

Hugh L. Carey Battery Park City Authority
Meeting of the Investment Committee
200 Liberty Street, 24th Floor
New York, New York 10281
March 8, 2023
12:30 p.m.

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF THE JANUARY 25, 2023 MINUTES
- III. QUARTERLY INVESTMENT REVIEW – 1Q23
- IV. NET ZERO UPDATE
- V. MOTION TO ADJOURN



Hugh L. Carey Battery Park City Authority

Review of Investment Performance

Quarter Ended January 31, 2023 | pfmam.com | 609.452.0263

PFM Asset Management LLC

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Agenda

I. Executive Summary

II. Summary of Aggregate Portfolio

III. Total Return Performance Attributes

IV. Market Commentary

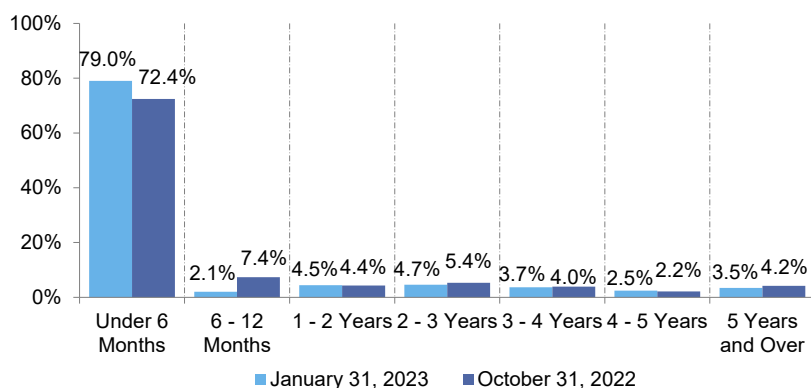
I. Executive Summary



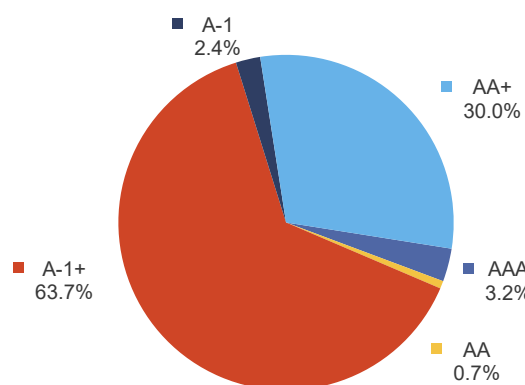
Aggregate Portfolio Composition and Credit Quality

| Security Type ¹ | January 31, 2023 | % of Portfolio | Effective Duration | October 31, 2022 | % of Portfolio | Effective Duration | QoQ Change (% of portfolio) |
|--|----------------------|----------------|--------------------|----------------------|----------------|--------------------|-----------------------------|
| U.S. Treasuries | \$561,050,579 | 93.4% | 0.56 | \$418,606,677 | 78.4% | 0.70 | 15.1% |
| Federal Agencies and Instrumentalities (non-MBS) | \$31,271,258 | 5.2% | 0.92 | \$30,871,394 | 5.8% | 1.09 | (0.6%) |
| Commercial Paper | \$0 | 0.0% | 0.00 | \$33,612,663 | 6.3% | 0.07 | (6.3%) |
| Municipals | \$4,908,723 | 0.8% | 2.25 | \$4,771,099 | 0.9% | 2.54 | (0.1%) |
| Government MBS ² | \$1,558,945 | 0.3% | 2.80 | \$1,615,181 | 0.3% | 2.88 | (0.0%) |
| Cash | \$1,662,728 | 0.3% | 0.00 | \$44,655,897 | 8.4% | 0.00 | (8.1%) |
| Totals | \$600,452,234 | 100.0% | 0.60 | \$534,132,911 | 100.0% | 0.65 | |

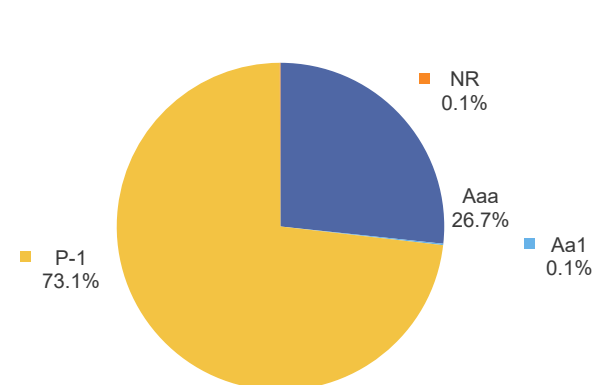
**Maturity Distribution
As of 1/31/2023**



**Credit Quality Distribution (S&P)
as of 1/31/2023**



**Credit Quality Distribution (Moody's)
as of 1/31/2023**



Notes:

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

Performance Overview – Total Return Strategies – January 31, 2023

| | Past Quarter | Past 12 Months | Past 3-Years | Since Inception |
|---|--------------|----------------|---------------|-----------------|
| Long-Term Strategy: | | | | |
| 2003 Reserve Fund | 2.08% | -2.90% | -0.46% | 2.62% |
| <i>BM: BAML 1-5 Year US Treasury Note Index</i> | <i>2.20%</i> | <i>-3.39%</i> | <i>-0.72%</i> | <i>2.42%</i> |
| BPCPC Operating Reserve Contingency Insurance Fund | 2.88% | -4.40% | -1.00% | 2.93% |
| Operating Budget Reserve | 2.84% | -4.49% | -1.03% | 2.89% |
| | 2.67% | -4.65% | -1.04% | 3.01% |
| <i>BM: BAML 1-10 Year US Treasury Note Index</i> | <i>3.06%</i> | <i>-4.99%</i> | <i>-1.29%</i> | <i>1.22%</i> |
| BPCA Other Post-Employment Benefits | 2.83% | -4.50% | -0.98% | 2.29% |
| <i>BM: BAML 1-10 Year US Treasury Note Index</i> | <i>3.06%</i> | <i>-4.99%</i> | <i>-1.29%</i> | <i>1.22%</i> |
| Short-Term Strategy: | | | | |
| 2003 Pledged Revenue | 0.93% | 1.74% | 0.78% | 1.13% |
| 2003 Project Operating Fund | 0.97% | 1.72% | 0.70% | 1.13% |
| <i>BM: BAML 3 Month US Treasury Bill Index</i> | <i>1.00%</i> | <i>1.78%</i> | <i>0.78%</i> | <i>1.04%</i> |

Notes:

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

Portfolio Recap – Market Drivers

Economy

- ▶ U.S. GDP accelerated at 3.2% in the fourth quarter. Increases in exports, consumer spending, and federal government spending boosted the number.
- ▶ The year-over year change in the Consumer Price Index (CPI) fell to 6.4% in January, slightly higher than market expectations. Core CPI, which excludes volatile energy and food prices, climbed 5.6% in January from a year earlier, down from 5.7% in December, and slightly higher than market estimates of 5.6%.
- ▶ The labor market remained robust during the quarter. The unemployment rate fell to 3.4% in January with the economy adding 517,000 jobs during the month, well above economists' projections.

U.S. Treasury Yields

- ▶ Yields on U.S. Treasuries traded in a wide range during the quarter. The yield on the 2-year Treasury ended the quarter at 4.21%, down 30 basis points (0.30%) from the start of the quarter. The yield on the 10-year U.S. Treasury decreased to 3.52% by quarter-end, an decrease of 53 basis points (0.53%) from October 31st.

Federal Reserve

- ▶ The Fed increased the overnight rate at two of its meetings during the quarter. The federal funds rate now stands at a target range of 4.50%-4.75%.
- ▶ The updated summary of economic projections points toward lower growth, higher inflation and a higher unemployment rate in 2023. Chair Jerome Powell commented that the Federal Reserve has “more work to do” and that “restoring price stability will likely require maintaining a restrictive policy stance for some time.”



Portfolio Recap – Performance & Cash Flows

Longer-Term Funds.

- ▶ As a result of longer-term yields declining during the quarter, longer term portfolios saw positive returns.
- ▶ Similar to the prior three quarters, we maintained a defensive duration positioned relative to benchmarks.
- ▶ The duration positioning of the portfolios detracted from relative performance for the quarter, as longer-term yields declined. However, relative performance for the prior 12-months remained strong.

Short-Term Funds

- ▶ The 2003 Pledged Revenue Fund and Project Operating Fund showed positive absolute performance but slightly underperformed the benchmark, the 3-month U.S. Treasury Bill for the quarter.
- ▶ 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 (\$) ³ | IPS Limit | S&P Rating | Moody's Rating |
|--|------------|--------------------------|---------------|------------|----------------|
| U.S. Treasury | 93.70% | 561,050,579 | 100% | AA+ | Aaa |
| Federal Home Loan Bank | 2.71% | 16,217,656 | \$250,000,000 | A-1+ | P-1 |
| International Bank of Recon and Development | 1.03% | 6,170,301 | \$250,000,000 | AAA | Aaa |
| International American Development Bank | 0.69% | 4,151,114 | \$250,000,000 | AAA | Aaa |
| New York City | 0.62% | 3,721,682 | 10% | AA | Aa2 |
| Asian Development Bank | 0.56% | 3,342,716 | \$250,000,000 | AAA | Aaa |
| Cash | 0.28% | 1,662,728 | N/A | N/A | N/A |
| African Development Bank | 0.23% | 1,389,471 | \$250,000,000 | AAA | Aaa |
| New York State | 0.13% | 805,567 | 10% | AA+ | Aa1 |
| Small Business Administration | 0.11% | 661,098 | 100% | AA+ | Aaa |
| Ginnie Mae | 0.09% | 515,256 | 100% | AA+ | Aaa |
| NY State Dorm Authority | 0.06% | 381,474 | 10% | AA+ | NR |
| Fannie Mae | 0.05% | 271,449 | \$250,000,000 | AA+ | Aaa |
| Freddie Mac | 0.02% | 111,143 | \$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 | \$32,704,875 | | \$0 | | \$657,945 | | \$33,362,820 |
| BPCPC Operating Reserve Contingency | \$10,584,996 | | (\$225,055) | | \$302,374 | | \$10,662,314 |
| Insurance Fund | \$5,700,194 | | \$0 | | \$162,081 | | \$5,862,275 |
| Operating Budget Reserve | \$22,678,806 | | \$0 | | \$606,528 | | \$23,285,333 |
| BPCA Other Post-Employment Benefits | \$39,007,962 | | (\$0) | | \$776,558 | | \$39,784,521 |
| Subtotal | \$110,676,833 | | (\$225,055) | | \$2,505,486 | | \$112,957,263 |
| Shorter Term Investment Strategy | | | | | | | |
| 2003 Pledged Revenue | \$203,810,500 | | \$106,054,967 | | \$2,313,646 | | \$312,179,114 |
| 2003 Project Operating Fund | \$10,134,405 | | \$705,000 | | \$89,466 | | \$10,928,871 |
| Subtotal | \$213,944,905 | | \$106,759,967 | | \$2,403,112 | | \$323,107,984 |
| Total | \$324,621,738 | | \$106,534,912 | | \$4,908,598 | | \$436,065,248 |

Notes:

1. Beginning Period Value is as of October 31, 2022 and Ending Period Value is as of January 31, 2023. Beginning Period Value and Ending Period Value equal market values of portfolio holdings plus accrued interest and cash.
2. Net Transfers are the total cash flows in and out of each account that occurred 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 | \$4,134,048 | | (\$506,943) | | \$40,888 | | \$3,667,992 |
| 2000 Arbitrage Rebate | \$842,591 | | \$0 | | \$7,918 | | \$850,509 |
| Unpledged Revenue | \$14,008,996 | | \$3,087,017 | | \$136,571 | | \$17,232,584 |
| 2003 Residual Fund | \$260,365 | | \$0 | | \$2,465 | | \$262,830 |
| Joint Purpose Fund | \$39,916,877 | | \$0 | | \$363,136 | | \$40,280,012 |
| Special Fund | \$973,832 | | \$0 | | \$9,187 | | \$983,020 |
| BPCPC Operating Reserve | \$1,050,393 | | \$0 | | \$9,036 | | \$1,059,429 |
| BPCA Goldman Sachs Liberty Contribution Fund | \$1,438 | | \$0 | | \$0 | | \$1,438 |
| BPCA Series 2009A Project Costs | \$0 | | \$0 | | \$0 | | \$0 |
| BPCA2013ACDE Proj Cost Sub AC | \$10,093,363 | | (\$109,059) | | \$93,062 | | \$10,077,366 |
| BPCA Pier A Reserve Fund | \$1,428,470 | | \$0 | | \$13,906 | | \$1,442,376 |
| BPCA 2019A Comm Ctr SB Proj | \$102 | | \$0 | | \$0 | | \$102 |
| BPCA 2019A Sustainable Proj | \$26,063,968 | | (\$2,387,755) | | \$227,485 | | \$23,903,698 |
| BPCA 2019ABCDE COI | \$5,628 | | \$0 | | \$0 | | \$5,628 |
| BPCA 2019BDE Project | \$6,205,356 | | (\$2,358) | | \$57,404 | | \$6,260,403 |
| BPCA 2019C Pier A SB Proj | \$3,578,235 | | \$0 | | \$33,258 | | \$3,611,493 |
| Subtotal | \$108,563,662 | | \$80,902 | | \$994,316 | | \$109,638,879 |

Notes:

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2. Net Transfers are the total cash flows in and out of each account that occurred 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 | \$305,563 | | \$0 | | \$2,908 | | 308,471.58 |
| Liberty House Mariners J | \$249,963 | | \$0 | | \$2,380 | | \$252,343 |
| Rector Park L | \$34,800 | | \$0 | | \$324 | | \$35,124 |
| Hudson View W Towers G | \$175,976 | | \$0 | | \$1,676 | | \$177,652 |
| Hudson Towers E/F | \$214,021 | | \$0 | | \$2,038 | | \$216,059 |
| Hudson View Towers C | \$188,916 | | \$0 | | \$1,797 | | \$190,713 |
| Liberty Ct Mariners Cove B | \$623,983 | | \$0 | | \$5,955 | | \$629,939 |
| Millenium | \$3,767,220 | | \$0 | | \$35,964 | | \$3,803,184 |
| Liberty Battery Place Assoc 4 | \$449,927 | | \$0 | | \$4,288 | | \$454,216 |
| South Cove Assoc 11 | \$408,592 | | \$0 | | \$3,899 | | \$412,492 |
| Soundings Rector Park A | \$218,670 | | \$0 | | \$2,084 | | \$220,754 |
| The Regatta Site 10 | \$498,858 | | \$0 | | \$4,761 | | \$503,619 |
| 2003 Debt Service Junior Payments | \$17,061,269 | | (\$8,549,776) | | \$100,842 | | \$8,612,335 |
| 2003 Debt Service Senior Payments | \$55,150,840 | | (\$38,198,711) | | \$174,010 | | \$17,126,139 |
| BPCA Millenium Tower Security Fund 2A | \$3,145,957 | | \$0 | | \$30,027 | | \$3,175,985 |
| BPCA S 16/17 Riverhouse Security Fund | \$6,684,397 | | \$0 | | \$63,806 | | \$6,748,203 |
| BPCA Visionaire Security Fund | \$4,070,546 | | \$0 | | \$38,854 | | \$4,109,400 |
| BPCA One Rector Park Security Fund | \$999,001 | | \$0 | | \$9,531 | | \$1,008,531 |
| BPCA Rector Square Security Fund Site D | \$230,047 | | \$0 | | \$2,195 | | \$232,242 |
| BPCA WFC Tower C Retail Rent Escrow | \$259,387 | | \$0 | | \$2,473 | | \$261,860 |
| BPCA River & Warren Sec Fund - Site 19A | \$6,156,319 | | \$0 | | \$58,767 | | \$6,215,086 |
| BPCA North Cove Marina Security Fund | \$53,259 | | \$0 | | \$500 | | \$53,759 |
| Subtotal | \$100,947,512 | | (\$46,748,486) | | \$549,081 | | \$54,748,107 |

Notes:

- Beginning Period Value is as of October 31, 2022 and Ending Period Value is as of January 31, 2023. Beginning Period Value and Ending Period Value equal market values of portfolio holdings plus accrued interest and cash.
- Net Transfers are the total cash flows in and out of each account that occurred during the quarter.

II. Summary of Aggregate Portfolio



Aggregate Portfolio Issuer Breakdown

| Security Type | January 31, 2023 | % of Portfolio | October 31, 2022 | % of Portfolio | QoQ % Change |
|---|----------------------|----------------|----------------------|----------------|--------------|
| United States Treasury² | | | | | |
| U.S. Treasury | \$561,050,579 | 93.4% | \$418,606,677 | 78.4% | 15.1% |
| Ginnie Mae | \$515,256 | 0.1% | \$517,223 | 0.1% | (0.0%) |
| Small Business Administration | \$661,098 | 0.1% | \$712,936 | 0.1% | (0.0%) |
| Federal Agencies and Instrumentalities^{2,3} | | | | | |
| Freddie Mac | \$111,143 | 0.0% | \$109,480 | 0.0% | (0.0%) |
| Fannie Mae | \$271,449 | 0.0% | \$275,542 | 0.1% | (0.0%) |
| Federal Home Loan Bank | \$16,217,656 | 2.7% | \$15,353,906 | 2.9% | (0.2%) |
| International Bank of Recon and Development | \$6,170,301 | 1.0% | \$6,368,761 | 1.2% | (0.2%) |
| International American Development Bank | \$4,151,114 | 0.7% | \$4,501,755 | 0.8% | (0.2%) |
| Asian Development Bank | \$3,342,716 | 0.6% | \$3,292,200 | 0.6% | (0.1%) |
| African Development Bank | \$1,389,471 | 0.2% | \$1,354,772 | 0.3% | (0.0%) |
| Commercial Paper² | | | | | |
| JP Morgan | \$0 | 0.0% | \$1,484,910 | 0.3% | (0.3%) |
| Toyota Motor Credit Corporation | \$0 | 0.0% | \$7,297,892 | 1.4% | (1.4%) |
| TD Bank | \$0 | 0.0% | \$9,955,100 | 1.9% | (1.9%) |
| BNP Paribas | \$0 | 0.0% | \$9,985,340 | 1.9% | (1.9%) |
| MetLife Funding Inc | \$0 | 0.0% | \$3,241,752 | 0.6% | (0.6%) |
| Pacific Life | \$0 | 0.0% | \$1,647,669 | 0.3% | (0.3%) |
| Municipal Issuers² | | | | | |
| New York City | \$3,721,682 | 0.6% | \$3,610,118 | 0.7% | (0.1%) |
| NY State Dorm Authority | \$381,474 | 0.1% | \$364,521 | 0.1% | (0.0%) |
| New York State | \$805,567 | 0.1% | \$796,461 | 0.1% | (0.0%) |
| Cash | | | | | |
| Cash | \$1,662,728 | 0.3% | \$44,655,897 | 8.4% | (8.1%) |
| TOTAL | \$600,452,234 | 100.0% | \$534,132,911 | 100.0% | |

Notes:

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

Portfolio Value – Total Return Accounts

| | January 31, 2023 | | | October 31, 2022 | | | |
|---|--|---------------------------|-----------------------------|--|---------------------------|-----------------------------|---------------------|
| Longer Term Investment Strategy | Total Market Value ¹ | Effective Duration | % of Total Portfolio | Total Market Value ¹ | Effective Duration | % of Total Portfolio | QoQ % Change |
| 2003 Reserve Fund | \$33,362,820 | 2.26 | 5.6% | \$32,704,875 | 2.24 | 6.1% | -0.6% |
| BPCPC Operating Reserve Contingency | \$10,662,314 | 3.13 | 1.8% | \$10,584,996 | 3.35 | 2.0% | -0.2% |
| Insurance Fund | \$5,862,275 | 3.09 | 1.0% | \$5,700,194 | 3.35 | 1.1% | -0.1% |
| Operating Budget Reserve | \$23,285,333 | 2.87 | 3.9% | \$22,678,806 | 3.10 | 4.2% | -0.4% |
| BPCA Other Post-Employment Benefits | \$39,784,521 | 3.48 | 6.6% | \$39,007,962 | 3.35 | 7.3% | -0.7% |
| Subtotal Longer Term Investment Strategy | \$112,957,263 | 2.94 | 18.8% | \$110,676,833 | 2.97 | 20.7% | -1.9% |
| Short Term Investment Strategy | | | | | | | |
| 2003 Pledged Revenue | \$312,179,114 | 0.02 | 52.0% | \$203,810,500 | 0.06 | 38.2% | 13.8% |
| 2003 Project Operating Fund | \$10,928,871 | 0.02 | 1.8% | \$10,134,405 | 0.10 | 1.9% | -0.1% |
| Subtotal Short Term Investment Strategy | \$323,107,984 | 0.02 | 53.8% | \$213,944,905 | 0.06 | 40.1% | 13.8% |
| Subtotal of Total Return Accounts | \$436,065,248 | 0.78 | 72.6% | \$324,621,738 | 1.05 | 60.8% | 11.8% |

Notes:

1. "Total Market Value" includes accrued interest and cash balances held at the bank.

Portfolio Value – Other BPCA Accounts

| PFM Asset Management Accounts | January 31, 2023 | | | October 31, 2022 | | | QoQ % Change |
|---|----------------------|--------------------|----------------------|---------------------------|--------------------|----------------------|--------------|
| | Total Market Value | Effective Duration | % of Total Portfolio | Market Value ¹ | Effective Duration | % of Total Portfolio | |
| Corporate Funds | \$3,667,992 | 0.17 | 0.6% | \$4,134,048 | 0.15 | 0.8% | (0.2%) |
| 2000 Arbitrage Rebate | \$850,509 | 0.07 | 0.1% | \$842,591 | 0.10 | 0.2% | (0.0%) |
| Unpledged Revenue | \$17,232,584 | 0.00 | 2.9% | \$14,008,996 | 0.03 | 2.6% | 0.2% |
| 2003 Residual Fund | \$262,830 | 0.04 | 0.0% | \$260,365 | 0.10 | 0.0% | (0.0%) |
| Joint Purpose Fund | \$40,280,012 | 0.00 | 6.7% | \$39,916,877 | 0.04 | 7.5% | (0.8%) |
| Special Fund | \$983,020 | 0.07 | 0.2% | \$973,832 | 0.10 | 0.2% | (0.0%) |
| BPCPC Operating Reserve | \$1,059,429 | 0.48 | 0.2% | \$1,050,393 | 0.02 | 0.2% | (0.0%) |
| BPCA Goldman Sachs Liberty Contribution Fund | \$1,438 | 0.00 | 0.0% | \$1,438 | 0.00 | 0.0% | (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 | \$10,077,366 | 0.08 | 1.7% | \$10,093,363 | 0.04 | 1.9% | (0.2%) |
| BPCA2013B PROJ COSTS SUB AC | \$0 | 0.00 | 0.0% | \$0 | 0.00 | 0.0% | - |
| BPCA PIER A RESERVE FUND | \$1,442,376 | 0.02 | 0.2% | \$1,428,470 | 0.05 | 0.3% | (0.0%) |
| BPCA SUBORDINATED PAYMENT ACCOUNT | \$0 | 0.00 | 0.0% | \$0 | 0.00 | 0.0% | - |
| BPCA 2019A Comm Ctr SB Proj | \$102 | 0.00 | 0.0% | \$102 | 0.00 | 0.0% | (0.0%) |
| BPCA 2019A Sustainable Proj | \$23,903,698 | 0.01 | 4.0% | \$26,063,968 | 0.02 | 4.9% | (0.9%) |
| BPCA 2019ABCDE COI | \$5,628 | 0.00 | 0.0% | \$5,628 | 0.00 | 0.0% | (0.0%) |
| BPCA 2019BDE Project | \$6,260,403 | 0.03 | 1.0% | \$6,205,356 | 0.01 | 1.2% | (0.1%) |
| BPCA 2019C Pier A SB Proj | \$3,611,493 | 0.03 | 0.6% | \$3,578,235 | 0.03 | 0.7% | (0.1%) |
| Subtotal PFM Asset Management Accounts | \$109,638,879 | 0.02 | 18.3% | \$108,563,662 | 0.04 | 18.1% | 0.2% |

Notes:

1. "Total Market Value" includes accrued interest and 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.

