

Hugh L. Carey Battery Park City Authority
Meeting of the Investment Committee
200 Liberty Street, 24th Floor
New York, New York 10281
June 6, 2023
12:30 p.m.

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF THE MARCH 8, 2023 MINUTES
- III. QUARTERLY REVIEW
- IV. SWAP ANALYSIS
- V. MOTION TO ADJOURN

Hugh L. Carey Battery Park City Authority

Review of Investment Performance

Quarter Ended April 30, 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

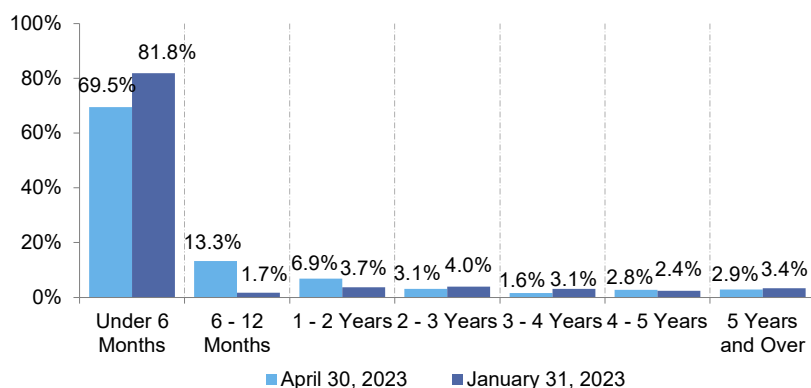
I. Executive Summary



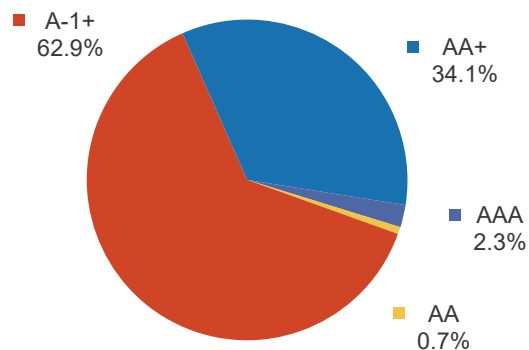
Aggregate Portfolio Composition and Credit Quality

Security Type ¹	April 30, 2023	% of Portfolio	Effective Duration	January 31, 2023	% of Portfolio	Effective Duration	QoQ Change (% of portfolio)
U.S. Treasuries	\$533,828,898	83.1%	0.68	\$561,050,579	93.4%	0.56	(10.3%)
Federal Agencies and Instrumentalities (non-MBS)	\$78,382,816	12.2%	0.35	\$31,271,258	5.2%	0.92	7.0%
Commercial Paper	\$0	0.0%	0.00	\$0	0.0%	0.00	-
Municipals	\$6,627,577	1.0%	1.47	\$4,908,723	0.8%	2.25	0.2%
Government MBS ²	\$1,439,776	0.2%	2.80	\$1,558,945	0.3%	2.80	(0.0%)
Cash	\$22,097,042	3.4%	0.00	\$1,662,728	0.3%	0.00	3.2%
Totals	\$642,376,110	100.0%	0.65	\$600,452,234	100.0%	0.60	

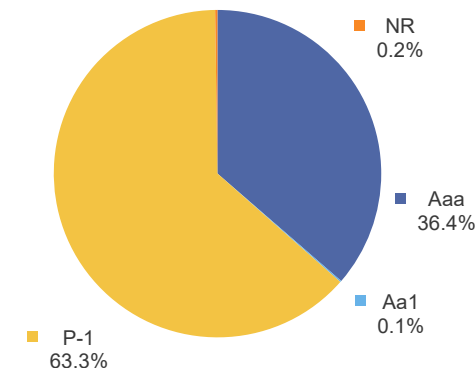
**Maturity Distribution
As of 4/30/2023**



**Credit Quality Distribution (S&P)
as of 4/30/2023**



**Credit Quality Distribution (Moody's)
as of 4/30/2023**



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 – April 30, 2023

	Past Quarter	Past 12 Months	Past 3-Years	Since Inception
Long-Term Strategy:				
2003 Reserve Fund	1.88%	1.65%	-0.76%	2.58%
<i>BM: BAML 1-5 Year US Treasury Note Index</i>	<i>1.19%</i>	<i>0.89%</i>	<i>-1.30%</i>	<i>2.50%</i>
BPCPC Operating Reserve Contingency Insurance Fund	1.40%	1.02%	-1.73%	2.89%
Operating Budget Reserve	1.14%	0.58%	-1.87%	2.85%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>1.29%</i>	<i>0.52%</i>	<i>-1.82%</i>	<i>2.97%</i>
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>1.21%</i>	<i>0.53%</i>	<i>-2.19%</i>	<i>2.64%</i>
BPCA Other Post-Employment Benefits	1.16%	0.57%	-1.74%	2.26%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>1.21%</i>	<i>0.53%</i>	<i>-2.19%</i>	<i>2.03%</i>
Short-Term Strategy:				
2003 Pledged Revenue	1.08%	2.78%	1.00%	1.11%
2003 Project Operating Fund	1.09%	2.84%	0.98%	1.12%
<i>BM: BAML 3 Month US Treasury Bill Index</i>	<i>1.08%</i>	<i>2.81%</i>	<i>0.99%</i>	<i>1.06%</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 grew 1.1% in the first quarter, down from 2.6% expansion in the prior quarter. This comes as business investment growth slowed, inventories declined and rising interest rates continued to hurt the housing market.
- ▶ The year-over year change in the Consumer Price Index (CPI) fell to 4.9% in April, slightly lower than market expectations. Core CPI, which excludes volatile energy and food prices, climbed 5.5% in April from a year earlier, down from 5.6% in March, and in line with market estimates of 5.5%.
- ▶ The labor market remained robust during the quarter. The unemployment rate fell to 3.4% in April with the economy adding 253,000 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 4.01%, down 19 basis points (0.19%) from the start of the quarter. The yield on the 10-year U.S. Treasury decreased to 3.43% by quarter-end, a decrease of 8 basis points (0.08%) from January 31, 2023.

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 5.00% - 5.25%.
- ▶ The updated summary of economic projections points toward lower growth, higher inflation and a higher unemployment rate in 2023. Chair Jerome Powell commented that inflation reduction will require “a period of below trend growth” as well as “some softening of labor market conditions.”



Portfolio Recap – Performance & Cash Flows

Longer-Term Funds.

- Declining yields on longer-term securities led to positive returns.
- We continued to maintain a defensive duration relative to benchmarks.
- Absolute performance was strong for the quarter. Relative to benchmarks, performance was mixed because of upcoming cashflow needs for certain portfolios.

Short-Term Funds

- The 2003 Pledged Revenue Fund and Project Operating Fund posted strong absolute performance, with returns in line with the benchmark.
- Each portfolio continues to be structured based on anticipated liquidity needs. We continue to seek high-quality commercial paper issuers in line with liquidity needs and pockets of value in the current market.



Investment Policy Issuer Guidelines

Compliance Issuer Check						
Issuer	Actual (%)	Actual (\$) ³	IPS Limit	S&P Rating	Moody's Rating	Check
U.S. Treasury	83.1%	533,828,898	100%	AA+	Aaa	OK
Freddie Mac	3.9%	25,088,501	\$250,000,000	AA+	Aaa	OK
Federal Home Loan Bank	3.6%	22,970,939	\$250,000,000	A-1+	P-1	OK
Cash	3.4%	22,097,042	N/A	N/A	N/A	N/A
Fannie Mae	2.8%	17,697,203	\$250,000,000	AA+	Aaa	OK
International Bank of Recon and Development	0.8%	5,079,016	\$250,000,000	AAA	Aaa	OK
International American Development Bank	0.6%	3,631,541	\$250,000,000	AAA	Aaa	OK
New York City	0.5%	3,465,197	10%	AA	Aa2	OK
Asian Development Bank	0.5%	3,108,487	\$250,000,000	AAA	Aaa	OK
African Development Bank	0.2%	1,171,245	\$250,000,000	AAA	Aaa	OK
Suffolk County NY	0.2%	998,572	10%	A-1+	NR	OK
Tennessee State	0.2%	980,310	10%	AAA	Aaa	OK
New York State	0.1%	802,324	10%	AA+	Aa1	OK
Small Business Administration	0.1%	646,323	100%	AA+	Aaa	OK
Ginnie Mae	0.1%	429,338	100%	AA+	Aaa	OK
NY State Dorm Authority	0.1%	381,175	10%	AA+	NR	OK

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	\$33,362,820		(\$198,364)		\$584,080		\$33,748,535
BPCPC Operating Reserve Contingency	\$10,662,314		(\$3,549,105)		\$65,241		\$7,178,451
Insurance Fund	\$5,862,275		\$0		\$66,992		\$5,929,267
Operating Budget Reserve	\$23,285,333		\$656		\$1,337,123		\$24,623,112
BPCA Other Post-Employment Benefits	\$39,784,521		\$0		\$813,710		\$40,598,231
Subtotal	\$112,957,263		(\$3,746,813)		\$2,867,147		\$112,077,597
Shorter Term Investment Strategy							
2003 Pledged Revenue	\$312,179,114		(\$240,796,544)		\$706,118		\$72,088,687
2003 Project Operating Fund	\$10,928,871		(\$105,879)		\$109,093		\$10,932,084
Subtotal	\$323,107,984		(\$240,902,423)		\$815,210		\$83,020,771
Total	\$436,065,248		(\$244,649,236)		\$3,682,357		\$195,098,368

Notes:

1. Beginning Period Value is as of January 31, 2023 and Ending Period Value is as of April 30, 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	\$3,667,992		\$0		\$41,975		\$3,709,967
2000 Arbitrage Rebate	\$850,509		\$0		\$9,337		\$859,846
Unpledged Revenue	\$17,232,584		(\$7,814,282)		\$84,386		\$9,502,687
2003 Residual Fund	\$262,830		\$170,166,101		\$1,844,381		\$172,273,312
Joint Purpose Fund	\$40,280,012		\$44,934,691		\$898,018		\$86,112,722
Special Fund	\$983,020		\$0		\$10,821		\$993,841
BPCPC Operating Reserve	\$1,059,429		(\$1,066,695)		\$7,266		\$0
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	\$10,077,366		(\$896,000)		\$103,264		\$9,284,630
BPCA Pier A Reserve Fund	\$1,442,376		\$0		\$15,697		\$1,458,073
BPCA 2019A Comm Ctr SB Proj	\$102		\$0		\$0		\$102
BPCA 2019A Sustainable Proj	\$23,903,698		(\$2,899,879)		\$246,188		\$21,250,007
BPCA 2019ABCDE COI	\$5,628		\$0		\$0		\$5,628
BPCA 2019BDE Project	\$6,260,403		(\$51,307)		\$68,940		\$6,278,036
BPCA 2019C Pier A SB Proj	\$3,611,493		\$0		\$39,616		\$3,651,109
Subtotal	\$109,638,879		\$202,372,629		\$3,369,889		\$315,381,397

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	\$308,472		\$0		\$3,357		311,828.15
Liberty House Mariners J	\$252,343		\$0		\$2,747		\$255,091
Rector Park L	\$35,124		\$0		\$374		\$35,498
Hudson View W Towers G	\$177,652		\$0		\$1,935		\$179,587
Hudson Towers E/F	\$216,059		\$0		\$2,352		\$218,410
Hudson View Towers C	\$190,713		\$0		\$2,074		\$192,787
Liberty Ct Mariners Cove B	\$629,939		\$0		\$6,873		\$636,812
Millenium	\$3,803,184		\$0		\$41,508		\$3,844,693
Liberty Battery Place Assoc 4	\$454,216		\$0		\$4,949		\$459,165
South Cove Assoc 11	\$412,492		\$0		\$4,500		\$416,992
Soundings Rector Park A	\$220,754		\$0		\$2,405		\$223,159
The Regatta Site 10	\$503,619		\$0		\$5,495		\$509,113
2003 Debt Service Junior Payments	\$8,612,335		\$23,693,942		\$374,685		\$32,680,962
2003 Debt Service Senior Payments	\$17,126,139		\$52,001,401		\$761,709		\$69,889,249
BPCA Millenium Tower Security Fund 2A	\$3,175,985		\$0		\$34,656		\$3,210,641
BPCA S 16/17 Riverhouse Security Fund	\$6,748,203		\$0		\$73,641		\$6,821,844
BPCA Visionaire Security Fund	\$4,109,400		\$0		\$44,843		\$4,154,243
BPCA One Rector Park Security Fund	\$1,008,531		\$0		\$11,000		\$1,019,531
BPCA Rector Square Security Fund Site D	\$232,242		\$0		\$2,533		\$234,776
BPCA WFC Tower C Retail Rent Escrow	\$261,860		\$0		\$2,854		\$264,714
BPCA River & Warren Sec Fund - Site 19A	\$6,215,086		\$0		\$67,826		\$6,282,913
BPCA North Cove Marina Security Fund	\$53,759		\$0		\$577		\$54,337
Subtotal	\$54,748,107		\$75,695,343		\$1,452,895		\$131,896,344

Notes:

1. Beginning Period Value is as of January 31, 2023 and Ending Period Value is as of April 30, 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.

