

Hugh L. Carey Battery Park City Authority
Meeting of the Investment Committee
200 Liberty Street, 24th Floor
New York, New York 10281
August 25, 2021
12:30 p.m.

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF THE MAY 26, 2021 MINUTES
- III. QUARTERLY INVESTMENT REPORT
- IV. SECURITY FUNDS UPDATE
- V. MOTION TO ADJOURN



Hugh L. Carey Battery Park City Authority

Review of Investment Performance

Quarter Ended July 31, 2021

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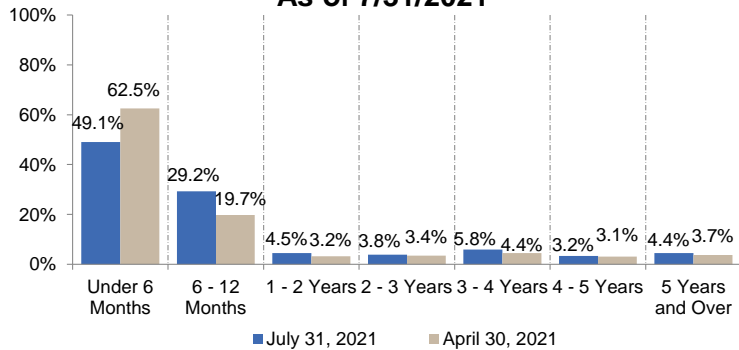
I. Executive Summary



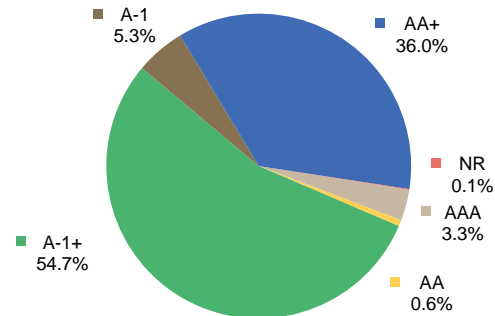
Aggregate Portfolio Composition and Credit Quality

Security Type ¹	July 31, 2021	% of Portfolio	Effective Duration	April 30, 2021	% of Portfolio	Effective Duration	QoQ Change (% of portfolio)
U.S. Treasuries	\$445,509,938	81.7%	1.03	\$554,685,224	87.0%	0.86	(5.3%)
Federal Agencies and Instrumentalities (non-MBS)	\$19,427,084	3.6%	2.95	\$17,501,394	2.7%	3.18	0.8%
Commercial Paper	\$72,683,914	13.3%	0.38	\$54,658,298	8.6%	0.28	4.8%
Municipals	\$4,917,475	0.9%	2.59	\$7,527,709	1.2%	1.87	(0.3%)
Government MBS ²	\$2,859,809	0.5%	2.80	\$3,084,086	0.5%	3.21	0.0%
Totals	\$545,398,219	100.0%	1.04	\$637,456,711	100.0%	0.89	

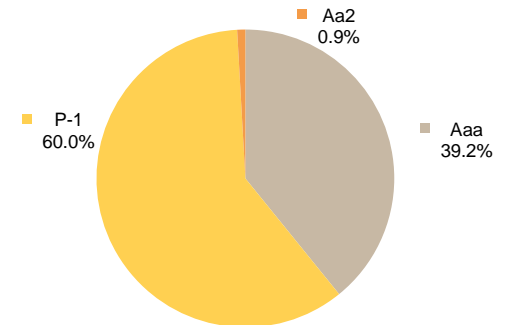
**Maturity Distribution
As of 7/31/2021**



**Credit Quality Distribution (S&P)
as of 7/31/2021**



**Credit Quality Distribution (Moody's)
as of 7/31/2021**



Notes:

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



Performance Overview – Total Return Strategies – July 31, 2021

	Past Quarter	Past 12 Months	Past 3-Years	Since Inception
Long-Term Strategy:				
2003 Reserve Fund	0.34%	0.10%	3.03%	3.14%
<i>BM: BAML 1-5 Year US Treasury Note Index</i>	<i>0.29%</i>	<i>-0.08%</i>	<i>3.41%</i>	<i>3.08%</i>
BPCPC Operating Reserve Contingency Insurance Fund	0.89%	-0.44%	3.99%	3.59%
Operating Budget Reserve	0.82%	-0.47%	3.96%	3.54%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>1.00%</i>	<i>-0.73%</i>	<i>4.21%</i>	<i>3.33%</i>
BPCA Other Post-Employment Benefits	0.86%	-0.24%	4.32%	2.97%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>1.00%</i>	<i>-0.73%</i>	<i>4.21%</i>	<i>2.74%</i>
BPCPC Other Post-Employment Benefits	0.88%	-0.33%	4.31%	2.51%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>1.00%</i>	<i>-0.73%</i>	<i>4.21%</i>	<i>2.49%</i>
Short-Term Strategy:				
2003 Pledged Revenue	0.02%	0.11%	1.30%	1.23%
2003 Project Operating Fund	0.02%	0.10%	1.29%	1.23%
<i>BM: BAML 3 Month US Treasury Bill Index</i>	<i>0.00%</i>	<i>0.08%</i>	<i>1.29%</i>	<i>1.17%</i>

Notes:

1. Bank of America/Merrill Lynch (BAML) indices provided by Bloomberg Financial Markets. The total returns shown for periods longer than a year are the annualized returns for the stated period.
2. Performance of the highlighted portfolios was impacted in the 2nd and 3rd calendar quarters of 2019 by a temporary suspension of investment strategy in order to provide liquidity for the 2019 bond financing.
3. Since inception performance for all portfolios other than 'BPCA Other Post Employment Benefits' and 'BPCPC Other Post Employment Benefits' is calculated from January 31, 2006 to present
4. For the 'Reserve Fund,' the BAML 1-5 Year Treasury Index became the performance benchmark on July 31, 2013. For prior periods, the BAML 1-10 Year Treasury Index was utilized.
5. Since inception performance for the 'BPCA Other Post Employment Benefits' is calculated from January 31, 2008 to present.
6. Since inception performance for the 'BPCPC Other Post Employment Benefits' is calculated from February 12, 2010 to present.



Portfolio Recap – Market Drivers

Economy

- Economic conditions during the quarter were characterized by dramatically lower COVID-19 caseloads as vaccine inoculations ramped up, strong consumer-oriented economic data supported by ongoing fiscal stimulus, and elevated inflation figures fueled by surging economic activity amid labor and supply chain shortages.
- The strong U.S. economic expansion is expected to persist, aided by a vaccine-driven reopening, pent-up demand, and continued fiscal and monetary support. GDP expectations for 2021 have been revised upward, with current forecasts pointing to annualized growth of around 6.5% this year. But changes in the COVID caseload or consumer behavior could materially affect the growth rate.
- Second quarter GDP figures were released showing a historic 6.5% growth rate. However, GDP still fell short of predictions.

Federal Reserve

- The Federal Reserve has left its stance on monetary policy unchanged continuing to note that the rise in inflation reflects transitory factors. In the press conference following the July meeting, Fed Chairman Powell emphasized that labor market conditions remain "some way away" from reaching the central bank's goals for removing policy accommodation.

U.S. Treasury Yields

- The U.S. Treasury yield curve flattened modestly over the quarter, as longer-term yields retraced some of their significant moves higher in the first quarter, while shorter-term yields inched higher off rock-bottom lows.
- Nevertheless, short-term maturities (less than two years) remain near historically low levels. Despite the decline in yields on longer term maturities (greater than seven years) ranging from 10 to 20 basis points (0.10% to 0.20%) over the quarter, the curve remains relatively steep



Portfolio Recap – Performance & Cash Flows

Longer-Term Funds.

- The Reserve Fund outperformed the 1-5 Year U.S. Treasury benchmark by 5 basis points. Diversification away from Treasuries was additive to relative performance. Longer duration relative to the benchmark also contributed to outperformance.
- For the quarter, the portfolios managed to the 1-10 Year U.S. Treasury benchmark underperformed between 11 to 17 basis points.
 - The duration position relative to the benchmark was the main detractor to relative performance. We maintained a conservative duration position relative to the benchmark for the longer duration strategies. Portfolio durations were between 93% - 96% of the benchmark's duration.

Short-Term Funds

- Both portfolios returned 2 basis points for the quarter, outperforming the 3-Month U.S. Treasury benchmark, which returned 0 basis points.
- Each portfolio continues to be structured based on anticipated liquidity needs. As expected, the Pledged Revenue portfolio has significant cash inflows during the quarter.



Investment Guidelines Compliance

Compliance Issuer Check						
Issuer	Actual (%)	Actual (\$) ³	IPS Limit	S&P Rating	Moody's Rating	Check
U.S. Treasury	81.69%	445,509,938	100%	AA+	Aaa	OK
MetLife Funding Inc	3.48%	18,986,872	5%	A-1+	P-1	OK
Royal Bank of Canada NY	2.75%	14,986,770	5%	A-1+	P-1	OK
Apple Inc	1.83%	9,999,160	5%	A-1+	P-1	OK
Bank of Montreal	1.83%	9,992,510	5%	A-1	P-1	OK
Collat Comm Paper	1.83%	9,987,600	5%	A-1	P-1	OK
International Bank of Recon and Development	1.27%	6,934,820	\$250,000,000	AAA	Aaa	OK
JP Morgan	0.92%	4,996,570	5%	A-1	P-1	OK
Asian Development Bank	0.85%	4,623,889	\$250,000,000	AAA	Aaa	OK
International American Development Bank	0.71%	3,896,996	\$250,000,000	AAA	Aaa	OK
BNP Paribas	0.68%	3,734,431	5%	A-1	P-1	OK
New York City	0.65%	3,532,837	10%	AA	Aa2	OK
African Development Bank	0.46%	2,497,739	\$250,000,000	AAA	Aaa	OK
Federal Home Loan Bank	0.24%	1,334,709	\$250,000,000	A-1+	P-1	OK
Small Business Administration	0.23%	1,260,654	100%	AA+	Aaa	OK
Ginnie Mae	0.18%	995,055	100%	AA+	Aaa	OK
New York State	0.16%	860,064	10%	AA+	Aa2	OK
Fannie Mae	0.11%	576,175	\$250,000,000	AA+	Aaa	OK
NY State Dorm Authority	0.10%	524,574	10%	AA+	NR	OK
Freddie Mac	0.03%	166,856	\$250,000,000	AA+	Aaa	OK

Notes:

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



Change in Value – Total Return Accounts

Account Name	Beginning Period Value ¹	(+/-) Net Transfers ²	(+/-) Change in Value	=	Ending Period Value ¹
Longer Term Investment Strategy					
2003 Reserve Fund	\$34,982,929	\$0	\$125,380		\$35,108,309
BPCPC Operating Reserve Contingency	\$14,555,948	(\$94,153)	\$129,343		\$14,591,138
Insurance Fund	\$6,242,720	(\$0)	\$51,309		\$6,294,028
Operating Budget Reserve	\$20,539,913	(\$0)	\$169,723		\$20,709,636
BPCA Other Post-Employment Benefits	\$28,008,670	\$0	\$241,789		\$28,250,459
BPCPC Other Post-Employment Benefits	\$14,699,191	(\$0)	\$129,479		\$14,828,670
Subtotal	\$119,029,370	(\$94,153)	\$847,022		\$119,782,240
Shorter Term Investment Strategy					
2003 Pledged Revenue	\$83,369,274	\$99,791,868	\$23,222		\$183,184,364
2003 Project Operating Fund	\$10,116,237	(\$3,010)	\$1,907		\$10,115,134
Subtotal	\$93,485,512	\$99,788,858	\$25,129		\$193,299,498
Total	\$212,514,882	\$99,694,705	\$872,151		\$313,081,738

Notes:

1. Beginning Period Value is as of April 30, 2021 and Ending Period Value is as of July 31, 2021. Beginning Period Value and Ending Period Value equal market values of portfolio holdings plus accrued interest and cash.
2. Net Transfers represent the total portfolio contributions and withdrawals during the quarter.