Portfolio Value – Other BPCA Accounts

| RAM Managed Accounts | January 31, 2023 | | | October 31, 2022 | | | |
|---|----------------------|--------------------|----------------------|---------------------------|--------------------|----------------------|---------------|
| | Total Market Value | Effective Duration | % of Total Portfolio | Market Value ¹ | Effective Duration | % of Total Portfolio | QoQ % Change |
| Liberty Terr Mariners Cove-K | \$308,472 | 0.44 | 0.1% | \$305,563 | 0.69 | 0.1% | (0.0%) |
| Liberty House Mariners J | \$252,343 | 0.44 | 0.0% | \$249,963 | 0.69 | 0.0% | (0.0%) |
| Rector Park L | \$35,124 | 0.44 | 0.0% | \$34,800 | 0.69 | 0.0% | (0.0%) |
| Hudson View W Towers G | \$177,652 | 0.44 | 0.0% | \$175,976 | 0.69 | 0.0% | (0.0%) |
| Hudson Towers E/F | \$216,059 | 0.44 | 0.0% | \$214,021 | 0.69 | 0.0% | (0.0%) |
| Hudson View Towers C | \$190,713 | 0.44 | 0.0% | \$188,916 | 0.69 | 0.0% | (0.0%) |
| Liberty Ct Mariners Cove B | \$629,939 | 0.44 | 0.1% | \$623,983 | 0.69 | 0.1% | (0.0%) |
| Millenium | \$3,803,184 | 0.44 | 0.6% | \$3,767,220 | 0.69 | 0.7% | (0.1%) |
| Liberty Battery Place Assoc 4 | \$454,216 | 0.44 | 0.1% | \$449,927 | 0.69 | 0.1% | (0.0%) |
| South Cove Assoc 11 | \$412,492 | 0.44 | 0.1% | \$408,592 | 0.69 | 0.1% | (0.0%) |
| Soundings Rector Park A | \$220,754 | 0.44 | 0.0% | \$218,670 | 0.69 | 0.0% | (0.0%) |
| The Regatta Site 10 | \$503,619 | 0.44 | 0.1% | \$498,858 | 0.69 | 0.1% | (0.0%) |
| 2003 Debt Service Junior Payments | \$8,612,335 | 0.11 | 1.4% | \$17,061,269 | 0.27 | 3.2% | (1.8%) |
| 2003 Debt Service Senior Payments | \$17,126,139 | 0.24 | 2.9% | \$55,150,840 | 0.49 | 10.3% | (7.5%) |
| BPCA Millenium Tower Security Fund 2A | \$3,175,985 | 0.44 | 0.5% | \$3,145,957 | 0.69 | 0.6% | (0.1%) |
| BPCA S 16/17 Riverhouse Security Fund | \$6,748,203 | 0.44 | 1.1% | \$6,684,397 | 0.69 | 1.3% | (0.1%) |
| BPCA Visionaire Security Fund | \$4,109,400 | 0.44 | 0.7% | \$4,070,546 | 0.69 | 0.8% | (0.1%) |
| BPCA Pier A Security Deposit Account | \$0 | 0.00 | 0.0% | \$0 | 0.00 | 0.0% | - |
| BPCA One Rector Park Security Fund | \$1,008,531 | 0.44 | 0.2% | \$999,001 | 0.69 | 0.2% | (0.0%) |
| BPCA Rector Square Security Fund Site D | \$232,242 | 0.44 | 0.0% | \$230,047 | 0.69 | 0.0% | (0.0%) |
| BPCA WFC TOWER C RETAIL RENT ESCROW | \$261,860 | 0.44 | 0.0% | \$259,387 | 0.69 | 0.0% | (0.0%) |
| BPCA RIVER & WARREN SEC FUND - SITE 19A | \$6,215,086 | 0.44 | 1.0% | \$6,156,319 | 0.69 | 1.2% | (0.1%) |
| BPCA NORTH COVE MARINA SECURITY FUND | \$53,759 | 0.44 | 0.0% | \$53,259 | 0.69 | 0.0% | (0.0%) |
| | | | | | | | - |
| Subtotal of RAM Managed Accounts | \$54,748,107 | 0.33 | 9.1% | \$100,947,512 | 0.51 | 0.19 | -9.8% |
| Subtotal of Other BPCA Accounts | \$164,386,986 | 0.12 | 27.4% | \$209,511,174 | 0.27 | 39.2% | -11.8% |

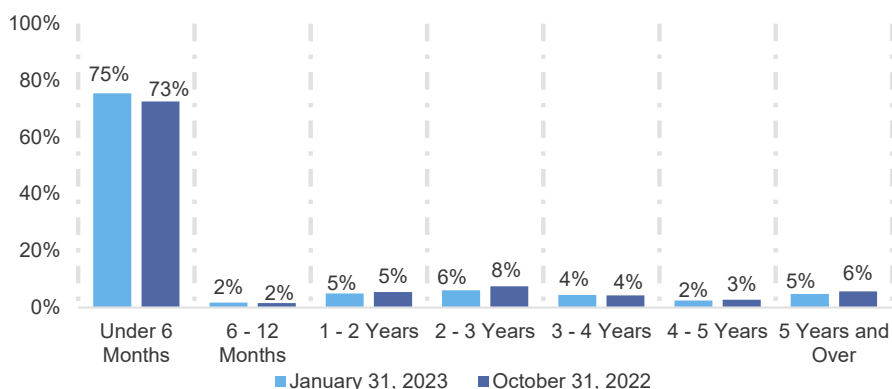
Notes:

1. "Total Market Value" includes accrued interest and cash balances held at the bank.
2. Highlighted funds are managed by Ramirez Asset Management ("RAM"). Market values for these funds are provided by RAM.

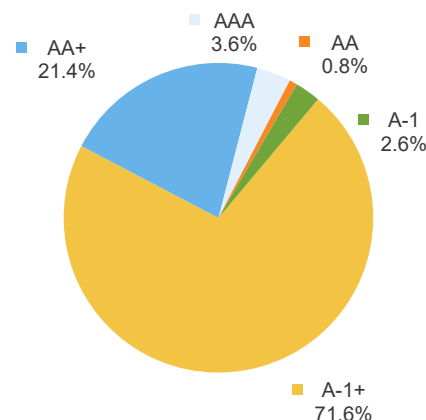
Aggregate Portfolio Summary: PFM Asset Management

| Security Type ¹ | January 31, 2023 | % of Advisor | % of Total Portfolio | Effective Duration | October 31, 2022 | % of Advisor | % of Total Portfolio | Effective Duration | QoQ Change (% of Advisor) |
|--|----------------------|--------------|----------------------|--------------------|----------------------|---------------|----------------------|--------------------|---------------------------|
| U.S. Treasuries | \$507,889,951 | 93.1% | 84.8% | 0.58 | \$362,276,649 | 83.6% | 74.0% | 0.81 | 9.4% |
| Federal Agencies and Instrumentalities (non-MBS) | \$31,271,258 | 5.7% | 5.2% | 0.92 | \$30,871,394 | 7.1% | 6.3% | 1.09 | (1.4%) |
| Commercial Paper | \$0 | 0.0% | 0.0% | 0.00 | \$33,612,663 | 7.8% | 6.9% | 0.07 | (7.8%) |
| Municipals | \$4,908,723 | 0.9% | 0.8% | 2.25 | \$4,771,099 | 1.1% | 1.0% | 2.54 | (0.2%) |
| Government MBS ² | \$1,503,185 | 0.3% | 0.3% | 2.87 | \$1,591,853 | 0.4% | 0.3% | 2.92 | (0.1%) |
| Cash | \$131,009 | 0.0% | 0.0% | 0.00 | \$61,741 | 0.0% | 0.0% | 0.00 | 0.0% |
| Totals | \$545,704,127 | 100% | 91.1% | 0.62 | \$433,185,399 | 100.0% | 88.5% | 0.80 | |

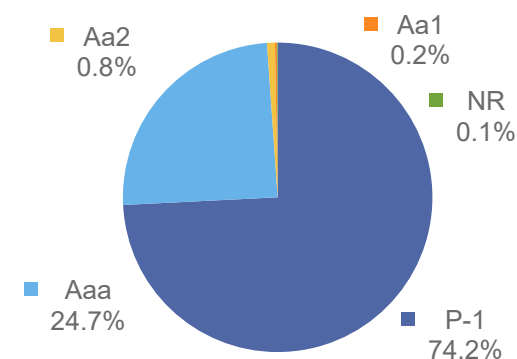
**Maturity Distribution
as of 1/31/2023**



**Credit Quality (S&P)
as of 1/31/2023**



**Credit Quality (Moody's)
as of 1/31/2023**



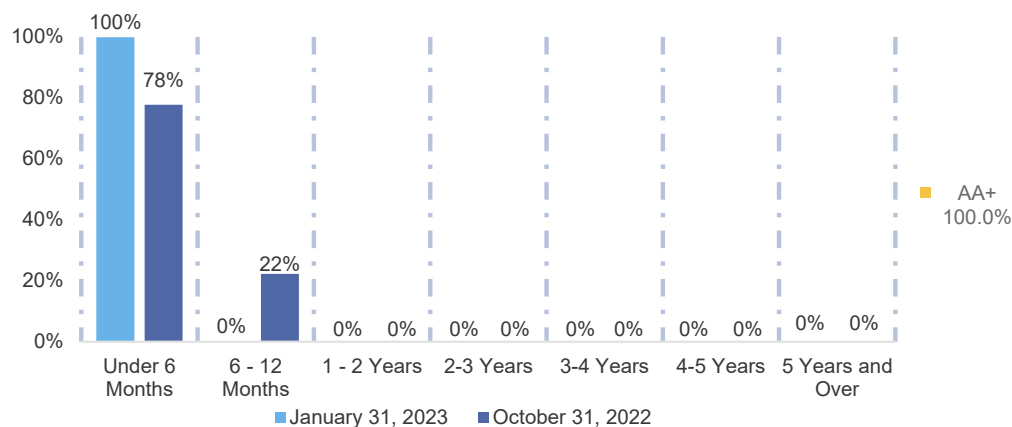
Notes:

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

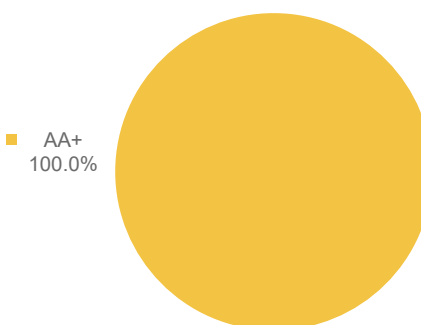
Aggregate Portfolio Summary: Ramirez Asset Management

| Security Type ¹ | January 31, 2023 | % of Advisor | % of Total Portfolio | Effective Duration | October 31, 2022 | % of Advisor | % of Total Portfolio | Effective Duration | QoQ Change (% of Advisor) |
|---|---------------------|-----------------|----------------------------|-----------------------|----------------------|-----------------|----------------------------|-----------------------|---------------------------------|
| U.S. Treasuries | \$53,160,628 | 97.1% | 8.2% | 0.33 | \$56,330,028 | 55.8% | 11.5% | 0.55 | 41.3% |
| Federal Agencies and Instrumentalities (non-MBS) | \$0 | 0.0% | 0.0% | 0.00 | \$0 | 0.0% | 0.0% | 0.00 | - |
| Commercial Paper | \$0 | 0.0% | 0.0% | 0.00 | \$0 | 0.0% | 0.0% | 0.00 | - |
| Municipals | \$0 | 0.0% | 0.0% | 0.00 | \$0 | 0.0% | 0.0% | 0.00 | - |
| Government MBS ² | \$55,760 | 0.1% | 0.0% | 0.84 | \$23,329 | 0.0% | 0.0% | 1.55 | 0.1% |
| Cash | \$1,531,718 | 2.8% | 0.2% | 0.00 | \$44,594,155.82 | 44.2% | 9.1% | 0.00 | (41.4%) |
| Totals | \$54,748,107 | 100% | 8.4% | 0.32 | \$100,947,512 | 100.0% | 20.6% | 0.31 | |

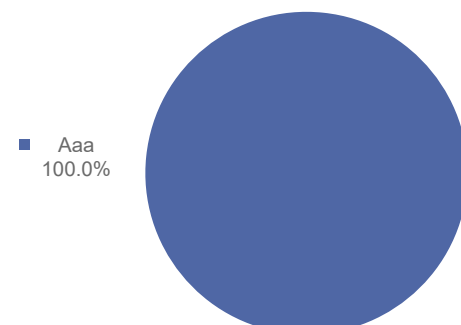
**Maturity Distribution
as of 1/31/2023**



**Credit Quality (S&P)
as of 1/31/2023**



**Credit Quality (Moody's)
as of 1/31/2023**



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 <i>Quarter-Ended January 31, 2023</i> | | |
|--|--|---------------------------------------|
| | Market Value Basis ³ | Accrual (Amortized Cost) Basis |
| Beginning Value - October 2022 ¹ | \$432,571,799 | \$442,154,679 |
| Net Purchases (Sales) | \$106,652,241 | \$106,652,241 |
| Change in Value | \$5,730,681 | \$3,122,653 |
| Ending Value - January 2023 ¹ | \$544,954,722 | \$551,929,572 |
| Net Income ² | \$521,777 | \$521,777 |
| Portfolio Earnings | \$6,252,459 | \$3,644,430 |

Notes:

1. Beginning and ending Values exclude accrued income and cash balances at the bank.
2. Interest earned includes coupon income paid, change in beginning and ending accruals, and purchased/sold accrued interest.
3. A negative change in market value does not mean a realized loss. Losses are not realized until security/securities are sold.