II. Summary of Aggregate Portfolio



Aggregate Portfolio Issuer Breakdown

Issuer Breakdown

Security Type	April 30, 2023	% of Portfolio	January 31, 2023	% of Portfolio	QoQ % Change
United States Treasury²					
U.S. Treasury	\$533,828,898	83.1%	\$561,050,579	93.4%	(10.3%)
Ginnie Mae	\$429,338	0.1%	\$515,256	0.1%	(0.0%)
Small Business Administration	\$646,323	0.1%	\$661,098	0.1%	(0.0%)
Federal Agencies and Instrumentalities^{2,3}					
Freddie Mac	\$25,088,501	3.9%	\$111,143	0.0%	3.9%
Fannie Mae	\$17,697,203	2.8%	\$271,449	0.0%	2.7%
Federal Home Loan Bank	\$22,970,939	3.6%	\$16,217,656	2.7%	0.9%
International Bank of Recon and Development	\$5,079,016	0.8%	\$6,170,301	1.0%	(0.2%)
International American Development Bank	\$3,631,541	0.6%	\$4,151,114	0.7%	(0.1%)
Asian Development Bank	\$3,108,487	0.5%	\$3,342,716	0.6%	(0.1%)
African Development Bank	\$1,171,245	0.2%	\$1,389,471	0.2%	(0.0%)
Municipal Issuers²					
New York City	\$3,465,197	0.5%	\$3,721,682	0.6%	(0.1%)
NY State Dorm Authority	\$381,175	0.1%	\$381,474	0.1%	(0.0%)
New York State	\$802,324	0.1%	\$805,567	0.1%	(0.0%)
Suffolk County NY	\$998,572	0.2%	\$0	0.0%	0.2%
Tennessee State	\$980,310	0.2%	\$0	0.0%	0.2%
Cash					
Cash	\$22,097,042	3.4%	\$1,662,728	0.3%	3.2%
TOTAL	\$642,376,110	100.0%	\$600,452,234	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

	April 30, 2023			January 31, 2023			
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	\$33,748,535	2.14	5.3%	\$33,362,820	2.26	5.6%	-0.3%
BPCPC Operating Reserve Contingency	\$7,178,451	3.77	1.1%	\$10,662,314	3.13	1.8%	-0.7%
Insurance Fund	\$5,929,267	2.91	0.9%	\$5,862,275	3.09	1.0%	-0.1%
Operating Budget Reserve	\$24,623,112	2.58	3.8%	\$23,285,333	2.87	3.9%	0.0%
BPCA Other Post-Employment Benefits	\$40,598,231	3.31	6.3%	\$39,784,521	3.48	6.6%	-0.3%
Subtotal Longer Term Investment Strategy	\$112,077,597	2.81	17.4%	\$112,957,263	2.94	18.8%	-1.4%
Short Term Investment Strategy							
2003 Pledged Revenue	\$72,088,687	0.25	11.2%	\$312,179,114	0.02	52.0%	-40.8%
2003 Project Operating Fund	\$10,932,084	0.06	1.7%	\$10,928,871	0.02	1.8%	-0.1%
Subtotal Short Term Investment Strategy	\$83,020,771	0.23	12.9%	\$323,107,984	0.02	53.8%	-40.9%
Subtotal of Total Return Accounts	\$195,098,368	1.71	30.4%	\$436,065,248	0.78	72.6%	-42.3%

Notes:

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

Portfolio Value – Other BPCA Accounts

	April 30, 2023			January 31, 2023			
PFM Asset Management Accounts	Total Market Value	Effective Duration	% of Total Portfolio	Market Value ¹	Effective Duration	% of Total Portfolio	QoQ % Change
Corporate Funds	\$3,709,967	0.02	0.6%	\$3,667,992	0.17	0.6%	(0.0%)
2000 Arbitrage Rebate	\$859,846	0.01	0.1%	\$850,509	0.07	0.1%	(0.0%)
Unpledged Revenue	\$9,502,687	0.08	1.5%	\$17,232,584	0.00	2.9%	(1.4%)
2003 Residual Fund	\$172,273,312	0.03	26.8%	\$262,830	0.04	0.0%	26.8%
Joint Purpose Fund	\$86,112,722	0.03	13.4%	\$40,280,012	0.00	6.7%	6.7%
Special Fund	\$993,841	0.01	0.2%	\$983,020	0.07	0.2%	(0.0%)
BPCPC Operating Reserve	\$0	0.00	0.0%	\$1,059,429	0.48	0.2%	(0.2%)
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	\$9,284,630	0.02	1.4%	\$10,077,366	0.08	1.7%	(0.2%)
BPCA2013B PROJ COSTS SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA PIER A RESERVE FUND	\$1,458,073	0.02	0.2%	\$1,442,376	0.02	0.2%	(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	\$21,250,007	0.02	3.3%	\$23,903,698	0.01	4.0%	(0.7%)
BPCA 2019ABCDE COI	\$5,628	0.00	0.0%	\$5,628	0.00	0.0%	(0.0%)
BPCA 2019BDE Project	\$6,278,036	0.02	1.0%	\$6,260,403	0.03	1.0%	(0.1%)
BPCA 2019C Pier A SB Proj	\$3,651,109	0.02	0.6%	\$3,611,493	0.03	0.6%	(0.0%)
Subtotal PFM Asset Management Accounts	\$315,381,397	0.03	49.1%	\$109,638,879	0.02	17.1%	32.0%

Notes:

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

Portfolio Value – Other BPCA Accounts

	April 30, 2023			January 31, 2023			
RAM Managed Accounts	Total Market Value	Effective Duration	% of Total Portfolio	Market Value ¹	Effective Duration	% of Total Portfolio	QoQ % Change
Liberty Terr Mariners Cove-K	\$311,828	0.58	0.0%	\$308,472	0.44	0.1%	(0.0%)
Liberty House Mariners J	\$255,091	0.58	0.0%	\$252,343	0.44	0.0%	(0.0%)
Rector Park L	\$35,498	0.58	0.0%	\$35,124	0.44	0.0%	(0.0%)
Hudson View W Towers G	\$179,587	0.58	0.0%	\$177,652	0.44	0.0%	(0.0%)
Hudson Towers E/F	\$218,410	0.58	0.0%	\$216,059	0.44	0.0%	(0.0%)
Hudson View Towers C	\$192,787	0.58	0.0%	\$190,713	0.44	0.0%	(0.0%)
Liberty Ct Mariners Cove B	\$636,812	0.58	0.1%	\$629,939	0.44	0.1%	(0.0%)
Millenium	\$3,844,693	0.58	0.6%	\$3,803,184	0.44	0.6%	(0.0%)
Liberty Battery Place Assoc 4	\$459,165	0.58	0.1%	\$454,216	0.44	0.1%	(0.0%)
South Cove Assoc 11	\$416,992	0.58	0.1%	\$412,492	0.44	0.1%	(0.0%)
Soundings Rector Park A	\$223,159	0.58	0.0%	\$220,754	0.44	0.0%	(0.0%)
The Regatta Site 10	\$509,113	0.58	0.1%	\$503,619	0.44	0.1%	(0.0%)
2003 Debt Service Junior Payments	\$32,680,962	0.57	5.1%	\$8,612,335	0.11	1.4%	3.7%
2003 Debt Service Senior Payments	\$69,889,249	0.56	10.9%	\$17,126,139	0.24	2.9%	8.0%
BPCA Millenium Tower Security Fund 2A	\$3,210,641	0.58	0.5%	\$3,175,985	0.44	0.5%	(0.0%)
BPCA S 16/17 Riverhouse Security Fund	\$6,821,844	0.58	1.1%	\$6,748,203	0.44	1.1%	(0.1%)
BPCA Visionaire Security Fund	\$4,154,243	0.58	0.6%	\$4,109,400	0.44	0.7%	(0.0%)
BPCA Pier A Security Deposit Account	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA One Rector Park Security Fund	\$1,019,531	0.58	0.2%	\$1,008,531	0.44	0.2%	(0.0%)
BPCA Rector Square Security Fund Site D	\$234,776	0.58	0.0%	\$232,242	0.44	0.0%	(0.0%)
BPCA WFC TOWER C RETAIL RENT ESCROW	\$264,714	0.58	0.0%	\$261,860	0.44	0.0%	(0.0%)
BPCA RIVER & WARREN SEC FUND - SITE 19A	\$6,282,913	0.58	1.0%	\$6,215,086	0.44	1.0%	(0.1%)
BPCA NORTH COVE MARINA SECURITY FUND	\$54,337	0.58	0.0%	\$53,759	0.44	0.0%	(0.0%)
Subtotal of RAM Managed Accounts	\$131,896,344	0.57	20.5%	\$54,748,107	0.33	0.09	11.4%
Subtotal of Other BPCA Accounts	\$447,277,742	0.19	69.6%	\$164,386,986	0.12	27.4%	42.3%

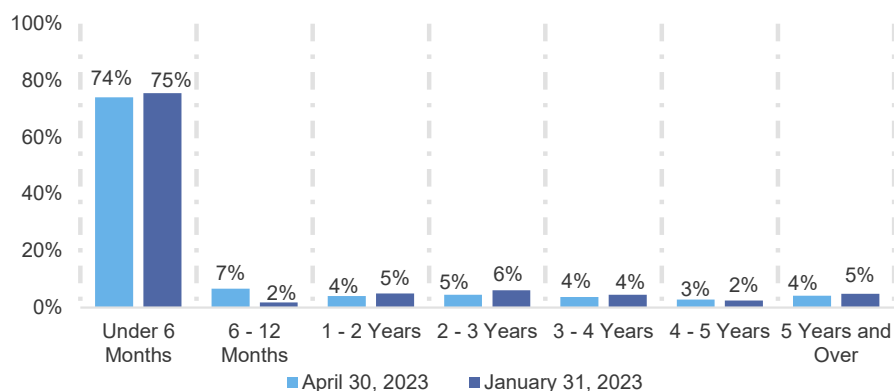
Notes:

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.

