**	**6.58%**	***5.07%***	**6.08%**	***5.07%***	**n/a**	***n/a***
Inception	37.75%	37.24%	40.92%	41.71%	41.99%	*37.47%*	20.63%	*19.15%*	8.15%	*9.72%*
Annualized	**5.73%**	**5.66%**	**6.15%**	**6.25%**	**6.29%**	***5.69%***	**5.13%**	***4.78%***	**4.67%**	***5.56%***

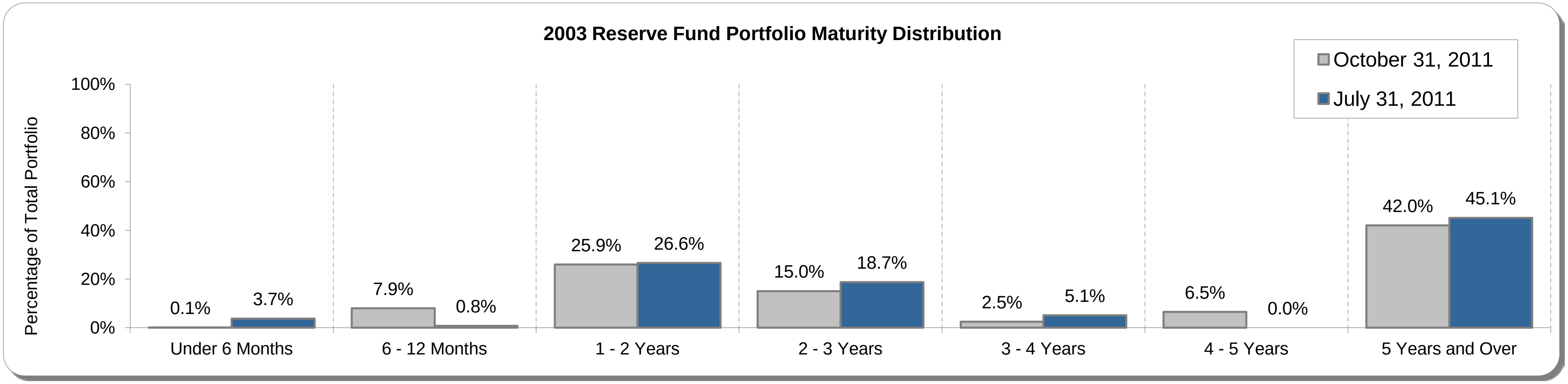
Notes:
1. Since inception performance for all portfolios other than 'BPCA Other Post Employment Benefits' and 'BPCPC Other Post Employment Benefits' is calculated from January 31, 2006 to present.
Since inception performance for the 'BPCA Other Post Employment Benefits' is calculated from January 31, 2008 to present.
Since inception performance for the 'BPCPC Other Post Employment Benefits' is calculated from February 12, 2010 to present.

2003 Reserve Fund Portfolio Composition, Credit Quality, and Maturity Characteristics

Security Type[1]	October 31, 2011	% of Portfolio	*July 31, 2011*	*% of Portfolio*	QoQ % Change
U.S. Treasuries	**$19,168,535**	**26.3%**	*$16,719,195*	*22.5%*	3.7%
Federal Agencies	**$31,658,478**	**43.4%**	*$36,462,639*	*49.1%*	(5.7%)
Commercial Paper	**$0**	**0.0%**	*$0*	*0.0%*	0.0%
Municipal Obligations	**$15,007,502**	**20.6%**	*$13,399,570*	*18.0%*	2.5%
Federal Agency MBS	**$7,174,695**	**9.8%**	*$7,687,140*	*10.4%*	(0.5%)
Totals	**$73,009,210**	**100.0%**	*$74,268,544*	*100.0%*	



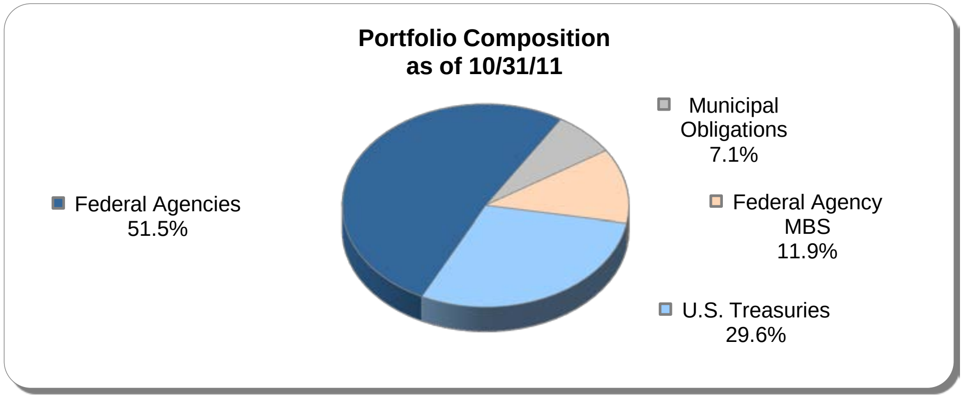


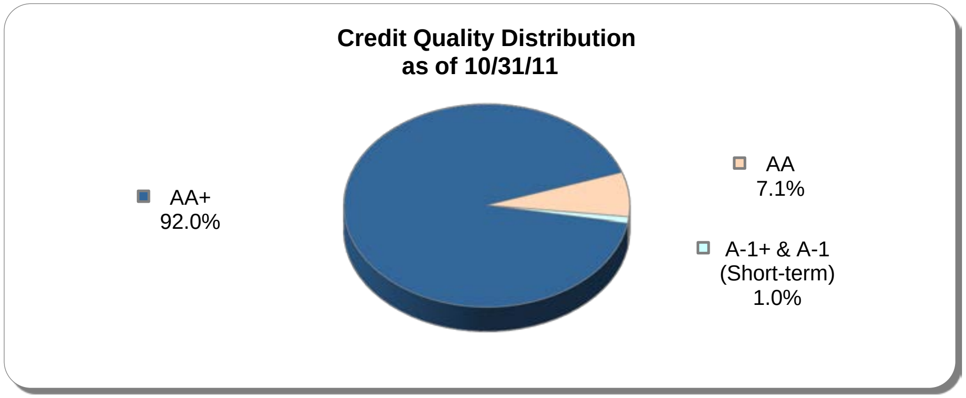


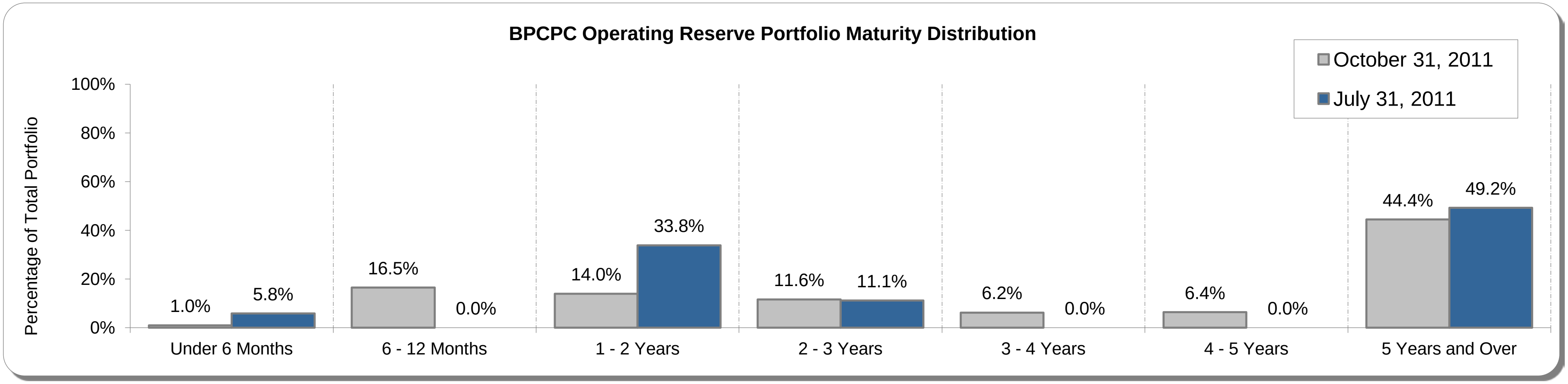
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

BPCPC Operating Reserve Portfolio Composition, Credit Quality, and Maturity Characteristics

Security Type[1]	October 31, 2011	% of Portfolio	July 31, 2011	% of Portfolio	QoQ % Change
U.S. Treasuries	**$277,738**	**29.6%**	*$305,634*	*31.4%*	(1.8%)
Federal Agencies	**$483,497**	**51.5%**	*$482,198*	*49.5%*	2.0%
Commercial Paper	**$0**	**0.0%**	*$0*	*0.0%*	0.0%
Municipal Obligations	**$66,607**	**7.1%**	*$66,604*	*6.8%*	0.3%
Federal Agency MBS	**$111,624**	**11.9%**	*$119,857*	*12.3%*	(0.4%)
Totals	**$939,466**	**100.0%**	*$974,293*	*100.0%*	



