

Hugh L. Carey Battery Park City Authority
Meeting of the Investment Committee
200 Liberty Street, 24th Floor
New York, New York 10281
January 30, 2024
12:30 p.m.

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF THE SEPTEMBER 27, 2023 MINUTES
- III. REVIEW OF THE INVESTMENT REPORT & GUIDELINES FOR FISCAL YEAR
ENDED OCTOBER 31, 2023 AND BOARD RECOMMENDATION
- IV. MARKET UPDATE
- V. MOTION TO ADJOURN



Battery Park City Authority

INVESTMENT GUIDELINES & REPORT

FISCAL YEAR ENDED

OCTOBER 31, 2023

January 2024

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1. OVERVIEW OF INVESTMENT GUIDELINES

1.1. Definitions

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

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

“Board” means the Members of the Battery Park City Authority Board of Directors.

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

“Investment Securities” means any or all investment obligations.

“Rating Agencies” means Standard & Poor’s Corporation, Moody’s Investor Service, and Fitch Ratings.

“State” means the State of New York.

1.2. Purpose and Scope

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

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

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

1.3 Compliance

Section 2925 (6) of the State Public Authorities Law requires the Authority to annually prepare and approve an investment report which describes the Authority’s Investment Guidelines and any amendments to the Guidelines, investment policies and procedures, the results of the annual independent audit, the Authority’s investment income and a list of the fees associated with those investments, as well as commissions or other charges paid to each investment banker, broker, agent, dealer and advisor. Such report is attached hereto as **Appendix B: Investment Report FYE October 31, 2023.**

1.4. Roles and Responsibilities

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

executed in a manner consistent with the Guidelines. A description of operating controls is attached as Appendix A to these Guidelines.

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

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

1.5. Standard of Prudence

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

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

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

1.6. Conflict of Interest

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

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

1.7. Review, Amendments, Updates and Revisions

The Deputy Treasurer and the Chief Financial Officer will review the Guidelines on an annual basis, or as

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

1.8 Diversity – MBE/WBE Participation

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

1.9 Oversight – Investment Committee

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

BATTERY PARK CITY AUTHORITY INVESTMENT COMMITTEE CHARTER

PURPOSE & FORMATION

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

COMPOSITION

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

DUTIES OF THE INVESTMENT COMMITTEE

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

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

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

- Review the investment policies for the Authority, including, where applicable, asset classes, liquidity, the use of debt, and risk management.
- Approve the annual investment program.
- Authorize investments and ratify investments made by delegated authorities.
- Review the investment performance of BPCA's accounts and funds, including benchmarks and attribution.
- Review the organization and staffing of the investment management advisory function.
- Review the quality of the investment services provided to the Authority, such as: a) overseeing the business and investment strategy, b) evaluating investment performance benchmarks and attribution, and c) reviewing costs, pricing, and profitability.

MEETINGS

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

In addition, the Investment Committee:

- Shall act only on the affirmative vote of a majority of the members present at a meeting.
- Is expected to maintain free and open communication with management and the Board.
- Shall have authority to retain independent legal, accounting, or other advisors if determined appropriate, in its sole judgment, provided such consultants are approved by the full Board.
- Submit the minutes of all Investment Committee meetings to the Board and regularly report to the Board on Investment Committee matters, actions taken and issues discussed at its meetings.
- Review and reassess the adequacy of this Charter annually and propose to the Board any changes.
- The Investment Committee shall evaluate its performance annually and report its conclusions to the Board.

2. INVESTMENT MANAGEMENT OBJECTIVES

2.1. Investment Objectives

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

1. **Legality** – The Authority shall comply with all investment guidelines required for public authorities in the State with regards to general investment practices and the management of public funds.
2. **Safety** – Next to legality, safety of principal is the foremost objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure the preservation

of capital in the overall portfolio.

3. **Liquidity** – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet those immediate and/or future operating requirements of the Authority, including but not limited to payroll, accounts payable, capital projects, debt service and any other payments.
4. **Return** – The Authority’s portfolio shall be managed in such a fashion as to maximize the return on all investments (up to the “arbitrage allowance” in bond funds) within the context and parameters set forth by the investment objectives stated above.

2.2. Authorized Investment Securities

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

1. Bonds and notes of the United States.
2. Bonds and notes of this State.
 - 2-a. General obligation bonds and notes of any state other than this State, provided that such bonds and notes receive the highest rating of at least one independent rating agency designated by the Comptroller.
3. Obligations for the payment of which the faith and credit of the United States or of this State are pledged.
 - 3-a. Notes, bonds, debentures, mortgages and other evidences of indebtedness of the United States Postal Service; the federal national mortgage association; federal home loan mortgage corporation; student loan marketing association; federal farm credit system or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, the highest rating of all independent rating agencies that rate such agency or its obligations, provided, however, that no more than five hundred million dollars may be invested in the obligations of any one agency.
4. Judgments or awards of the court of claims of this State.
5. Stocks, bonds, or notes of any county, town, city, village, fire district or school district of this State issued pursuant to law.
6. Mortgage bonds or any obligations for the payment of money, no matter how designated, secured by another instrument representing a lien on specific real property or a leasehold thereof, heretofore or hereafter and at the time of the assignment thereof to the Comptroller insured by the federal housing administrator or any of his successors in office and guaranteed by the United States under

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

7. Bonds and notes of the Savings and Loan Bank of the State of New York.
8. Bonds or notes of any housing authority of this State duly issued pursuant to law.
9. Bonds or notes of any regulating district of this State duly issued pursuant to law.
10. Bonds or notes of any drainage improvement district of this State duly issued pursuant to law.
11. Bonds or notes of the authorities or commissions set forth below when issued pursuant to law:
 - a. Port of New York Authority.
 - b. Niagara Frontier Authority.
 - c. Triborough bridge and tunnel authority.
 - d. Thousand Islands Bridge Authority.
 - e. New York State Bridge Authority.
 - f. New York City Tunnel Authority.
 - g. Lake Champlain Bridge Commission.
 - h. Lower Hudson Regional Market Authority.
 - i. Albany Regional Market Authority.
 - j. *Repealed.*
 - k. American Museum of Natural History Planetarium Authority.
 - l. Industrial Exhibit Authority.
 - m. Buffalo Sewer Authority.
 - n. Whiteface Mountain Authority. (see footnote 2, Repealed)
 - o. Pelham-Portchester Parkway Authority.
 - p. Jones Beach State Parkway Authority.
 - q. Bethpage Park Authority.
 - r. Dormitory Authority.
 - s. Central New York Regional Market Authority.
 - t. Erie County Water Authority.
 - u. Suffolk County Water Authority.
 - v. New York State Thruway Authority.
 - w. Genesee Valley Regional Market Authority.
 - x. Onondaga county water authority.
 - y. Power Authority of the state of New York.
 - z. Ogdensburg Bridge and Port Authority.
 - aa. East Hudson Parkway Authority.
 - bb. Niagara Frontier Port Authority.
 - cc. Northwestern New York Water Authority.
 - dd. Metropolitan Commuter Transportation Authority (now Metro. Transp. Auth.).
 - ee. Niagara Frontier Transportation Authority.
 - ff. New York State Pure Waters Authority.
 - gg. Rochester-Genesee Regional Transportation Authority.

- hh. Capital District Transportation Authority.
 - ii. Central New York Regional Transportation Authority.
12. Obligations of the International Bank for Reconstruction and Development duly issued pursuant to law.
 13. Obligations of the Inter-American Development Bank duly issued pursuant to law.
 - 13-a. Obligations of the Asian Development Bank duly issued pursuant to law.
 - 13-b. Obligations of the African Development Bank duly issued pursuant to law.
 - 13-c. Obligations of the International Finance Corporation duly issued pursuant to law.
 14. Collateral trust notes issued by a trust company, all the capital stock of which is owned by not less than twenty savings banks of the State of New York.
 15. Bonds and notes issued for any of the corporate purposes of the New York State housing finance agency.
 16. Bonds and notes issued for any of the corporate purposes of the New York State medical care facilities finance agency.
 17. Bonds and notes issued for any of the corporate purposes of the New York State project finance agency.
 18. Bonds and notes issued for any of the corporate purposes of the municipal assistance corporation for New York City.
 19. Obligations of any corporation organized under the laws of any state in the United States maturing within two hundred seventy days provided that such obligations receive the highest rating of two independent rating services designated by the Comptroller and that the issuer of such obligations has maintained such ratings on similar obligations during the preceding six months provided, however, that the issuer of such obligations need not have received such rating during the prior six month period if such issuer has received the highest rating of two independent rating services designated by the Comptroller and is the successor or wholly owned subsidiary of an issuer that has maintained such ratings on similar obligations during the preceding six month period or if the issuer is the product of a merger of two or more issuers, one of which has maintained such ratings on similar obligations during the preceding six month period, provided, however, that no more than five hundred million dollars may be invested in such obligations of any one corporation.
 20. Bankers' acceptances maturing within ninety days which are eligible for purchase in the open market by federal reserve banks and which have been accepted by a bank or trust company, which is organized under the laws of the United States or of any state thereof and which is a member of the federal reserve system and whose short-term obligations meet the criteria outlined in subdivision eighteen of this section. Provided, however, that no more than five hundred million dollars may be invested in such bankers' acceptance of any one bank or trust company.
 21. No-load money market mutual funds registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, provided that such funds are limited to investments in obligations issued or guaranteed by the

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

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

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

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

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

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

2.4. Portfolio Diversification

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

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

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

In addition, the Authority requires:

- a) Minimum “A” credit rating for all municipal securities permitted by the Policy (NY State, other states, and issues of local NY governments).
- b) Maximum allocation of no greater than 10% per issuer, or such lower limit as specified above.

2.5. Investment Maturity

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

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

2.6. Environmental, Social, and Governance Investment Principles

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

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

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

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

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

3. OPERATING PARAMETERS & CONTROLS

3.1. Authorized Officers and Employees

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

3.2. Competitive Selection

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

3.3. Compliance Audit

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

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

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

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

Investment practices and controls will be subject to review and testing by internal auditors on a surprise

basis at the discretion of the VP of Administration (who is also the Internal Controls Officer), President, CEO and/or the Board.

3.4. Written Contracts and Confirmations

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

3.5. Safekeeping and Custody

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

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

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

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

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

3.6. Internal Controls

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

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

3.7. Notification Concerning Violations of Investment Guidelines

If these Investment Guidelines are violated, the Chief Financial Officer shall be informed immediately and

advised of any corrective action that should be taken, as well as the implication of such action.

4. QUALIFIED FINANCIAL INSTITUTIONS

4.1. Qualifications for Brokers, Dealers and Agents

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

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

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

4.2. Qualifications for Investment Advisors/Managers

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

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

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

4.3. Qualifications for Custodial Banks

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

4.4. Ongoing Disclosure

All brokers, dealers and other financial institutions described in sections 4.1, 4.2, and 4.3 shall be provided with current copies of the Authority's Investment Guidelines. A current audited financial statement is

required to be on file for each financial institution and broker/dealer with which the Authority has investment transactions.

4.5. Affirmative Action

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

5. REPORTING

5.1. Management Reporting

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

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

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

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

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

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

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

5.2. Performance Reporting

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

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

APPENDIX A – OPERATING CONTROLS

Distribution of the Investment Guidelines

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

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

Exhibit –Investment Guidelines Distribution Matrix

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

Roles and Responsibilities in Executing the Investment Guidelines

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

Exhibit –Policy Roles & Responsibility Matrix

Roles	Responsibility	Frequency
Board of Directors	<ul style="list-style-type: none">• Final Approval of the guidelines• Approval of exceptions to the guidelines (e.g. new investment types)• Approval of revisions to the guidelines	<ul style="list-style-type: none">• Annual• As necessary• As necessary
Chief Financial Officer (“CFO”)	<ul style="list-style-type: none">• Approval of the guidelines• Approval of investment strategy• Approval of performance measurements• Approval of minor exceptions to the guidelines (i.e. amounts, maturities)	<ul style="list-style-type: none">• Annual• Annual• Ongoing• As necessary
Deputy Treasurer	<ul style="list-style-type: none">• Serve as custodian of the guidelines• Develop investment strategy• Review investment strategy• Establish performance measurements• Distribution of guidelines and amendments• Annual review of guidelines• Oversight of investment activity• Invest funds as provided for in the guidelines• Review Fund transfers prior to CFO approval• Keep abreast of developments in the markets• Review performance information	<ul style="list-style-type: none">• Ongoing• Annual• Ongoing• Ongoing• As necessary• Annual• Ongoing• Ongoing• Ongoing• Ongoing• Ongoing• Monthly

	<ul style="list-style-type: none"> • Management reporting 	<ul style="list-style-type: none"> • Daily, Weekly Monthly
Treasury / Revenue Accountant	<ul style="list-style-type: none"> • Initiate Fund transfer approvals • Collect performance information, as needed • Distribute performance information, as needed 	<ul style="list-style-type: none"> • Ongoing • Quarterly • Quarterly
Senior Accountant	<ul style="list-style-type: none"> • Verify and reconcile of market values and collateral • Maintain records of investments 	<ul style="list-style-type: none"> • Monthly • Ongoing
Assistant/ Jr. Accountant	<ul style="list-style-type: none"> • Prepare Investment Instruction Letter • Verify Fund transfers 	<ul style="list-style-type: none"> • Ongoing • Ongoing
Investment Manager	<ul style="list-style-type: none"> • Develop investment strategy • Review investment strategy • Invest funds as provided for in the guidelines • Reporting investment portfolio 	<ul style="list-style-type: none"> • Annual • Ongoing • Ongoing • Daily, Weekly Quarterly

Segregation of Duties

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

Exhibit – Segregation of Duties Matrix

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

Management Reporting

Exhibit – Summary of Management Reporting

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

Exhibit – Summary of Treasury Performance Reporting

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

Operating Procedures

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

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

market value and custodian of collateral;

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

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

1. The Treasurer, Deputy Treasurer or Investment Advisor maintains a schedule of all current investments and updates schedule on a timely (daily) basis as securities mature and/or new investments are initiated. A calendar of investment maturities is maintained and updated as chronological reminder (tickler file) or maturities.
2. All investments are initiated by the Investment Advisor via:
 - a. specific written investment instruction sent to the Trustee; or
 - b. verbal investment instructions followed up by written confirmation.
3. The Deputy Treasurer or Investment Advisor will initiate the investments by reviewing the investment schedule and calendar on a weekly basis to determine investments to be made over the following week based on Investment Guidelines and weekly working group meetings. All investments are available to review online on a real time (next day) basis.