Portfolio Earnings – Ramirez-Managed Accounts

| Portfolio Earnings <i>Quarter-Ended January 31, 2023</i> | | |
|--|---|--|
| | Market Value Basis ^{1, 4} | Accrual (Amortized Cost) Basis ² |
| Beginning Value - October 2022 | \$56,294,467 | \$56,816,942 |
| Net Purchases (Sales) | (\$3,637,550) | (\$3,637,550) |
| Change in Value | \$417,022 | (\$52,643) |
| Ending Value -January 2023 | \$53,073,938 | \$53,126,749 |
| Net Income ³ | \$352,917 | \$352,917 |
| Portfolio Earnings | \$769,939 | \$300,274 |

Notes:

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

III. Total Return Performance Attributes



Total Return Portfolio Attributes

Effective Duration (in years)

Yield To Maturity - At Market

Yield To Maturity - On Cost

January 31, 2023 October 31, 2022

January 31, 2023 October 31, 2022

January 31, 2023 October 31, 2022

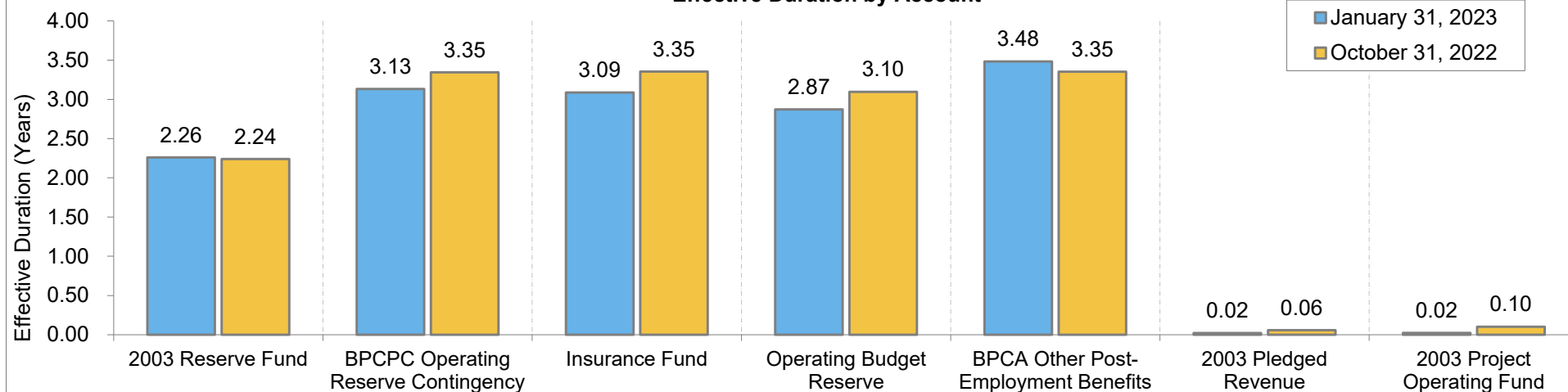
Longer Term Investment Strategy

| | | | | | | |
|-------------------------------------|-------------|------|--------------|-------|--------------|-------|
| 2003 Reserve Fund | 2.26 | 2.24 | 4.56% | 4.58% | 1.33% | 1.39% |
| BPCPC Operating Reserve Contingency | 3.13 | 3.35 | 4.03% | 4.47% | 1.40% | 1.40% |
| Insurance Fund | 3.09 | 3.35 | 4.07% | 4.46% | 1.72% | 1.63% |
| Operating Budget Reserve | 2.87 | 3.10 | 4.12% | 4.36% | 1.55% | 1.43% |
| BPCA Other Post-Employment Benefits | 3.48 | 3.35 | 4.00% | 4.48% | 1.77% | 1.59% |

Short Term Investment Strategy

| | | | | | | |
|-----------------------------|-------------|------|--------------|-------|--------------|-------|
| 2003 Pledged Revenue | 0.02 | 0.06 | 2.52% | 3.01% | 4.16% | 2.41% |
| 2003 Project Operating Fund | 0.02 | 0.10 | 3.81% | 2.86% | 4.26% | 2.67% |

Effective Duration by Account



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

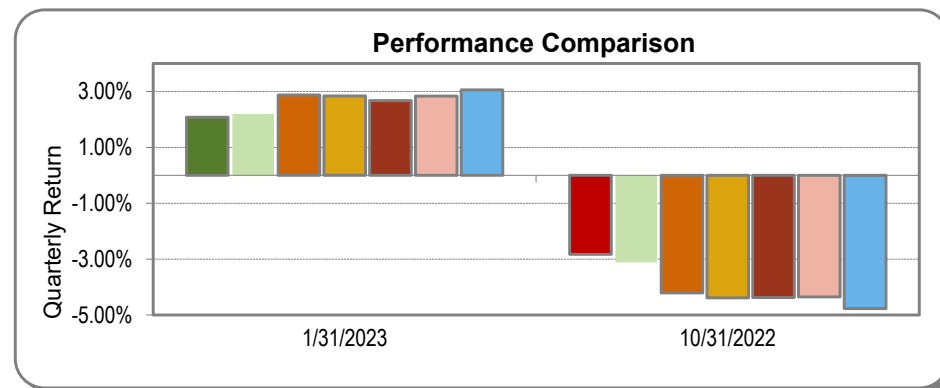
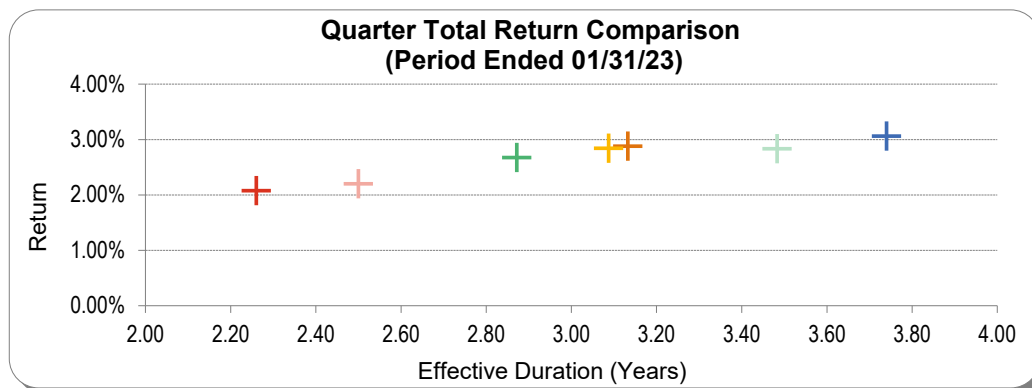
Portfolios Managed with a Longer-Term Investment Strategy



Longer-Term Investment Strategy

| Total Return ^{1,2,4,5} | | January 31, 2023 | Annualized Since Inception |
|---------------------------------|--|------------------|----------------------------|
| ■ | 2003 Reserve Fund | 2.08% | 2.62% |
| ■ | BM: BAML 1-5 Year US Treasury Note Index | 2.20% | 2.54% |
| ■ | BPCPC Operating Reserve Contingency | 2.88% | 2.93% |
| ■ | Insurance Fund | 2.84% | 2.89% |
| ■ | Operating Budget Reserve | 2.67% | 3.01% |
| ■ | BM: BAML 1-10 Year US Treasury Note Index | 3.06% | 2.68% |
| ■ | BPCA Other Post-Employment Benefits | 2.83% | 2.29% |
| ■ | BM: BAML 1-10 Year US Treasury Note Index | 3.06% | 2.07% |

| Effective Duration (in years) ³ | | January 31, 2023 | October 31, 2022 |
|--|--|------------------|------------------|
| ■ | 2003 Reserve Fund | 2.26 | 2.24 |
| ■ | BM: BAML 1-5 Year US Treasury Note Index | 2.50 | 2.52 |
| ■ | BPCPC Operating Reserve Contingency | 3.13 | 3.35 |
| ■ | Insurance Fund | 3.09 | 3.35 |
| ■ | Operating Budget Reserve | 2.87 | 3.10 |
| ■ | BPCA Other Post-Employment Benefits | 3.48 | 3.35 |
| ■ | BM: BAML 1-10 Year US Treasury Note Index | 3.74 | 3.73 |



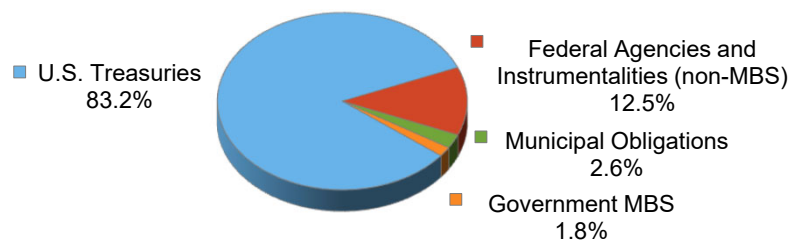
Notes:

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

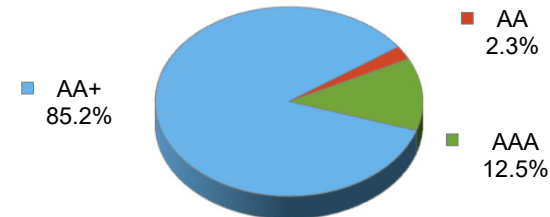
2003 Reserve Fund Portfolio

| Security Type ¹ | January 31, 2023 | % of Portfolio | October 31, 2022 | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|---------------------|----------------|--------------|
| U.S. Treasuries | \$27,735,494 | 83.1% | \$27,159,447 | 83.0% | 0.1% |
| Federal Agencies and Instrumentalities (non-MBS) | \$4,155,831 | 12.5% | \$4,089,510 | 12.5% | (0.0%) |
| Commercial Paper | \$0 | 0.0% | \$0 | 0.0% | 0.0% |
| Municipal Obligations | \$851,813 | 2.6% | \$822,624 | 2.5% | 0.0% |
| Government MBS | \$590,438 | 1.8% | \$631,666 | 1.9% | (0.2%) |
| Cash | \$29,245 | 0.1% | \$1,629 | 0.0% | 0.1% |
| Totals | \$33,362,820 | 100.0% | \$32,704,875 | 100.0% | |