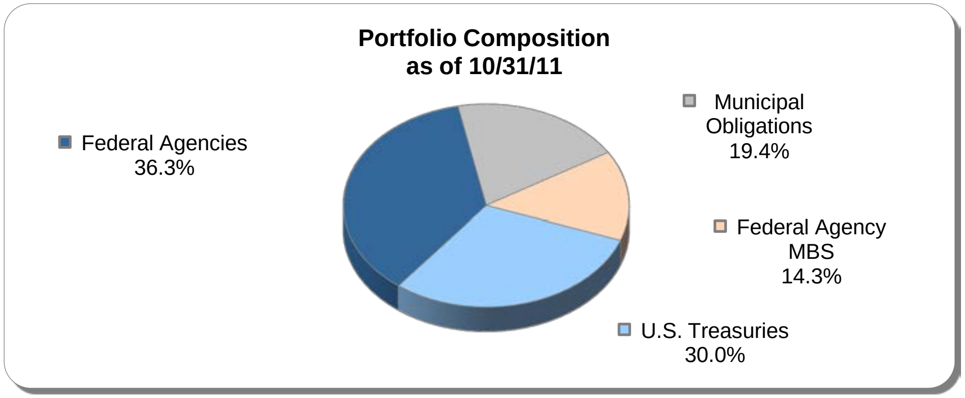


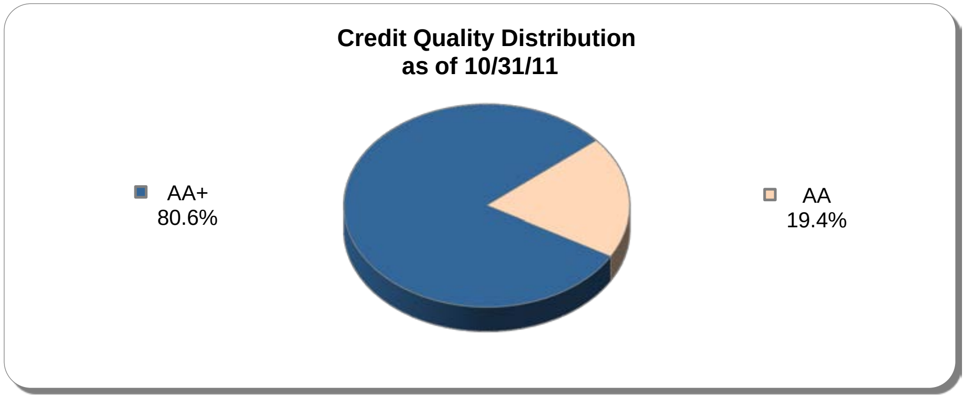


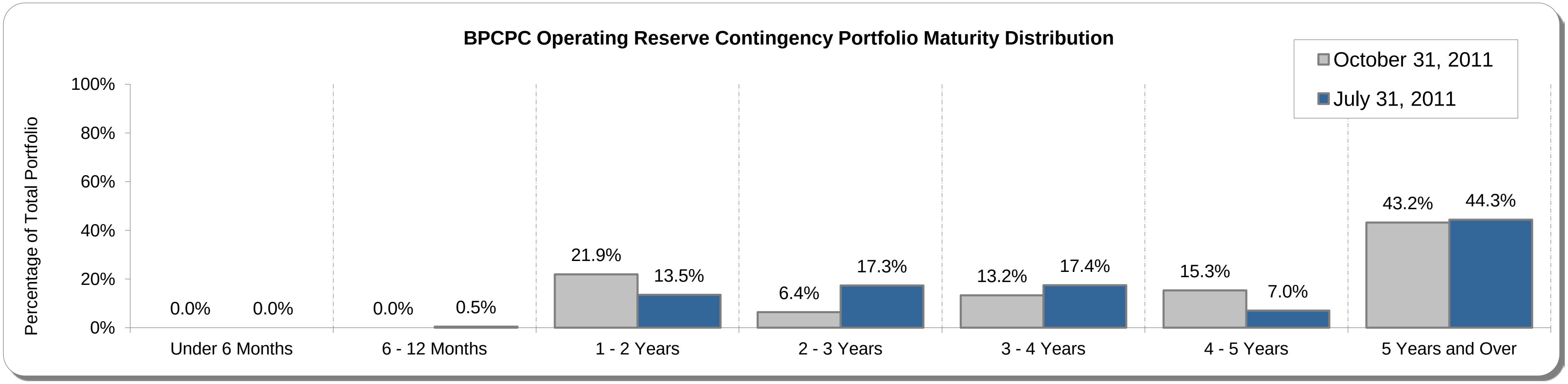
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

BPCPC Operating Reserve Contingency Portfolio Composition, Credit Quality, and Maturity Characteristics

Security Type[1]	October 31, 2011	% of Portfolio	*July 31, 2011*	*% of Portfolio*	QoQ % Change
U.S. Treasuries	**$5,914,666**	**30.0%**	*$4,221,503*	*21.6%*	8.3%
Federal Agencies	**$7,161,400**	**36.3%**	*$8,855,495*	*45.4%*	(9.1%)
Commercial Paper	**$0**	**0.0%**	*$0*	*0.0%*	0.0%
Municipal Obligations	**$3,834,787**	**19.4%**	*$3,398,441*	*17.4%*	2.0%
Federal Agency MBS	**$2,823,989**	**14.3%**	*$3,039,711*	*15.6%*	(1.3%)
Totals	**$19,734,842**	**100.0%**	*$19,515,150*	*100.0%*	



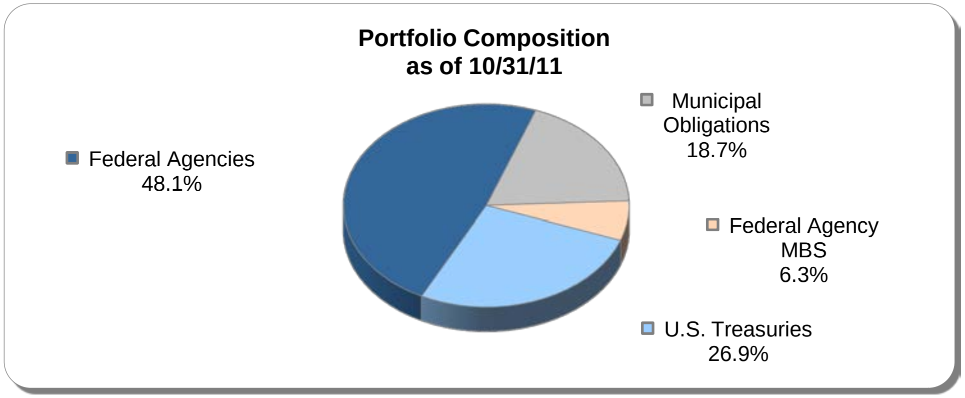


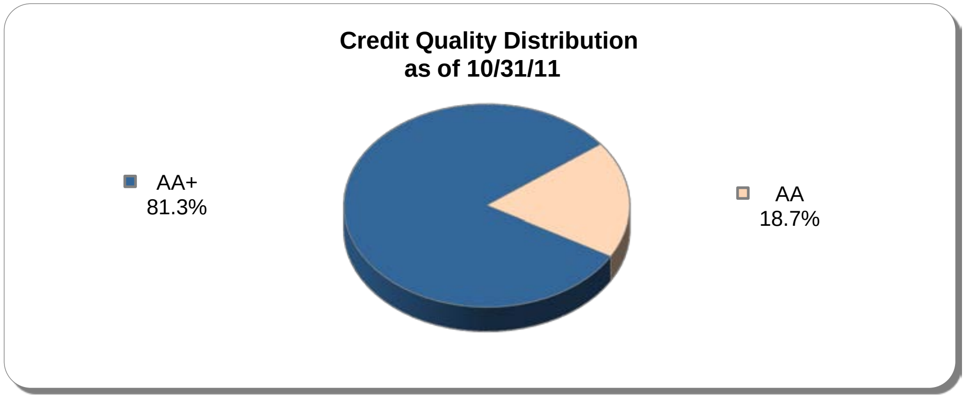


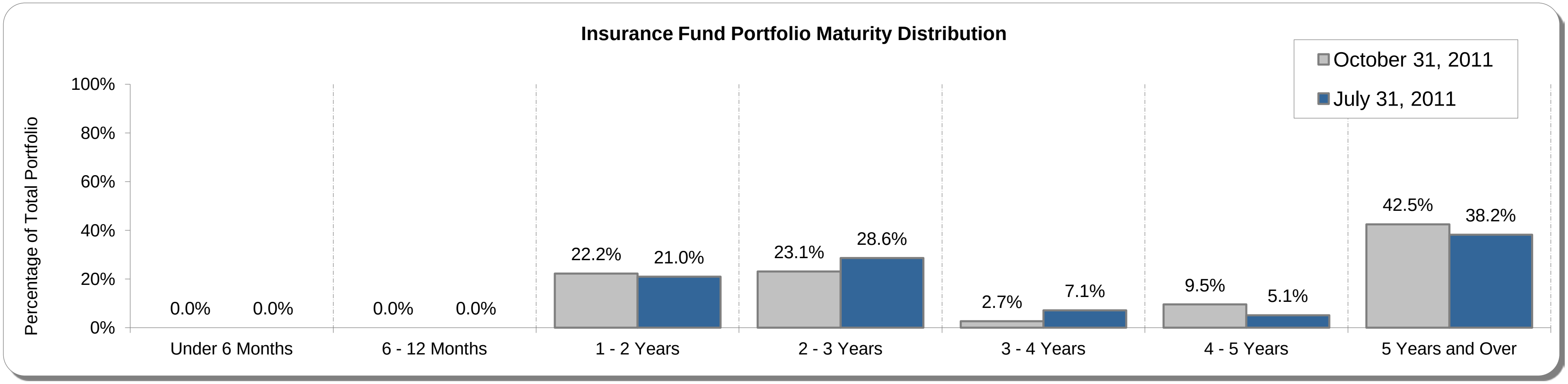
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