Change in Value – Other BPCA Accounts

Account Name	Beginning Period Value ¹	(+/-) Net Transfers ²	(+/-) Change in Value	=	Ending Period Value ¹
PFM Asset Management Accounts					
Corporate Funds	\$4,141,562	\$704	\$1,642		\$4,143,908
2000 Arbitrage Rebate	\$836,044	\$0	\$95		\$836,139
1993 Unpledged Revenue	\$4,150,890	\$2,086,107	\$99		\$6,237,096
2003 Residual Fund	\$229,794,317	(\$185,033,064)	\$3,725		\$44,764,977
Joint Purpose Fund	\$382,010	\$0	\$11		\$382,021
Special Fund	\$966,270	\$0	\$110		\$966,380
BPCPC Operating Reserve	\$1,041,371	\$0	\$12		\$1,041,382
BPCA Goldman Sachs Liberty Contribution Fund	\$1,438	\$0	\$0		\$1,438
BPCA Series 2009A Project Costs	\$497,311	(\$246,162)	\$9		\$251,157
BPCA Series 2009B Project Costs	\$0	\$0	\$0		\$0
BPCA Insurance Advance	\$704	(\$704)	\$0		\$0
BPCA2013ACDE Proj Cost Sub AC	\$12,132,218	(\$913,358)	\$251		\$11,219,111
BPCA Pier A Reserve Fund	\$997,053	\$0	\$3		\$997,056
BPCA Subordinated Pmt Acct	\$0	\$0	\$0		\$0
BPCA 2019A Comm Ctr SB Proj	\$2,985,393	(\$355,129)	\$116		\$2,630,380
BPCA 2019A Sustainable Proj	\$57,213,784	(\$3,656,347)	\$1,927		\$53,559,364
BPCA 2019ABCDE COI	\$5,628	\$0	\$0		\$5,628
BPCA 2019BDE Project	\$9,148,251	(\$545,006)	\$343		\$8,603,588
BPCA 2019C Pier A SB Proj	\$3,554,522	\$0	\$147		\$3,554,669
Subtotal	\$327,848,764	(\$188,662,958)	\$8,489		\$139,194,295

Notes:

1. Beginning Period Value is as of April 30, 2021 and Ending Period Value is as of July 31, 2021. Beginning Period Value and Ending Period Value equal market values of portfolio holdings plus accrued interest and cash.
2. Net Transfers represent the total portfolio contributions and withdrawals during the quarter.



Change in Value – Other BPCA Accounts

Account Name	Beginning Period Value ¹	(+/-)	Net Transfers ²	(+/-)	Change in Value	=	Ending Period Value ¹
Ramirez Asset Management Accounts							
Liberty Terr Mariners Cove-K	\$305,279		\$0		\$22		\$305,301
Liberty House Mariners J	\$249,731		\$0		\$18		\$249,749
Rector Park L	\$34,769		\$0		\$0		\$34,770
Hudson View W Towers G	\$175,818		\$0		\$2		\$175,820
Hudson Towers E/F	\$213,823		\$0		\$15		\$213,838
Hudson View Towers C	\$188,741		\$0		\$14		\$188,754
Liberty Ct Mariners Cove B	\$623,344		\$0		\$92		\$623,435
Millenium	\$3,763,752		\$0		\$251		\$3,764,003
Liberty Battery Place Assoc 4	\$449,511		\$0		\$32		\$449,543
South Cove Assoc 11	\$408,226		\$0		\$4		\$408,230
Soundings Rector Park A	\$218,469		\$0		\$16		\$218,485
The Regatta Site 10	\$498,355		\$0		\$48		\$498,403
Debt Service Junior Payments	\$21,274,070		(\$3,492,115)		\$552		\$17,782,506
2003 Debt Service Senior Payments	\$60,500,007		(\$10,492,011)		\$1,808		\$50,009,805
BPCA Millenium Tower Security Fund 2A	\$3,143,062		\$0		\$211		\$3,143,272
BPCA S 16/17 Riverhouse Security Fund	\$6,677,967		\$0		\$656		\$6,678,623
BPCA Visionaire Security Fund	\$4,066,771		\$0		\$297		\$4,067,068
BPCA Pier A Security Deposit Account	\$427,319		\$0		\$31		\$427,349
BPCA One Rector Park Security Fund	\$998,073		\$0		\$75		\$998,148
BPCA Rector Square Security Fund Site D	\$229,835		\$0		\$16		\$229,851
BPCA WFC Tower C Retail Rent Escrow	\$259,148		\$0		\$19		\$259,167
BPCA River & Warren Sec Fund - Site 19A	\$6,150,428		\$0		\$581		\$6,151,009
BPCA North Cove Marina Security Fund	\$53,209		\$0		\$4		\$53,213
Subtotal	\$110,909,708		(\$13,984,126)		\$4,761		\$96,930,343

Notes:

1. Beginning Period Value is as of April 30, 2021 and Ending Period Value is as of July 31, 2021. Beginning Period Value and Ending Period Value equal market values of portfolio holdings plus accrued interest and cash balance.
2. Net Transfers represent the total portfolio contributions and withdrawals during the quarter.
3. Debt Service Junior and Senior portfolios had forward settling trades over the April quarter.



II. Summary of Aggregate Portfolio



Aggregate Portfolio Issuer Breakdown

Security Type	July 31, 2021	% of Portfolio	April 30, 2021	% of Portfolio	QoQ % Change
United States Treasury²					
U.S. Treasury	\$445,509,938	81.7%	\$554,685,224	87.0%	(5.3%)
Ginnie Mae	\$995,055	0.2%	\$1,094,542	0.2%	0.0%
Small Business Administration	\$1,260,654	0.2%	\$1,337,046	0.2%	0.0%
Federal Agencies and Instrumentalities^{2,3}					
Freddie Mac	\$166,856	0.0%	\$186,248	0.0%	0.0%
Fannie Mae	\$576,175	0.1%	\$605,166	0.1%	0.0%
Federal Home Loan Bank	\$1,334,709	0.2%	\$0	0.0%	0.2%
International Bank of Recon and Development	\$6,934,820	1.3%	\$7,600,259	1.2%	0.1%
International American Development Bank	\$3,896,996	0.7%	\$3,878,897	0.6%	0.1%
Asian Development Bank	\$4,623,889	0.8%	\$3,400,592	0.5%	0.3%
African Development Bank	\$2,497,739	0.5%	\$2,482,729	0.4%	0.1%
Commercial Paper²					
JP Morgan	\$4,996,570	0.9%	\$4,992,145	0.8%	0.1%
Apple Inc	\$9,999,160	1.8%	\$2,717,783	0.4%	1.4%
BNP Paribas	\$3,734,431	0.7%	\$5,332,487	0.8%	(0.2%)
Bank of Montreal	\$9,992,510	1.8%	\$0	0.0%	1.8%
Collat Comm Paper	\$9,987,600	1.8%	\$0	0.0%	1.8%
Royal Bank of Canada NY	\$14,986,770	2.7%	\$0	0.0%	2.7%
Credit Agricole NA	\$0	0.0%	\$19,996,800	3.1%	(3.1%)
MetLife Funding Inc	\$18,986,872	3.5%	\$21,619,083	3.4%	0.1%
Municipal Issuers²					
New York City	\$3,532,837	0.6%	\$3,501,760	0.5%	0.1%
New York City Transitional Finance Authority	\$0	0.0%	\$2,644,688	0.4%	(0.4%)
NY State Dorm Authority	\$524,574	0.1%	\$422,277	0.1%	0.0%
New York State	\$860,064	0.2%	\$857,067	0.1%	0.0%
Babylon, Town of	\$0	0.0%	\$101,917	0.0%	(0.0%)

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%.
3. Federal Agencies and Instrumentalities includes Mortgage-Backed Securities.



Portfolio Value – Total Return Accounts

	July 31, 2021			April 30, 2021			
	Market Value ¹	Effective Duration	% of Total Portfolio	Market Value ¹	Effective Duration	% of Total Portfolio	QoQ % Change
Longer Term Investment Strategy							
2003 Reserve Fund	\$35,059,596	2.70	6.4%	\$34,981,288	2.89	5.5%	0.9%
BPCPC Operating Reserve Contingency	\$14,572,009	3.65	2.7%	\$14,555,765	3.77	2.3%	0.4%
Insurance Fund	\$6,279,460	3.65	1.2%	\$6,240,647	3.71	1.0%	0.2%
Operating Budget Reserve	\$20,686,331	3.59	3.8%	\$20,539,050	3.62	3.2%	0.6%
BPCA Other Post-Employment Benefits	\$28,228,499	3.71	5.2%	\$28,008,237	3.68	4.4%	0.8%
BPCPC Other Post-Employment Benefits	\$14,817,565	3.69	2.7%	\$14,698,343	3.74	2.3%	0.4%
Subtotal Longer Term Investment Strategy	\$119,643,459	3.38	21.9%	\$119,023,331	3.46	18.7%	3.3%
Short Term Investment Strategy							
2003 Pledged Revenue	\$180,928,537	0.46	33.2%	\$81,456,796	0.44	12.8%	20.4%
2003 Project Operating Fund	\$10,114,415	0.20	1.9%	\$10,115,447	0.25	1.6%	0.3%
Subtotal Short Term Investment Strategy	\$191,042,952	0.44	35.0%	\$91,572,242	0.42	14.4%	20.7%
Subtotal of Total Return Accounts	\$310,686,411	1.58	57.0%	\$210,595,574	2.14	33.0%	23.9%

Notes:

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



Portfolio Value – Other BPCA Accounts

	July 31, 2021			April 30, 2021			QoQ % Change
	Market Value ¹	Effective Duration	% of Total Portfolio	Market Value ¹	Effective Duration	% of Total Portfolio	
Corporate Funds	\$4,143,077	1.27	0.8%	\$4,137,513	1.51	0.6%	0.1%
2000 Arbitrage Rebate	\$835,755	0.66	0.2%	\$835,660	0.91	0.1%	0.0%
1993 Unpledged Revenue	\$6,236,943	0.35	1.1%	\$4,150,625	0.35	0.7%	0.5%
2003 Residual Fund	\$44,762,025	0.10	8.2%	\$229,793,468	0.06	36.0%	(27.8%)
Joint Purpose Fund	\$381,984	0.11	0.1%	\$381,973	0.37	0.1%	0.0%
Special Fund	\$965,717	0.66	0.2%	\$965,608	0.91	0.2%	0.0%
BPCPC Operating Reserve	\$1,039,536	0.35	0.2%	\$1,040,125	0.60	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	\$250,984	0.15	0.0%	\$495,961	0.41	0.1%	(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	\$11,218,485	0.29	2.1%	\$12,131,673	0.18	1.9%	0.2%
BPCA2013B PROJ COSTS SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA PIER A RESERVE FUND	\$996,715	0.58	0.2%	\$996,712	0.83	0.2%	0.0%
BPCA SUBORDINATED PAYMENT ACCOUNT	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA 2019A Comm Ctr SB Proj	\$2,626,244	0.56	0.5%	\$2,984,395	0.59	0.5%	0.0%
BPCA 2019A Sustainable Proj	\$53,557,695	0.45	9.8%	\$57,212,166	0.55	9.0%	0.8%
BPCA 2019ABCDE COI	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA 2019BDE Project	\$8,603,237	0.40	1.6%	\$9,147,541	0.51	1.4%	0.1%
BPCA 2019C Pier A SB Proj	\$3,553,021	0.49	0.7%	\$3,553,569	0.45	0.6%	0.1%
Liberty Terr Mariners Cove-K	\$304,934	0.46	0.1%	\$304,912	0.72	0.0%	0.0%
Liberty House Mariners J	\$248,946	0.46	0.0%	\$248,928	0.72	0.0%	0.0%
Rector Park L	\$33,996	0.22	0.0%	\$33,998	0.35	0.0%	0.0%
Hudson View W Towers G	\$174,981	0.22	0.0%	\$174,989	0.35	0.0%	0.0%
Hudson Towers E/F	\$212,954	0.46	0.0%	\$212,939	0.72	0.0%	0.0%
Hudson View Towers C	\$187,959	0.46	0.0%	\$187,946	0.72	0.0%	0.0%
Liberty Ct Mariners Cove B	\$623,320	0.45	0.1%	\$623,228	0.70	0.1%	0.0%
Millenium	\$3,763,235	0.44	0.7%	\$3,762,984	0.70	0.6%	0.1%
Liberty Battery Place Assoc 4	\$448,903	0.46	0.1%	\$448,871	0.72	0.1%	0.0%
South Cove Assoc 11	\$407,956	0.22	0.1%	\$407,975	0.35	0.1%	0.0%
Soundings Rector Park A	\$217,953	0.46	0.0%	\$217,937	0.72	0.0%	0.0%
The Regatta Site 10	\$498,341	0.22	0.1%	\$498,318	0.35	0.1%	0.0%
Debt Service Junior Payments	\$16,404,882	0.23	3.0%	\$19,902,246	0.41	3.1%	(0.1%)
2003 Debt Service Senior Payments	\$50,009,431	0.25	9.2%	\$50,007,151	0.50	7.8%	1.3%
BPCA Millenium Tower Security Fund 2A	\$3,142,348	0.45	0.6%	\$3,142,137	0.70	0.5%	0.1%
BPCA S 16/17 Riverhouse Security Fund	\$6,678,340	0.44	1.2%	\$6,677,389	0.69	1.0%	0.2%
BPCA Visionaire Security Fund	\$4,066,142	0.45	0.7%	\$4,066,248	0.70	0.6%	0.1%
BPCA Pier A Security Deposit Account	\$426,908	0.46	0.1%	\$426,877	0.72	0.1%	0.0%
BPCA One Rector Park Security Fund	\$997,801	0.43	0.2%	\$998,029	0.67	0.2%	0.0%
BPCA Rector Square Security Fund Site D	\$228,951	0.46	0.0%	\$228,934	0.72	0.0%	0.0%
BPCA WFC TOWER C RETAIL RENT ESCROW	\$258,944	0.46	0.0%	\$258,925	0.72	0.0%	0.0%
BPCA RIVER & WARREN SEC FUND - SITE 19A	\$6,150,176	0.44	1.1%	\$6,150,200	0.69	1.0%	0.2%
BPCA NORTH COVE MARINA SECURITY FUND	\$52,989	0.46	0.0%	\$52,985	0.71	0.0%	0.0%
Subtotal of Other BPCA Accounts	\$234,711,809	0.33	43.0%	\$426,861,137	0.28	67.0%	(23.9%)

Notes:

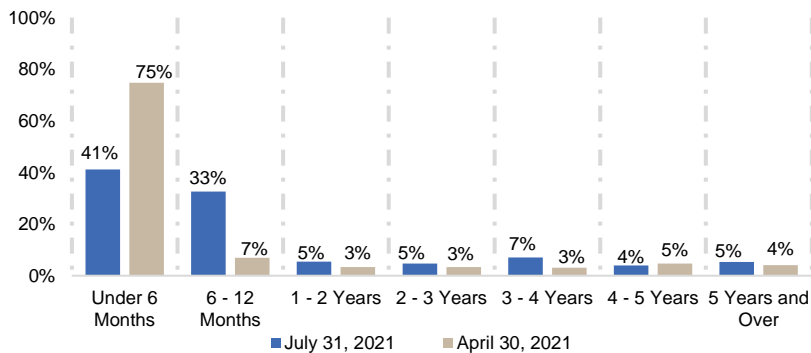
1. "Market Value" includes accrued interest but does not include cash balances held at the bank.
2. Highlighted funds are managed by Ramirez Asset Management ("RAM"). Market values for these funds are provided by RAM.



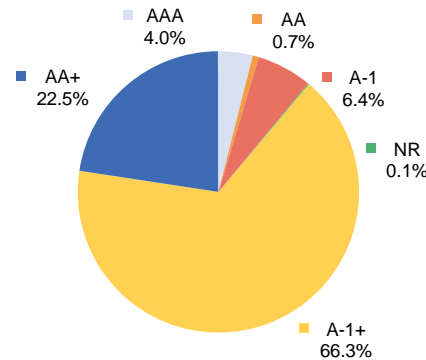
Aggregate Portfolio Summary: PFM Asset Management

Security Type ¹	July 31, 2021	% of Advisor	% of Total Portfolio	Effective Duration	April 30, 2021	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$350,501,944	77.9%	64.3%	1.23	\$456,288,090	84.7%	71.6%	0.72	(6.8%)
Federal Agencies and Instrumentalities (non-MBS)	\$19,288,153	4.3%	3.5%	2.97	\$17,362,478	3.2%	2.7%	2.65	1.1%
Commercial Paper	\$72,683,914	16.2%	13.3%	0.38	\$54,658,298	10.2%	8.6%	0.41	6.0%
Municipals	\$4,563,573	1.0%	0.8%	0.17	\$7,072,323	1.3%	1.1%	2.21	(0.3%)
Government MBS ²	\$2,820,246	0.6%	0.5%	2.80	\$3,041,375	0.6%	0.5%	2.91	0.1%
Totals	\$449,857,829	100%	82.5%	1.17	\$538,422,563	100.0%	84.5%	0.79	

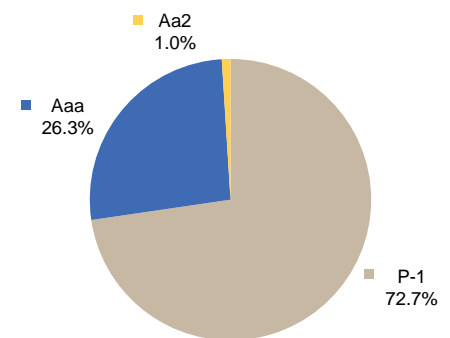
Maturity Distribution as of 7/31/2021



Credit Quality (S&P) as of 7/31/2021



Credit Quality (Moody's) as of 7/31/2021



Notes:

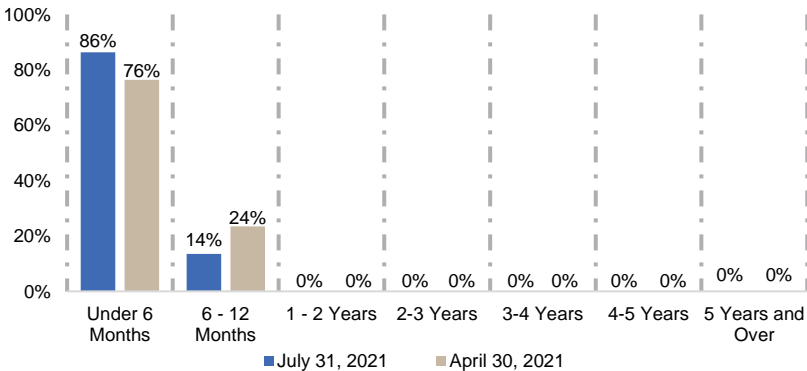
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.
3. NR holdings are not rated by S&P, but rated by Moody's and are in compliance with BPCA's investment policy.



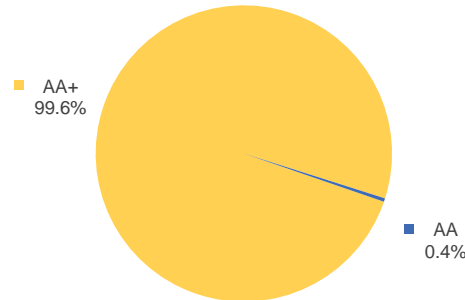
Aggregate Portfolio Summary: Ramirez Asset Management

Security Type ¹	July 31, 2021	% of Advisor	% of Total Portfolio	Effective Duration	April 30, 2021	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$95,007,994	99.4%	17.4%	0.30	\$98,397,135	99.4%	15.4%	0.54	0.1%
Federal Agencies and Instrumentalities (non-MBS)	\$138,931	0.1%	0.0%	0.19	\$138,917	0.1%	0.0%	0.44	0.0%
Commercial Paper	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Municipals	\$353,903	0.4%	0.1%	0.36	\$455,386	0.5%	0.1%	0.36	(0.1%)
Government MBS ²	\$39,564	0.0%	0.0%	2.66	\$42,711	0.0%	0.0%	2.67	(0.0%)
Totals	\$95,540,391	100%	17.5%	0.31	\$99,034,148	100.0%	15.5%	0.54	

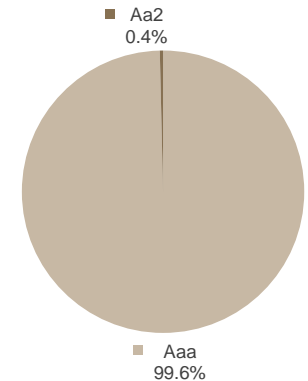
Maturity Distribution as of 7/31/2021



Credit Quality (S&P) as of 7/31/2021



Credit Quality (Moody's) as of 7/31/2021



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.



