INVESTMENT GUIDELINES & REPORT

FISCAL YEAR ENDED

OCTOBER 31, 2022

January 2023

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1. OVERVIEW OF INVESTMENT GUIDELINES

1.1. Definitions

"Authority" means the Battery Park City Authority, a corporate municipal instrumentality of the State of New York, established pursuant to the Act.

"Act" shall mean the Battery Park City Authority Act, Title 12 of Article 8 of the Public Authorities Law, constituting Chapter 43-a of the Consolidated Laws of the State of New York, as added by Chapter 343 of the Laws of 1968, as amended.

"Board" means the Members of the Battery Park City Authority Board of Directors.

"Investment Funds" means monies and financial resources available for investment by the Authority.

"Investment Securities" means any or all investment obligations.

"Rating Agencies" means Standard & Poor's Corporation, Moody's Investor Service, and Fitch Ratings.

"State" means the State of New York.

1.2. Purpose and Scope

The purpose of these guidelines ("Guidelines" or "Investment Guidelines") is to establish the parameters, responsibilities, and controls for the investment and management of Investment Funds. These Guidelines have been adopted by, and can be changed only by, the Board.

These Guidelines will govern the investment and reinvestment of Investment Funds and the sale and liquidation of Investment Securities, as well as the monitoring, maintenance, accounting, reporting, and internal controls by and of the Authority with respect to such investment and reinvestment of Investment Funds and sale and liquidation of Investment Securities.

The guidance set forth herein is to be strictly followed by all those responsible for any aspect of the management or administration of Investment Funds.

1.3 Compliance

Section 2925 (6) of the State Public Authorities Law requires the Authority to annually prepare and approve an investment report which describes the Authority's Investment Guidelines and any amendments to the Guidelines, investment policies and procedures, the results of the annual independent audit, the Authority's investment income and a list of the fees associated with those investments, as well as commissions or other charges paid to each investment banker, broker, agent, dealer and advisor. Such report is attached hereto as **Appendix B: Investment Report FYE October 31, 2022**.

1.4. Roles and Responsibilities

It shall be the responsibility of the Chief Financial Officer to ensure that all investments and investment practices meet or exceed all statutes and guidelines governing the investment of public funds in New York and the guidelines established by the State Comptroller's Office and the Governmental Accounting Standards Board (GASB). The Deputy Treasurer, acting on behalf of the Board as custodian of the Investment Policy, is responsible for ensuring that all aspects of the investment management program are executed in a manner consistent with the Guidelines. A description of operating controls is attached as Appendix A to these Guidelines.

An investment committee ("Investment Committee") will be appointed by the Board to develop and execute investment strategy for the Authority's Investment Funds. If the Board is not fully constituted, the entire Board may meet in lieu of the Investment Committee. The Investment Committee may consult with a qualified investment advisor/manager while fulfilling its responsibilities.

The Authority's external auditor will conduct an annual audit of the investment management activity to ensure compliance with the Investment Guidelines by Treasury and the external investment manager, if any. The findings of the audit shall be formally documented and submitted annually to the Chief Financial Officer and the Board.

1.5. Standard of Prudence

The standard of prudence to be applied to the investment of the Authority's Investment Funds shall be the "Prudent Person Rule" that states:

"Investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Authorized Authority officials and employees involved in the investment process who (i) act in accordance with the laws of the State, these Guidelines, and any other written procedures pertaining to the administration and management of the Investment Funds, and (ii) exercise the proper due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that any negative deviations are reported in a timely fashion to the Chief Financial Officer or another authorized official and that reasonable and prudent action is taken to control and prevent any further adverse developments.

1.6. Conflict of Interest

Authority Officers and employees involved in the investment process ("Investment Officials") shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment Officials shall not:

1. accept any money, loan, gift, favor, service, or business or professional opportunity that could influence them in the performance of their official duties;
2. accept any business or professional opportunity when they know there is a reasonable likelihood that the opportunity is being afforded to influence them in the performance of their official duties;
3. enter any personal investment transactions with the same individual with whom business is conducted on behalf of the Authority; or,
4. disclose or use confidential information that is not generally available to the public for their own or another person's financial benefit.

1.7. Review, Amendments, Updates and Revisions

The Deputy Treasurer and the Chief Financial Officer will review the Guidelines on an annual basis, or as required, to ensure continued effectiveness of the Investment Guidelines. The Guidelines shall be submitted to the Board annually for review and approval. Modifications to the Investment Guidelines may be required as business needs and requirements change. Any amendments must be reviewed and approved by the Chief Financial Officer and submitted to the Board for final approval. After any modifications to the Investment Guidelines, revised Guidelines must be distributed to Authority personnel on the approved distribution list as well as any external investment advisor/manager and financial institutions.

1.8 Diversity – MBE/WBE Participation

It is the Authority's standard practice to reach out to MBE/WBE brokers/dealers to provide them opportunities to trade for Investment Securities. The Authority required that thirty percentage (30%) of annual costs under the 2020 investment advisory services agreement be allocated to a certified MBE/WBE firm.

1.9 Oversight – Investment Committee

An Investment Committee was established to formalize oversight of the Authority's investment portfolio with the charter below. If the Board is not fully constituted, the entire Board may meet in lieu of the Investment Committee.

BATTERY PARK CITY AUTHORITY
INVESTMENT COMMITTEE CHARTER

PURPOSE & FORMATION

Pursuant to Article IV, Section 3 of the Authority's bylaws (the "Bylaws"), the purpose of the Investment Committee is to assist the Board in fulfilling its oversight responsibilities by establishing the Authority's investment policies and overseeing its investments.

COMPOSITION

Pursuant to Article IV, Section 3 of the Bylaws, the Investment Committee shall consist of at least three (3) members who shall be appointed by the Chairperson of the Board of Directors ("Board Chair"), one of whom shall be appointed as Chairperson of the committee ("Investment Committee Chair"). The Board Chair shall be an additional non-voting member of the Investment Committee, provided that if there shall be any vacancy or vacancies in the whole number of the Members as prescribed by law, the Chair may serve as a voting member of the Investment Committee. Each member of the Investment Committee shall be an "independent member," as defined in Public Authorities Law § 2825(2). Members of the Investment Committee shall possess the necessary skills to understand the duties and functions of the Investment Committee and shall be familiar with general investment policies and best practices.

DUTIES OF THE INVESTMENT COMMITTEE

The Investment Committee's duties and responsibilities are set forth in the Bylaws. Whenever the Investment Committee acts, it exercises its independent judgment on an informed basis that the action is in the best interests of BPCA. In doing so, the Investment Committee may rely to a significant extent on information and advice provided by management and independent advisors.

The Investment Committee has the authority, including but not limited, to:

- Approve the investment and risk limits for the investment portfolio.

- Review the investment policies for the Authority, including, where applicable, asset classes, liquidity, the use of debt, and risk management.

- Approve the annual investment program.

- Authorize investments and ratify investments made by delegated authorities.

- Review the investment performance of BPCA's accounts and funds, including benchmarks and attribution.

- Review the organization and staffing of the investment management advisory function.

- Review the quality of the investment services provided to the Authority, such as: a) overseeing the business and investment strategy, b) evaluating investment performance benchmarks and attribution, and c) reviewing costs, pricing, and profitability.

MEETINGS

The Investment Committee shall meet four (4) times a year or more frequently, as may be necessary and appropriate to carry out its responsibilities. The Investment Committee may ask members of management or others to attend the meetings and provide pertinent information as appropriate. Meetings may be in person or by video conference, if necessary.

In addition, the Investment Committee:

- Shall act only on the affirmative vote of a majority of the members present at a meeting.

- Is expected to maintain free and open communication with management and the Board.

- Shall have authority to retain independent legal, accounting, or other advisors if determined appropriate, in its sole judgment, provided such consultants are approved by the full Board.

- Submit the minutes of all Investment Committee meetings to the Board and regularly report to the Board on Investment Committee matters, actions taken and issues discussed at its meetings.

- Review and reassess the adequacy of this Charter annually and propose to the Board any changes.

- The Investment Committee shall evaluate its performance annually and report its conclusions to the Board.

2. INVESTMENT MANAGEMENT OBJECTIVES

2.1. Investment Objectives

The Authority's Investment Funds shall be managed to accomplish the following hierarchy of objectives:

1. **Legality** – The Authority shall comply with all investment guidelines required for public authorities in the State with regards to general investment practices and the management of public funds.

2. **Safety** – Next to legality, safety of principal is the foremost objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure the preservation

of capital in the overall portfolio.

3. **Liquidity** – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet those immediate and/or future operating requirements of the Authority, including but not limited to payroll, accounts payable, capital projects, debt service and any other payments.

4. **Return** – The Authority's portfolio shall be managed in such a fashion as to maximize the return on all investments (up to the "arbitrage allowance" in bond funds) within the context and parameters set forth by the investment objectives stated above.

2.2. Authorized Investment Securities

The investment of Authority funds is limited by the law creating the Authority to "obligations of the State or of the United States of America or obligations the principal of and interest on which are guaranteed by the State or the United States of America" or any other obligations in which the Comptroller of the State of New York (the "Comptroller") is authorized to invest pursuant to Section 98 (Investment of state funds) of the State Finance Law. As effective on November 20, 2015, the Act allows any monies of the Authority, including the proceeds of bonds or notes, not required for immediate use, at the discretion of the Authority to be invested in obligations of the State, the U.S. Government and its agencies, or in any other obligations in which the Comptroller is authorized to invest pursuant to Section 98 of the State Finance Law. The 2003 General Bond Resolution and the 2009 and 2013 Revenue Bond Resolutions allow all investments alternatives included in the Act, as follows:

1. Bonds and notes of the United States.

2. Bonds and notes of this State.

   2-a. General obligation bonds and notes of any state other than this State, provided that such bonds and notes receive the highest rating of at least one independent rating agency designated by the Comptroller.

3. Obligations for the payment of which the faith and credit of the United States or of this State are pledged.

   3-a. Notes, bonds, debentures, mortgages and other evidences of indebtedness of the United States Postal Service; the federal national mortgage association; federal home loan mortgage corporation; student loan marketing association; federal farm credit system or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, the highest rating of all independent rating agencies that rate such agency or its obligations, provided, however, that no more than five hundred million dollars may be invested in the obligations of any one agency.

4. Judgments or awards of the court of claims of this State.

5. Stocks, bonds, or notes of any county, town, city, village, fire district or school district of this State issued pursuant to law.

6. Mortgage bonds or any obligations for the payment of money, no matter how designated, secured by another instrument representing a lien on specific real property or a leasehold thereof, heretofore or hereafter and at the time of the assignment thereof to the Comptroller insured by the federal housing administrator or any of his successors in office and guaranteed by the United States under

the provisions of the national housing act, as amended or supplemented. Any such mortgage bonds or obligations as aforesaid in which the Comptroller has invested or shall have invested pursuant to this subdivision shall be serviced by the Comptroller or in his discretion, by mortgagees, as such are defined by the national housing act, as amended or supplemented, duly appointed by him and subject to the inspection and supervision of some governmental agency. The Comptroller may receive and hold such debentures and certificates or other obligations as are issued in payment of such insurance or guarantee.

7. Bonds and notes of the Savings and Loan Bank of the State of New York.

8. Bonds or notes of any housing authority of this State duly issued pursuant to law.

9. Bonds or notes of any regulating district of this State duly issued pursuant to law.

10. Bonds or notes of any drainage improvement district of this State duly issued pursuant to law.

11. Bonds or notes of the authorities or commissions set forth below when issued pursuant to law:

    a. Port of New York Authority.
    b. Niagara Frontier Authority.
    c. Triborough bridge and tunnel authority.
    d. Thousand Islands Bridge Authority.
    e. New York State Bridge Authority.
    f. New York City Tunnel Authority.
    g. Lake Champlain Bridge Commission.
    h. Lower Hudson Regional Market Authority.
    i. Albany Regional Market Authority.
    j. *Repealed.*
    k. American Museum of Natural History Planetarium Authority.
    l. Industrial Exhibit Authority.
    m. Buffalo Sewer Authority.
    n. Whiteface Mountain Authority. (see footnote 2, Repealed)
    o. Pelham-Portchester Parkway Authority.
    p. Jones Beach State Parkway Authority.
    q. Bethpage Park Authority.
    r. Dormitory Authority.
    s. Central New York Regional Market Authority.
    t. Erie County Water Authority.
    u. Suffolk County Water Authority.
    v. New York State Thruway Authority.
    w. Genesee Valley Regional Market Authority.
    x. Onondaga county water authority.
    y. Power Authority of the state of New York.
    z. Ogdensburg Bridge and Port Authority.
    aa. East Hudson Parkway Authority.
    bb. Niagara Frontier Port Authority.
    cc. Northwestern New York Water Authority.
    dd. Metropolitan Commuter Transportation Authority (now Metro. Transp. Auth.).
    ee. Niagara Frontier Transportation Authority.
    ff. New York State Pure Waters Authority.
    gg. Rochester-Genesee Regional Transportation Authority.

hh. Capital District Transportation Authority.
ii. Central New York Regional Transportation Authority.

12. Obligations of the International Bank for Reconstruction and Development duly issued pursuant to law.

13. Obligations of the Inter-American Development Bank duly issued pursuant to law.

    13-a. Obligations of the Asian Development Bank duly issued pursuant to law.

    13-b. Obligations of the African Development Bank duly issued pursuant to law.

    13-c. Obligations of the International Finance Corporation duly issued pursuant to law.

14. Collateral trust notes issued by a trust company, all the capital stock of which is owned by not less than twenty savings banks of the State of New York.

15. Bonds and notes issued for any of the corporate purposes of the New York State housing finance agency.

16. Bonds and notes issued for any of the corporate purposes of the New York State medical care facilities finance agency.

17. Bonds and notes issued for any of the corporate purposes of the New York State project finance agency.

18. Bonds and notes issued for any of the corporate purposes of the municipal assistance corporation for New York City.

19. Obligations of any corporation organized under the laws of any state in the United States maturing within two hundred seventy days provided that such obligations receive the highest rating of two independent rating services designated by the Comptroller and that the issuer of such obligations has maintained such ratings on similar obligations during the preceding six months provided, however, that the issuer of such obligations need not have received such rating during the prior six month period if such issuer has received the highest rating of two independent rating services designated by the Comptroller and is the successor or wholly owned subsidiary of an issuer that has maintained such ratings on similar obligations during the preceding six month period or if the issuer is the product of a merger of two or more issuers, one of which has maintained such ratings on similar obligations during the preceding six month period, provided, however, that no more than five hundred million dollars may be invested in such obligations of any one corporation.

20. Bankers' acceptances maturing within ninety days which are eligible for purchase in the open market by federal reserve banks and which have been accepted by a bank or trust company, which is organized under the laws of the United States or of any state thereof and which is a member of the federal reserve system and whose short-term obligations meet the criteria outlined in subdivision eighteen of this section. Provided, however, that no more than five hundred million dollars may be invested in such bankers' acceptance of any one bank or trust company.

21. No-load money market mutual funds registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, provided that such funds are limited to investments in obligations issued or guaranteed by the

United States of America or in obligations of agencies or instrumentalities of the United States of America where the payment of principal and interest are guaranteed by the United States of America (including contracts for the sale and repurchase of any such obligations), and are rated in the highest rating category by at least one nationally recognized statistical rating organization, provided, however, that no more than two hundred fifty million dollars may be invested in such funds.

The State Comptroller, whenever he deems it for the best interest of any of such funds, may dispose of any of the securities therein or investments therefor, in making other investments authorized by law, and she may exchange any such securities for those held in any other of such funds, and the Comptroller may take such action as may be necessary to obtain the benefits of the insurance provided for in the national housing act, and may draw her warrant upon the treasurer for the amount required for such investments and exchanges.

Notwithstanding the provisions of any other general or special law, the State Comptroller shall not invest the moneys of any fund in any security or securities except as above described, provided, however, that: a) the State Comptroller may, in order to maximize the rate of return on investments, invest the moneys belonging to the New York interest on lawyer account fund in notes, securities and deposits of banking institutions which accept IOLA accounts, and b) the provisions of this section shall not limit the types of investments that may be made with moneys belonging to the volunteer ambulance service award fund established by section two hundred nineteen-h of the general municipal law.

2.3. Authorized Investments of Project Operating Funds – Additional Bond Issuers

The Authority has two classifications of Funds; Pledged Funds and Project Operating Funds. Pledged Funds, subject to the 2003 General Bond Resolution, may only be invested in securities specifically listed in Section 98 of the State Finance Law, as listed in Section 2.2 above. Project Operating Funds, those that are not pledged to bond holders, are also limited to Section 98 of the State Finance Law but may include bond issuers of the State whose authorizing statute specifically provides that bodies of the State are authorized to legally invest in the stated bond issuers' securities. The additional bond issuers ("Additional Bond Issuers"), while not specifically listed in Section 98 of the State Finance Law, and therefore are not eligible for investments of the Pledged Fund, but do qualify for investments of the Project Operating Fund, are as follows:

1. New York City Transitional Finance Authority.
2. New York Municipal Water Finance Authority.
3. New York City Housing Development Corporation.
4. New York State Urban Development Corporation.
5. Nassau County Interim Finance Authority.

