

Hugh L. Carey Battery Park City Authority  
Meeting of the Investment Committee  
200 Liberty Street, 24<sup>th</sup> Floor  
New York, New York 10281  
October 29, 2025  
1:00 p.m.

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF THE MAY 29, 2025 MINUTES
- III. QUARTERLY MARKET UPDATE
- IV. BENCHMARKING REVIEW
- V. MOTION TO ADJOURN

# Hugh L. Carey Battery Park City Authority

## Review of Investment Performance

For the Quarter Ended July 31, 2025

# Agenda

**I. Executive Summary**

**II. Summary of Aggregate Portfolio**

**III. Total Return Performance Attributes**

**IV. Market Commentary**

# I. Executive Summary

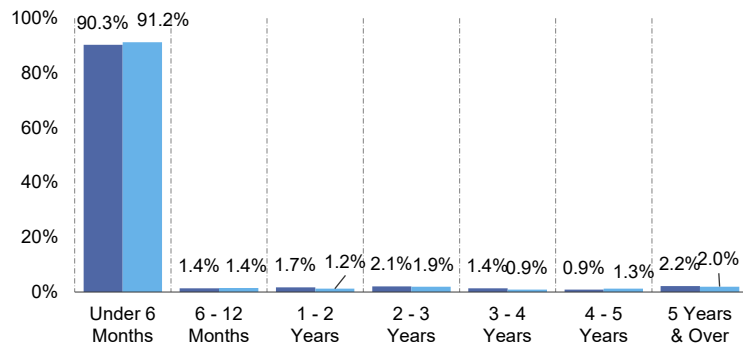


# Aggregate Portfolio Composition and Credit Quality

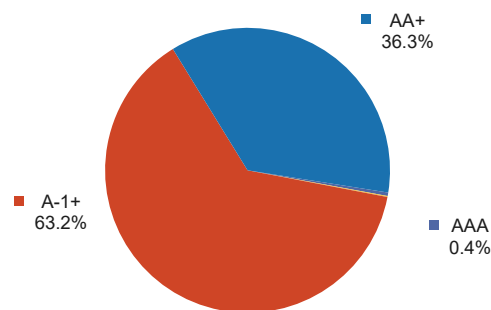
Security Type <sup>1</sup>	July 31, 2025	% of Portfolio	Effective Duration	April 30, 2025	% of Portfolio	Effective Duration	QoQ Change (% of portfolio)
U.S. Treasuries	\$634,164,859	99.2%	0.34	\$726,447,785	94.4%	0.34	4.7%
Federal Agencies and Instrumentalities (non-MBS)	\$2,491,825	0.4%	1.04	\$2,480,814	0.3%	1.40	0.1%
Commercial Paper	\$0	0.0%	0.00	\$0	0.0%	0.00	-
Municipals	\$1,074,036	0.2%	1.43	\$1,081,386	0.1%	1.78	0.0%
Government MBS <sup>2</sup>	\$385,359	0.1%	2.83	\$426,752	0.1%	2.98	0.0%
Cash	\$1,200,559	0.2%	0.00	\$38,732,893	5.0%	0.00	(4.8%)
<b>Total</b>	<b>\$639,316,637</b>	<b>100.0%</b>	<b>0.35</b>	<b>\$769,169,630</b>	<b>100.0%</b>	<b>0.35</b>	

**Maturity Distribution  
As of July 31, 2025**

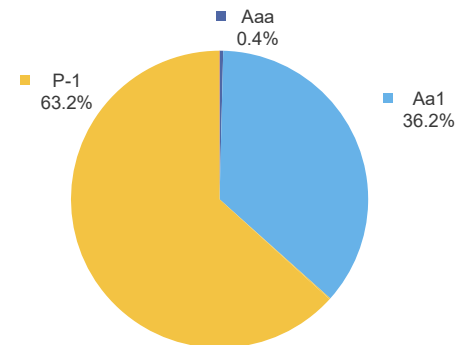
■ July 31, 2025 ■ April 30, 2025



**Credit Quality Distribution (S&P)  
as of July 31, 2025**



**Credit Quality Distribution (Moody's)  
as of July 31, 2025**



**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.

# Performance Overview – Total Return Strategies – July 31, 2025

	Past Quarter	Past 12 Months	Past 3-Years	Since Inception
<b>Long-Term Strategy:</b>				
<b>BPCA Other Post-Employment Benefits</b>	<b>0.33%</b>	<b>4.20%</b>	<b>2.63%</b>	<b>2.42%</b>
<i>BM: BAML 1-10 Year US Treasury Note Index</i>	<i>0.13%</i>	<i>4.09%</i>	<i>2.30%</i>	<i>2.17%</i>
<b>Short-Term Strategy:</b>				
<b>2003 Pledged Revenue</b>	<b>1.06%</b>	<b>4.64%</b>	<b>4.67%</b>	<b>1.70%</b>
<b>2003 Project Operating Fund</b>	<b>1.07%</b>	<b>4.59%</b>	<b>4.69%</b>	<b>1.70%</b>
<i>BM: BAML 3 Month US Treasury Bill Index</i>	<i>1.04%</i>	<i>4.58%</i>	<i>4.65%</i>	<i>1.65%</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. Since inception performance for the Short-Term Strategy portfolios is calculated from January 31, 2006 to present.
3. 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.
4. Since inception performance for the 'BPCA Other Post Employment Benefits' is calculated from January 31, 2008 to present.
5. 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

- ▶ Consumer price index (CPI) increased to 2.7% in July, matching the June year-over year figure and uptrend since the beginning of the quarter. Core CPI also ticked higher, ending July at 3.1% and slightly higher than the year-over-year figures for May and June 2025. Some of the inflation pressures continue to be related to tariff pass-through effects and rebounds in energy prices.
- ▶ Some softening signals have developed in the labor market. Hiring activity has been softer and many job seekers have faced longer spells of unemployment. In July, employers estimated to have added only around 73,000 jobs, well under consensus. May and June figures were revised lower. Figures for long-term unemployed have drifted higher each month of the quarter, which suggests that more people are remaining unemployed for extended durations.

## U.S. Treasury Yields

- ▶ The U.S. Treasury yield curve flattened slightly over the quarter, with the difference between 2- and 10-year Treasuries moving from +0.6% to +0.4% by quarter end. The slight decrease in spreads did not result in lower volatility. Quite the opposite: the 2-year Treasury continued to trade over a wide range during the quarter, highlighting elevated volatility. The 10-year Treasury also traded over a wide range, with a high yield of nearly 4.6%, a low yield of 4.2%, and an ending yield of 4.4% during the quarter.
- ▶ The 3-month Treasury was unchanged at 4.3%, given no rate cuts from the Fed. When the fed begins to cut rates, we expect the risk-free rate to follow suit.

## Federal Reserve

- ▶ The Federal Reserve (Fed) left the overnight policy rate unchanged at 4.25% - 4.50%.
- ▶ The Federal Open Market Committee's (FOMC) "dot plot" continues to suggest two rate cuts by the end of 2025, although there is a divergence of views, with about many the members calling for two rate cuts and many calling for zero cuts in 2025.