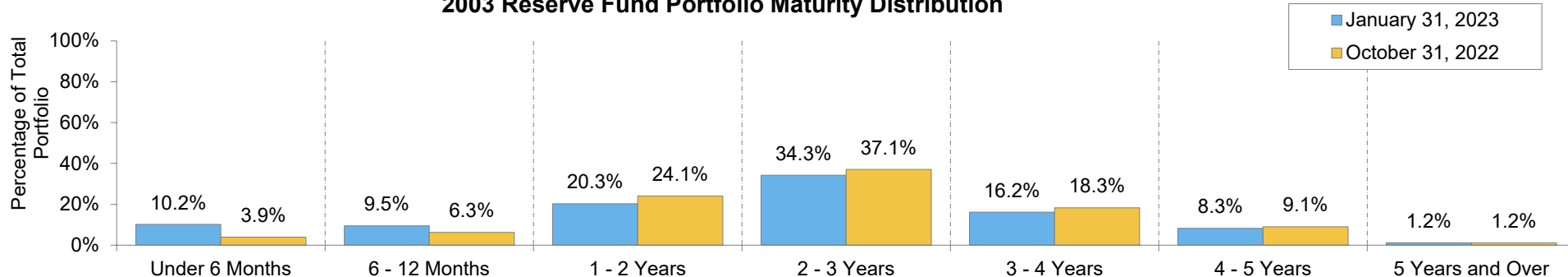
**Portfolio Composition
as of 01/31/23**



**Credit Quality Distribution
as of 01/31/23**



2003 Reserve Fund Portfolio Maturity Distribution



Notes:

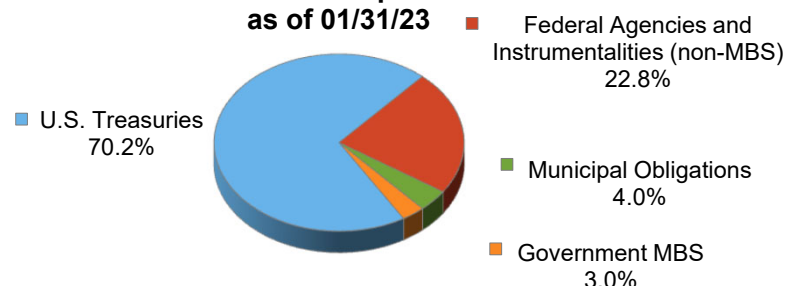
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

BPCPC Operating Reserve Contingency Portfolio

| Security Type ¹ | January 31, 2023 | % of Portfolio | October 31, 2022 | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|---------------------|----------------|--------------|
| U.S. Treasuries | \$7,474,904 | 70.1% | \$7,450,340 | 70.4% | (0.3%) |
| Federal Agencies and Instrumentalities (non-MBS) | \$2,425,352 | 22.7% | \$2,386,383 | 22.5% | 0.2% |
| Commercial Paper | \$0 | 0.0% | \$0 | 0.0% | 0.0% |
| Municipal Obligations | \$425,413 | 4.0% | \$410,814 | 3.9% | 0.1% |
| Government MBS | \$320,907 | 3.0% | \$336,832 | 3.2% | (0.2%) |
| Cash | \$15,738 | 0.1% | \$626 | 0.0% | 0.1% |
| Totals | \$10,662,314 | 100.0% | \$10,584,996 | 100.0% | |

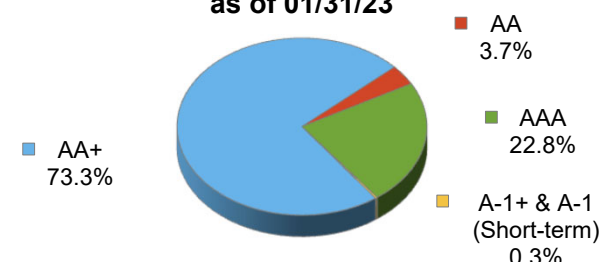
Portfolio Composition

as of 01/31/23

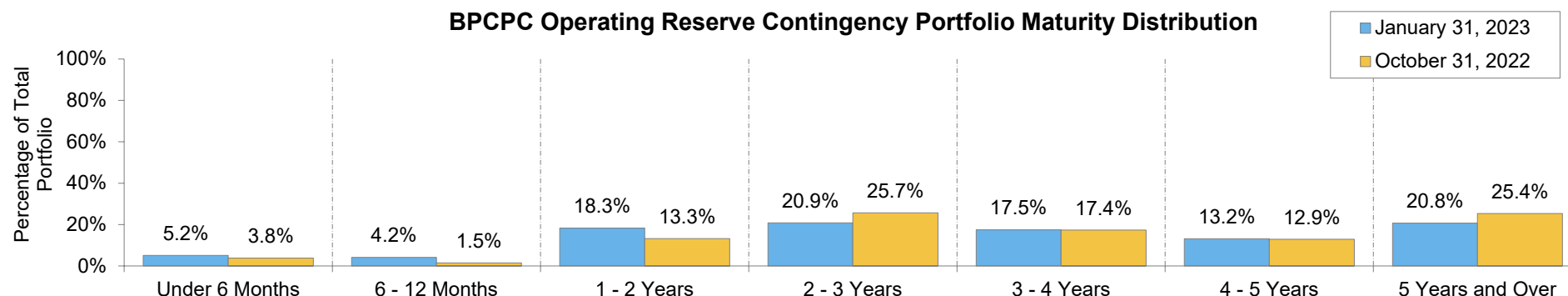


Credit Quality Distribution

as of 01/31/23



BPCPC Operating Reserve Contingency Portfolio Maturity Distribution



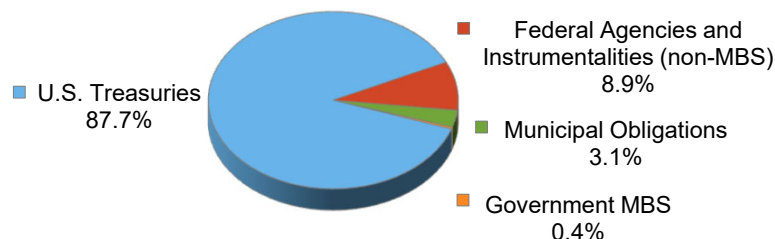
Notes:

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

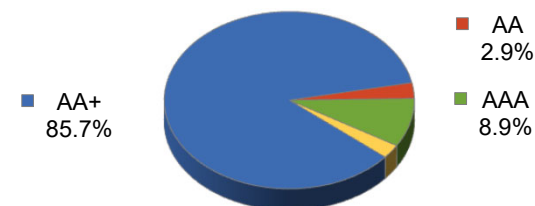
Insurance Fund Portfolio

| Security Type ¹ | January 31, 2023 | % of Portfolio | October 31, 2022 | % of Portfolio | QoQ % Change |
|--|--------------------|----------------|--------------------|----------------|--------------|
| U.S. Treasuries | \$5,135,884 | 87.6% | \$4,990,624 | 87.6% | 0.1% |
| Federal Agencies and Instrumentalities (non-MBS) | \$521,094 | 8.9% | \$511,992 | 9.0% | (0.1%) |
| Commercial Paper | \$0 | 0.0% | \$0 | 0.0% | 0.0% |
| Municipal Obligations | \$181,678 | 3.1% | \$175,447 | 3.1% | 0.0% |
| Government MBS | \$20,663 | 0.4% | \$21,384 | 0.4% | (0.0%) |
| Cash | \$2,957 | 0.1% | \$747 | 0.0% | 0.0% |
| Totals | \$5,862,275 | 100.0% | \$5,700,194 | 100.0% | |

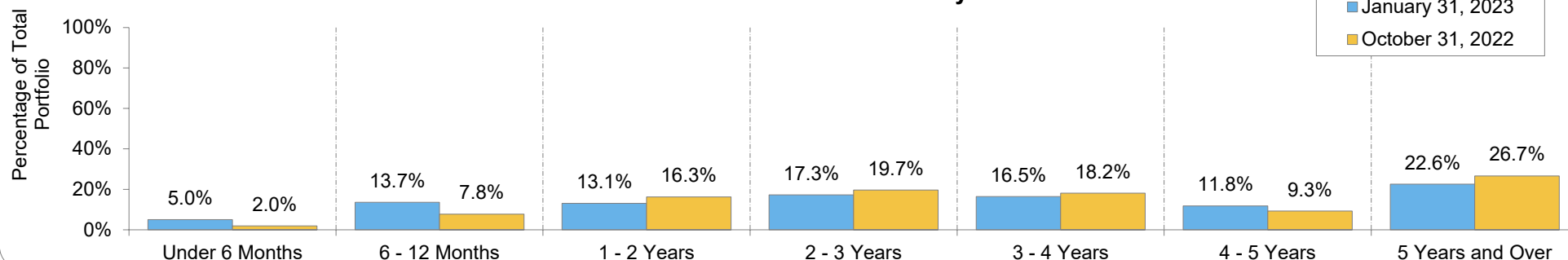
**Portfolio Composition
as of 01/31/23**



**Credit Quality Distribution
as of 01/31/23**



Insurance Fund Portfolio Maturity Distribution



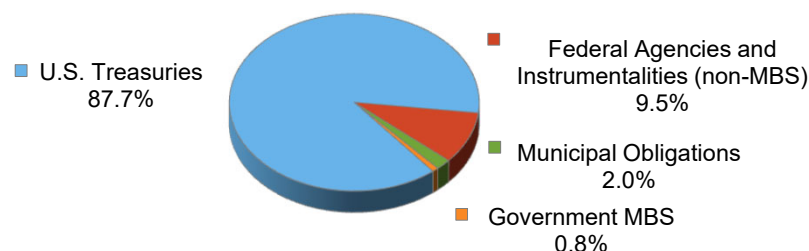
Notes:

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

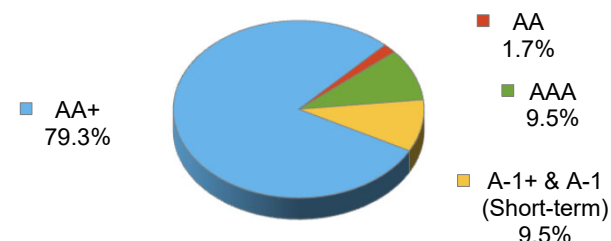
Operating Budget Reserve Portfolio

| Security Type ¹ | January 31, 2023 | % of Portfolio | October 31, 2022 | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|---------------------|----------------|--------------|
| U.S. Treasuries | \$20,412,570 | 87.7% | \$19,870,077 | 87.6% | 0.0% |
| Federal Agencies and Instrumentalities (non-MBS) | \$2,205,761 | 9.5% | \$2,169,606 | 9.6% | (0.1%) |
| Commercial Paper | \$0 | 0.0% | \$0 | 0.0% | 0.0% |
| Municipal Obligations | \$457,975 | 2.0% | \$442,390 | 2.0% | 0.0% |
| Government MBS | \$188,261 | 0.8% | \$196,096 | 0.9% | (0.1%) |
| Cash | \$20,765 | 0.1% | \$637 | 0.0% | 0.1% |
| Totals | \$23,285,333 | 100.0% | \$22,678,806 | 100.0% | |

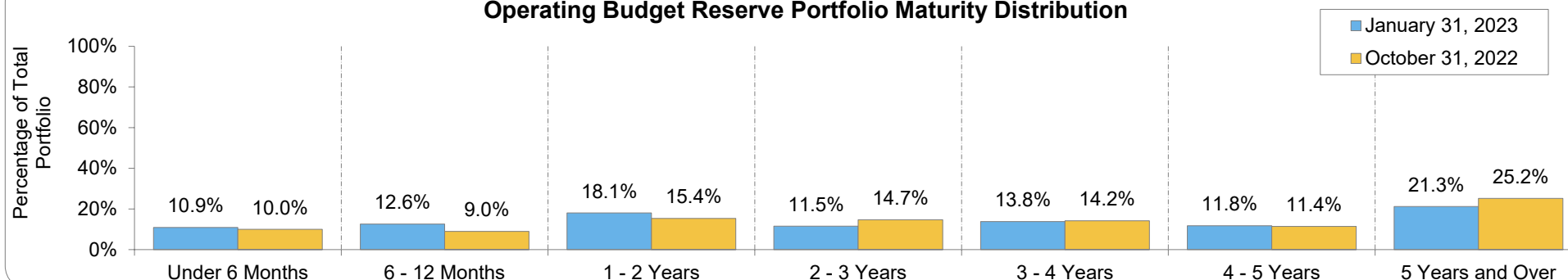
**Portfolio Composition
as of 01/31/23**