2.4. Portfolio Diversification

The Authority's Investment Funds shall be structured to diversify investments to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific type of security. The maximum percentage of the aggregate portfolio of Investment Funds, based on book value at the time of purchase, permitted in each eligible security is as follows:

US Treasuries 100%
Federal Agencies .... 100% ($250 million max per issuer)
Commercial Paper .... Lesser of 5% or $250 million per issuer
Bankers' Acceptances .... Lesser of 5% or $250 million per issuer

Money Market Funds ....Lesser of 25% or $250 million
Municipal Bonds 20%

In addition, the Authority requires:

a) Minimum "A" credit rating for all municipal securities permitted by the Policy (NY State, other states, and issues of local NY governments).

b) Maximum allocation of no greater than 10% per issuer, or such lower limit as specified above.

2.5. Investment Maturity

Maintenance of adequate liquidity to meet the cash flow needs of the Authority is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with the cash requirements of the Authority to avoid the forced sale of securities prior to maturity.

Investments shall have a stated maturity or weighted average life of not more than ten (10) years unless specifically approved by the Investment Committee.

2.6. Environmental, Social, and Governance Investment Principles

The Authority's investment philosophy is anchored in the following core principle, which is fundamental and constant. Assets controlled by the Authority must be managed in accordance with this principle, regardless of the ebbs and flows likely to arise due to markets, politics and personalities.

The primary principle guiding the Authority's investments is the consideration of financial impact(s) on current and future requirements of the Authority. This manifests itself through investment practices that generate the greatest possible return, subject to an appropriate amount of risk, to support the Authority's mission of planning and sustaining a balanced community of commercial, residential, retail, and park space on the lower west side of Manhattan.

Within the context of this primary principle, the Authority must consider a holistic view of risk that accounts for various factors which could modify a return/risk objective. These include:

- Maintaining appropriate levels of liquidity for the Authority's operational needs;
- Mitigating downside financial risks;
- Understanding and appropriately managing reputational risk or legal liability; and,
- Protecting Authority assets from external pressures.

The Authority, as well as the Office of the New York State Comptroller, supports the practice of incorporating environmental, social, and governance ("ESG") factors with other conventional financial analytical tools when evaluating investment opportunities as these factors not only support the Authority's mission but they may help identify potential opportunities and risks which conventional tools miss. The Authority encourages its investment managers to include ESG factors in their analytical processes. The Authority prohibits investment in companies that are heavily reliant on fossil fuels. However, ESG considerations are only one factor in analyses and should not be used as exclusionary screens to eliminate specific entities or sectors from consideration. Relevant ESG factors will vary by industry and should be applied appropriately to help assess both risk and return.

3. OPERATING PARAMETERS & CONTROLS

3.1. Authorized Officers and Employees

Investment decisions on behalf of the Authority shall be made by the Chief Financial Officer, or by the Deputy Treasurer or the external investment manager, under the supervision of the Chief Financial Officer. Investment transactions shall be implemented by the Chief Financial Officer, or by the Deputy Treasurer, or the professional investment and advisory management firm on the Investment Committee, under the supervision of the Chief Financial Officer.

3.2. Competitive Selection

For each transaction, a minimum of three quotes shall be obtained and documented from Dealers and/or Banks, except in the purchase of government securities at their initial auction or upon initial offering, and the most favorable quote accepted.

3.3. Compliance Audit

An annual independent audit of all investments will be performed by the external auditors. The Authority's financial statements with respect to investments, which are required to be prepared in conformance with generally accepted accounting principles for governments ("GAAP"), shall contain all of the note disclosures on deposits with financial institutions and investments required by the Governmental Accounting Standards Board Statements No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements", dated April 1986. The Annual Investment Audit shall:

- Determine whether: the Authority complies with its own investment policies; investment assets are adequately safeguarded; adequate accounts and records are maintained which accurately reflect all transactions and report on the disposition of the Authority's assets; and a system of adequate internal controls is maintained.
- Determine whether the Authority has complied with applicable laws, regulations and these Investment Guidelines.
- Be designed to the extent practical to satisfy both the common interest of the Authority and the public officials accountable to others.

The results of the Annual Investment Audit shall be set forth in a report (the "Annual Investment Audit Report") which shall include, without limitation:

- A description of the scope and objectives of the audit;
- A statement that the audit was made in accordance with generally accepted government auditing standards;
- A statement of negative assurance on items tested;
- A description of any material weakness found in the internal controls;
- A description of any non-compliance with the Authority's own investment policies as well as applicable laws;
- Regulations and the Comptroller's Investment Guidelines;
- A statement on any other material deficiency or reportable condition as defined *by Governmental Auditing Standards* identified during the audit not covered above; and
- Recommendations, if any, with respect to amendment of these Guidelines.

Investment practices and controls will be subject to review and testing by internal auditors on a surprise basis at the discretion of the VP of Administration (who is also the Internal Controls Officer), President, CEO and/or the Board.

3.4. Written Contracts and Confirmations

A written confirmation shall be required for each investment transaction. However, the Authority shall not be required to enter a formal written contract provided that the Authority's oral instructions to its broker, dealer, agent, investment manager/advisor, or custodian with respect to such transactions are confirmed in writing at the earliest practicable moment.

3.5. Safekeeping and Custody

All investment securities purchased by the Authority or held as collateral on deposits or investments shall be held by a third-party custodian who may not otherwise be a counterparty to the investment transaction.

All securities shall be held in the name of the Authority and will be free and clear of any lien.

All investment transactions will be conducted on a delivery-vs.-payment basis. Payment for investments shall be made only upon receipt by the custodian of the physical security, or in the case of securities in book-entry form, when credited for the custodian's account, which shall be segregated for the Authority's sole use. The custodian shall issue a safekeeping receipt to the Authority listing the specific instrument, rate, maturity, and other pertinent information. On a monthly basis, the custodian will also provide reports that list all securities held for the Authority, the book value of holdings and the market value as of month-end.

The custodian may act on oral instructions from the CFO, Deputy Treasurer or investment advisor under the direction of the CFO. Such instructions are to be confirmed in writing immediately by an authorized signatory of the Authority.

Representatives of the custodian responsible for, or in any manner involved with, the safekeeping and custody process of the Authority shall be bonded in such a fashion as to protect the Authority from losses from malfeasance and misfeasance. If required by the Chief Financial Officer, appropriate Authority Officials may also be bonded in such a fashion.

3.6. Internal Controls

An operating procedures manual were developed to control all Authority investment activity. The manual is consistent with these Guidelines, shall be approved by the Chief Financial Officer, and shall include the following:

- the establishment and maintenance of a system of internal controls;
- methods for adding, changing or deleting information contained in the investment record, including a description of the document to be created and verification tests to be conducted;
- a data base or record incorporating descriptions and amounts of investments, transaction dates, interest rates, maturities, bond ratings, market prices and related information necessary to manage the portfolio; and,
- requirements for periodic reporting and a satisfactory level of accountability.

3.7. Notification Concerning Violations of Investment Guidelines

If these Investment Guidelines are violated, the Chief Financial Officer shall be informed immediately and advised of any corrective action that should be taken, as well as the implication of such action.

4. QUALIFIED FINANCIAL INSTITUTIONS

4.1. Qualifications for Brokers, Dealers and Agents

The Authority's investment manager's Director of Treasury Operations and/or the Authority's Investment Manager shall maintain a list of broker/dealers that are approved for investment purposes ("Qualified Institutions"). Only firms meeting the following requirements will be eligible to serve as Qualified Institutions:

- "primary" dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- registered as a dealer under the Securities Exchange Act of 1934;
- member in good standing of the Financial Industry Regulatory Authority (FINRA);
- registered to sell securities in the State; and,
- the firm and assigned broker have been engaged in the business of effecting transactions in U.S. Government and agency obligations for at least five (5) consecutive years.

When selecting trading partners, the Authority will also consider the firm's quality, size, and reliability, the Authority's prior experience with the firm, the firm's level of expertise and prior experience with respect to the contemplated transactions.

4.2. Qualifications for Investment Advisors/Managers

For rendering investment management/advisory services to the Authority, the Authority may qualify any bank or trust company organized under the laws of any state of the United States of America, any national banking association, and any partnership, corporation, or person which is:

- Authorized to do business in the State as an investment manager/advisor; and
- Registered with the Securities & Exchange Commission under the Investment Advisor Act of 1940 or exempt from registration.

The Authority shall also consider the firm's capitalization, quality, size and reliability, the Authority's prior experience with the firm, the firm's level of expertise and prior experience with respect to the contemplated engagement.

4.3. Qualifications for Custodial Banks

To be eligible to hold Investment Securities purchased by the Authority or collateral securing its investments, a custodial bank shall be a member of the Federal Reserve Bank or maintain accounts with member banks to accomplish book-entry transfer of Investment Securities to the credit of the Authority. The custodian should not be the same party that is selling the Investment Securities. To be eligible to perform custodial services, the Chief Financial Officer must affirmatively find that the proposed custodial bank is financially sound. This shall be determined by review of the financial statements and credit ratings of the proposed custodial bank.

4.4. Ongoing Disclosure

All brokers, dealers and other financial institutions described in sections 4.1, 4.2, and 4.3 shall be provided with current copies of the Authority's Investment Guidelines. A current audited financial statement is required to be on file for each financial institution and broker/dealer with which the Authority has investment transactions.

4.5. Affirmative Action

Article 15-A of the Executive Law and 9 NYCRR Part 4.21 regarding affirmative action shall apply with respect to the Authority's investment activities. The Authority shall seek to utilize minority and women-owned financial firms in the conduct of the Authority's investment activities. Management reporting is required by the Authority to track compliance with policy guidelines, assess the performance of the portfolio and to inform appropriate management personnel.

5. REPORTING

5.1. Management Reporting

To manage the Investment Funds effectively and to provide Authority management with useful information, it is necessary for the Treasury Department to report reliable and timely information regarding the investment transactions that take place.

A Quarterly Management Report on the investment management program shall be prepared and presented to the CFO and the Authority's Board. The Quarterly Management Report shall include:

- An indication of all new investments;
- A portfolio inventory;
- Credit quality of each holding;
- Duration (or average maturity) of each fund;
- Mark-to-market valuations on investments and collateral; and
- A breakdown of the portfolio by counterparty.

An Annual Investment Report shall be submitted to the Authority's Board and filed with the State Division of the Budget, State Comptroller, State Senate Finance Committee, and State Assembly Ways and Means Committee. The Annual Investment Report shall include the following:

- The investment guidelines in compliance with Section 2925(3) of the Public Authorities Law and any amendments since last reported;
- An explanation of the investment guidelines and amendments;
- The results of the Annual Independent Audit (described in Section 3.3.);
- Investment income record of the Authority; and
- A list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and manager/advisor rendering investment associated services to the Authority since the date of the last investment report.

After approval of the report, it will be submitted or posted to the:

- State Division of the Budget,
- State Department of Audit and Control,
- State Comptroller,
- Chairmen and Ranking Minority Members of the Senate Finance Committee and Assembly Ways and Means Committee.
- State Public Authorities Information Reporting System (PARIS),
- Authority's website.

5.2. Performance Reporting

To ensure the effectiveness of the Authority’s investment strategy, it is important to measure the performance of the portfolio. The performance measurement process can be broken into four categories:

- Investment benchmark – The Authority will continuously measure its performance against a benchmark having an average maturity comparable to the portfolios.
- Performance measurement – Each quarter the Authority must measure the performance of its investment portfolio versus its benchmark. By continuously measuring results against this standard benchmark, the Authority can determine a pattern of over/under performance.
- Identify sources of over/under performance – The Performance Reports distributed to the CFO must include information on the source of over/under performance.
- Disseminate results – Results shall be distributed to the CFO and the Board in a timely manner.

APPENDIX A – OPERATING CONTROLS

Distribution of the Investment Guidelines

The guidelines and all subsequent amendments, revisions and updates shall be distributed to Authority personnel per the approval of the Chief Financial Officer.

During the period in which the Authority retains an investment manager, the investment manager must also receive the investment guidelines and all amendments, updates, or revisions to insure compliance with the most current guidelines.

Exhibit –Investment Guidelines Distribution Matrix

Distribution List	Frequency
Board of Directors	As Necessary
Chief Financial Officer ("CFO")	As Necessary
Controller	As Necessary
Deputy Treasurer	As Necessary

Roles and Responsibilities in Executing the Investment Guidelines

The roles and responsibilities for investment management at the Authority rest primarily with the Finance Department although other departments have important roles. The matrix below defines the roles and responsibilities of all parties involved in the execution of the Investment Guidelines.

Exhibit –Policy Roles & Responsibility Matrix

Roles	Responsibility	Frequency
Board of Directors	• Final Approval of the guidelines • Approval of exceptions to the guidelines (e.g. new investment types) • Approval of revisions to the guidelines	• Annual • As necessary • As necessary
Chief Financial Officer ("CFO")	• Approval of the guidelines • Approval of investment strategy • Approval of performance measurements • Approval of minor exceptions to the guidelines (i.e. amounts, maturities)	• Annual • Annual • Ongoing • As necessary
Deputy Treasurer	• Serve as custodian of the guidelines • Develop investment strategy • Review investment strategy • Establish performance measurements • Distribution of guidelines and amendments • Annual review of guidelines • Oversight of investment activity • Invest funds as provided for in the guidelines Review Fund transfers prior to CFO approval • Keep abreast of developments in the markets • Review performance information	• Ongoing • Annual • Ongoing • Ongoing • As necessary • Annual • Ongoing • Ongoing • Ongoing • Ongoing • Monthly

	• Management reporting	• Daily, Weekly Monthly

Treasury / Revenue Accountant	Initiate Fund transfer approvals Collect performance information, as needed Distribute performance information, as needed	Ongoing Quarterly Quarterly
Senior Accountant	Verify and reconcile of market values and collateral Maintain records of investments	Monthly Ongoing
Assistant/ Jr. Accountant	• Prepare Investment Instruction Letter Verify Fund transfers	• Ongoing Ongoing
Investment Manager	• Develop investment strategy • Review investment strategy • Invest funds as provided for in the guidelines • Reporting investment portfolio	• Annual • Ongoing • Ongoing • Daily, Weekly Quarterly

Segregation of Duties

The Authority requires adequate segregation of duties to prevent possible fraud, operational errors, misappropriation of funds, unauthorized trades, concealment of trades, and manipulation of accounting records. Personnel involved in risk monitoring activities should be segregated from risk taking (i.e. executing transactions).

Exhibit – Segregation of Duties Matrix

Activity to be Performed	Segregation Level
Trade Execution	Individuals who are authorized to execute transactions should not confirm and settle the trades or conduct account reconciliation activities.
Trade Confirmation	Individuals who conduct confirmations should not execute transactions.
Settlement – Disbursing and Receiving Funds	Individuals who handle cash settlement on the trades should not execute the trades. Cash settlement shall be transacted by any one of the authorized Authority signatories who did not participate in the trade execution. Only one signature is required due to the nature of the transaction, i.e., transfer of assets (including transfers in excess of $25,000).
Account Reconciliation	Account reconciliation activities must be segregated from trade execution activities.

Management Reporting

Exhibit – Summary of Management Reporting

Report	Contents	Audience	Frequency
Management Report	Investment portfolio, mark-to- market valuations, collateral, counterparty breakdown	CFO, Board	Quarterly
Annual Investment Report	Investment Guidelines, explanation of Investment Guidelines & amendments, annual investment audit, annual investment income, total fees and commissions paid	CFO, Board (File with Division of the Budget, State Comptroller, State Finance Committee, Assembly Ways and Means Committee)	Annually

Exhibit – Summary of Treasury Performance Reporting

Report	Contents	Audience	Frequency
Performance Report	Investment performance vs. benchmark variance analysis	CFO, Board	Quarterly

Operating Procedures

Operating procedures for the administration of the Authority's investment program should include the following:

- Each disbursement of funds (and corresponding receipt of Investment Securities) or delivery of Investment Securities (and corresponding receipt of funds) shall be based upon proper written authorization. If the authorization is initially given orally, there shall be written or telegraphic confirmation from an authorized signatory of the Authority to the custodian;
- The process of initiating, reviewing and approving requests to buy and sell Investment Securities shall be documented and retained for audit purposes. Dealer limits should be established and reviewed regularly;
- Custodians must have prior authorization from the Authority to deliver obligations and collateral. All transactions must be confirmed in writing to the Authority. Delivery of obligations sold shall only be made upon receipt of funds;
- Custodial banks shall be required to report whenever activity has occurred in the Authority's custodial account;
- There shall be at least monthly verification and reconciliation of both the principal amount and the market values of all investments and collateral. Appropriate listings shall be obtained from the custodian and compared against the Authority's records;
- A record of investments shall be maintained. The records shall identify the Investment Security, the fund for which held, the place where kept, date of disposition and amount realized, and the

market value and custodian of collateral;

- The establishment and maintenance of a system of internal controls;
- Methods for adding, changing or deleting information contained in the investment record, including a description of the documents to be created and verification tests to be conducted;
- A database of records incorporating descriptions and amounts of investments, transaction dates, interest rates, maturities, bond ratings, market prices, and related information necessary to manage the portfolio; and
- Requirements for periodic reporting and a satisfactory level of accountability.