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

- a. existing bond resolution requirements and conditions;
 - b. other existing agreements affecting investments/cash flow (i.e. Settlement Agreement; Agreement and Consent dated September 22, 1988, as amended, Agreement for Certain Payments, Lease Agreements etc.);
 - c. BPCA cash flow requirements and Investment Guidelines and Policies;
 - d. current and future market conditions (i.e. interest rates);
 - e. New York State Comptroller's Guidelines; and,
 - f. published market surveys, consultant reports, etc., relating to securities available, interest rates and investment strategies.
4. Copies of the bank trade confirmation letters sent to the Trustee Bank are digitally filed in the Treasury folder
5. All investments are available to the President and others for review and discussed at Investment Committee meetings. A copy of the Investment Instructions Letter is retained in the Treasury folder and a copy is maintained in the bank reconciliation files

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

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

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

APPENDIX B

INVESTMENT REPORT – FISCAL YEAR ENDED OCTOBER 31, 2023

Investments

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

Total investments held by the Authority at October 31, 2023 and 2022, included within the statements of net position (deficit) as investments, corporate designated, escrowed and OPEB funds, bond resolution funds and residential lease required fund accounts, were as follows:

	October 31, 2023			October 31, 2022		
	Cost	Fair value	Weighted average maturity (years) (a)	Cost	Fair value	Weighted average maturity (years) (a)
U.S. Treasury securities:						
Treasury Bills	\$ 753,889,897	759,220,931	0.10	\$ 300,375,565	301,184,894	0.12
Treasury Bonds	103,516,130	98,011,702	1.99	124,547,637	114,449,882	2.47
Treasury Strips	—	—	—	2,478,639	2,427,849	2.46
Total						
U.S. Treasury securities	857,406,027	857,232,633		427,401,841	418,062,625	
Commercial paper	—	—	—	33,355,798	33,612,663	0.07
Federal agency securities	1,592,195	1,646,289	0.04	15,305,739	15,353,906	0.04
Federal agency mortgage backed securities	803,298	741,733	2.84	1,723,463	1,604,461	2.90
Municipal bonds	4,893,417	4,749,918	1.18	5,102,027	4,742,553	2.53
Supra National Agency	9,361,613	8,806,944	1.49	16,705,105	15,490,057	2.14
Total						
investments	874,056,550	873,177,517	0.34	499,593,973	488,866,265	0.77
Cash and cash equivalents	25,983,858	25,983,858		44,772,227	44,772,227	
Total						
investments	\$ 900,040,408	899,161,375		\$ 544,366,200	533,638,492	

(a) Portfolio weighted average effective duration

As of October 31, 2023 and 2022, restricted assets included cash and cash equivalents and investments with less than 91-day maturities amounting to \$407,526,855 and \$180,404,963, respectively.

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

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

Investments of amounts in funds and accounts established under the 2003 General Bond Resolution, and the 2013, 2019 and 2023 Revenue Bond Resolutions are presently restricted to obligations of the State, U.S. government and its agencies, or in any other obligations in which the Comptroller of the State of New York is authorized to invest pursuant to Section 98 of the State Finance Law.

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

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

Fees

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

APPENDIX C

BPCA FY2023: A Year in Review *(Prepared by PFM Asset Management LLC)*

Annual Summary

The 2023 fiscal year was marked by declining inflation, aggressive interest rate hikes by the Federal Reserve (“Fed”), volatility in the financial sector, and a strong labor market. The Federal Reserve Open Market Committee (“FOMC”) raised the federal funds rate six times between November 1, 2022 and October 31, 2023, including two 50 basis point (0.50%) hikes. In that span, the federal funds rate rose from a range of 3.25% - 3.50% to a range of 5.25% - 5.50%. As a result of the Fed’s continued tightening of monetary policy, inflation showed signs of easing, as the Consumer Price Index (“CPI”) increased by only 3.2% year-over-year (YoY) by the end of October. During this time, the labor market continued to remain strong, adding roughly 2.7 million jobs over the 2023 fiscal year. The steep increase in rates however, made for substantial volatility in the financial sector in the second fiscal quarter, resulting in the failure of five banks. At the end of the year, the Fed paused its rate hike cycle and revised its projections to assume higher growth, and higher inflation for longer.

Summary of Bond Market and Authority Portfolio Strategy

First Quarter: November 1, 2022 – January 31, 2023

Market Summary

The first quarter was characterized by a decline in the unemployment rate, declining inflation, and the Fed’s continued focus on tightening monetary conditions. The housing market continued to cool in the face of higher borrowing rates coupled with elevated home prices. Business activity slowed, as both the services and manufacturing sectors contracted. The Fed remained committed to increasing interest rates, raising them twice during the quarter for a combined 100 basis point (1.00%) hike. The Fed Funds rate ended the quarter at a range of 4.25% to 4.50%.

U.S. real gross domestic product (“GDP”) beat expectations, growing at 2.6% in the fourth quarter and 2.1% for calendar year 2022 – down from the 5.7% growth rate for calendar year 2021. Activity in the final quarter of 2022 was boosted by inventory investment and consumer spending, accounting for 4.9% of the overall growth rate. Despite strong growth, pandemic-related supply and demand imbalances caused CPI to reach 6.4% in January. Unemployment matched the pre-pandemic level of 3.5% in December, and continued its decline through January to 3.4%, the lowest rate since May of 1969. The labor force participation rate rose slightly to 62.4% from 62.2%. Employment gains were strong as the U.S. economy added 517,000 jobs to start 2022.

Fixed income yields were mixed for the quarter, as the 3-, and 12-month yields rose, while the 2-, 5-, and 10-, and 30-year yields declined. The yield curve remained steeply inverted at the turn of the new year. In January alone, the yield on the benchmark 2-year Treasury note declined 23 basis points to 4.20%, while the yield on the benchmark 10-year Treasury declined 36 basis points to 3.51%, ultimately driven by expectations for faster Fed rate hikes. Rate changes were more severe on the longer end of the curve, as inflation continues to decline from 2022 highs. As a result of falling yields during the quarter, U.S. Treasury returns were largely positive. The 2-year Treasury note declined 29 basis points to 4.20%, while the yield on the 10-year Treasury declined 54 points to 3.51%.

Portfolio Strategy Recap

- As a result of the sharp decline in yields, longer-term portfolio returns were positive for the quarter. Portfolios underperformed respective benchmarks for the quarter.
- Shorter-term portfolios provided positive returns for the quarter, although underperformed 3-Month Treasury Bill's performance of 1.00%.

Second Quarter: February 1, 2023 – April 30, 2023

Market Summary

During the second quarter, interest rates experienced extreme volatility on account of government debt ceiling discussions stalling and failures in the financial sector. Debt ceiling discussions dominated headlines as the U.S. hit its debt ceiling of \$31.4 trillion in January, resulting in the U.S. Treasury starting to take extraordinary measures to prevent a default. The 2-year treasury jumped to 5.07% from its January 31st close of 4.21% as a result. However, yields quickly retreated to lower levels following the collapse of Silicon Valley Bank, the third largest bank failure in U.S. history, on March 10th. Signature Bank failed shortly after, officially closing on March 12th. The bank failures, paired with the U.S. debt ceiling crisis, applied further pressure to an already fragile inflation narrative, complicating the Federal Reserve's policy decisions. To control lingering inflation, the Fed raised the Federal Funds target rate by 25 basis points twice during the quarter, bringing the new target rate to a range of 4.75% to 5.00%. Jerome Powell noted Fed Chair Jerome Powell noted that events in the banking system might "contribute to significant tightening in credit conditions over time" implying monetary policy would have less work to do."

U.S. GDP increased at an annual pace of 2.0% in the first quarter of 2023, slightly lower than the prior quarter. This was a reflection of increases in consumer spending, government spending, and business fixed investment. Consumer spending edged up 0.2% in February, with services accounting for 61.8% of that. The year-over-year change in the consumer price index fell to 4.9% in April, slightly lower than market expectations. Shelter, the largest component of CPI continued to trend higher. The U.S. labor market remained quite strong through the quarter, as the economy added 800,000 new jobs. Unemployment ended the quarter at 3.4%, marking just the second time since 1969 the unemployment rate fell below 3.5%.

U.S. Treasury yields peaked in March, although retreated quickly following the failures of Silicon Valley Bank and Signature Bank. Yields on the longer end of the curve were impacted by increased volatility in the financial sector as the 2-, 5-, 10-, and 30-year yields all ended the second quarter lower than the first, declining 19, 13, 8 and 54 basis points respectively. The 6-month and 1-year yields both increased by 39 and 9 basis points. As a result of volatility in Treasury yields, fixed income indices posted some of the worst total returns dating back over 40 years. For example, during the fiscal quarter the ICE BofA 1-, and 5-year U.S. Treasury indices returned 0.52% and -4.51% respectively.

Portfolio Strategy Recap

- Longer-term portfolio returns were positive for the quarter. The conservative duration positioning contributed to strong relative outperformance for the quarter.
- Shorter-term portfolio posted strong absolute performance, with returns in line with the benchmark.

Third Quarter: May 1, 2023 – July 31, 2023

Market Summary

Many of the significant headwinds from the beginning of 2023 remained in place during the quarter, most notably the U.S. debt ceiling impasse and the continuation of the Fed's historic pace of interest rate hikes. Following months of debate and standoffs, President Biden signed the bi-partisan debt ceiling bill, avoiding a much-publicized potential default and allowing the U.S. Treasury to fund its obligations. The bill effectively suspended the debt ceiling until January 1, 2025, and included some reductions in spending at the federal level.

As a result of continued surging inflation, the Fed lifted the overnight federal funds target rate by 25 basis points in May but paused hiking at its June meeting, breaking the string of consecutive meetings with an increase. The "hawkish pause" was accompanied by expectations for two more 25 basis point hikes during the calendar year 2023. In July, the Fed raised the federal funds target rate by another 25 basis points, ending the quarter at a new range of 5.25% to 5.50%.

Real GDP increased at an annual rate of 2.1% in the second quarter of 2023, slightly lower than the prior quarter's release. Growth in the second quarter was much higher than was originally expected, leading to the Fed doubling their growth projections for the calendar year 2023. The U.S. labor market remained strong in the quarter, adding 735,000 new jobs between May and July. The unemployment rate ended the quarter at 3.5%, a slight move upwards from the prior quarter, while the labor participation rate reached a post-pandemic high of 62.6%. The economy was aided by growth in personal consumption and durable goods purchases, while consumer confidence hit an 18-month high. However, consumer credit reached record levels, a symptom of continuing inflation. CPI increased 3.0% in June, marking the smallest 12-month increase since March 2021, though rose slightly in July to end the quarter at 3.2% year-over-year.

The 3-month and 2-year Treasury yields finished the fiscal quarter at 5.42% and 4.88%, increasing by 36 basis points and 87 basis points respectively. The yield on the 10-year note ended the quarter at 3.96%, an increase of 53 basis points quarter-over-quarter. Rates across the curve rose during the quarter, which had a negative impact to performance for the quarter.

Portfolio Strategy Recap

- Diversification away from U.S. Treasury securities was strongly additive to fixed-income performance during the second quarter as yield spreads across most sectors tightened. The move to a more "risk on" mentality resulted in strong relative performance from spread sectors.
- The 2003 Pledged Revenue Fund and Project Operating Fund posted quarterly returns of 1.23% and 1.27% respectively. The 2003 Pledged Revenue Fund underperformed the benchmark by 2 basis points (-0.02%), while the Project Operating Fund overperformed the benchmark by 2 basis points (0.02%).

Fourth Quarter: August 1, 2023 – October 31, 2023

Market Summary

The fourth quarter was characterized by consumers continuing to spend, which was supported by rising wages and a strong labor market. The potential for additional monetary policy tightening by the Fed remained possible in light of the Fed's projections for stronger GDP growth and higher inflation and slightly lower unemployment for the balance of the year.

The labor market showed signs of slowing during the quarter. Throughout the quarter, the U.S. economy added 673,000 jobs, underperforming the prior quarter, while the unemployment rate rose to 4.9%, hitting a 21-month high. The labor market participation rate rose slightly from the prior quarter, coming in at 62.7% at the end of October.

CPI rose 3.2% in October, a sign that lingering inflation may be trending in the right direction. In light of employment data and ever-decreasing CPI, the Fed maintained its pause at both meetings, keeping the Federal Funds rate held steady at a range of 5.25% to 5.50%.

U.S. Treasury yields experienced little change on the shorter end of the curve, whereas the longer end was more volatile. The 3-month and 1-year yields increased by 0.05% and 0.07%, ending the quarter at 5.47% and 5.46% respectively. The largest moves came in the 5-, 10-, and 30-year treasuries with rates rising by 68, 97, and 109 basis points respectively, ending the quarter at 4.86%, 4.93%, and 5.10%. The 2-year Treasury rose 21 basis points to end the quarter at 5.09%. The yield curve still remains inverted, although the spread decreased during the quarter, as the yield difference between the 2- and 10-year U.S. Treasury closed the quarter at -0.16%.