Insurance Fund Portfolio Composition, Credit Quality, and Maturity Characteristics

Security Type[1]	October 31, 2011	% of Portfolio	*July 31, 2011*	*% of Portfolio*	QoQ % Change
U.S. Treasuries	**$1,405,416**	**26.9%**	*$804,197*	*15.6%*	11.3%
Federal Agencies	**$2,512,564**	**48.1%**	*$3,135,696*	*60.9%*	(12.8%)
Commercial Paper	**$0**	**0.0%**	*$0*	*0.0%*	0.0%
Municipal Obligations	**$974,290**	**18.7%**	*$857,406*	*16.7%*	2.0%
Federal Agency MBS	**$326,855**	**6.3%**	*$347,652*	*6.8%*	(0.5%)
Totals	**$5,219,124**	**100.0%**	*$5,144,950*	*100.0%*	



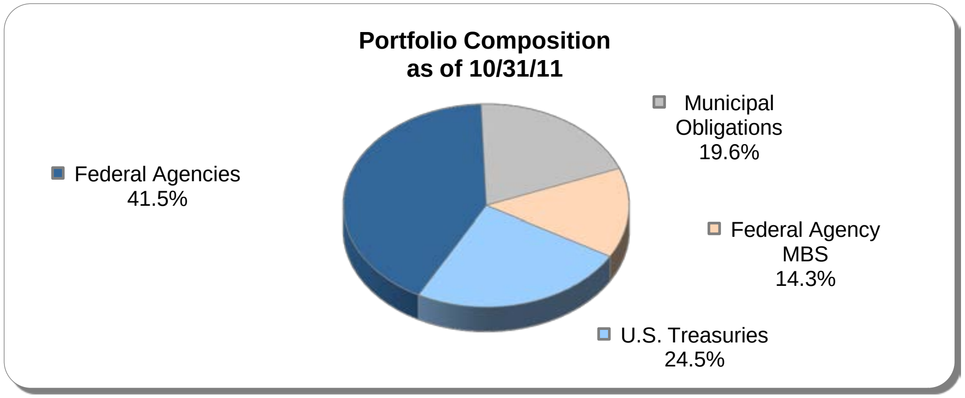


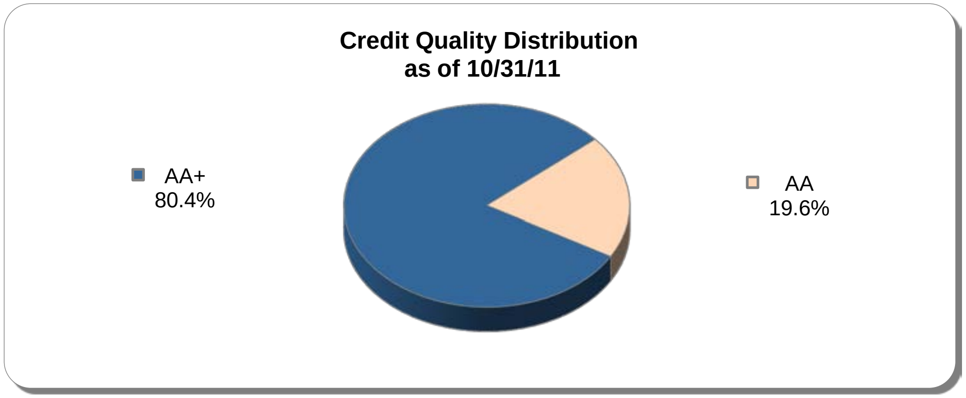


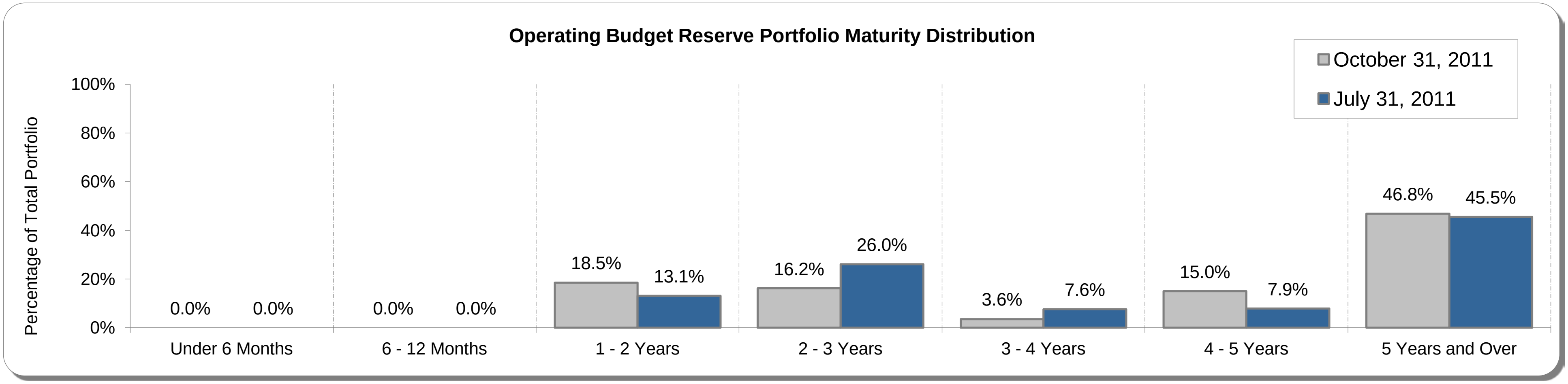
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

Operating Budget Reserve Portfolio Composition, Credit Quality, and Maturity Characteristics

Security Type[1]	October 31, 2011	% of Portfolio	July 31, 2011	% of Portfolio	QoQ % Change
U.S. Treasuries	**$2,252,860**	**24.5%**	*$1,612,342*	*17.8%*	6.7%
Federal Agencies	**$3,814,025**	**41.5%**	*$4,441,741*	*49.0%*	(7.5%)
Commercial Paper	**$0**	**0.0%**	*$0*	*0.0%*	0.0%
Municipal Obligations	**$1,802,983**	**19.6%**	*$1,597,112*	*17.6%*	2.0%
Federal Agency MBS	**$1,310,974**	**14.3%**	*$1,407,725*	*15.5%*	(1.3%)
Totals	**$9,180,842**	**100.0%**	*$9,058,920*	*100.0%*	