The procedures below describe in more detail the methods employed by the investment officers (Treasurer and Deputy Treasurer) to formulate and initiate investment transactions and include the records and documentation used in processing an investment from the time of its initiation to the recording and reconciliation on the Authority's accounting records.

1. The Treasurer, Deputy Treasurer or Investment Advisor maintains a schedule of all current investments and updates schedule on a timely (daily) basis as securities mature and/or new investments are initiated. A calendar of investment maturities is maintained and updated as chronological reminder (tickler file) or maturities.

2. All investments are initiated by the Investment Advisor via:

    a. specific written investment instruction sent to the Trustee; or
    b. verbal investment instructions followed up by written confirmation.

3. The Deputy Treasurer or Investment Advisor will initiate the investments by reviewing the investment schedule and calendar on a weekly basis to determine investments to be made over the following week based on Investment Guidelines and weekly working group meetings. All investments are available to review online on a real time (next day) basis.

    The Treasurer, Deputy Treasurer and Investment Advisor considers many factors in forming investment decisions, such as:

    a. existing bond resolution requirements and conditions;
    b. other existing agreements affecting investments/cash flow (i.e. Settlement Agreement; Agreement and Consent dated September 22, 1988, as amended, Agreement for Certain Payments, Lease Agreements etc.);
    c. BPCA cash flow requirements and Investment Guidelines and Policies;
    d. current and future market conditions (i.e. interest rates);
    e. New York State Comptroller's Guidelines; and,
    f. published market surveys, consultant reports, etc., relating to securities available, interest rates and investment strategies.

4. Copies of the bank trade confirmation letters sent to the Trustee Bank are digitally filed in the Treasury folder

5. All investments are available to the President and others for review and discussed at Investment Committee meetings. A copy of the Investment Instructions Letter is retained in the Treasury folder and a copy is maintained in the bank reconciliation files

Documentation for securities purchased including the information as to brokers solicited for quotes shall be retained and filed by the Authority, the Trustee, and Investment Advisor. Corporate funds which are not invested are collateralized or insured by FDIC. Reconciliation of monthly Trustee statements are performed. This includes reconciliation of investment transactions, investment income, and portfolio holdings. Corresponding journal entries are subsequently posted to the Authority's general ledger. The BPCA Controller or Deputy Controller initials and dates these reconciliations when reviewed to signify timely approval and completion.

6. Quarterly investment schedules are reviewed by the Investment Committee and made available to the Board. Investment schedules are audited by the Authority's public accountants at year end. The auditors request and receive confirmation of our cash and security holdings as of fiscal year end. In addition, the Authority's Internal Audit department periodically audits investments.

   The procedures will be subjected to regular audits by internal and external auditors as required. Procedures are to be revised and updated on an annual basis and referenced in the Investment Policy and Procedure Statement, approved by the Members, in accordance with Section 2925(6) of the Public Authorities Law.

APPENDIX B

INVESTMENT REPORT – FISCAL YEAR ENDED OCTOBER 31, 2022

Investments

The Authority carries all investments at fair value. Inherent risks that could affect the Authority's ability to provide services and meet its obligations as they become due are reported in accordance with U.S. GAAP. The Authority's permitted investments include: (i) 100% U.S. government guaranteed securities (U.S. Treasury notes, bonds, strips, T-bills, Ginnie Mae securities); (ii) notes, bonds, debentures, and mortgages of U.S. government-sponsored agencies provided that its obligations receive the highest credit rating at the time of purchase from all rating agencies that rate the obligation; (iii) obligations of any corporation organized under the laws of any state in the United States maturing within 270 days provided that such obligations receive the highest rating of two independent rating services (commercial paper); (iv) municipal bonds issued by the State of New York, its counties, towns and cities and New York authorities; and (v) the general obligations of any state provided that such obligations receive the highest rating by at least one rating agency. The Organization maintains its cash in bank accounts that are fully collateralized or backed by the Federal Deposit Insurance Corporation ("FDIC") or letters of credit. All investments held in funds and accounts established in accordance with bond resolutions are held as trust assets by the trustee banks in the Authority's name.

Total investments held by the Authority at October 31, 2022 and 2021, included within the statements of net position (deficit) as investments, corporate designated, escrowed and OPEB funds, bond resolution funds (see note 8) and residential lease required fund accounts, were as follows:

	October 31, 2022			October 31, 2021		
	Cost	Fair value	Weighted average maturity (years) (a)	Cost	Fair value	Weighted average maturity (years) (a)
U.S. Treasury securities:						
Treasury Bills	$ 300,375,565	301,184,894	0.12	$ 284,443,705	284,458,532	0.25
Treasury Bonds	124,547,637	114,449,882	2.47	96,519,069	95,838,581	3.29
Treasury Strips	2,478,639	2,427,849	2.46	2,478,639	2,599,300	3.27
Total U.S. Treasury securities	427,401,841	418,062,625		383,441,413	382,896,413	
Commercial paper	33,355,798	33,612,663	0.07	52,561,966	52,587,689	0.29
Federal agency securities	15,305,739	15,353,906	0.04	1,334,865	1,334,953	0.06
Federal agency mortgage backed securities	1,723,463	1,604,461	2.90	2,493,819	2,582,321	3.19
Municipal bonds	5,102,027	4,742,553	2.53	3,907,027	3,983,409	2.91
Supra National Agency	16,705,105	15,490,057	2.14	18,158,318	18,202,549	2.99
Total investments	499,593,973	488,866,265	0.77	461,897,408	461,587,334	1.05
Cash and cash equivalents	44,772,227	44,772,227		37,887,337	37,887,337	
Total investments	$ 544,366,200	533,638,492		$ 499,784,745	499,474,671	

(a) Portfolio weighted average effective duration

As of October 31, 2022 and 2021, restricted assets included cash and cash equivalents and investments with less than 91-day maturities amounting to $180,404,963 and $74,285,606, respectively.

The Authority's investment objectives for the portfolio are legal compliance, safety of principal, to meet liquidity requirements and to maximize legally allowable return.

Interest rate risk is the probability of loss on investments from future changes in interest rates, which can adversely affect their fair value. Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. Effective duration takes into account the change in cash flow expectations of securities with embedded options such as callable bonds and mortgage-backed securities. The interest rate risk of the Authority's portfolio is measured according to effective duration.

Investments of amounts in funds and accounts established under the 2003 General Bond Resolution, and the 2009, 2013 and 2019 Revenue Bond Resolutions are presently restricted to obligations of the State, U.S. government and its agencies, or in any other obligations in which the Comptroller of the State of New York is authorized to invest pursuant to Section 98 of the State Finance Law.

Corporate-designated and escrowed funds represent funds designated by the Authority's Board of Directors for specific purposes such as budget reserves, the Special Fund (see note 12), Project contingency reserves, restoration reserves, insurance reserves, and arbitrage reserves and funds designated for the payment of medical benefits to the Authority's retirees (OPEB funds).

Residential lease required funds represent funds held by the Authority in accordance with its residential leases. These funds are largely comprised of security and escrow deposits held by the Authority for the residential buildings.

Fees

There were no fees, commissions or other charges paid to investment bankers, brokers, agents, or dealers for rendering investment related services to the Authority during the fiscal year and all investments are competitively bid. Consultant fees in the amount of approximately $350,000 were paid to PFM Asset Management LLC ("PFMAM" during the current fiscal year for professional money management advice to the Authority's Investment Committee. PFMAM utilizes a MWBE firm, Ramirez Asset Management, as a subcontractor to manage a portion of the investment portfolio and they are paid 30% of the contract value for these services.

APPENDIX C

BPCA Fiscal Year 2022: A Year in Review
(Prepared by PFM Asset Management LLC)

Annual Summary

The 2022 fiscal year was marked by decreasing concerns surrounding the Coronavirus pandemic, but new challenges emerged, including persistently high inflation, aggressive interest rate hikes by the Federal Reserve ("Fed"), and geopolitical tensions between Russia and Ukraine. The Federal Reserve Open Market Committee ("FOMC") raised the federal funds rate five times between November 1, 2021 and October 31, 2022, including three 75 basis point (0.75%) hikes. In that span, the federal funds rate rose from a range of 0.00% - 0.25% to a range of 3.00% - 3.25%. In addition to the aggressive tightening of monetary policy to tame inflation, the Fed elected to begin tapering its purchases of U.S. Treasury securities in December and formally began the process of quantitative tightening in June. During this time, the labor market continued to remain strong with the U.S economy adding roughly 7.6 million jobs over the 2022 fiscal year. Russia's invasion of Ukraine catalyzed already significant concerns of energy price stability and the economic recovery in Europe. The invasion placed additional pressures on supply chains and commodity prices, contributing significantly to the year over year change in the Consumer Price Index ("CPI"). U.S. CPI hit a four-decade high of 9.1% in June but began to slowly decrease. At the end of the fiscal year, the U.S. continued to battle record high inflation and the increasing probability of a recession.

Summary of Bond Market and Authority Portfolio Strategy

First Quarter: November 1, 2021 – January 31, 2022

Market Summary

The first quarter was characterized by a short resurgence in COVID cases, a sharp decline in the unemployment rate, stickier than expected inflation, a meaningful hawkish pivot by the Federal Reserve, and Russian aggression in Ukraine inciting panic in the financial markets. Small businesses were challenged by labor shortages and rising prices, a continued result of the prolonged expansionary cycle and supply chain instability. The Fed remained committed to tapering its bond purchases at an accelerated rate, and the FOMC indicated that rates would soon be set to rise in an effort to offset high inflation.

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 final quarter of 2021 was boosted by inventory rebuilding, accounting for 4.9% of the overall growth rate. Despite strong growth, pandemic-related supply and demand imbalances caused CPI to reach 7.5% in January, the hottest pace since 1982. Unemployment fell to 3.9% in December, inching closer to the pre-pandemic level of 3.5%. However, it rose slightly in January to 4.0% as the labor force participation rate bumped up to 62.2% from 61.9%. Employment gains were strong as the U.S. economy added 467,000 jobs to start 2022.

Fixed income yields rose during the quarter, and the yield curve began to "bear flatten" at the turn of the new year. 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%, ultimately driven by expectations for faster Fed rate hikes. Rate changes were more subdued on the longer end of the curve, as expectations for longer-term normalization of inflation and GDP growth were priced in. As a result of rising yields during the quarter, U.S. Treasury returns were largely negative. The 2-year Treasury note jumped 45 basis points to 1.18%, while the yield on the 10-year Treasury increased 27 points to 1.78%.

Portfolio Strategy Recap

- As a result of the sharp increase in yields, longer-term portfolio returns were negative for the quarter. Portfolios performed in-line with respective benchmarks for the quarter.
- The longer-term portfolios maintained a slightly defensive bias relative to the benchmarks, in line with the upward pressure on rates. The portfolios maintained above-average U.S. Treasury allocations to provide "dry powder" to selectively add to attractive sectors.
- Shorter-term portfolios, still challenged by the near-zero short-term rate environment, performed in line with the 3-Month Treasury Bill's performance of 0.01%.

Second Quarter: February 1, 2022 – April 30, 2022

Market Summary

During the second quarter, the market experienced a rapid rise in interest rates, widening of credit spreads, and a selloff in the equity markets sparked by Russia's invasion of Ukraine. Geopolitical tensions in Ukraine dominated headlines, applying further pressure to an already fragile inflation narrative. To control surging inflation, the Fed raised the federal funds target rate by 25 basis points in March 2022--the first-rate increase since December of 2018. U.S. CPI increased by 8.3% year over year through April. In comments made throughout the second quarter, the Fed anticipated several more rate hike throughout 2022, and a reduction in its balance sheet through a runoff in maturities. The invasion of Ukraine stoked risks of hampering global economic growth and creating additional pressures on supply chains and commodity prices. The global impact on energy prices because of the invasion was significant, as Russia supplies around 12% of global crude oil supplies. Europe's particular reliance on Russian oil suggested the EU's economy would face stiffer headwinds for 2022 and beyond. U.S. Equity markets were sharply impacted by these headwinds, and the S&P 500 fell 9% during the second fiscal quarter.

U.S. GDP declined at an annual pace of 1.6% in the first quarter of 2022. This was a sharp reversal of the 6.9% increase in the fourth quarter of 2021, but was a result of decreases in exports, federal government spending, private inventory investment, and state and local government spending. Federal stimulus programs ended, and rampant inflation cut into consumer spending habits and corporate profits. The U.S. labor market remained strong as the economy added 2.7 million new jobs. Unemployment ended the quarter at 3.6%, while wage growth elevated, and job openings remained plentiful. However, as the quarter continued, job gains began to moderate, and the level of new weekly jobless claims increased noticeably.

U.S. Treasury yields continued to rise meaningfully during the quarter on the heels of surging inflation data and growing expectations for multiple Fed rate hikes in 2022. Two- and three-year yields were most impacted by the increased probability of future rate hikes, with both tenors increasing over 130 basis points (1.30%) from February to April. As a result of sharply higher Treasury yields, fixed income indices posted some of the worst total returns dating back over 40 years. For example, during the fiscal quarter the ICE BofA 1-, 5-, and 10-year U.S. Treasury indices returned -0.73%, -5.52%, and -8.89%, respectively.

Portfolio Strategy Recap

- As a result of rapidly rising yields, longer-term portfolio returns were sharply negative for the quarter. The conservative duration positioning contributed to strong relative outperformance for the quarter.
- Shorter-term portfolios saw a marginal pick-up in absolute performance as Fed rate increases were priced into the market and buying opportunities began to offer incremental value.

Absolute performance was marginally negative for the longer-duration Project Operating Fund.

- Commercial paper experienced significant repricing to higher yields, especially on maturities greater than six months as issuers sought longer-term funding in response to Fed rate hike expectations. Short-term paper began to offer excellent buying opportunities.

Third Quarter: May 1, 2022 – July 31, 2022

Market Summary

Many of the significant headwinds from the beginning of 2022 remained in place during the quarter, including high inflation, tighter Fed monetary policy, rapidly rising rates, slowing growth, and lingering geopolitical turmoil. As a result of continued surging inflation, the Fed lifted the overnight federal funds target rate in each month during the quarter. The last Fed hike of the quarter was by three quarters of a percentage point (0.75%) to a new range of 2.25% to 2.50%.

U.S. economic growth declined at an annual pace of 0.6% in the second quarter of the calendar year, marking a second consecutive quarter of negative real growth. This decline resulted from decreases in exports, federal government spending, private inventory investment, and state and local government spending, while imports, which are subtracted in the calculation of GDP, increased. The U.S. job market remained resilient, adding 3.3 million jobs during the fiscal quarter. The unemployment rate edged down to 3.5%, in July, while wage growth remained elevated and job openings remained plentiful. CPI increased 8.5% year-over-year through July with increasing gasoline, shelter, food, and new car prices as the primary drivers. The majority of these price pressures were a result of surging input costs for oil, industrial metals, and agricultural products; factors exacerbated by Russia's ongoing invasion of Ukraine. Due to rising food and energy costs, household spending adapted and the share of disposable income going towards non-discretionary items such as food, energy, debt service and rent broke a decade-long downtrend. Measures of consumer sentiment also nosedived. The Conference Board Consumer Confidence Index dipped below 100 for the first in over a year, while the University of Michigan Consumer Sentiment Index reached an all-time low in June.

The 3-month and 2-year Treasury yields finished the fiscal quarter at 2.36% (up 1.53% over the quarter) and 2.89% (up 0.17%) respectively. The 10-year note was 2.65% (down 0.29%) and the 30-year ended the fiscal quarter at 3.01% (up 0.01%). After rising sharply in May and June, intermediate yields fell sharply in July, which had a positive impact to performance for the quarter.

Portfolio Strategy Recap

- Diversification in securities other than U.S. Treasury securities marginally detracted from performance as few sectors were immune to risk-off sentiment and wider yield spreads. The exceptions were shorter-duration municipals and federal agency securities with maturities inside 5 years.
- Shorter-term mandates performed in line with bench with the 3-Month Treasury Bill's performance of 0.14%. Short-term commercial paper continued to offer excellent yield pickup. PFMAM was active in the sector, finding several high-quality buying opportunities within each of the short-term funds.

Fourth Quarter: August 1, 2022 – October 31, 2022

Market Summary
The fourth quarter was characterized by persistently high inflation despite modest decreases to energy prices, aggressive interest rate hikes by the Fed, rising Treasury yields, and two-decade-high mortgage rates; all increasing the probability of recession.