**Credit Quality Distribution
as of 01/31/23**



Operating Budget Reserve Portfolio Maturity Distribution



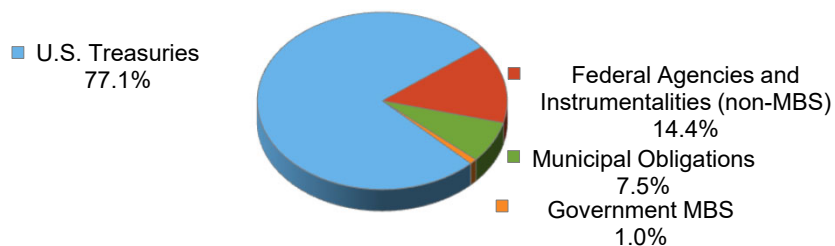
Notes:

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

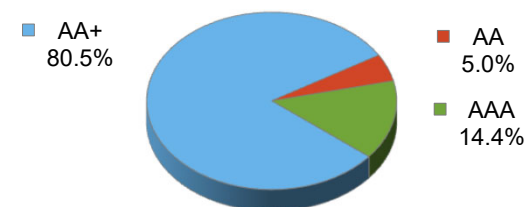
BPCA OPEB Portfolio

| Security Type ¹ | January 31, 2023 | % of Portfolio | October 31, 2022 | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|---------------------|----------------|--------------|
| U.S. Treasuries | \$30,643,494 | 77.0% | \$29,320,612 | 75.2% | 1.9% |
| Federal Agencies and Instrumentalities (non-MBS) | \$5,745,564 | 14.4% | \$6,359,998 | 16.3% | (1.9%) |
| Commercial Paper | \$0 | 0.0% | \$0 | 0.0% | 0.0% |
| Municipal Obligations | \$2,991,845 | 7.5% | \$2,919,825 | 7.5% | 0.0% |
| Government MBS | \$382,916 | 1.0% | \$405,874 | 1.0% | (0.1%) |
| Cash | \$20,701 | 0.1% | \$1,654 | 0.0% | 0.0% |
| Totals | \$39,784,521 | 100.0% | \$39,007,962 | 100.0% | |

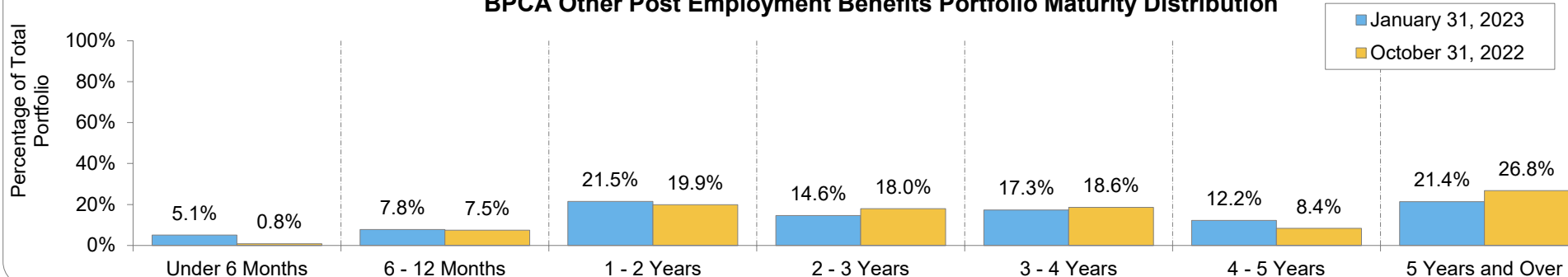
**Portfolio Composition
as of 01/31/23**



**Credit Quality Distribution
as of 01/31/23**



BPCA Other Post Employment Benefits Portfolio Maturity Distribution



Notes:

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

Portfolios Managed with a Shorter-Term Investment Strategy



Shorter-Term Investment Strategy

Total Return^{1,2,4,5}

January 31, 2023

Since Inception

| | | |
|--|--------------|--------------|
| 2003 Pledged Revenue | 0.93% | 1.13% |
| 2003 Project Operating Fund | 0.97% | 1.13% |
| BM: BAML 3 Month US Treasury Bill Index | 1.00% | 1.08% |

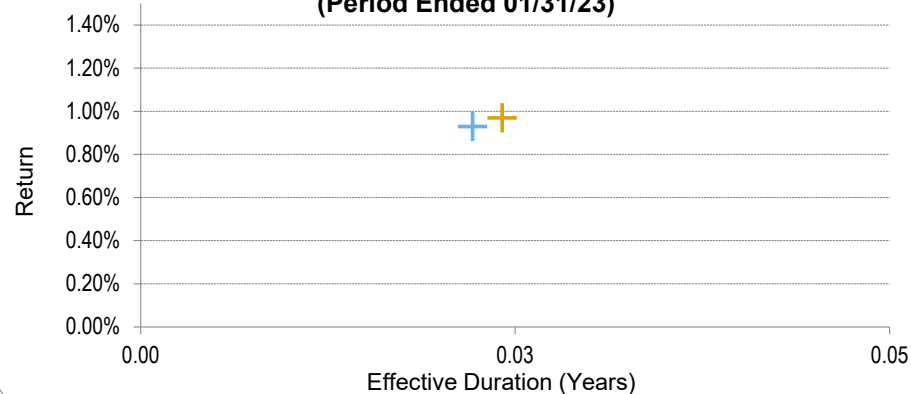
Effective Duration (in years)³

January 31, 2023

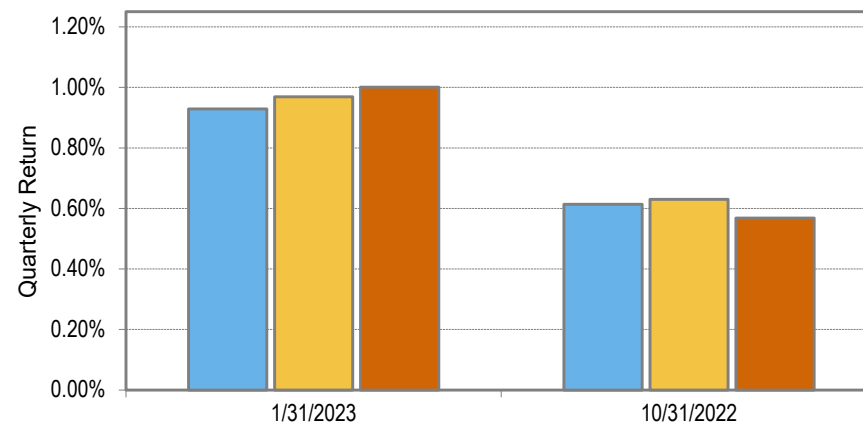
October 31, 2022

| | | |
|--|-------------|-------------|
| 2003 Pledged Revenue | 0.02 | 0.06 |
| 2003 Project Operating Fund | 0.02 | 0.10 |
| BM: BAML 3-Month US Treasury Bill Index | 0.15 | 0.16 |

Quarter Total Return Comparison
(Period Ended 01/31/23)



Performance Comparison



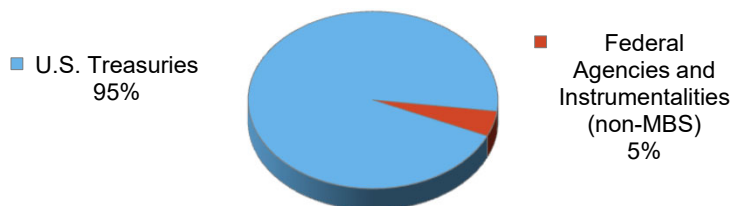
Notes:

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

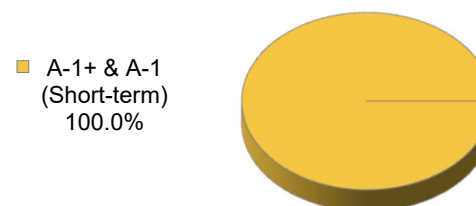
2003 Pledged Revenue

| Security Type ¹ | January 31, 2023 | % of Portfolio | October 31, 2022 | % of Portfolio | QoQ % Change |
|--|----------------------|----------------|----------------------|----------------|--------------|
| U.S. Treasuries | \$297,749,039 | 95.4% | \$158,399,103 | 77.7% | 17.7% |
| Federal Agencies and Instrumentalities (non-MBS) | \$14,428,107 | 4.6% | \$13,282,762 | 6.5% | (1.9%) |
| Commercial Paper | \$0 | 0.0% | \$32,127,753 | 15.8% | (15.8%) |
| Municipal Obligations | \$0 | 0.0% | \$0 | 0.0% | 0.0% |
| Government MBS | \$0 | 0.0% | \$0 | 0.0% | 0.0% |
| Cash | \$1,968 | 0.0% | \$883 | 0.0% | 0.0% |
| Totals | \$312,179,114 | 100.0% | \$203,810,500 | 100.0% | |

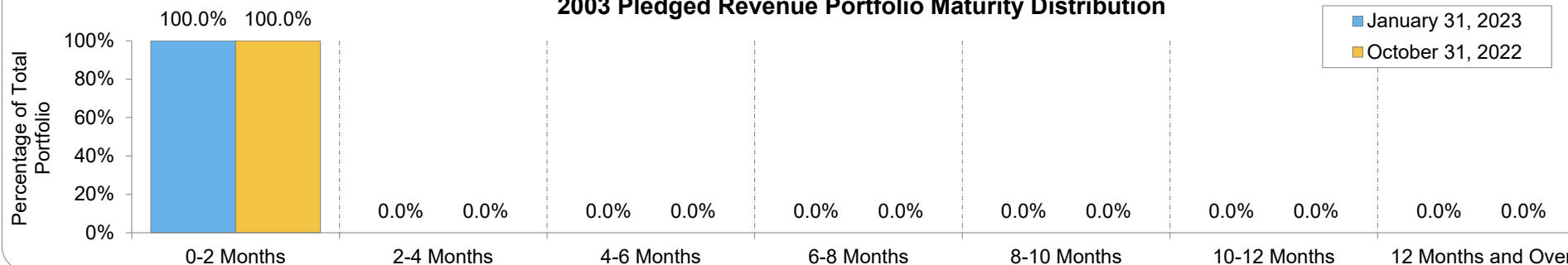
**Portfolio Composition
as of 01/31/23**



**Credit Quality Distribution
as of 1/31/23**



2003 Pledged Revenue Portfolio Maturity Distribution



Notes:

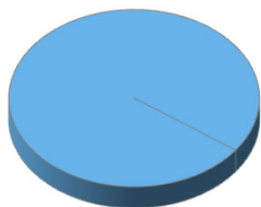
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

2003 Project Operating Fund Portfolio

| Security Type ¹ | January 31, 2023 | % of Portfolio | October 31, 2022 | % of Portfolio | QoQ % Change |
|--|---------------------|----------------|---------------------|----------------|--------------|
| U.S. Treasuries | \$10,925,113 | 100.0% | \$8,648,104 | 85.3% | 14.6% |
| Federal Agencies and Instrumentalities (non-MBS) | \$0 | 0.0% | \$0 | 0.0% | 0.0% |
| Commercial Paper | \$0 | 0.0% | \$1,484,910 | 14.7% | (14.7%) |
| Municipal Obligations | \$0 | 0.0% | \$0 | 0.0% | 0.0% |
| Government MBS | \$0 | 0.0% | \$0 | 0.0% | 0.0% |
| Cash | \$3,758 | 0.0% | \$1,390 | 0.0% | 0.0% |
| Totals | \$10,928,871 | 100.0% | \$10,134,405 | 100.0% | |

