

Hugh L. Carey Battery Park City Authority
Meeting of the Investment Committee
200 Liberty Street, 24th Floor
New York, New York 10281
March 30, 2022
12:30 p.m.

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF THE JANUARY 24, 2022 MINUTES
- III. QUARTERLY INVESTMENT REPORT
- IV. MOTION TO ADJOURN

Hugh L. Carey Battery Park City Authority

Review of Investment Performance

Quarter Ended January 31, 2022 | pfmam.com | 609.452.0263

PFM Asset Management LLC

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Agenda

I. Executive Summary

II. Summary of Aggregate Portfolio

III. Total Return Performance Attributes

IV. Market Commentary

V. Market Appendix

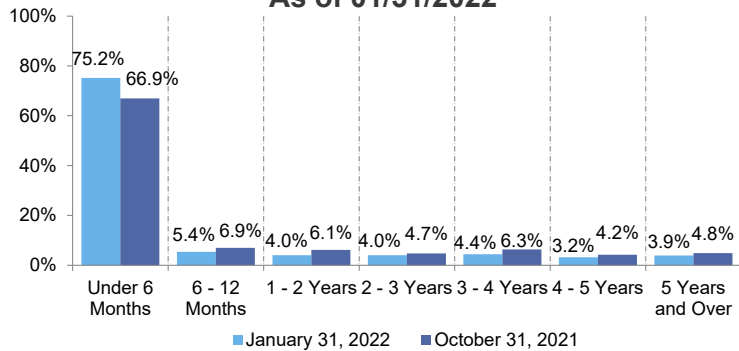
I. Executive Summary



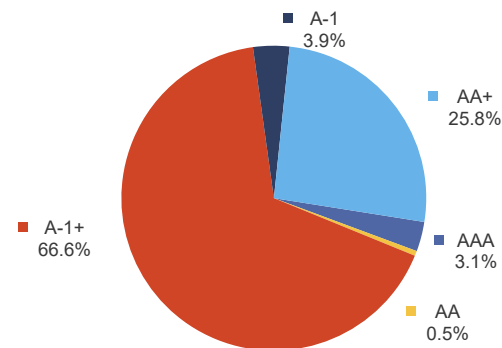
Aggregate Portfolio Composition and Credit Quality

Security Type ¹	January 31, 2022	% of Portfolio	Effective Duration	October 31, 2021	% of Portfolio	Effective Duration	QoQ Change (% of portfolio)
U.S. Treasuries	\$499,118,624	87.5%	0.69	\$383,344,952	83.0%	1.04	4.6%
Federal Agencies and Instrumentalities (non-MBS)	\$17,965,512	3.1%	2.73	\$19,565,737	4.2%	2.79	(1.1%)
Commercial Paper	\$46,995,795	8.2%	0.04	\$52,587,689	11.4%	0.29	(3.1%)
Municipals	\$3,924,895	0.7%	2.65	\$3,994,638	0.9%	2.91	(0.2%)
Government MBS ²	\$2,349,863	0.4%	3.03	\$2,597,134	0.6%	3.20	(0.2%)
Totals	\$570,354,689	100.0%	0.73	\$462,090,151	100.0%	1.05	

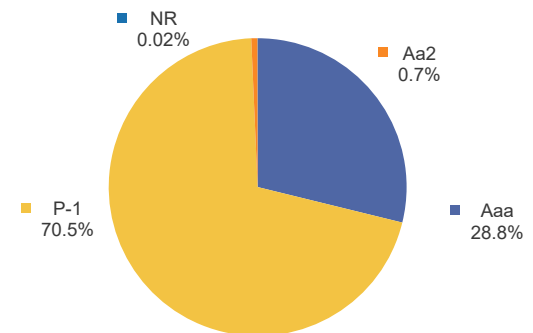
**Maturity Distribution
As of 01/31/2022**



**Credit Quality Distribution (S&P)
as of 01/31/2022**



**Credit Quality Distribution (Moody's)
as of 01/31/2022**



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 – January 31, 2022

	Past Quarter	Past 12 Months	Past 3-Years	Since Inception
Long-Term Strategy:				
2003 Reserve Fund	-1.10%	-1.79%	1.69%	2.92%
<i>BM: BAML 1-5 Year US Treasury Note Index</i>	-1.12%	-1.94%	2.00%	2.85%
BPCPC Operating Reserve Contingency Insurance Fund	-1.25%	-2.51%	2.24%	3.31%
Operating Budget Reserve	-1.26%	-2.51%	2.23%	3.39%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	-1.26%	-2.60%	2.42%	3.06%
BPCA Other Post-Employment Benefits	-1.26%	-2.38%	2.57%	2.68%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	-1.26%	-2.60%	2.42%	2.45%
Short-Term Strategy:				
2003 Pledged Revenue	0.02%	0.09%	0.94%	1.19%
2003 Project Operating Fund	-0.01%	0.06%	0.89%	1.20%
<i>BM: BAML 3 Month US Treasury Bill Index</i>	0.01%	0.04%	0.93%	1.13%

Notes:

1. Bank of America/Merrill Lynch (BAML) indices provided by Bloomberg Financial Markets. The total returns shown for periods longer than a year are the annualized returns for the stated period.
2. Performance of the highlighted portfolios was impacted in the 2nd and 3rd calendar quarters of 2019 by a temporary suspension of investment strategy in order to provide liquidity for the 2019 bond financing.
3. Since inception performance for all portfolios other than 'BPCA Other Post Employment Benefits' and 'BPCPC Other Post Employment Benefits' is calculated from January 31, 2006 to present
4. For the 'Reserve Fund,' the BAML 1-5 Year Treasury Index became the performance benchmark on July 31, 2013. For prior periods, the BAML 1-10 Year Treasury Index was utilized.
5. Since inception performance for the 'BPCA Other Post Employment Benefits' is calculated from January 31, 2008 to present.
6. Since inception performance for the 'BPCPC Other Post Employment Benefits' is calculated from February 12, 2010 to present.
7. BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021

Portfolio Recap – Market Drivers

Economy

- ▶ Many strategic themes were largely carried forward from the prior quarter as similar risks headlined potential headwinds. COVID-19, inflation, a hawkish Fed pivot, and Russian aggression in Ukraine topped economic headlines.
- ▶ U.S. economic growth beat expectations, growing at 6.9% in the fourth quarter and 5.7% for calendar year 2021 – the strongest annual growth rate since 1984. Activity in the fourth quarter was boosted by inventory rebuilding, accounting for 4.9% of the overall growth rate.
- ▶ Consumer inflation reached 7.5% in January, the hottest pace since 1982, as pandemic-related supply and demand imbalances persist. Everything from fuel oil, gasoline, and new and used cars to food, shelter and clothing showed outsized price increases.
- ▶ Employment gains were strong again as the U.S. economy added 467,000 jobs to start the year, far exceeding expectations. The unemployment rate ticked slightly higher to 4.0% from 3.9% in January, largely due to a bump in the labor force participation rate to 62.2% from 61.9%. Wages rose sharply, as average hourly earnings were up 5.7% year-over-year amid near historic job openings.

U.S. Treasury Yields

- ▶ U.S. Treasury yields continued to march higher, and the curve continued to “bear flatten”. In January alone, the yield on the benchmark 2-year Treasury note jumped 45 basis points (bps) to 1.18%, while the yield on the benchmark 10-year Treasury increased 27 bps to 1.78% .

Federal Reserve

- ▶ The Federal Open Market Committee (FOMC) indicated with unusual clarity that it “expects it will soon be appropriate to raise the target range for the federal funds rate.” That set off a wave of speculation and turbo-charged the rising rate trend that had already been in place throughout the quarter. The market has priced in 5-7 quarter-point rate hikes for 2022.

Portfolio Recap – Performance & Cash Flows

Longer-Term Funds.

- ▶ As a result of the increase in short- and intermediate-term yields, longer-term portfolio returns were negative for the quarter. Portfolios performed in-line with respective benchmarks for the quarter. For the trailing year, relative performance remains strong, with the longer-term portfolios outperforming by 9-15 bps.
 - The portfolios continue to maintain a slightly defensive bias vs. benchmark, in line with upward pressure on longer-pitches in the yield curve. Should spreads widen in other sectors, current Treasury allocations provide “dry powder” to selectively add elsewhere. We prefer targeting the steepest portions of the curve but seek also to avoid large curve mismatches relative to benchmarks.
- ▶ On December 23, 2021, \$14.6 million in the BPCPC Other Post Employment Benefits portfolio was transferred and consolidated with the BPCA Other Post Employment Benefits portfolio. Given the 2 strategies have carried the same historical mandate, this move carried no impact to strategy.

Short-Term Funds

- ▶ The 2003 Pledged Revenue Fund returned 2 basis points for the quarter, performing in line with the 3-Month U.S. Treasury benchmark. The Project Operating Fund, which carries a slightly longer duration, returned -0.01%.
- ▶ Each portfolio continues to be structured based on anticipated liquidity needs. We expect short-term interest rates to rise in line with an expected rate hike at the FOMC March meeting.



Investment Policy Issuer Guidelines

Issuer	Actual (%)	Actual ² (\$)	IPS Limit	S&P Rating	Moody's Rating
U.S. Treasury	87.51%	499,118,624	100%	AA+	Aaa
Royal Bank of Canada NY	2.63%	14,998,740	5%	A-1+	P-1
Bank of Montreal	1.75%	9,999,870	5%	A-1	P-1
Collat Comm Paper	1.75%	9,998,550	5%	A-1	P-1
MetLife Funding Inc	1.67%	9,498,932	5%	A-1+	P-1
International Bank of Recon and Development	1.18%	6,753,724	\$250,000,000	AAA	Aaa
International American Development Bank	0.84%	4,794,704	\$250,000,000	AAA	Aaa
Asian Development Bank	0.70%	3,983,198	\$250,000,000	AAA	Aaa
New York City	0.52%	2,987,094	10%	AA	Aa2
African Development Bank	0.43%	2,433,885	\$250,000,000	AAA	Aaa
JP Morgan	0.35%	1,999,822	5%	A-1	P-1
Small Business Administration	0.19%	1,089,043	100%	AA+	Aaa
New York State	0.15%	839,875	10%	AA+	Aa2
Ginnie Mae	0.14%	772,735	100%	AA+	Aaa
Toyota Motor Credit Corporation	0.09%	499,882	5%	A-1+	P-1
Fannie Mae	0.06%	346,383	\$250,000,000	AA+	Aaa
Freddie Mac	0.02%	141,702	\$250,000,000	AA+	Aaa
NY State Dorm Authority	0.02%	97,926	10%	AA+	NR

Notes:

1. For informational/analytical purposes only and is not provided for compliance assurance. Subject to interpretation as derived from our interpretation of your Investment Policy as provided
2. BPCA's investment guidelines do not detail sector limits for commercial paper, supranationals, or Government MBS.
3. Commercial paper issuer limits are subject to the lesser of 5% or \$250 million per issuer.
4. Actual (\$) include market value plus accrued interest.
5. Bolded Issuers are new additions to the portfolio.

Change in Value – Total Return Accounts

Account Name	Beginning Period Value ¹	(+/-)	Net Transfers ²	(+/-)	Change in Value	=	Ending Period Value ¹
Longer Term Investment Strategy							
2003 Reserve Fund	\$34,829,479		\$0		(\$390,567)		\$34,438,912
BPCPC Operating Reserve Contingency	\$14,431,919		(\$2,669)		(\$179,802)		\$14,249,448
Insurance Fund	\$6,216,099		\$0		(\$78,018)		\$6,138,081
Operating Budget Reserve	\$22,547,944		\$0		(\$279,913)		\$22,268,031
BPCA Other Post-Employment Benefits	\$27,904,988		\$14,639,926		(\$541,350)		\$42,003,564
BPCPC Other Post-Employment Benefits	\$14,643,365		(\$14,639,926)		(\$3,439)		\$0
Subtotal	\$120,573,794		(\$2,669)		(\$1,473,088)		\$119,098,036
Shorter Term Investment Strategy							
2003 Pledged Revenue	\$211,553,467		\$102,556,822		\$43,643		\$314,153,932
2003 Project Operating Fund	\$10,116,394		\$500,000		(\$1,398)		\$10,614,996
Subtotal	\$221,669,861		\$103,056,822		\$42,245		\$324,768,928
Total	\$342,243,655		\$103,054,153		(\$1,430,844)		\$443,866,964

Notes:

1. Beginning Period Value is as of October 31, 2021 and Ending Period Value is as of January 31, 2022. 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	\$4,140,872		\$0		(\$13,826)		\$4,127,046
2000 Arbitrage Rebate	\$836,168		\$0		\$115		\$836,283
1993 Unpledged Revenue	\$11,872,050		\$1,009,681		\$1,319		\$12,883,050
2003 Residual Fund	\$47,074		\$0		\$6		\$47,080
Joint Purpose Fund	\$382,014		\$0		(\$287)		\$381,727
Special Fund	\$966,413		\$0		\$133		\$966,546
BPCPC Operating Reserve	\$1,041,508		\$0		\$146		\$1,041,654
BPCA Goldman Sachs Liberty Contribution Fund	\$1,438		\$0		\$0		\$1,438
BPCA Series 2009A Project Costs	\$108,252		(\$3,436)		\$2		\$104,819
BPCA2013ACDE Proj Cost Sub AC	\$10,527,590		(\$84,401)		(\$3,622)		\$10,439,567
BPCA Pier A Reserve Fund	\$997,166		\$427,370		(\$2,537)		\$1,421,999
BPCA 2019A Comm Ctr SB Proj	\$1,263,623		(\$531,414)		(\$353)		\$731,856
BPCA 2019A Sustainable Proj	\$45,992,778		(\$6,790,535)		(\$26,289)		\$39,175,955
BPCA 2019ABCDE COI	\$5,628		\$0		\$0		\$5,628
BPCA 2019BDE Project	\$7,832,488		(\$848,905)		(\$5,787)		\$6,977,796
BPCA 2019C Pier A SB Proj	\$3,554,193		\$0		(\$3,950)		\$3,550,243
Subtotal	\$89,569,255		(\$6,821,640)		(\$54,930)		\$82,692,686

Notes:

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

Change in Value – Other BPCA Accounts

Account Name	Beginning Period Value ¹	(+/-)	Net Transfers ²	(+/-)	Change in Value	=	Ending Period Value ¹
Ramirez Asset Management Accounts							
Liberty Terr Mariners Cove-K	\$305,312		\$0		(\$22)		\$305,291
Liberty House Mariners J	\$249,759		\$0		(\$18)		\$249,741
Rector Park L	\$34,772		\$0		(\$2)		\$34,770
Hudson View W Towers G	\$175,832		\$0		(\$12)		\$175,820
Hudson Towers E/F	\$213,846		\$0		(\$15)		\$213,831
Hudson View Towers C	\$188,761		\$0		(\$13)		\$188,748
Liberty Ct Mariners Cove B	\$623,476		\$0		(\$44)		\$623,431
Millenium	\$3,764,143		\$0		(\$267)		\$3,763,876
Liberty Battery Place Assoc 4	\$449,560		\$0		(\$32)		\$449,528
South Cove Assoc 11	\$408,259		\$0		(\$29)		\$408,230
Soundings Rector Park A	\$218,493		\$0		(\$15)		\$218,478
The Regatta Site 10	\$498,452		\$0		(\$35)		\$498,416
Debt Service Junior Payments	\$14,285,134		(\$7,716,164)		\$1,084		\$6,570,054
2003 Debt Service Senior Payments	\$50,017,409		(\$37,507,011)		(\$2,423)		\$12,507,975
BPCA Millenium Tower Security Fund 2A	\$3,143,389		\$0		(\$223)		\$3,143,166
BPCA S 16/17 Riverhouse Security Fund	\$6,678,938		\$0		(\$474)		\$6,678,464
BPCA Visionaire Security Fund	\$4,067,222		\$0		(\$289)		\$4,066,933
BPCA Pier A Security Deposit Account	\$427,365		(\$427,370)		\$5		\$0
BPCA One Rector Park Security Fund	\$998,185		\$0		(\$71)		\$998,114
BPCA Rector Square Security Fund Site D	\$229,860		\$0		(\$16)		\$229,843
BPCA WFC Tower C Retail Rent Escrow	\$259,176		\$0		(\$18)		\$259,158
BPCA River & Warren Sec Fund - Site 19A	\$6,151,292		\$0		(\$437)		\$6,150,855
BPCA North Cove Marina Security Fund	\$53,215		\$0		(\$4)		\$53,211
Subtotal	\$93,441,850		(\$45,650,545)		(\$3,372)		\$47,787,933

Notes:

1. Beginning Period Value is as of October 31, 2021 and Ending Period Value is as of January 31, 2022. Beginning Period Value and Ending Period Value equal market values of portfolio holdings plus accrued interest and cash.
2. Net Transfers represent the total portfolio contributions and withdrawals during the quarter.
3. Forward settling RAM maturities of \$26 million in the 2003 Debt Service Senior portfolio are netted to cash

II. Summary of Aggregate Portfolio



Aggregate Portfolio Issuer Breakdown

Security Type	January 31, 2022	% of Portfolio	October 31, 2021	% of Portfolio	QoQ % Change
United States Treasury²					
U.S. Treasury	\$499,118,624	87.5%	\$383,344,952	83.0%	4.6%
Ginnie Mae	\$772,735	0.1%	\$875,847	0.2%	(0.1%)
Small Business Administration	\$1,089,043	0.2%	\$1,194,221	0.3%	(0.1%)
Federal Agencies and Instrumentalities^{2,3}					
Freddie Mac	\$141,702	0.0%	\$153,821	0.0%	(0.0%)
Fannie Mae	\$346,383	0.1%	\$373,245	0.1%	(0.0%)
Federal Home Loan Bank	\$0	0.0%	\$1,334,953	0.3%	(0.3%)
International Bank of Recon and Development	\$6,753,724	1.2%	\$6,868,785	1.5%	(0.3%)
International American Development Bank	\$4,794,704	0.8%	\$4,864,838	1.1%	(0.2%)
Asian Development Bank	\$3,983,198	0.7%	\$4,036,010	0.9%	(0.2%)
African Development Bank	\$2,433,885	0.4%	\$2,461,150	0.5%	(0.1%)
Commercial Paper²					
JP Morgan	\$1,999,822	0.4%	\$4,998,920	1.1%	(0.7%)
Toyota Motor Credit Corporation	\$499,882	0.1%	\$499,782	0.1%	(0.0%)
Bank of Montreal	\$9,999,870	1.8%	\$9,996,870	2.2%	(0.4%)
Collat Comm Paper	\$9,998,550	1.8%	\$9,989,470	2.2%	(0.4%)
Royal Bank of Canada NY	\$14,998,740	2.6%	\$14,993,685	3.2%	(0.6%)
MetLife Funding Inc	\$9,498,932	1.7%	\$12,108,963	2.6%	(1.0%)
Municipal Issuers²					
New York City	\$2,987,094	0.5%	\$3,045,453	0.7%	(0.1%)
NY State Dorm Authority	\$97,926	0.0%	\$99,417	0.0%	(0.0%)
New York State	\$839,875	0.1%	\$849,769	0.2%	(0.0%)
TOTAL	\$570,354,689	100.0%	\$462,090,151	100.0%	

Notes:

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

Portfolio Value – Total Return Accounts

	January 31, 2022			October 31, 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	\$34,404,119	2.48	6.0%	\$34,821,555	2.56	7.5%	-1.5%
BPCPC Operating Reserve Contingency	\$14,244,957	3.54	2.5%	\$14,429,711	3.64	3.1%	-0.6%
Insurance Fund	\$6,128,058	3.58	1.1%	\$6,214,906	3.57	1.3%	-0.3%
Operating Budget Reserve	\$22,256,530	3.56	3.9%	\$22,539,449	3.48	4.9%	-1.0%
BPCA Other Post-Employment Benefits	\$41,997,831	3.54	7.4%	\$27,902,620	3.57	6.0%	1.3%
BPCPC Other Post-Employment Benefits	\$0	0.00	0.0%	\$14,642,213	3.66	3.2%	-3.2%
Subtotal Longer Term Investment Strategy	\$119,031,493	3.24	20.9%	\$120,550,455	3.28	26.1%	-5.2%
Short Term Investment Strategy							
2003 Pledged Revenue	\$311,934,768	0.04	54.7%	\$209,458,299	0.23	45.3%	9.4%
2003 Project Operating Fund	\$10,614,582	0.15	1.9%	\$10,116,233	0.10	2.2%	-0.3%
Subtotal Short Term Investment Strategy	\$322,549,351	0.05	56.6%	\$219,574,531	0.22	47.5%	9.0%
Subtotal of Total Return Accounts	\$441,580,844	0.91	77.4%	\$340,124,986	1.31	73.6%	3.8%

Notes:

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

Portfolio Value – Other BPCA Accounts

	January 31, 2022			October 31, 2021			QoQ % Change
	Market Value ¹	Effective Duration	% of Total Portfolio	Market Value ¹	Effective Duration	% of Total Portfolio	
Corporate Funds	\$4,124,161	0.76	0.7%	\$4,140,040	1.02	0.9%	(0.2%)
2000 Arbitrage Rebate	\$835,899	0.14	0.1%	\$835,784	0.41	0.2%	(0.0%)
1993 Unpledged Revenue	\$12,724,971	0.01	2.2%	\$11,729,394	0.09	2.5%	(0.3%)
2003 Residual Fund	\$46,995	0.14	0.0%	\$46,994	0.23	0.0%	(0.0%)
Joint Purpose Fund	\$381,520	0.38	0.1%	\$381,807	0.64	0.1%	(0.0%)
Special Fund	\$965,884	0.14	0.2%	\$965,751	0.41	0.2%	(0.0%)
BPCPC Operating Reserve	\$1,040,963	0.11	0.2%	\$1,039,214	0.09	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	\$103,972	0.20	0.0%	\$107,999	0.04	0.0%	(0.0%)
BPCA Series 2009B Project Costs	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Pier A Construction Escrow	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Insurance Advance	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA2013ACDE COI SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA2013B COI SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA2013ACDE PROJ COST SUB AC	\$10,437,608	0.25	1.8%	\$10,526,224	0.35	2.3%	(0.4%)
BPCA2013B PROJ COSTS SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA PIER A RESERVE FUND	\$1,419,452	0.53	0.2%	\$996,825	0.33	0.2%	0.0%
BPCA SUBORDINATED PAYMENT ACCOUNT	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA 2019A Comm Ctr SB Proj	\$718,281	0.26	0.1%	\$1,263,544	0.45	0.3%	(0.1%)
BPCA 2019A Sustainable Proj	\$39,174,674	0.11	6.9%	\$45,992,182	0.29	10.0%	(3.1%)
BPCA 2019ABCDE COI	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA 2019BDE Project	\$6,975,593	0.14	1.2%	\$7,831,873	0.31	1.7%	(0.5%)
BPCA 2019C Pier A SB Proj	\$3,548,522	0.15	0.6%	\$3,552,472	0.30	0.8%	(0.1%)
Liberty Terr Mariners Cove-K	\$304,888	0.00	0.1%	\$304,909	0.48	0.1%	(0.0%)
Liberty House Mariners J	\$248,908	0.00	0.0%	\$248,926	0.48	0.1%	(0.0%)
Rector Park L	\$33,987	0.00	0.0%	\$33,990	0.48	0.0%	(0.0%)
Hudson View W Towers G	\$174,936	0.00	0.0%	\$174,948	0.48	0.0%	(0.0%)
Hudson Towers E/F	\$212,922	0.00	0.0%	\$212,937	0.48	0.0%	(0.0%)
Hudson View Towers C	\$187,931	0.00	0.0%	\$187,944	0.48	0.0%	(0.0%)
Liberty Ct Mariners Cove B	\$622,771	0.00	0.1%	\$622,815	0.48	0.1%	(0.0%)
Millenium	\$3,763,614	0.00	0.7%	\$3,763,882	0.48	0.8%	(0.2%)
Liberty Battery Place Assoc 4	\$448,835	0.00	0.1%	\$448,867	0.48	0.1%	(0.0%)
South Cove Assoc 11	\$407,850	0.00	0.1%	\$407,879	0.48	0.1%	(0.0%)
Soundings Rector Park A	\$217,920	0.00	0.0%	\$217,935	0.48	0.0%	(0.0%)
The Regatta Site 10	\$497,817	0.00	0.1%	\$497,852	0.48	0.1%	(0.0%)
Debt Service Junior Payments	\$5,069,883	0.00	0.9%	\$3,391,794	0.13	0.7%	0.2%
2003 Debt Service Senior Payments	\$12,507,034	0.00	2.2%	\$35,923	1.96	0.0%	2.2%
BPCA Millenium Tower Security Fund 2A	\$3,142,843	0.00	0.6%	\$3,143,066	0.48	0.7%	(0.1%)
BPCA S 16/17 Riverhouse Security Fund	\$6,677,542	0.00	1.2%	\$6,678,016	0.48	1.4%	(0.3%)
BPCA Visionaire Security Fund	\$4,066,503	0.00	0.7%	\$4,066,792	0.48	0.9%	(0.2%)
BPCA Pier A Security Deposit Account	\$0	0.00	0.0%	\$426,873	0.48	0.1%	(0.1%)
BPCA One Rector Park Security Fund	\$997,633	0.00	0.2%	\$997,704	0.48	0.2%	(0.0%)
BPCA Rector Square Security Fund Site D	\$228,916	0.00	0.0%	\$228,932	0.48	0.0%	(0.0%)
BPCA WFC TOWER C RETAIL RENT ESCROW	\$258,905	0.00	0.0%	\$258,923	0.48	0.1%	(0.0%)
BPCA RIVER & WARREN SEC FUND - SITE 19A	\$6,150,736	0.00	1.1%	\$6,151,173	0.48	1.3%	(0.3%)
BPCA NORTH COVE MARINA SECURITY FUND	\$52,981	0.00	0.0%	\$52,984	0.48	0.0%	(0.0%)
Subtotal of Other BPCA Accounts	\$128,773,845	0.10	22.6%	\$121,965,165	0.35	26.4%	(3.8%)

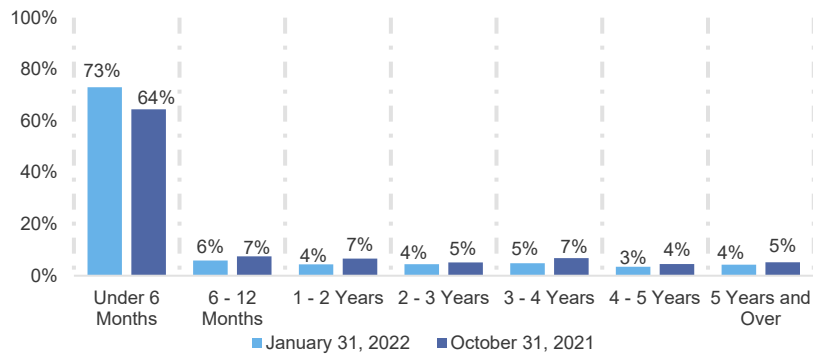
Notes:

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.

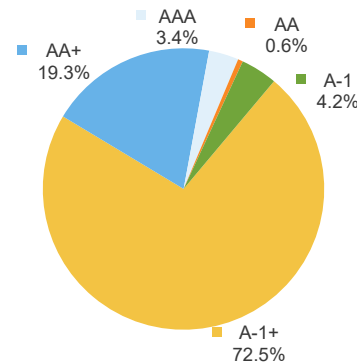
Aggregate Portfolio Summary: PFM Asset Management

Security Type ¹	January 31, 2022	% of Advisor	% of Total Portfolio	Effective Duration	October 31, 2021	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$452,875,896	86.4%	79.4%	0.76	\$350,825,812	81.7%	75.9%	1.09	4.7%
Federal Agencies and Instrumentalities	\$17,965,512	3.4%	3.1%	2.73	\$19,565,737	4.6%	4.2%	2.79	(1.1%)
Commercial Paper	\$46,995,795	9.0%	8.2%	0.04	\$52,587,689	12.2%	11.4%	0.29	(3.3%)
Municipals	\$3,924,895	0.7%	0.7%	2.65	\$3,994,638	0.9%	0.9%	2.91	(0.2%)
Government MBS ²	\$2,317,238	0.4%	0.4%	3.07	\$2,561,212	0.6%	0.6%	3.22	(0.2%)
Totals	\$524,079,337	100%	91.9%	0.79	\$429,535,088	100.0%	93.0%	1.10	

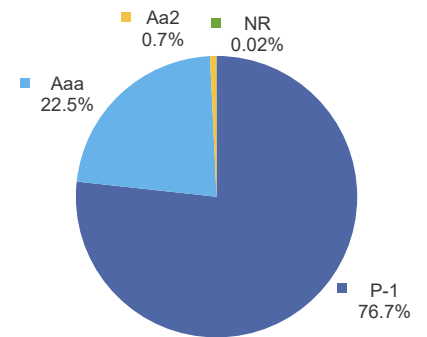
Maturity Distribution as of 01/31/2022



Credit Quality (S&P) as of 01/31/2022



Credit Quality (Moody's) as of 01/31/2022



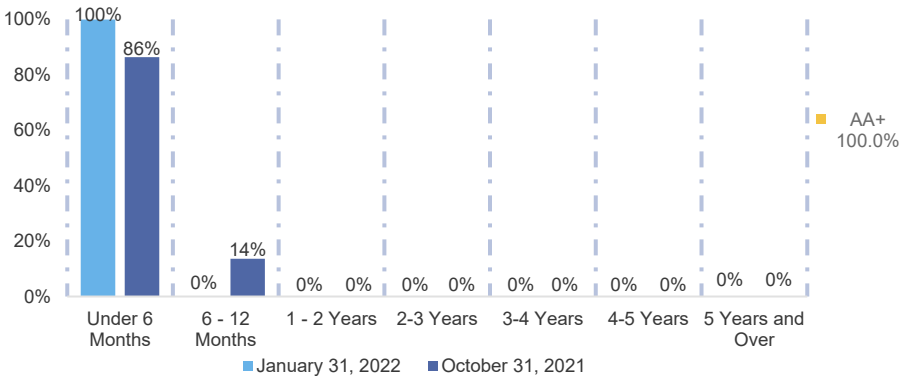
Notes:

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

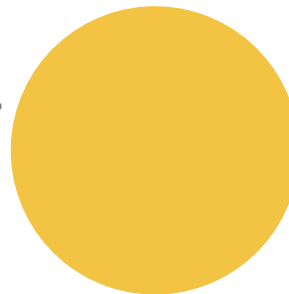
Aggregate Portfolio Summary: Ramirez Asset Management

Security Type ¹	January 31, 2022	% of Advisor	% of Total Portfolio	Effective Duration	October 31, 2021	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$46,242,727	99.9%	8.1%	0.21	\$32,519,140	99.9%	7.0%	0.44	0.0%
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Commercial Paper	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Municipals	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Government MBS ²	\$32,625	0.1%	0.0%	1.77	\$35,923	0.1%	0.0%	1.96	(0.0%)
Totals	\$46,275,352	100%	8.1%	0.21	\$32,555,063	100.0%	7.0%	0.44	

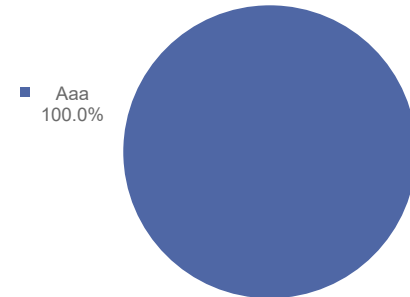
**Maturity Distribution
as of 01/31/2022**



**Credit Quality (S&P)
as of 01/31/2022**



**Credit Quality (Moody's)
as of 01/31/2022**



Notes:

- Market Value includes accrued interest but does not include cash balances held at the bank.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

Portfolio Earnings – PFMAM-Managed Accounts

Portfolio Earnings		
<i>Quarter-Ended January 31, 2022</i>		
	<u>Market Value Basis ³</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value - October 2021 ¹	\$429,043,508	\$427,824,360
Net Purchases (Sales)	\$96,413,510	\$96,413,510
Change in Value	(\$1,955,562)	\$3,969
Ending Value - January 2022 ¹	\$523,501,456	\$524,241,840
Net Income ²	\$469,789	\$469,789
Portfolio Earnings	(\$1,485,774)	\$473,758

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 Quarter-Ended January 31, 2022	
	<u>Market Value Basis</u> ^{1,4}	<u>Accrual (Amortized Cost) Basis</u> ²
Beginning Value - October 2021	\$32,543,828	\$32,557,226
Net Purchases (Sales)	\$13,737,342	\$13,737,342
Change in Value	(\$5,993)	(\$20,053)
Ending Value - January 2022	\$46,275,176	\$46,274,515
Net Income ³	\$2,543	\$2,543
Portfolio Earnings	(\$3,450)	(\$17,510)

Notes:

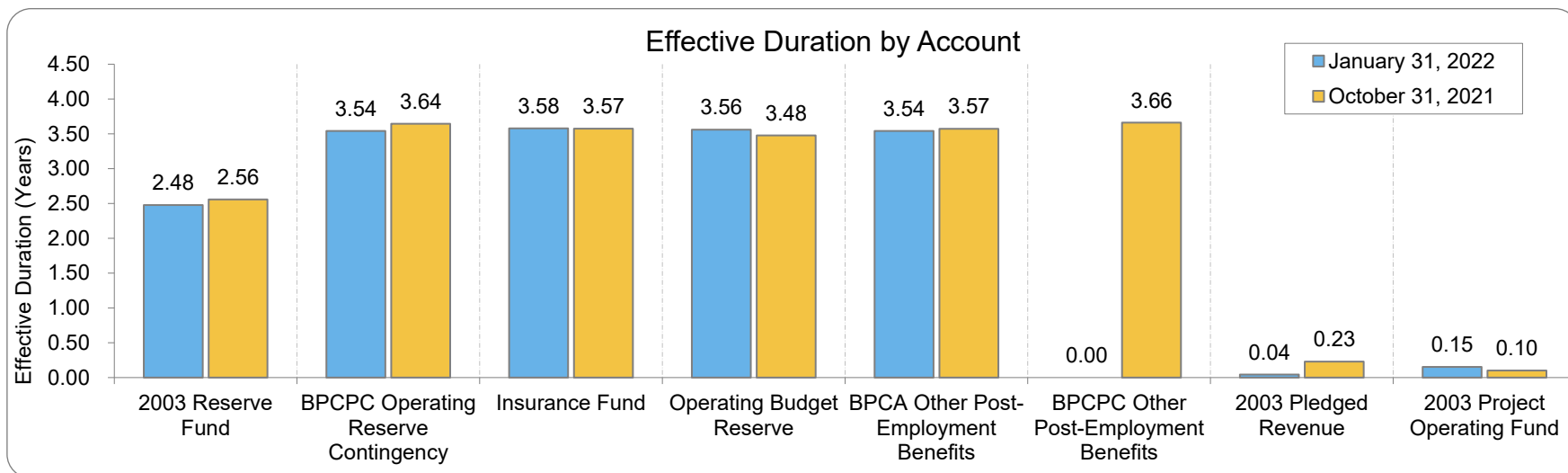
1. Underlying data for Market Value Basis supplied by Advent APX, values exclude accrued income and cash balances at the bank.
2. Accrual (Amortized Cost) Basis data provided by custodian, BNY-Mellon.
3. Net Income includes coupon income paid, change in beginning and ending accruals, and purchased/sold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

III. Total Return Performance Attributes



Total Return Portfolio Attributes

Yields	Effective Duration (in years)		Yield To Maturity - At Market		Yield To Maturity - On Cost	
	January 31, 2022	October 31, 2021	January 31, 2022	October 31, 2021	January 31, 2022	October 31, 2021
Longer Term Investment Strategy						
2003 Reserve Fund	2.48	2.56	1.30%	0.74%	1.15%	1.20%
BPCPC Operating Reserve Contingency	3.54	3.64	1.44%	0.95%	1.44%	1.43%
Insurance Fund	3.58	3.57	1.40%	0.88%	1.41%	1.39%
Operating Budget Reserve	3.56	3.48	1.41%	0.87%	0.99%	0.94%
BPCA Other Post-Employment Benefits	3.54	3.57	1.42%	0.90%	1.36%	1.56%
BPCPC Other Post-Employment Benefits	0.00	3.66	0.00%	0.91%	0.00%	1.54%
Short Term Investment Strategy						
2003 Pledged Revenue	0.04	0.23	0.06%	0.08%	0.05%	0.07%
2003 Project Operating Fund	0.15	0.10	0.15%	0.05%	0.12%	0.05%



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

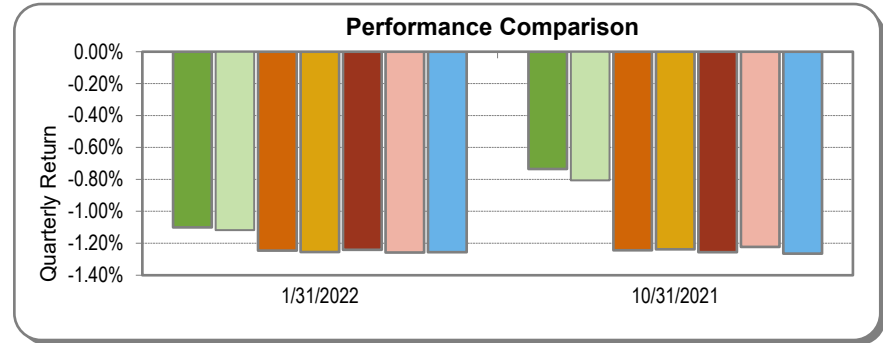
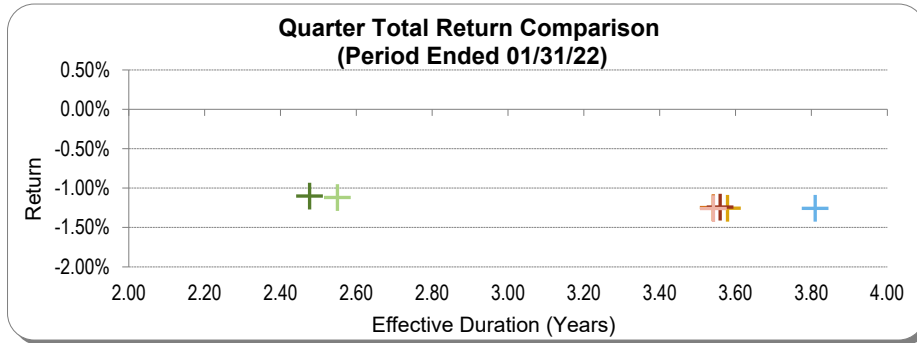
Portfolios Managed with a Longer-Term Investment Strategy



Longer-Term Investment Strategy

Total Return ^{1,2,4,5}	January 31, 2022	Annualized Since Inception
2003 Reserve Fund	(1.10%)	2.92%
BM: BAML 1-5 Year US Treasury Note Index	(1.12%)	2.85%
BPCPC Operating Reserve Contingency	(1.25%)	3.31%
Insurance Fund	(1.26%)	3.26%
Operating Budget Reserve	(1.24%)	3.39%
BM: BAML 1-10 Year US Treasury Note Index	(1.26%)	3.06%
BPCA Other Post-Employment Benefits	(1.26%)	2.68%
BM: BAML 1-10 Year US Treasury Note Index	(1.26%)	2.45%

Effective Duration (in years) ³	January 31, 2022	October 31, 2021
2003 Reserve Fund	2.48	2.56
BM: BAML 1-5 Year US Treasury Note Index	2.55	2.57
BPCPC Operating Reserve Contingency	3.54	3.64
Insurance Fund	3.58	3.57
Operating Budget Reserve	3.56	3.48
BPCA Other Post-Employment Benefits	3.54	3.57
BM: BAML 1-10 Year US Treasury Note Index	3.81	3.83



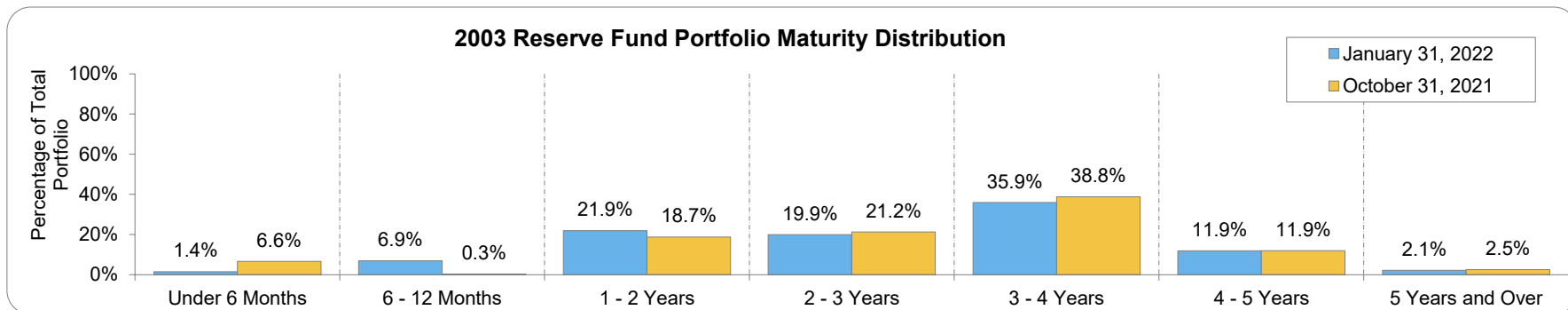
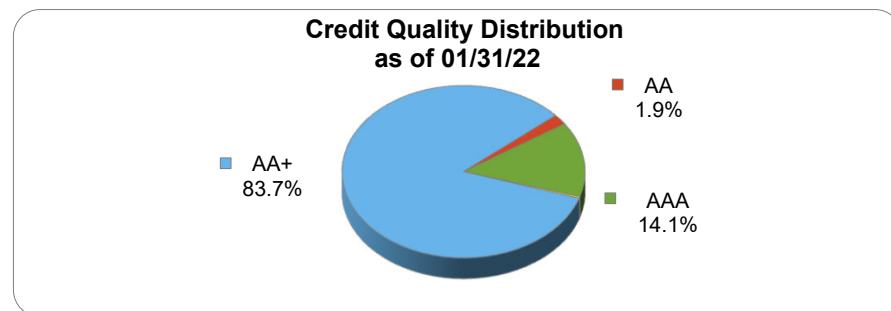
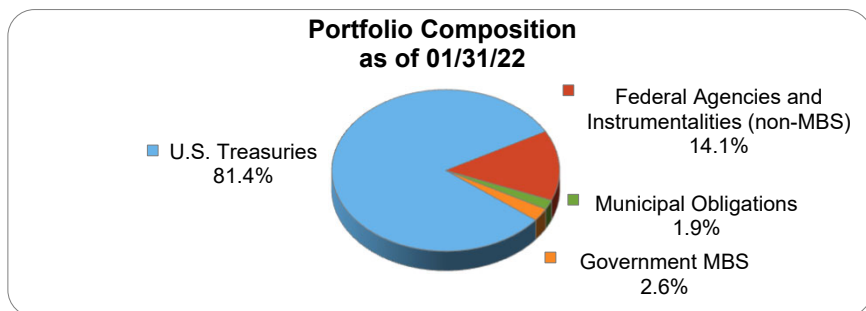
Notes:

- Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
- 2003 Reserve Fund, Operating Budget Reserve, Insurance Fund, and the Operating Reserve Contingency Funds temporarily suspended their investment strategies from June 2019 to December 2019 due to 2019 bond funding.
- Bank of America/Merrill Lynch (BAML) indices provided by Bloomberg Financial Markets. The total returns shown for periods longer than a year are the annualized returns for the stated period.
- Duration is the change in the value of a security that will result from a 1% change in interest rates, stated in years.
- Periodic performance numbers are presented both as the periodic return and on an annualized basis. The annualized return assumes the periodic return is compounded at the same rate and is presented for reference only. The actual annual return will be the result of chaining the most recent four quarterly returns.
- Since inception performance for all portfolios other than 'BPCA Other Post Employment Benefits' and 'BPCPC Other Post Employment Benefits' is calculated from January 31, 2006 to present. For the 'Reserve Fund,' the inception of the BAML 1-5 Year Treasury Index as the performance benchmark is July 31, 2013. For prior periods, the BAML 1-10 Year Treasury Index was utilized. Since inception performance for the 'BPCA Other Post Employment Benefits' is calculated from January 31, 2008 to present. Since inception performance for the 'BPCPC Other Post Employment Benefits' is calculated from February 12, 2010 to present.
- BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021



2003 Reserve Fund Portfolio

Security Type ¹	January 31, 2022	% of Portfolio	October 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$28,012,092	81.4%	\$28,237,963	81.1%	0.3%
Federal Agencies and Instrumentalities (non-MBS)	\$4,839,664	14.1%	\$4,907,622	14.1%	(0.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$667,242	1.9%	\$679,675	2.0%	(0.0%)
Government MBS	\$885,121	2.6%	\$996,296	2.9%	(0.3%)
Totals	\$34,404,119	100.0%	\$34,821,555	100.0%	