Portfolio Strategy Recap

- Yields rose sharply during the quarter, leading to negative absolute performance for longer-duration strategies
- Diversification away from U.S. Treasuries was generally additive to fixed-income performance as spreads across most sectors tightened or remained relatively stable.

Investment Guidelines Review

PFM Asset Management and Ramirez Asset Management have completed their annual review of the Investment Guidelines and suggest no changes to the policy for 2024.

Portfolio Performance Update

Portfolios provided strong, absolute performance for the year, and all portfolios outperformed their respective benchmarks. Sector diversification and a modestly defensive duration position relative to the respective benchmark was additive to performance.

For the year, the 2003 Pledged Revenue underperformed its benchmark by 9 basis points, while the 2003 Project Operating Fund underperformed by 1 basis point. Since inception, both portfolios continue to outperform the benchmark. The focus of these strategies continues to be on the Authority's cashflow needs.

	1 Year Ended October 31, 2023	3 Year Ended October 31, 2023	Since Inception
Long-Term Strategy:			
2003 Reserve Fund	4.24%	-0.81%	2.58%
<i>BM: BAML 1-5 Year US Treasury Note Index</i>	<i>2.43%</i>	<i>-1.68%</i>	<i>2.38%</i>
BPCPC Operating Reserve Contingency	2.97%	-2.26%	2.74%
Insurance Fund	2.92%	-2.32%	2.68%
Operating Budget Reserve	3.21%	-2.21%	2.81%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>1.44%</i>	<i>-3.10%</i>	<i>2.38%</i>
BPCA Other Post-Employment Benefits	2.26%	-2.46%	2.04%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>1.44%</i>	<i>-3.10%</i>	<i>1.74%</i>
Short-Term Strategy:			
2003 Pledged Revenue	4.68%	1.85%	1.38%
2003 Project Operating Fund	4.76%	1.84%	1.38%
<i>BM: BAML 3 Month US Treasury Bill Index</i>	<i>4.77%</i>	<i>1.85%</i>	<i>1.33%</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.*



Hugh L. Carey Battery Park City Authority

Review of Investment Performance

Quarter Ended October 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

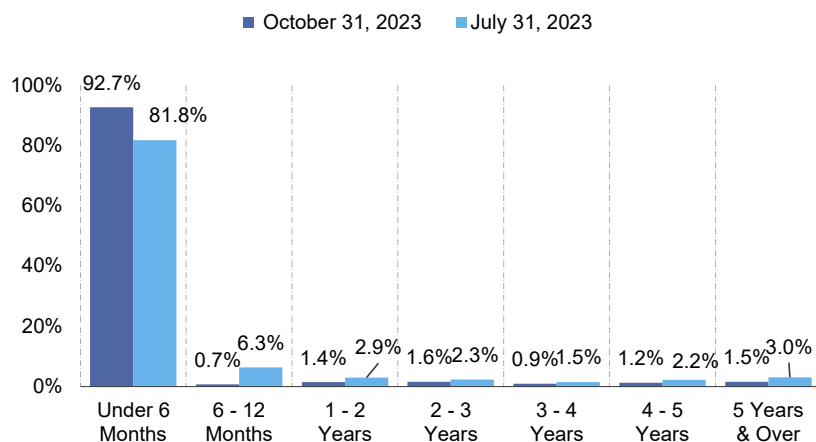
I. Executive Summary



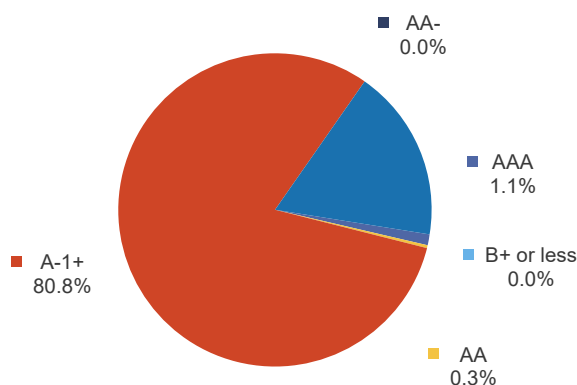
Aggregate Portfolio Composition and Credit Quality

Security Type ¹	October 31, 2023	% of Portfolio	Effective Duration	July 31, 2023	% of Portfolio	Effective Duration	QoQ Change (% of portfolio)
U.S. Treasuries	\$857,724,593	95.3%	0.26	\$504,396,540	89.7%	0.52	5.6%
Federal Agencies and Instrumentalities (non-MBS)	\$10,469,184	1.2%	1.21	\$10,403,769	1.9%	1.46	(0.7%)
Commercial Paper	\$0	0.0%	0.00	\$0	0.0%	0.00	-
Municipals	\$4,776,137	0.5%	1.15	\$4,777,319	0.8%	1.39	(0.3%)
Government MBS ²	\$747,637	0.1%	2.81	\$804,305	0.1%	2.83	(0.1%)
Cash	\$25,953,253	2.9%	0.00	\$41,912,453	7.5%	0.00	(4.6%)
Total	\$899,670,804	100.0%	0.27	\$562,294,386	100.0%	0.55	

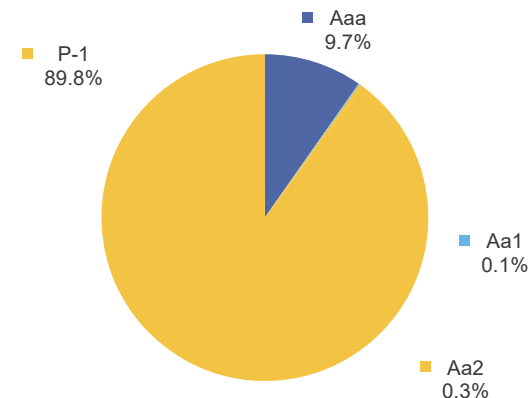
**Maturity Distribution
As of 10/31/2023**



**Credit Quality Distribution (S&P)
as of 10/31/2023**



**Credit Quality Distribution (Moody's)
as of 10/31/2023**



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 – October 31, 2023

	Past Quarter	Past 12 Months	Past 3-Years	Since Inception
Long-Term Strategy:				
2003 Reserve Fund	0.23%	4.24%	-0.81%	2.58%
<i>BM: BAML 1-5 Year US Treasury Note Index</i>	<i>0.03%</i>	<i>2.43%</i>	<i>-1.68%</i>	<i>2.38%</i>
BPCPC Operating Reserve Contingency Insurance Fund	0.23%	2.97%	-2.26%	2.74%
Operating Budget Reserve	-0.22%	2.92%	-2.32%	2.68%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>-1.22%</i>	<i>1.44%</i>	<i>-3.10%</i>	<i>2.38%</i>
BPCA Other Post-Employment Benefits	-0.63%	2.26%	-2.46%	2.04%
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>-1.22%</i>	<i>1.44%</i>	<i>-3.10%</i>	<i>1.74%</i>
Short-Term Strategy:				
2003 Pledged Revenue	1.37%	4.68%	1.85%	1.38%
2003 Project Operating Fund	1.35%	4.76%	1.84%	1.38%
<i>BM: BAML 3 Month US Treasury Bill Index</i>	<i>1.36%</i>	<i>4.77%</i>	<i>1.85%</i>	<i>1.33%</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 2.1% in the second quarter, up from the 2.0% expansion in the prior quarter. This comes as a result of increases in consumer spending, state and local government spending, private business investment growth, and federal government spending.
- ▶ The year-over year change in the Consumer Price Index (CPI) fell to 3.2% in October, coming in lower than market expectations. This was a decrease from the month prior, as CPI came in at 3.7% in September. Core CPI, which excludes volatile energy and food prices, climbed 4.0% in October from a year earlier, slightly under market expectations.
- ▶ The labor market slowed slightly during the quarter, with the unemployment rate coming in around 3.9% in October. The economy added 150,000 jobs during the month, lower than analysts expectations.

U.S. Treasury Yields

- ▶ Yields on U.S. Treasuries jumped during the quarter. The yield on the 2-year Treasury ended the quarter at 5.09%, up 21 basis points (0.21%) from the start of the quarter. The yield on the 10-year U.S. Treasury increased to 4.93% by quarter-end, an increase of 97 basis points (0.97%) from July 31, 2023. Most notably, the 30-year U.S. Treasury increased to 5.10%, up 109 basis points (1.09%) from July 31, 2023.

Federal Reserve

- ▶ The Fed paused its rate hiking cycle during all meetings held during the quarter. The federal funds rate remains at a target range of 5.25% - 5.50%.
- ▶ The updated summary of economic projections points toward lower growth, high inflation and a higher unemployment rate in 2023.



Portfolio Recap – Performance & Cash Flows

Longer-Term Funds.

- ▶ Increasing yields on longer-term securities led to negative returns.
- ▶ We continued to maintain a defensive duration posture relative to benchmarks.
- ▶ The performance of every Longer-Term fund exceeded all relevant benchmarks.

Short-Term Funds

- ▶ The 2003 Pledged Revenue Fund and Project Operating Fund posted quarterly returns of 1.37% and 1.35% respectively. The 2003 Pledged Revenue Fund outperformed the benchmark by 1 basis points (0.01%), while the Project Operating Fund underperformed the benchmark by 1 basis points (-0.01%).
- ▶ 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	95.34%	857,724,593	100%	AA+	Aaa	OK
Cash	2.88%	25,953,253	NA	AAAm	AAAm	OK
International Bank of Recon and Development	0.41%	3,721,321	\$250,000,000	AAA	Aaa	OK
New York City	0.30%	2,658,186	10%	AA	Aa2	OK
Asian Development Bank	0.25%	2,227,202	\$250,000,000	AAA	Aaa	OK
International American Development Bank	0.24%	2,172,329	\$250,000,000	AAA	Aaa	OK
Fannie Mae	0.20%	1,791,412	\$250,000,000	AA+	Aaa	OK
Tennessee State	0.11%	1,001,930	10%	0.00%	0.00%	OK
New York State	0.09%	815,148	10%	AA+	Aa1	OK
African Development Bank	0.08%	702,043	\$250,000,000	AAA	Aaa	OK
Small Business Administration	0.05%	446,085	100%	AA+	Aaa	OK
NY State Dorm Authority	0.03%	300,873	10%	AA+	Aa1	OK
Ginnie Mae	0.01%	126,691	100%	AA+	Aaa	OK
Freddie Mac	0.00%	29,738	\$250,000,000	AA+	Aaa	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	33,353,511.53		(33,358,374)		\$4,863		\$0
BPCPC Operating Reserve Contingency	\$7,069,331		\$6,477,675		\$26,504		\$13,573,511
Insurance Fund	\$5,879,438		(\$0)		(\$12,780)		\$5,866,659
Operating Budget Reserve	\$24,478,734		\$2,000,000		(\$2,948)		\$26,475,786
BPCA Other Post-Employment Benefits	\$40,143,323		(\$0)		(\$253,441)		\$39,889,882
Subtotal	\$110,924,338		(\$24,880,699)		(\$237,801)		\$85,805,837
Shorter Term Investment Strategy							
2003 Pledged Revenue	\$186,810,051		\$16,305,996		\$2,750,389		\$205,866,435
2003 Project Operating Fund	\$10,961,633		(\$189,000)		\$120,453		\$10,893,086
Subtotal	\$197,771,683		\$16,116,996		\$2,870,842		\$216,759,521
Total	\$308,696,021		(\$8,763,703)		\$2,633,040		\$302,565,358

Notes:

- Beginning Period Value is as of July 31, 2023 and Ending Period Value is as of October 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.

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	\$3,756,356	\$38,174	\$50,578		\$3,845,109
2000 Arbitrage Rebate	\$870,048	\$0	\$11,697		\$881,745
Unpledged Revenue	\$11,957,656	\$6,100,442	\$202,828		\$18,260,925
2003 Residual Fund	\$2,687,275	\$0	\$36,153		\$2,723,428
Joint Purpose Fund	\$87,155,410	\$0	\$1,184,671		\$88,340,080
Special Fund	\$1,005,522	\$0	\$13,522		\$1,019,044
BPCPC Operating Reserve	\$0	\$0	\$0		\$0
BPCA Goldman Sachs Liberty Contribution Fund	\$1,438	(\$1,438)	\$0		\$0
BPCA Series 2009A Project Costs	\$0	\$0	\$0		\$0
BPCA2013ACDE Proj Cost Sub AC	\$4,918,272	\$3,514,383	\$110,315		\$8,542,971
BPCA Pier A Reserve Fund	\$1,483,435	(\$1,482,564)	\$0		\$871
BPCA 2019A Comm Ctr SB Proj	\$102	\$0	\$0		\$102
BPCA 2019A Sustainable Proj	\$12,223,531	\$2,338,611	\$196,001		\$14,758,143
BPCA 2019ABCDE COI	\$5,628	(\$5,628)	\$0		\$0
BPCA 2019BDE Project	\$4,337,566	\$1,722,679	\$80,500		\$6,140,745
BPCA 2019C Pier A SB Proj	\$3,614,029	(\$3,611,938)	\$0		\$2,091
BPCA 2023A Sustainable Project	\$0	\$332,232,642	\$4,546,730		\$336,779,372
BPCA Lease Refinancing Fee	\$0	\$2,311,091	\$331		\$2,311,422
Subtotal	\$134,016,269	\$343,156,454	\$6,433,325		\$483,606,048

Notes:

1. Beginning Period Value is as of July 31, 2023 and Ending Period Value is as of October 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
Ramirez Asset Management Accounts					
Liberty Terr Mariners Cove-K	\$315,723	\$0	\$4,327		320,050.12
Liberty House Mariners J	\$258,278	\$0	\$3,537		\$261,814
Rector Park L	\$35,934	\$0	\$489		\$36,422
Hudson View W Towers G	\$181,832	\$0	\$2,492		\$184,324
Hudson Towers E/F	\$221,139	\$0	\$2,950		\$224,089
Hudson View Towers C	\$195,193	\$0	\$2,750		\$197,943
Liberty Ct Mariners Cove B	\$644,785	\$0	\$8,841		\$653,626
Millenium	\$3,892,844	\$0	\$53,416		\$3,946,260
Liberty Battery Place Assoc 4	\$464,908	\$0	\$6,376		\$471,284
South Cove Assoc 11	\$422,212	\$0	\$5,787		\$427,999
Soundings Rector Park A	\$225,949	\$0	\$3,094		\$229,044
The Regatta Site 10	\$515,487	\$0	\$7,069		\$522,556
2003 Debt Service Junior Payments	\$28,500,737	(\$22,498,456)	\$279,782		\$6,282,063
2003 Debt Service Senior Payments	\$61,388,059	(\$10,207,793)	\$515,683		\$51,695,949
BPCA Millenium Tower Security Fund 2A	\$3,250,845	\$0	\$44,608		\$3,295,453
BPCA S 16/17 Riverhouse Security Fund	\$6,907,275	\$0	\$94,786		\$7,002,061
BPCA Visionaire Security Fund	\$4,206,265	\$0	\$57,716		\$4,263,981
BPCA One Rector Park Security Fund	\$1,032,292	\$0	\$14,159		\$1,046,451
BPCA Rector Square Security Fund Site D	\$237,714	\$0	\$3,255		\$240,969
BPCA WFC Tower C Retail Rent Escrow	\$268,024	\$0	\$3,670		\$271,695
BPCA River & Warren Sec Fund - Site 19A	\$6,361,596	\$0	\$87,294		\$6,448,889
BPCA North Cove Marina Security Fund	\$55,008	\$0	\$750		\$55,758
BPCA TRANSACTION PYMT SEC DEPOSIT	\$500,000	\$0	\$4,488		\$504,488
BPCA 2023B PROJECT	\$0	\$10,417,253	\$108,216		\$10,525,468
BPCA 2023C SUSTAINABLE TAXABLE PROJ	\$0	\$9,137,166	\$95,556		\$9,232,723
BPCA PIER A RESERVE	\$0	\$1,490,041	\$5,719		\$1,495,760
BPCA 2019C PIER A SB PROJ	\$0	\$3,648,269	\$14,010		\$3,662,279
Subtotal	\$120,082,097	(\$8,013,520)	\$1,430,821		113,499,398.62
Total	\$254,098,366	\$335,142,935	\$7,864,146		597,105,446.54

Notes:

- Beginning Period Value is as of July 31, 2023 and Ending Period Value is as of October 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	October 31, 2023	% of Portfolio	July 31, 2023	% of Portfolio	QoQ % Change
United States Treasury²						
	U.S. Treasury	\$857,724,593	95.3%	\$504,396,540	89.7%	5.6%
	Ginnie Mae	\$126,691	0.0%	\$142,363	0.0%	(0.0%)
	Small Business Administration	\$446,085	0.0%	\$476,483	0.1%	(0.0%)
Federal Agencies and Instrumentalities^{2,3}						
	Freddie Mac	\$29,738	0.0%	\$32,003	0.0%	(0.0%)
	Fannie Mae	\$1,791,412	0.2%	\$1,776,727	0.3%	(0.1%)
	International Bank of Recon and Development	\$3,721,321	0.4%	\$3,699,092	0.7%	(0.2%)
	International American Development Bank	\$2,172,329	0.2%	\$2,167,697	0.4%	(0.1%)
	Asian Development Bank	\$2,227,202	0.2%	\$2,209,518	0.4%	(0.1%)
	African Development Bank	\$702,043	0.1%	\$704,191	0.1%	(0.0%)
Municipal Issuers²						
	New York City	\$2,658,186	0.3%	\$2,669,818	0.5%	(0.2%)
	NY State Dorm Authority	\$300,873	0.0%	\$306,986	0.1%	(0.0%)
	New York State	\$815,148	0.1%	\$812,569	0.1%	(0.1%)
	Tennessee State	\$1,001,930	0.1%	\$987,945	0.2%	(0.1%)
Cash						
	Cash	\$25,953,253	2.9%	\$41,912,453	7.5%	(4.6%)
TOTAL		\$899,670,804	100.0%	\$562,294,386	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

	October 31, 2023			July 31, 2023			
	Total Market Value ¹	Effective Duration	% of Total Portfolio	Total Market Value ¹	Effective Duration	% of Total Portfolio	QoQ % Change
Longer Term Investment Strategy							
2003 Reserve Fund	\$0	2.87	0.0%	\$33,353,512	0.00	5.9%	-5.9%
BPCPC Operating Reserve Contingency	\$13,573,511	1.64	1.5%	\$7,069,331	3.45	1.3%	0.3%
Insurance Fund	\$5,866,659	2.33	0.7%	\$5,879,438	2.58	1.0%	-0.4%
Operating Budget Reserve	\$26,475,786	1.89	2.9%	\$24,478,734	2.27	4.4%	-1.4%
BPCA Other Post-Employment Benefits	\$39,889,882	2.87	4.4%	\$40,143,323	3.06	7.1%	-2.7%
Subtotal Longer Term Investment Strategy	\$85,805,837	2.34	9.5%	\$110,924,338	1.96	19.7%	-10.2%
Short Term Investment Strategy							
2003 Pledged Revenue	\$205,866,435	0.04	22.9%	\$186,810,051	0.17	33.2%	-10.3%
2003 Project Operating Fund	\$10,893,086	0.00	1.2%	\$10,961,633	0.00	1.9%	-0.7%
Subtotal Short Term Investment Strategy	\$216,759,521	0.04	24.1%	\$197,771,683	0.16	35.2%	-11.1%
Subtotal of Total Return Accounts	\$302,565,358	0.00	33.6%	\$308,696,021	0.00	54.9%	-21.3%

Notes:

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

Portfolio Value – Other BPCA Accounts

PFM Asset Management Accounts	October 31, 2023			July 31, 2023			QoQ % Change
	Total Market Value	Effective Duration	% of Total Portfolio	Market Value ¹	Effective Duration	% of Total Portfolio	
Corporate Funds	\$3,845,109	0.00	0.4%	\$3,756,356	0.00	0.7%	(0.2%)
2000 Arbitrage Rebate	\$881,745	0.00	0.1%	\$870,048	0.00	0.2%	(0.1%)
Unpledged Revenue	\$18,260,925	0.00	2.0%	\$11,957,656	0.11	2.1%	(0.1%)
2003 Residual Fund	\$2,723,428	0.00	0.3%	\$2,687,275	0.00	0.5%	(0.2%)
Joint Purpose Fund	\$88,340,080	0.00	9.8%	\$87,155,410	0.00	15.5%	(5.7%)
Special Fund	\$1,019,044	0.00	0.1%	\$1,005,522	0.00	0.2%	(0.1%)
BPCPC Operating Reserve	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Goldman Sachs Liberty Contribution Fund	\$0	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	\$8,542,971	0.00	0.9%	\$4,918,272	0.00	0.9%	0.1%
BPCA2013B PROJ COSTS SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA PIER A RESERVE FUND	\$871	0.00	0.0%	\$1,483,435	0.00	0.3%	(0.3%)
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	\$14,758,143	0.00	1.6%	\$12,223,531	0.00	2.2%	(0.5%)
BPCA 2019ABCDE COI	\$0	0.00	0.0%	\$5,628	0.00	0.0%	(0.0%)
BPCA 2019BDE Project	\$6,140,745	0.00	0.7%	\$4,337,566	0.00	0.8%	(0.1%)
BPCA 2019C Pier A SB Proj	\$2,091	0.00	0.0%	\$3,614,029	0.00	0.6%	(0.6%)
BPCA LEASE REFINANCING FEE	\$2,311,329	0.00	0.3%	\$0	0.00	0.0%	0.3%
BPCA 2023A SUSTAINABLE PROJECT	\$336,779,464	0.00	37.4%	\$0	0.00	0.0%	37.4%
Subtotal PFM Asset Management Accounts	\$483,606,048	0.00	53.8%	\$134,016,269	0.01	14.9%	38.9%

Notes:

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

Portfolio Value – Other BPCA Accounts

October 31, 2023

July 31, 2023

RAM Managed Accounts	October 31, 2023			July 31, 2023			
	Total Market Value	Effective Duration	% of Total Portfolio	Market Value ¹	Effective Duration	% of Total Portfolio	QoQ % Change
Liberty Terr Mariners Cove-K	\$320,050	0.00	0.0%	\$315,723	0.00	0.1%	(0.0%)
Liberty House Mariners J	\$261,814	0.00	0.0%	\$258,278	0.00	0.0%	(0.0%)
Rector Park L	\$36,422	0.00	0.0%	\$35,934	0.00	0.0%	(0.0%)
Hudson View W Towers G	\$184,324	0.00	0.0%	\$181,832	0.00	0.0%	(0.0%)
Hudson Towers E/F	\$224,166	0.00	0.0%	\$221,139	0.00	0.0%	(0.0%)
Hudson View Towers C	\$197,866	0.00	0.0%	\$195,193	0.00	0.0%	(0.0%)
Liberty Ct Mariners Cove B	\$653,626	0.00	0.1%	\$644,785	0.00	0.1%	(0.0%)
Millenium	\$3,946,260	0.00	0.4%	\$3,892,844	0.00	0.7%	(0.3%)
Liberty Battery Place Assoc 4	\$471,284	0.00	0.1%	\$464,908	0.00	0.1%	(0.0%)
South Cove Assoc 11	\$427,999	0.00	0.0%	\$422,212	0.00	0.1%	(0.0%)
Soundings Rector Park A	\$229,044	0.00	0.0%	\$225,949	0.00	0.0%	(0.0%)
The Regatta Site 10	\$522,556	0.00	0.1%	\$515,487	0.00	0.1%	(0.0%)
2003 Debt Service Junior Payments	\$6,282,063	0.00	0.7%	\$28,500,737	0.00	5.1%	(4.4%)
2003 Debt Service Senior Payments	\$51,695,949	0.00	5.7%	\$61,388,059	0.00	10.9%	(5.2%)
BPCA Millenium Tower Security Fund 2A	\$3,295,453	0.00	0.4%	\$3,250,845	0.00	0.6%	(0.2%)
BPCA S 16/17 Riverhouse Security Fund	\$7,002,061	0.00	0.8%	\$6,907,275	0.00	1.2%	(0.5%)
BPCA Visionaire Security Fund	\$4,263,981	0.00	0.5%	\$4,206,265	0.00	0.7%	(0.3%)
BPCA Pier A Security Deposit Account	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA One Rector Park Security Fund	\$1,046,451	0.00	0.1%	\$1,032,292	0.00	0.2%	(0.1%)
BPCA Rector Square Security Fund Site D	\$240,969	0.00	0.0%	\$237,714	0.00	0.0%	(0.0%)
BPCA WFC TOWER C RETAIL RENT ESCROW	\$271,695	0.00	0.0%	\$268,024	0.00	0.0%	(0.0%)
BPCA RIVER & WARREN SEC FUND - SITE 19A	\$6,448,889	0.00	0.7%	\$6,361,596	0.00	1.1%	(0.4%)
BPCA NORTH COVE MARINA SECURITY FUND	\$55,758	0.00	0.0%	\$55,008	0.00	0.0%	(0.0%)
BPCA 19C Pier A	\$3,662,279	0.00	0.4%	\$0	0.00	0.0%	0.4%
BPCA Pier A Reserve Fund	\$1,496,374	0.00	0.2%	\$0	0.00	0.0%	0.2%
BPCA 2023B Pier A	\$10,524,570	0.00	1.2%	\$0	0.00	0.0%	1.2%
BPCA 2023C Sustainable Taxable - Pie	\$9,233,007	0.00	1.0%	\$0	0.00	0.0%	1.0%
BPCA Transaction Pymt Sec Deposit	\$504,488	0.00	0.1%	\$0	0.00	0.0%	0.1%
Subtotal of RAM Managed Accounts	\$113,499,399	0.00	12.6%	\$119,582,097	0.00	0.21	-8.7%
Subtotal of Other BPCA Accounts	\$597,105,447	0.00	66.4%	\$253,598,366	0.00	45.1%	21.3%
GRAND TOTAL	\$899,670,804	0.00	100.0%	\$562,294,386	0.00	100.0%	

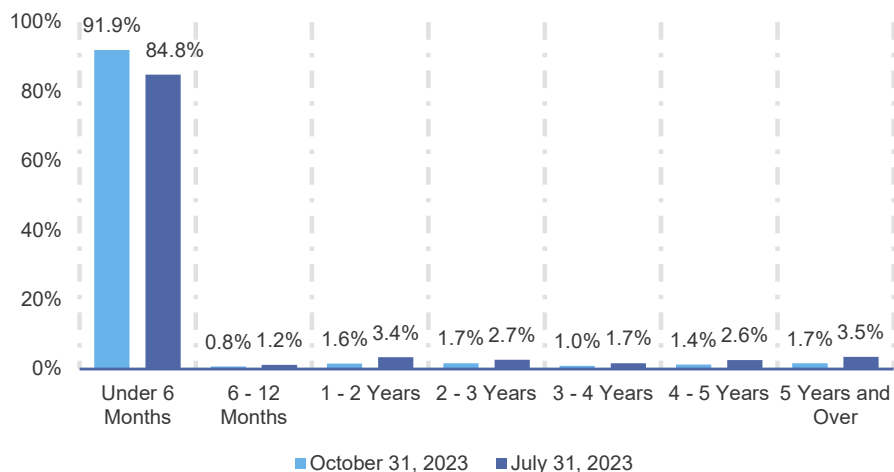
Notes:

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.