Portfolio Earnings – PFM-Managed Accounts

	Portfolio Earnings <i>Quarter-Ended July 31, 2021</i>	
	<u>Market Value Basis ³</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value - April 2021 ¹	\$537,905,039	\$535,267,602
Net Purchases (Sales)	(\$89,022,658)	(\$89,022,658)
Change in Value	\$393,264	\$5,469
Ending Value - July 2021 ¹	\$449,275,645	\$446,250,413
Net Income ²	\$487,376	\$487,376
Portfolio Earnings	\$880,640	\$492,845

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

	Portfolio Earnings <i>Quarter-Ended July 31, 2021</i>	
	<u>Market Value Basis</u> ^{1, 4}	<u>Accrual (Amortized Cost) Basis</u> ²
Beginning Value - April 2021	\$99,013,727	\$99,129,192
Net Purchases (Sales)	(\$3,483,866)	(\$3,483,866)
Change in Value	(\$144,354)	(\$2,314)
Ending Value - July 2021	\$95,385,506	\$95,643,011
Net Income ³	\$148,826	\$148,826
Portfolio Earnings	\$4,471	\$146,511

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

Effective Duration (in years)

Yield To Maturity - At Market

Yield To Maturity - On Cost

Yields **July 31, 2021** April 30, 2021 **July 31, 2021** April 30, 2021 **July 31, 2021** April 30, 2021

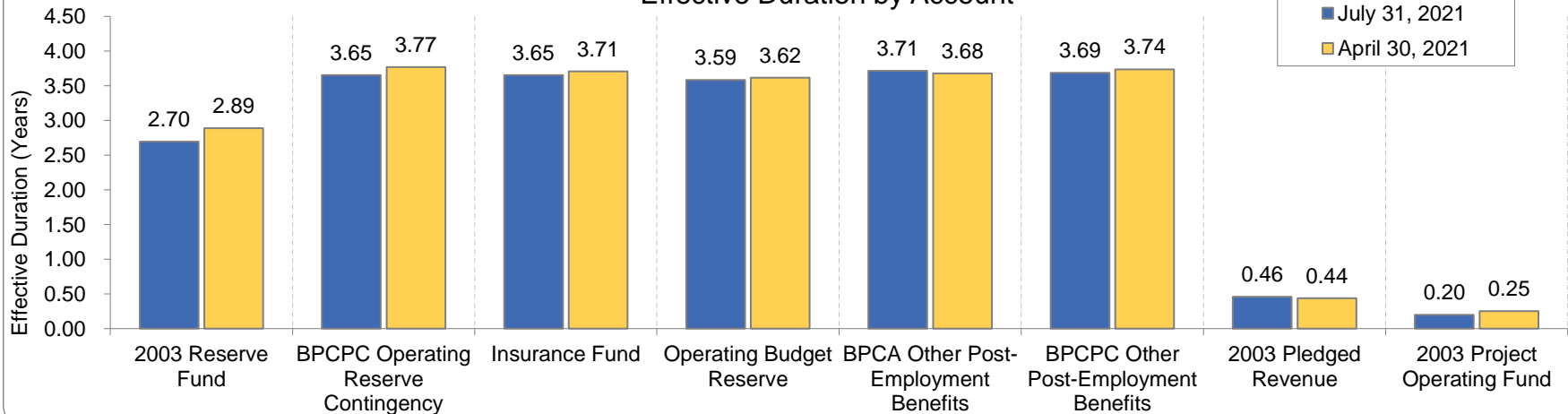
Longer Term Investment Strategy

2003 Reserve Fund	2.70	2.89	0.44%	0.51%	1.26%	1.29%
BPCPC Operating Reserve Contingency	3.65	3.77	0.60%	0.78%	1.46%	1.57%
Insurance Fund	3.65	3.71	0.52%	0.68%	1.45%	1.51%
Operating Budget Reserve	3.59	3.62	0.53%	0.65%	1.01%	1.03%
BPCA Other Post-Employment Benefits	3.71	3.68	-0.61%	0.70%	1.62%	1.75%
BPCPC Other Post-Employment Benefits	3.69	3.74	-0.64%	0.73%	1.59%	1.72%

Short Term Investment Strategy

2003 Pledged Revenue	0.46	0.44	0.08%	0.09%	0.08%	0.11%
2003 Project Operating Fund	0.20	0.25	0.07%	0.09%	0.07%	0.09%

Effective Duration by Account



Notes:

- The Yield at Market of the BPCA OPEB and BPCPC OPEB portfolios are negative due to municipal securities being called on August 13, 2021. The exercised call option results in a market price that is not indicative of the actual call price.



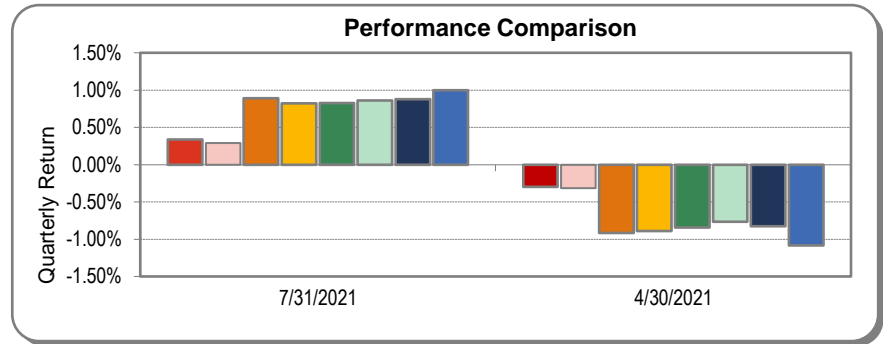
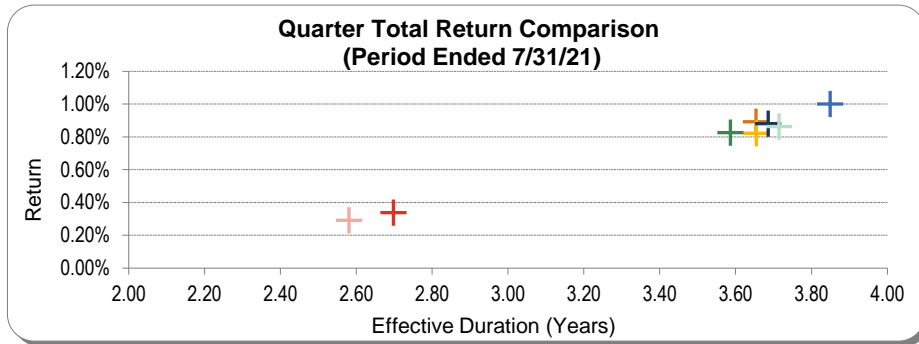
Portfolios Managed with a Longer-Term Investment Strategy



Longer-Term Investment Strategy

Total Return ^{1,2,4,5}	July 31, 2021	Annualized Since Inception
2003 Reserve Fund	0.34%	3.14%
BM: BAML 1-5 Year US Treasury Note Index	0.29%	3.08%
BPCPC Operating Reserve Contingency	0.89%	3.59%
Insurance Fund	0.82%	3.54%
Operating Budget Reserve	0.83%	3.67%
BM: BAML 1-10 Year US Treasury Note Index	1.00%	3.33%
BPCA Other Post-Employment Benefits	0.86%	2.97%
BM: BAML 1-10 Year US Treasury Note Index	1.00%	2.74%
BPCPC Other Post-Employment Benefits	0.88%	2.51%
BM: BAML 1-10 Year US Treasury Note Index	1.00%	2.49%

Effective Duration (in years) ³	July 31, 2021	April 30, 2021
2003 Reserve Fund	2.70	2.89
BM: BAML 1-5 Year US Treasury Note Index	2.58	2.58
BPCPC Operating Reserve Contingency	3.65	3.77
Insurance Fund	3.65	3.71
Operating Budget Reserve	3.59	3.62
BPCA Other Post-Employment Benefits	3.71	3.68
BPCPC Other Post-Employment Benefits	3.69	3.74
BM: BAML 1-10 Year US Treasury Note Index	3.85	3.83



Notes:

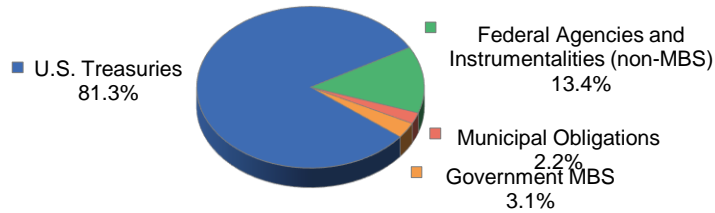
1. Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. 2003 Reserve Fund, Operating Budget Reserve, Insurance Fund, and the Operating Reserve Contingency Funds temporarily suspended their investment strategies from June 2019 to December 2019 due to 2019 bond funding.
3. 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.
4. Duration is the change in the value of a security that will result from a 1% change in interest rates, stated in years.
5. 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.
6. Since inception performance for all portfolios other than 'BPCA Other Post Employment Benefits' and 'BPCPC Other Post Employment Benefits' is calculated from January 31, 2006 to present. For the 'Reserve Fund,' the inception of the BAML 1-5 Year Treasury Index as the performance benchmark is July 31, 2013. For prior periods, the BAML 1-10 Year Treasury Index was utilized. Since inception performance for the 'BPCA Other Post Employment Benefits' is calculated from January 31, 2008 to present. Since inception performance for the 'BPCPC Other Post Employment Benefits' is calculated from February 12, 2010 to present.