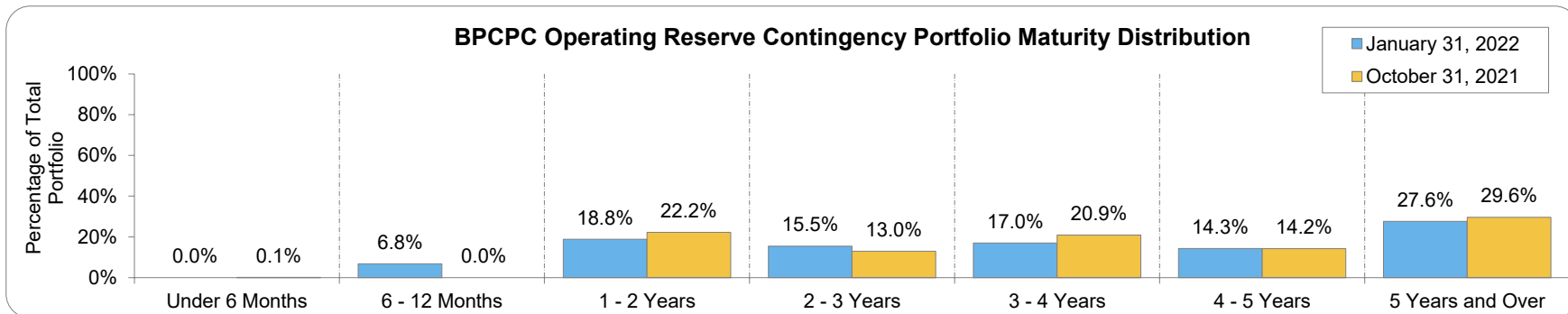
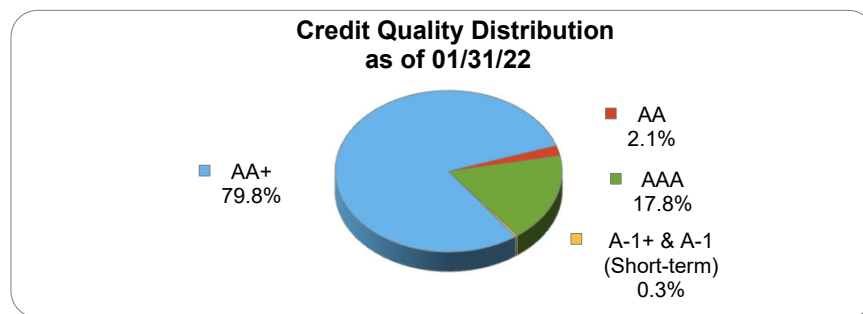
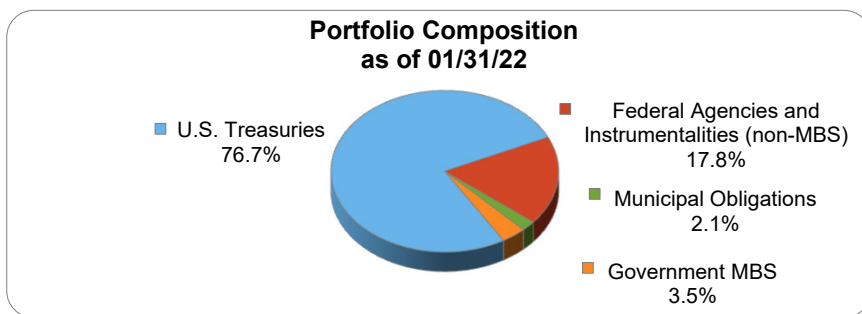


Notes:

- 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.

BPCPC Operating Reserve Contingency Portfolio

Security Type ¹	January 31, 2022	% of Portfolio	October 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$10,922,422	76.7%	\$11,016,321	76.3%	0.3%
Federal Agencies and Instrumentalities (non-MBS)	\$2,531,060	17.8%	\$2,569,253	17.8%	(0.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$292,948	2.1%	\$299,231	2.1%	(0.0%)
Government MBS	\$498,526	3.5%	\$544,905	3.8%	(0.3%)
Totals	\$14,244,957	100.0%	\$14,429,711	100.0%	



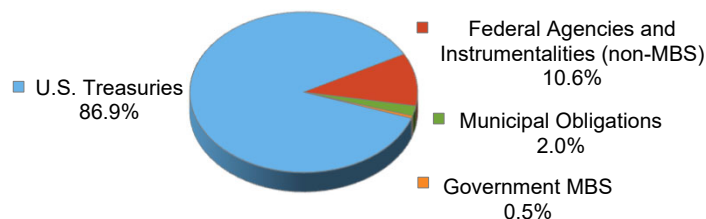
Notes:

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.

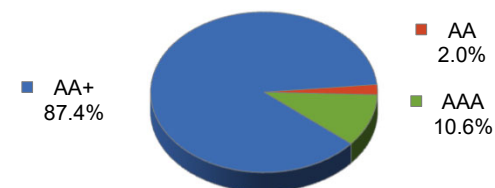
Insurance Fund Portfolio

Security Type ¹	January 31, 2022	% of Portfolio	October 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$5,323,185	86.9%	\$5,393,210	86.8%	0.1%
Federal Agencies and Instrumentalities (non-MBS)	\$649,778	10.6%	\$659,985	10.6%	(0.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$124,130	2.0%	\$126,793	2.0%	(0.0%)
Government MBS	\$30,965	0.5%	\$34,918	0.6%	(0.1%)
Totals	\$6,128,058	100.0%	\$6,214,906	100.0%	

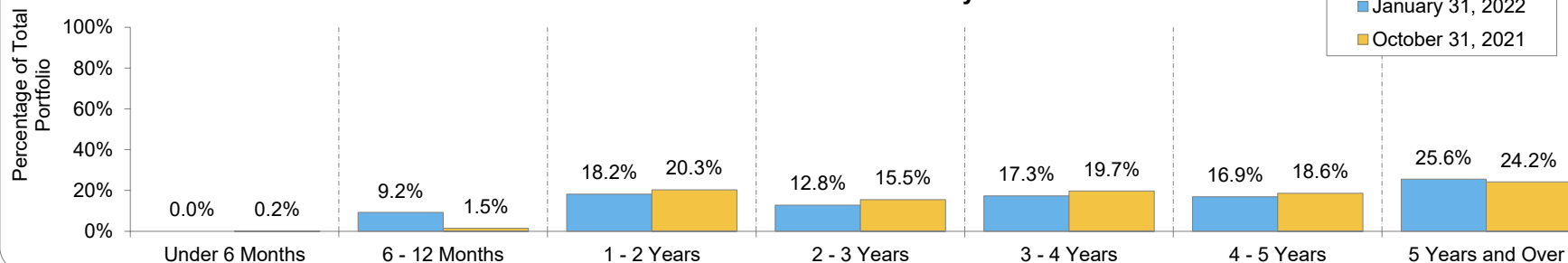
Portfolio Composition as of 01/31/22



Credit Quality Distribution as of 01/31/22



Insurance Fund Portfolio Maturity Distribution

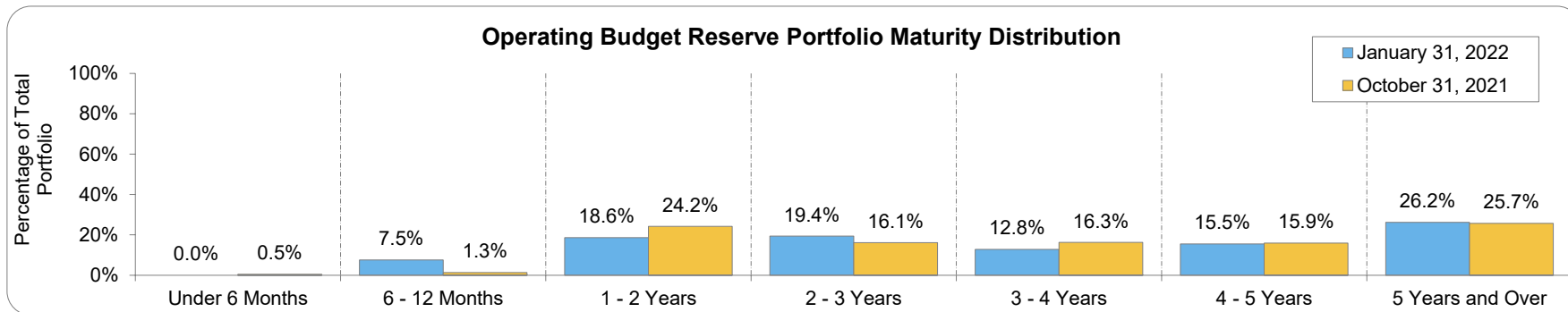
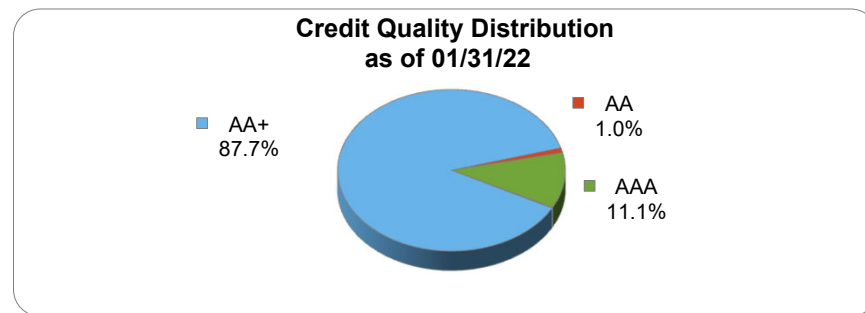
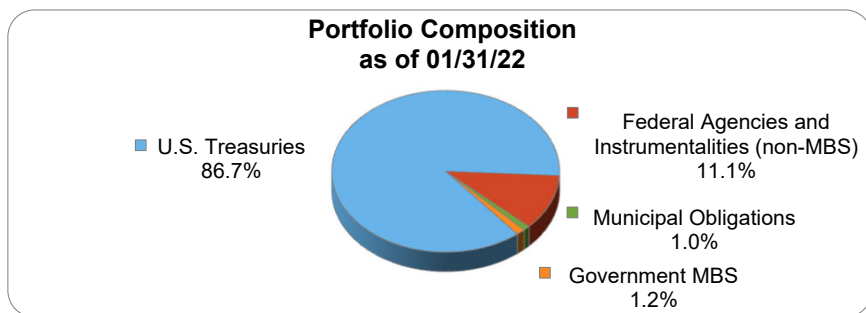


Notes:

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

Operating Budget Reserve Portfolio

Security Type ¹	January 31, 2022	% of Portfolio	October 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$19,292,694	86.7%	\$19,512,512	86.6%	0.1%
Federal Agencies and Instrumentalities (non-MBS)	\$2,474,941	11.1%	\$2,511,451	11.1%	(0.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$213,504	1.0%	\$218,084	1.0%	(0.0%)
Government MBS	\$275,390	1.2%	\$297,403	1.3%	(0.1%)
Totals	\$22,256,530	100.0%	\$22,539,449	100.0%	



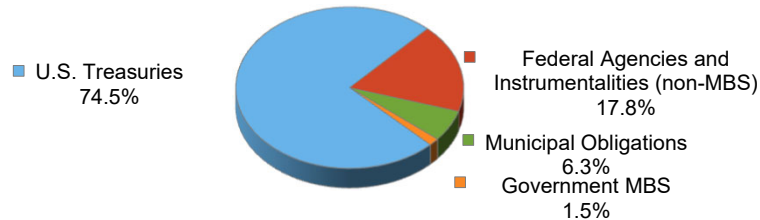
Notes:

- 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.

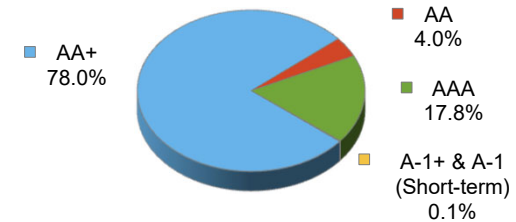
BPCA OPEB Portfolio

Security Type ¹	January 31, 2022	% of Portfolio	October 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$31,273,456	74.5%	\$20,726,808	74.3%	0.2%
Federal Agencies and Instrumentalities (non-MBS)	\$7,470,068	17.8%	\$4,983,146	17.9%	(0.1)%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$2,627,071	6.3%	\$1,756,623	6.3%	(0.0)%
Government MBS	\$627,236	1.5%	\$436,043	1.6%	(0.1)%
Totals	\$41,997,831	100.0%	\$27,902,620	100.0%	

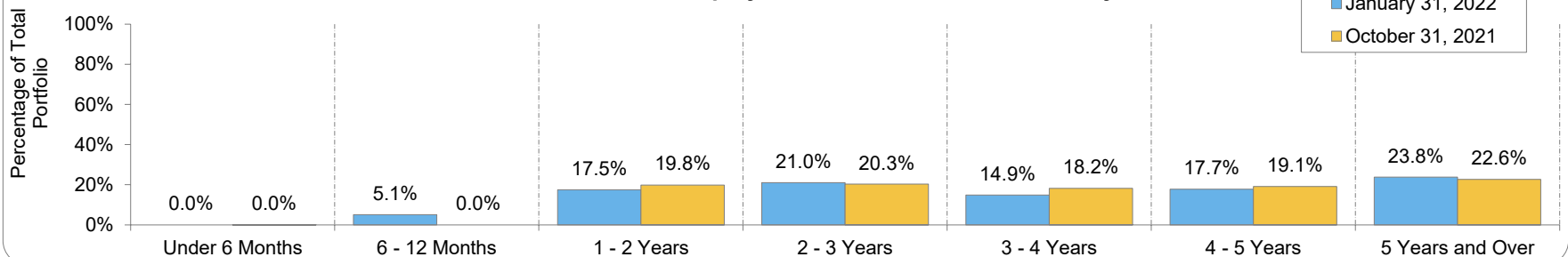
Portfolio Composition as of 01/31/22



Credit Quality Distribution as of 01/31/22



BPCA Other Post Employment Benefits Portfolio Maturity Distribution

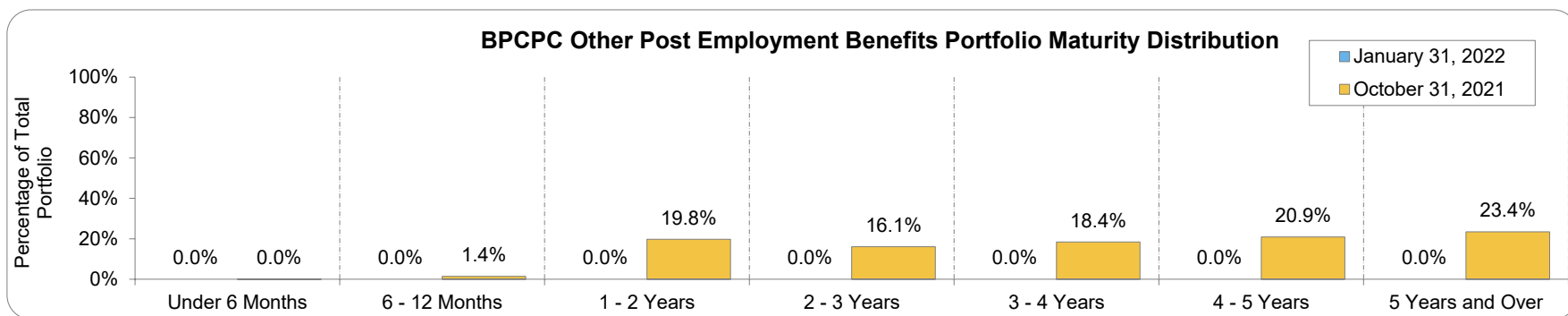


Notes:

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

BPCPC OPEB Portfolio

Security Type ¹	January 31, 2022	% of Portfolio	October 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$0	0.0%	\$10,877,275	74.3%	(74.3%)
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$2,599,327	17.8%	(17.8%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$0	0.0%	\$914,233	6.2%	(6.2%)
Government MBS	\$0	0.0%	\$251,379	1.7%	(1.7%)
Totals	\$0	0.0%	\$14,642,213	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.
4. BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021

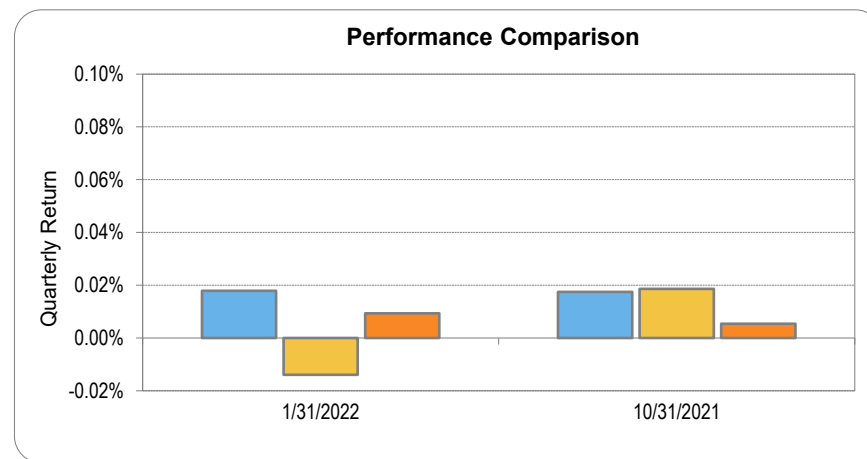
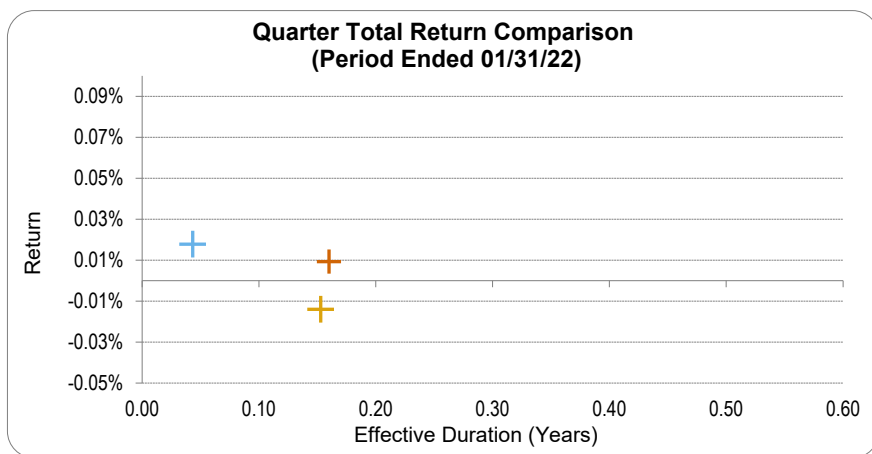
Portfolios Managed with a Shorter-Term Investment Strategy



Shorter-Term Investment Strategy

Total Return ^{1,2,4,5}	January 31, 2022	Annualized Since Inception
2003 Pledged Revenue	0.02%	1.19%
2003 Project Operating Fund	-0.01%	1.20%
BM: BAML 3 Month US Treasury Bill Index	0.01%	1.13%

Effective Duration (in years) ³	January 31, 2022	October 31, 2021
2003 Pledged Revenue	0.04	0.23
2003 Project Operating Fund	0.15	0.10
BM: BAML 3-Month US Treasury Bill Index	0.16	0.16



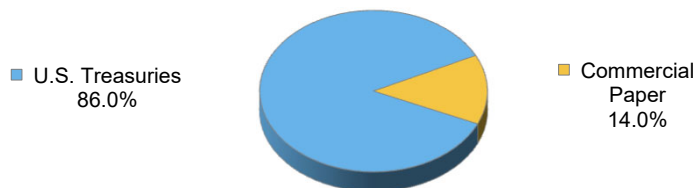
Notes:

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

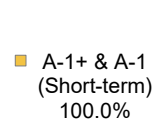
2003 Pledged Revenue

Security Type ¹	January 31, 2022	% of Portfolio	October 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$268,406,634	86.0%	\$157,003,115	75.0%	11.1%
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$1,334,953	0.6%	(0.6%)
Commercial Paper	\$43,528,134	14.0%	\$51,120,230	24.4%	(10.5%)
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Totals	\$311,934,768	100.0%	\$209,458,299	100.0%	

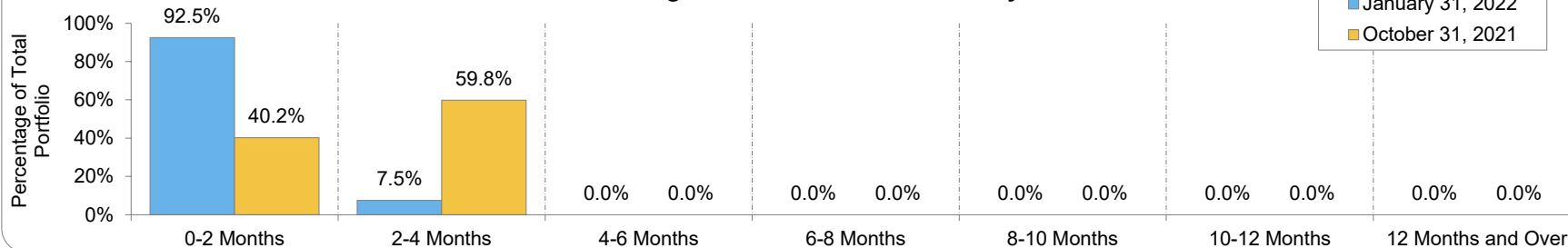
**Portfolio Composition
as of 01/31/22**



**Credit Quality Distribution
as of 01/31/22**



2003 Pledged Revenue Portfolio Maturity Distribution

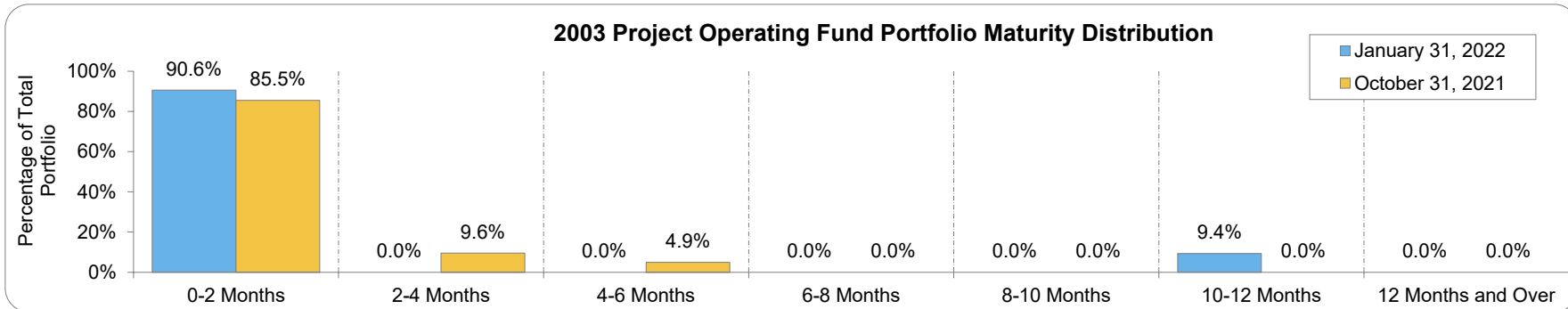
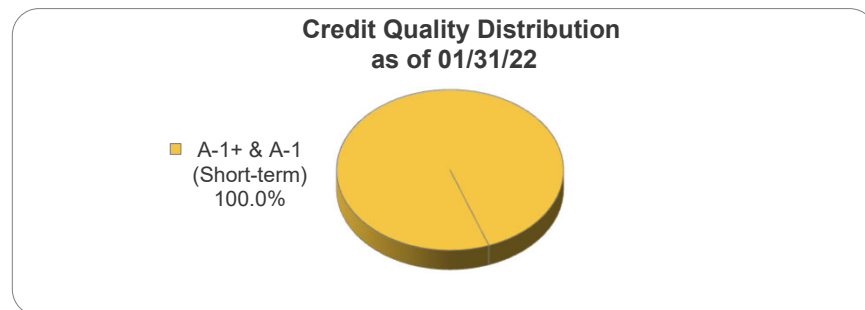
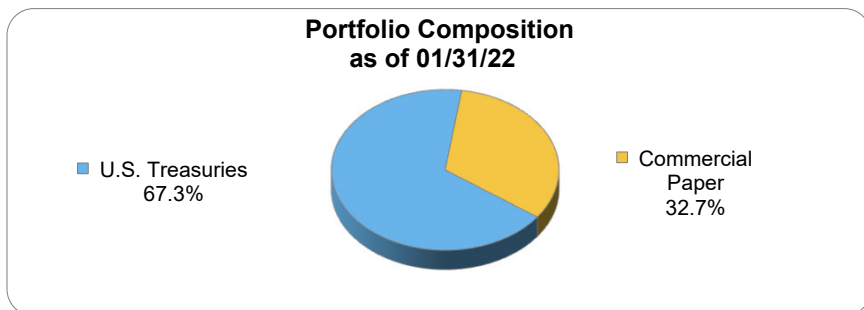


Notes:

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

2003 Project Operating Fund Portfolio

Security Type ¹	January 31, 2022	% of Portfolio	October 31, 2021	% of Portfolio	QoQ % Change
U.S. Treasuries	\$7,146,921	67.3%	\$8,648,774	85.5%	(18.2%)
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$0	0.0%	0.0%
Commercial Paper	\$3,467,661	32.7%	\$1,467,459	14.5%	18.2%
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Totals	\$10,614,582	100.0%	\$10,116,233	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



Summary

► During fiscal Q1, U.S. economic conditions were characterized by: (1) COVID cases as the Omicron variant spread widely but then saw cases meaningfully reduced; (2) a sharply falling unemployment rate, rising wages, and near-record number of job openings; (3) stickier-than-expected inflation as pent-up consumer demand clashed with continued global supply chain disruptions amid a tight labor market, (4) a strong pivot by the Federal Reserve (Fed) to reduce monetary accommodation and set the stage for a series of rate hikes drove the markets and; (5) Russian Aggression in Ukraine inciting investor flight-to-quality

► The public health situation remained precarious with the emergence of the Omicron variant to COVID-19. The surge in new cases affected small businesses already challenged by labor shortages and rising prices due to supply chain challenges. The labor market continued to recover, with the unemployment rate falling to a cycle low, plentiful job opportunities and rising wages. Although the economy has largely rebounded from the pandemic-induced recession, the massive monetary and fiscal support from the Fed and Congress has triggered a multi-decade surge in inflation.

► With the Fed already committed to tapering its bond purchases at an accelerated pace, the Federal Open Market Committee (FOMC) indicated with unusual clarity that it “expects it will soon be appropriate to raise the target range for the federal funds rate. That set off a wave of speculation about when and how much the Fed would move, and turbo-charged the rising rate trend that had already been in place throughout the fourth quarter. By month-end, the market had priced in 4-6 quarter-point rate hikes for the year

Economic Snapshot

► Looking backward, U.S. real gross domestic product (GDP) beat expectations, growing at 6.9% in the fourth quarter and 5.7% for calendar year 2021 – the strongest annual growth rate since 1984. Activity in the fourth quarter was boosted by inventory rebuilding, accounting for 4.9% of the overall growth rate. Whether that is a good sign of businesses increasing production to meet consumer demand, or a bad sign of business miscalculation as demand shifts from goods to services will play out over the next few quarters.

► The unemployment rate dropped to 3.9% in December, compared to the record low pre-pandemic level of 3.5%. In the past 50 years, unemployment has only been lower during the 22 months prior to the pandemic and for one month in 2000. Employment gains were strong again as the U.S. economy added 467,000 jobs to start the year in January, far exceeding expectations. The unemployment rate ticked slightly higher to 4.0% from 3.9%, largely due to a bump in the labor force participation rate to 62.2% from 61.9%. Although the U.S. economy added a record 6.4 million jobs in 2021, overall employment remain below its pre-pandemic figure largely due to people dropping out of the labor force. This imbalance has created a shortage of workers and kept pressure on wages as employers battle to attract and retain workers.

► Consumer inflation reached 7.5% in January, the hottest pace since 1982, as pandemic-related supply and demand imbalances persist. Everything from fuel oil, gasoline, and new and used cars to food, shelter and clothing showed outsized price increases.

Interest Rates

► U.S. Treasury yields generally rose in the quarter and the yield curve continued to “bear flatten”, as short- to intermediate-term maturities increased between 18-68 bps, led higher by expectations for faster Fed rate hikes. Meanwhile, rate changes were more muted to modestly lower on the longer end of the curve, which reflected expectations for longer- term normalization of inflation and GDP growth. In January alone, the yield on the benchmark 2-year Treasury note jumped 45 basis points (bps) to 1.18%, while the yield on the benchmark 10-year Treasury increased 27 bps to 1.78%.

► As a result of yield changes over the quarter, U.S. Treasury returns were largely negative, except for the shortest tenors. The 3-month U.S. Treasury index returned -0.01% for the quarter while the 10-year U.S. Treasury index returned -1.54%. Indexes representing the “belly” of the curve again posted negative returns, with the 2-, 3-, and 5-year Treasury indices returning -0.94%, -1.36%, and -1.68%, respectively.

Sector Performance

► Investment in non-government sectors was a modest detractor to portfolio performance in fiscal Q1 as yield spreads on most investment-grade (IG) fixed-income sectors widened off recent rock bottom levels. As a result, most IG spread sectors produced negative excess returns for Q1, underperforming similar-maturity Treasuries.

► Federal agencies were not immune to the broad spread widening experienced in Q1, generating slightly negative excess returns. Although callable yield spreads widened modestly over the quarter due to an uptick in volatility, spreads generally remained low. Non-callable agencies markedly outperformed their optionable counterparts.