Interest rates surged and equity markets fell in reaction to the Fed's aggressive rate hikes designed to combat inflation. Over the first three calendar year quarters of 2022, the S&P 500 cemented its third worst performance of all time, the U.S. Dollar Index (DXY) had its second strongest year on record, and the 10-year U.S. Treasury experienced its largest net yield gain in 35 years. U.S. GDP accelerated at 2.6% pace in calendar Q3, the first expansion release after two consecutive quarters of negative readings. A narrowing trade deficit and increases in consumer spending and government outlays boosted the number. Inflation remained a hot button issue as both key measures – CPI and PPI – came in hotter than expected in September. The consumer price index (CPI) rose 8.2% year-over-year (YoY) through September, with key contributions from food, energy, transportation and shelter costs. In October, inflation slowed notably with CPI up 7.7% vs. market expectations of 7.9%. Core CPI, which excludes volatile energy and food prices, climbed 6.3% in October from a year earlier, down from 6.6% in September, and less then market estimates of 6.5%. The third calendar quarter saw two more aggressive Fed interest rate hikes of 0.75% each– one in July and the other in September. This was followed by another 0.75% rate increase in early November's FOMC meeting. The federal funds rate now stands at a target range of 3.75%-4.00%; it's the highest level since 2008. The labor market remained strong in the third quarter and robust in October, in the final glimpse at the state of the economy ahead of midterm elections. Although the unemployment rate rose to 3.7%, Americans are still seeing rapid wage gains. The economy added 261,000 jobs in October, exceeding economists' projections, while September results were revised higher to 315,000 from 263,000.

On the heels of the Fed rate hikes, yields on U.S. Treasuries continued their relentless ascent higher. The yield on the 10-year U.S. Treasury rose to 4.05% by quarter-end, an increase of 140 basis points (1.40%) from July 31. The two-year Treasury yield ended the fiscal quarter even higher at 4.49%, up 160 basis points (1.60%) from 2.89% at the start of the quarter.

Portfolio Strategy Recap

- Yields rose sharply during the quarter, leading to negative absolute performance for longer-duration strategies
- Similar to the prior two quarters, the longer-term strategies maintained duration positions that were shorter than benchmarks as yields continued to move higher on stubbornly persistent inflation and expectations for aggressive Fed rate hikes. This contributed to strong relative outperformance during the quarter.
- Diversification away from U.S. Treasury securities was a mixed benefit for performance.
- Short-term credit instruments continued to offer exceptionally high yields with less rate sensitivity – and therefore less risk – than longer duration investments.

Portfolio Performance Update
Due to rates moving sharply higher during the fiscal year, absolute returns were negative for the Authority's longer-term portfolios. Despite the negative returns, all portfolios outperformed their respective benchmarks for the fiscal year. Sector diversification and a modestly defensive duration position relative to the respective benchmark was additive to outperformance.

For the year, the 2003 Pledged Revenue outperformed its benchmark by 4 bps (0.04%), while the 2003 Project Operating Fund underperformed by 5 bps (0.05%). Since inception, both portfolios continue to outperform the benchmark. The focus of these strategies continues to be on the Authority's cash flow needs.

	1 Year Ended October 31, 2022	3 Year Ended October 31, 2022	Since Inception
Long-Term Strategy:			
2003 Reserve Fund	**-5.93%**	**-0.86%**	**2.66%**
BM: BAML 1-5 Year US Treasury Note Index	*-6.53%*	*-1.14%*	*2.57%*
BPCPC Operating Reserve Contingency	**-8.23%**	**-1.48%**	**2.97%**
Insurance Fund	**-8.30%**	**-1.54%**	**2.94%**
Operating Budget Reserve	**-8.28%**	**-1.52%**	**3.06%**
BM: BAML 1-10 Year US Treasury Note Index	*-8.97%*	*-1.92%*	*2.72%*
BPCA Other Post-Employment Benefits	**-8.30%**	**-1.50%**	**2.33%**
BM: BAML 1-10 Year US Treasury Note Index	*-8.97%*	*-1.92%*	*2.10%*
Short-Term Strategy:			
2003 Pledged Revenue	**0.82%**	**0.60%**	**1.15%**
2003 Project Operating Fund	**0.73%**	**0.52%**	**1.15%**
BM: BAML 3 Month US Treasury Bill Index	*0.78%*	*0.58%*	*1.09%*

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.*

APPENDIX D

pfm asset management

Hugh L. Carey Battery Park City Authority

Review of Investment Performance

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

PFM Asset Management LLC

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

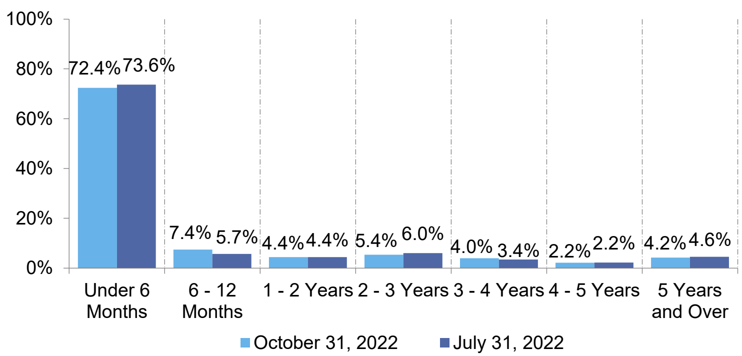
Agenda

I. Executive Summary

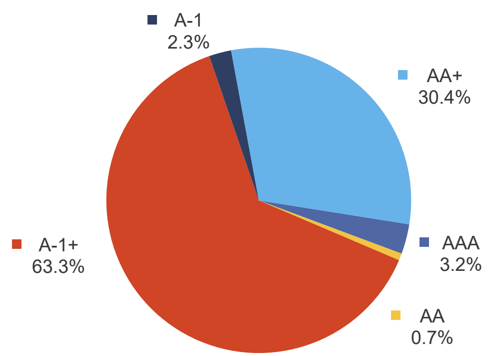
Aggregate Portfolio Composition and Credit Quality

Security Type[1]	October 31, 2022	% of Portfolio	Effective Duration	July 31, 2022	% of Portfolio	Effective Duration	QoQ Change (% of portfolio)
U.S. Treasuries	**$418,606,677**	**85.5%**	**0.70**	$453,398,608	88.1%	0.84	**(2.6%)**
Federal Agencies and Instrumentalities (non-MBS)	**$30,871,394**	**6.3%**	**1.09**	$19,067,672	3.7%	2.07	**2.6%**
Commercial Paper	**$33,612,663**	**6.9%**	**0.07**	$35,405,291	6.9%	0.32	**(0.0%)**
Municipals	**$4,771,099**	**1.0%**	**2.54**	$5,098,035	1.0%	2.74	**(0.0%)**
Government MBS[2]	**$1,615,181**	**0.3%**	**2.88**	$1,804,807	0.4%	2.97	**(0.0%)**
Totals	**$489,477,015**	**100.0%**	**0.71**	**$514,774,413**	**100.0%**	**0.88**	

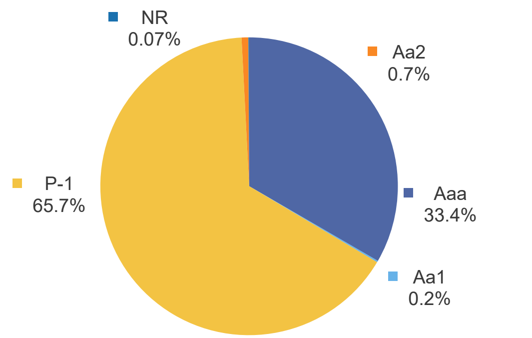
Maturity Distribution
As of 10/31/2022



Credit Quality Distribution (S&P)
as of 10/31/2022



Credit Quality Distribution (Moody's)
as of 10/31/2022



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 – October 31, 2022

	Past Quarter	Past 12 Months	Past 3-Years	Since Inception
Long-Term Strategy:				
2003 Reserve Fund	**-2.83%**	**-5.93%**	**-0.86%**	**2.66%**
BM: BAML 1-5 Year US Treasury Note Index	*-3.12%*	*-6.53%*	*-1.14%*	*2.57%*
BPCPC Operating Reserve Contingency	**-4.21%**	**-8.23%**	**-1.48%**	**2.97%**
Insurance Fund	**-4.39%**	**-8.30%**	**-1.54%**	**2.94%**
Operating Budget Reserve	**-4.38%**	**-8.28%**	**-1.52%**	**3.06%**
BM: BAML 1-10 Year US Treasury Note Index	*-4.77%*	*-8.97%*	*-1.92%*	*2.72%*
BPCA Other Post-Employment Benefits	**-4.35%**	**-8.30%**	**-1.50%**	**2.33%**
BM: BAML 1-10 Year US Treasury Note Index	*-4.77%*	*-8.97%*	*-1.92%*	*2.10%*
Short-Term Strategy:				
2003 Pledged Revenue	**0.61%**	**0.82%**	**0.60%**	**1.15%**
2003 Project Operating Fund	**0.63%**	**0.73%**	**0.52%**	**1.15%**
BM: BAML 3 Month US Treasury Bill Index	*0.57%*	*0.78%*	*0.58%*	*1.09%*

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

- U.S. GDP accelerated at 2.6% in the third quarter, the first expansion reading after two consecutive quarters of negative readings. A narrowing trade deficit and increases in consumer spending and government outlays boosted the number.
- In October, inflation slowed notably with CPI up 7.7% vs. market expectations of 7.9%. Core CPI, which excludes volatile energy and food prices, climbed 6.3% in October from a year earlier, down from 6.6% in September, and less than market estimates of 6.5%.
- The labor market remained strong in the third quarter and robust in October, in the final glimpse at the state of the economy ahead of midterm elections. Although the unemployment rate rose to 3.7%, Americans are still seeing rapid wage gains. The economy added 261,000 jobs in October, exceeding economists' projections, while September results were revised higher to 315,000 from 263,000.

U.S. Treasury Yields

- Yields on U.S. Treasuries continued their relentless ascent higher. The yield on the 10-year U.S. Treasury rose to 4.05% by quarter-end, an increase of 140 basis points (1.40%) from July 31st. The yield on the 2-year Treasury ended the fiscal quarter even higher at 4.49%, up 160 basis points (1.60%) from the start of the quarter.

Federal Reserve

- The third quarter saw two more aggressive Fed interest rate hikes of 0.75% each– one in July and the other in September. Following these two rate hikes was another 0.75% rate increase at the FOMC meeting in early November. The federal funds rate now stands at a target range of 3.75%-4.00%; the highest level since 2008.
- With both the CPI and Producer Price (“PPI”) reports showing positive signs of slowing in October, the Fed continues to remain cautious and hawkish as inflation remains considerably above trend.

Portfolio Recap – Performance & Cash Flows

Longer-Term Funds.

- Yields rose sharply during the quarter, leading to negative absolute performance for longer-duration strategies.
- Similar to the prior two quarters, we maintained duration positions that were shorter than benchmarks as yields continued to move higher on stubbornly persistent inflation and expectations for aggressive Fed rate hikes.
- For this reason, despite historically poor bond market performance, incremental performance was quite strong as defensive durations and diversification buoyed performance relative benchmark.
- Longer-term strategies outperformed benchmarks by 29-56 bps (0.29%-0.56%) for the quarter.

- **Short-Term Funds**
- The 2003 Pledged Revenue Fund and Project Operating Fund showed positive absolute performance and outperformed the 3-month U.S. Treasury Bill for the quarter.
- Short-term credit instruments, including commercial paper, continue to offer exceptionally high yields with less rate sensitivity – and therefore less risk – than longer duration investments.
- Each portfolio continues to be structured based on anticipated liquidity needs. We continue to seek high-quality commercial paper issuers in line with BPCA liquidity needs and pockets of value in the current market.

Investment Policy Issuer Guidelines

Issuer	Actual (%)	Actual[4] ($)	IPS Limit[2]	S&P Rating	Moody's Rating
U.S. Treasury	85.52%	418,606,677	100%	AA+	Aaa
Federal Home Loan Bank	3.14%	15,353,906	$250,000,000	A-1+	P-1
BNP Paribas	2.04%	9,985,340	5%	A-1	P-1
TD Bank	2.03%	9,955,100	5%	A-1+	P-1
Toyota Motor Credit Corporation	1.49%	7,297,892	5%	A-1+	P-1
International Bank of Recon and Development	1.30%	6,368,761	$250,000,000	AAA	Aaa
International American Development Bank	0.92%	4,501,755	$250,000,000	AAA	Aaa
New York City	0.74%	3,610,118	10%	AA	Aa2
Asian Development Bank	0.67%	3,292,200	$250,000,000	AAA	Aaa
MetLife Funding Inc	0.66%	3,241,752	5%	A-1+	P-1
Pacific Life	0.34%	1,647,669	5%	A-1+	P-1
JP Morgan	0.30%	1,484,910	5%	A-1	P-1
African Development Bank	0.28%	1,354,772	$250,000,000	AAA	Aaa
New York State	0.16%	796,461	10%	AA+	Aa1
Small Business Administration	0.15%	712,936	100%	AA+	Aaa
Ginnie Mae	0.11%	517,223	100%	AA+	Aaa
NY State Dorm Authority	0.07%	364,521	10%	AA+	NR
Fannie Mae	0.06%	275,542	$250,000,000	AA+	Aaa
Freddie Mac	0.02%	109,480	$250,000,000	AA+	Aaa

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

Change in Value – Total Return Accounts

Account Name	Beginning Period Value[1]	(+/-)	Net Transfers[2]	(+/-)	Change in Value	=	Ending Period Value[1]
Longer Term Investment Strategy							
2003 Reserve Fund	$33,652,845		($0)		($947,970)		$32,704,875
BPCPC Operating Reserve Contingency	$12,564,198		($1,488,213)		($490,989)		$10,584,996
Insurance Fund	$5,961,782		$0		($261,588)		$5,700,194
Operating Budget Reserve	$21,626,362		$2,000,000		($947,556)		$22,678,806
BPCA Other Post-Employment Benefits	$40,780,266		$0		($1,772,303)		$39,007,962
Subtotal	**$114,585,453**		**$511,787**		**($4,420,407)**		**$110,676,833**
Shorter Term Investment Strategy							
2003 Pledged Revenue	$177,519,560		$25,101,829		$1,189,111		$203,810,500
2003 Project Operating Fund	$10,123,421		($35,179)		$46,163		$10,134,405
Subtotal	**$187,642,981**		**$25,066,650**		**$1,235,274**		**$213,944,905**
Total	**$302,228,434**		**$25,578,436**		**($3,185,133)**		**$324,621,738**

Notes:
1. Beginning Period Value is as of July 31, 2022 and Ending Period Value is as of October 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	$4,113,191		$0		$20,857		$4,134,048
2000 Arbitrage Rebate	$837,788		$0		$4,803		$842,591
1993 Unpledged Revenue	$8,824,721		$5,118,469		$65,806		$14,008,996
2003 Residual Fund	$41,514,181		($41,279,250)		$25,434		$260,365
Joint Purpose Fund	$382,746		$39,315,545		$218,585		$39,916,877
Special Fund	$968,286		$0		$5,547		$973,832
BPCPC Operating Reserve	$1,043,985		$0		$6,408		$1,050,393
BPCA Goldman Sachs Liberty Contribution Fund	$1,438		$0		$0		$1,438
BPCA Series 2009A Project Costs	$12		($12)		$0		$0
BPCA2013ACDE Proj Cost Sub AC	$10,183,055		($151,900)		$62,208		$10,093,363
BPCA Pier A Reserve Fund	$1,419,979		$0		$8,491		$1,428,470
BPCA 2019A Comm Ctr SB Proj	$102		$0		$0		$102
BPCA 2019A Sustainable Proj	$30,755,329		($4,866,339)		$174,978		$26,063,968
BPCA 2019ABCDE COI	$5,628		$0		$0		$5,628
BPCA 2019BDE Project	$6,390,326		($223,841)		$38,871		$6,205,356
BPCA 2019C Pier A SB Proj	$3,556,508		$0		$21,727		$3,578,235
Subtotal	**$109,997,274**		**($2,087,327)**		**$653,715**		**$108,563,662**

Notes:
1. Beginning Period Value is as of Jult 31, 2022 and Ending Period Value is as of October 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]
Ramirez Asset Management Accounts							
Liberty Terr Mariners Cove-K	$305,973		$0		($409)		305,563.31
Liberty House Mariners J	$250,298		$0		($335)		$249,963
Rector Park L	$34,845		$0		($46)		$34,800
Hudson View W Towers G	$176,212		$0		($236)		$175,976
Hudson Towers E/F	$214,308		$0		($287)		$214,021
Hudson View Towers C	$189,169		$0		($253)		$188,916
Liberty Ct Mariners Cove B	$624,822		$0		($838)		$623,983
Millenium	$3,772,280		$0		($5,060)		$3,767,220
Liberty Battery Place Assoc 4	$450,531		$0		($604)		$449,927
South Cove Assoc 11	$409,141		$0		($549)		$408,592
Soundings Rector Park A	$218,964		$0		($293)		$218,670
The Regatta Site 10	$499,528		$0		($670)		$498,858
Debt Service Junior Payments	$20,875,071		($3,898,256)		$84,455		$17,061,269
2003 Debt Service Senior Payments	$54,915,485		$0		$235,355		$55,150,840
BPCA Millenium Tower Security Fund 2A	$3,150,184		$0		($4,227)		$3,145,957
BPCA S 16/17 Riverhouse Security Fund	$6,693,378		$0		($8,982)		$6,684,397
BPCA Visionaire Security Fund	$4,076,015		$0		($5,469)		$4,070,546
BPCA One Rector Park Security Fund	$1,000,342		$0		($1,342)		$999,001
BPCA Rector Square Security Fund Site D	$230,356		$0		($309)		$230,047
BPCA WFC Tower C Retail Rent Escrow	$259,735		$0		($348)		$259,387
BPCA River & Warren Sec Fund - Site 19A	$6,164,591		$0		($8,273)		$6,156,319
BPCA North Cove Marina Security Fund	$53,330		$0		($70)		$53,259
Subtotal	**$104,564,559**		**($3,898,256)**		**$281,210**		**$100,947,512**

Notes:
1. Beginning Period Value is as of July 31, 2022 and Ending Period Value is as of October 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.