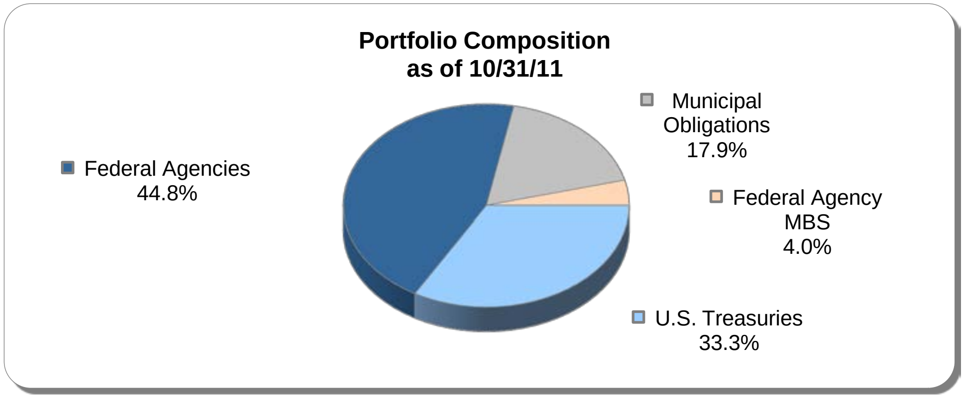


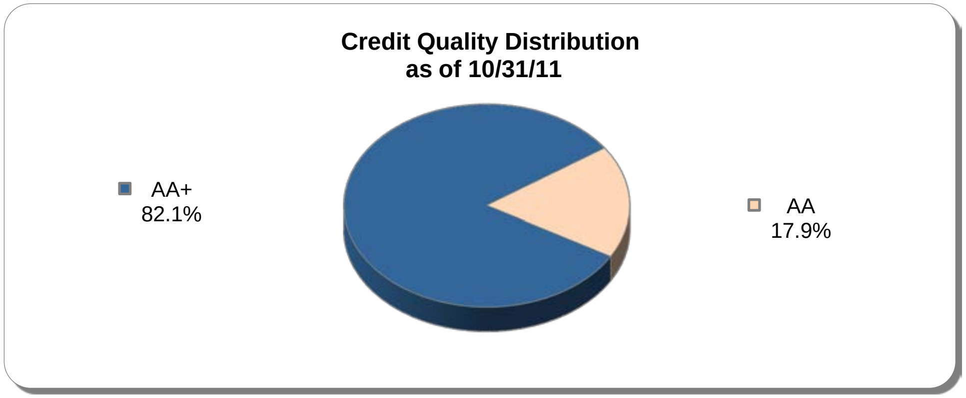


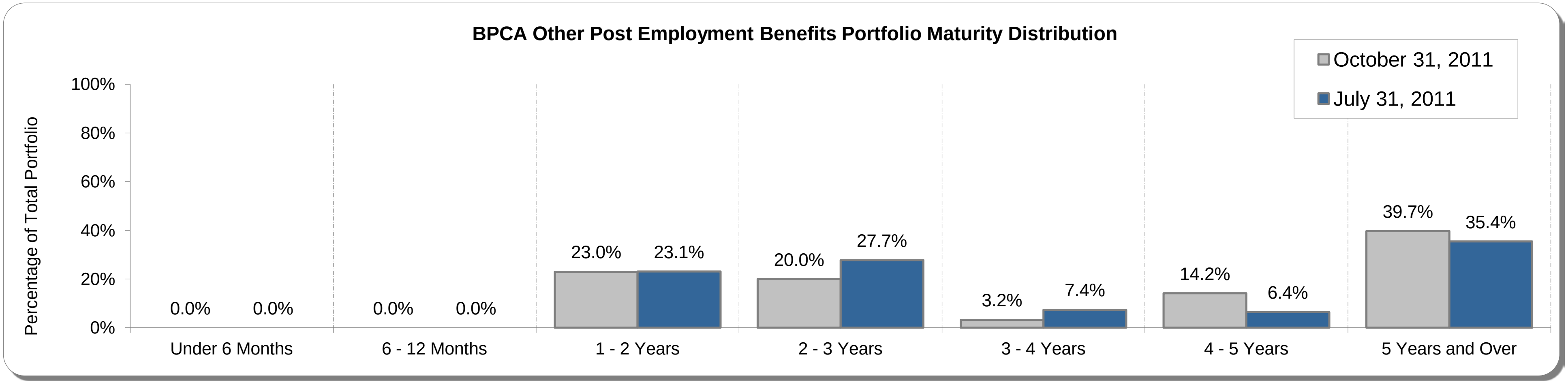
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

BPCA OPEB Portfolio Composition, Credit Quality, and Maturity Characteristics

Security Type[1]	October 31, 2011	% of Portfolio	*July 31, 2011*	*% of Portfolio*	QoQ % Change
U.S. Treasuries	**$6,440,889**	**33.3%**	*$4,743,925*	*25.5%*	7.8%
Federal Agencies	**$8,651,512**	**44.8%**	*$9,965,282*	*53.6%*	(8.8%)
Commercial Paper	**$0**	**0.0%**	*$0*	*0.0%*	0.0%
Municipal Obligations	**$3,462,898**	**17.9%**	*$3,053,398*	*16.4%*	1.5%
Federal Agency MBS	**$773,640**	**4.0%**	*$832,864*	*4.5%*	(0.5%)
Totals	**$19,328,940**	**100.0%**	*$18,595,470*	*100.0%*	



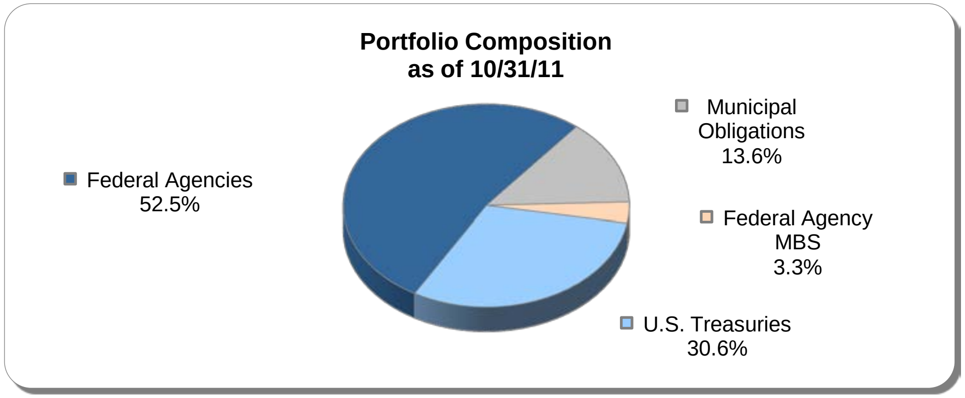


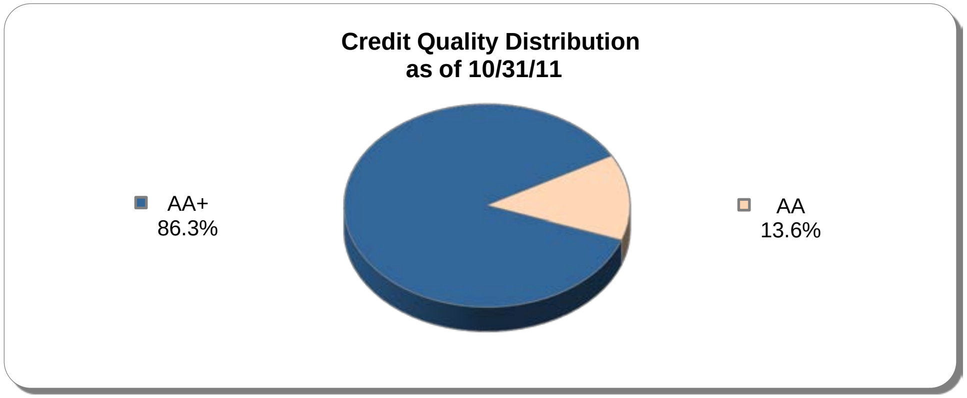


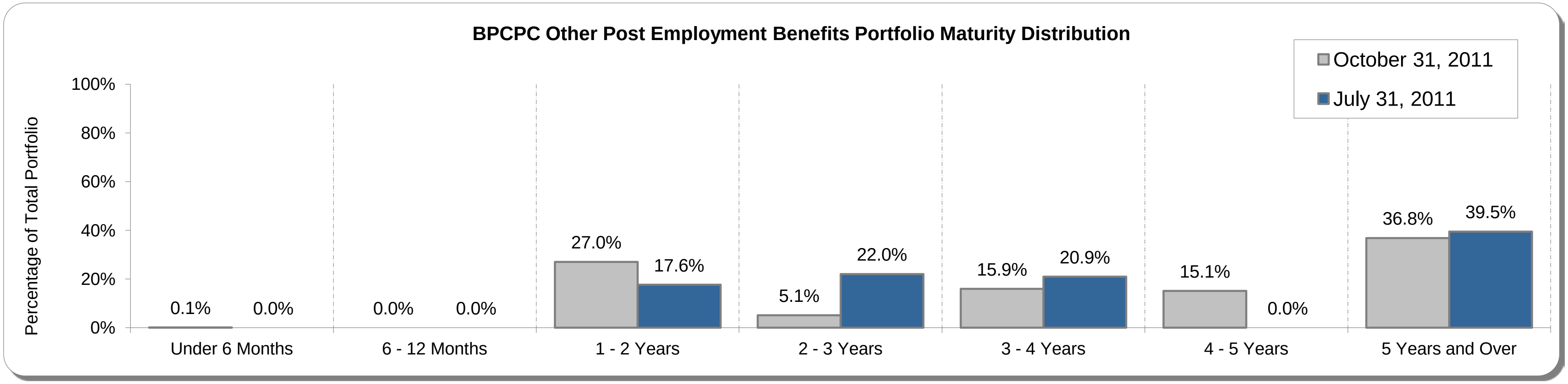
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

BPCPC OPEB Portfolio Composition, Credit Quality, and Maturity Characteristics

Security Type[1]	October 31, 2011	% of Portfolio	*July 31, 2011*	*% of Portfolio*	QoQ % Change
U.S. Treasuries	**$2,950,258**	**30.6%**	*$1,214,454*	*14.0%*	16.6%
Federal Agencies	**$5,061,755**	**52.5%**	*$6,008,399*	*69.3%*	(16.8%)
Commercial Paper	**$0**	**0.0%**	*$0*	*0.0%*	0.0%
Municipal Obligations	**$1,312,603**	**13.6%**	*$1,107,124*	*12.8%*	0.8%
Federal Agency MBS	**$320,715**	**3.3%**	*$344,770*	*4.0%*	(0.6%)
Totals	**$9,645,331**	**100.0%**	*$8,674,747*	*100.0%*	