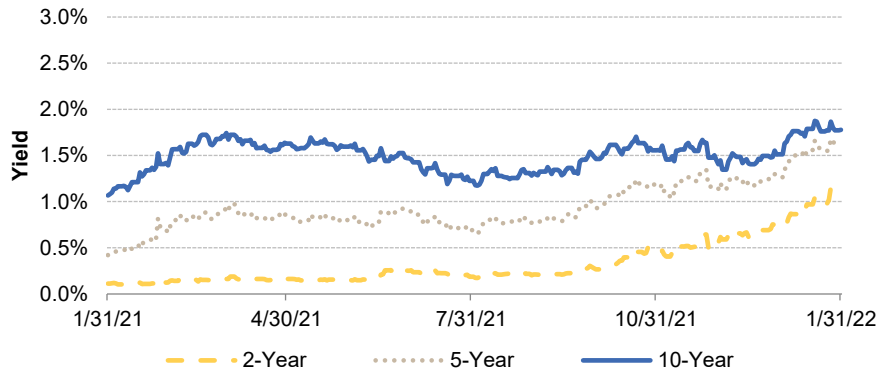
► We continue to remain cautious on the municipal sector as a whole, adding selectively and selling opportunistically as deals remain heavily oversubscribed.

► IG corporates slightly underperformed in Q1 after consistently being one of the top-performing sectors in prior quarters, as incremental spreads widened due to rising rates and the prospects for reduced monetary support from the Fed. As a result, IG corporates posted negative excess returns, with longer duration issues underperforming shorter ones. Underperformance was generally consistent across the quality ratings spectrum.

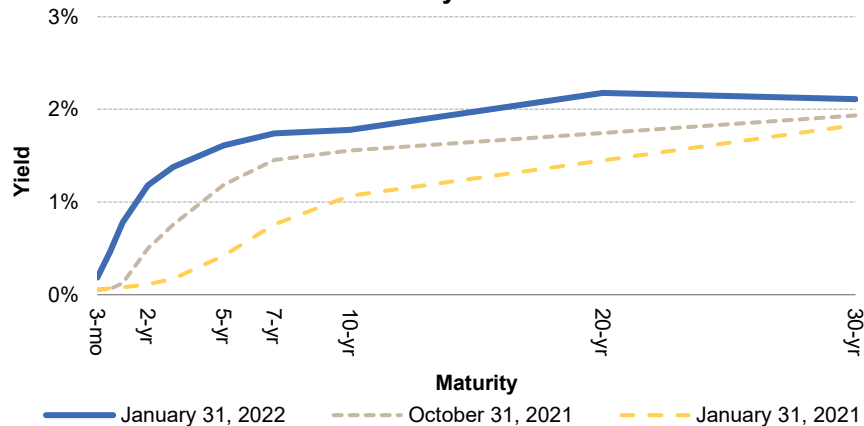
► Federal agency-backed mortgage-backed security (MBS) excess returns were generally negative across most collateral and coupon types except 15-year MBS pass-throughs. Conventional 15-year collateral generated modest outperformance, while 30-year collateral MBS and Agency CMBS underperformed. The Fed’s announcement of accelerated asset purchase tapering and the looming balance sheet reduction in combination with slowing refinancing activity has weighed on the sector. It is likely to persist for at least the near term.

Interest Rate Overview

U.S. Treasury Note Yields



U.S. Treasury Yield Curve



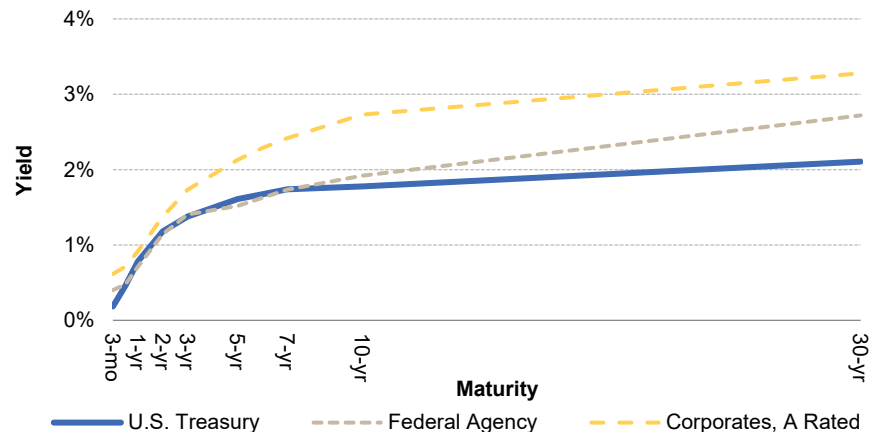
U.S. Treasury Yields

Maturity	Jan '22	Oct '21	Change over Quarter	Jan '21	Change over Year
3-month	0.19%	0.06%	0.13%	0.05%	0.14%
1-year	0.78%	0.12%	0.66%	0.08%	0.70%
2-year	1.18%	0.50%	0.68%	0.11%	1.07%
5-year	1.61%	1.19%	0.42%	0.42%	1.19%
10-year	1.78%	1.56%	0.22%	1.07%	0.71%
30-year	2.11%	1.93%	0.18%	1.83%	0.28%

LIBOR Rates

Maturity	Jan '22	Oct '21	Change over Quarter	Jan '21	Change over Year
3-month	0.31%	0.13%	0.18%	0.20%	0.11%
1-year	0.96%	0.36%	0.60%	0.31%	0.65%

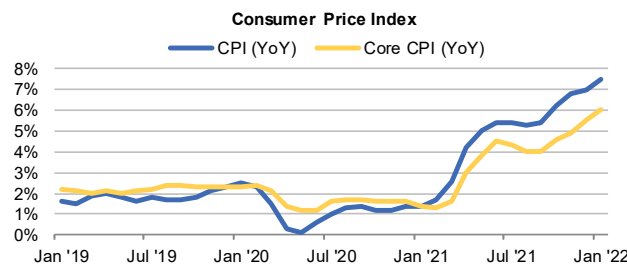
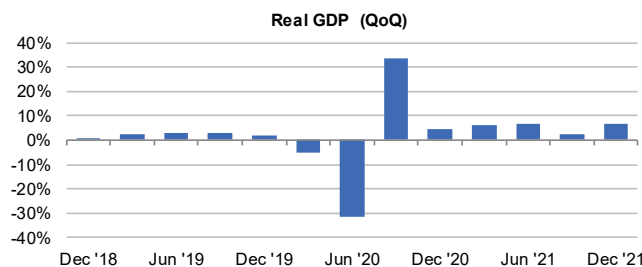
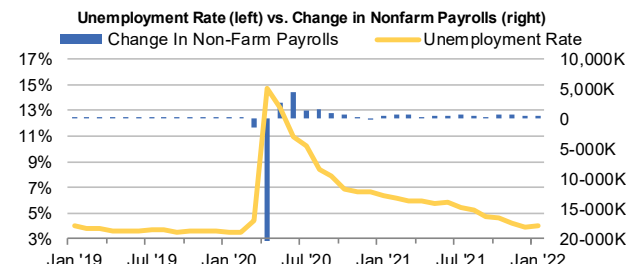
Yield Curves as of 1/31/2022



Labor Market		Latest	Oct '21	Jan '21
Unemployment Rate	Jan'22	4.0%	4.6%	6.4%
Change In Non-Farm Payrolls	Jan'22	467,000	677,000	520,000
Average Hourly Earnings (YoY)	Jan'22	5.7%	5.4%	5.3%
Personal Income (YoY)	Dec'21	7.3%	6.0%	13.9%
Initial Jobless Claims (week)	2/12/22	248,000	271,000	837,000

Growth		Latest	Oct '21	Jan '21
Real GDP (QoQ SAAR)	2022Q4	6.9%	2.3% ¹	4.5% ²
GDP Personal Consumption (QoQ SAAR)	2022Q4	3.3%	2.0% ¹	3.4% ²
Retail Sales (YoY)	Jan'22	13.0%	16.2%	9.2%
ISM Manufacturing Survey (month)	Jan'22	57.6	60.8	59.4
Existing Home Sales SAAR (month)	Jan'22	6.50 mil.	6.19 mil.	6.65 mil.

Inflation / Prices		Latest	Oct '21	Jan '21
Personal Consumption Expenditures (YoY)	Dec'21	5.8%	5.1%	1.4%
Consumer Price Index (YoY)	Jan'22	7.5%	6.2%	1.4%
Consumer Price Index Core (YoY)	Jan'22	6.0%	4.6%	1.4%
Crude Oil Futures (WTI, per barrel)	Jan 31	\$88.15	\$83.57	\$52.20
Gold Futures (oz.)	Jan 31	\$1,795	\$1,784	\$1,847



1. Data as of Third Quarter 2021

2. Data as of Fourth Quarter 2021

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

ICE BofAML Index Returns

January 31, 2022	Duration	Yield	Returns for Periods ended 01/31/2022		
			3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.86	1.11%	(0.88%)	(1.22%)	1.70%
Federal Agency	1.83	1.11%	(0.89%)	(1.14%)	1.57%
U.S. Corporates, A-AAA rated	1.87	1.53%	(0.97%)	(1.02%)	2.40%
Agency MBS (0 to 3 years)	2.06	1.23%	(1.18%)	(3.62%)	1.93%
Taxable Municipals	1.55	1.28%	(0.61%)	1.28%	3.36%
1-5 Indices					
U.S. Treasury	2.61	1.27%	(1.12%)	(1.94%)	2.00%
Federal Agency	2.45	1.25%	(1.15%)	(1.70%)	1.67%
U.S. Corporates, A-AAA rated	2.77	1.75%	(1.35%)	(1.74%)	2.91%
Agency MBS (0 to 5 years)	3.25	1.92%	(1.47%)	(2.72%)	2.00%
Taxable Municipals	2.43	1.51%	(0.96%)	(0.72%)	2.96%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	7.21	1.58%	(1.58%)	(3.13%)	3.35%
Federal Agency	4.01	1.45%	(1.30%)	(2.12%)	2.87%
U.S. Corporates, A-AAA rated	8.20	2.51%	(3.11%)	(3.35%)	4.96%
Agency MBS (0 to 30 years)	4.51	2.25%	(1.71%)	(2.81%)	2.27%
Taxable Municipals	10.91	2.83%	(2.88%)	(1.64%)	7.47%

Returns for periods greater than one year are annualized.

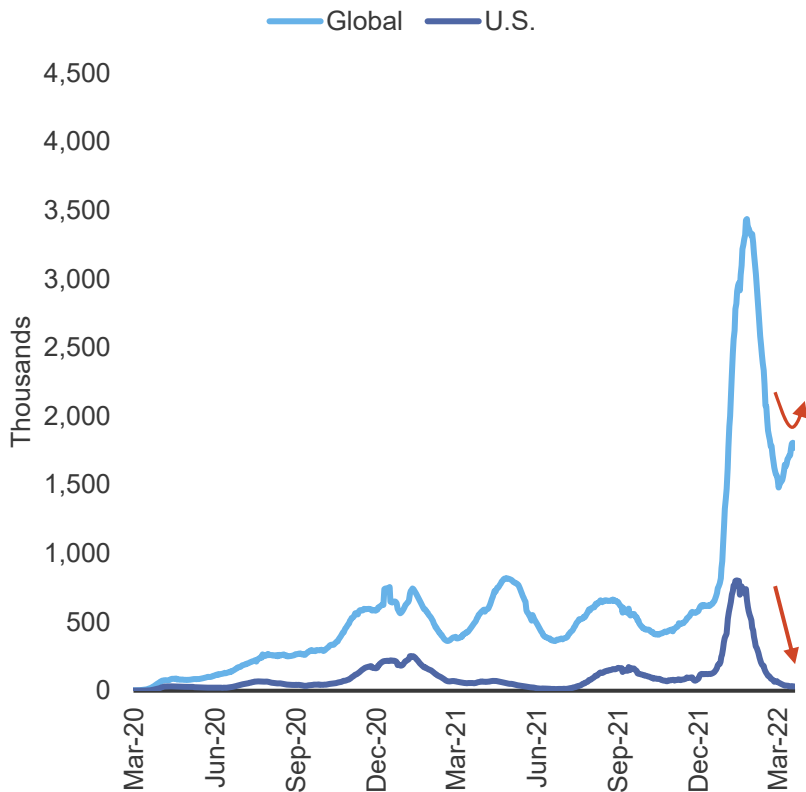
Source: ICE BofAML Indices.

V. Market Appendix

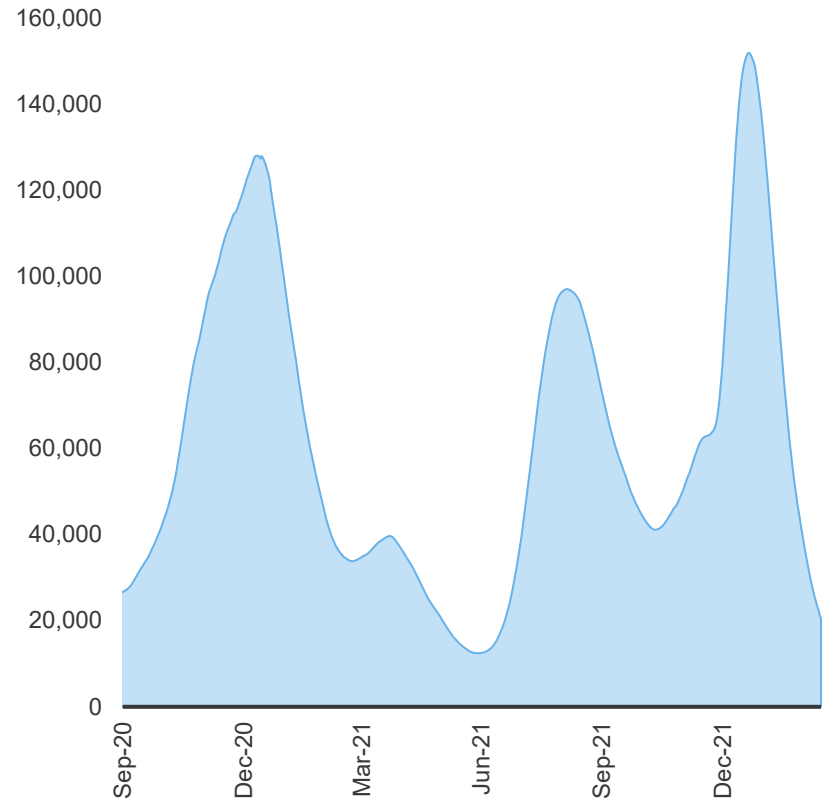


Global COVID Cases Rise in Europe & East Asia as Domestic Cases and Hospitalizations Subside