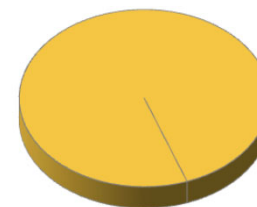
■ U.S. Treasuries
100.0%

**Portfolio Composition
as of 1/31/23**

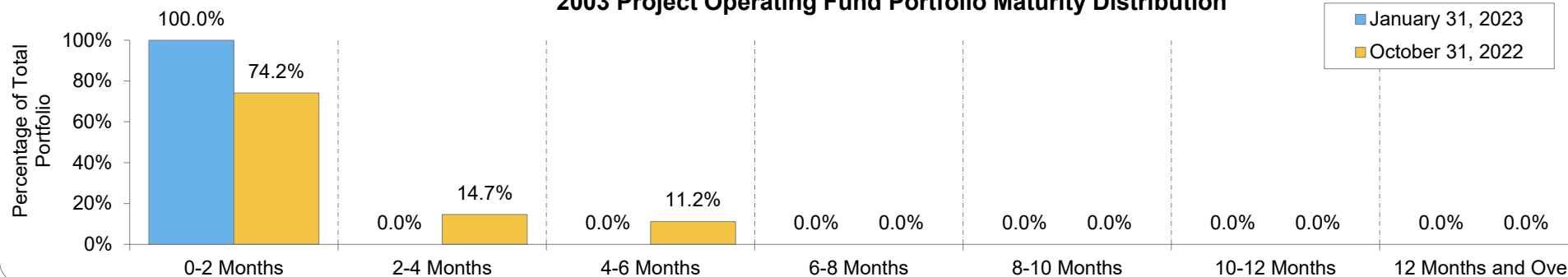


■ A-1+ & A-1
(Short-term)
100.0%

**Credit Quality Distribution
as of 1/31/23**



2003 Project Operating Fund Portfolio Maturity Distribution



Notes:

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

IV. Market Commentary



Summary

- ▶ The Fed remained center stage and focused on increasing overnight interest rates and tightening monetary conditions in its ongoing battle with multi-decade-high inflation. At its December meeting, the FOMC raised the fed funds rate by 50 basis points (bps) to a new target range of 4.25% to 4.50%, the highest level since 2007.
- ▶ In large part due to the Fed's historic pace of rate increases, there were accumulating signs of an economic slowdown in Q4, including: (1) a steeply inverted yield curve; (2) a sharp reversal in the housing market; (3) weakening in both the manufacturing and services sectors; (4) declining personal savings; (5) tepid consumer confidence; (6) retreating commodity prices; and (7) a falling U.S. dollar.
- ▶ On the positive side, employment remains strong, household income is rising and inflation has begun to moderate. The latter forces are significant and may keep the economy out of a deep recession, but uncertainty remains high.

Economic Snapshot

- ▶ Real GDP increased at an annualized rate of 3.2% in the third quarter of 2022. The increase in real GDP reflected increases in exports, consumer spending, non-residential fixed investment, state and local government spending, and federal government spending, all of which were partly offset by decreases in residential fixed investment and private inventory investment. This positive GDP occurred on the heels of two consecutive negative readings in the first half of the year. Fed projections for GDP reflect expectations for weaker economic growth over the coming years, with projections for the full calendar year 2022 at 0.5%, 2023 at 0.5%, and 2024 at 1.6%.
- ▶ The U.S. labor market was strong and historically tight for most of 2022, driving both job gains and nominal wage growth. Over the fourth quarter, the U.S. economy added 742,000 jobs in aggregate, which was strong, but a downshift from the torrid pace of the past seven quarters. The unemployment rate fell back to 3.5% in December, matching a 50+ year low. Wage growth moderated but remained above trend, while the labor force participation rate improved.
- ▶ The housing market continued to cool in the face of higher borrowing rates coupled with elevated home prices. Mortgage rates for a 30-year fixed-rate loan increased from a record low level of 2.65% in January 2021 to about 6.5%. Sales of existing homes fell 11 straight months, posting a decline of 18% from 2021 levels, the largest annual drop since 2008. Home prices nationally began to turn lower mid-year.
- ▶ Business activity slowed, as the services sector joined the manufacturing sector in contraction, as measured by the ISM purchasing manager surveys.

Interest Rates

- ▶ After three-quarters of surging yields, U.S. Treasuries traded within a range in Q4, albeit a somewhat wide one.

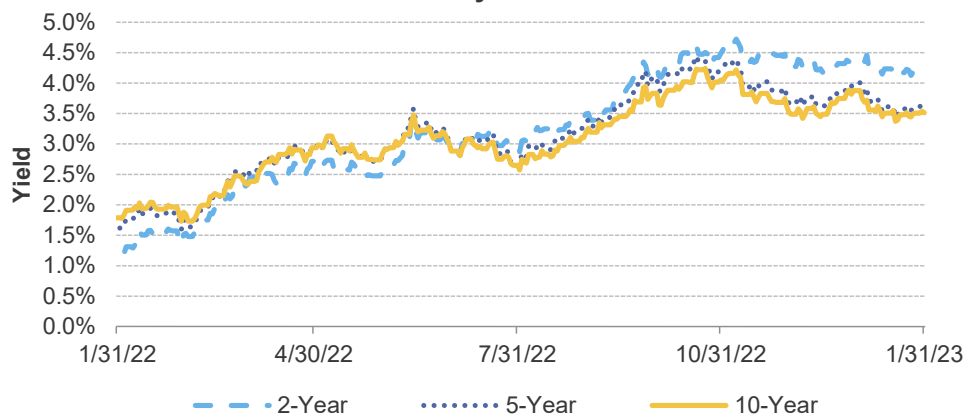
- ▶ Short-term maturities (less than one year) continued to increase in lockstep with adjustments to Fed policy, reflecting the two rate hikes totaling 1.25% in the fourth quarter. Yields on longer-term issues were mixed, with yields on 3-7 year Treasuries lower, while those 10-years and longer rose modestly.
- ▶ For example, the yield on 3- and 12-month U.S. Treasury Bills finished the quarter at 4.34% and 4.67%, up 110 bps and 75 bps, respectively. Meanwhile, as markets digested the potential slower pace of Fed rate increases moving forward, the yield on the 3-, 5- and 10-year U.S. Treasury notes ended the quarter-end at 4.22%, 4.01%, and 3.88%, down 6 bps, down 9 bps and up 5 bps, respectively. For all of 2022, rates were sharply higher. For reference, the yield on the 2-year Treasury was 369 bps higher for the year.
- ▶ As a result, fixed income indices posted positive total returns in the fourth quarter, following three prior negative quarters. The ICE BofA2-, 5- and 10-year U.S. Treasury indices returned 0.45%, 1.14% and 0.65%, respectively. For the year, however, bond market performance was the worst on record for many indices.
- ▶ The yield curve remained steeply inverted, as the spread between the 3-month and 10-year U.S. Treasury yields ended the quarter at nearly -50 bps. Only a handful of periods over the past 40 years has the curve reached this level of inversion, which has been a classic warning sign of a looming recession.

Sector Performance

- ▶ Most investment-grade (IG) sectors added value relative vs. like-duration U.S. Treasuries, with corporates, municipals, and mortgage-backed securities (MBS) generating solid incremental performance.
- ▶ After reaching a multi-year high in October, IG corporate yield spreads narrowed, finishing Q4 tighter than where they began. As a result, the corporate sector generated strong excess returns for Q4 and buoyed portfolio returns relative to benchmarks. Lower-quality credit saw a stronger performance, reversing the trend of the prior nine months of the year, while longer durations bested their shorter counterparts.
- ▶ Asset-backed security (ABS) yield spreads lagged the moves experienced in the corporate sector for much of Q4 but rallied significantly at December-end, closing the quarter only modestly wider. As a result of the strong year-end rally, the sector was just shy of breaking even with matched-duration U.S. Treasuries. With its more bullet-like structure, credit card ABS outperformed prime auto ABS.
- ▶ Short-term credit instruments, like commercial paper and negotiable bank CDs, provided excellent income opportunities as spreads were elevated and rates moved up with the Fed.

Interest Rate Overview

U.S. Treasury Note Yields



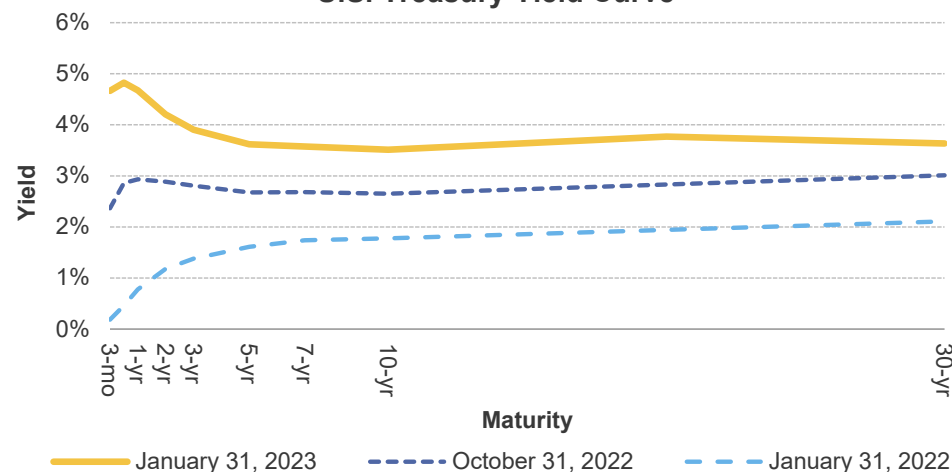
U.S. Treasury Yields

| Maturity | Jan '23 | Oct '22 | Change over Quarter | Jan '22 | Change over Year |
|----------|---------|---------|---------------------|---------|------------------|
| 3-month | 4.67% | 4.07% | 0.60% | 0.19% | 4.48% |
| 1-year | 4.67% | 4.64% | 0.03% | 0.78% | 3.89% |
| 2-year | 4.20% | 4.49% | (0.29%) | 1.18% | 3.02% |
| 5-year | 3.62% | 4.23% | (0.61%) | 1.61% | 2.01% |
| 10-year | 3.51% | 4.05% | (0.54%) | 1.78% | 1.73% |
| 30-year | 3.63% | 4.17% | (0.54%) | 2.11% | 1.52% |

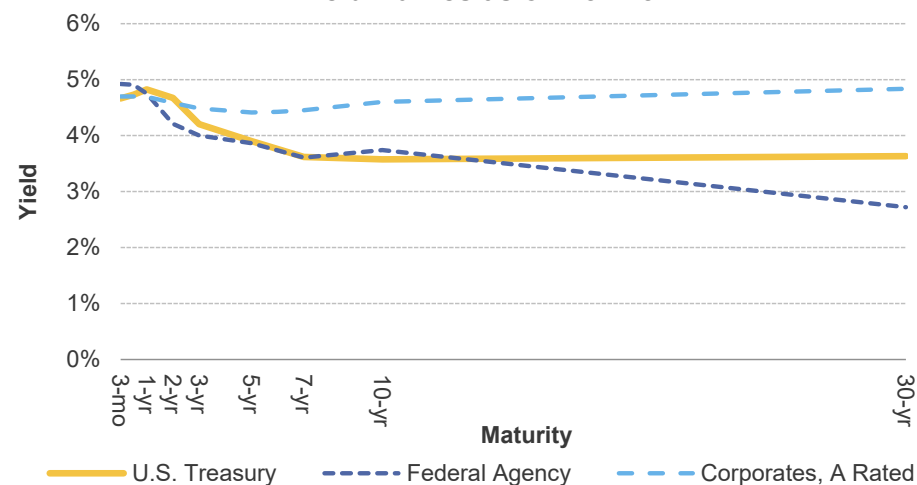
LIBOR Rates

| Maturity | Jan '23 | Oct '22 | Change over Quarter | Jan '22 | Change over Year |
|----------|---------|---------|---------------------|---------|------------------|
| 3-month | 4.81% | 4.46% | (0.35%) | 0.25% | 4.56% |
| 1-year | 5.39% | 5.45% | 0.06% | 0.75% | 4.64% |