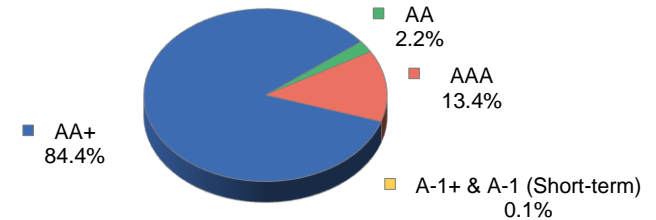
2003 Reserve Fund Portfolio

Security Type ¹	July 31, 2021	% of Portfolio	April 30, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$28,486,692	81.3%	\$28,858,647	82.5%	(1.2%)
Federal Agencies and Instrumentalities (non-MBS)	\$4,688,219	13.4%	\$4,138,330	11.8%	1.5%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$786,166	2.2%	\$780,780	2.2%	0.0%
Government MBS	\$1,098,518	3.1%	\$1,203,531	3.4%	(0.3%)
Totals	\$35,059,596	100.0%	\$34,981,288	100.0%	

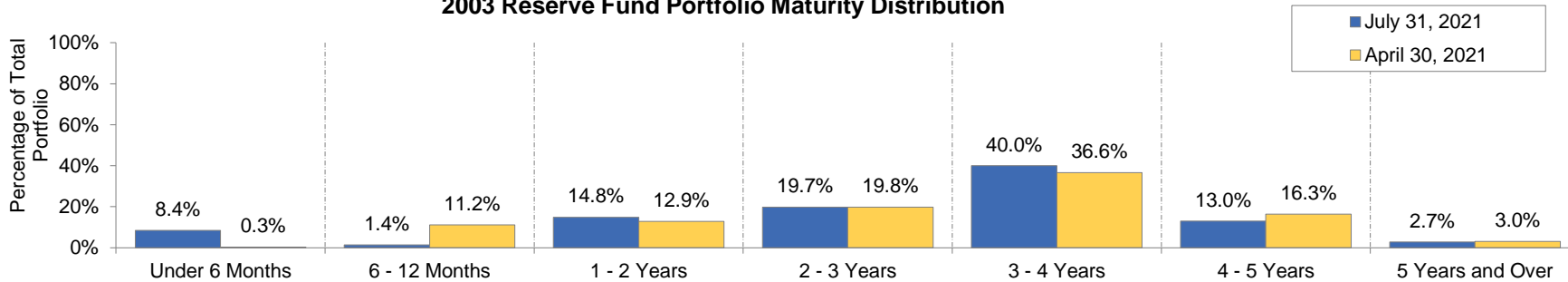
Portfolio Composition as of 07/31/21



Credit Quality Distribution as of 07/31/21



2003 Reserve Fund Portfolio Maturity Distribution



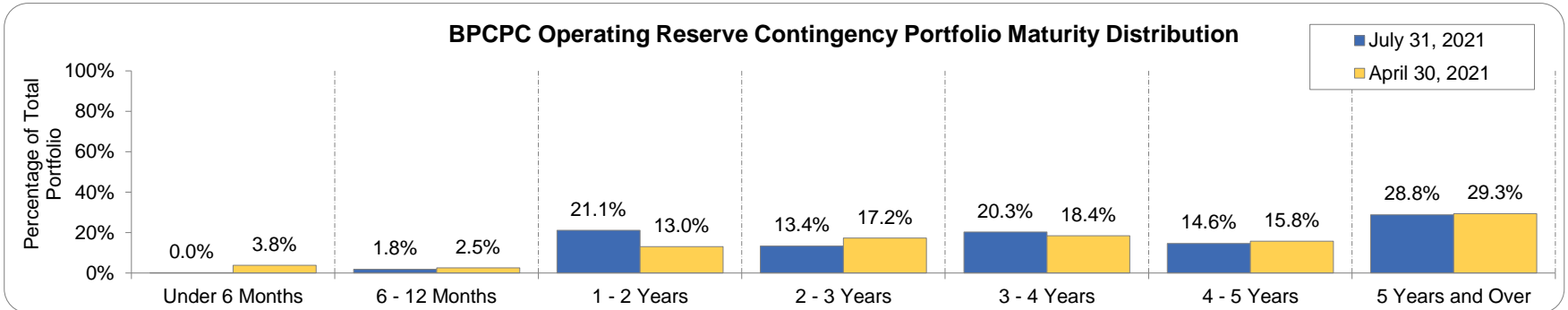
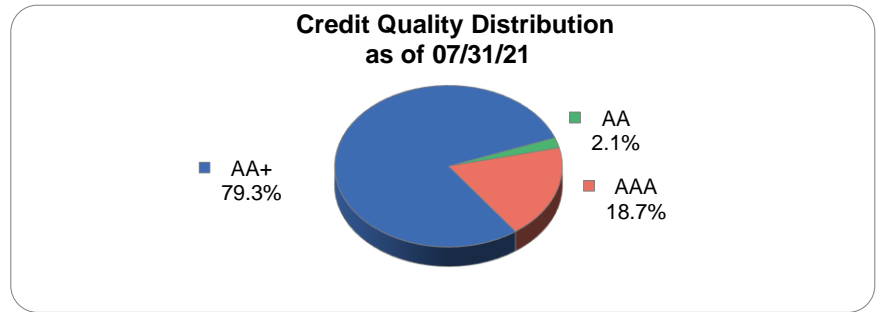
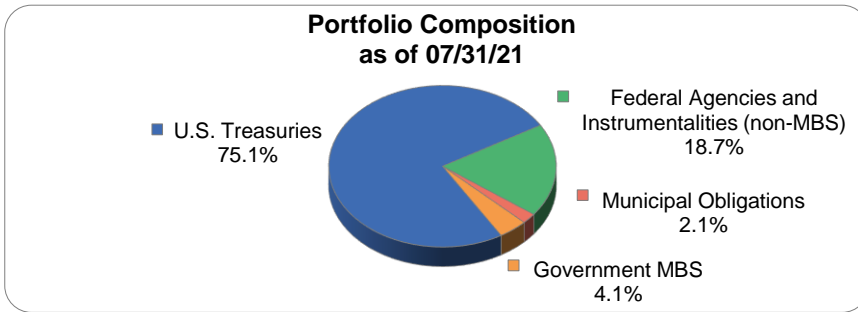
Notes:

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



BPCPC Operating Reserve Contingency Portfolio

Security Type ¹	July 31, 2021	% of Portfolio	April 30, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$10,947,294	75.1%	\$10,622,478	73.0%	2.1%
Federal Agencies and Instrumentalities (non-MBS)	\$2,720,626	18.7%	\$2,431,100	16.7%	2.0%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$301,810	2.1%	\$858,482	5.9%	(3.8%)
Government MBS	\$602,280	4.1%	\$643,705	4.4%	(0.3%)
Totals	\$14,572,009	100.0%	\$14,555,765	100.0%	

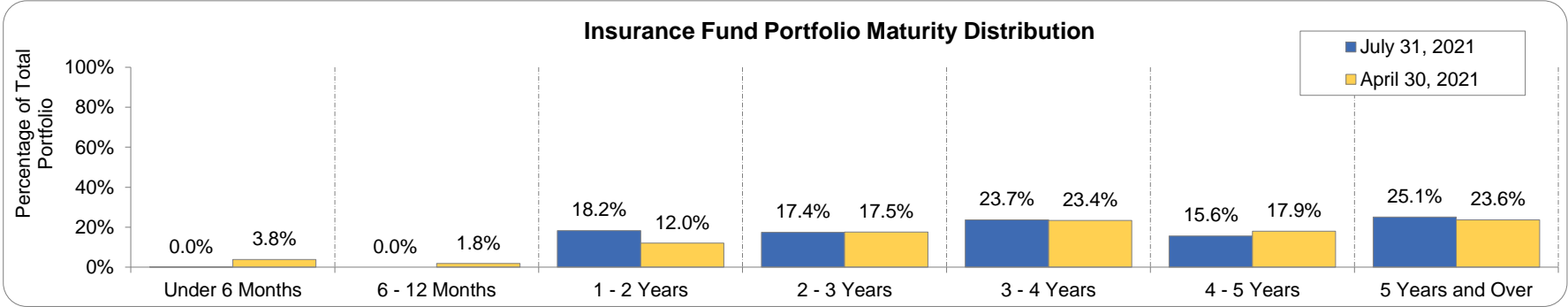
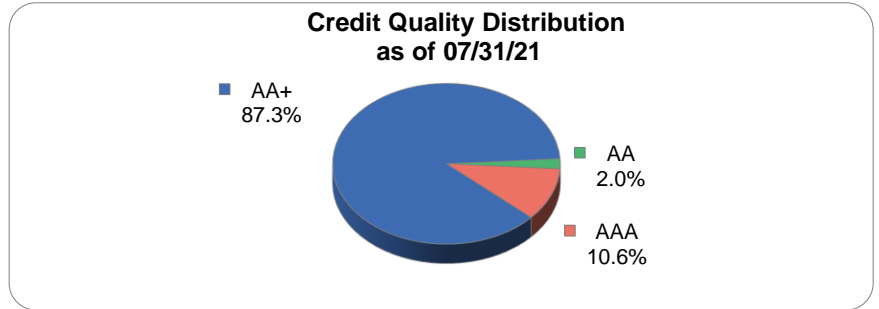
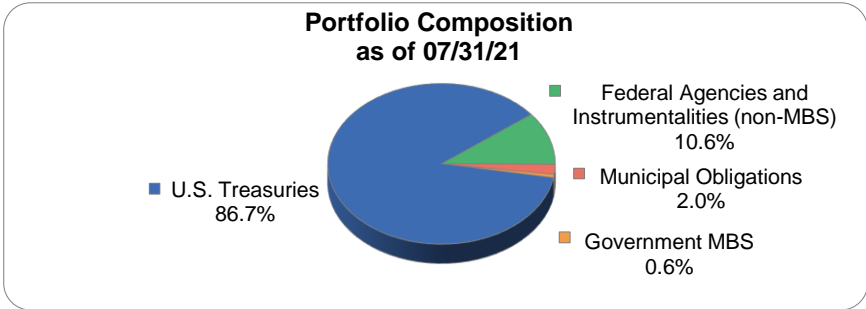


Notes:
 1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
 2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



Insurance Fund Portfolio

Security Type ¹	July 31, 2021	% of Portfolio	April 30, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$5,443,478	86.7%	\$5,071,205	81.3%	5.4%
Federal Agencies and Instrumentalities (non-MBS)	\$668,112	10.6%	\$776,129	12.4%	(1.8%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$127,885	2.0%	\$348,480	5.6%	(3.5%)
Government MBS	\$39,985	0.6%	\$44,833	0.7%	(0.1%)
Totals	\$6,279,460	100.0%	\$6,240,647	100.0%	