II. Summary of Aggregate Portfolio

Aggregate Portfolio Issuer Breakdown

Security Type	**October 31, 2022**	**% of Portfolio**	July 31, 2022	% of Portfolio	QoQ % Change
United States Treasury[2]					
U.S. Treasury	**$418,606,677**	**85.5%**	$453,398,608	88.1%	(2.6%)
Ginnie Mae	**$517,223**	**0.1%**	$593,308	0.1%	(0.0%)
Small Business Administration	**$712,936**	**0.1%**	$786,786	0.2%	(0.0%)
Federal Agencies and Instrumentalities[2,3]					
Freddie Mac	**$109,480**	**0.0%**	$124,864	0.0%	(0.0%)
Fannie Mae	**$275,542**	**0.1%**	$299,849	0.1%	(0.0%)
Federal Home Loan Bank	**$15,353,906**	**3.1%**	$2,122,614	0.4%	2.7%
International Bank of Recon and Development	**$6,368,761**	**1.3%**	$6,548,012	1.3%	0.0%
International American Development Bank	**$4,501,755**	**0.9%**	$4,642,787	0.9%	0.0%
Asian Development Bank	**$3,292,200**	**0.7%**	$3,386,319	0.7%	0.0%
African Development Bank	**$1,354,772**	**0.3%**	$2,367,940	0.5%	(0.2%)
Commercial Paper[2]					
JP Morgan	**$1,484,910**	**0.3%**	$2,474,097	0.5%	(0.2%)
Toyota Motor Credit Corporation	**$7,297,892**	**1.5%**	$7,251,199	1.4%	0.1%
TD Bank	**$9,955,100**	**2.0%**	$9,885,610	1.9%	0.1%
Walmart Inc	**$0**	**0.0%**	$498,978	0.1%	(0.1%)
BNP Paribas	**$9,985,340**	**2.0%**	$9,911,990	1.9%	0.1%
Collat Comm Paper	**$0**	**0.0%**	$522,482	0.1%	(0.1%)
MetLife Funding Inc	**$3,241,752**	**0.7%**	$3,224,797	0.6%	0.0%
Pacific Life	**$1,647,669**	**0.3%**	$1,636,138	0.3%	0.0%
Municipal Issuers[2]					
New York City	**$3,610,118**	**0.7%**	$3,895,509	0.8%	(0.0%)
NY State Dorm Authority	**$364,521**	**0.1%**	$387,456	0.1%	(0.0%)
New York State	**$796,461**	**0.2%**	$815,070	0.2%	0.0%
TOTAL	**$489,477,015**	**100.0%**	**$514,774,413**	**100.0%**	

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

Portfolio Value – Total Return Accounts

	October 31, 2022			July 31, 2022			
Longer Term Investment Strategy	**Market Value [1]**	**Effective Duration**	**% of Total Portfolio**	Market Value [1]	Effective Duration	% of Total Portfolio	QoQ % Change
2003 Reserve Fund	**$32,703,246**	**2.24**	**6.7%**	$33,617,600	2.39	6.5%	0.2%
BPCPC Operating Reserve Contingency	**$10,584,369**	**3.35**	**2.2%**	$12,559,115	3.30	2.4%	-0.3%
Insurance Fund	**$5,699,447**	**3.35**	**1.2%**	$5,958,251	3.60	1.2%	0.0%
Operating Budget Reserve	**$22,678,169**	**3.10**	**4.6%**	$21,610,538	3.56	4.2%	0.4%
BPCA Other Post-Employment Benefits	**$39,006,309**	**3.35**	**8.0%**	$40,774,713	3.49	7.9%	0.0%
Subtotal Longer Term Investment Strategy	***$110,671,540***	***2.97***	***22.6%***	***$114,520,217***	***3.16***	***22.2%***	***0.4%***
Short Term Investment Strategy							
2003 Pledged Revenue	**$203,809,618**	**0.06**	**41.6%**	$177,158,414	0.27	34.4%	7.2%
2003 Project Operating Fund	**$10,133,014**	**0.10**	**2.1%**	$10,121,571	0.18	2.0%	0.1%
Subtotal Short Term Investment Strategy	***$213,942,632***	***0.06***	***43.7%***	***$187,279,985***	***0.27***	***36.4%***	***7.3%***
Subtotal of Total Return Accounts	**$324,614,172**	**1.05**	**66.3%**	**$301,800,201**	**1.37**	**58.6%**	**7.7%**

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

Portfolio Value – Other BPCA Accounts

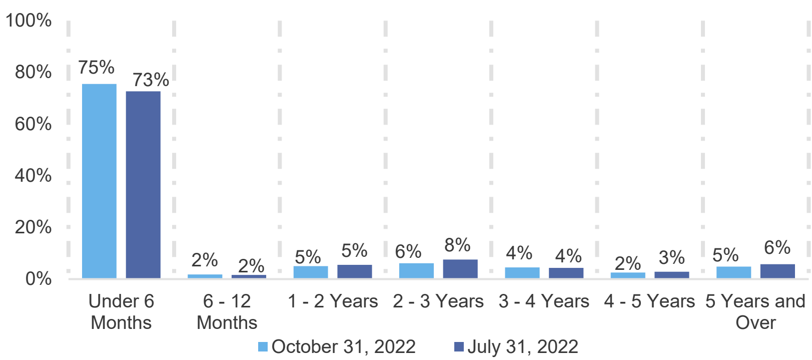
	October 31, 2022			July 31, 2022			
	Market Value [1]	Effective Duration	% of Total Portfolio	Market Value [1]	Effective Duration	% of Total Portfolio	QoQ % Change
Corporate Funds	$4,133,720	0.15	0.8%	$4,110,816	0.37	0.8%	0.0%
2000 Arbitrage Rebate	$841,991	0.10	0.2%	$836,992	0.17	0.2%	0.0%
1993 Unpledged Revenue	$13,969,984	0.03	2.9%	$8,812,923	0.20	1.7%	1.1%
2003 Residual Fund	$260,071	0.10	0.1%	$41,510,885	0.04	8.1%	(8.0%)
Joint Purpose Fund	$39,915,842	0.04	8.2%	$382,473	0.08	0.1%	8.1%
Special Fund	$973,521	0.10	0.2%	$967,523	0.17	0.2%	0.0%
BPCPC Operating Reserve	$1,049,298	0.02	0.2%	$1,043,561	0.08	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	$0	0.00	0.0%	$0	0.00	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	$10,092,294	0.04	2.1%	$10,180,621	0.08	2.0%	0.1%
BPCA2013B PROJ COSTS SUB AC	$0	0.00	0.0%	$0	0.00	0.0%	-
BPCA PIER A RESERVE FUND	$1,427,485	0.05	0.3%	$1,419,902	0.26	0.3%	0.0%
BPCA SUBORDINATED PAYMENT ACCOUNT	$0	0.00	0.0%	$0	0.00	0.0%	-
BPCA 2019A Comm Ctr SB Proj	$0	0.00	0.0%	$0	0.00	0.0%	-
BPCA 2019A Sustainable Proj	$26,063,327	0.02	5.3%	$30,751,724	0.10	6.0%	(0.6%)
BPCA 2019ABCDE COI	$0	0.00	0.0%	$0	0.00	0.0%	-
BPCA 2019BDE Project	$6,204,194	0.01	1.3%	$6,388,404	0.08	1.2%	0.0%
BPCA 2019C Pier A SB Proj	$3,577,759	0.03	0.7%	$3,555,339	0.07	0.7%	0.0%
Liberty Terr Mariners Cove-K	$304,634	0.00	0.1%	$305,954	0.01	0.1%	0.0%
Liberty House Mariners J	$249,334	0.00	0.1%	$249,962	0.01	0.0%	0.0%
Rector Park L	$33,956	0.00	0.0%	$33,995	0.01	0.0%	0.0%
Hudson View W Towers G	$175,601	0.00	0.0%	$175,973	0.01	0.0%	0.0%
Hudson Towers E/F	$213,438	0.00	0.0%	$213,968	0.01	0.0%	0.0%
Hudson View Towers C	$188,214	0.00	0.0%	$188,971	0.01	0.0%	0.0%
Liberty Ct Mariners Cove B	$623,821	0.00	0.1%	$623,906	0.01	0.1%	0.0%
Millenium	$3,767,182	0.00	0.8%	$3,771,430	0.01	0.7%	0.0%
Liberty Battery Place Assoc 4	$449,190	0.00	0.1%	$449,932	0.01	0.1%	0.0%
South Cove Assoc 11	$408,443	0.00	0.1%	$408,938	0.01	0.1%	0.0%
Soundings Rector Park A	$218,289	0.00	0.0%	$217,967	0.01	0.0%	0.0%
The Regatta Site 10	$498,669	0.00	0.1%	$498,925	0.01	0.1%	0.0%
Debt Service Junior Payments	$11,000,548	0.00	2.2%	$19,336,350	0.36	3.8%	(1.5%)
2003 Debt Service Senior Payments	$16,627,926	0.00	3.4%	$54,913,043	0.39	10.7%	(7.3%)
BPCA Millenium Tower Security Fund 2A	$3,145,301	0.00	0.6%	$3,149,524	0.01	0.6%	0.0%
BPCA S 16/17 Riverhouse Security Fund	$6,683,522	0.00	1.4%	$6,692,989	0.01	1.3%	0.1%
BPCA Visionaire Security Fund	$4,069,876	0.00	0.8%	$4,075,385	0.01	0.8%	0.0%
BPCA Pier A Security Deposit Account	$0	0.00	0.0%	$0	0.00	0.0%	-
BPCA One Rector Park Security Fund	$998,308	0.00	0.2%	$999,849	0.01	0.2%	0.0%
BPCA Rector Square Security Fund Site D	$229,931	0.00	0.0%	$229,965	0.01	0.0%	0.0%
BPCA WFC TOWER C RETAIL RENT ESCROW	$259,036	0.00	0.1%	$258,961	0.01	0.1%	0.0%
BPCA RIVER & WARREN SEC FUND - SITE 19A	$6,155,748	0.00	1.3%	$6,164,069	0.01	1.2%	0.1%
BPCA NORTH COVE MARINA SECURITY FUND	$52,389	0.00	0.0%	$52,992	0.01	0.0%	0.0%
Subtotal of Other BPCA Accounts	**$164,862,842**	**0.03**	**33.7%**	$212,974,212	0.18	41.4%	(7.7%)

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.

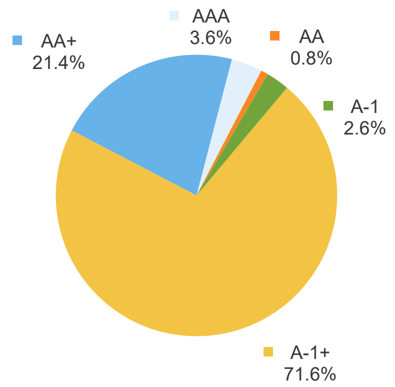
Aggregate Portfolio Summary: PFM Asset Management

Security Type[1]	October 31, 2022	% of Advisor	% of Total Portfolio	Effective Duration	July 31, 2022	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	**$362,276,649**	83.6%	74.0%	**0.81**	**$351,410,556**	85.3%	68.3%	**1.00**	**(1.7%)**
Federal Agencies and Instrumentalities (non-MBS)	**$30,871,394**	7.1%	6.3%	**1.09**	**$19,067,672**	4.6%	3.7%	**2.07**	**2.5%**
Commercial Paper	**$33,612,663**	7.8%	6.9%	**0.07**	**$34,406,939**	8.4%	6.7%	**0.33**	**(0.6%)**
Municipals	**$4,771,099**	1.1%	1.0%	**2.54**	**$5,098,035**	1.2%	1.0%	**2.74**	**(0.1%)**
Government MBS[2]	**$1,591,853**	0.4%	0.3%	**2.92**	**$1,778,162**	0.4%	0.3%	**2.99**	**(0.1%)**
Totals	**$433,123,658**	**100%**	**88.5%**	**0.80**	**$411,761,364**	**100.0%**	**80.0%**	**1.03**	

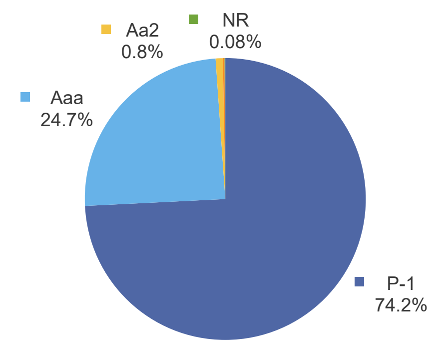
Maturity Distribution as of 10/31/2022



Credit Quality (S&P) as of 10/31/2022



Credit Quality (Moody's) as of 10/31/2022

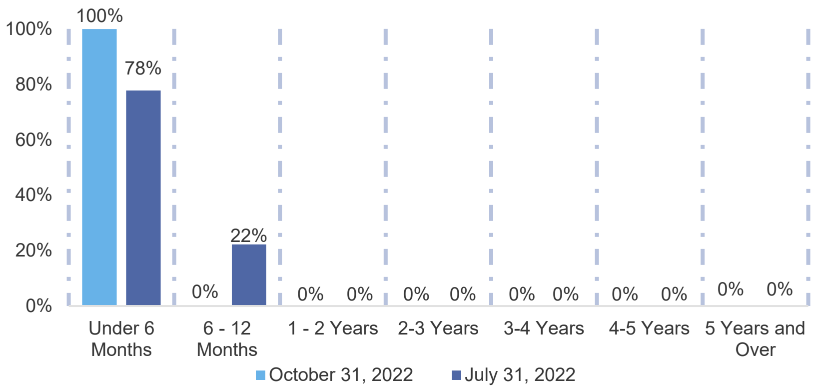


Notes:
1. Market Value includes accrued interest but does not include cash balances held at the bank.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.
3. NR holdings are not rated by S&P but rated by Moody's and are in compliance with BPCA's investment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

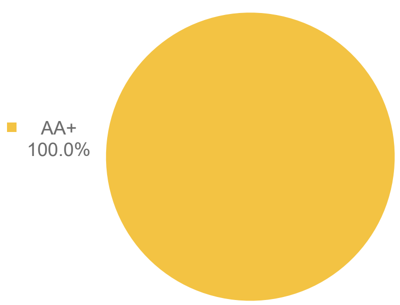
Aggregate Portfolio Summary: Ramirez Asset Management

Security Type[1]	October 31, 2022	% of Advisor	% of Total Portfolio	Effective Duration	July 31, 2022	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	**$56,330,028**	100.0%	11.5%	**0.55**	$101,988,051	99.0%	20.8%	0.28	**1.0%**
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**	$998,352	1.0%	0.2%	0.06	**(1.0%)**
Municipals	**$0**	0.0%	0.0%	**0.00**	$0	0.0%	0.0%	0.00	**-**
Government MBS[2]	**$23,329**	0.0%	0.0%	**1.55**	$26,645	0.0%	0.0%	1.60	**0.0%**
Totals	**$56,353,356**	**100%**	**11.5%**	**0.55**	**$103,013,049**	**100.0%**	**21.0%**	**0.28**	

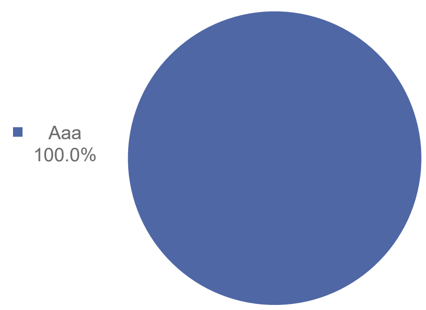
Maturity Distribution as of 10/31/2022



Credit Quality (S&P) as of 10/31/2022



Credit Quality (Moody's) as of 10/31/2022



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.