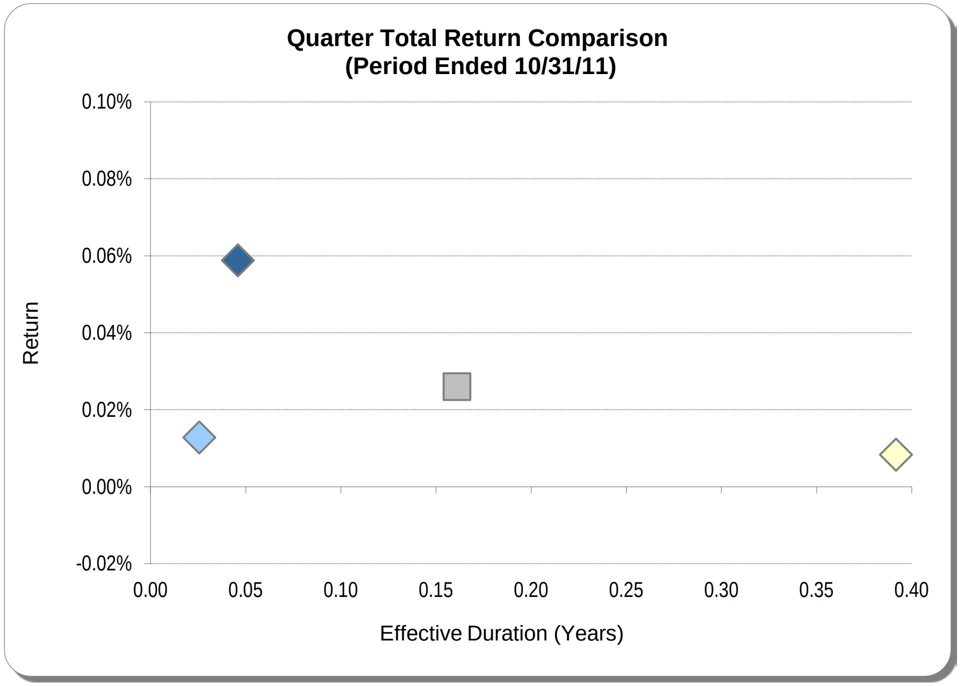
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

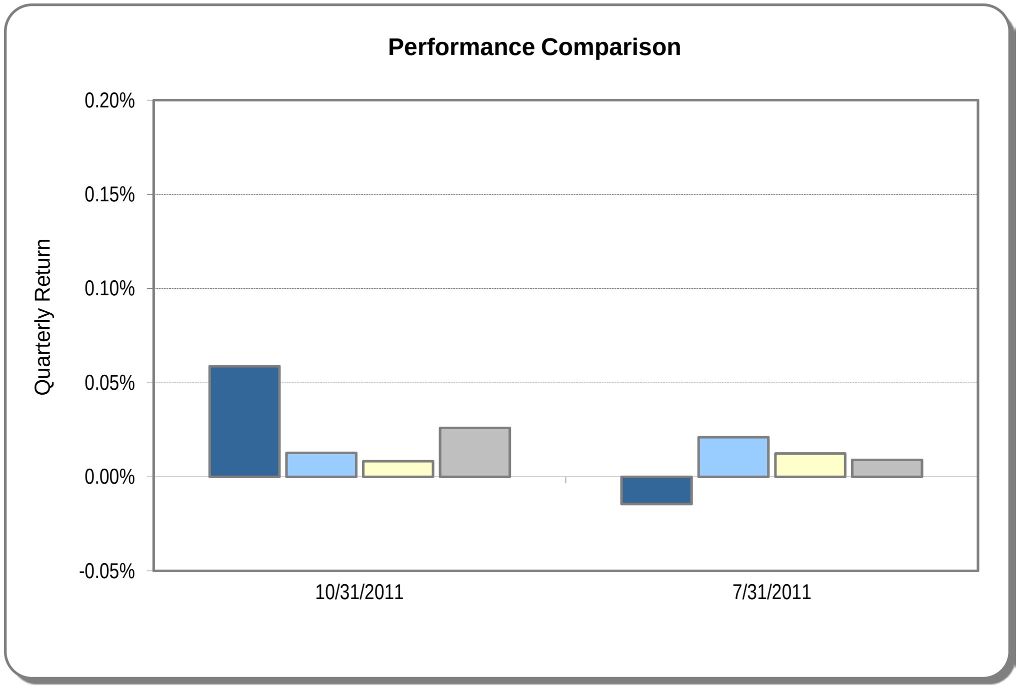
Portfolios managed with a Shorter-Term Investment Strategy

Shorter-Term Investment Strategy

Total Return[1,2,4,5]	October 31, 2011	Annualized Quarter	Since Inception[5]	Annualized Since Inception
2003 Pledged Revenue	**0.06%**	0.23%	13.15%	2.17%
2003 Project Operating Fund	**0.01%**	0.05%	12.99%	2.15%
Joint Purpose Fund	**0.01%**	0.03%	13.87%	2.28%
BM: Merrill Lynch 3 Month US Treasury Bill Index	**0.03%**	0.10%	12.50%	2.07%

Effective Duration (in years)[3]	October 31, 2011	July 31, 2011
2003 Pledged Revenue	0.05	0.25
2003 Project Operating Fund	0.03	0.01
Joint Purpose Fund	0.39	0.15
BM: Merrill Lynch 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. Merrill Lynch 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.

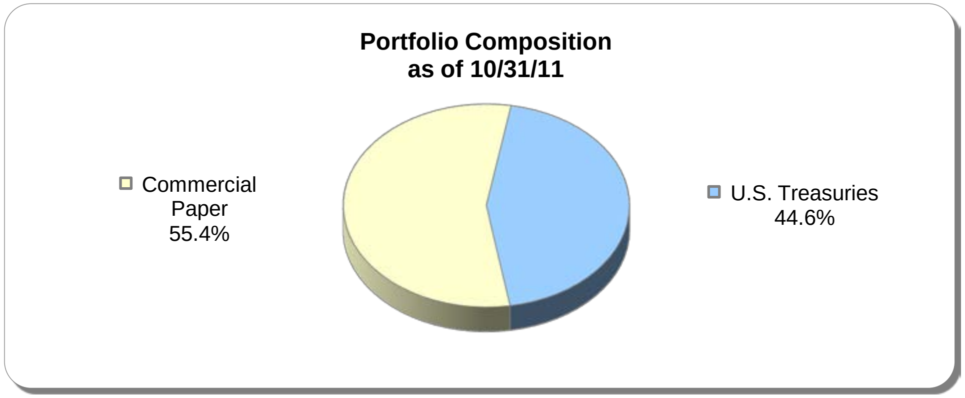
Shorter-Term Investment Strategy – Historical Performance

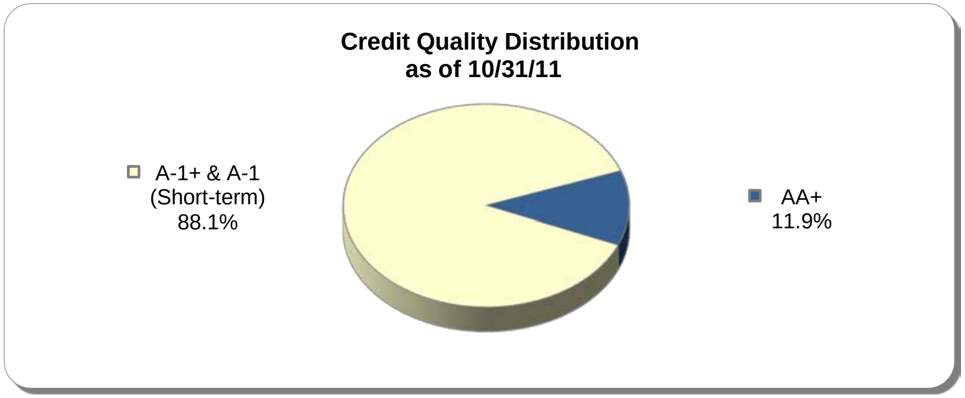
Total Return Period [1]	2003 Pledged Revenue	2003 Project Operating Fund	Joint Purpose Fund	*ML 3-Month U.S. Treasury Bill Index*
4Q 2011	0.06%	0.01%	0.01%	0.03%
Annualized	**0.23%**	**0.05%**	**0.03%**	***0.10%***
3Q 2011	(0.01%)	0.02%	0.01%	0.01%
Annualized	**(0.06%)**	**0.08%**	**0.05%**	***0.04%***
2Q 2011	0.06%	0.06%	0.04%	*0.06%*
Annualized	**0.23%**	**0.24%**	**0.16%**	***0.25%***
1Q 2011	0.05%	0.06%	0.05%	0.03%
Annualized	**0.19%**	**0.25%**	**0.21%**	***0.12%***
3 Years	0.77%	0.70%	1.04%	0.54%
Annualized	**0.26%**	**0.23%**	**0.35%**	***0.18%***
Inception	13.15%	12.99%	13.87%	12.50%
Annualized	**2.17%**	**2.15%**	**2.28%**	***2.07%***

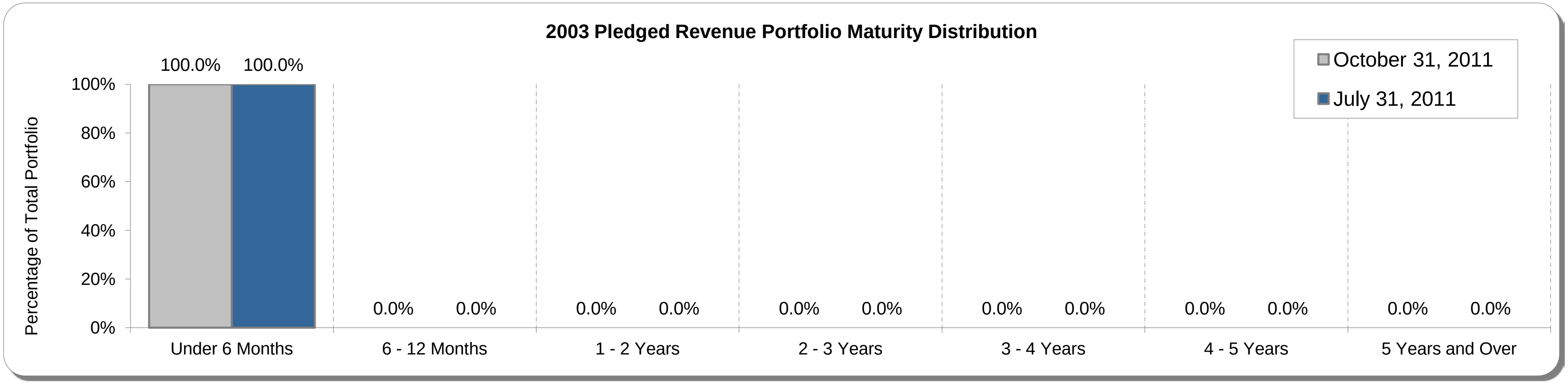
Notes:
1. Since inception performance is calculated from January 31, 2006 to present.