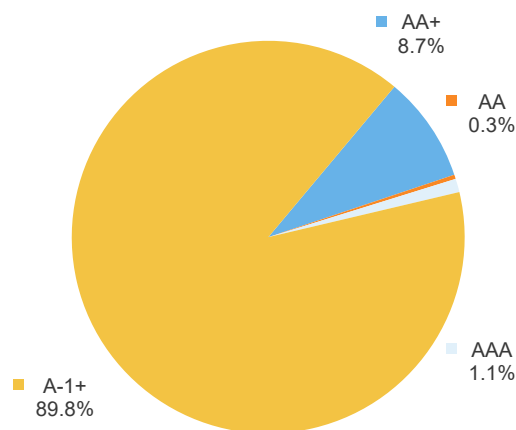
Aggregate Portfolio Summary: PFM Asset Management

Security Type ¹	October 31, 2023	% of Advisor	% of Total Portfolio	Effective Duration	July 31, 2023	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$771,113,793	98.1%	88.2%	0.28	\$427,398,498	96.5%	82.1%	0.53	1.5%
Federal Agencies and Instrumentalities (non-MBS)	\$10,469,184	1.3%	1.2%	1.21	\$10,403,769	2.4%	2.0%	1.46	(1.0%)
Commercial Paper	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Municipals	\$3,774,207	0.5%	0.4%	1.45	\$3,789,374	0.9%	0.7%	1.69	(0.4%)
Government MBS ²	\$731,981	0.1%	0.1%	2.87	\$786,600	0.2%	0.2%	2.86	(0.1%)
Cash	\$82,242	0.0%	0.0%	0.00	\$334,048	0.1%	0.1%	0.00	(0.1%)
Totals	\$786,171,406	100%	90.0%	0.30	\$442,712,289	100.0%	85.0%	0.57	

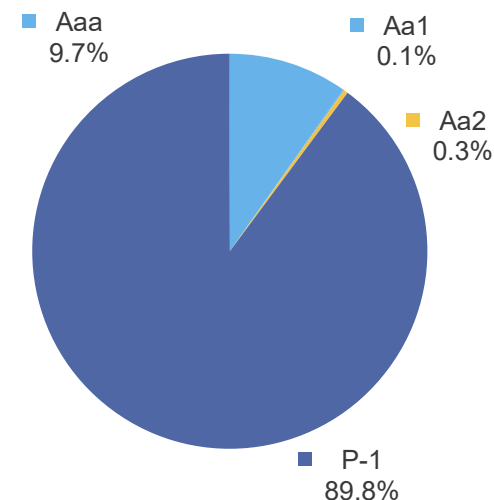
**Maturity Distribution
as of 10/31/2023**



**Credit Quality (S&P)
as of 10/31/2023**



**Credit Quality (Moody's)
as of 10/31/2023**



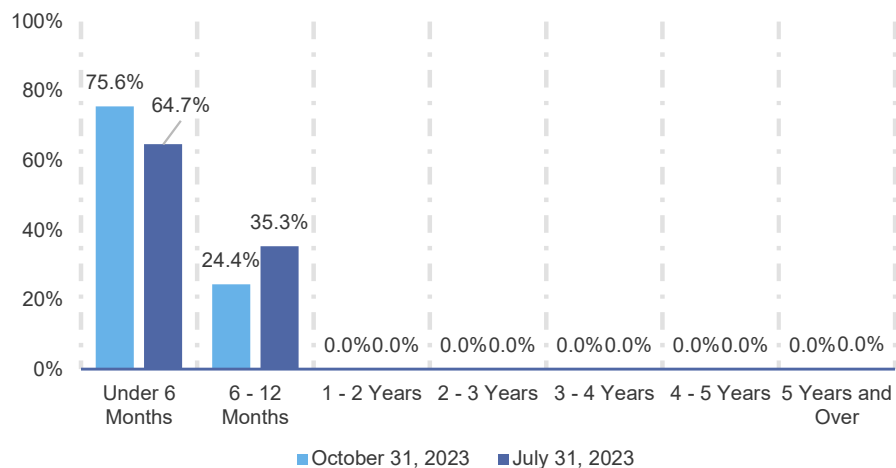
Notes:

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.

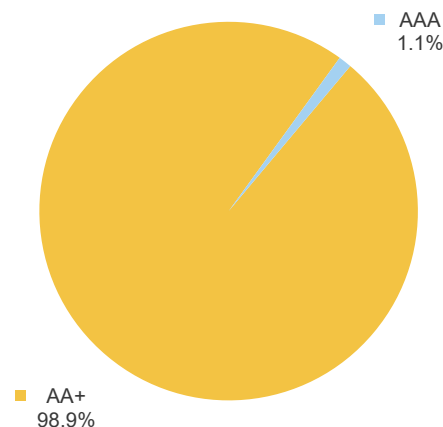
Aggregate Portfolio Summary: Ramirez Asset Management

Security Type ¹	October 31, 2023	% of Advisor	% of Total Portfolio	Effective Duration	July 31, 2023	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$86,610,801	76.3%	9.6%	0.00	\$76,998,042	64.4%	13.7%	0.48	11.9%
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	\$1,001,930	0.9%	0.1%	0.00	\$987,945	0.8%	0.2%	0.25	0.1%
Government MBS ²	\$15,656	0.0%	0.0%	0.00	\$17,705	0.0%	0.0%	1.37	(0.0%)
Cash	\$25,871,012	22.8%	2.9%	0.00	\$41,578,405	34.8%	7.4%	0.00	(12.0%)
Totals	\$113,499,399	100%	12.6%	0.00	\$119,582,097	100.0%	21.3%	0.48	

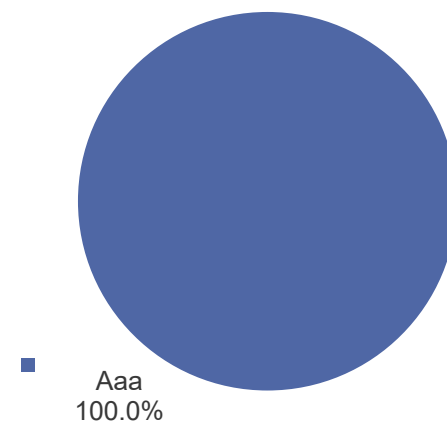
**Maturity Distribution
as of 10/31/2023**



**Credit Quality (S&P)
as of 10/31/2023**



**Credit Quality (Moody's)
as of 10/31/2023**



Notes:

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

Portfolio Earnings – PFMAM-Managed Accounts

Portfolio Earnings <i>Quarter-Ended October 31, 2023</i>		
	Market Value Basis ³	Accrual (Amortized Cost) Basis
Beginning Value - July 2023 ¹	\$442,001,095	\$442,378,241
Net Purchases (Sales)	\$340,006,484	\$340,006,484
Change in Value	\$3,613,203	\$3,704,438
Ending Value - October 2023 ¹	\$785,620,782	\$786,089,164
Net Income ²	\$3,153,622	\$3,409,910
Portfolio Earnings	\$6,766,825	\$7,114,348

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 October 31, 2023</i>		
	Market Value Basis ^{1, 4}	Accrual (Amortized Cost) Basis ²
Beginning Value - July 2023	\$77,701,539.36	\$77,320,819
Net Purchases (Sales)	\$8,885,455.03	\$8,885,455
Change in Value	\$969,739.69	\$356,357
Ending Value - October 2023	\$87,556,734.08	\$86,562,631
Net Income ³	\$313,811.43	\$313,811
Portfolio Earnings	\$1,283,551.12	\$670,168

Notes:

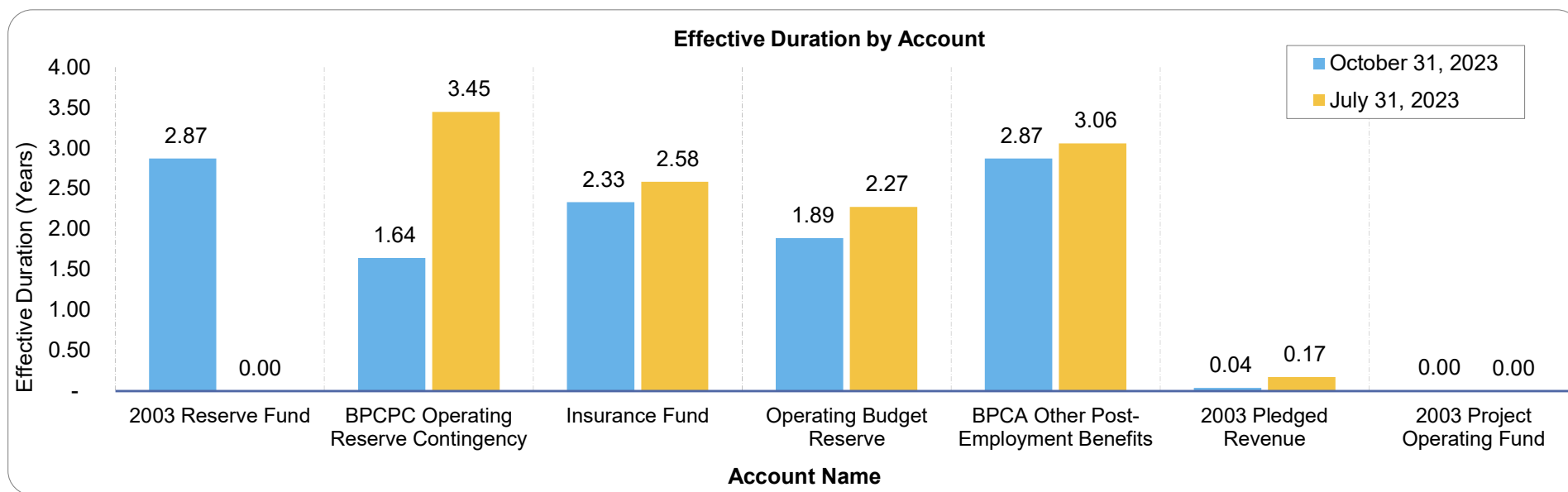
1. Underlying data for Market Value Basis supplied by Advent APX, values exclude accrued income and cash balances at the bank.
2. Accrual (Amortized Cost) Basis data provided by custodian, BNY-Mellon.
3. Net Income includes coupon income paid, change in beginning and ending accruals, and purchased/sold 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	
	October 31, 2023	July 31, 2023	October 31, 2023	July 31, 2023	October 31, 2023	July 31, 2023
Longer Term Investment Strategy						
2003 Reserve Fund	2.87	0.00	5.75%	5.25%	5.54%	5.03%
BPCPC Operating Reserve Contingency	1.64	3.45	3.81%	4.46%	3.36%	1.57%
Insurance Fund	2.33	2.58	4.84%	4.67%	2.08%	1.89%
Operating Budget Reserve	1.89	2.27	4.37%	4.62%	2.47%	1.84%
BPCA Other Post-Employment Benefits	2.87	3.06	5.13%	4.69%	1.86%	1.82%
Short Term Investment Strategy						
2003 Pledged Revenue	0.04	0.17	4.97%	5.06%	5.29%	5.19%
2003 Project Operating Fund	0.00	0.00	4.87%	4.35%	5.30%	5.16%



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

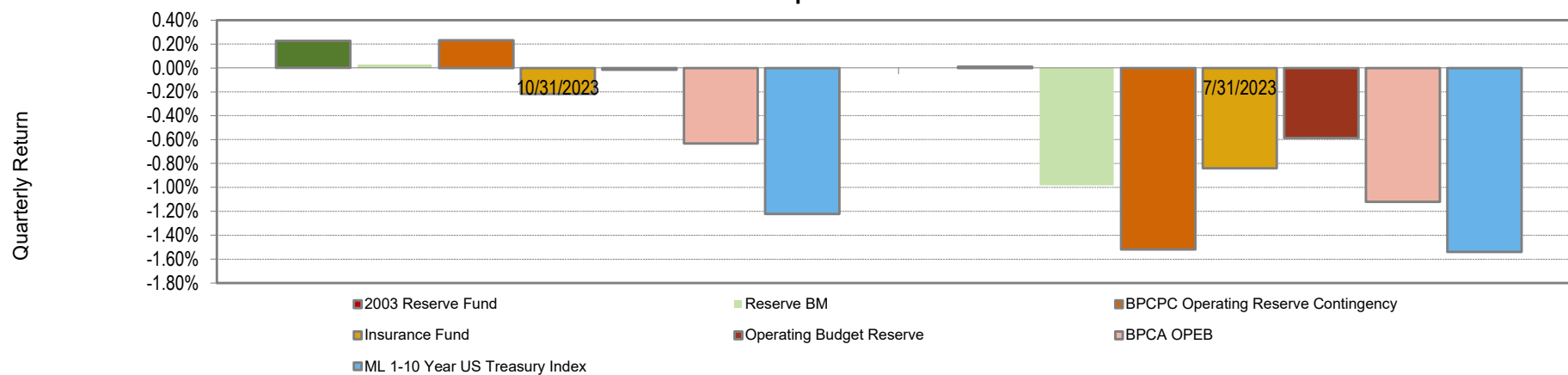
Portfolios Managed with a Longer-Term Investment Strategy



Longer-Term Investment Strategy

Total Return ^{1,2,4,5}	October 31, 2023	Annualized Quarter	Annualized Since Inception ⁵
2003 Reserve Fund	0.23%	0.90%	2.58%
BM: BAML 1-5 Year US Treasury Note Index	0.03%	0.12%	2.38%
BPCPC Operating Reserve Contingency	0.23%	0.92%	2.74%
Insurance Fund	(0.22%)	-0.86%	2.68%
Operating Budget Reserve	(0.01%)	-0.05%	2.81%
BM: BAML 1-10 Year US Treasury Note Index	(1.22%)	-4.77%	2.38%
BPCA Other Post-Employment Benefits	(0.63%)	-2.48%	2.04%
BM: BAML 1-10 Year US Treasury Note Index	(1.22%)	-4.77%	1.74%
BPCPC Other Post-Employment Benefits	0.00%	0.00%	1.99%
BM: BAML 1-10 Year US Treasury Note Index	(1.22%)	-4.77%	1.37%