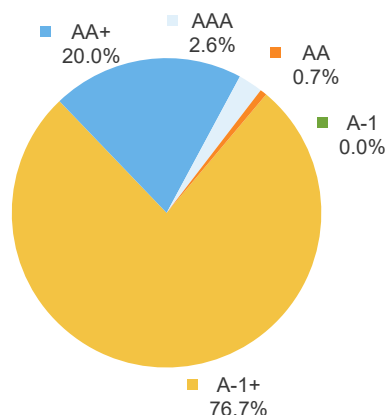
Aggregate Portfolio Summary: PFM Asset Management

Security Type ¹	April 30, 2023	% of Advisor	% of Total Portfolio	Effective Duration	January 31, 2023	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$424,236,621	83.1%	66.0%	0.71	\$507,889,951	93.1%	84.8%	0.58	(10.0%)
Federal Agencies and Instrumentalities (non-MBS)	\$78,382,816	15.4%	12.2%	0.35	\$31,271,258	5.7%	5.2%	0.92	9.6%
Commercial Paper	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Municipals	\$4,648,695	0.9%	0.7%	2.10	\$4,908,723	0.9%	0.8%	2.25	0.0%
Government MBS ²	\$1,420,272	0.3%	0.2%	2.84	\$1,503,185	0.3%	0.3%	2.87	0.0%
Cash	\$1,791,360	0.4%	0.3%	0.00	\$131,009	0.0%	0.0%	0.00	0.3%
Totals	\$510,479,766	100%	79.5%	0.67	\$545,704,127	100.0%	91.1%	0.62	

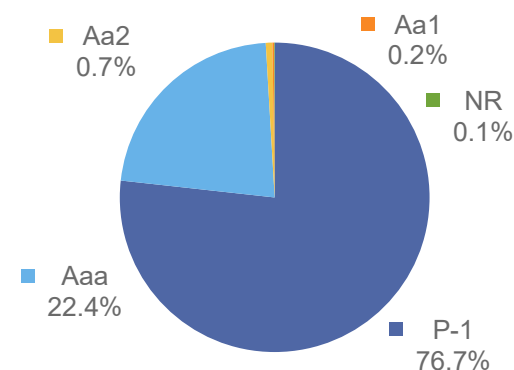
**Maturity Distribution
as of 4/30/2023**



**Credit Quality (S&P)
as of 4/30/2023**



**Credit Quality (Moody's)
as of 4/30/2023**



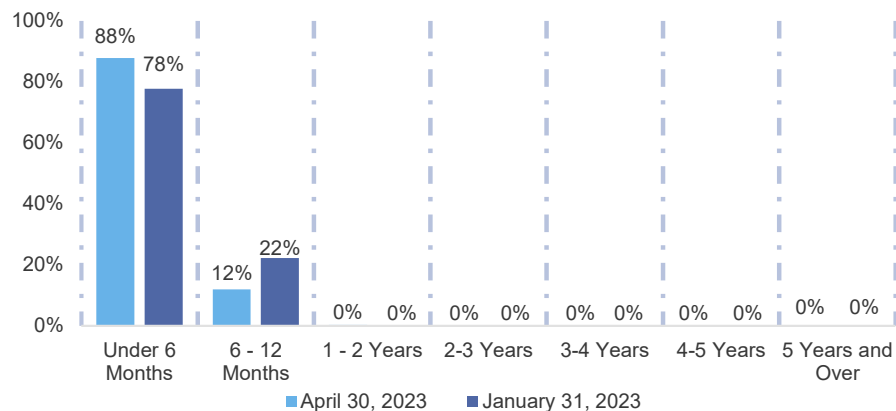
Notes:

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.

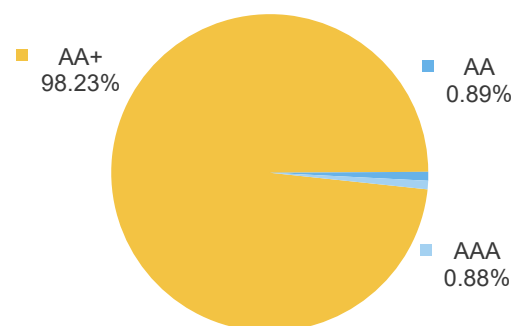
Aggregate Portfolio Summary: Ramirez Asset Management

Security Type ¹	April 30, 2023	% of Advisor	% of Total Portfolio	Effective Duration	January 31, 2023	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$109,592,277	83.1%	17.1%	0.34	\$53,160,628	97.1%	8.9%	0.55	(14.0%)
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Commercial Paper	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Municipals	\$1,978,882	1.5%	0.3%	0.00	\$0	0.0%	0.0%	0.00	1.5%
Government MBS ²	\$19,504	0.0%	0.0%	0.58	\$55,760	0.1%	0.0%	1.55	(0.1%)
Cash	\$20,305,682	15.4%	3.2%	0.00	\$1,531,718.48	2.8%	0.3%	0.00	12.6%
Totals	\$131,896,344	100%	20.5%	0.28	\$54,748,107	100.0%	9.1%	0.54	

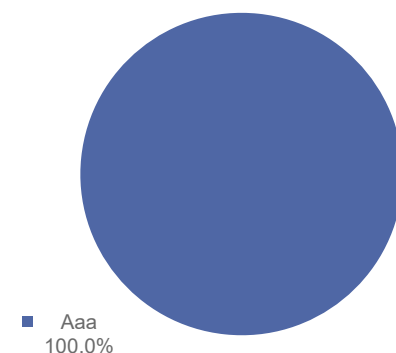
**Maturity Distribution
as of 4/30/2023**



**Credit Quality (S&P)
as of 4/30/2023**



**Credit Quality (Moody's)
as of 4/30/2023**



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 April 30, 2023</i>		
	Market Value Basis ³	Accrual (Amortized Cost) Basis
Beginning Value - January 2023 ¹	\$544,954,722	\$551,929,572
Net Purchases (Sales)	(\$41,819,904)	(\$41,819,904)
Change in Value	\$4,888,874	\$3,977,298
Ending Value - April 2023 ¹	\$508,023,691	\$514,086,966
Net Income ²	\$747,788	\$747,788
Portfolio Earnings	\$5,636,661	\$4,725,086

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 April 30, 2023</i>		
	Market Value Basis ^{1, 4}	Accrual (Amortized Cost) Basis ²
Beginning Value - January 2023	\$53,073,938	\$53,126,747
Net Purchases (Sales)	\$57,546,775	\$57,546,775
Change in Value	\$848,003	(\$116,021)
Ending Value -April 2023	\$111,468,717	\$110,557,501
Net Income ³	\$604,721	\$604,721
Portfolio Earnings	\$1,452,725	\$488,701

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.

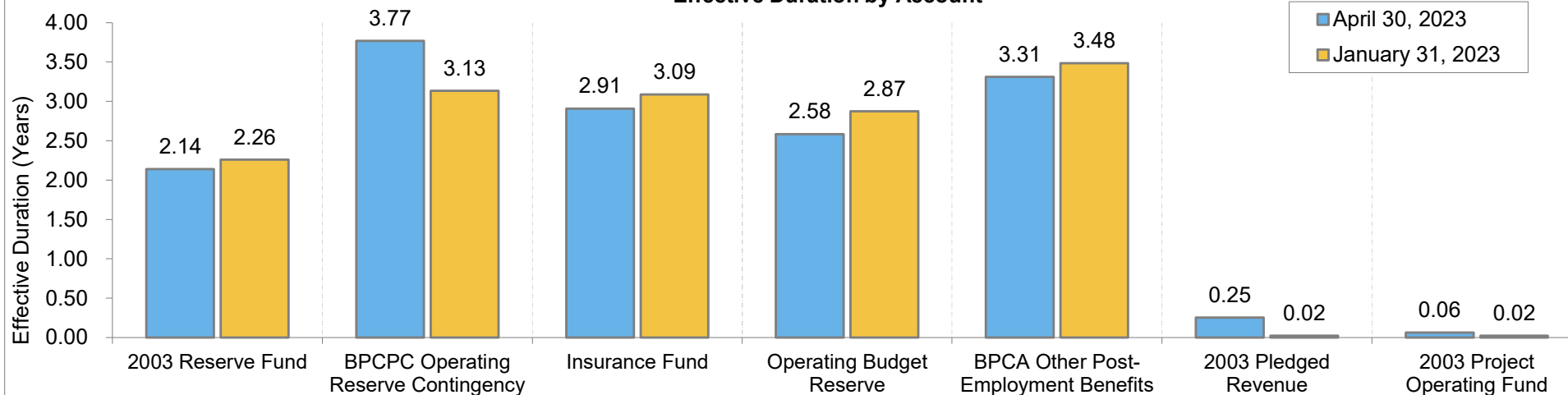
III. Total Return Performance Attributes



Total Return Portfolio Attributes

	Effective Duration (in years)		Yield To Maturity - At Market		Yield To Maturity - On Cost	
	April 30, 2023	January 31, 2023	April 30, 2023	January 31, 2023	April 30, 2023	January 31, 2023
Longer Term Investment Strategy						
2003 Reserve Fund	2.14	2.26	4.19%	4.56%	1.33%	1.33%
BPCPC Operating Reserve Contingency	3.77	3.13	3.75%	4.03%	1.40%	1.40%
Insurance Fund	2.91	3.09	4.04%	4.07%	1.72%	1.72%
Operating Budget Reserve	2.58	2.87	4.08%	4.12%	1.55%	1.55%
BPCA Other Post-Employment Benefits	3.31	3.48	3.98%	4.00%	1.77%	1.77%
Short Term Investment Strategy						
2003 Pledged Revenue	0.25	0.02	4.93%	2.52%	4.16%	4.16%
2003 Project Operating Fund	0.06	0.02	4.58%	3.81%	4.26%	4.26%

Effective Duration by Account



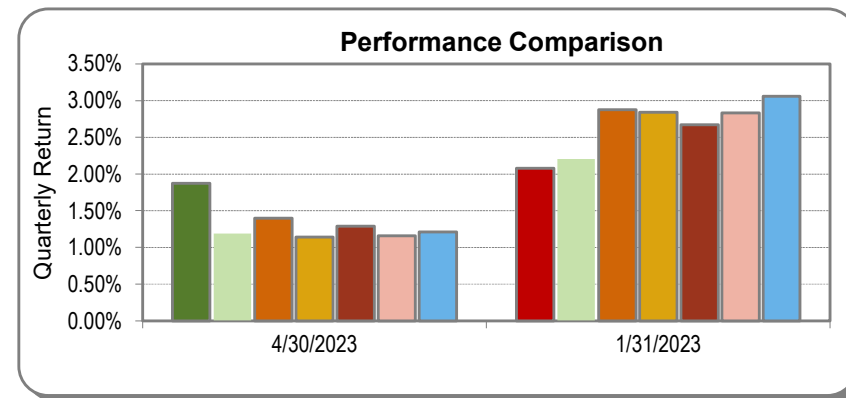
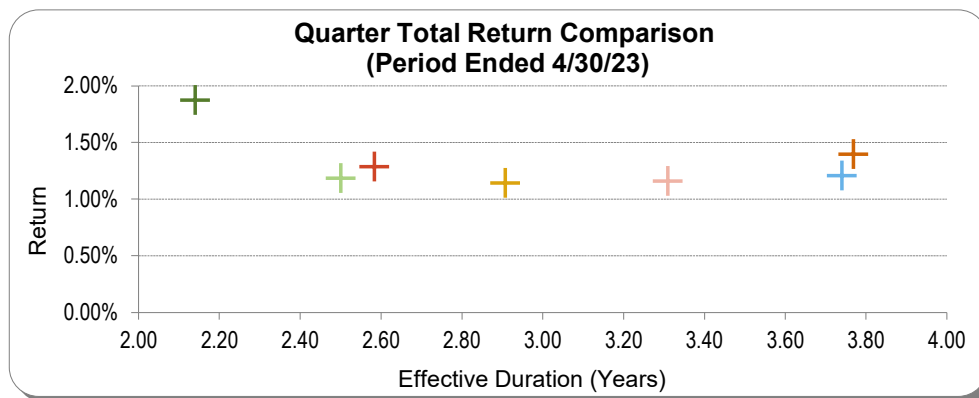
BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021