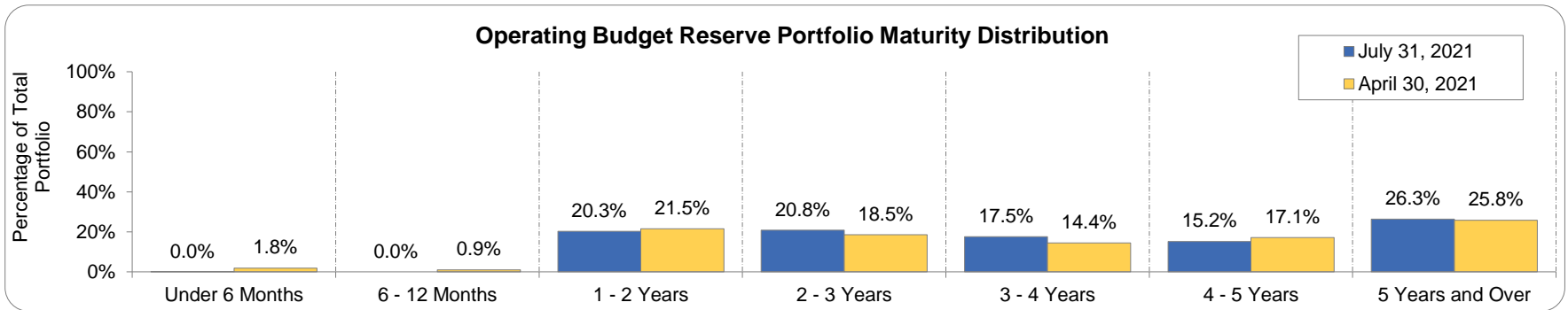
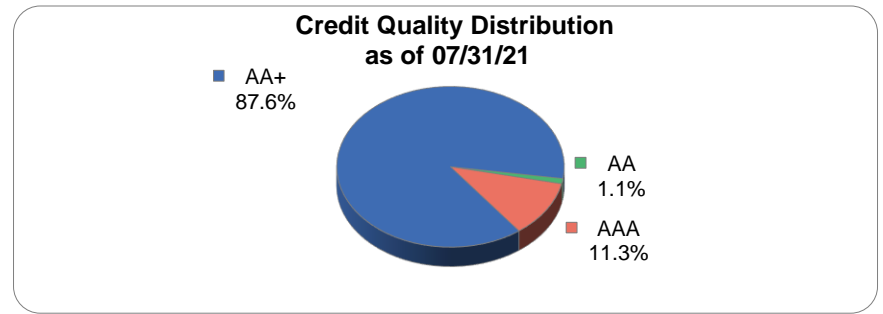
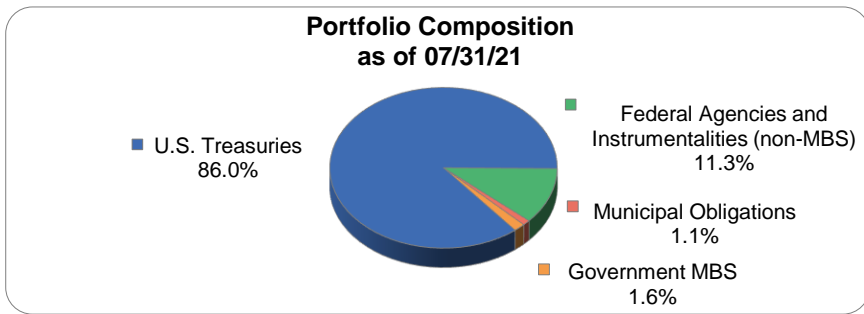
Notes:

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



Operating Budget Reserve Portfolio

Security Type ¹	July 31, 2021	% of Portfolio	April 30, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$17,790,077	86.0%	\$17,456,125	85.0%	1.0%
Federal Agencies and Instrumentalities (non-MBS)	\$2,339,432	11.3%	\$2,131,117	10.4%	0.9%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$219,963	1.1%	\$595,961	2.9%	(1.8)%
Government MBS	\$336,858	1.6%	\$355,848	1.7%	(0.1)%
Totals	\$20,686,331	100.0%	\$20,539,050	100.0%	



Notes:

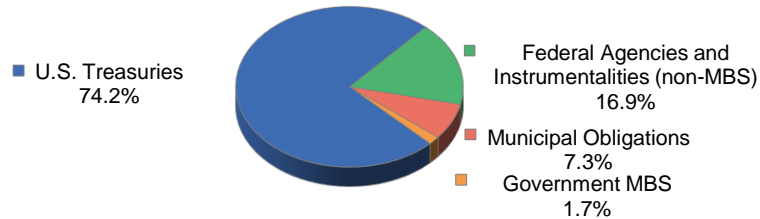
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.



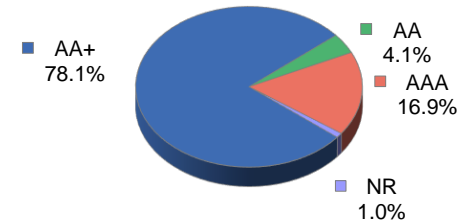
BPCA OPEB Portfolio

Security Type ¹	July 31, 2021	% of Portfolio	April 30, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$20,937,253	74.2%	\$19,398,780	69.3%	4.9%
Federal Agencies and Instrumentalities (non-MBS)	\$4,766,068	16.9%	\$5,176,411	18.5%	(1.6%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$2,053,859	7.3%	\$2,929,426	10.5%	(3.2%)
Government MBS	\$471,318	1.7%	\$503,621	1.8%	(0.1%)
Totals	\$28,228,499	100.0%	\$28,008,237	100.0%	

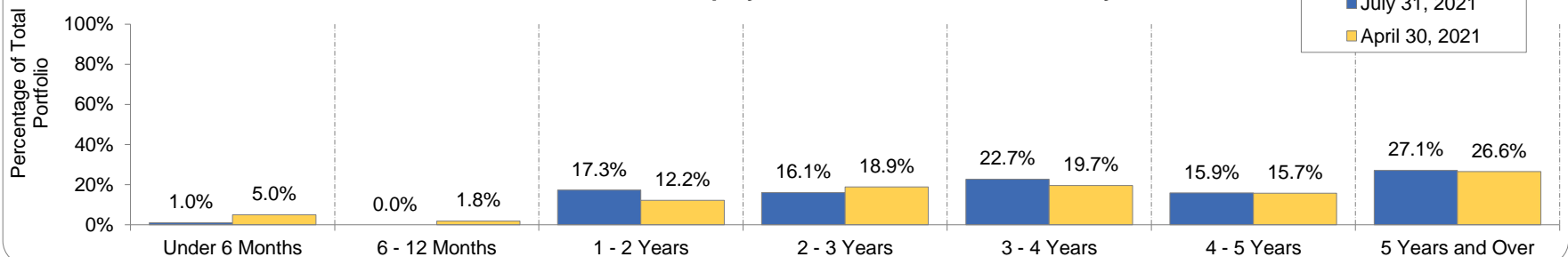
Portfolio Composition as of 07/31/21



Credit Quality Distribution as of 07/31/21



BPCA Other Post Employment Benefits Portfolio Maturity Distribution



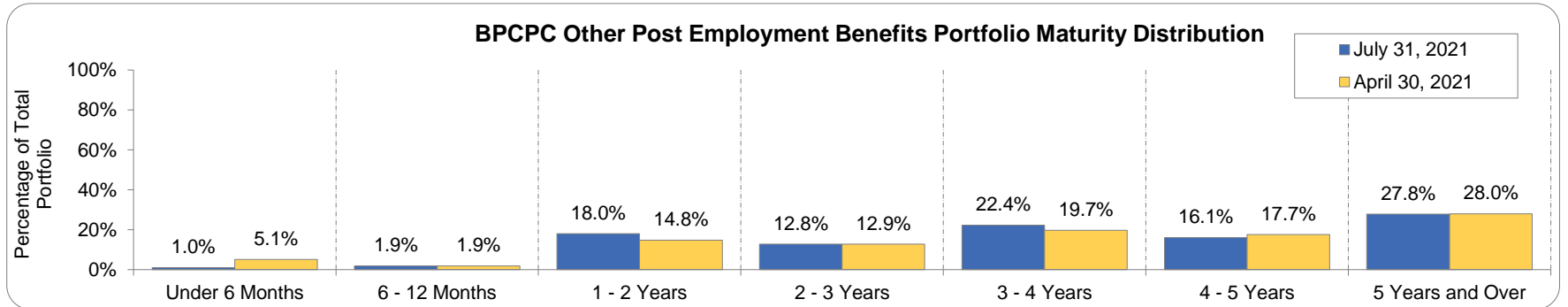
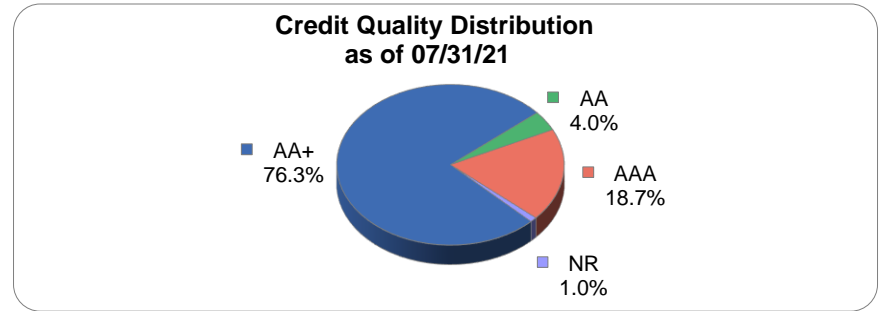
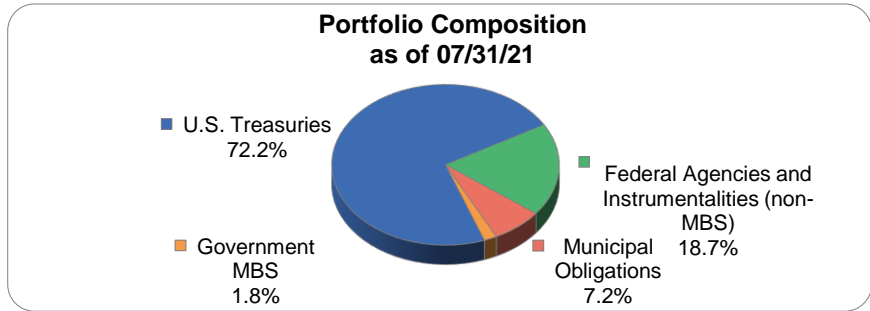
Notes:

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



BPCPC OPEB Portfolio

Security Type ¹	July 31, 2021	% of Portfolio	April 30, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$10,702,115	72.2%	\$10,141,231	69.0%	3.2%
Federal Agencies and Instrumentalities (non-MBS)	\$2,770,986	18.7%	\$2,709,391	18.4%	0.3%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$1,073,889	7.2%	\$1,559,194	10.6%	(3.4%)
Government MBS	\$270,574	1.8%	\$288,527	2.0%	(0.1%)
Totals	\$14,817,565	100.0%	\$14,698,343	100.0%	



Notes:

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



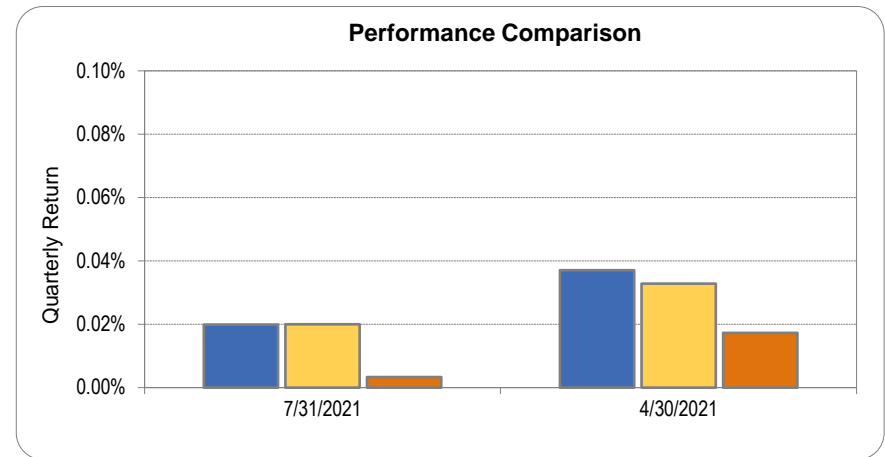
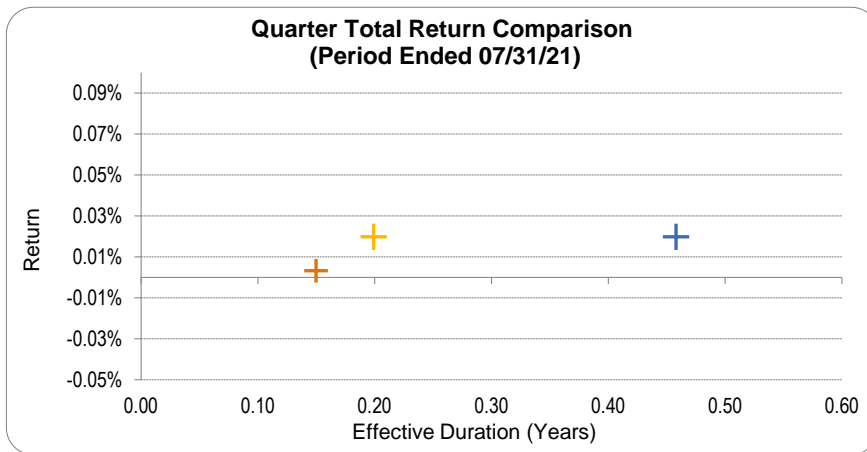
Portfolios Managed with a Shorter-Term Investment Strategy



Shorter-Term Investment Strategy

Total Return ^{1,2,4,5}	July 31, 2021	Annualized Since Inception
2003 Pledged Revenue	0.02%	1.23%
2003 Project Operating Fund	0.02%	1.23%
BM: BAML 3 Month US Treasury Bill Index	0.00%	1.17%

Effective Duration (in years) ³	July 31, 2021	April 30, 2021
2003 Pledged Revenue	0.46	0.44
2003 Project Operating Fund	0.20	0.25
BM: BAML 3-Month US Treasury Bill Index	0.15	0.15



Notes:

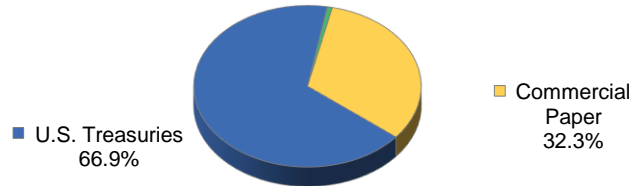
1. Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. Bank of America/Merrill Lynch (BAML) indices provided by Bloomberg Financial Markets. The total returns shown for periods longer than a year are the annualized returns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



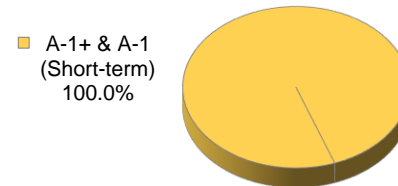
2003 Pledged Revenue

Security Type ¹	July 31, 2021	% of Portfolio	April 30, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$121,126,021	66.9%	\$34,764,087	42.7%	24.3%
Federal Agencies and Instrumentalities (non-MBS)	\$1,334,709	0.7%	\$0	0.0%	0.7%
Commercial Paper	\$58,467,807	32.3%	\$46,692,708	57.3%	(25.0%)
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Totals	\$180,928,537	100.0%	\$81,456,796	100.0%	

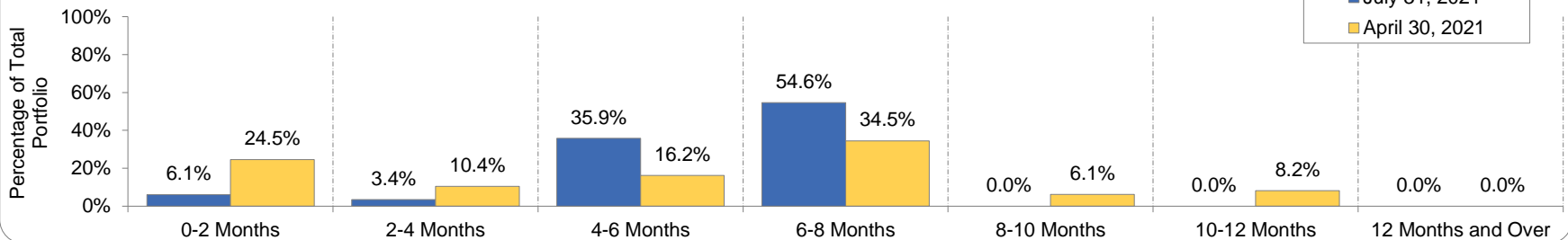
**Portfolio Composition
as of 07/31/21**



**Credit Quality Distribution
as of 07/31/21**



2003 Pledged Revenue Portfolio Maturity Distribution



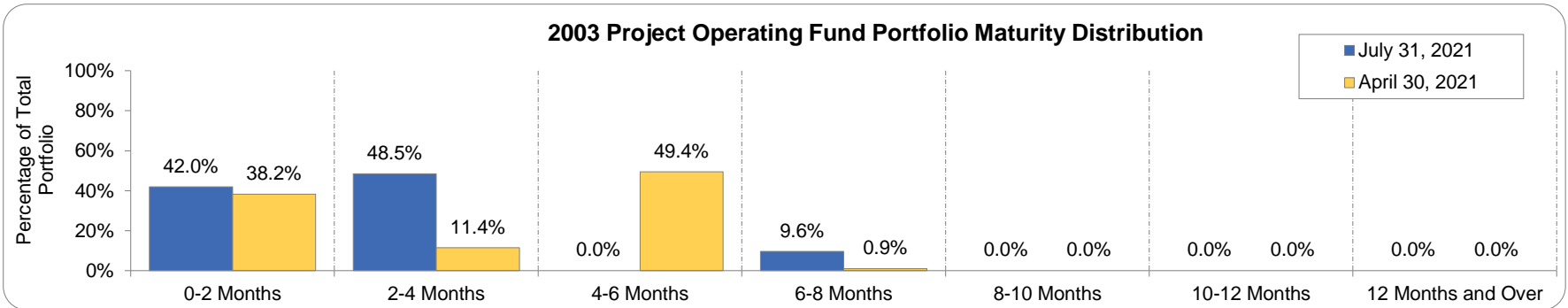
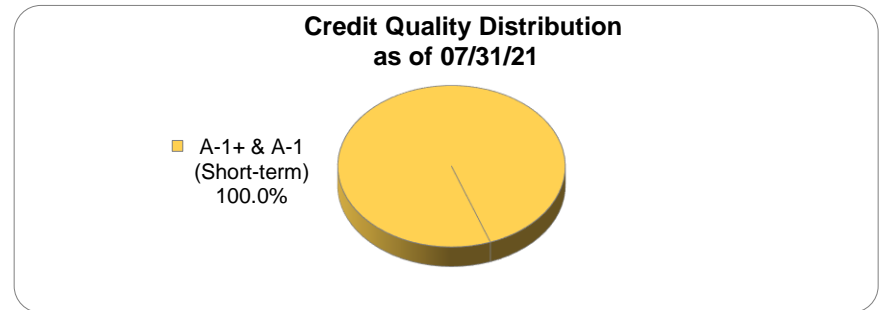
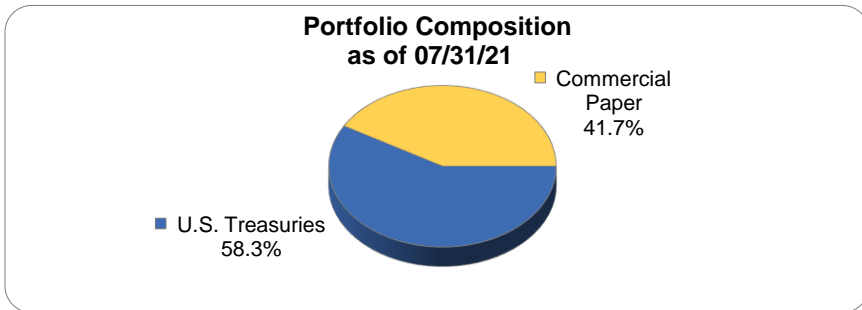
Notes:

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



2003 Project Operating Fund Portfolio

Security Type ¹	July 31, 2021	% of Portfolio	April 30, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$5,897,468	58.3%	\$2,149,857	21.3%	37.1%
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$0	0.0%	0.0%
Commercial Paper	\$4,216,947	41.7%	\$7,965,590	78.7%	(37.1%)
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Totals	\$10,114,415	100.0%	\$10,115,447	100.0%	



Notes:

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



IV. Market Commentary



Market Commentary – Quarter Ended July 31, 2021

SUMMARY

- During the quarter, U.S. economic conditions were impacted by: (1) dramatically lower COVID-19 caseloads as vaccine inoculations accelerated, balanced with waning vaccine demand and the emergence of more infectious variants; (2) strong consumer data supported by ongoing fiscal stimulus measures; (3) elevated inflation fueled by surging economic activity amid labor and supply chain shortages; (4) a late-quarter hawkish signal from the Federal Reserve (Fed), as anticipation of bond purchase tapering gained traction and the timeline for expected rate hikes was pulled forward; and (5) the largest increase in corporate earnings estimates in nearly 20 years, which propelled major U.S. stock indices to all-time highs.
- With the public health situation drastically improving and pent-up consumer demand being released, the U.S. has seemingly turned the corner in its recovery. Due to the quicker-than-expected rebound, Federal Open Market Committee (FOMC) officials have suggested that they have started to contemplate the timing and communication around a potential tapering of asset purchases. The FOMC remains "attuned and attentive" to the inflation outlook amid supply shortages and other risk factors. In the updated June projections, 13 of 18 Fed officials indicated they expect to increase short-term rates by the end of 2023, up from seven who expected that outcome in March.

ECONOMIC SNAPSHOT

- Following a 4.3% expansion in Q4 2020, U.S. GDP increased 6.4% in Q1. The consumer continues to be the driving force behind recent GDP growth as consumer spending rose by 11.4% in Q2, the second-fastest pace since the 1960s. Goods and services that benefit the most from the reopening of the economy, such as auto sales, food services and travel accommodations, are the main contributors to the growth in spending.
- The U.S. labor market recovery is accelerating after a spring lull. Following a disappointing April jobs report, employers added over 580,000 and 850,000 jobs in May and June, respectively. The service sector led the job recovery in the first half of 2021 as leisure and hospitality accounted for 1.6 million jobs created, or almost half of the year's payroll gains. The robust demand for workers pushed wages up by a brisk pace of 3.6% year-over-year (YoY).