Performance Comparison

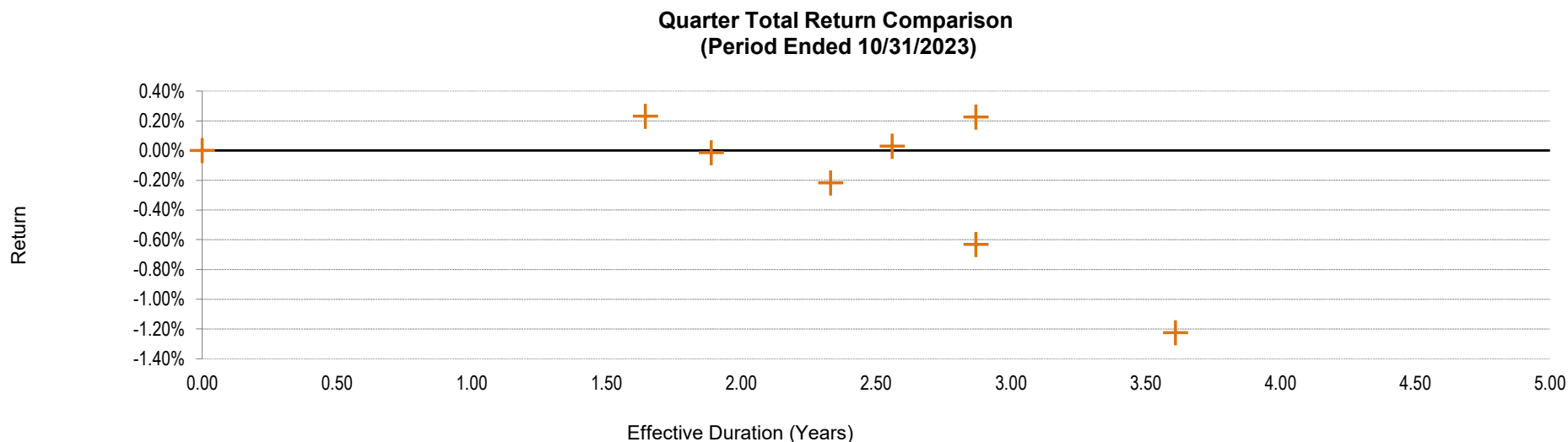


Notes:

- 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

Longer Term Investment Strategy

Effective Duration (in years) ³	October 31, 2023	July 31, 2023
2003 Reserve Fund	2.87	0.00
BM: BAML 1-5 Year US Treasury Note Index	2.56	2.50
BPCPC Operating Reserve Contingency	1.64	3.45
Insurance Fund	2.33	2.58
Operating Budget Reserve	1.89	2.27
BPCA Other Post-Employment Benefits	2.87	3.06
BPCPC Other Post-Employment Benefits	0.00	0.00
BM: BAML 1-10 Year US Treasury Note Index	3.61	3.74

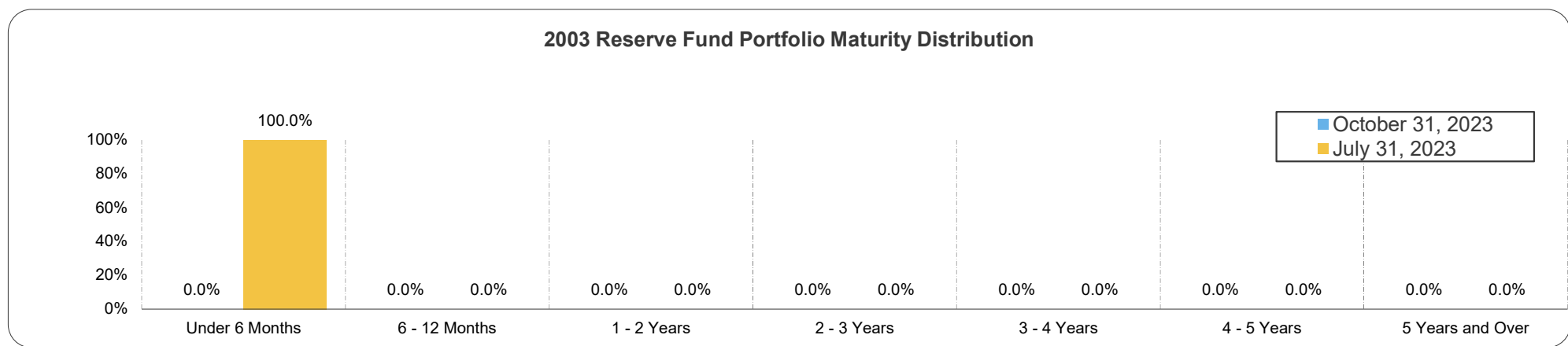


Notes:

1. Performance on trade-date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. 2003 Reserve Fund, Operating Budget Reserve, Insurance Fund, and the Operating Reserve Contingency Funds temporarily suspended their investment strategies from June 2019 to December 2019 due to 2019 bond funding.
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7. BPCPC Other Post Employment Benefits holdings were transferred and consolidated with BPCA Other Post Employment Benefits holdings on December 23, 2021.

2003 Reserve Fund Portfolio

Security Type ¹	October 31, 2023	% of Portfolio	July 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$0	0.0%	\$33,348,137	100.0%	(100.0%)
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$0	0.0%	0.0%
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	\$0	0.0%	\$5,374	0.0%	(0.0%)
Totals	\$0	0.0%	\$33,353,512	100.0%	



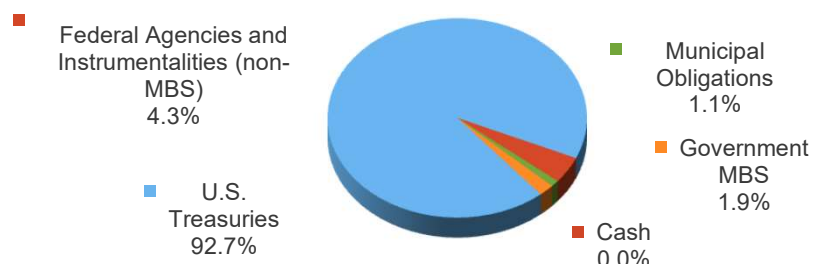
Notes:

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

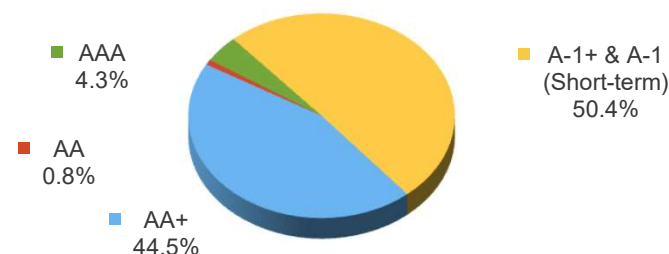
BPCPC Operating Portfolio

Security Type ¹	October 31, 2023	% of Portfolio	July 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$12,585,934	92.7%	\$6,055,698	85.7%	7.1%
Federal Agencies and Instrumentalities (non-MBS)	\$584,973	4.3%	\$586,307	8.3%	(4.0%)
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$144,159	1.1%	\$145,870	2.1%	(1.0%)
Government MBS	\$258,054	1.9%	\$276,875	3.9%	(2.0%)
Cash	\$391	0.0%	\$4,582	0.1%	(0.1%)
Totals	\$13,573,511	100.0%	\$7,069,331	100.0%	

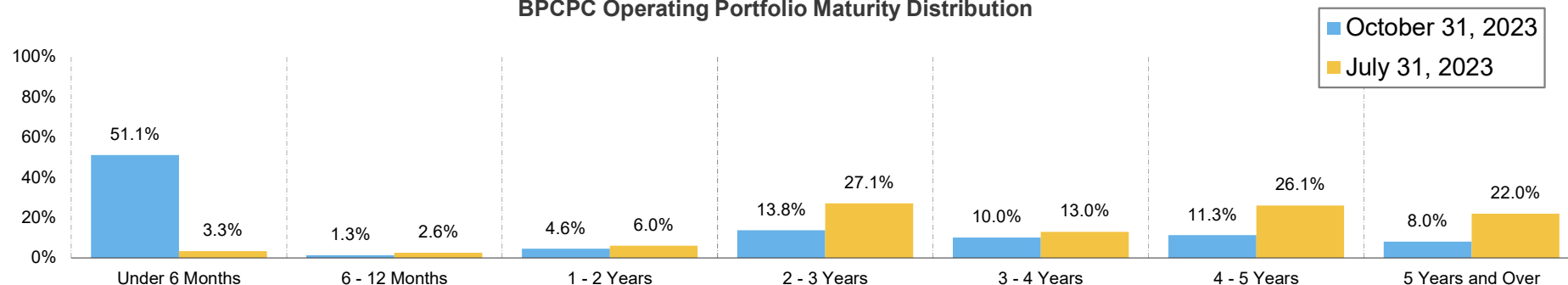
Portfolio Composition as of 10/31/2023



Credit Quality Distribution as of 10/31/2023



BPCPC Operating Portfolio Maturity Distribution



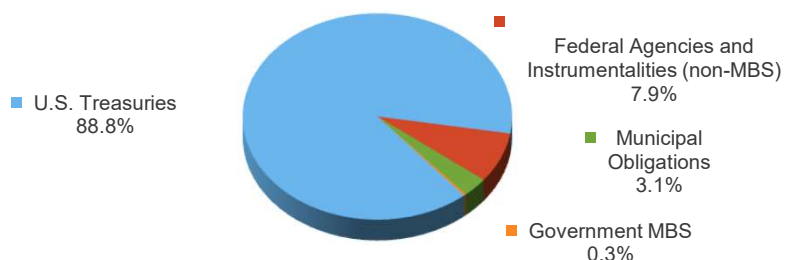
Notes:

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

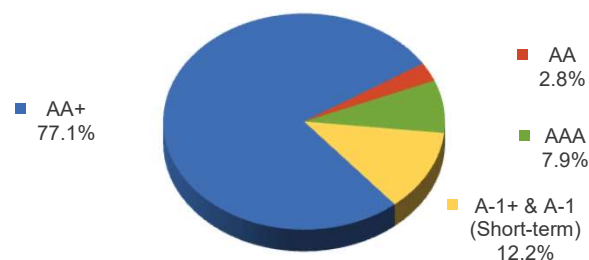
Insurance Fund Portfolio

Security Type ¹	October 31, 2023	% of Portfolio	July 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$5,206,858	88.8%	\$5,216,248	88.7%	0.0%
Federal Agencies and Instrumentalities (non-MBS)	\$462,742	7.9%	\$461,198	7.8%	0.0%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$180,614	3.1%	\$181,704	3.1%	(0.0%)
Government MBS	\$15,611	0.3%	\$17,254	0.3%	(0.0%)
Cash	\$834	0.0%	\$3,035	0.1%	(0.0%)
Totals	\$5,866,659	100.0%	\$5,879,438	100.0%	

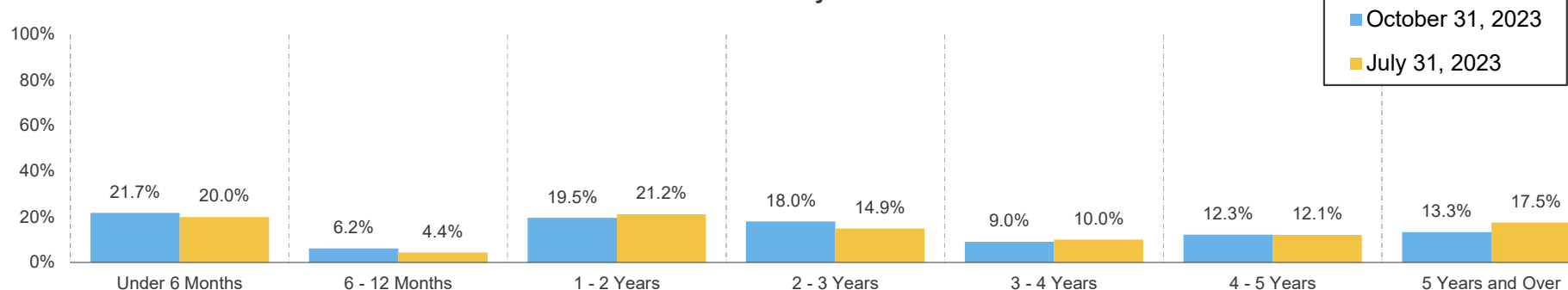
Portfolio Composition as of 10/31/2023



Credit Quality Distribution as of 10/31/2023



Insurance Fund Maturity Distribution



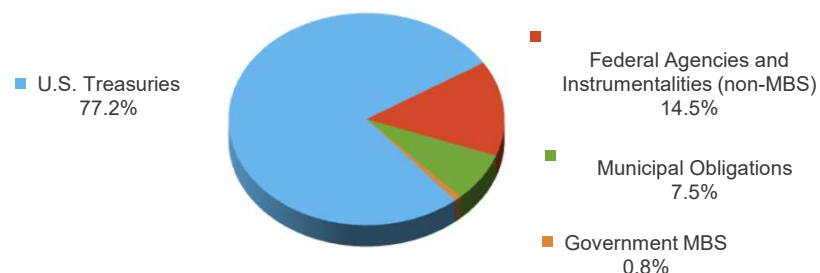
Notes:

- 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.