Portfolios Managed with a Longer-Term Investment Strategy



Longer-Term Investment Strategy

Total Return ^{1,2,4,5}		April 30, 2023	Annualized Since Inception
2003 Reserve Fund		1.88%	2.58%
BM: BAML 1-5 Year US Treasury Note Index		1.19%	2.50%
BPCPC Operating Reserve Contingency Insurance Fund		1.40%	2.89%
Operating Budget Reserve		1.14%	2.85%
BM: BAML 1-10 Year US Treasury Note Index		1.29%	2.97%
BPCA Other Post-Employment Benefits		1.21%	2.64%
BM: BAML 1-10 Year US Treasury Note Index		1.16%	2.26%
BPCPC Other Post-Employment Benefits		1.21%	2.03%
BM: BAML 1-10 Year US Treasury Note Index		0.00%	2.09%
		1.21%	1.71%
Effective Duration (in years) ³		April 30, 2023	January 31, 2023
2003 Reserve Fund		2.14	2.26
BM: BAML 1-5 Year US Treasury Note Index		2.50	2.52
BPCPC Operating Reserve Contingency Insurance Fund		3.77	3.13
Operating Budget Reserve		2.91	3.09
BPCA Other Post-Employment Benefits		2.58	2.87
BM: BAML 1-10 Year US Treasury Note Index		3.31	3.48
		3.74	3.73



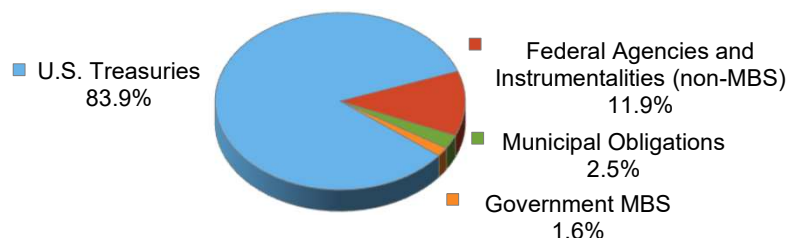
Notes:

- 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

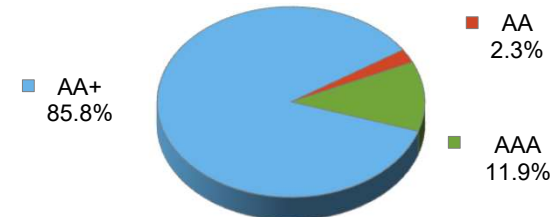
2003 Reserve Fund Portfolio

Security Type ¹	April 30, 2023	% of Portfolio	January 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$28,252,801	83.7%	\$27,735,494	83.1%	0.6%
Federal Agencies and Instrumentalities (non-MBS)	\$3,996,409	11.8%	\$4,155,831	12.5%	(0.6%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$857,487	2.5%	\$851,813	2.6%	(0.0%)
Government MBS	\$552,575	1.6%	\$590,438	1.8%	(0.1%)
Cash	\$89,264	0.3%	\$29,245	0.1%	0.2%
Totals	\$33,748,535	100.0%	\$33,362,820	99.9%	

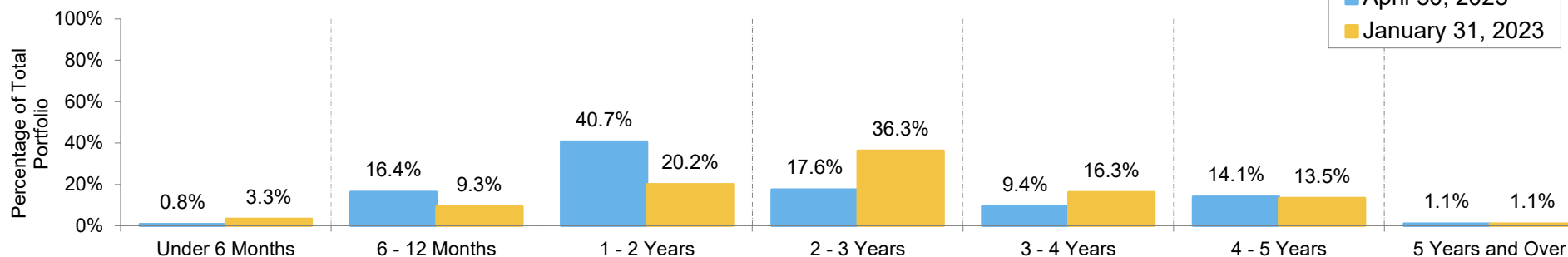
**Portfolio Composition
as of 04/30/23**



**Credit Quality Distribution
as of 04/30/23**



2003 Reserve Fund Portfolio Maturity Distribution



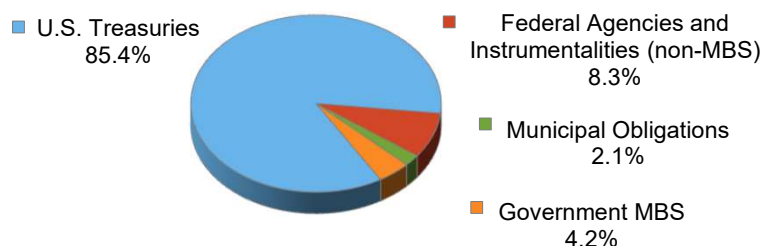
Notes:

- 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.

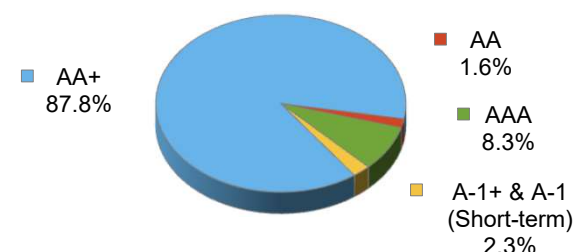
BPCPC Operating Reserve Contingency Portfolio

Security Type ¹	April 30, 2023	% of Portfolio	January 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$6,116,659	85.2%	\$7,474,904	70.1%	15.1%
Federal Agencies and Instrumentalities (non-MBS)	\$593,548	8.3%	\$2,425,352	22.7%	(14.5%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$149,299	2.1%	\$425,413	4.0%	(1.9%)
Government MBS	\$304,396	4.2%	\$320,907	3.0%	1.2%
Cash	\$14,550	0.2%	\$15,738	0.1%	0.1%
Totals	\$7,178,451	100.0%	\$10,662,314	100.0%	

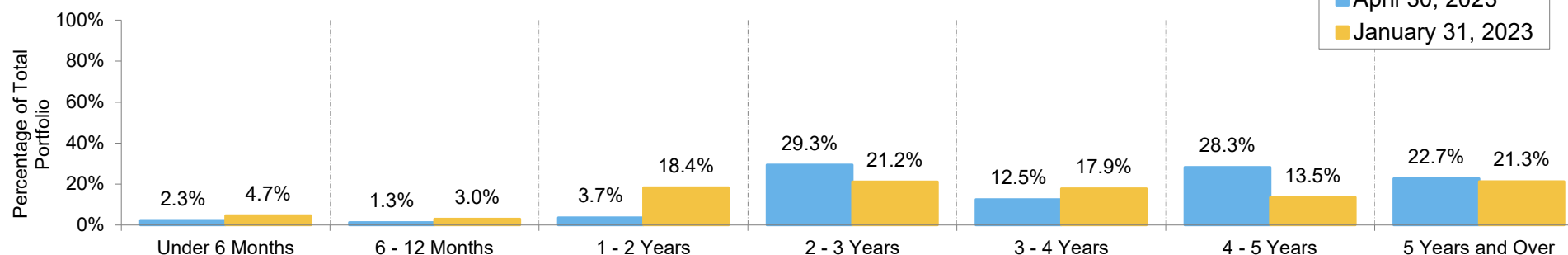
**Portfolio Composition
as of 04/30/23**



**Credit Quality Distribution
as of 04/30/23**



BPCPC Operating Reserve Contingency Portfolio Maturity Distribution



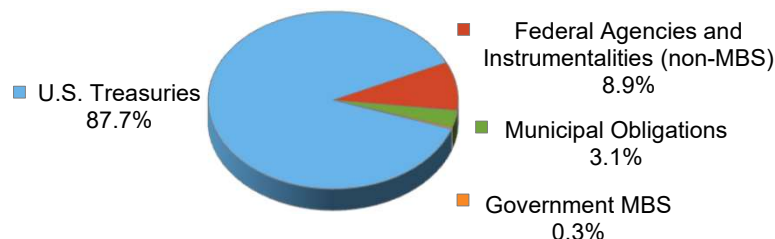
Notes:

- 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.

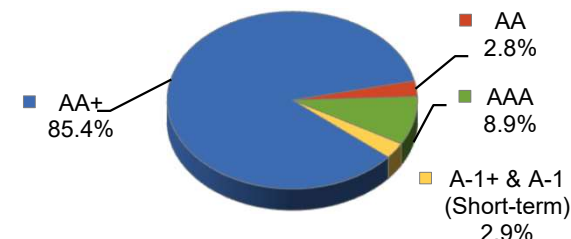
Insurance Fund Portfolio

Security Type ¹	April 30, 2023	% of Portfolio	January 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$5,200,664	87.7%	\$5,135,884	87.6%	0.1%
Federal Agencies and Instrumentalities (non-MBS)	\$525,209	8.9%	\$521,094	8.9%	(0.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$182,838	3.1%	\$181,678	3.1%	(0.0%)
Government MBS	\$18,940	0.3%	\$20,663	0.4%	(0.0%)
Cash	\$1,616	0.0%	\$2,957	0.1%	(0.0%)
Totals	\$5,929,267	100.0%	\$5,862,275	100.0%	

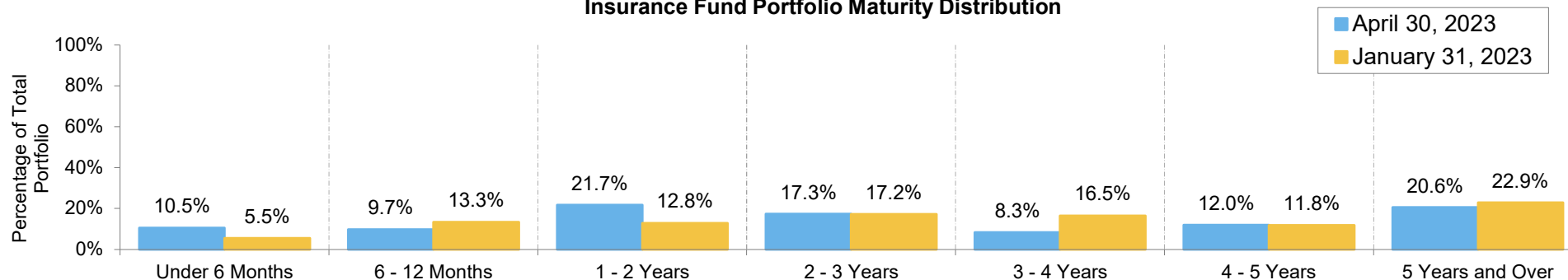
**Portfolio Composition
as of 04/30/23**



**Credit Quality Distribution
as of 04/30/23**



Insurance Fund Portfolio Maturity Distribution



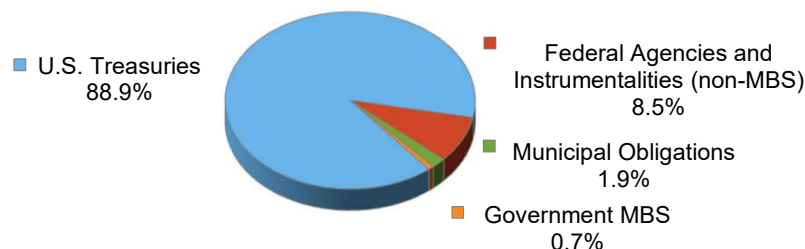
Notes:

- 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.