# Investment Policy Issuer Guidelines

Compliance Issuer Check						
Issuer	Actual (%)	Actual (\$) <sup>3</sup>	IPS Limit	S&P Rating	Moody's Rating	Check
U.S. Treasury	99.19%	634,164,859	100%	AA+	Aa1	OK
Cash	0.19%	1,200,559	NA	AAAm	AAAm	OK
International Bank of Recon and Development	0.12%	776,825	\$250,000,000	AAA	Aaa	OK
African Development Bank	0.12%	760,400	\$250,000,000	AAA	Aaa	OK
New York City	0.12%	752,517	10%	AA	Aa2	OK
International American Development Bank	0.09%	557,694	\$250,000,000	AAA	Aaa	OK
Asian Development Bank	0.06%	396,907	\$250,000,000	AAA	Aaa	OK
NY State Dorm Authority	0.05%	321,519	10%	NR	NR	OK
Small Business Administration	0.04%	252,296	100%	NR	NR	OK
Fannie Mae	0.01%	87,866	\$250,000,000	AA+	Aa1	OK
Freddie Mac	0.00%	26,786	\$250,000,000	AA+	Aa1	OK
Ginnie Mae	0.00%	18,410	100%	AA+	Aa1	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 <sup>1</sup>	(+/-)	Net Transfers <sup>2</sup>	(+/-)	Change in Value	=	Ending Period Value <sup>1</sup>
<b>Longer Term Investment Strategy</b>							
BPCPC Operating Reserve Contingency	\$14,847,029		\$11,250		\$119,200		\$14,977,479
Insurance Fund	\$6,412,800		\$0		\$46,992		\$6,459,792
Operating Budget Reserve	\$30,910,226		(\$0)		\$250,194		\$31,160,420
BPCA Other Post-Employment Benefits	\$43,937,794		(\$0)		\$143,680		\$44,081,474
<b>Subtotal</b>	<b>\$96,107,850</b>		<b>\$11,250</b>		<b>\$560,065</b>		<b>\$96,679,164</b>
<b>Shorter Term Investment Strategy</b>							
2003 Pledged Revenue	\$71,668,064		\$100,103,742		\$1,142,757		\$172,914,563
2003 Project Operating Fund	\$16,176,919		(\$100,000)		\$157,932		\$16,234,851
<b>Subtotal</b>	<b>\$87,844,983</b>		<b>\$100,003,742</b>		<b>\$1,300,689</b>		<b>\$189,149,414</b>
<b>Total</b>	<b>\$183,952,833</b>		<b>\$100,014,992</b>		<b>\$1,860,754</b>		<b>\$285,828,578</b>

- ▶ **Operating Fund:** disbursements related to Authority's operating expenses. Disbursements were offset by inflows from revenue funds
- ▶ **Pledged and Unpledged Funds:** various transfers to corporate portfolios from Pledged and Unpledged Funds offset by revenue collection (details for Unpledged are found on next page)

## Notes:

1. Beginning Period Value is as April 30, 2025 and Ending Period Value is as of July 31, 2025. 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 <sup>1</sup>	(+/-)	Net Transfers <sup>2</sup>	(+/-)	Change in Value	=	Ending Period Value <sup>1</sup>
<b>PFM Asset Management Accounts</b>							
Corporate Funds	\$4,139,129		\$0		44,651		\$4,183,780
2000 Arbitrage Rebate	\$949,710		\$0		10,254		\$959,963
Unpledged Revenue	\$8,582,307		\$7,383,691		140,813		\$16,106,811
2003 Residual Fund	\$184,215,768		(\$182,519,854)		1,030,992		\$2,726,906
Joint Purpose Fund	\$1,275,598		\$0		13,730		\$1,289,329
Special Fund	\$224,662		\$0		2,419		\$227,081
BPCA2013ACDE Proj Cost Sub AC	\$5,873,347		(\$516,012)		59,833		\$5,417,167
BPCA 2019A Comm Ctr SB Proj	\$0		\$0		-		\$0
BPCA 2019A Sustainable Proj	\$15,250,467		(\$27,854)		163,638		\$15,386,251
BPCA 2019BDE Project	\$6,311,237		(\$50,656)		67,696		\$6,328,277
BPCA 2023A Sustainable Project	\$158,892,100		(\$37,233,767)		1,444,098		\$123,102,431
BPCA Lease Refinancing Fee	\$2,489,054		\$0		27,079		\$2,516,133
BPCA Joint Purpose Fund NYS	\$5,032,469		\$0		54,409		\$5,086,878

- ▶ **2013ACDE, 2019A Sustainable, 2019BDE, 2023 Sustainable Project Funds:** various capital expenditures
- ▶ **Pledged and Unpledged Funds:** various transfers to corporate portfolios from Pledged and Unpledged Funds offset by revenue collection
- ▶ **Residual Fund:** disbursement to New York City

## Notes:

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- 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 <sup>1</sup>	(+/-)	Net Transfers <sup>2</sup>	(+/-)	Change in Value	=	Ending Period Value <sup>1</sup>
<b>Ramirez Asset Management Accounts</b>							
2003 Debt Service Junior Payments	11,292,958		(1,067,461)		107,044		10,332,541
2003 Debt Service Senior Payments	129,627,574		(22,890,106)		1,138,951		107,876,420
BPCA 2023B PROJECT	11,107,076		(28,690)		120,062		11,198,448
BPCA 2023C SUSTAINABLE TAXABLE PROJ	6,869,901		(197,899)		73,457		6,745,459

- ▶ **2003 Junior Debt Service:** Monthly interest payments on floating rate debt
- ▶ **2003 Senior Debt Service:** Semi-annual interest payments (May 1st and November 1st) on fixed rate debt
- ▶ **2023B Project and 2023C Sustainable Taxable Project:** Expenditures

## Notes:

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2. Net Transfers are the total cash flows in and out of each account that occurred during the quarter.

# Change in Value – Other BPCA Accounts

Account Name	Beginning Period Value <sup>1</sup>	(+/-)	Net Transfers <sup>2</sup>	(+/-)	Change in Value	=	Ending Period Value <sup>1</sup>
<b>Ramirez Asset Management Accounts</b>							
Liberty Terr Mariners Cove-K	344,739		-		3,448		348,187
Liberty House Mariners J	282,011		-		2,819		284,831
Rector Park L	39,203		-		383		39,587
Hudson View W Towers G	198,548		-		1,984		200,532
Hudson Towers E/F	241,461		-		2,417		243,878
Hudson View Towers C	213,138		-		2,132		215,270
Liberty Ct Mariners Cove B	704,121		-		7,053		711,174
Millenium	4,251,288		-		42,624		4,293,913
South Cove Assoc 11	461,030		-		4,617		465,647
Soundings Rector Park A	246,707		-		2,466		249,173
The Regatta Site 10	562,904		-		5,639		568,543
BPCA Millenium Tower Security Fund 2A	3,550,161		-		35,591		3,585,752
BPCA S 16/17 Riverhouse Security Fund	7,543,331		-		75,641		7,618,972
BPCA Visionaire Security Fund	4,593,576		-		46,062		4,639,639
BPCA One Rector Park Security Fund	1,127,296		-		11,297		1,138,593
BPCA Rector Square Security Fund Site D	259,555		-		2,593		262,148
BPCA WFC Tower C Retail Rent Escrow	292,650		-		2,927		295,577
BPCA River & Warren Sec Fund - Site 19A	6,947,372		-		69,658		7,017,031
BPCA North Cove Marina Security Fund	60,008		-		599		60,607
BPCA TRANSACTION PYMT SEC DEPOSIT	541,087		-		5,266		546,353
BPCA PIER A RESERVE	115,589		-		1,235		116,824
BPCA 2019C PIER A SB PROJ	-		-		-		-
<b>Subtotal</b>	<b>\$33,083,439</b>		<b>\$0</b>		<b>\$331,541</b>		<b>\$33,414,979</b>