U.S. New Cases Reported Daily 7-Day Moving Average



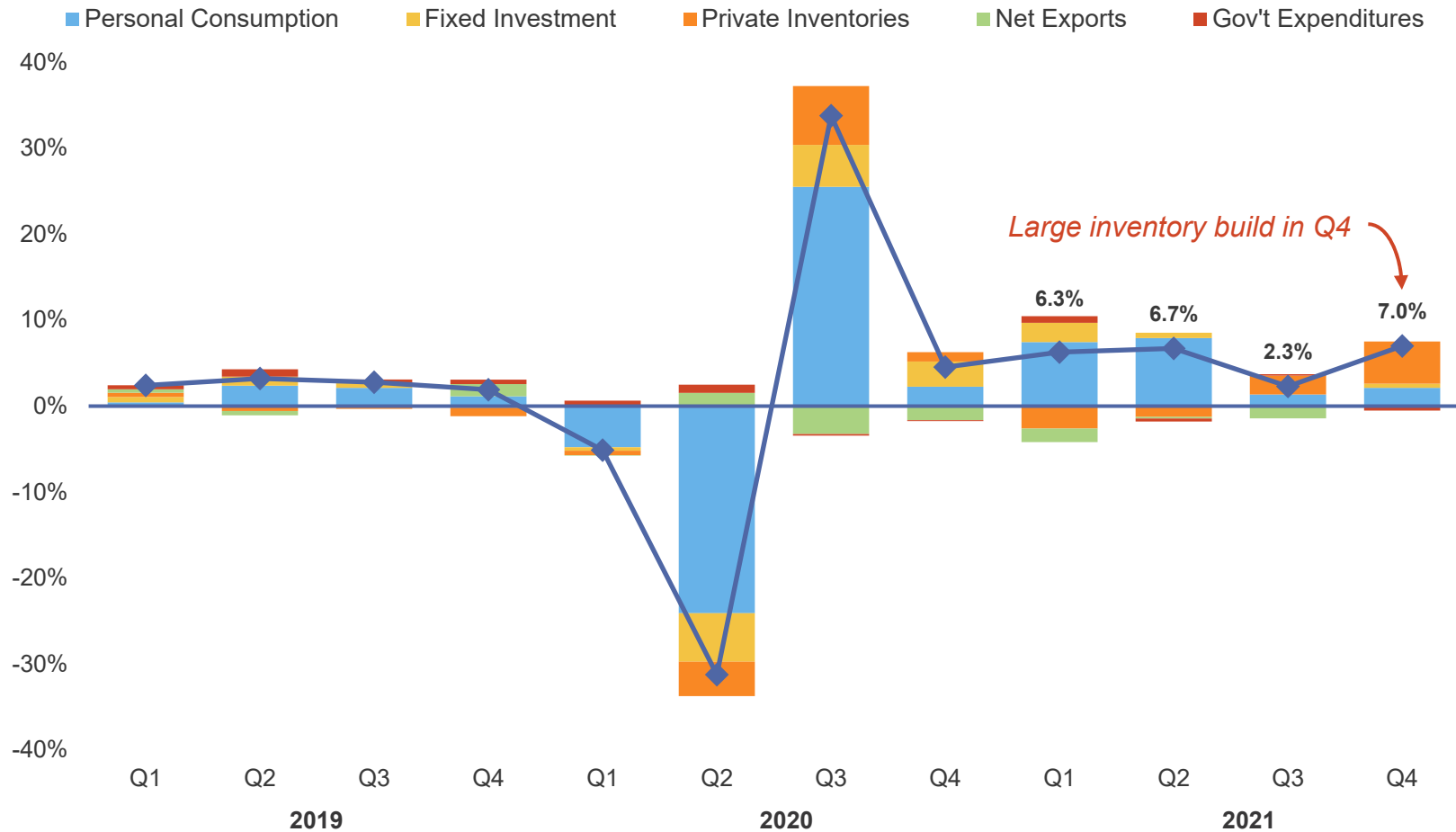
U.S. Daily Hospital Occupancy 7-Day Moving Average



Source (left): Bloomberg, as of 3/20/2022. Source (right): John Hopkins University Coronavirus Resource Center, as of 3/16/2022.

U.S. GDP Expanded at 7.0% in the Fourth Quarter of 2021 Fueled by the Rebuilding of Inventories

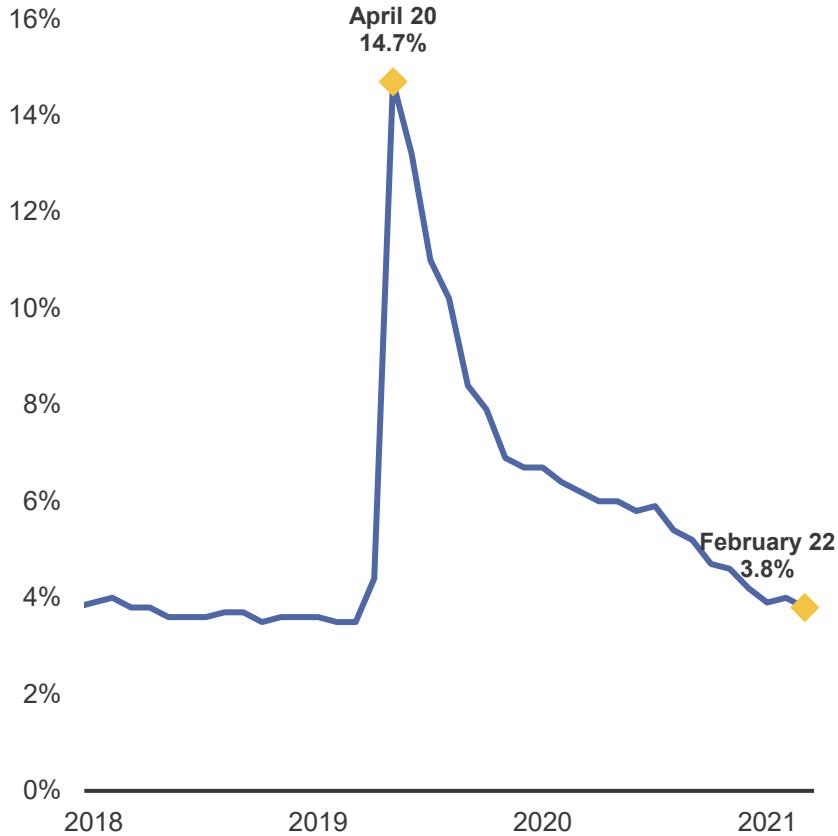
U.S. Real GDP Contributors and Detractors



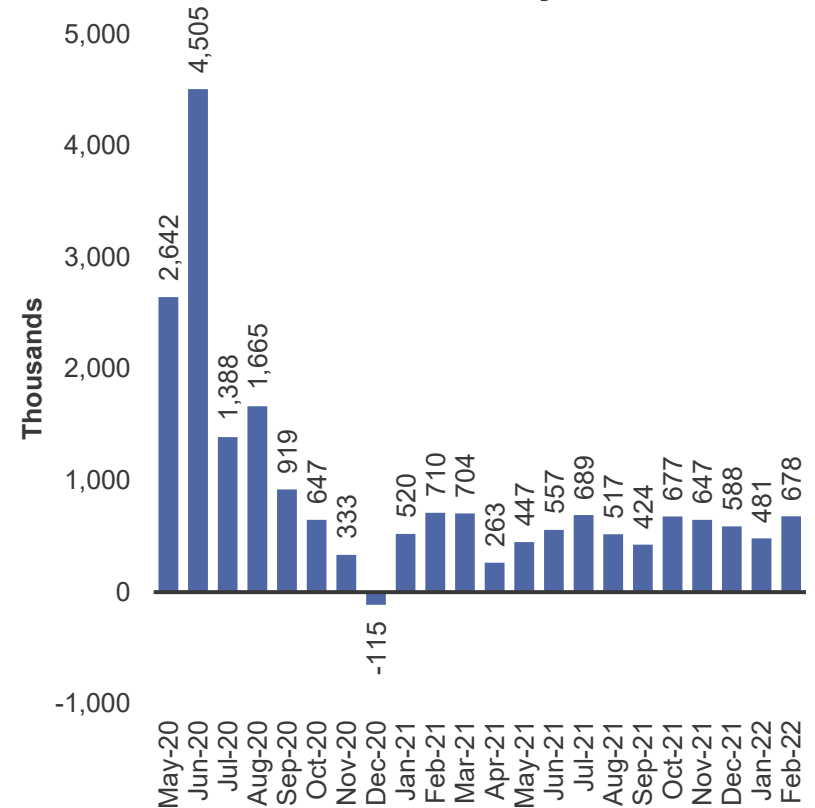
Source: Bloomberg, Bureau of Economic Analysis, as of February 2022.

U.S. Economy Added 678,000 Jobs in February; Unemployment Rate Fell to 3.8%

Unemployment Rate



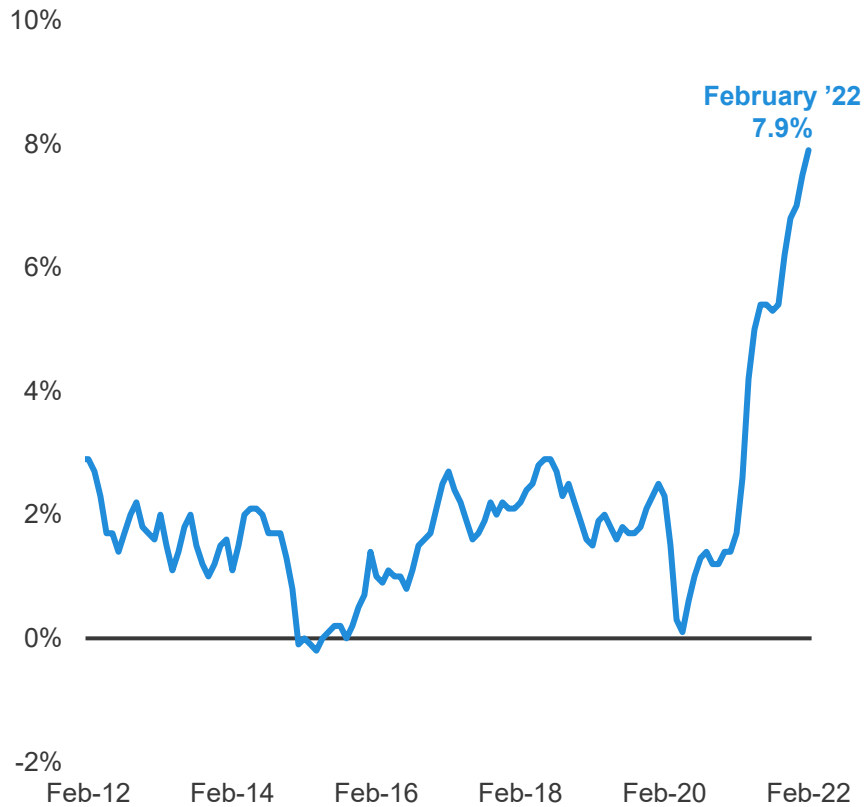
Monthly Change In Nonfarm Payrolls



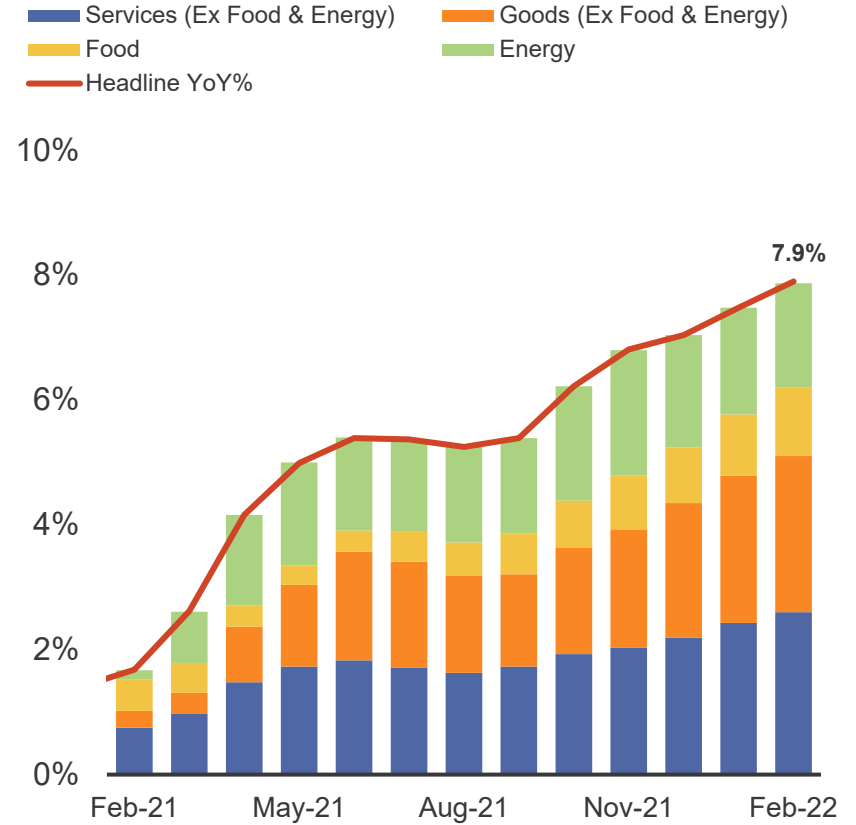
Source: Bloomberg, as of February 2022. Data is seasonally adjusted.

Consumer Inflation Rose at Fastest Rate Since 1982

Consumer Price Index
% Change YoY



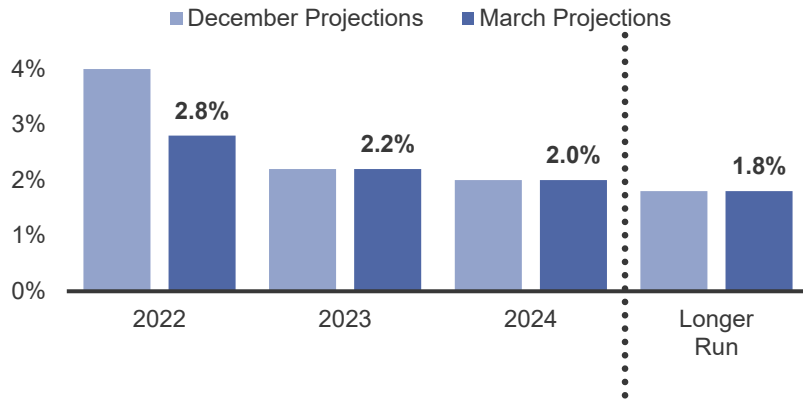
Top-Line Contributions and CPI YoY



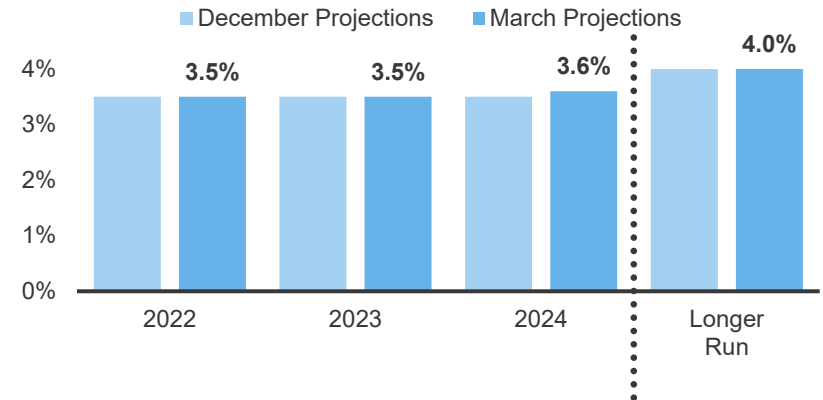
Source: Bloomberg, as of February 2022.