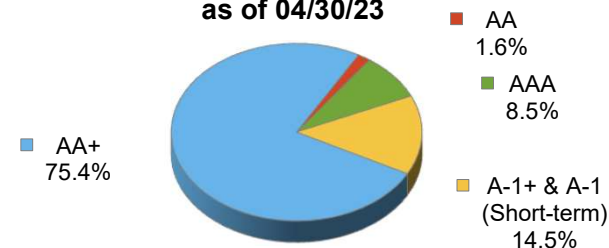
Operating Budget Reserve Portfolio

Security Type ¹	April 30, 2023	% of Portfolio	January 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$21,892,427	88.9%	\$20,412,570	87.7%	1.2%
Federal Agencies and Instrumentalities (non-MBS)	\$2,080,953	8.5%	\$2,205,761	9.5%	(1.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$462,005	1.9%	\$457,975	2.0%	(0.1%)
Government MBS	\$178,474	0.7%	\$188,261	0.8%	(0.1%)
Cash	\$9,254	0.0%	\$20,765	0.1%	(0.1%)
Totals	\$24,623,112	100.0%	\$23,285,333	100.0%	

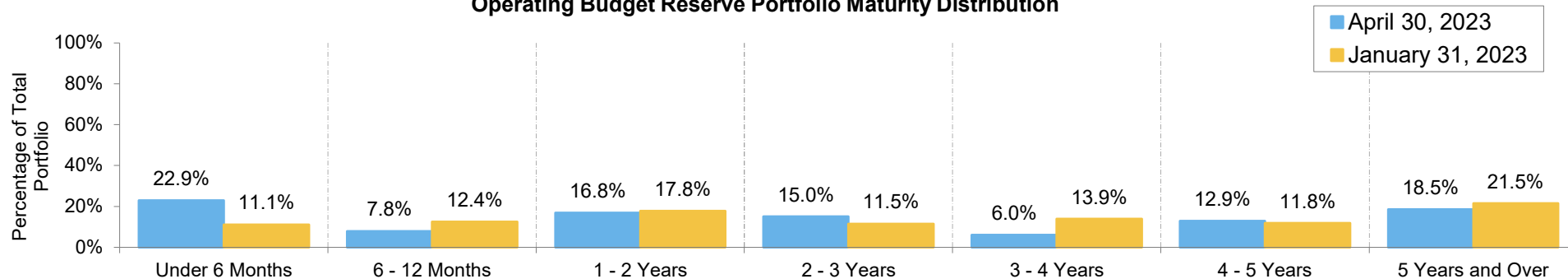
**Portfolio Composition
as of 04/30/23**



**Credit Quality Distribution
as of 04/30/23**



Operating Budget Reserve Portfolio Maturity Distribution



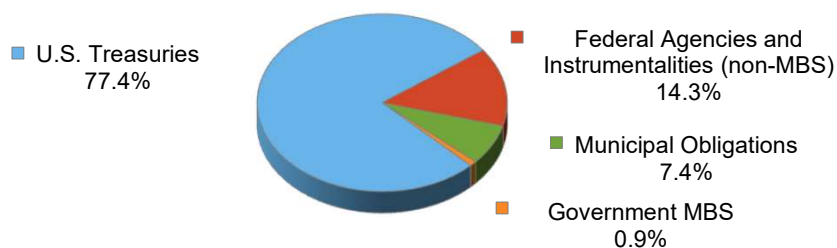
Notes:

- 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.

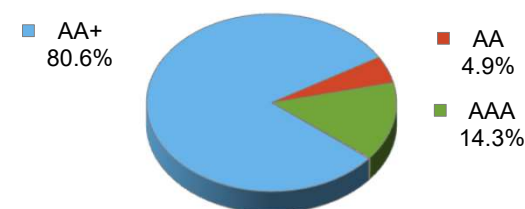
BPCA OPEB Portfolio

Security Type ¹	April 30, 2023	% of Portfolio	January 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$31,423,929	77.4%	\$30,643,494	77.0%	0.4%
Federal Agencies and Instrumentalities (non-MBS)	\$5,794,169	14.3%	\$5,745,564	14.4%	(0.2%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$2,997,066	7.4%	\$2,991,845	7.5%	(0.1%)
Government MBS	\$365,888	0.9%	\$382,916	1.0%	(0.1%)
Cash	\$17,178	0.0%	\$20,701	0.1%	(0.0%)
Totals	\$40,598,231	100.0%	\$39,784,521	100.0%	

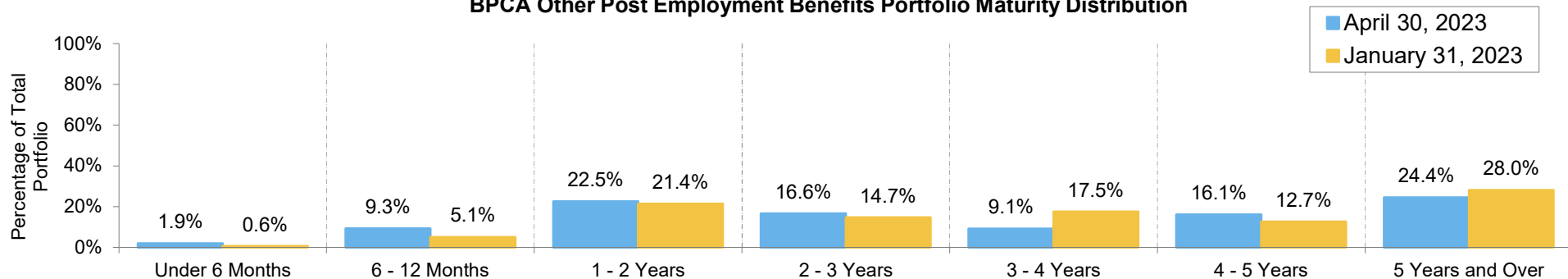
**Portfolio Composition
as of 04/30/23**



**Credit Quality Distribution
as of 04/30/23**



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, 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

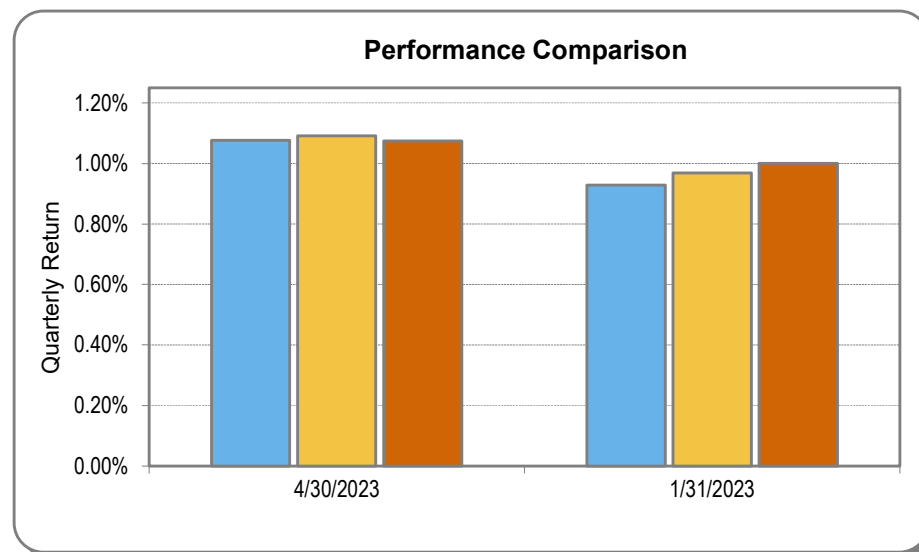
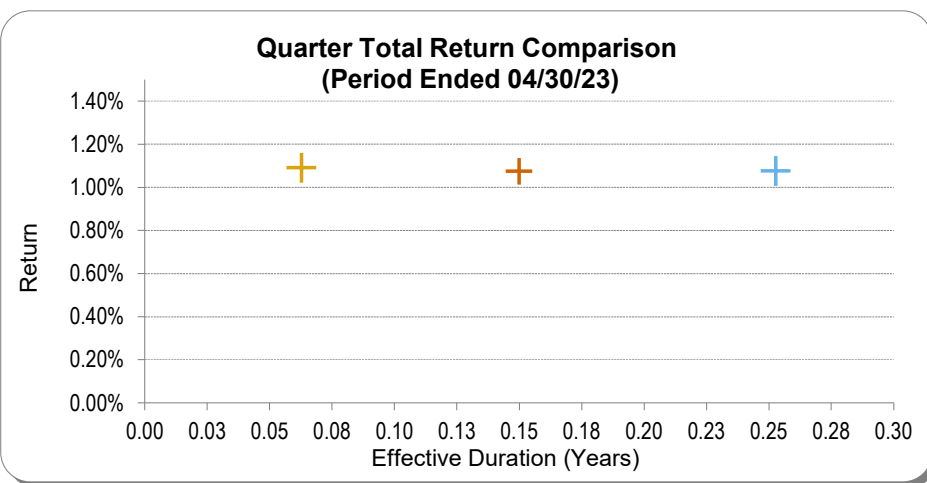
Portfolios Managed with a Shorter-Term Investment Strategy



Shorter-Term Investment Strategy

Total Return^{1,2,4,5}	April 30, 2023	Annualized Since Inception
2003 Pledged Revenue	1.08%	1.11%
2003 Project Operating Fund	1.09%	1.12%
BM: BAML 3 Month US Treasury Bill Index	1.08%	1.06%

Effective Duration (in years)³	April 30, 2023	January 31, 2023
2003 Pledged Revenue	0.25	0.02
2003 Project Operating Fund	0.06	0.02
BM: BAML 3-Month US Treasury Bill Index	0.15	0.16



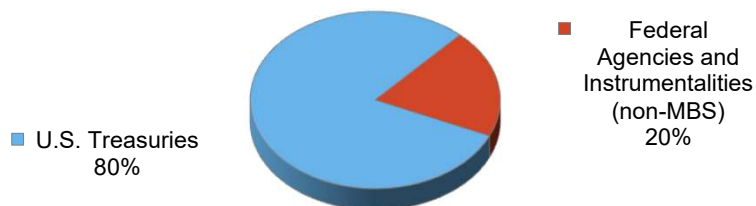
Notes:

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.

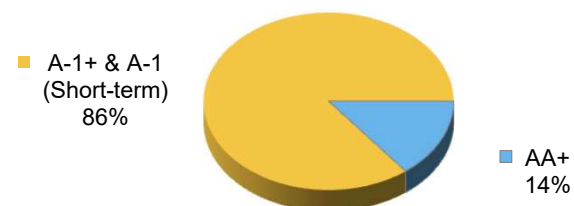
2003 Pledged Revenue

Security Type ¹	April 30, 2023	% of Portfolio	January 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$57,778,701	80.1%	\$297,749,039	95.4%	(15.2%)
Federal Agencies and Instrumentalities (non-MBS)	\$14,269,560	19.8%	\$14,428,107	4.6%	15.2%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Cash	\$40,427	0.1%	\$1,968	0.0%	0.1%
Totals	\$72,088,687	100.0%	\$312,179,114	100.0%	

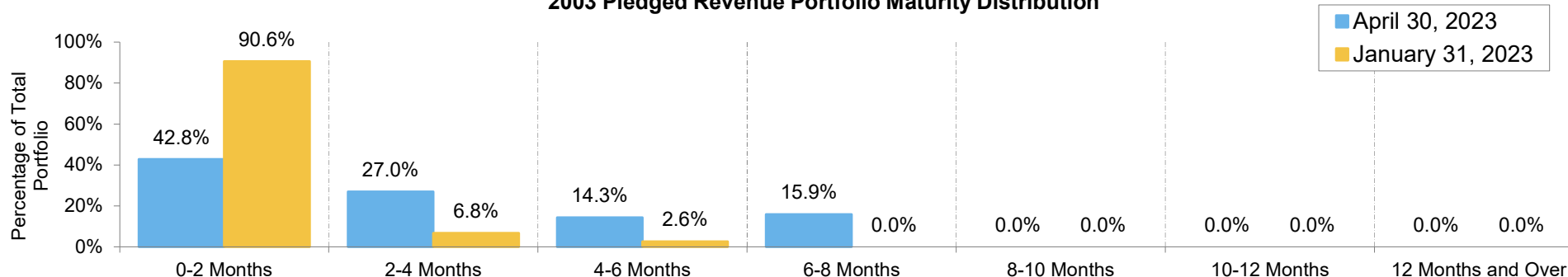
**Portfolio Composition
as of 04/30/23**



**Credit Quality Distribution
as of 04/30/23**



2003 Pledged Revenue Portfolio Maturity Distribution



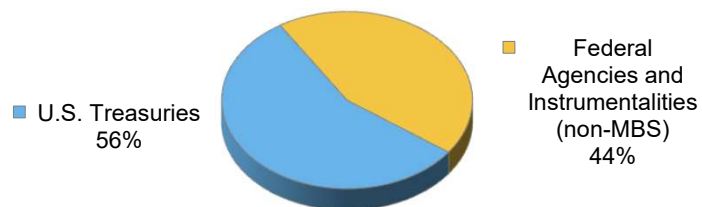
Notes:

- 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.