## Notes:

- Beginning Period Value is as of April 30, 2025 and Ending Period Value is as of July 31, 2025. 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	July 31, 2025	% of Portfolio	April 30, 2025	% of Portfolio	QoQ % Change
<b>United States Treasury<sup>2</sup></b>					
U.S. Treasury	\$634,164,859	99.2%	\$726,447,785	94.4%	4.7%
Ginnie Mae	\$18,410	0.0%	\$22,773	0.0%	(0.0%)
Small Business Administration	\$252,296	0.0%	\$278,646	0.0%	0.0%
<b>Federal Agencies and Instrumentalities<sup>2,3</sup></b>					
Freddie Mac	\$26,786	0.0%	\$27,231	0.0%	0.0%
Fannie Mae	\$87,866	0.0%	\$98,103	0.0%	0.0%
International Bank of Recon and Development	\$776,825	0.1%	\$778,438	0.1%	0.0%
International American Development Bank	\$557,694	0.1%	\$553,670	0.1%	0.0%
Asian Development Bank	\$396,907	0.1%	\$394,149	0.1%	0.0%
African Development Bank	\$760,400	0.1%	\$754,558	0.1%	0.0%
<b>Municipal Issuers<sup>2</sup></b>					
New York City	\$752,517	0.1%	\$761,804	0.1%	0.0%
NY State Dorm Authority	\$321,519	0.1%	\$319,583	0.0%	0.0%
<b>Cash</b>					
Cash	\$1,200,559	0.2%	\$38,732,893	5.0%	(4.8%)
<b>TOTAL</b>	<b>\$639,316,637</b>	<b>100.0%</b>	<b>\$769,169,630</b>	<b>100.0%</b>	

- Cash balance decreased from \$38.7 million to \$1.2 million by quarter end due to higher cash needs at 4/30 to meet debt service obligations.

## 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

	July 31, 2025			April 30, 2025			
	Total Market Value <sup>1</sup>	Effective Duration	% of Total Portfolio	Total Market Value <sup>1</sup>	Effective Duration	% of Total Portfolio	QoQ % Change
<b>Longer Term Investment Strategy</b>							
BPCA Other Post-Employment Benefits	\$44,081,474	2.92	6.9%	\$43,937,794	3.23	5.7%	1.2%
BPCPC Other Post-Employment Benefits	\$0	0.00	0.0%	\$0	0.00	0.0%	0.0%
<b>Subtotal Longer Term Investment Strategy</b>	<b>\$44,081,474</b>	<b>2.92</b>	<b>6.9%</b>	<b>\$43,937,794</b>	<b>3.23</b>	<b>5.7%</b>	<b>1.2%</b>
<b>Short Term Investment Strategy</b>							
2003 Pledged Revenue	\$172,914,563	0.13	27.0%	\$71,668,064	0.18	9.3%	17.7%
2003 Project Operating Fund	\$16,234,851	0.00	2.5%	\$16,176,919	0.01	2.1%	0.4%
<b>Subtotal Short Term Investment Strategy</b>	<b>\$189,149,414</b>	<b>0.12</b>	<b>29.6%</b>	<b>\$87,844,983</b>	<b>0.15</b>	<b>11.4%</b>	<b>18.2%</b>
<b>Subtotal of Total Return Accounts</b>	<b>\$233,230,888</b>	<b>0.65</b>	<b>36.5%</b>	<b>\$131,782,777</b>	<b>1.17</b>	<b>17.1%</b>	<b>19.3%</b>

Notes:

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

# Portfolio Value – Other BPCA Accounts

PFM Asset Management Accounts	July 31, 2025			April 30, 2025			QoQ % Change
	Total Market Value	Effective Duration	% of Total Portfolio	Market Value <sup>1</sup>	Effective Duration	% of Total Portfolio	
BPCPC Operating Reserve Contingency	\$14,977,479	0.79	2.3%	\$14,847,029	0.96	1.9%	0.4%
Insurance Fund	\$6,459,792	1.11	1.0%	\$6,412,800	1.34	0.8%	0.2%
Operating Budget Reserve	\$31,160,420	0.85	4.9%	\$30,910,226	1.05	4.0%	0.9%
Corporate Funds	\$4,183,780	0.00	0.7%	\$4,139,129	0.07	0.5%	0.1%
2000 Arbitrage Rebate	\$959,963	0.08	0.2%	\$949,710	0.07	0.1%	0.0%
Unpledged Revenue	\$16,106,811	0.01	2.5%	\$8,582,307	0.02	1.1%	1.4%
2003 Residual Fund	\$2,726,906	0.00	0.4%	\$184,215,768	0.04	23.9%	(23.5%)
Joint Purpose Fund	\$1,289,329	0.01	0.2%	\$1,275,598	0.00	0.2%	0.0%
Special Fund	\$227,081	0.08	0.0%	\$224,662	0.07	0.0%	0.0%
BPCPC Operating Reserve	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Goldman Sachs Liberty Contribution Fund	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Series 2009A Project Costs	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Series 2009B Project Costs	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Pier A Construction Escrow	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Insurance Advance	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA2013ACDE COI SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA2013B COI SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA2013ACDE PROJ COST SUB AC	\$5,417,167	0.00	0.8%	\$5,873,347	0.00	0.8%	0.1%
BPCA2013B PROJ COSTS SUB AC	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA PIER A RESERVE FUND	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA SUBORDINATED PAYMENT ACCOUNT	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA 2019A Comm Ctr SB Proj	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA 2019A Sustainable Proj	\$15,386,251	0.00	2.4%	\$15,250,467	0.00	2.0%	0.4%
BPCA 2019ABCDE COI	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA 2019BDE Project	\$6,328,277	0.00	1.0%	\$6,311,237	0.00	0.8%	0.2%
BPCA 2019C Pier A SB Proj	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA LEASE REFINANCING FEE	\$2,515,636	0.00	0.4%	\$2,490,216	0.00	0.3%	0.1%
BPCA 2023A SUSTAINABLE PROJECT	\$123,102,928	0.00	19.3%	\$158,890,938	0.00	20.7%	(1.4%)
BPCA JOINT PURPOSE FUND NYS	\$5,086,878	0.00	0.8%	\$5,032,469	0.00	0.7%	0.1%
BPCA 2023A Revolver	\$589,204	0.00	0.1%	\$0	0.00	0.0%	0.1%