Fed's Projections Show Recent Surge in Growth and Inflation to Wane

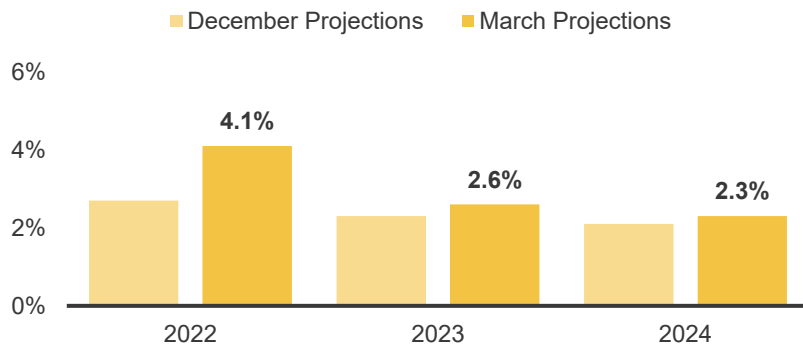
Change in Real GDP



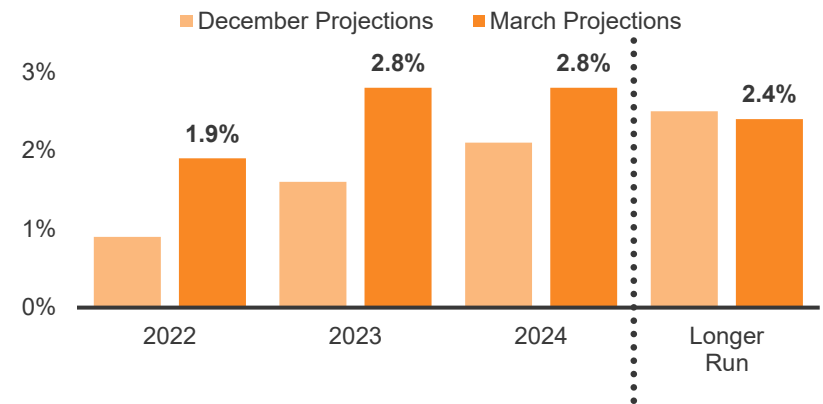
Unemployment Rate



Core PCE Inflation



Federal Funds Rate



Source: Federal Reserve, latest economic projections as of March 2022.

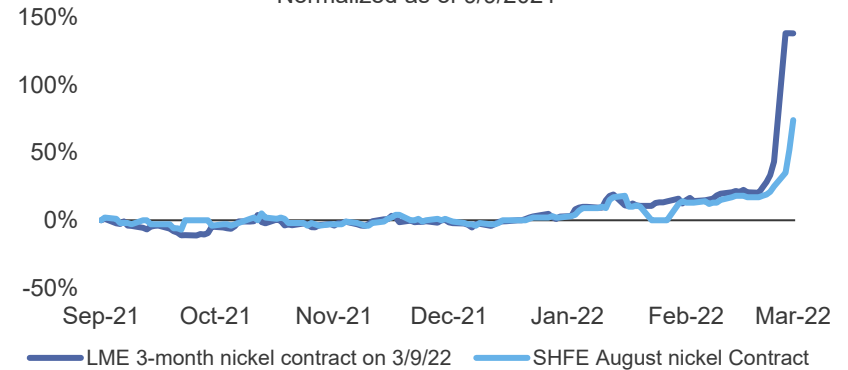
Russia-Ukraine War Brings Price Spikes

Russia's Top 5 Exports 2021

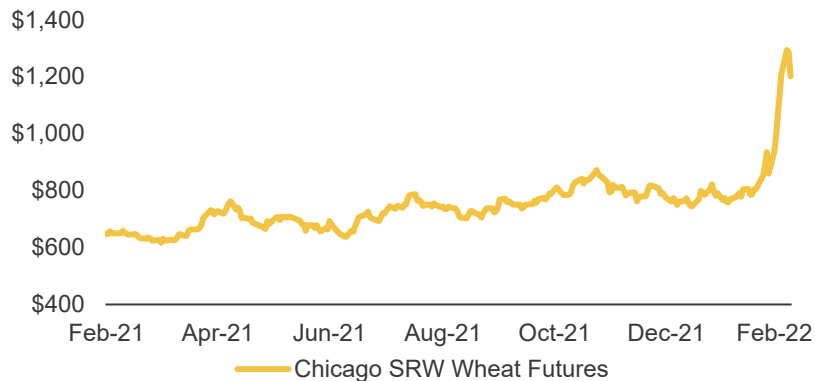
Fuel and Energy	53.80%
Metals and Metal products	11.20%
Chemical Products	7.60%
Food and Raw Materials for their Production	7.25%
Machinery and Equipment	6.30%

Nickel Prices

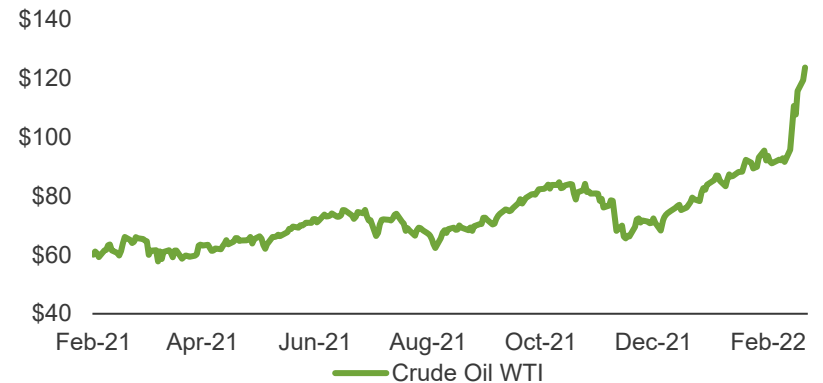
Normalized as of 9/9/2021



Wheat Prices

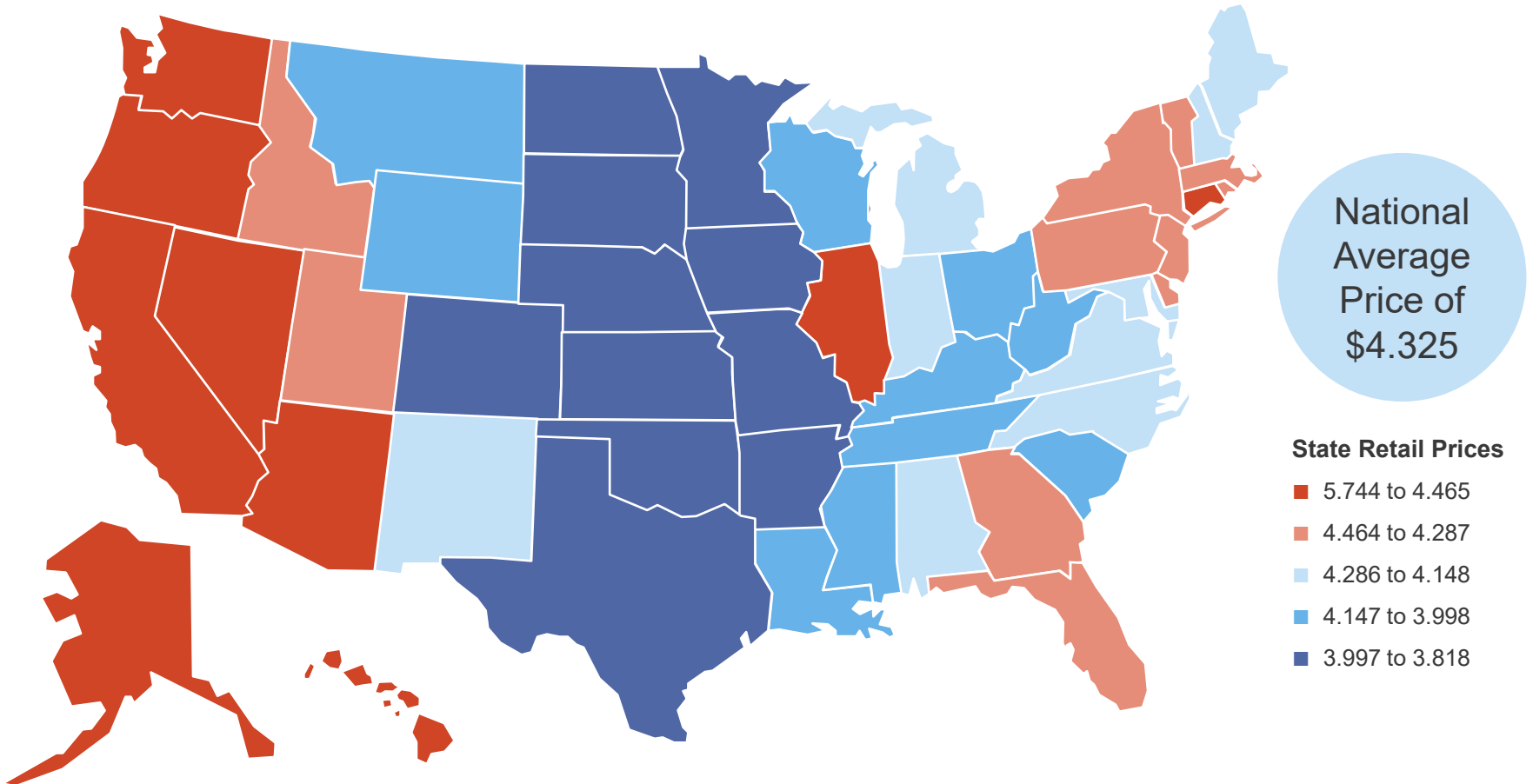


Oil Prices



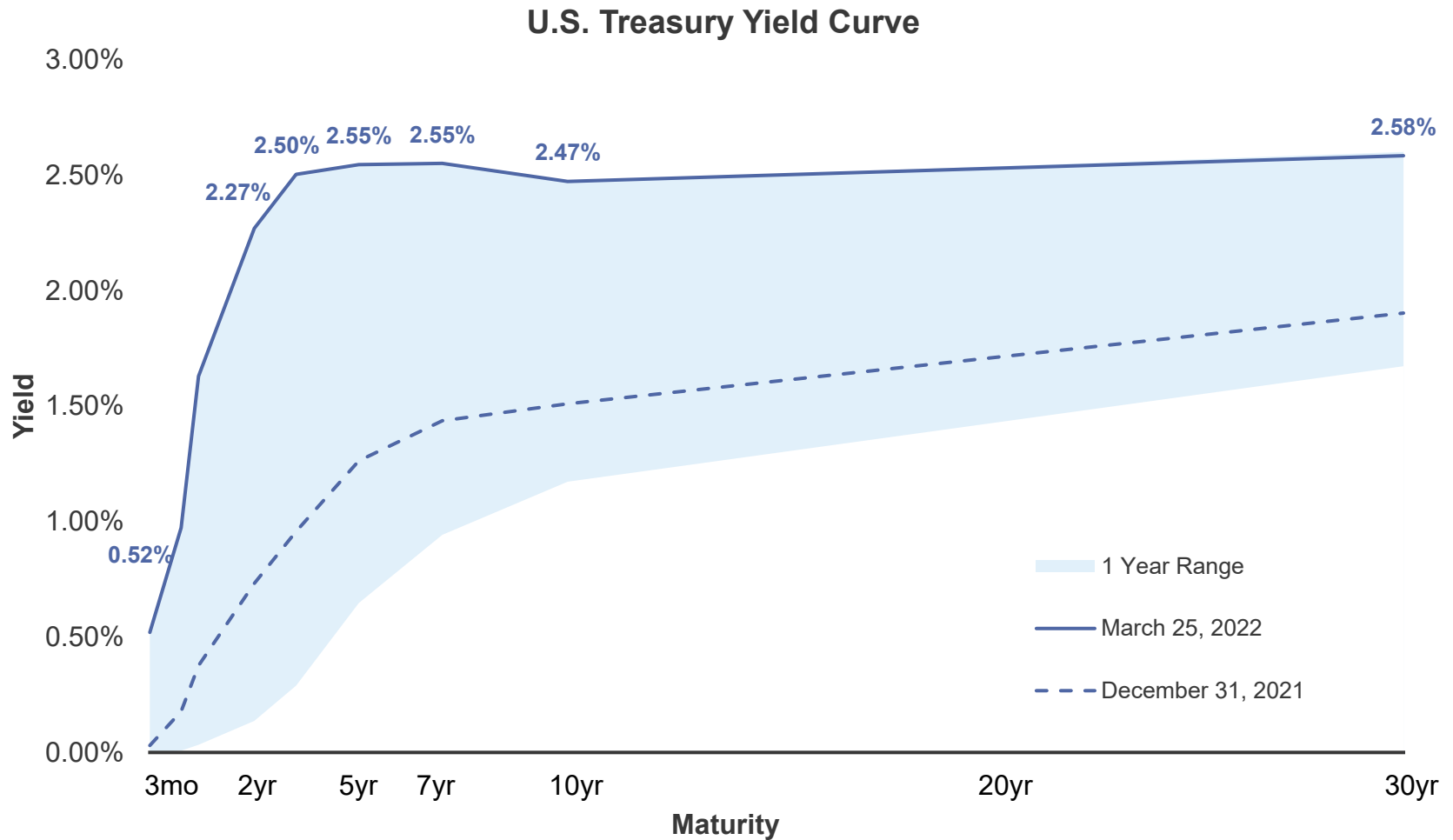
Source: Bloomberg, as of March 2022

Gasoline Prices Surge Across the Country



Source: gasprices.aaa.com. Data as of 3/14/2022.

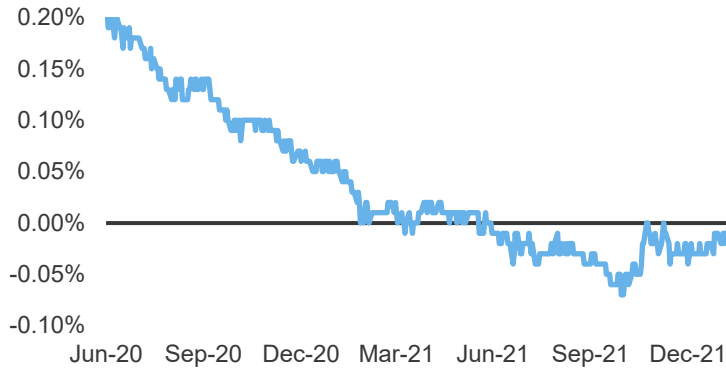
Treasury Yield Curve Inverts



Source: Bloomberg, as of 3/25/2022.

Sector Yield Spreads Have Widened; Corporate Sector Appears Attractive

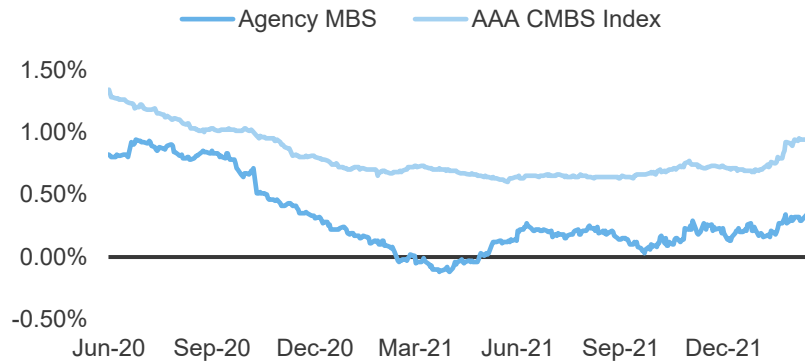
Federal Agency Yield Spreads



Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads



Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess and PFM as of March 2022. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

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