Portfolio Earnings – PFMAM-Managed Accounts

Portfolio Earnings *Quarter-Ended October 31, 2022*		
	Market Value Basis [3]	**Accrual (Amortized Cost) Basis**
Beginning Value - July 2022 [1]	$411,156,501	$416,130,318
Net Purchases (Sales)	$24,453,930	$24,453,930
Change in Value	($3,038,632)	$1,570,430
Ending Value - October 2022 [1]	$432,571,799	$442,154,679
Net Income [2]	$507,214	$507,214
Porfolio Earnings	($2,531,418)	$2,077,644

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

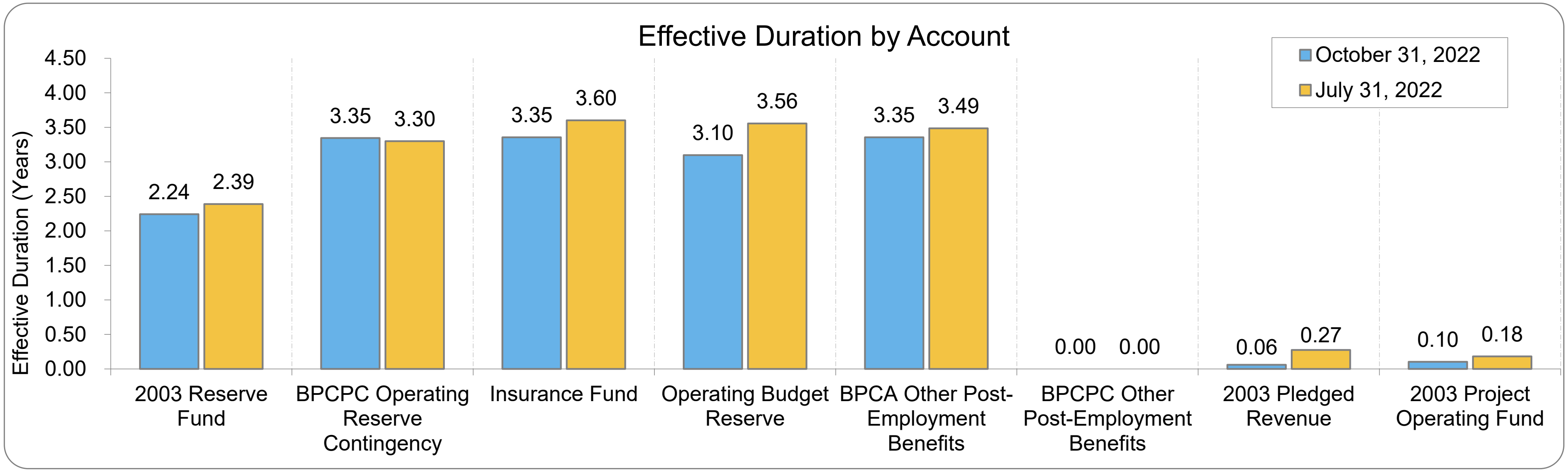
Portfolio Earnings *Quarter-Ended October 31, 2022*	Market Value Basis [1, 4]	Accrual (Amortized Cost) Basis [2]
Beginning Value - July 2022	$102,638,108	$103,434,312
Net Purchases (Sales)	($46,268,033)	($46,268,033)
Change in Value	($75,609)	($349,339)
Ending Value -October 2022	$56,294,467	$56,816,940
Net Income [3]	$352,917	$352,917
Porfolio Earnings	$277,308	$3,577

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) October 31, 2022	Effective Duration (in years) July 31, 2022	Yield To Maturity - At Market October 31, 2022	Yield To Maturity - At Market July 31, 2022	Yield To Maturity - On Cost October 31, 2022	Yield To Maturity - On Cost July 31, 2022
Longer Term Investment Strategy						
2003 Reserve Fund	**2.24**	2.39	**4.58%**	2.93%	**1.39%**	1.34%
BPCPC Operating Reserve Contingency	**3.35**	3.30	**4.47%**	2.83%	**1.40%**	1.45%
Insurance Fund	**3.35**	3.60	**4.46%**	2.85%	**1.63%**	1.59%
Operating Budget Reserve	**3.10**	3.56	**4.36%**	2.86%	**1.43%**	1.16%
BPCA Other Post-Employment Benefits	**3.35**	3.49	**4.48%**	2.88%	**1.59%**	1.53%
Short Term Investment Strategy						
2003 Pledged Revenue	**0.06**	0.27	**3.01%**	2.46%	**2.41%**	2.04%
2003 Project Operating Fund	**0.10**	0.18	**2.86%**	2.32%	**2.67%**	1.69%



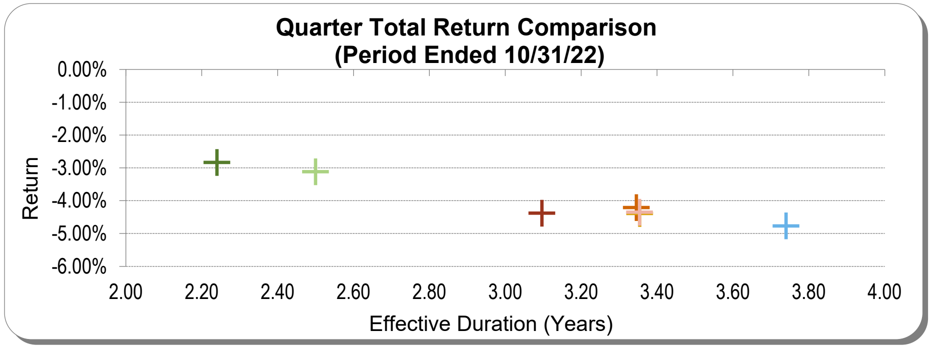
BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021

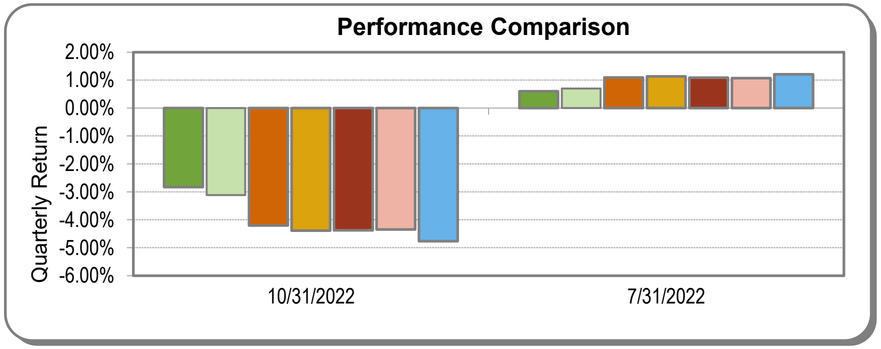
Portfolios Managed with a Longer-Term Investment Strategy

Longer-Term Investment Strategy

Total Return[1,2,4,5]	October 31, 2022	Annualized Since Inception
2003 Reserve Fund	**(2.83%)**	2.66%
BM: BAML 1-5 Year US Treasury Note Index	**(3.12%)**	2.57%
BPCPC Operating Reserve Contingency	**(4.21%)**	2.97%
Insurance Fund	**(4.39%)**	2.94%
Operating Budget Reserve	**(4.38%)**	3.06%
BM: BAML 1-10 Year US Treasury Note Index	**(4.77%)**	2.72%
BPCA Other Post-Employment Benefits	**(4.35%)**	2.33%
BM: BAML 1-10 Year US Treasury Note Index	**(4.77%)**	1.78%

Effective Duration (in years)[3]	October 31, 2022	July 31, 2022
2003 Reserve Fund	**2.24**	2.39
BM: BAML 1-5 Year US Treasury Note Index	**2.50**	2.50
BPCPC Operating Reserve Contingency	**3.35**	3.30
Insurance Fund	**3.35**	3.60
Operating Budget Reserve	**3.10**	3.56
BPCA Other Post-Employment Benefits	**3.35**	3.49
BM: BAML 1-10 Year US Treasury Note Index	**3.74**	3.74



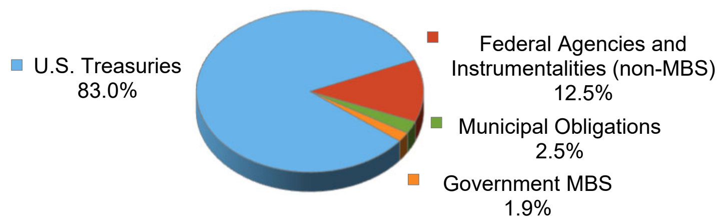


Notes:
1. Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. 2003 Reserve Fund, Operating Budget Reserve, Insurance Fund, and the Operating Reserve Contingency Funds temporarily suspended their investment strategies from June 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.
7. BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021

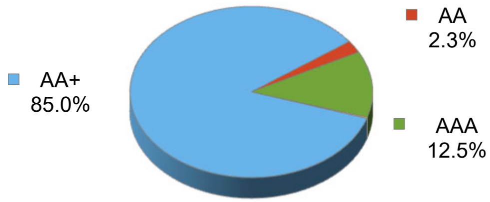
2003 Reserve Fund Portfolio

Security Type[1]	October 31, 2022	% of Portfolio	July 31, 2022	% of Portfolio	QoQ % Change
U.S. Treasuries	**$27,159,447**	**83.0%**	$27,726,457	82.5%	0.6%
Federal Agencies and Instrumentalities (non-MBS)	**$4,089,510**	**12.5%**	$4,212,430	12.5%	(0.0%)
Commercial Paper	**$0**	**0.0%**	$0	0.0%	0.0%
Municipal Obligations	**$822,624**	**2.5%**	$973,594	2.9%	(0.4%)
Government MBS	**$631,666**	**1.9%**	$705,118	2.1%	(0.2%)
Totals	**$32,703,246**	**100.0%**	**$33,617,600**	**100.0%**	

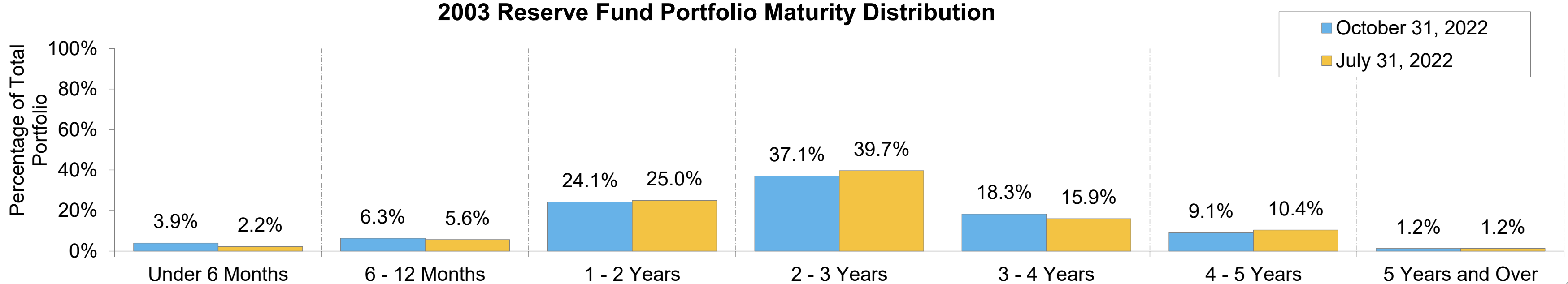
Portfolio Composition as of 10/31/22



Credit Quality Distribution as of 10/31/22



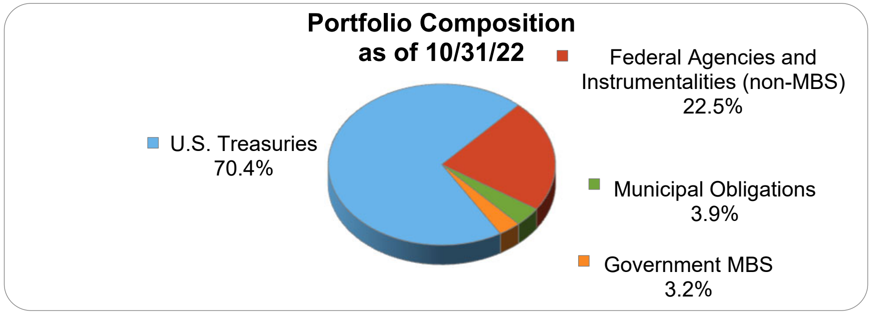
2003 Reserve Fund Portfolio Maturity Distribution

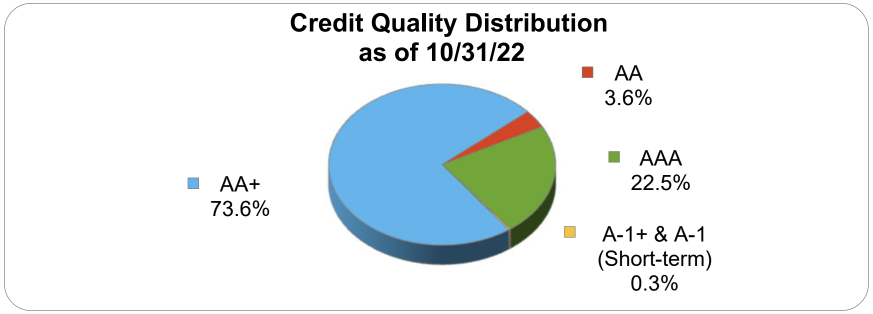


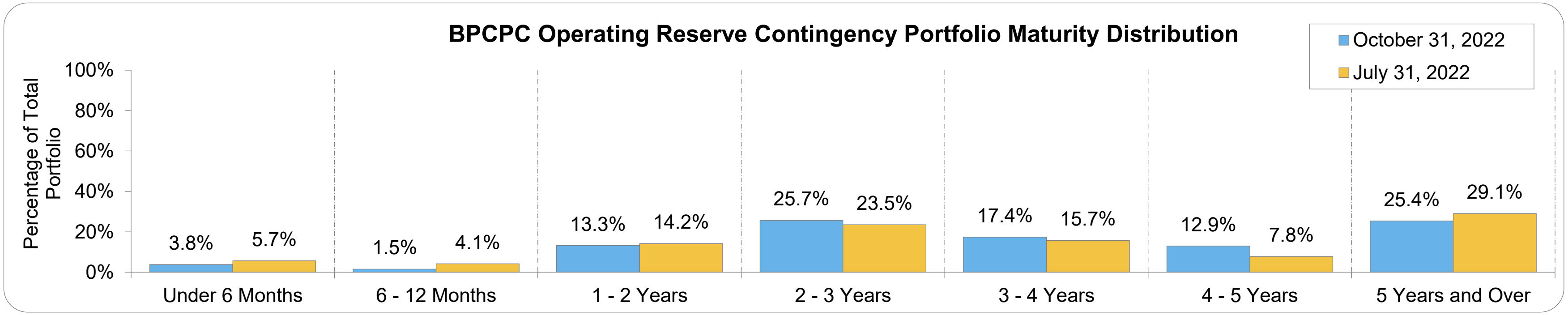
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

BPCPC Operating Reserve Contingency Portfolio

Security Type[1]	October 31, 2022	% of Portfolio	July 31, 2022	% of Portfolio	QoQ % Change
U.S. Treasuries	**$7,450,340**	**70.4%**	$9,295,120	74.0%	(3.6%)
Federal Agencies and Instrumentalities (non-MBS)	**$2,386,383**	**22.5%**	$2,454,985	19.5%	3.0%
Commercial Paper	**$0**	**0.0%**	$0	0.0%	0.0%
Municipal Obligations	**$410,814**	**3.9%**	$433,402	3.5%	0.4%
Government MBS	**$336,832**	**3.2%**	$375,608	3.0%	0.2%
Totals	**$10,584,369**	**100.0%**	**$12,559,115**	**100.0%**	



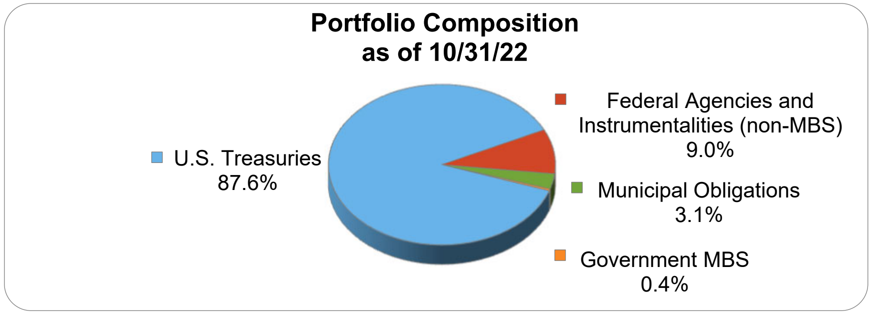


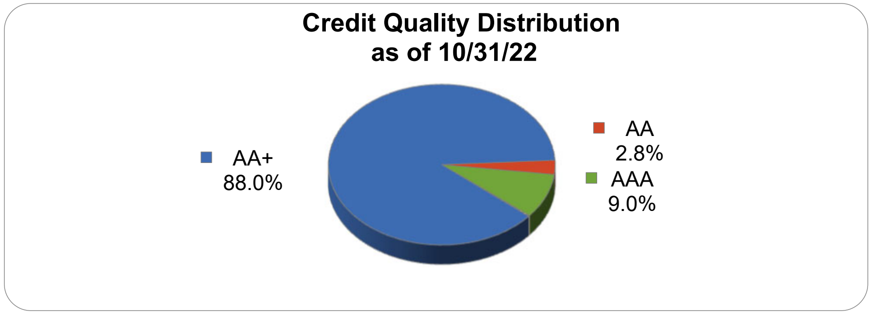


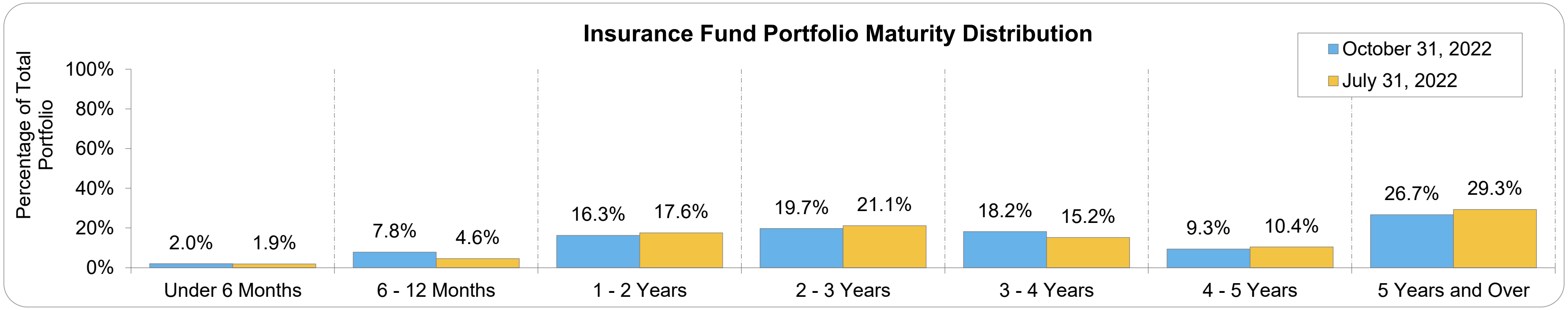
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