## Notes:

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



# Portfolio Value – Other BPCA Accounts

RAM Managed Accounts	July 31, 2025			April 30, 2025			
	Total Market Value	Effective Duration	% of Total Portfolio	Market Value <sup>1</sup>	Effective Duration	% of Total Portfolio	QoQ % Change
Liberty Terr Mariners Cove-K	\$348,187	0.25	0.1%	\$344,739	0.00	0.0%	0.0%
Liberty House Mariners J	\$284,831	0.25	0.0%	\$282,011	0.00	0.0%	0.0%
Rector Park L	\$39,587	0.25	0.0%	\$39,203	0.00	0.0%	0.0%
Hudson View W Towers G	\$200,532	0.25	0.0%	\$198,548	0.00	0.0%	0.0%
Hudson Towers E/F	\$243,878	0.25	0.0%	\$241,461	0.00	0.0%	0.0%
Hudson View Towers C	\$215,270	0.25	0.0%	\$213,138	0.00	0.0%	0.0%
Liberty Ct Mariners Cove B	\$711,174	0.25	0.1%	\$704,121	0.00	0.1%	0.0%
Millenium	\$4,293,913	0.25	0.7%	\$4,251,288	0.00	0.6%	0.1%
Liberty Battery Place Assoc 4	\$512,752	0.25	0.1%	\$507,664	0.00	0.1%	0.0%
South Cove Assoc 11	\$465,647	0.25	0.1%	\$461,030	0.00	0.1%	0.0%
Soundings Rector Park A	\$249,173	0.25	0.0%	\$246,707	0.00	0.0%	0.0%
The Regatta Site 10	\$568,543	0.25	0.1%	\$562,904	0.00	0.1%	0.0%
2003 Debt Service Junior Payments	\$10,332,541	0.24	1.6%	\$11,292,958	0.02	1.5%	0.1%
2003 Debt Service Senior Payments	\$107,876,420	0.07	16.9%	\$129,627,574	0.28	16.9%	0.0%
BPCA Millenium Tower Security Fund 2A	\$3,585,752	0.25	0.6%	\$3,550,161	0.00	0.5%	0.1%
BPCA S 16/17 Riverhouse Security Fund	\$7,618,972	0.25	1.2%	\$7,543,331	0.00	1.0%	0.2%
BPCA Visionaire Security Fund	\$4,639,639	0.25	0.7%	\$4,593,576	0.00	0.6%	0.1%
BPCA One Rector Park Security Fund	\$1,138,593	0.25	0.2%	\$1,127,296	0.00	0.1%	0.0%
BPCA Rector Square Security Fund Site D	\$262,148	0.25	0.0%	\$259,555	0.00	0.0%	0.0%
BPCA WFC TOWER C RETAIL RENT ESCROW	\$295,577	0.25	0.0%	\$292,650	0.00	0.0%	0.0%
BPCA RIVER & WARREN SEC FUND - SITE 19A	\$7,017,031	0.25	1.1%	\$6,947,372	0.00	0.9%	0.2%
BPCA NORTH COVE MARINA SECURITY FUND	\$60,607	0.25	0.0%	\$60,008	0.00	0.0%	0.0%
BPCA 19C Pier A	\$0	0.00	0.0%	\$0	0.00	0.0%	-
BPCA Pier A Reserve Fund	\$117,169	0.00	0.0%	\$115,407	0.00	0.0%	0.0%
BPCA 2023B Pier A	\$11,198,141	0.00	1.8%	\$11,123,807	0.00	1.4%	0.3%
BPCA 2023C Sustainable Taxable - Pie	\$6,745,420	0.00	1.1%	\$6,853,352	0.00	0.9%	0.2%
BPCA Transaction Pymt Sec Deposit	\$546,353	0.00	0.1%	\$541,087	0.00	0.1%	0.0%
<b>Subtotal of RAM Managed Accounts</b>	<b>\$169,567,846</b>	<b>0.11</b>	<b>26.5%</b>	<b>\$191,980,948</b>	<b>0.19</b>	<b>0.25</b>	<b>1.6%</b>
<b>Subtotal of Other BPCA Accounts</b>	<b>\$406,085,749</b>	<b>0.38</b>	<b>63.5%</b>	<b>\$637,386,853</b>	<b>0.52</b>	<b>82.9%</b>	<b>-19.3%</b>

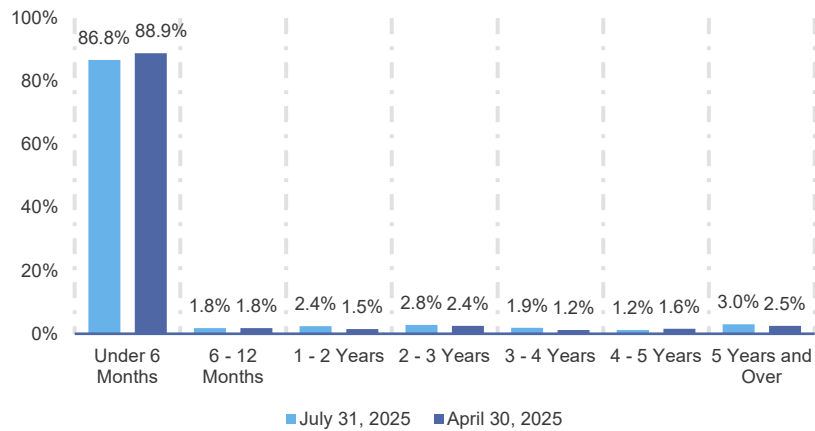
## Notes:

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.

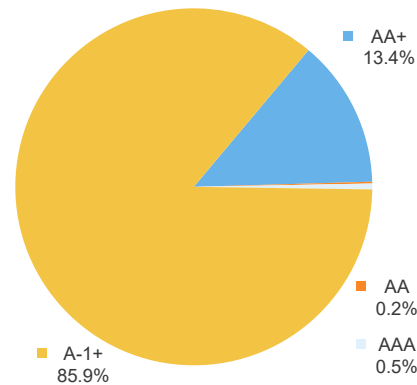
# Aggregate Portfolio Summary: PFM Asset Management

Security Type <sup>1</sup>	July 31, 2025	% of Advisor	% of Total Portfolio	Effective Duration	April 30, 2025	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$465,720,729	99.1%	73.0%	0.42	\$573,165,684	99.3%	78.5%	0.38	(0.2%)
Federal Agencies and Instrumentalities (non-MBS)	\$2,491,825	0.5%	0.4%	1.04	\$2,480,814	0.4%	0.3%	1.40	0.1%
Commercial Paper	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Municipals	\$1,074,036	0.2%	0.2%	1.43	\$1,081,386	0.2%	0.1%	1.78	0.0%
Government MBS <sup>2</sup>	\$378,597	0.1%	0.1%	2.86	\$419,013	0.1%	0.1%	3.01	0.0%
Cash	\$83,604	0.0%	0.0%	0.00	\$41,784	0.0%	0.0%	0.00	0.0%
<b>Totals</b>	<b>\$469,748,791</b>	<b>100%</b>	<b>73.6%</b>	<b>0.43</b>	<b>\$577,188,682</b>	<b>100.0%</b>	<b>79.0%</b>	<b>0.39</b>	

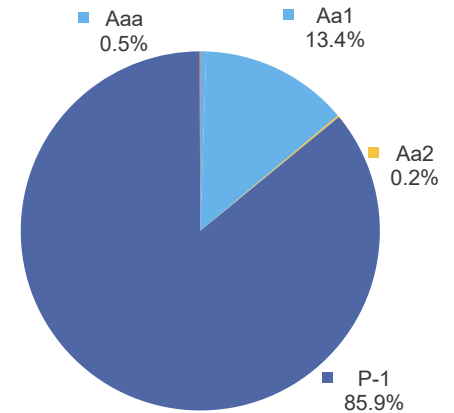
**Maturity Distribution  
as of July 31, 2025**



**Credit Quality (S&P)  
as of July 31, 2025**



**Credit Quality (Moody's)  
as of July 31, 2025**



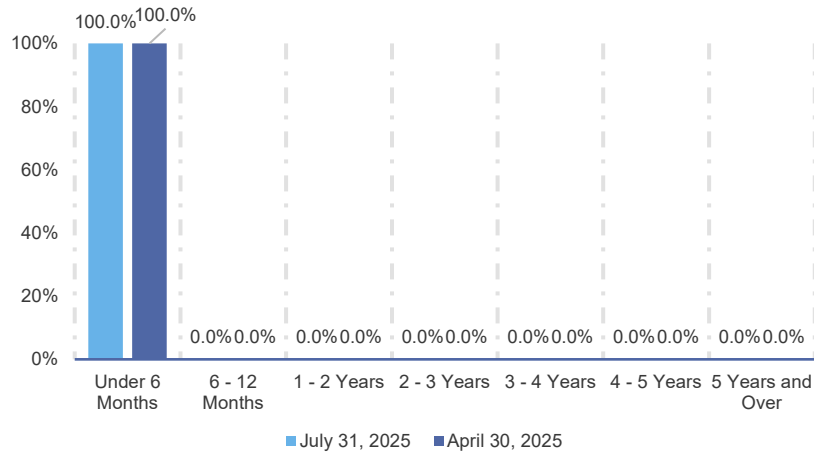
**Notes:**

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.