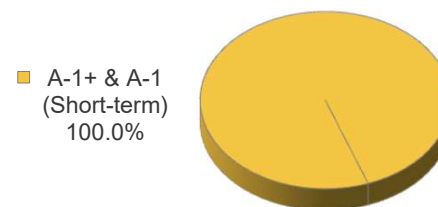
2003 Project Operating Fund Portfolio

Security Type ¹	April 30, 2023	% of Portfolio	January 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$6,125,410	56.0%	\$10,925,113	100.0%	(43.9%)
Federal Agencies and Instrumentalities (non-MBS)	\$4,804,905	44.0%	\$0	0.0%	44.0%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$0	0.0%	\$0	0.0%	0.0%
Government MBS	\$0	0.0%	\$0	0.0%	0.0%
Cash	\$1,770	0.0%	\$3,758	0.0%	(0.0%)
Totals	\$10,932,084	100.0%	\$10,928,871	100.0%	

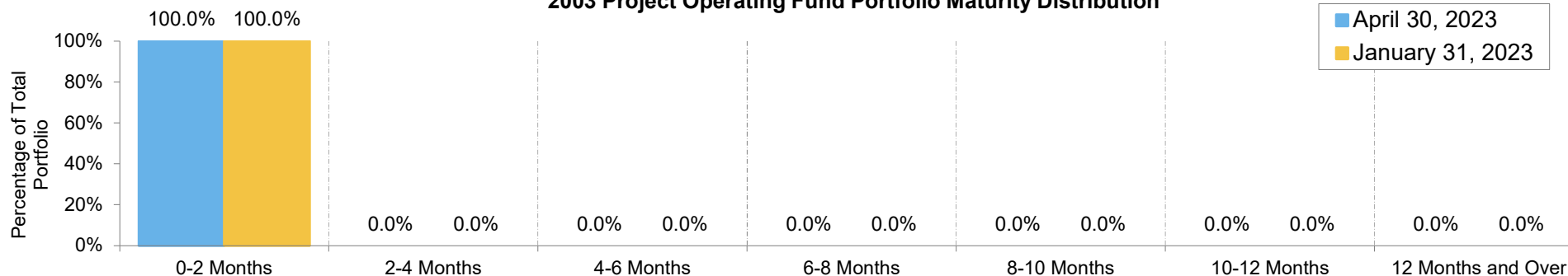
**Portfolio Composition
as of 4/30/23**



**Credit Quality Distribution
as of 4/30/23**



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

► In Q1, U.S. economic conditions were characterized by: (1) lingering inflation that remains well above the Federal Reserve's (Fed) long-term inflation target; (2) a labor market that may be showing the first signs of moderation; and (3) greater economic uncertainty following financial industry volatility and debt ceiling debates.

► The scope for the Fed to continue its rate-hiking path has narrowed dramatically with the recent developments in the banking sector and the outlook for economic growth. Following three rate hikes in the first quarter – a 25 basis point (bps) increase in February, March, and April – the overnight target rate is now in a range of 5.00% to 5.25%. Fed Chair Jerome Powell noted that events in the banking system might also “contribute to significant tightening in credit conditions over time, and in principle, that means that monetary policy may have less work to do.” Markets now firmly expect the Fed is at or very near its terminal rate peak. While the Fed has maintained that they will keep rates elevated for some time, a disconnect has emerged in Fed funds futures, which indicate that the market anticipates rate cuts during the latter half of 2023.

► The U.S. hit its debt ceiling (\$31.4 trillion) in January, triggering the U.S. Treasury Department to start taking extraordinary measures to prevent a default. Congress and the President need to agree on a budget for the federal government by October 1.

Economic Snapshot

► Real GDP increased at an annualized rate of 1.1% in the first quarter of 2023. The ever slight increase in real GDP reflected slowing business investment growth, declining inventories and a housing market hurt by rising interest rates. Fed projections for GDP reflect expectations for weaker economic growth over the coming years, with projections for the full calendar year 2023 at 0.4%, 2024 at 1.6%, and 2025 at 1.8%.

► The U.S. labor market was strong and historically tight for most of 2022, driving both job gains and nominal wage growth. Over the first quarter, the U.S. economy added 800,000 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 April, matching a 50+ year low. Wage growth moderated but remained above trend, while the labor force participation rate improved.

► On the housing front, the average 30-year mortgage rate increased modestly over the quarter, although it is notably lower from the November 2021 peak. On a national level, home prices continued their downward trajectory to start the year, a trend dating back to July 2022. As a result, existing home sales jumped 13.8% in March. New home sales increased 9.6% in March and have now increased for four consecutive months, indicating a modest firming in the housing market as buyers reemerge.

► Business activity picked up slightly in April, as measured by the ISM purchasing manager surveys.

Interest Rates

► U.S. Treasuries, coming off one of the most volatile quarters in 15 years, posted firmly positive total returns as yields declined across the board. The ICE BofA 2-, 5- and 10-year U.S. Treasury indices returned 0.33%, 0.38% and 0.40%, respectively, for the first quarter.

► The yield on 3- and 12-month U.S. Treasury Bills finished the quarter at 5.11% and 4.81%, up 42 bps and 14 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 3.78%, 3.54%, and 3.45%, down 13 bps, down 10 bps and down 7 bps, respectively. For all of 2022, rates were sharply higher. For reference, the yield on the 2-year Treasury was down 37 bps for the year.

► The yield curve remained steeply inverted, as the spread between the 3-month and 10-year U.S. Treasury yields ended the quarter at -166 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

► Diversification away from U.S. Treasury securities was a mixed bag for fixed-income performance during the first quarter as market volatility and the fall in interest rates largely dictated the relative performance of non-Treasury sectors.

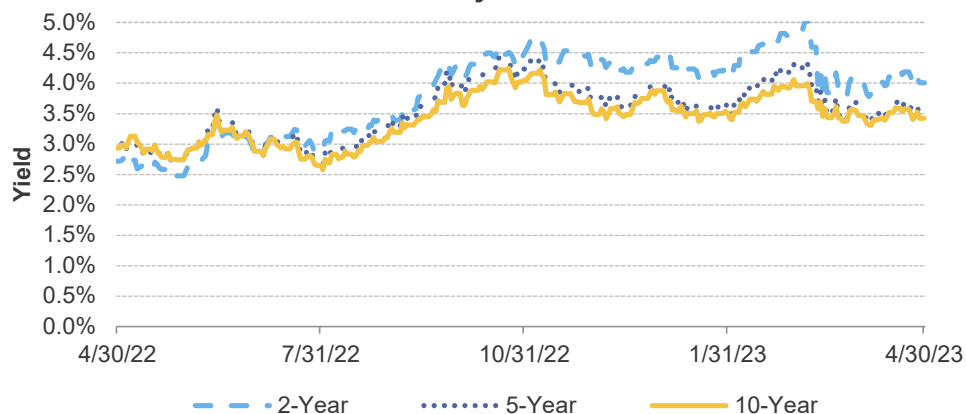
► For example, the majority of investment-grade (IG) fixed income sectors generated negative excess returns for maturities inside three years as the rally in the 2-year U.S. Treasury yield was exceptional. Generally, as maturities went further along the yield curve, non-Treasury sectors generated more excess return relative to their ‘risk-free’ counterparts.

► IG corporate spreads were led wider by the banking sector during Q1. As a result, the IG corporate sector as a whole generated modestly negative excess returns for Q1. However, the large divergence between banking and non-banking spreads resulted in markedly different performance across the industry sector. For example, banking, financial, insurance, and real estate all posted firmly negative excess returns for Q1; meanwhile, the resiliency of the industrial sector shone as technology, energy, healthcare, consumer goods, retail, media, and basic industry all posted firmly positive excess returns for the quarter.

► Asset-backed security (ABS) yield spreads finished the quarter modestly wider. Despite the volatility throughout Q1, the sector was flat from an excess return perspective, buoyed by attractive income at the start of the quarter, which helped offset the negative impact of spread widening.

Interest Rate Overview

U.S. Treasury Note Yields



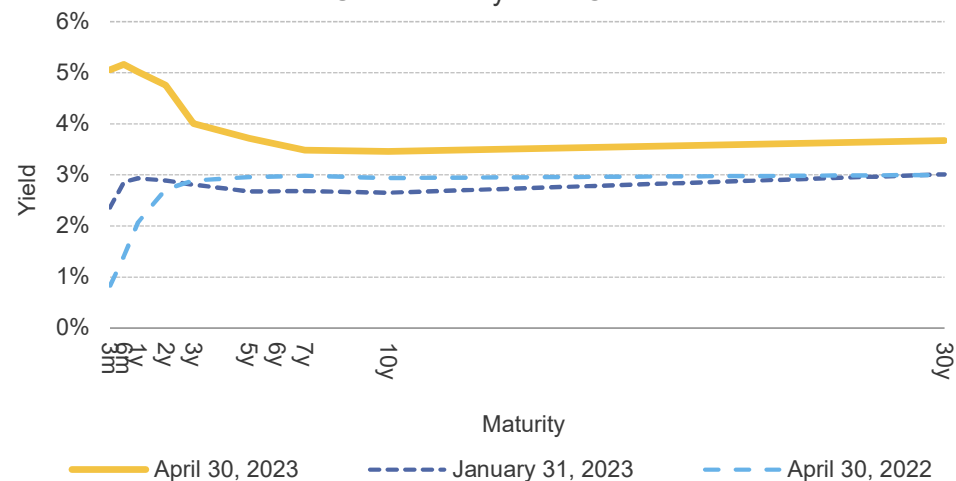
U.S. Treasury Yields

Maturity	April '23	Jan '23	Change over Quarter	April '22	Change over Year
3-month	5.06%	4.67%	0.39%	0.83%	4.23%
1-year	4.76%	4.67%	0.09%	2.07%	2.69%
2-year	4.01%	4.20%	(0.19%)	2.72%	1.29%
5-year	3.49%	3.62%	(0.13%)	2.96%	0.53%
10-year	3.43%	3.51%	(0.08%)	2.94%	0.49%
30-year	3.63%	4.17%	(0.54%)	2.11%	1.52%