2003 Pledged Revenue Portfolio Composition, Credit Quality, and Maturity Characteristics

Security Type[1]	**October 31, 2011**	**% of Portfolio**	*July 31, 2011*	*% of Portfolio*	QoQ % Change
U.S. Treasuries	**$55,567,207**	**44.6%**	*$455,368*	*0.5%*	44.1%
Federal Agencies	**$0**	**0.0%**	*$80,609,785*	*81.5%*	(81.5%)
Commercial Paper	**$69,116,211**	**55.4%**	*$17,843,607*	*18.0%*	37.4%
Municipal Obligations	**$0**	**0.0%**	*$0*	*0.0%*	-
Federal Agency MBS	**$0**	**0.0%**	*$0*	*0.0%*	-
Totals	**$124,683,418**	**100.0%**	*$98,908,760*	*100.0%*	



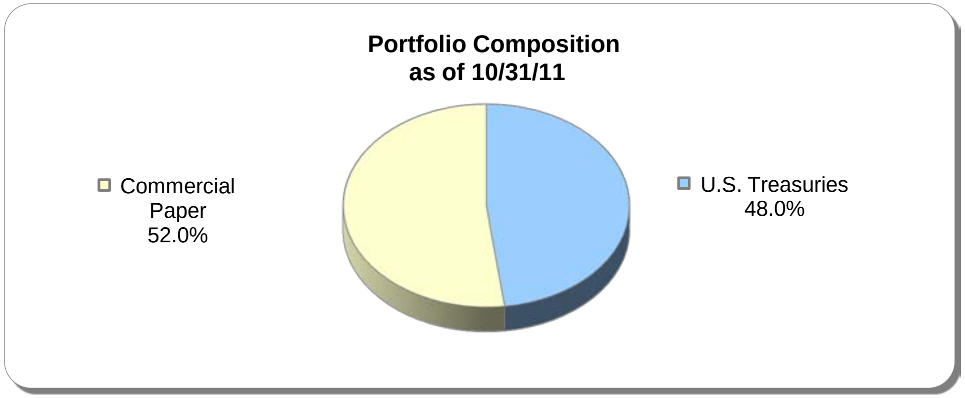


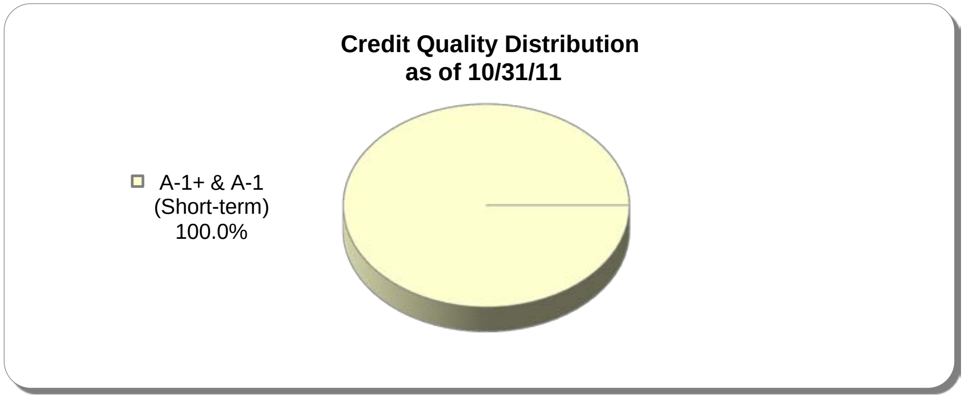


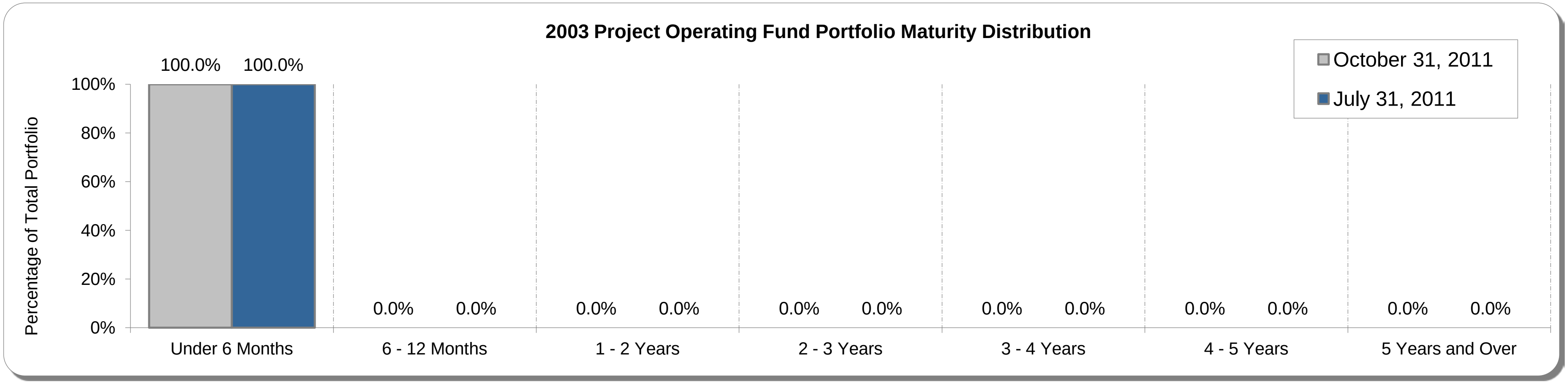
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

2003 Project Operating Fund Portfolio Composition, Credit Quality, and Maturity Characteristics

Security Type[1]	October 31, 2011	% of Portfolio	*July 31, 2011*	*% of Portfolio*	QoQ % Change
U.S. Treasuries	**$3,685,974**	**48.0%**	*$1,999,956*	*64.5%*	(16.6%)
Federal Agencies	**$0**	**0.0%**	*$0*	*0.0%*	-
Commercial Paper	**$3,999,980**	**52.0%**	*$1,099,981*	*35.5%*	16.6%
Municipal Obligations	**$0**	**0.0%**	*$0*	*0.0%*	-
Federal Agency MBS	**$0**	**0.0%**	*$0*	*0.0%*	-
Totals	**$7,685,954**	**100.0%**	*$3,099,937*	*100.0%*	