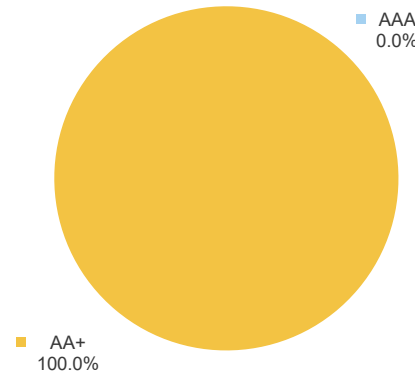
# Aggregate Portfolio Summary: Ramirez Asset Management

Security Type <sup>1</sup>	July 31, 2025	% of Advisor	% of Total Portfolio	Effective Duration	April 30, 2025	% of Advisor	% of Total Portfolio	Effective Duration	QoQ Change (% of Advisor)
U.S. Treasuries	\$168,444,130	99.3%	26.4%	0.13	\$153,282,100	79.8%	19.9%	0.18	19.5%
Federal Agencies and Instrumentalities (non-MBS)	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Commercial Paper	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Municipals	\$0	0.0%	0.0%	0.00	\$0	0.0%	0.0%	0.00	-
Government MBS <sup>2</sup>	\$6,762	0.0%	0.0%	1.12	\$7,739	0.0%	0.0%	1.20	(0.0%)
Cash	\$1,116,955	0.7%	0.2%	0.00	\$38,691,109	20.2%	5.0%	0.00	(19.5%)
<b>Totals</b>	<b>\$169,567,846</b>	<b>100%</b>	<b>26.5%</b>	<b>0.13</b>	<b>\$191,980,948</b>	<b>100.0%</b>	<b>25.0%</b>	<b>0.18</b>	

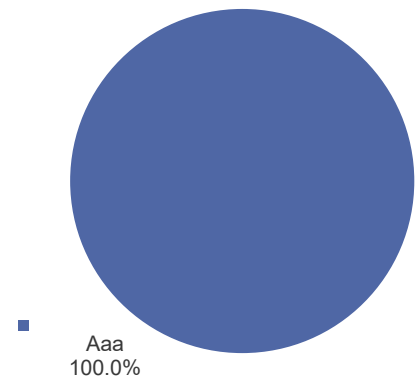
**Maturity Distribution  
as of July 31, 2025**



**Credit Quality (S&P)  
as of July 31, 2025**



**Credit Quality (Moody's)  
as of July 31, 2025**



**Notes:**

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

# Portfolio Earnings – PFMAM-Managed Accounts

Portfolio Earnings Quarter-Ended July 31, 2025			
		Market Value Basis <sup>3</sup>	Accrual (Amortized Cost) Basis
Beginning Value - April 2025	<sup>1</sup>	\$576,729,033.00	\$578,739,499.79
Net Purchases (Sales)		(\$112,019,851)	(\$112,019,851)
Change in Value		\$4,569,027.92	\$4,779,000.95
Ending Value - July 2025	<sup>1</sup>	\$469,278,209.45	\$471,498,649.27
Net Income <sup>2</sup>		\$391,567.13	\$391,567.13
Portfolio Earnings		\$4,960,595.05	\$5,170,568.08

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

<b>Portfolio Earnings</b> <i>Quarter-Ended July 31, 2025</i>		
	<b>Market Value Basis <sup>1, 4</sup></b>	<b>Accrual (Amortized Cost) Basis <sup>2</sup></b>
Beginning Value - April 2025	\$153,289,795.58	\$151,421,864.21
Net Purchases (Sales)	\$13,395,389	\$13,395,389
Change in Value	\$1,765,668.74	\$1,175,147.27
Ending Value - July 2025	\$168,450,853.19	\$165,992,400.35
Net Income <sup>3</sup>	\$119.65	\$119.65
Portfolio Earnings	\$1,765,788.39	\$1,175,266.92

Notes:

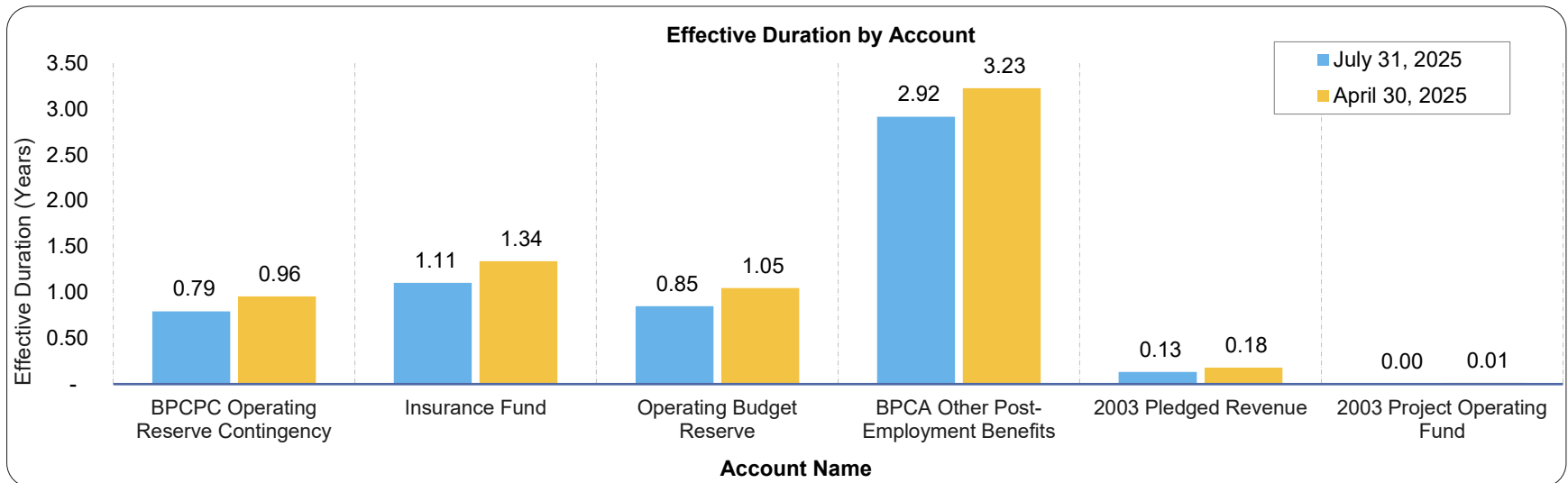
1. Underlying data for Market Value Basis supplied by Advent APX, values exclude accrued income and cash balances at the bank.
2. Accrual (Amortized Cost) Basis data provided by custodian, BNY-Mellon.
3. Net Income includes coupon income paid, change in beginning and ending accruals, and purchased/sold 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	
	July 31, 2025	April 30, 2025	July 31, 2025	April 30, 2025	July 31, 2025	April 30, 2025
<b>Longer Term Investment Strategy</b>						
BPCPC Operating Reserve Contingency	0.79	0.96	4.20%	4.15%	3.03%	2.95%
Insurance Fund	1.11	1.34	4.26%	4.09%	2.89%	2.81%
Operating Budget Reserve	0.85	1.05	4.31%	4.12%	3.12%	3.04%
BPCA Other Post-Employment Benefits	2.92	3.23	4.04%	3.88%	2.92%	2.87%
<b>Short Term Investment Strategy</b>						
2003 Pledged Revenue	0.13	0.18	4.26%	4.33%	4.16%	4.20%
2003 Project Operating Fund	0.00	0.01	4.33%	4.49%	4.24%	4.24%