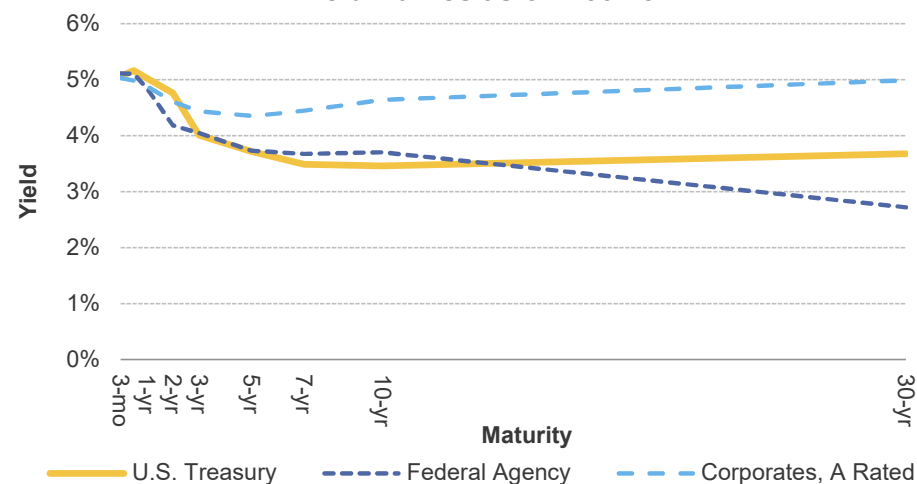
LIBOR Rates

Maturity	April '23	Jan '23	Change over Quarter	April '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



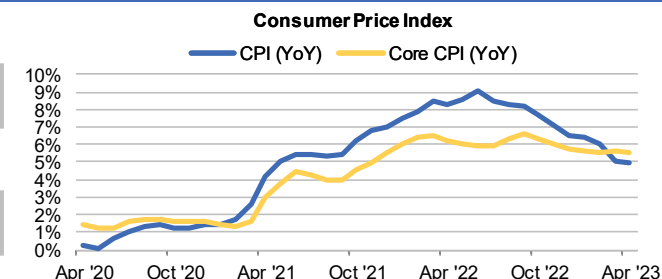
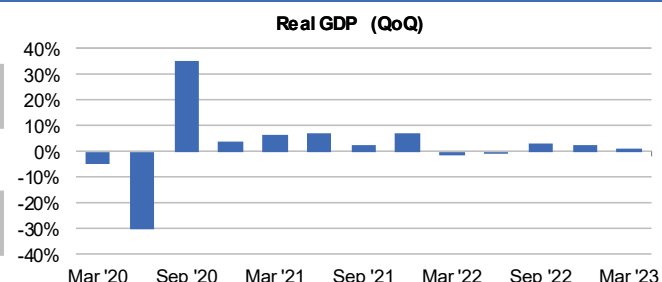
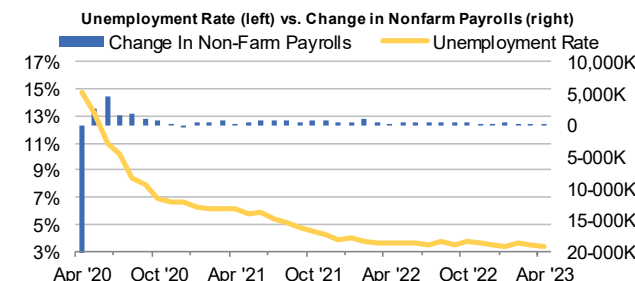
Yield Curves as of 4/30/23



Labor Market		Latest	Apr '23	Apr '22
Unemployment Rate	Apr'23	3.4%	3.4%	3.6%
Change In Non-Farm Payrolls	Apr'23	253,000	472,000	254,000
Average Hourly Earnings (YoY)	Apr'23	4.4%	4.4%	5.8%
Personal Income (YoY)	Mar'23	6.0%	6.5%	1.4%
Initial Jobless Claims (week)	5/13/23	242,000	199,000	218,000

Growth		Latest	Apr '23	Apr '22
Real GDP (QoQ SAAR)	2023Q1	1.1%	2.6% ¹	-1.6% ²
GDP Personal Consumption (QoQ SAAR)	2023Q1	3.7%	1.0% ¹	1.3% ²
Retail Sales (YoY)	Apr'23	1.6%	7.4%	8.8%
ISM Manufacturing Survey (month)	Apr'23	47.1	47.4	55.9
Existing Home Sales SAAR (month)	Apr'23	4.28 mil.	4.00 mil.	5.57 mil.

Inflation / Prices		Latest	Apr '23	Apr '22
Personal Consumption Expenditures (YoY)	Mar'23	4.2%	5.4%	6.4%
Consumer Price Index (YoY)	Apr'23	4.9%	6.4%	8.3%
Consumer Price Index Core (YoY)	Apr'23	5.5%	5.6%	6.2%
Crude Oil Futures (WTI, per barrel)	Apr 30	\$76.78	\$78.87	\$104.69
Gold Futures (oz.)	Apr 30	\$1,999	\$1,930	\$1,912



1. Data as of First Quarter 2023

2. Data as of Fourth 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 4/30/2023		Returns for Periods ended 4/30/2023			
April 30, 2023	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.81	4.20%	1.12%	0.93%	(0.74%)
Federal Agency	1.72	4.40%	0.99%	0.73%	(0.68%)
U.S. Corporates, A-AAA rated	1.87	5.00%	0.89%	1.52%	0.15%
Agency MBS (0 to 3 years)	1.97	4.71%	0.71%	1.35%	(1.81%)
Taxable Municipals	1.88	4.60%	1.07%	0.98%	1.05%
1-5 Year Indices					
U.S. Treasury	2.56	3.97%	1.19%	0.89%	(1.30%)
Federal Agency	2.04	4.31%	0.97%	0.47%	(1.22%)
U.S. Corporates, A-AAA rated	2.62	5.44%	(3.75%)	(7.82%)	(0.98%)
Agency MBS (0 to 5 years)	3.12	4.62%	0.17%	0.78%	(2.16%)
Taxable Municipals	2.70	4.46%	1.21%	1.34%	0.32%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.55	3.79%	1.03%	(1.19%)	(4.41%)
Federal Agency	3.38	4.22%	0.96%	(0.10%)	(2.15%)
U.S. Corporates, A-AAA rated	7.13	4.88%	0.52%	0.36%	(2.64%)
Agency MBS (0 to 30 years)	5.63	4.47%	(0.17%)	(0.92%)	(3.41%)
Taxable Municipals	9.46	4.72%	0.71%	(0.48%)	(1.83%)

Returns for periods greater than one year are annualized

Source: BofA Merrill Lynch Indices

Disclaimer

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Review of Potential Swap Unwind and Fix Out

Prepared for:
Battery Park City Authority

June 6, 2023

Executive Summary

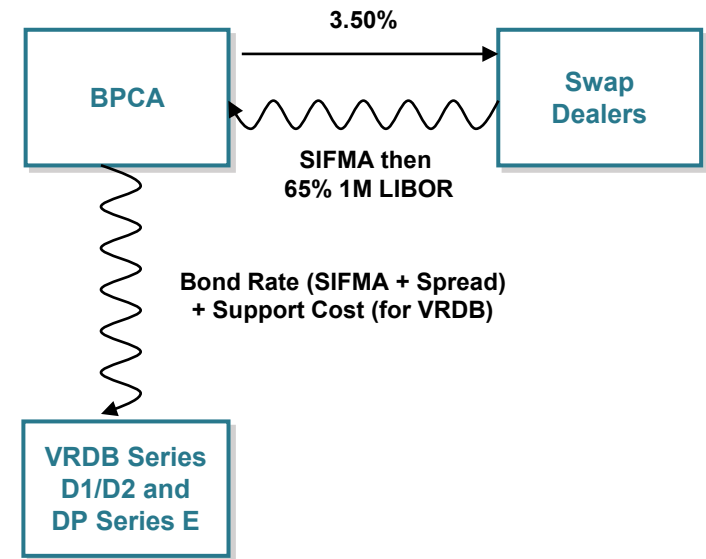
- Battery Park City Authority (“BPCA” or “The Authority”) has a portfolio of variable rate bonds (\$437MM in total) of which a portion (\$318.8MM) is converted from variable rate to fixed rate (i.e. synthetic fixed rate) by certain interest rate swap agreements.
- Certain market conditions exist that may permit the Authority to terminate some or all of these swap agreements and simultaneously refund the corresponding amount of the variable rate bonds to fixed rate bonds at some savings or dis-savings.
- The Authority has a demonstrated ability to manage the swaps and the risks associated with them and the synthetic fixed structure (e.g. basis risk, refinancing risk, counterparty, termination risk). Nevertheless, these risks could be removed by effecting the fix-out potentially at little or no cost to the Authority.
- The structure would only be executed if market conditions at pricing are favorable.

Situation Overview

BPCA currently has \$318.8MM synthetic-fixed debt consisting of:

- **2019 D,E Variable Rate Bonds** – VRDB with SIFMA coupon plus fees (SBPA & remarketing) and Direct Purchase Bonds (“DP”) paying SIFMA plus a credit spread and fees. In August 2024, the VRDB SBPA expires, and the Direct Purchase Bonds are subject to mandatory tender, which if not refunded, results in a step-up rate.
- **Fixed Rate Swaps** - Hedge and synthetically fix the variable rate bonds. The Authority has aimed to eliminate floating rate index basis risk; whereby both the swap and bonds have the same underlying index, i.e. SIFMA through August 2024.

Current Synthetic Fixed Structure



Swap Fixed Rate		
VRDB	3.50%	
DP	3.50%	

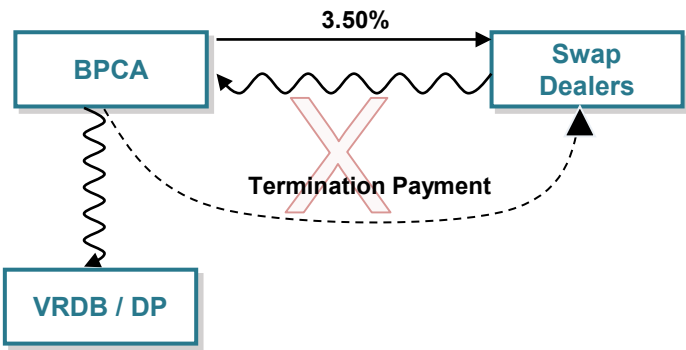
*Includes standby purchase / remarketing fees

Current Opportunity

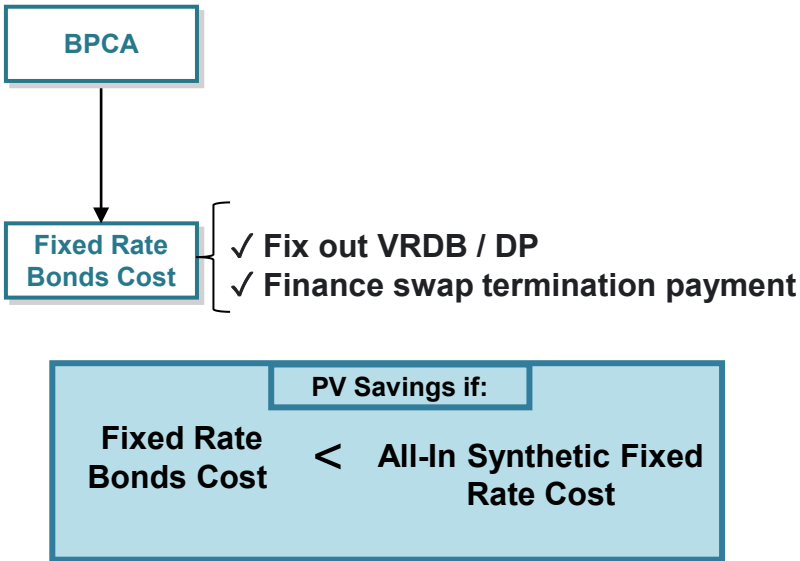
The market environment may present an opportunity to replace the synthetic fixed structure (swaps/VRDB/DP) with fixed-rate bonds (the “Fix-out”).