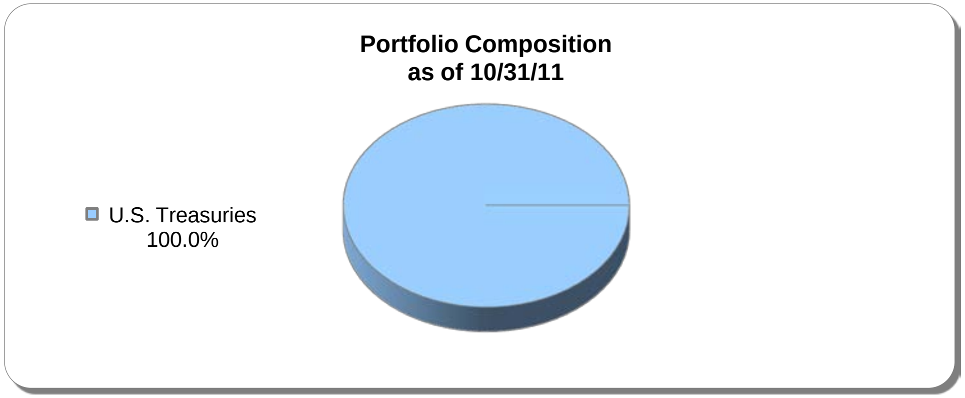


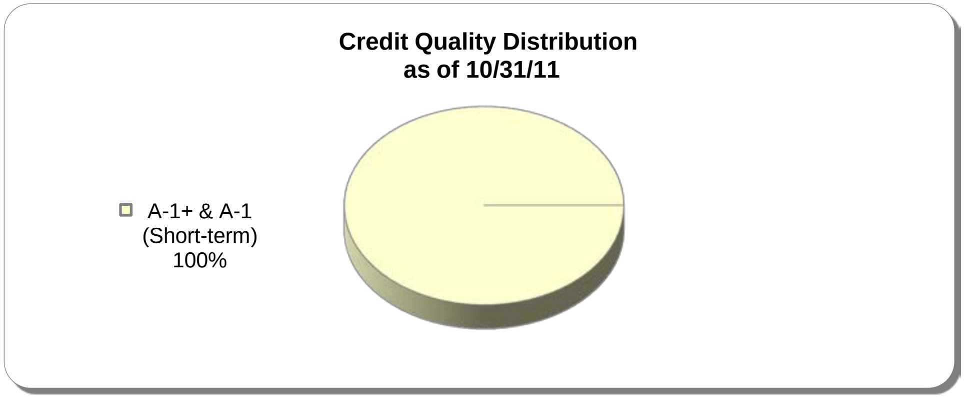


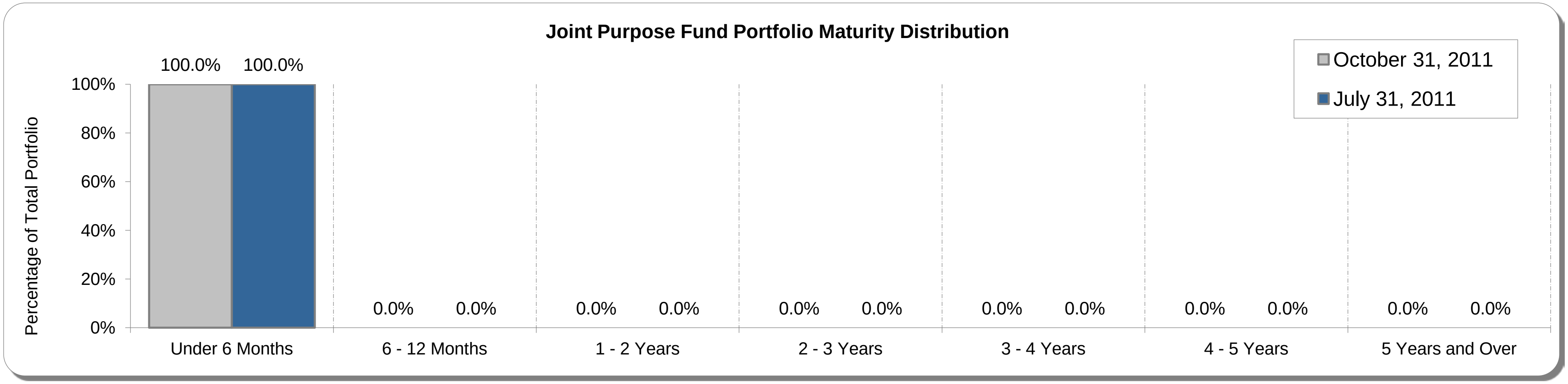
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

Joint Purpose Fund Portfolio Composition, Credit Quality, and Maturity Characteristics

Security Type[1]	October 31, 2011	% of Portfolio	*July 31, 2011*	*% of Portfolio*	QoQ % Change
U.S. Treasuries	**$153,979**	**100.0%**	*$153,983*	*100.0%*	-
Federal Agencies	**$0**	**0.0%**	*$0*	*0.0%*	-
Commercial Paper	**$0**	**0.0%**	*$0*	*0.0%*	-
Municipal Obligations	**$0**	**0.0%**	*$0*	*0.0%*	-
Federal Agency MBS	**$0**	**0.0%**	*$0*	*0.0%*	-
Totals	**$153,979**	**100.0%**	*$153,983*	*100.0%*	







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

Section III – Market Commentary

Intermediate-term and long-term interest rates fell sharply for the second consecutive quarter, in many cases to new all-time lows, as market participants digested a myriad of events, including:

- Renewed slowdown in U.S. and global economies,
- Heightened concern over European sovereign and bank debt,
- Budget and debt ceiling wrangling in Washington,
- S&P's downgrade of the U.S. government's credit rating, and
- Bold new Federal Reserve initiatives.

These factors conspired to cause a collapse in consumer and business confidence, a sharp sell-off in equity markets around the globe, and a continued "flight-to-quality" into U.S. Treasuries. U.S. monetary policy initiatives also contributed to declining interest rates, as the Federal Reserve promised to keep short-term rates low for at least the next two years and announced a new program to purchase long-term debt. As a result, longer-term fixed-income portfolios posted their largest quarterly returns in nearly three years, while shorter-term portfolios remained hostage to near zero rate levels. High quality U.S. fixed-income investments continued to be one of the strongest performing asset classes during the quarter ended October 31, 2011.

The Economy: Recap of a Historic Quarter

At the beginning of August, European debt concerns continued to serve as a shadowy backdrop to a sputtering U.S. recovery. In the face of stubbornly high unemployment, a battered housing market and plunging consumer confidence, GDP growth in the U.S. averaged only 0.8% in the first half of the year. Throughout the quarter ended October 31, 2011, economists, including those at the Federal Reserve, progressively lowered their GDP projections for the balance of the year. At the same time, Washington grappled with the debt ceiling and a possible default.

Capitol Hill was in need of an eleventh hour agreement to give the Treasury the authority to issue additional debt to pay the government's bills. On August 2nd, one day before the Treasury's drop dead date, Congress finally agreed on a stopgap policy, which included upwards of $2.4 trillion in spending cuts over the next decade and an increase in the statutory debt limit by at least $2.1 trillion. Default was averted, but much of the hard work of hammering out the details was pushed off to a bipartisan "Super Committee." The process revealed the worst of the U.S. government's political gridlock and gamesmanship.

As it had previously warned, on August 8th Standard and Poor's (S&P) cut the long-term sovereign debt rating of the United States from AAA to AA+. S&P characterized the budget deal as insufficient to stabilize the government's debt over the long term and noted that "the political brinksmanship of recent months highlights what we see as America's governance and policymaking becoming less stable, less effective, and less predictable." The rating downgrade also affected U.S. Federal Agencies, FDIC-backed debt, thousands of municipal bonds, and many funds that invest in Treasuries and Agencies. Even after the downgrade, investors continued to flock to the safety of U.S. Treasuries, further driving down yields and pushing prices upward.

At the August 9th meeting of the Federal Open Market Committee (FOMC), the Fed stated that weak economic conditions were "likely to warrant exceptionally low levels for the federal funds rate at least through mid-2013." This marked the first time in history that the Fed had placed an explicit timetable on its monetary policy. Increased certainty that short-term rates are likely to remain low for two years drove rates lower still.

Then, at an extended two-day September meeting, the Fed announced "Operation Twist," yet another initiative designed to boost economic recovery. The FOMC said it would extend the average maturity of its security holdings to "put downward pressure on longer-term interest rates and help make broader financial conditions more accommodative." The Committee intends to purchase, by the end of June 2012, $400 billion of Treasury securities with remaining maturities of 6 to 30 years and to sell an equal amount of Treasury securities with remaining maturities of 3 years or less. The market initially responded by pushing long-term rates down and shorter-term rates up, although the rise in short-term rates was limited by the Fed's near-zero rate policy.

Interest Rates and Returns

Treasury yields continued their descent over the quarter ended October 31, 2011, with yields of longer-term maturities falling the most, as shown in the following table.

Summary of U.S. Treasury Security Yields

Date	3M	6M	1Y	2Y	3Y	5Y	10Y
31-Oct-11	0.00%	0.04%	0.11%	0.24%	0.38%	0.96%	2.11%
31-Jul-11	0.07%	0.14%	0.19%	0.37%	0.54%	1.32%	2.74%
QoQ Change	-0.07%	-0.10%	-0.09%	-0.13%	-0.16%	-0.36%	-0.63%
31-Oct-10	0.10%	0.15%	0.20%	0.34%	0.49%	1.17%	2.62%
YoY Change	-0.10%	-0.10%	-0.09%	-0.11%	-0.11%	-0.21%	-0.51%

Source data: Bloomberg

Because yields on maturities less than one year are in large part dictated by the federal funds target rate, short-term yields continue to be anchored near all-time-low levels. In fact, given very strong demand for high quality short-term investments, it has become commonplace for ultra-short Treasury bills to trade at zero or negative yields.

The continued decline in interest rates through the quarter ended October 31, 2011 is illustrated in the chart below.

2-Year, 5-Year, and 10-Year U.S. Treasury Note Yields

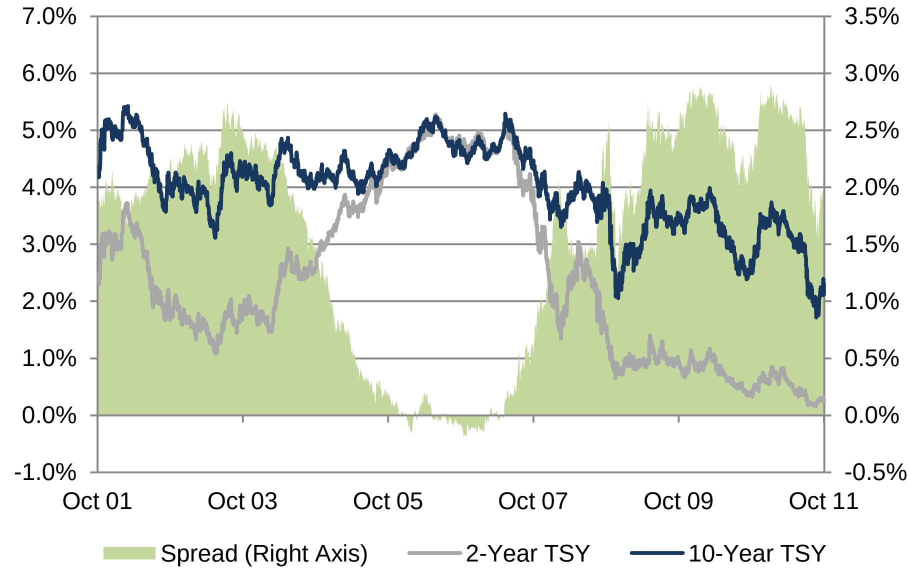
October 31, 2010 through October 31, 2011

Source data: Bloomberg

The announcement of "Operation Twist" contributed to a significant flattening of the yield curve. As shown in the chart below, the steepness of the yield curve, measured by the spread between 2- and 10-year U.S. Treasury notes, flattened significantly. Note that the steepness of the yield curve through time is mostly a function of short-term rates, especially during periods of strong Fed accommodation. The most recent move, however, was more unusual, being driven by sharply lower long-term yields.