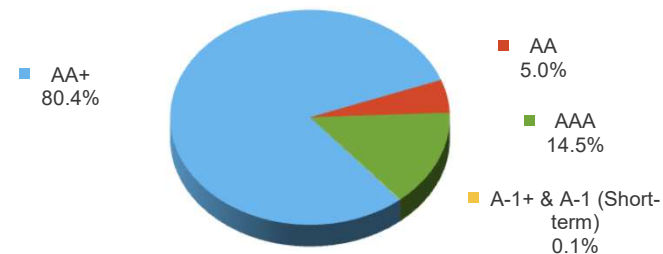
BPCA OPEB Portfolio

Security Type ¹	October 31, 2023	% of Portfolio	July 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$30,792,426	77.2%	\$30,999,731	77.2%	(0.0%)
Federal Agencies and Instrumentalities (non-MBS)	\$5,795,474	14.5%	\$5,764,945	14.4%	0.2%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$2,996,336	7.5%	\$3,005,140	7.5%	0.0%
Government MBS	\$304,843	0.8%	\$328,450	0.8%	(0.1%)
Cash	\$804	0.0%	\$45,057	0.1%	(0.1%)
Totals	\$39,889,882	100.0%	\$40,143,323	100.0%	

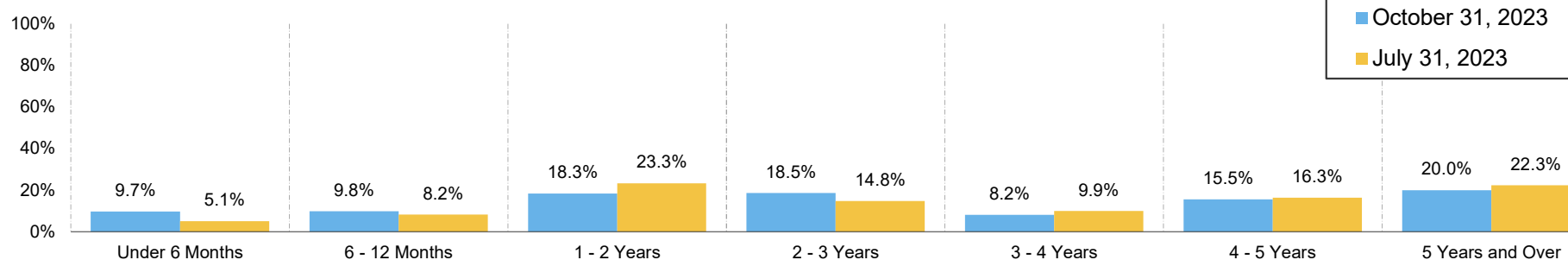
Portfolio Composition as of 10/31/2023



Credit Quality Distribution as of 10/31/2023



BPCA OPEB Maturity Distribution



Notes:

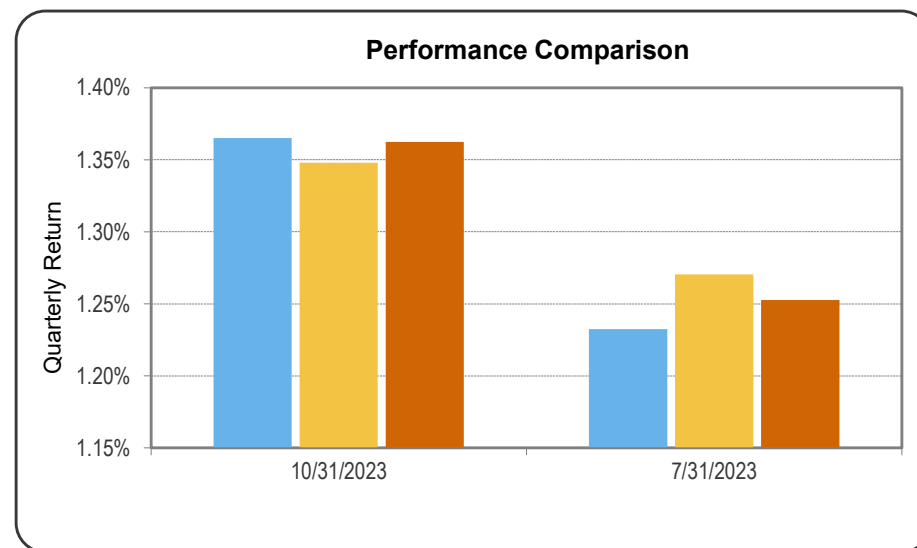
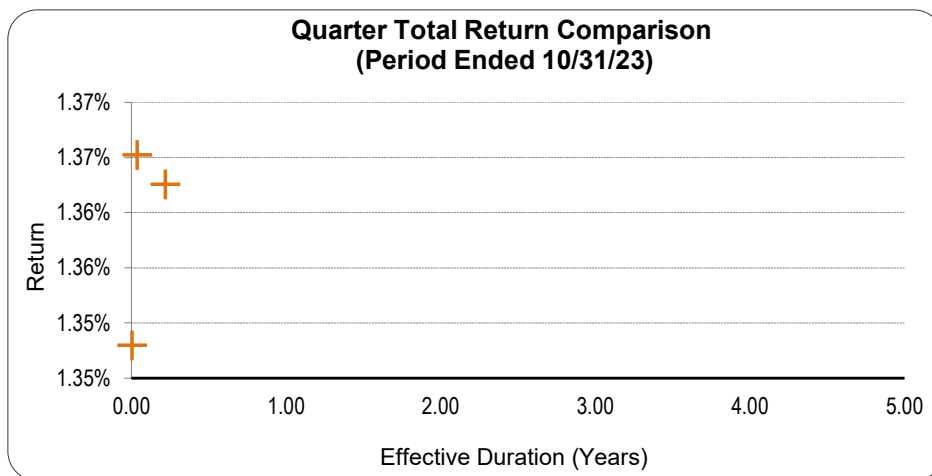
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.
- NR holdings are not rated by S&P, but rated by Moody's and are in compliance with BPCA's investment policy.
- 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}		October 31, 2023	Annualized Since Inception ⁵
■	2003 Pledged Revenue	1.37%	1.38%
■	2003 Project Operating Fund	1.35%	1.38%
■	BM: BAML 3 Month US Treasury Bill Index	1.36%	1.33%
Effective Duration (in years) ³		October 31, 2023	July 31, 2023
■	2003 Pledged Revenue	0.04	0.17
■	2003 Project Operating Fund	0.00	0.00
■	BM: BAML 3-Month US Treasury Bill Index	0.22	0.15



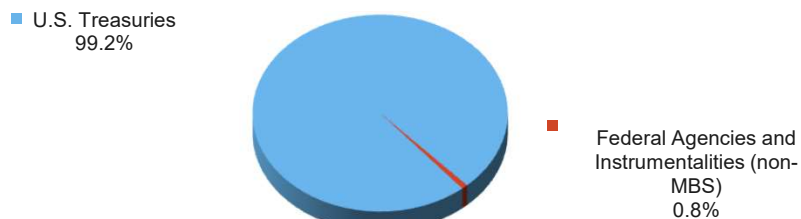
Notes:

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

2003 Pledged Revenue

Security Type ¹	October 31, 2023	% of Portfolio	July 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$204,219,521	99.2%	\$184,985,923	99.0%	0.2%
Federal Agencies and Instrumentalities (non-MBS)	\$1,646,289	0.8%	\$1,623,271	0.9%	(0.1%)
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	\$626	0.0%	\$200,856	0.1%	(0.1%)
Totals	\$205,866,435	100.0%	\$186,810,051	100.0%	

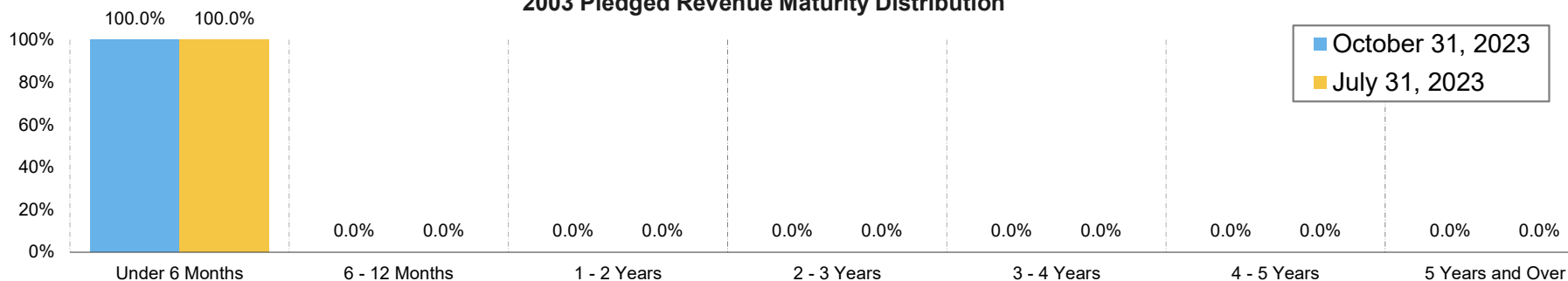
Portfolio Composition as of 10/31/2023



Credit Quality Distribution as of 10/31/2023



2003 Pledged Revenue Maturity Distribution



Notes:

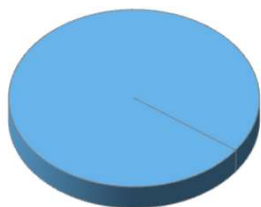
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

2003 Project Operating Fund Portfolio

Security Type ¹	October 31, 2023	% of Portfolio	July 31, 2023	% of Portfolio	QoQ % Change
U.S. Treasuries	\$10,892,097	100.0%	\$10,961,233	100.0%	(0.0%)
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	\$0	0.0%	0.0%
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	\$989	0.0%	\$399	0.0%	0.0%
Totals	\$10,893,086	100.0%	\$10,961,633	100.0%	

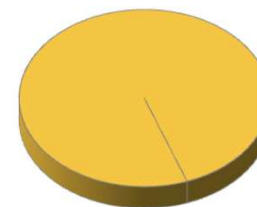
**Portfolio Composition
as of 10/31/23**

■ U.S. Treasuries
100%

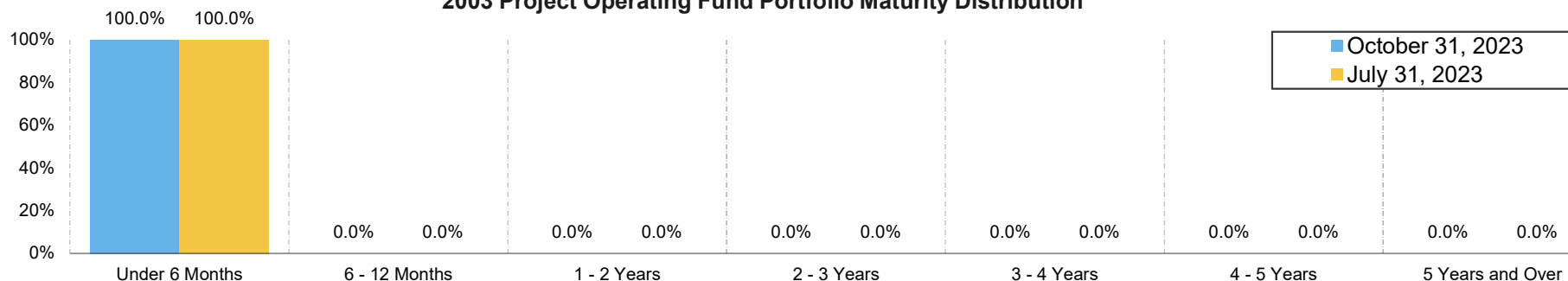


**Credit Quality Distribution
as of 10/31/23**

■ A-1+ & A-1
(Short-term)
100.0%



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 third quarter was characterized by the consumer continuing to spend, supported by rising wages and a strong labor market. The potential for additional monetary policy tightening by the Federal Reserve (Fed) remains possible in light of the Fed's projections for stronger gross domestic product (GDP) growth, higher inflation, and slightly lower unemployment for the balance of the year. As interest rates climbed to recent highs, equity markets declined from calendar year highs and modest de-risking swept markets near quarter-end.

► After initially showing signs of cooling in July, U.S. inflation (as measured by CPI) posted two straight large monthly increases in August and September, rising by 0.6% and 0.4% month-over-month (MoM) respectively. The August reading was the biggest monthly increase of 2023 as higher shelter costs and rising energy prices fed much of the gain. Core inflation, which excludes food and energy, continues to moderate, rising 4.1% year-over-year, down from 4.3% in August and 4.7% in July.

► The Fed met twice during Q3, increasing the target rate 25 basis points (bps) in July to a new range of 5.25% to 5.50% while holding that range steady following the September meeting. Despite the pause in September, the post-meeting dot plot projections dominated headlines as calendar year end 2024 and 2025 median rate expectations were adjusted higher by 50 bps each, highlighting the reality of a potentially "higher for much longer" interest rate environment.

► Equity markets declined off their intra-quarter and year-to-date (YTD) highs largely in response to the increased outlook for an extended period of higher yields. The S&P 500 Index closed the quarter down 3.3%, although YTD is still up over 13%.

Economic Snapshot

► Real GDP increased at an annual rate of 2.1% in Q2 2023. Although slightly slower than the Q1 2023 final release of 2.2%, Q2 growth was much higher than originally expected in July and as a result caused the Fed to double their growth projections for calendar year 2023 to 2.1% from 1.0% three months ago.

► Consumer spending was revised significantly lower to a 0.8% annualized rate, down from the 1.7% in the previous estimate. Stronger business fixed investment helped offset the slowdown in consumer spending, buoying the headline GDP figure. The consumer's ability to continue to carry the economy remains the center of attention as headwinds begin to mount, including higher prices at the pump, increasing shelter costs, slowing wage growth, the depletion of additional savings accumulated during the pandemic, and the looming reinstatement of student loan payments.

► A strong U.S. labor market remains a tailwind to economic growth and consumer outlooks. Over the quarter, the U.S. economy added 799,000 new jobs, besting the Q2 rate of 603,000 while remaining well above the pre-COVID pace. The unemployment rate (3.8%) remains near all-time lows and the labor force participation rate also trended upward and is now at the highest level since the pandemic.