Insurance Fund Portfolio

Security Type[1]	October 31, 2022	% of Portfolio	July 31, 2022	% of Portfolio	QoQ % Change
U.S. Treasuries	**$4,990,624**	**87.6%**	$5,119,063	85.9%	1.6%
Federal Agencies and Instrumentalities (non-MBS)	**$511,992**	**9.0%**	$629,464	10.6%	(1.6%)
Commercial Paper	**$0**	**0.0%**	$0	0.0%	0.0%
Municipal Obligations	**$175,447**	**3.1%**	$185,111	3.1%	(0.0%)
Government MBS	**$21,384**	**0.4%**	$24,614	0.4%	(0.0%)
Totals	**$5,699,447**	**100.0%**	**$5,958,251**	**100.0%**	



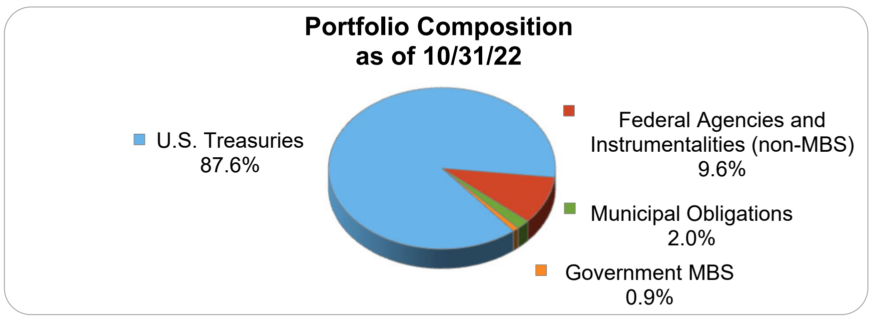


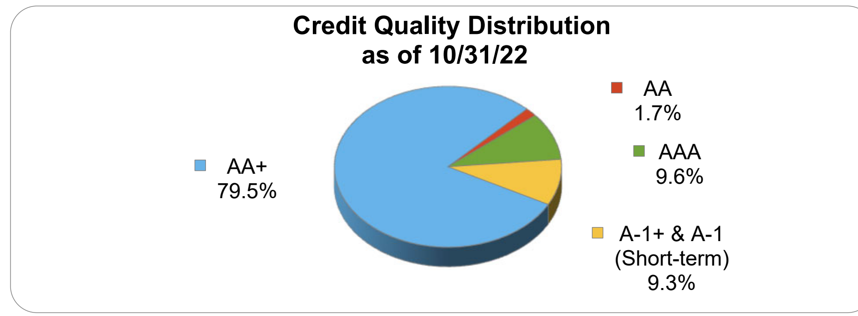


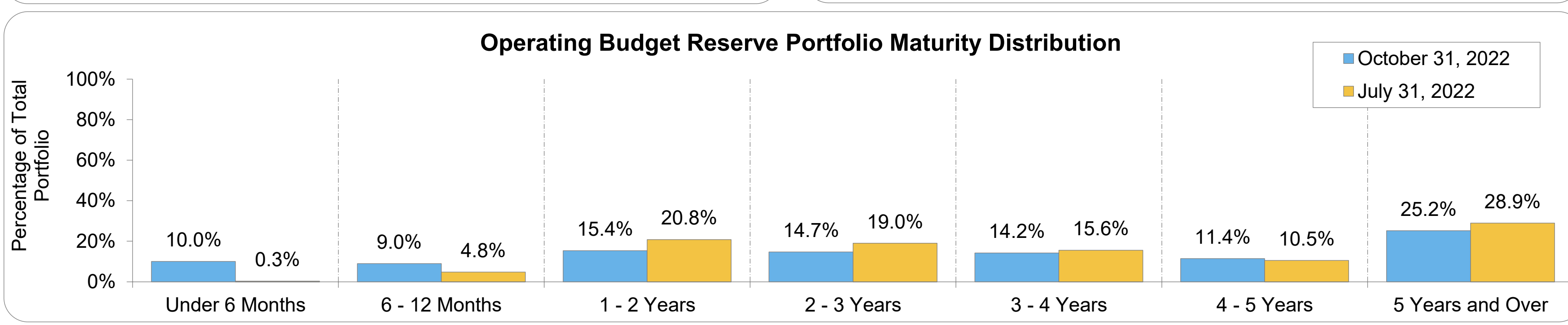
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

Operating Budget Reserve Portfolio

Security Type[1]	October 31, 2022	% of Portfolio	July 31, 2022	% of Portfolio	QoQ % Change
U.S. Treasuries	**$19,870,077**	**87.6%**	$18,524,108	85.7%	1.9%
Federal Agencies and Instrumentalities (non-MBS)	**$2,169,606**	**9.6%**	$2,401,948	11.1%	(1.5%)
Commercial Paper	**$0**	**0.0%**	$0	0.0%	0.0%
Municipal Obligations	**$442,390**	**2.0%**	$468,543	2.2%	(0.2%)
Government MBS	**$196,096**	**0.9%**	$215,939	1.0%	(0.1%)
Totals	**$22,678,169**	**100.0%**	**$21,610,538**	**100.0%**	





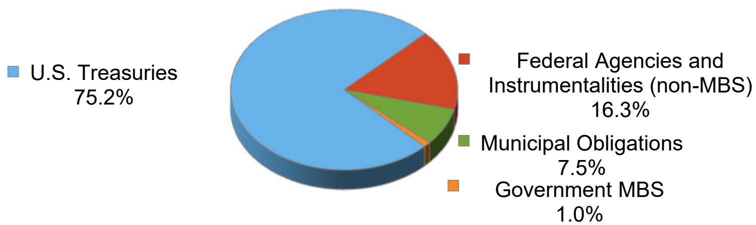


Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

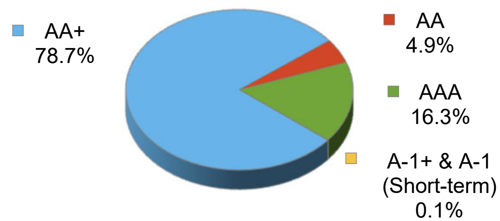
BPCA OPEB Portfolio

Security Type[1]	October 31, 2022	% of Portfolio	July 31, 2022	% of Portfolio	QoQ % Change
U.S. Treasuries	**$29,320,612**	**75.2%**	$30,034,213	73.7%	1.5%
Federal Agencies and Instrumentalities (non-MBS)	**$6,359,998**	**16.3%**	$7,246,231	17.8%	(1.5%)
Commercial Paper	**$0**	**0.0%**	$0	0.0%	0.0%
Municipal Obligations	**$2,919,825**	**7.5%**	$3,037,386	7.4%	0.0%
Government MBS	**$405,874**	**1.0%**	$456,883	1.1%	(0.1%)
Totals	**$39,006,309**	**100.0%**	**$40,774,713**	**100.0%**	

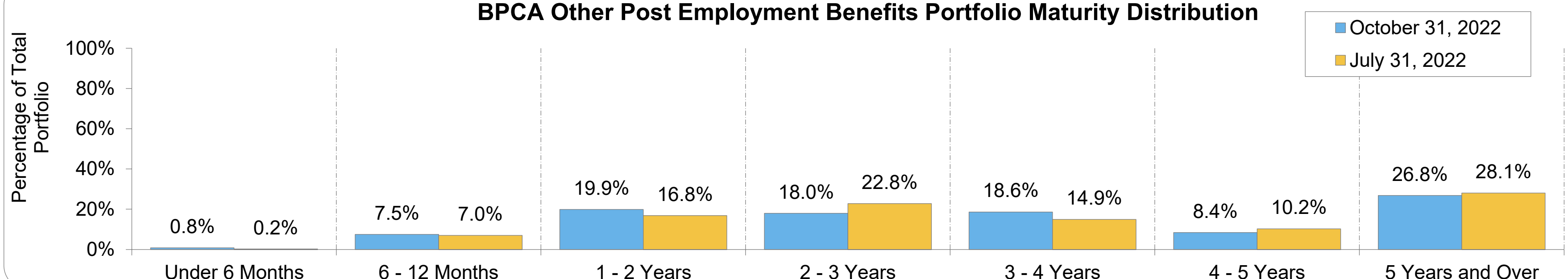
Portfolio Composition as of 10/31/22



Credit Quality Distribution as of 10/31/22



BPCA Other Post Employment Benefits Portfolio Maturity Distribution



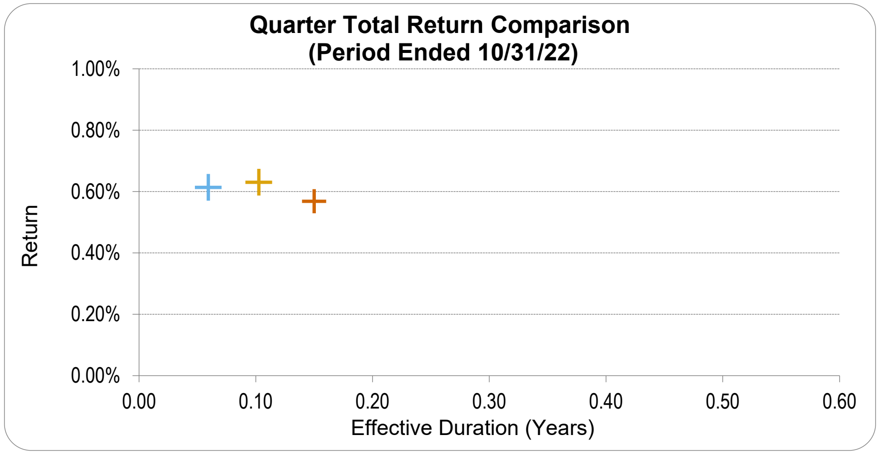
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.
3. NR holdings are not rated by S&P, but rated by Moody's and are in compliance with BPCA's investment policy.
4. BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021

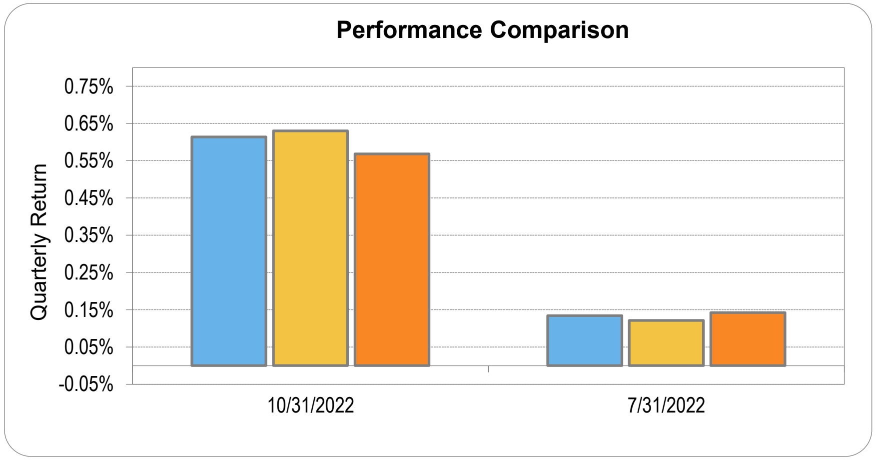
Portfolios Managed with a Shorter-Term Investment Strategy

Shorter-Term Investment Strategy

Total Return[1,2,4,5]	October 31, 2022	Annualized Since Inception
2003 Pledged Revenue	**0.61%**	1.15%
2003 Project Operating Fund	**0.63%**	1.15%
BM: BAML 3 Month US Treasury Bill Index	**0.57%**	1.09%

Effective Duration (in years)[3]	October 31, 2022	July 31, 2022
2003 Pledged Revenue	0.06	0.27
2003 Project Operating Fund	0.10	0.18
BM: BAML 3-Month US Treasury Bill Index	**0.15**	**0.16**



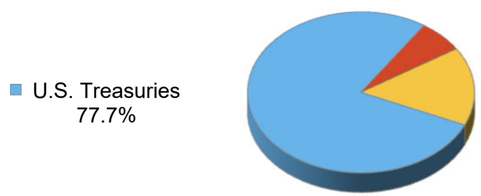


Notes:
1. Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. Bank of America/Merrill Lynch (BAML) indices provided by Bloomberg Financial Markets. The total returns shown for periods longer than a year are the annualized returns 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.

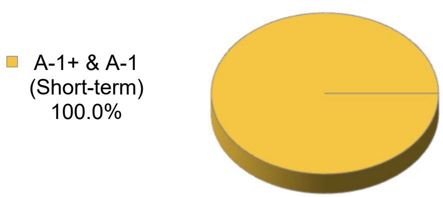
2003 Pledged Revenue

Security Type[1]	October 31, 2022	% of Portfolio	July 31, 2022	% of Portfolio	QoQ % Change
U.S. Treasuries	**$158,399,103**	**77.7%**	$145,248,680	82.0%	(4.3%)
Federal Agencies and Instrumentalities (non-MBS)	**$13,282,762**	**6.5%**	$0	0.0%	6.5%
Commercial Paper	**$32,127,753**	**15.8%**	$31,909,734	18.0%	(2.2%)
Municipal Obligations	**$0**	**0.0%**	$0	0.0%	0.0%
Government MBS	**$0**	**0.0%**	$0	0.0%	0.0%
Totals	**$203,809,618**	**100.0%**	**$177,158,414**	**100.0%**	

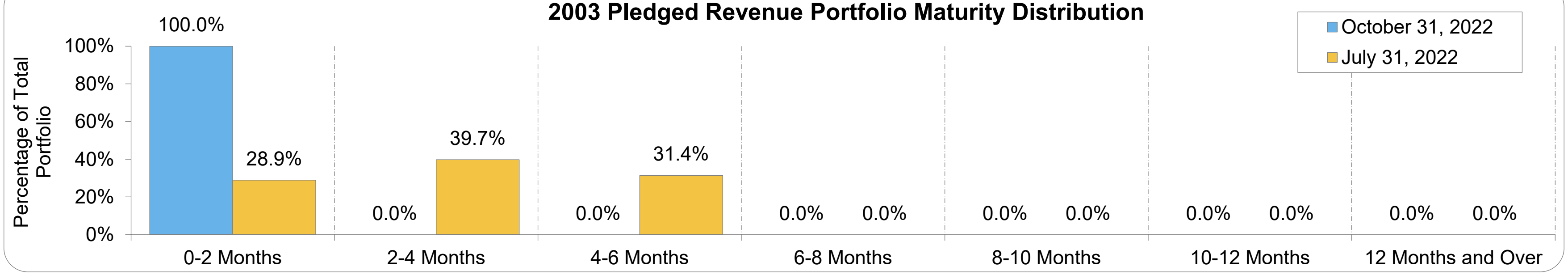
Portfolio Composition as of 10/31/22



Credit Quality Distribution as of 10/31/22



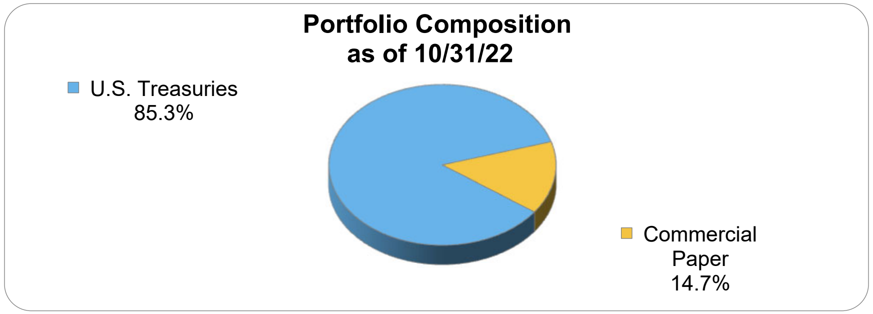
2003 Pledged Revenue Portfolio Maturity Distribution