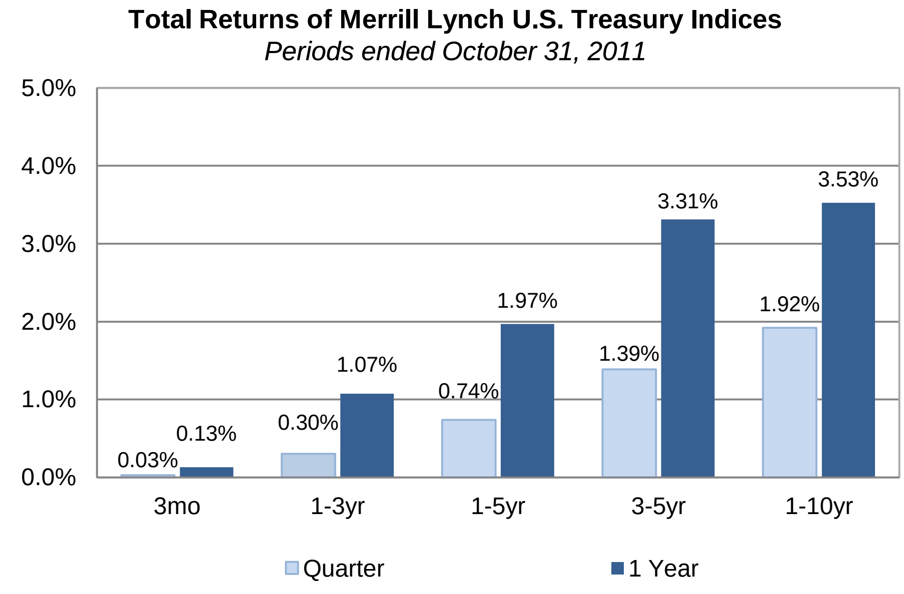
U.S. Treasury Yields and Yield Curve Steepness

October 31, 2010 through October 31, 2011



Source data: Bloomberg

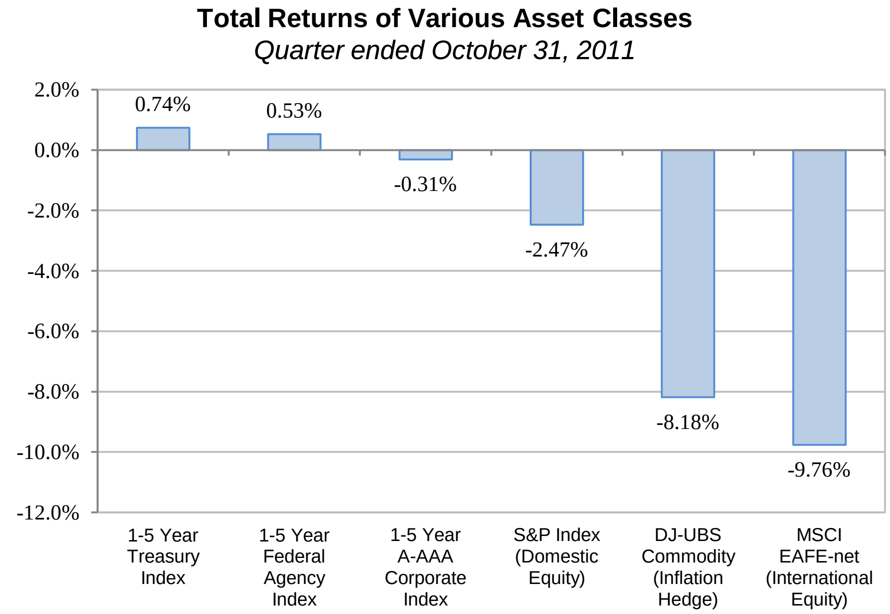
Since intermediate- and long-term interest rates fell more than short-term rates, longer-duration strategies outperformed shorter-duration strategies for the quarter ended October 31, 2011. As seen on the chart on the following page, longer was better by a wide margin.



Source data: Bank of America Merrill Lynch; Bloomberg

U.S. Treasuries, in particular, had a very strong quarter, outperforming similar maturity federal agency and high-quality corporate securities. The outperformance of Treasuries was due to the significant decrease in Treasury yields across the curve – a result of the continuing flight-to-quality – while weaker economic data and troubles in Europe pressured yield spreads wider on other sectors.

As shown on the next chart, the risk aversion trade during the quarter ended October 31, 2011 punished riskier asset classes, as the return on Treasuries surpassed that of federal agencies and, in general, low risk fixed-income investments outpaced equities and alternative investment classes, which fell sharply during the quarter ended October 31, 2011. As is usually the case during periods of uncertainty, yield spreads widened, risk premiums rose, and equity multiples fell. In such volatile market conditions, diversification remains an important principle of prudent portfolio management.



Source data: Bank of America Merrill Lynch; Bloomberg

For an additional comparison of the disparity in returns along the risk spectrum, 1-5 year AAA-rated corporate securities outperformed 1-5 year A-rated corporate securities by 97 basis points (0.97%), for the quarter ended October 31, 2011, 1.28% versus -0.78%.

Worldwide concern over bank exposure to European debt also took its toll on corporate sector returns, as 1-5 year industrials outperformed financials by 111 basis points (1.11%), 0.14% versus -0.97% for the quarter ended October 31, 2011.

Economic and Market Outlook

Although the U.S. economy has posted eight straight quarters of positive GDP growth, recent growth has been anemic. With uncertainty regarding future fiscal policy, both here and abroad, economists expect the lackluster GDP trend to remain at sub-3% growth levels for the foreseeable future.

The European sovereign debt and bank crisis was a significant storyline throughout the past three months and a continuing major headwind to the U.S. recovery. The sovereign debt woes of Greece have spread to other EU nations, including Spain, Italy, and Portugal. In July, euro-zone members agreed to a €440 billion European Financial Stability Facility (ESFS) to address the growing crisis.

Until the European debt crisis is resolved, equity markets are expected to remain volatile. Volatility, as measured by the VIX index, rose to a 2½ year high during the quarter ended October 31, 2011. Amid the heightened volatility, the S&P 500 Index had shown signs of strength through the first seven months of 2011, only to have those returns dissipate over the last three months. A strong month of October pared the significant losses experienced in equity markets during the months of August and September 2011.

In light of European debt issues, the dollar experienced a healthy rally relative to the euro – increasing over 4% for the quarter. Similarly, or perhaps in parallel, gold rose 5%. However, commodity prices in general fell over the quarter ended October 31, 2011 with oil leading the way, down 5%, as global demand slowed.

Although the economy added over 100,000 jobs per month in the past two quarters, the unemployment rate remains stuck at 9%. Current job creation is simply insufficient to have significant positive impact on the unemployment rate.

On the housing front, the story remains unchanged. Despite the biggest drop in home prices in over two years and mortgage rates at all-time lows, home sales have been disappointing. Credit remains tight while consumers are focused on relieving their own personal debt concerns. With winter around the corner, prospects remain dim.

Personal consumption increased modestly, led by stronger auto sales, but the ISM manufacturing index remained disappointingly low.

Consumer confidence plunged to a two-year low as economic conditions weakened, equity markets fell, and jobs remain scarce.

Despite these obstacles, the Fed continues to express resolve and remains prepared to consider "the range of policy tools available to promote a stronger economic recovery in a context of price stability."

Investment Strategy

The Federal Reserve's commitment to maintain the federal funds target rate at its current range until at least mid-2013 has essentially removed much of the uncertainty regarding potential short- to intermediate-term interest rate spikes in the near future. Because the Fed is on hold, maturity extensions can safely add value to portfolios. The benefits of "roll-down" can be viewed as a valuable contributor to fixed-income portfolio performance.

Short-maturity U.S. Treasury and federal agency yields remain at near zero levels. Some analysts have dubbed this relationship as "return-less risk" – the lack of total return opportunities in that portion of the yield curve is insufficient relative to the impact of potential interest rate fluctuations. Alternative short-term sectors, including high-quality certificates of deposit and commercial paper, floating rate securities, and callable agencies do have value, but each must be evaluated carefully.

Further out the yield curve, as credit spreads have widened, federal agency and high-quality corporate securities are attractive. Where applicable, we will increase exposure in both, but the corporate sector requires investors to be both thoughtful and nimble.

Still, as yields remain very low by historical measures, we will take a cautious approach to duration management. For this reason, we will target duration at or below benchmarks. In these unprecedented economic and market conditions, taking on extreme duration risk is not warranted.