INTEREST RATES

- The U.S. Treasury yield curve flattened modestly over the quarter as longer-term yields retraced some of their significant first quarter higher moves, and shorter-term maturities inched higher from rock-bottom lows. Near quarter-end, short-term Treasury yields rose in response as the Fed raised by five basis points the interest it pays banks on excess reserves and its offering rate for overnight reverse repurchase agreements. An earlier-than-expected discussion by the FOMC of increasing the overnight target rate also contributed to Treasuries softening on the short end of the curve. Long-term yields fell as investors worried less about inflation over the long term. This view was encouraged in part by a more hawkish tone from the FOMC.
- As a result of a flattening curve, index returns were mixed for the quarter. Shorter-duration U.S. Treasury total return indices (three years and under) were generally flat, while longer-duration indices posted strong positive returns. For example, the 3-month Treasury index returned 0% for the quarter, the 2-year Treasury index returned 0.19%, and the 10-year Treasury index returned 1.22%.

SECTOR PERFORMANCE

- Diversification away from U.S. Treasuries was again additive to performance throughout the quarter. Broad global demand for yield has continued to push spreads of most bonds tighter. As a result, most investment-grade (IG) spread sectors showed positive excess returns. The lone exception was mortgage-related sectors, where expectations that the FOMC may begin tapering asset purchases caused mortgage-backed security (MBS) spreads to come under pressure and lift off from multi-year tightness.
- The federal agency sector saw minimal spread widening of one to two basis points (0.01% to 0.02%), mostly concentrated in the longer duration part of the curve (past three years). Supply remains markedly light, limiting new buying opportunities within the sector. On the flipside, we expect opportunistic selling opportunities to persist.
- The taxable municipal sector, once again, was one of the best performing IG sectors during the quarter. Municipals boosted relative portfolio performance over the quarter as strong demand for new issues and the general market reach for yield pressured spreads tighter.
- IG corporates generated positive returns this quarter as spreads tightened due to the prospect of strong corporate earnings and supportive monetary policy. The continued demand for yield pushed spreads to retest multi-year lows despite an active new issue market.

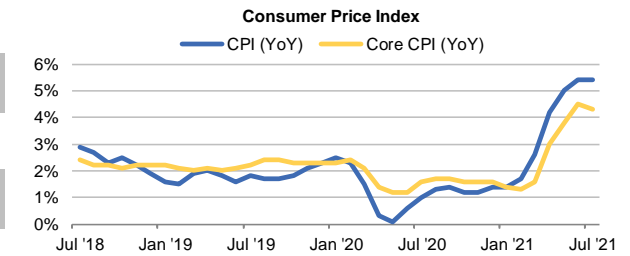
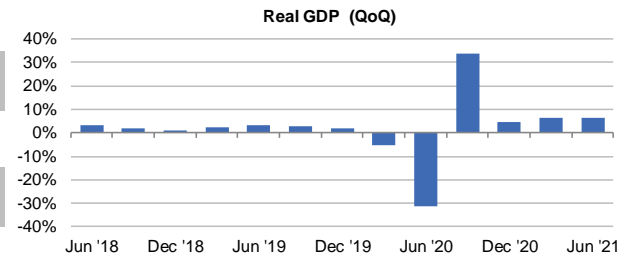
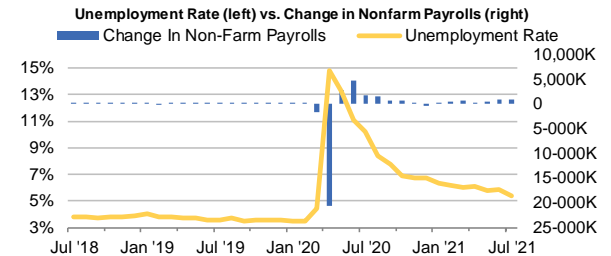


Economic Snapshot

Labor Market		Latest	Apr '21	Jul '20
Unemployment Rate	Jul'21	5.4%	6.1%	10.2%
Change In Non-Farm Payrolls	Jul'21	943,000	269,000	1,726,000
Average Hourly Earnings (YoY)	Jul'21	4.0%	0.3%	4.7%
Personal Income (YoY)	Jun'21	2.3%	-0.6%	9.4%
Initial Jobless Claims (week)	8/7/21	375,000	507,000	1,043,000

Growth		Latest	Apr '21	Jul '20
Real GDP (QoQ SAAR)	2021Q2	6.5%	6.3% ¹	-31.2% ²
GDP Personal Consumption (QoQ SAAR)	2021Q2	11.8%	11.4% ¹	-33.4% ²
Retail Sales (YoY)	Jul'21	15.8%	53.4%	2.7%
ISM Manufacturing Survey (month)	Jul'21	59.5	60.7	53.7
Existing Home Sales SAAR (month)	Jun'21	5.86 mil.	5.85 mil.	5.90 mil.

Inflation / Prices		Latest	Apr '21	Jul '20
Personal Consumption Expenditures (YoY)	Jun'21	4.0%	3.6%	1.0%
Consumer Price Index (YoY)	Jul'21	5.4%	4.2%	1.0%
Consumer Price Index Core (YoY)	Jul'21	4.3%	3.0%	1.6%
Crude Oil Futures (WTI, per barrel)	Jul 31	\$73.95	\$63.58	\$40.27
Gold Futures (oz.)	Jul 31	\$1,813	\$1,768	\$1,963



1. Data as of First Quarter 2021

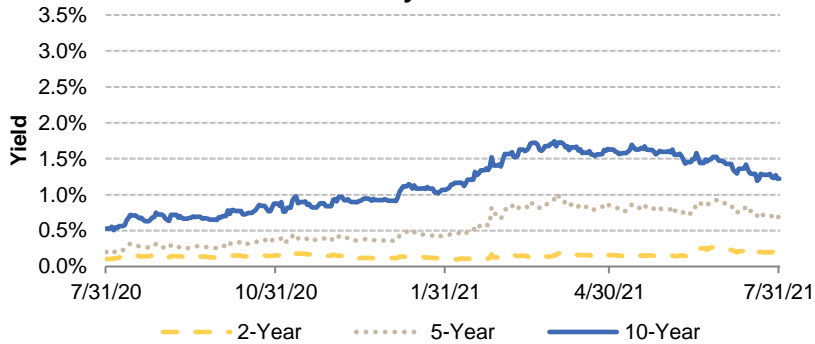
2. Data as of Second Quarter 2021

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

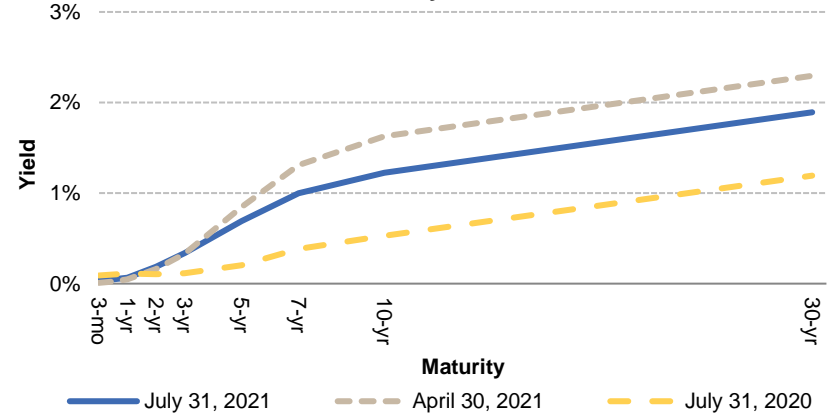


Interest Rate Overview

U.S. Treasury Note Yields



U.S. Treasury Yield Curve



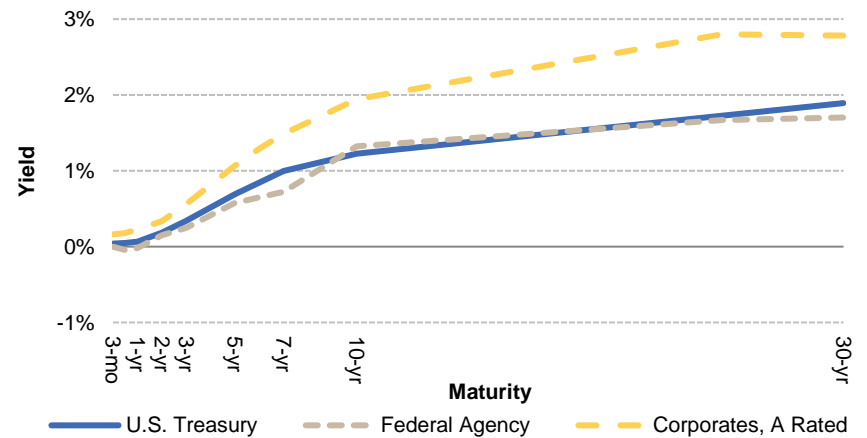
U.S. Treasury Yields

Maturity	Jul '21	Apr '21	Change over Quarter	Jul '20	Change over Year
3-month	0.04%	0.01%	0.03%	0.09%	(0.05%)
1-year	0.07%	0.05%	0.02%	0.11%	(0.04%)
2-year	0.19%	0.16%	0.03%	0.11%	0.08%
5-year	0.69%	0.85%	(0.16%)	0.21%	0.48%
10-year	1.22%	1.63%	(0.41%)	0.53%	0.69%
30-year	1.89%	2.30%	(0.41%)	1.19%	0.70%

LIBOR Rates

Maturity	Jul '21	Apr '21	Change over Quarter	Jul '20	Change over Year
3-month	0.12%	0.18%	(0.06%)	0.25%	(0.13%)
1-year	0.24%	0.28%	(0.04%)	0.45%	(0.21%)

Yield Curves as of 7/31/21



Source: Bloomberg.



Bank of America Merrill Lynch Index Returns

July 31, 2021	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.89	0.19%	0.09%	0.14%	2.74%
Federal Agency	1.68	0.20%	0.13%	0.34%	2.60%
U.S. Corporates, A-AAA rated	1.89	0.48%	0.22%	0.91%	3.55%
Agency MBS (0 to 3 years)	1.56	0.79%	(0.53%)	(1.62%)	3.40%
Taxable Municipals	1.67	0.38%	1.39%	3.88%	4.30%
1-5 Year Indices					
U.S. Treasury	2.65	0.32%	0.29%	(0.08%)	3.41%
Federal Agency	2.20	0.32%	0.35%	0.34%	2.96%
U.S. Corporates, A-AAA rated	2.81	0.74%	0.54%	1.05%	14.05%
Agency MBS (0 to 5 years)	2.10	1.17%	(0.15%)	(0.38%)	3.49%
Taxable Municipals	2.84	0.66%	0.99%	2.56%	4.24%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	7.36	0.84%	2.52%	(3.27%)	5.34%
Federal Agency	3.88	0.62%	1.27%	(0.06%)	4.52%
U.S. Corporates, A-AAA rated	8.59	1.72%	3.44%	(0.40%)	7.41%
Agency MBS (0 to 30 years)	2.98	1.34%	0.31%	(0.03%)	4.09%
Taxable Municipals	11.46	2.30%	5.24%	2.82%	9.73%

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



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