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

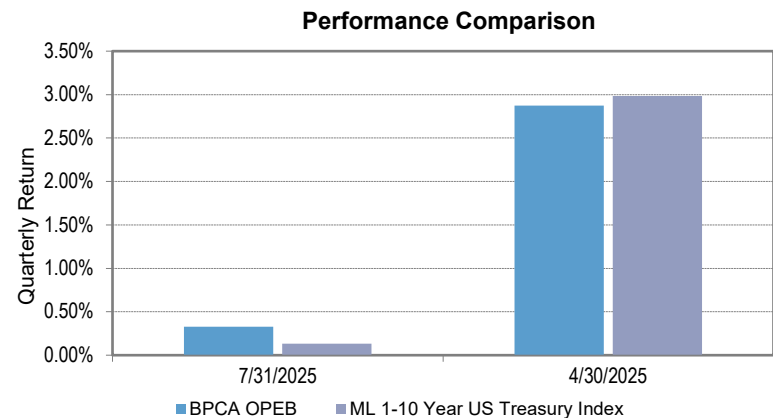
# Portfolios Managed with a Longer-Term Investment Strategy



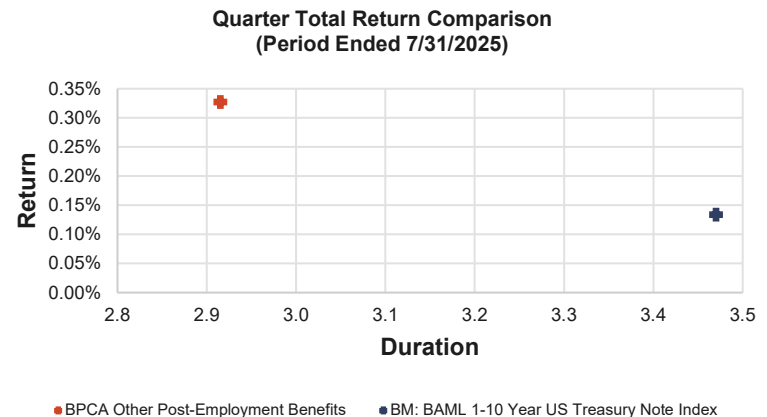


# Other Post-Employment Benefits Performance

Total Return <sup>1,2,4,5</sup>	July 31, 2025	Annualized Quarter	Annualized Since Inception <sup>5</sup>
BPCA Other Post-Employment Benefits	<b>0.33%</b>	1.30%	<b>2.42%</b>
<b>BM: BAML 1-10 Year US Treasury Note Index</b>	<b>0.13%</b>	0.53%	<b>2.17%</b>



Effective Duration (in years) <sup>3</sup>	July 31, 2025	April 30, 2025
BPCA Other Post-Employment Benefits	<b>2.92</b>	<b>3.19</b>
<b>BM: BAML 1-10 Year US Treasury Note Index</b>	<b>3.47</b>	<b>3.54</b>



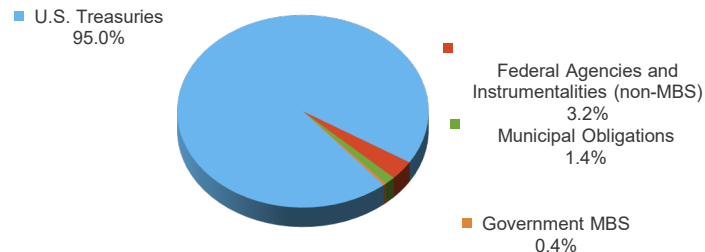
## Notes:

- 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

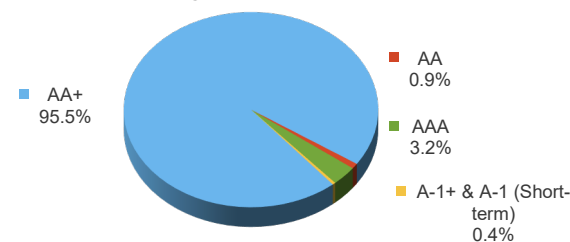
# BPCA OPEB Portfolio

Security Type <sup>1</sup>	July 31, 2025	% of Portfolio	April 30, 2025	% of Portfolio	QoQ % Change
U.S. Treasuries	\$41,883,231	95.0%	\$41,723,907	95.0%	0.1%
Federal Agencies and Instrumentalities (non-MBS)	\$1,429,111	3.2%	\$1,422,332	3.2%	0.0%
Commercial Paper	\$0	0.0%	\$0	0.0%	0.0%
Municipal Obligations	\$598,789	1.4%	\$602,161	1.4%	(0.0%)
Government MBS	\$169,522	0.4%	\$187,679	0.4%	(0.0%)
Cash	\$821	0.0%	\$1,714	0.0%	(0.0%)
<b>Totals</b>	<b>\$44,081,474</b>	<b>100.0%</b>	<b>\$43,937,794</b>	<b>100.0%</b>	

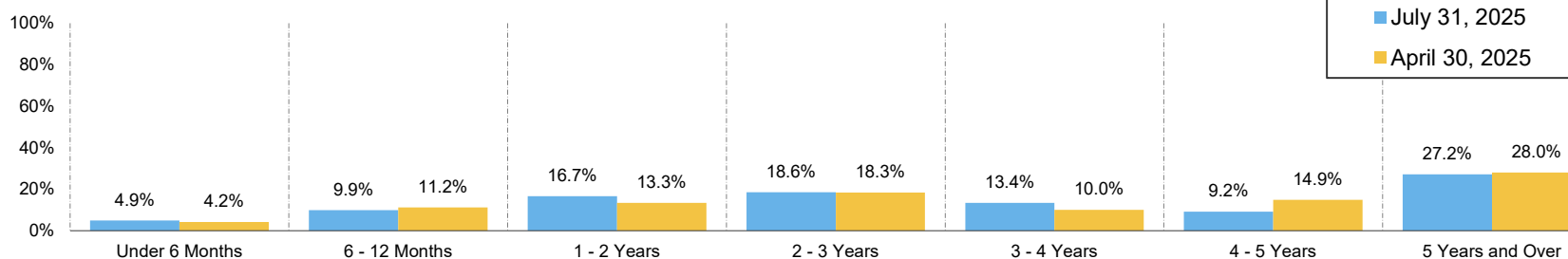
Portfolio Composition as of 7/31/25



Credit Quality Distribution as of 7/31/25



BPCA OPEB Maturity Distribution



Notes:

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

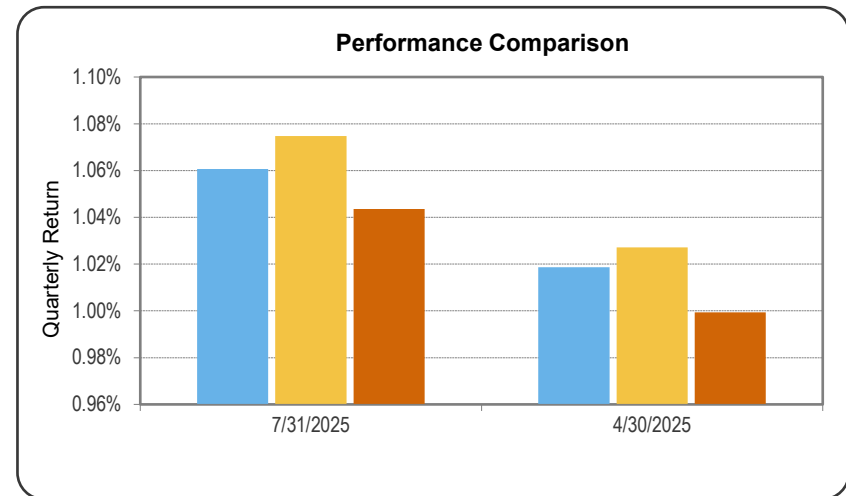
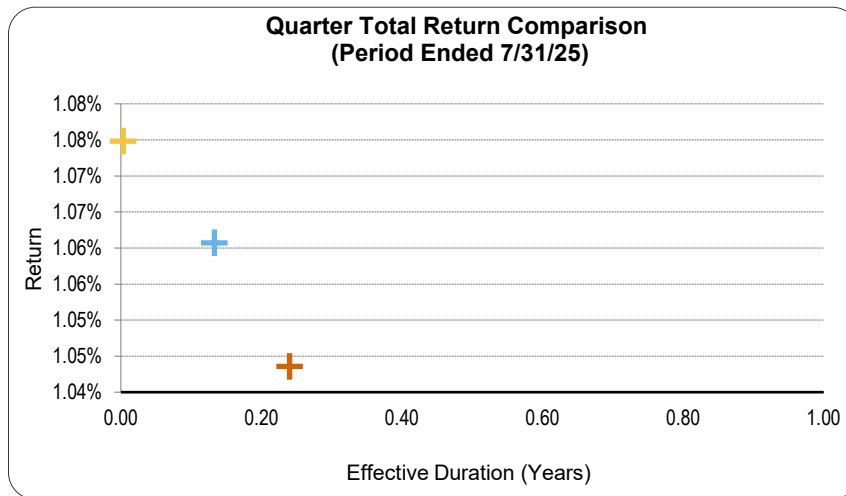
# Portfolios Managed with a Shorter-Term Investment Strategy



# Shorter-Term Investment Strategy

Total Return <sup>1,2,4,5</sup>	July 31, 2025	Annualized Since Inception <sup>5</sup>
2003 Pledged Revenue	1.06%	1.70%
2003 Project Operating Fund	1.07%	1.70%
<b>BM: BAML 3 Month US Treasury Bill Index</b>	<b>1.04%</b>	<b>1.65%</b>

Effective Duration (in years) <sup>3</sup>	July 31, 2025	April 30, 2025
2003 Pledged Revenue	0.13	0.18
2003 Project Operating Fund	0.00	0.01
<b>BM: BAML 3-Month US Treasury Bill Index</b>	<b>0.24</b>	<b>0.22</b>



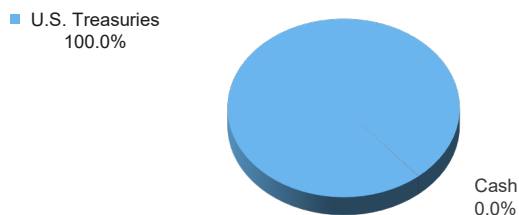
## Notes:

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.

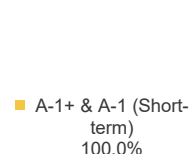
# 2003 Pledged Revenue

Security Type <sup>1</sup>	July 31, 2025	% of Portfolio	April 30, 2025	% of Portfolio	QoQ % Change
U.S. Treasuries	\$172,849,008	100.0%	\$71,665,628	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	\$65,555	0.0%	\$2,436	0.0%	0.0%
<b>Totals</b>	<b>\$172,914,563</b>	<b>100.0%</b>	<b>\$71,668,064</b>	<b>100.0%</b>	

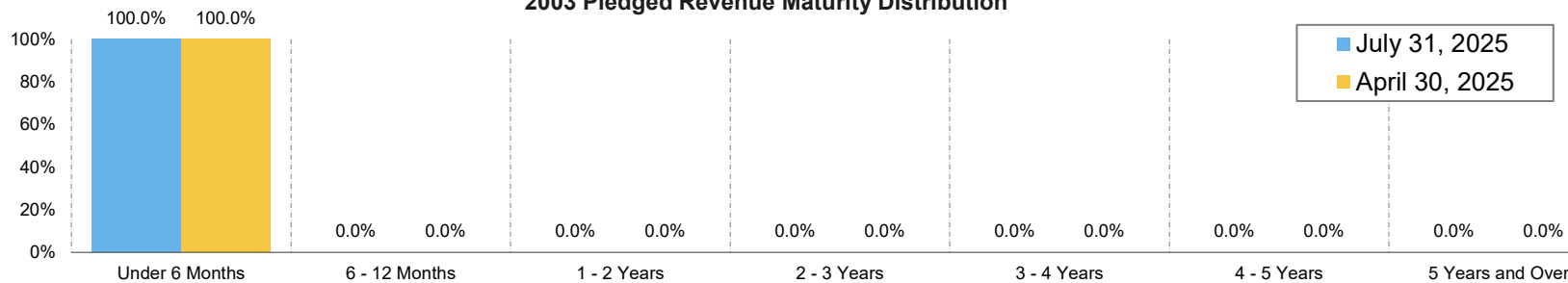
Portfolio Composition as of 7/31/25



Credit Quality Distribution as of 7/31/25



2003 Pledged Revenue Maturity Distribution



Notes:

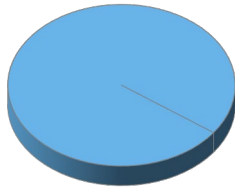
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government MBS includes Freddie Mac, Fannie Mae, Ginnie Mae, and Small Business Administration MBS.

# 2003 Project Operating Fund Portfolio

Security Type <sup>1</sup>	July 31, 2025	% of Portfolio	April 30, 2025	% of Portfolio	QoQ % Change
U.S. Treasuries	\$16,234,260	100.0%	\$16,172,221	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	\$591	0.0%	\$4,698	0.0%	(0.0%)
<b>Totals</b>	<b>\$16,234,851</b>	<b>100.0%</b>	<b>\$16,176,919</b>	<b>100.0%</b>	

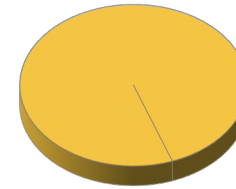
**Portfolio Composition  
as of 7/31/25**