U.S. Treasury Yield Curve



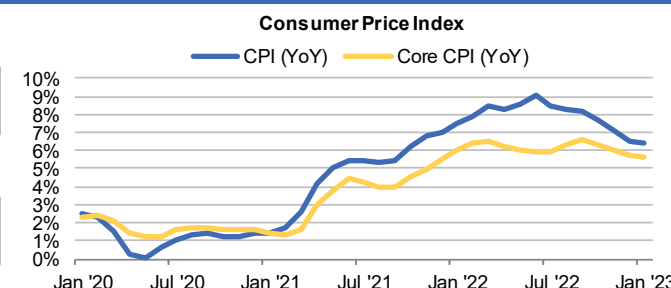
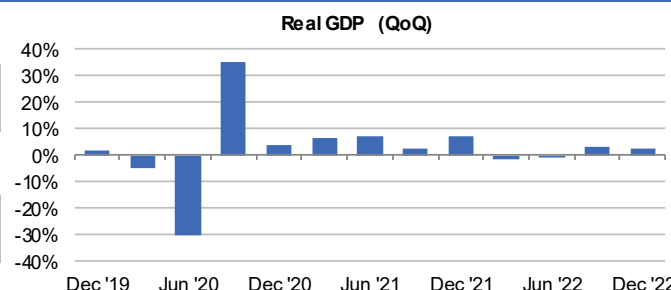
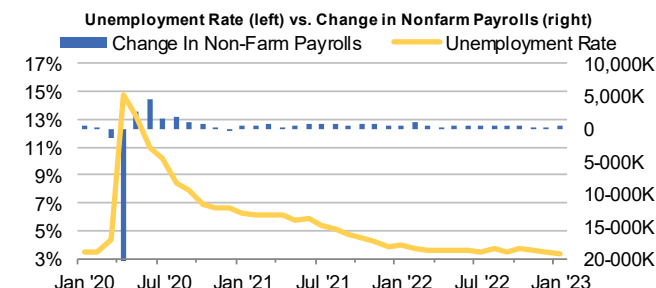
Yield Curves as of 1/31/23



| Labor Market | | Latest | Oct '22 | Jan '22 |
|-------------------------------|---------|---------|---------|---------|
| Unemployment Rate | Jan'23 | 3.4% | 3.7% | 4.0% |
| Change In Non-Farm Payrolls | Jan'23 | 517,000 | 324,000 | 364,000 |
| Average Hourly Earnings (YoY) | Jan'23 | 4.4% | 4.9% | 5.7% |
| Personal Income (YoY) | Jan'23 | 4.7% | 5.0% | -2.4% |
| Initial Jobless Claims (week) | 2/18/23 | 194,000 | 218,000 | 214,000 |

| Growth | | Latest | Oct '22 | Jan '22 |
|-------------------------------------|--------|-----------|-------------------|-------------------|
| Real GDP (QoQ SAAR) | 2023Q4 | 2.9% | 3.2% ¹ | 7.0% ² |
| GDP Personal Consumption (QoQ SAAR) | 2023Q4 | 2.1% | 2.3% ¹ | 3.1% ² |
| Retail Sales (YoY) | Jan'23 | 6.4% | 8.0% | 14.4% |
| ISM Manufacturing Survey (month) | Jan'23 | 47.4 | 50.0 | 57.6 |
| Existing Home Sales SAAR (month) | Jan'23 | 4.00 mil. | 4.44 mil. | 6.34 mil. |

| Inflation / Prices | | Latest | Oct '22 | Jan '22 |
|---|--------|---------|---------|---------|
| Personal Consumption Expenditures (YoY) | Jan'23 | 5.0% | 6.1% | 6.1% |
| Consumer Price Index (YoY) | Jan'23 | 6.4% | 7.7% | 7.5% |
| Consumer Price Index Core (YoY) | Jan'23 | 5.6% | 6.3% | 6.0% |
| Crude Oil Futures (WTI, per barrel) | Jan 31 | \$78.87 | \$86.53 | \$88.15 |
| Gold Futures (oz.) | Jan 31 | \$1,930 | \$1,641 | \$1,795 |



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 01/31/2023 | | Returns for Periods ended 01/31/2023 | | | |
|--|----------|--------------------------------------|---------|----------|---------|
| January 31, 2023 | Duration | Yield | 3 Month | 1 Year | 3 Years |
| 1-3 Year Indices | | | | | |
| U.S. Treasury | 1.80 | 4.31% | 1.53% | (2.35%) | (0.36%) |
| Federal Agency | 1.81 | 4.39% | 1.64% | (2.37%) | (0.43%) |
| U.S. Corporates, A-AAA rated | 1.84 | 4.86% | 2.49% | (1.83%) | 0.17% |
| Agency MBS (0 to 3 years) | 2.12 | 4.42% | 2.37% | (3.22%) | (1.16%) |
| Taxable Municipals | 1.95 | 4.60% | 2.35% | (2.20%) | 0.96% |
| 1-5 Year Indices | | | | | |
| U.S. Treasury | 2.54 | 4.08% | 2.20% | (3.39%) | (0.72%) |
| Federal Agency | 2.15 | 4.30% | 2.01% | (3.51%) | (0.87%) |
| U.S. Corporates, A-AAA rated | 2.61 | 4.75% | 3.65% | (3.15%) | (5.08%) |
| Agency MBS (0 to 5 years) | 3.25 | 4.30% | 3.95% | (4.53%) | (1.42%) |
| Taxable Municipals | 2.65 | 4.52% | 3.25% | (3.16%) | 0.04% |
| Master Indices (Maturities 1 Year or Greater) | | | | | |
| U.S. Treasury | 6.51 | 3.86% | 4.93% | (8.87%) | (2.70%) |
| Federal Agency | 3.54 | 4.22% | 3.15% | (5.67%) | (1.40%) |
| U.S. Corporates, A-AAA rated | 7.07 | 4.77% | 8.26% | (9.13%) | (2.45%) |
| Agency MBS (0 to 30 years) | 5.75 | 4.25% | 6.87% | (7.69%) | (2.45%) |
| Taxable Municipals | 9.62 | 4.70% | 11.19% | (13.15%) | (3.10%) |

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

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Our Clients' Success is Essential to Ours
Integrity ♦ Experience ♦ Teamwork ♦ Performance

Battery Park City Authority

Net-Zero Investment Strategy Update

March 2023

pfmam.com

PFM Asset Management LLC

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Net-Zero Investment Strategy

Milestones, Metrics & Targets

- ▶ BPCA seeks to achieve the Investment Objectives contained within its Investment Guidelines – legality, safety, liquidity, and return – while investing with the principles of environmental, social and governance.

▶ **Short-Term Milestones & Targets (Next 6-12 months)**

- ▶ Identify current investment allocation to sustainable investments and establish an Authority baseline
- ▶ Prioritize allocation to approved corporate issuers that have made net-zero carbon pledges
- ▶ For the Municipal sector, identify issuers that finance green, sustainable, and/or environmental projects
- ▶ Continue allocation to Supranational investments. Identify designated green and sustainable bonds issued by Supranational issuers

▶ **Establish Intermediate-Term Milestones & Targets (Next 12-60 Months)**

- ▶ Measure and evaluate approved issuer net-zero performance based on:
 - Total carbon emissions
 - Carbon emissions intensity
 - Progress toward limiting impact on increasing temperatures in accordance with Paris Agreement
 - Newly available data and issuer reporting standards
- ▶ Measure portfolio performance quarterly relative to initial baseline

▶ **Long-Term Milestones & Targets (Next 60 Months+)**

- ▶ Continue to monitor issuer and portfolio level progress toward the Authority's net-zero objective by measuring approved issuer emissions, emissions intensity, and impact on temperature rise
- ▶ Set total carbon emissions, carbon intensity, and/or other targets for approved issuers
- ▶ Set actual dates for milestones and target goals
- ▶ Expand monitoring of other fixed-income sectors (U.S. Treasuries, Supranationals, Federal Agencies and Municipals) as carbon data becomes available

Short-Term Milestones & Targets:

Progress Update

- ☒ Identify current investment allocation to sustainable investments and establish an Authority baseline
 - Carbon emissions data is available for the Authority's corporate allocation, and the baseline for those companies will be alignment with the Paris Agreement
- ☒ Prioritize allocation to approved corporate issuers that have made net-zero carbon pledges
 - PFMAM & RAM have identified corporate issuers that have a net zero pledge
- ☐ For the Municipal sector, identify issuers that finance green, sustainable, and/or environmental projects
 - The municipal market is being actively monitored for any developments and the availability of data
- ☐ Continue allocation to Supranational investments. Identify designated green and sustainable bonds issued by Supranational issuers
 - Carbon emissions data is not publicly available for Supranational issuers

The Authority's Net Zero Objective

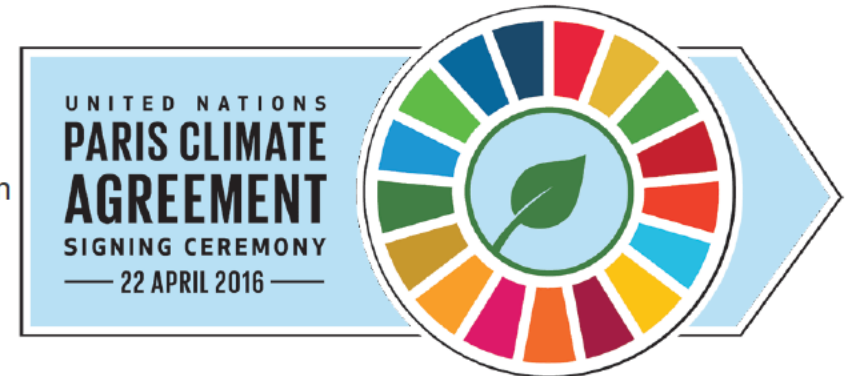
as of January 31, 2023

What is the Paris Agreement?

The Agreement sets long-term goals to guide all nations:

- substantially reduce global greenhouse gas emissions to limit the global temperature increase in this century to **2 degrees Celsius** while pursuing efforts to limit the increase even further to 1.5 degrees;
- review countries' commitments every five years;
- provide financing to developing countries to mitigate climate change, strengthen resilience and enhance abilities to adapt to climate impacts.

The Conference of the Parties (COP) occurs annually to check in on the nations' progress toward these goals. COP28, the 28th United Nations Climate Change Conference, will be held in late 2023.



What is net zero?

Put simply, net zero means cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance.

What are the net zero targets?

To keep global warming to no more than 1.5-2°C – as called for in the Paris Agreement – emissions need to be reduced by 45% by 2030 and reach net zero by 2050.

- BPCA's organizational objective is to achieve a net zero portfolio by 2050. Our interim goals include:
 - BPCA Spaces – 50% reduction in GHG emissions from 2017 levels by 2030.
 - Battery Park City – 50% reduction in GHG emissions from 2017 levels by 2030.
- The objective for New York State agencies and authorities is to achieve net zero investment portfolios by 2040.

Representatives Credit Issuers Satisfying BPCA Investment Guidelines and Net-Zero Standards

- ▶ PFMAM and RAM have identified a representative list of 38 corporate issuers that meet investment policy and net-zero initiative standards.
 - ▶ These standards consist of:
 1. Obligations of any issuers organized under the laws of any state in the United States (current IPS)
 2. Highest rating of two independent Nationally Recognized Statistical Rating Organizations (current IPS)
 3. Public declaration of commitments to the net-zero initiatives
- ▶ While 38 issuers have been identified, there are some limitations on our ability to invest in all of these issuers. Many of these issuers are not frequent issuers, and allocation to this sector is dependent on the Authority's cash flows.
- ▶ As more data becomes publicly available, PFMAM and RAM will work to identify which permitted municipal and supranational issuers may be compatible with the net-zero objective.

The SEC is Addressing Climate Disclosure Gaps

“We are proposing to require disclosures about climate-related risks and metrics reflecting those risks because this information can have an impact on public companies’ financial performance or position and may be material to investors in making investment or voting decisions.”

-The Securities and Exchange Commission, March 21, 2022

- ▶ In March 2022, the Securities and Exchange Commission (SEC) announced a plan called “The Enhancement and Standardization of Climate-Related Disclosures for Investors” to introduce mandatory climate disclosures for public companies
- ▶ These SEC rules will make corporate sustainability reporting more common, consistent, and standardized like financial accounting and reporting
- ▶ The proposed rule changes would require companies to address the following in their annual reports:
 - 1) Greenhouse gas (GHG) emissions of the company
 - 2) The material impacts of climate-related risks on the business and its financial statements as well as how these risks may affect the registrant’s “strategy, business model, and outlook”
 - 3) How the company is detecting, evaluating, and managing any climate-related risks
- ▶ The public comment period ended in November of 2022; the SEC is now drafting the final ruling, which is expected in April of 2023
- ▶ Reporting would likely start between 2023 and 2025 depending on the size of the company

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