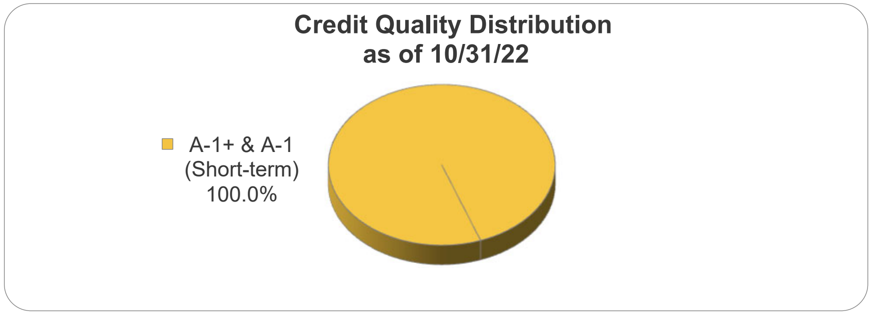


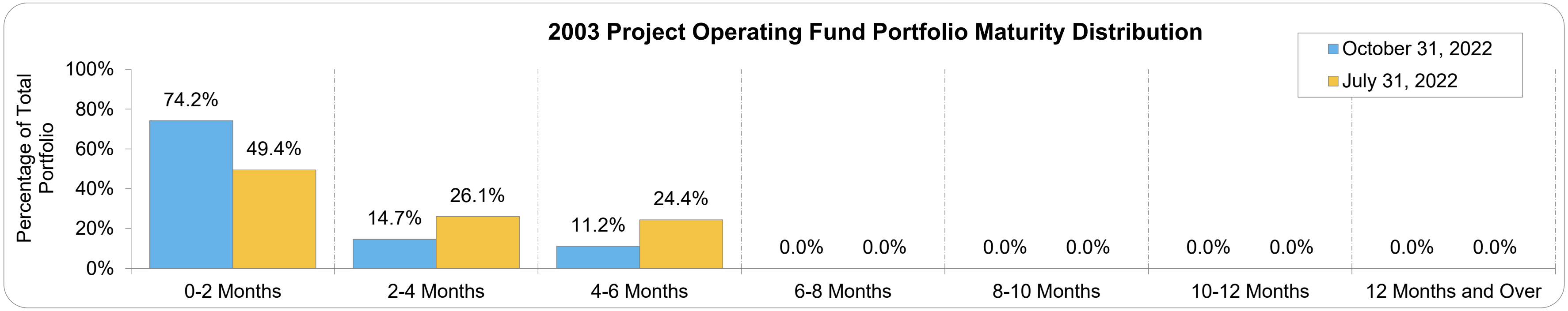
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

2003 Project Operating Fund Portfolio

Security Type[1]	October 31, 2022	% of Portfolio	July 31, 2022	% of Portfolio	QoQ % Change
U.S. Treasuries	**$8,648,104**	**85.3%**	$5,501,752	54.4%	31.0%
Federal Agencies and Instrumentalities (non-MBS)	**$0**	**0.0%**	$2,122,614	21.0%	(21.0%)
Commercial Paper	**$1,484,910**	**14.7%**	$2,497,205	24.7%	(10.0%)
Municipal Obligations	**$0**	**0.0%**	$0	0.0%	0.0%
Government MBS	**$0**	**0.0%**	$0	0.0%	0.0%
Totals	**$10,133,014**	**100.0%**	**$10,121,571**	**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

- ► In Q3, U.S. economic conditions were characterized by: (1) persistently high inflation despite recent energy price declines; (2) aggressive interest rate hikes by the Fed; (3) rising Treasury yields and two-decade-high mortgage rates; (4) further weakening of credit and equity markets; and (5) increasing recession probability.
- ► Interest rates surged and equity markets fell in reaction to the Fed's aggressive rate hikes designed to combat inflation. Over the first three calendar year quarters of 2022, the S&P 500 cemented its third worst performance of all time, the U.S. Dollar Index (DXY) had its second strongest year on record, and the 10-year U.S. Treasury experienced its largest net yield gain in 35 years.
- ► U.S. GDP accelerated at 2.6% pace in Q3, the first expansion release after two consecutive quarters of negative readings. A narrowing trade deficit and increases in consumer spending and government outlays boosted the number.
- ► Inflation remained a hot button issue as both key measures – CPI and PPI – came in hotter than expected in September. The consumer price index (CPI) rose 8.2% year-over-year (YoY) through September, with key contributions from food, energy, transportation and shelter costs. In October, inflation slowed notably with CPI up 7.7% vs. market expectations of 7.9%. Core CPI, which excludes volatile energy and food prices, climbed 6.3% in October from a year earlier, down from 6.6% in September, and less then market estimates of 6.5%.
- ► The third calendar quarter saw two more aggressive Fed interest rate hikes of 0.75% each– one in July and the other in September. This was followed by another 0.75% rate increase in early November's FOMC meeting. The federal funds rate now stands at a target range of 3.75%-4.00%; its the highest level since 2008. Prior to this cycle, the Fed had not raised its flagship policy rate by 0.75% in any single move since 1994, underscoring its steadfast resolve to fight persistent inflation

Economic Snapshot

- ► Signs of a recession have increased steadily with probability indexes reaching 60% and certain industries such as housing showing softening amid a series of hefty rate hikes. But the labor market remains strong and inflation remains high, both signs that have yet to flip, and as a result, Fed Chair Powell noted that "the incoming data since our last meeting suggests the ultimate level of interest rates will be higher than previously expected."
- ► The labor market remained strong in the third quarter and robust in October, in the final glimpse at the state of the economy ahead of midterm elections. Although the unemployment rate rose to 3.7%, Americans are still seeing rapid wage gains. The economy added 261,000 jobs in October, exceeding economists' projections, while September results were revised higher to 315,000 from 263,000.
- ► New-home sales fell 10.9% in September, which marks the fourth time in 2022 that these sales have fallen by 10% or more from the prior month. Considering multi-decade high mortgage rates, mortgage applications to purchase homes also fell 42% over the year. The average rate on a 30-year fixed-rate mortgage passed 7% on Nov. 4th, the first time in more than 20 years.

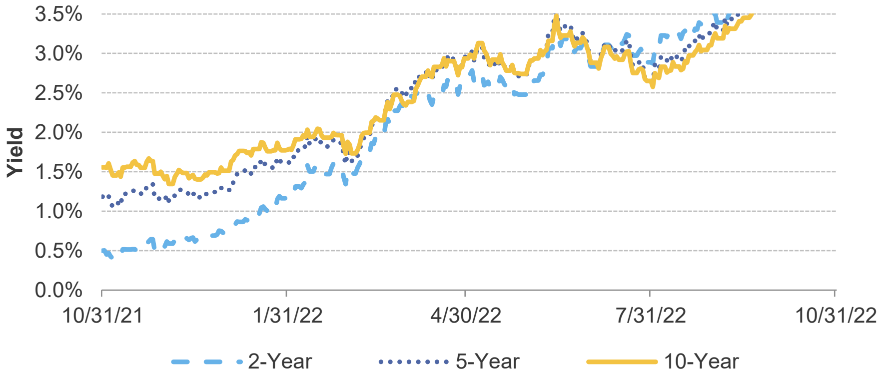
Interest Rates

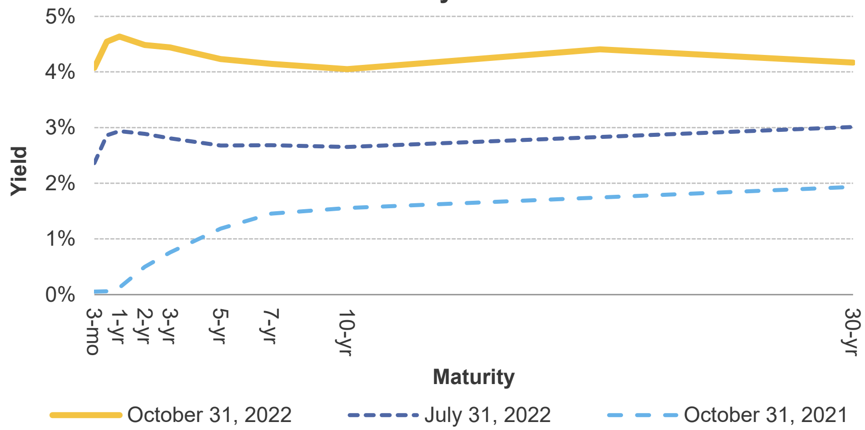
- ► On the heels of the Fed rate hikes, yields on U.S. Treasuries continued their relentless ascent higher. The yield on the 10-year U.S. Treasury rose to 4.05% by quarter-end, an increase of 140 basis points (1.40%) from July 31. The two-year Treasury yield ended the fiscal quarter even higher at 4.49%, up 160 basis points (1.60%) from 2.89% at the start of the quarter.
- ► The U.S. Treasury yield curve has been inverted now for some time between the 2- and 10-year tenors, a metric that is often monitored when evaluating the steepness of the curve. Further, the curve inverted between the 3-month and 10-year tenors for the first time in October since early 2020 – while largely expected, this metric from a macroeconomic perspective is strongly correlated as a sign to near-term economic downturn.
- ►The ICE BofA 2-, 5-, and 10-year U.S. Treasury indices returned -2.15%, -6.12%, and -10.69%, respectively for the fiscal quarter

Sector Performance

- ► Diversification away from U.S. Treasury securities was a mixed benefit for performance in the third quarter. Corporates and asset-backed securities (ABS) helped buoy portfolio performance relative to benchmarks, while mortgage-backed securities (MBS), supranationals and federal agencies all detracted.
- ► While federal agency non-callable securities continue to offer limited relative value to U.S. Treasuries, callable structures remain attractive from longer-term historical perspective. Liquidity continues to be a challenge in the sector as opportunistic sales have dissipated.
- ► Short-term credit instruments, including bank CDs and commercial paper, continue to offer exceptionally high yields with less rate sensitivity – and therefore less risk – than longer duration investments.
- ► Amid economic uncertainty, elevated bond market volatility, and the expectations for the Fed to continue to raise rates over the near term, we plan to maintain our modest defensive duration bias relative to benchmarks.

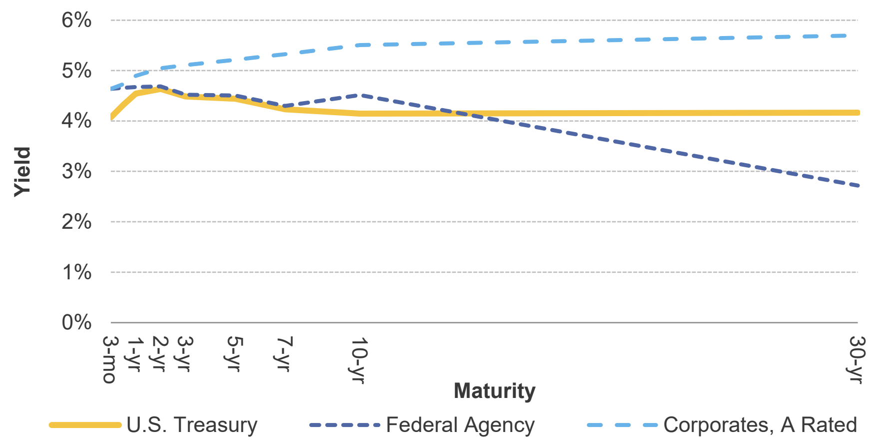
Interest Rate Overview





U.S. Treasury Yields

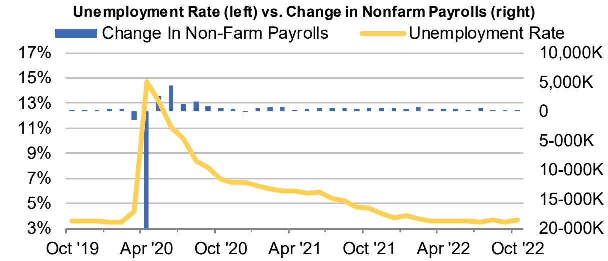
Maturity	Oct '22	Jul '22	Change over Quarter	Oct '21	Change over Year
3-month	4.07%	2.36%	1.71%	0.06%	4.01%
1-year	4.64%	2.94%	1.70%	0.12%	4.52%
2-year	4.49%	2.89%	1.60%	0.50%	3.99%
5-year	4.23%	2.68%	1.55%	1.19%	3.04%
10-year	4.05%	2.65%	1.40%	1.56%	2.49%
30-year	4.17%	3.01%	1.16%	1.93%	2.24%



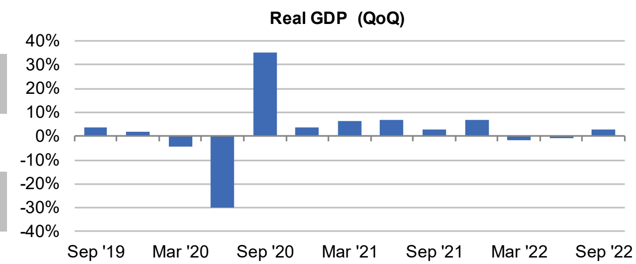
LIBOR Rates

Maturity	Oct '22	Jul '22	Change over Quarter	Oct '21	Change over Year
3-month	4.46%	2.79%	1.67%	0.13%	4.33%
1-year	5.45%	3.71%	1.74%	0.36%	5.09%

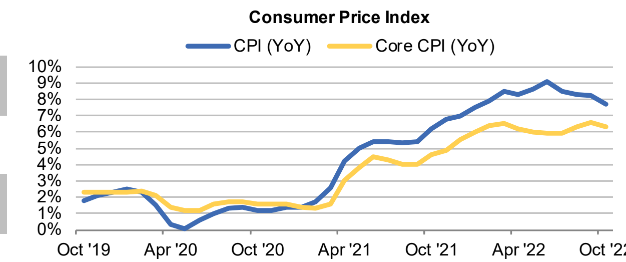
Labor Market		Latest	Jul '22	Oct '21
Unemployment Rate	Oct'22	3.7%	3.5%	4.6%
Change In Non-Farm Payrolls	Oct'22	261,000	537,000	677,000
Average Hourly Earnings (YoY)	Oct'22	4.7%	5.2%	5.4%
Personal Income (YoY)	Sep'22	5.2%	3.9%	6.0%
Initial Jobless Claims (week)	11/12/22	222,000	248,000	280,000



Growth				
Real GDP (QoQ SAAR)	2022Q3	2.6%	-0.6% [1]	2.7% [2]
GDP Personal Consumption (QoQ SAAR)	2022Q3	1.4%	2.0% [1]	3.0% [2]
Retail Sales (YoY)	Oct'22	8.3%	10.0%	16.6%
ISM Manufacturing Survey (month)	Oct'22	50.2	52.8	60.8
Existing Home Sales SAAR (month)	Oct'22	4.43 mil.	4.82 mil.	6.19 mil.



Inflation / Prices				
Personal Consumption Expenditures (YoY)	Sep'22	6.2%	6.4%	5.2%
Consumer Price Index (YoY)	Oct'22	7.7%	8.5%	6.2%
Consumer Price Index Core (YoY)	Oct'22	6.3%	5.9%	4.6%
Crude Oil Futures (WTI, per barrel)	Oct 31	$86.53	$98.62	$83.57
Gold Futures (oz.)	Oct 31	$1,641	$1,763	$1,784



1. Data as of Second Quarter 2022 *2. Data as of Third Quarter 2022*

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

ICE BofAML Index Returns

	As of 10/31/2022		Returns for Periods ended 10/31/2022		
October 31, 2022	**Duration**	**Yield**	**3 Month**	**1 Year**	**3 Years**
1-3 Year Indices					
U.S. Treasury	1.80	4.57%	(1.99%)	(4.67%)	(0.62%)
Federal Agency	1.82	4.68%	(2.05%)	(4.80%)	(0.74%)
U.S. Corporates, A-AAA rated	1.89	5.40%	(2.35%)	(5.15%)	(0.34%)
Agency MBS (0 to 3 years)	2.06	5.06%	(3.27%)	(6.57%)	(1.49%)
Taxable Municipals	2.07	5.16%	(2.99%)	(5.02%)	0.49%
1-5 Year Indices					
U.S. Treasury	2.53	4.49%	(3.12%)	(6.53%)	(1.14%)
Federal Agency	2.24	4.66%	(2.85%)	(6.50%)	(1.27%)
U.S. Corporates, A-AAA rated	2.62	5.44%	(3.75%)	(7.82%)	(0.98%)
Agency MBS (0 to 5 years)	3.05	5.04%	(4.92%)	(9.50%)	(2.35%)
Taxable Municipals	2.78	5.21%	(4.02%)	(7.12%)	(0.64%)
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.18	4.39%	(7.70%)	(14.52%)	(3.74%)
Federal Agency	3.53	4.66%	(4.78%)	(9.74%)	(2.01%)
U.S. Corporates, A-AAA rated	6.75	5.63%	(9.14%)	(18.67%)	(4.18%)
Agency MBS (0 to 30 years)	6.33	4.90%	(9.61%)	(15.10%)	(4.24%)
Taxable Municipals	9.23	5.67%	(11.41%)	(24.13%)	(5.23%)

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

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