- BPCA could terminate (unwind) the swaps and issue fixed-rate bonds in place of the variable rate debt. Unwinding the swaps would require BPCA to make a payment to the Swap Dealers at the mark-to-market value on the swaps plus unwind costs (bid/offer).
- Replacement of the synthetic fixed rate structure with comparatively lower fixed rate bonds would only be executed if the resulting net present value is either positive, break-even or at a net cost of no more than PV of \$4,000,000 (~20 bps per annum).
- The transaction economics is driven by the level of the swap rates versus the level of the tax-exempt fixed bond rates (See page 5, MMD vs 65% SOFR Swap).

1) Terminate Swaps



2) Issue Fixed-Rate Bonds



Benefits of the Fix-out

The fix-out would result in either a PV Savings, breakeven or a net cost not to exceed \$4,000,000 (~ 20 bps per annum) and will achieve the following benefits:

- Eliminates synthetic fixed structure risks and swap risks such as:
 - ✓ Basis risk – potential mismatch between floating amounts received from the swap (65% SOFR + spread) and the SIFMA-based VRDB bond payments.
 - ✓ Refinancing risk – the risk that when the underlying variable rate debt is refinanced, the support cost could change (potentially increase) depending on market conditions.
 - ✓ Other swap risks – counterparty risk, termination risk, etc.
- Simplifies overall capital structure
 - Replaces swap and variable rate bonds with committed long-term fixed-rate funding
- Reduces administrative burden of servicing the swap
 - ✓ Reporting
 - ✓ Derivatives accounting
 - ✓ Tracking and making swap payments

Market Considerations for Unwind and Fix-Out

The relationship between the Municipal Market Data (MMD) Tax-Exempt Bond Rates and the SOFR Swap Rates has key impact on the economics of the fix-out

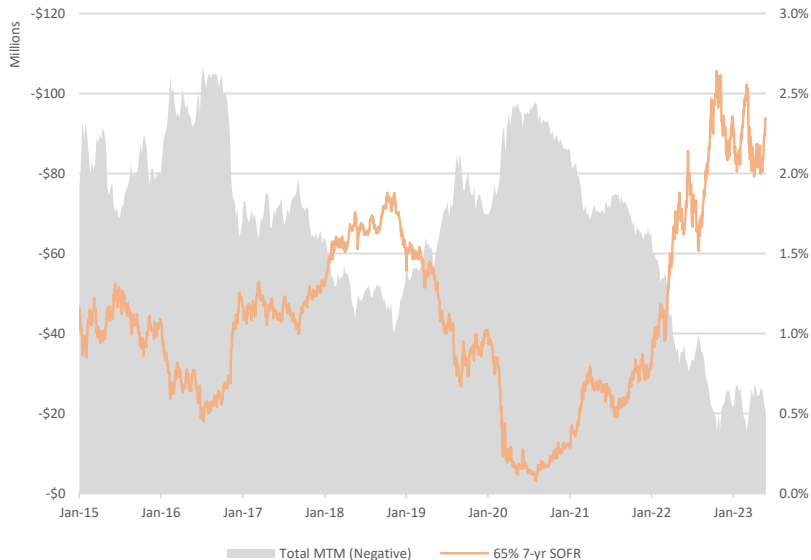
- Higher SOFR swap rate results in more favorable termination payment (higher swap rate => lower swap termination payment). Further, the combined fix-out transaction economics benefit when the SOFR swap rates are higher vs the MMD bond rate.
- Favorable environment for a fix-out is created when: 1) swap rates increase by more than bond rates or 2) decrease by less than bond rates, or 3) when swap rates increase, and bond rates fall.

1) Swap Rates ↑ Bond Rates ↑

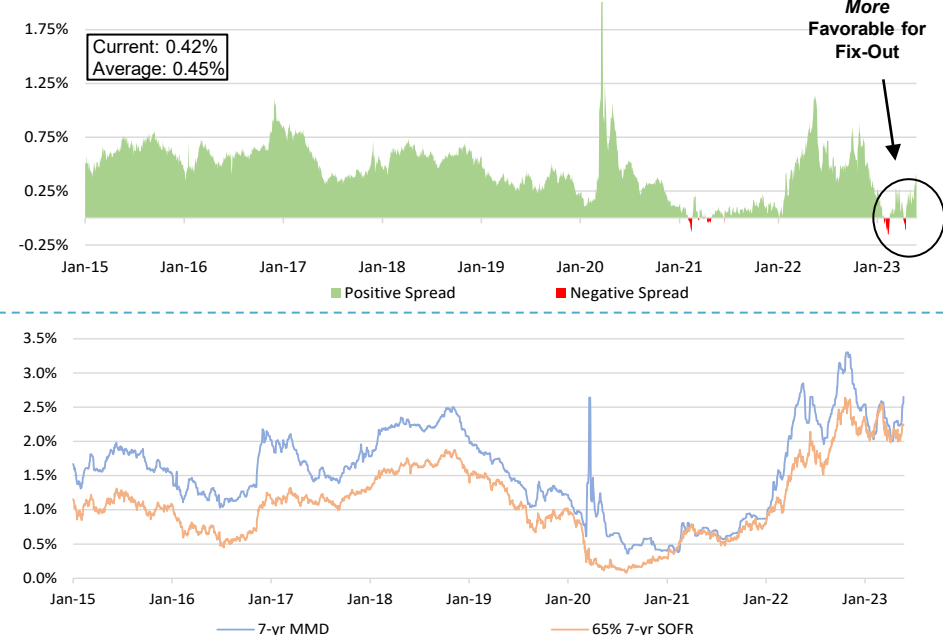
2) Swap Rates ↓ Bond Rates ↓

3) Swap Rates ↑ Bond Rates ↓

Swaps MTM vs. 65% 7-yr SOFR Swap Rate



Spread: 7Y MMD less 65% 7Y SOFR Swap Rate



Benefits and Considerations of Bond Fix Out

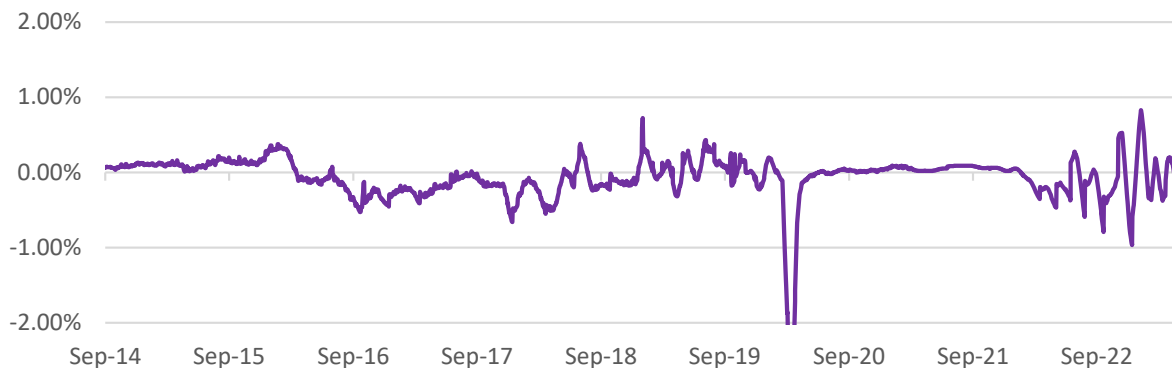
Strategy	Benefits	Considerations
Terminate Swaps; Issue Fixed Rate Bonds	<ul style="list-style-type: none"> • Lock in fixed cost of fund, at PV savings or at a low cost relative to historical levels and compared to current synthetic fixed rate and support cost • Eliminate potential basis risk and potential additional restructuring costs in the future • Eliminate all swap risks and structure complexity. 	<ul style="list-style-type: none"> • Net cost to fix-out, including the swap termination payment • Opportunity cost – may be able to terminate at more beneficial level if MMD/Swap rate basis moves in more favorable direction
Leave Swaps in Place and Roll Underlying Floating Debt	<ul style="list-style-type: none"> • Avoid making termination payment • Depending on market, the overall synthetic fixed cost may be lower than that of fixed rate bonds plus swap termination payment. 	<ul style="list-style-type: none"> • Potential basis risk in 2024 as debt rolls or is restructured • Rollover financing risk subject to market conditions (potential higher support costs/ credit spread/tighter credit conditions) • Swap risks remain

Appendix

Basis Risk: Swap Floating Leg vs SIFMA

- After August 2024 the swaps' floating legs will convert from SIFMA to 65% daily SOFR + 7.44bps. Since the VRDB and DP are indexed to SIFMA, there could be a mismatch between the SIFMA index and the amount received from the swap.
 - ✓ On average, since 2014 to today, hypothetical receipts on the swaps' floating leg would have been 7 bps lower than SIFMA.
 - ✓ SOFR data starts in 2014 – analysis based on a period of historically low interest rates – potential bias.
- Basis risk can be addressed by converting the swaps' floating leg to SIFMA for a certain period, usually at the cost of increased swap fixed rate.
 - ✓ In 2019 BPCA converted the floating legs to SIFMA for 5 years at a cost ranging 4-5 bps.
 - ✓ Current market environment is not favorable: a 5-year conversion to SIFMA would cost 25-30 bps (plus bid/offer and other transaction costs).

65% Daily SOFR + 7.44 bps less 30 Day Avg. SIFMA (9/2014 - Present)



Date Source: Bloomberg
 Swap floating leg: 65% daily SOFR 30-day compounded + 7.44 bps
 SIFMA: 30-day average

	Sept. 2014 - Present	Last 2 Years (2021 - 2023)
Current	-0.07%	-0.07%
Average	-0.07%	-0.06%
Max.	0.83%	0.83%
Min.	-2.80%	-0.96%

Market Data as of 5/30/2023

Summary of Swap Portfolio

Trade Date	Current Notional	Counterparty	Termination Date	WAL (Years)	Pay	Receive	BPCA Receives SIFMA Until	Insured	Mid-MTM as of 5/31/2023
10/02/03	\$82,050,000	Citibank	11/01/31	5.6	3.5110%	SIFMA / 65% SOFR + 0.0744%	08/06/24	-	(\$4,788,335)
10/02/03	\$82,050,000	JP Morgan	11/01/31	5.6	3.5120%	SIFMA / 65% SOFR + 0.0744%	08/06/24	-	(\$4,792,522)
10/02/03	\$54,700,000	Bank of America	11/01/31	5.6	3.5120%	SIFMA / 65% SOFR + 0.0744%	06/01/24	-	(\$3,209,462)
10/02/03	\$37,500,000	Citibank	11/01/33	9.4	3.5000%	SIFMA / 65% SOFR + 0.0744%	08/06/24	AGM	(\$3,661,587)
10/02/03	\$37,500,000	JP Morgan	11/01/33	9.4	3.4995%	SIFMA / 65% SOFR + 0.0744%	08/06/24	AGM	(\$3,660,083)
10/02/03	\$25,000,000	Bank of America	11/01/33	9.4	3.4900%	SIFMA / 65% SOFR + 0.0744%	08/06/24	AGM	(\$2,420,902)
\$318,800,000				6.8	(\$22,532,891)				

Regulatory Disclosure

Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to Issuers which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Mohanty Gargiulo LLC and its associated persons. Therefore, Mohanty Gargiulo LLC is making the following disclosures.

Conflicts of Interest

Mohanty Gargiulo LLC represents that in connection with the issuance of municipal financial product transactions, Mohanty Gargiulo LLC may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, Mohanty Gargiulo LLC hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding Mohanty Gargiulo LLC’s ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair Mohanty Gargiulo LLC’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

If Mohanty Gargiulo LLC becomes aware of any additional potential or actual conflict of interest after this disclosure, Mohanty Gargiulo LLC will disclose the detailed information in writing to the Issuer in a timely manner.

Legal or Disciplinary Events

Mohanty Gargiulo LLC does not have any legal events or disciplinary history on Mohanty Gargiulo LLC’s Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access Mohanty Gargiulo LLC’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against Mohanty Gargiulo LLC, Mohanty Gargiulo LLC will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate Mohanty Gargiulo LLC, its management and personnel.