Interest Rates

► U.S. Treasury yields increased across the entire curve during Q3, with most tenors closing the quarter at multi-decade highs. While the yield curve still remains deeply inverted due to yields on the front end reacting to several quarters of Fed rate increases, more recent yield increases have been led by longer maturities.

► Over the quarter, the yield on a 2-, 10-, and 30-year U.S. Treasury security increased 15 bps, 73 bps, and 84 bps, respectively, while the yield on a 3-month U.S. Treasury Bill increased only 5 bps. The increase in the 30-year yield marked the largest quarterly increase in more than 14 years. Along with the steepening of the curve, the inversion of the yield curve became less severe by quarter-end. After reaching a low of -108 bps in early July, the yield difference between the 2- and 10-year U.S. Treasury yield closed the quarter at -47 bps.

► As a result of higher absolute yields on longer-maturity tenors, U.S. Treasury indexes with durations greater than three years posted negative total returns in Q3. The ICE BofA 5-, 10-, and 30-year U.S. Treasury indices returned -1.26%, -5.15%, and -12.75% respectively. On the flipside, along with relatively muted rate increases over the quarter, short-duration indices posted positive total returns, as higher income more than offset negative price impacts. The ICE BofA 3-month, 1-, and 2-year U.S. Treasury indexes returned +1.31, +1.21%, and +0.54% respectively.

Sector Performance

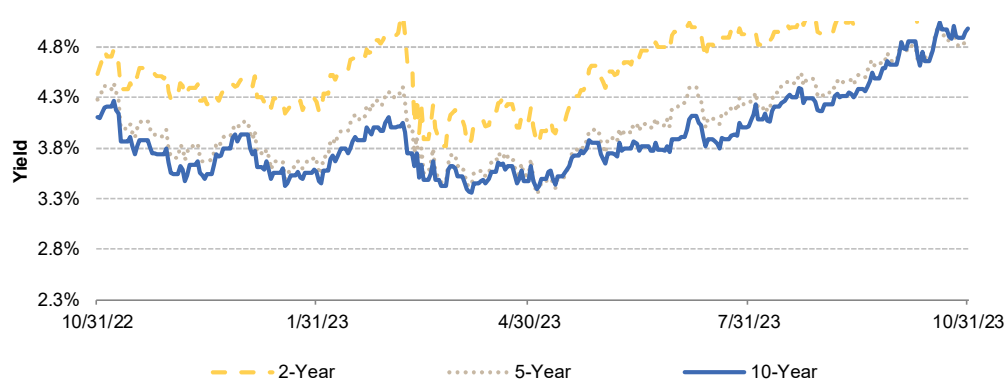
► Diversification away from U.S. Treasury securities was generally additive to fixed-income performance during Q3 as spreads across most sectors tightened or remained relatively stable. Broadly, lower quality and longer duration securities outperformed their higher quality and shorter-term counterparts.

► Investment-grade (IG) corporates eked out positive excess returns for the quarter as modest spread widening was offset by higher incremental income, underscoring the attractive total return attributes of the sector in the current environment. Even with sector spreads widening, higher yields and elevated income in the sector helped offset those negative price returns. Financial issuers and lower-rated credit issuers outperformed their industrial and higher-quality counterparts notably during Q3 as lingering spread tightening continued from mid-March waxes.

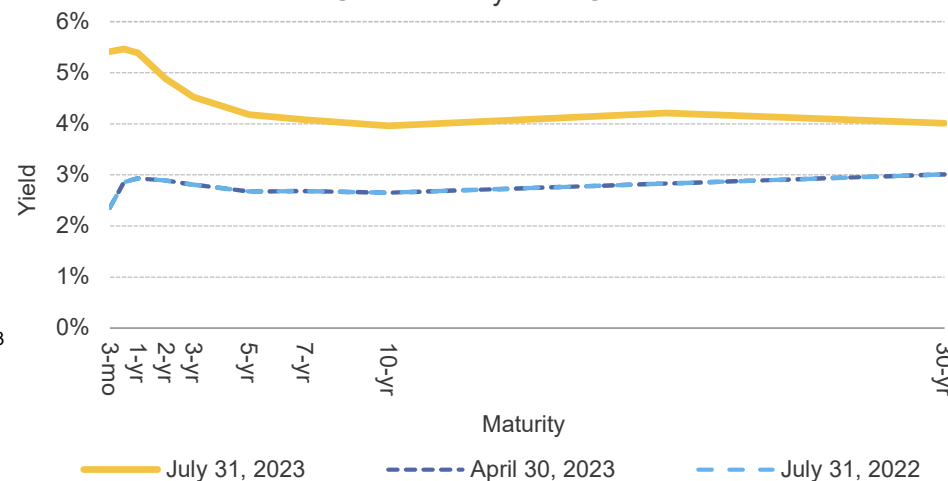
► AAA-rated asset-backed securities (ABS) performed exceedingly well in Q3 as spreads tightened marginally over the quarter on strong consumer sentiment and robust investor appetite for the sector.

Interest Rate Overview

U.S. Treasury Note Yields



U.S. Treasury Yield Curve



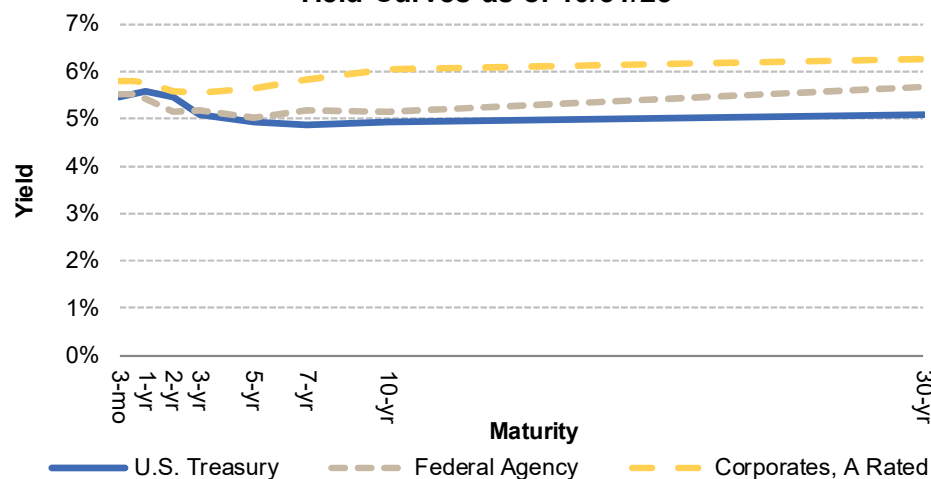
U.S. Treasury Yields

Maturity	Oct '23	Jul '23	Change over Quarter	Oct '22	Change over Year
3-month	5.47%	5.42%	0.05%	4.07%	1.40%
1-year	5.46%	5.39%	0.07%	4.64%	0.82%
2-year	5.09%	4.88%	0.21%	4.49%	0.60%
5-year	4.86%	4.18%	0.68%	4.23%	0.63%
10-year	4.93%	3.96%	0.97%	4.05%	0.88%
30-year	5.10%	4.01%	1.09%	4.17%	0.93%

LIBOR Rates

Maturity	Oct '23	July '23	Change over Quarter	Oct '22	Change over Year
3-month	5.66%	5.58%	0.08%	4.41%	1.25%
1-year	N/A	N/A	N/A	5.19%	N/A

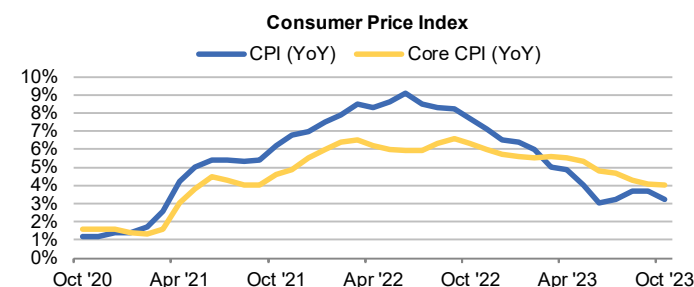
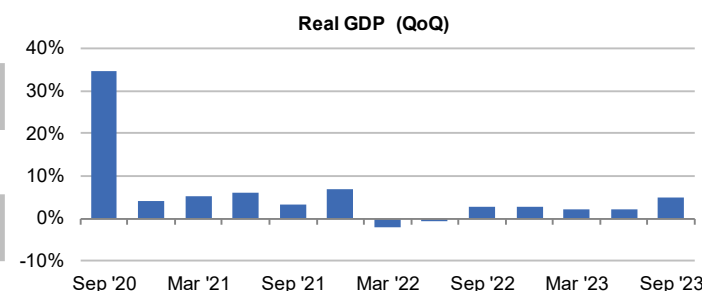
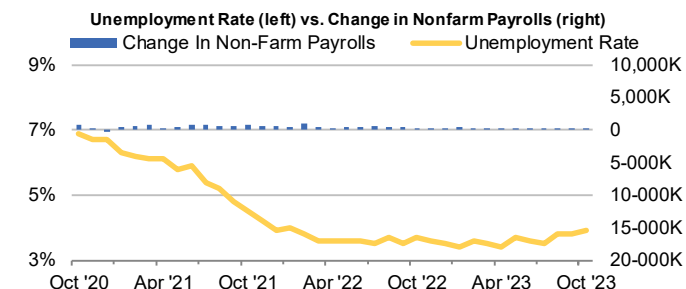
Yield Curves as of 10/31/23



Labor Market		Latest	Jul '23	Oct '22
Unemployment Rate	Oct'23	3.9%	3.5%	3.7%
Change In Non-Farm Payrolls	Oct'23	150,000	236,000	324,000
Average Hourly Earnings (YoY)	Oct'23	4.1%	4.3%	4.9%
Personal Income (YoY)	Sep'23	4.7%	4.9%	4.9%
Initial Jobless Claims (week)	11/18/23	209,000	227,000	204,000

Growth				
Real GDP (QoQ SAAR)	2023Q3	4.9%	2.1% ¹	2.7% ²
GDP Personal Consumption (QoQ SAAR)	2023Q3	4.0%	0.8% ¹	1.6% ²
Retail Sales (YoY)	Oct'23	2.5%	2.8%	8.8%
ISM Manufacturing Survey (month)	Oct'23	46.7	46.4	50.0
Existing Home Sales SAAR (month)	Oct'23	3.79 mil.	4.07 mil.	4.44 mil.

Inflation / Prices				
Personal Consumption Expenditures (YoY)	Sep'23	3.4%	3.4%	6.3%
Consumer Price Index (YoY)	Oct'23	3.2%	3.2%	7.7%
Consumer Price Index Core (YoY)	Oct'23	4.0%	4.7%	6.3%
Crude Oil Futures (WTI, per barrel)	Oct 31	\$81.02	\$81.80	\$86.53
Gold Futures (oz.)	Oct 31	\$1,994	\$1,971	\$1,641



1. Data as of Third Quarter 2023

2. Data as of Second Quarter 2023

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

ICE BofAML Index Returns

As of 10/31/2023		Returns for Periods ended 10/31/2023			
October 31, 2023	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.81	5.14%	0.72%	2.92%	(0.71%)
Federal Agency	1.68	5.28%	0.90%	3.46%	(0.53%)
U.S. Corporates, A-AAA rated	1.85	5.97%	0.43%	4.07%	(0.33%)
Agency MBS (0 to 3 years)	1.90	5.73%	0.67%	3.68%	(1.69%)
Taxable Municipals	1.62	5.58%	0.90%	4.18%	0.54%
1-5 Year Indices					
U.S. Treasury	2.55	5.04%	0.03%	2.43%	(1.68%)
Federal Agency	2.00	5.24%	0.60%	3.27%	(1.27%)
U.S. Corporates, A-AAA rated	2.62	5.44%	(3.75%)	(7.82%)	(0.98%)
Agency MBS (0 to 5 years)	3.33	5.70%	(1.10%)	2.42%	(2.78%)
Taxable Municipals	2.38	5.57%	0.13%	4.07%	(0.67%)
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	5.94	5.05%	(4.23%)	(0.85%)	(6.19%)
Federal Agency	3.25	5.26%	(0.77%)	2.52%	(2.78%)
U.S. Corporates, A-AAA rated	6.42	6.12%	(5.03%)	2.34%	(5.72%)
Agency MBS (0 to 30 years)	5.88	6.07%	(5.82%)	(0.76%)	(5.76%)
Taxable Municipals	8.72	6.01%	(6.32%)	2.35%	(6.39%)

Returns for periods greater than one year are annualized

Source: BofA Merrill Lynch Indices

Disclaimer

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**APPROVAL OF THE INVESTMENT GUIDELINES & REPORT FOR THE FISCAL YEAR
ENDED OCTOBER 31, 2023**

BE IT RESOLVED, that the Investment Guidelines & Report of the Hugh L. Carey Battery Park City Authority (the “Authority”) for the fiscal year ended October 31, 2023 in the form presented to this meeting, be, and hereby is approved; and be it further

RESOLVED, that the Chief Financial Officer and Treasurer of the Authority be, and hereby is, directed to file said Investment Guidelines and Report with the: (1) NYS Division of the Budget; (2) NYS Department of Audit and Control; the Chairman and ranking Minority Members of the (3) New York State Senate Finance Committee; and (4) New York State Assembly Ways and Means Committee, as required by Section 2925 of the Public Authorities Law, Public Authorities Accountability Act of 2005 and the New York State Comptroller’s Regulation 2 NYCRR (Part 203); and be it further

RESOLVED, that Investment Guidelines & Report be posted on the NY State Public Authorities Reporting System (PARIS) and the Authority’s website; and be it further

RESOLVED, that the Assistant Corporate Secretary of the Authority be, and hereby is, directed to file said Investment Guidelines & Report with the minutes of this meeting; and be it further

RESOLVED, that any and all actions taken by any officer of the Authority in connection with the preparation of such policies and procedures are hereby ratified, confirmed and approved.

* * *