■ U.S. Treasuries  
100%

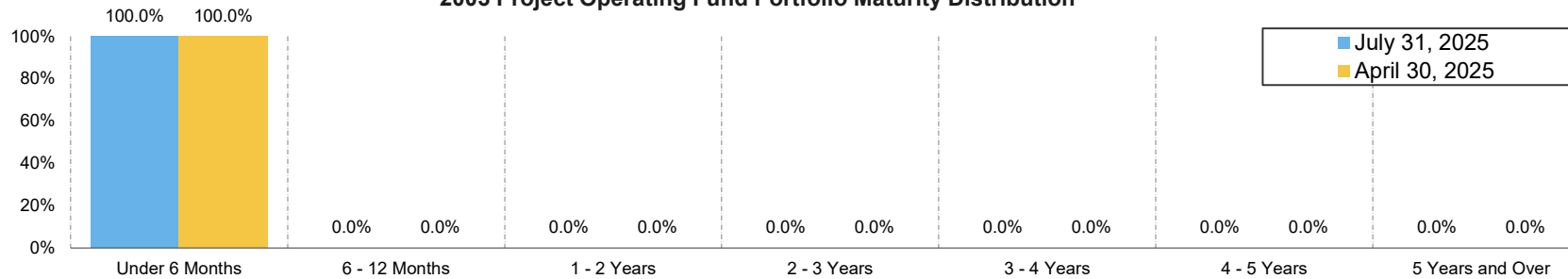


**Credit Quality Distribution  
as of 7/31/25**

■ A-1+ & A-1  
(Short-term)  
100.0%



**2003 Project Operating Fund Portfolio Maturity Distribution**



**Notes:**

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

## IV. Market Commentary



## Summary

- The second quarter of 2025 was characterized by growing uncertainty as markets reacted to the volatile rollout of tariffs that were larger than expected. Markets reacted negatively during the first two weeks of the quarter and experienced the largest declines since the onset of the COVID pandemic. The rest of the quarter was marked by equity and bond markets recovering to pre-tariff levels on constructive trade negotiations and stable economic data.
- Inflation remained relatively benign but is expected to increase in the second half of the year as tariff-related cost pressures begin to emerge. The timing, extent, and duration of these pressures are unknown.
- The labor market remained healthy though early signs of cooling are emerging, such as rising initial jobless claims. Continuing claims have also increased, and a slower hiring rate may mean any acceleration in layoffs could result in unemployed workers remaining without a job for longer. Federal job cuts are beginning to flow through the data, but severance packages and deferred resignations have delayed the impact on claims data. However, the reduced pace of population growth, particularly among foreign-born workers, may suggest the economy needs fewer new jobs to keep the unemployment rate stable.
- Consumer sentiment remains subdued due to expectations for higher prices and weaker labor market conditions as tariffs weigh on the pace of economic growth. However, there has been modest improvement from the April lows due to progress on tariff negotiations. A sharp labor market downturn remains the biggest threat to consumer spending.
- The Federal Reserve (Fed) left the overnight policy rate unchanged at 4.25% - 4.50%. The Federal Open Market Committee's (FOMC) "dot plot" continues to suggest 50 basis points (bps) in rate cuts by the end of 2025, although there is a divergence of views as eight members are calling for two rate cuts in 2025 and seven are calling for none. Fed Chair Powell noted the Fed would likely be in a position to begin cutting rates again were it not for the unknown impact of tariffs, but the resilient economic data supports the Fed's wait-and-see approach.

## Economic Snapshot

- U.S. inflation moved marginally closer to the Fed's 2% target, but tariff-driven price pressures may emerge as excess inventories built up before tariffs are depleted. Fed Chair Powell said that he expects tariffs to impact inflation, but the size, duration, and time of tariff effects are highly uncertain. The year-over-year change in the consumer price index (CPI) stood at 2.4% while core CPI, which excludes the volatile food and energy components, moved marginally lower but rounded to an unchanged 2.8%.
- U.S. real GDP turned negative in Q1 2025 mainly on the one-off effect of the trade deficit expanding to the highest level on record as businesses increased imports in advance of tariffs. Strong inventories and higher fixed investment served as a bit of an offset, and a decline in the trade deficit is expected to reverse and support future growth. However, consumer spending slowed notably, which may foreshadow decreased spending and investment due to declining confidence going forward.

## Interest Rates

- The U.S. Treasury yield curve steepened over the quarter. The front end of the yield curve moved lower amid expectations for Fed rate cuts while longer-dated tenors rose on concerns regarding the longer-term impacts of the proposed federal reconciliation bill.
- The 3-month Treasury was relatively unchanged given no rate cuts from the Fed while 2- and 5-year Treasuries fell by 15-16 bps to 3.72% and 3.80% respectively. In addition, the 2-year traded over a wide 60 basis point range during the quarter, highlighting the elevated volatility. The 10-year Treasury increased by 2 bps to 4.23% while the 30-year Treasury increased by 16 basis points to 4.78% as investors demanded more yield to make investments further out the curve.
- Short- and intermediate-duration U.S. Treasury indices generated positive total returns for the quarter. The ICE BofA 2-, 5-, and 10-year U.S. Treasury indices returned 1.11%, 1.66%, and 0.98% for the quarter, while the shorter-duration ICE BofA 3-month U.S. Treasury index returned 1.04%.

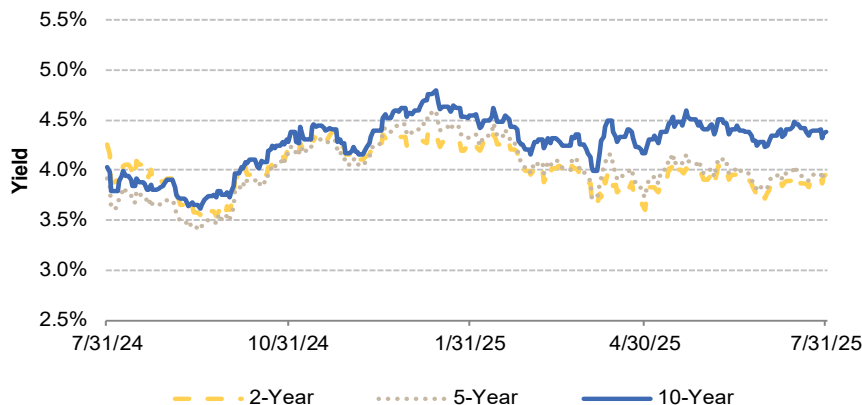
## Sector Performance

- Excess returns were strong across investment grade sectors as the spread widening experienced in April reversed following trade news and resilient economic data.
- Federal Agency & supranational spreads remained low throughout Q2. Both sectors produced slightly positive excess returns for the quarter. Issuance remained light and the incremental income from the sectors is near zero.
- Investment-grade (IG) corporate bond spreads spiked early in the quarter on tariff announcements, but as external stressors eased much of the widening retraced. Demand for new issuance remains strong while net issuance is predicted to decrease over the balance of the year. Lower-quality issuers outperformed as did banks and other financials.
- Asset-backed securities (ABS) spreads retraced over quarter, but to a lesser degree than most other sectors. ABS showed the impact of the slower decrease in spreads by posting more modest excess returns over the quarter. We expect the sector to continue generating value from carry going forward.
- Mortgage-backed securities (MBS) performance was strong across all structures and coupons as rate volatility moderated over the quarter. Likewise, Agency-backed commercial MBS (CMBS) also posted strong performance for the quarter and saw positive excess returns.
- Short-term credit (commercial paper and negotiable bank CDs) yields on the front end of the yield curve rose slightly in response to the approaching Treasury "X-Date" (estimated date for Treasury to exhaust funds under the debt ceiling) while yields fell modestly on the long end as demand shifted into longer-term Treasury notes. Yield spreads tightened over the quarter in response to moderated issuance and strong demand.

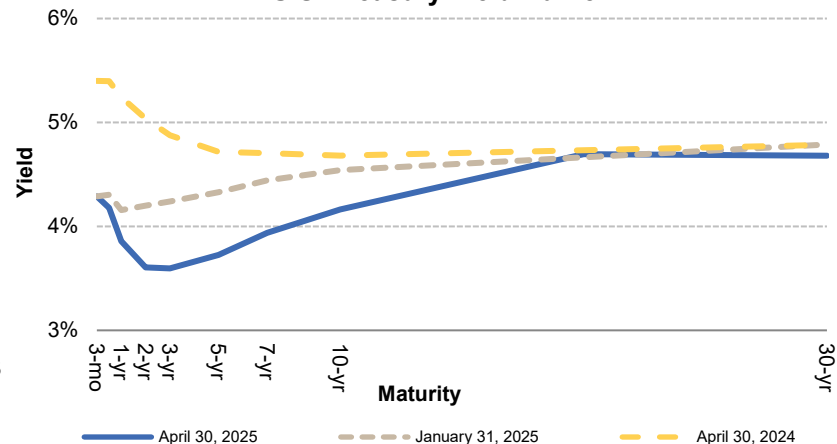


## Interest Rate Overview

U.S. Treasury Note Yields



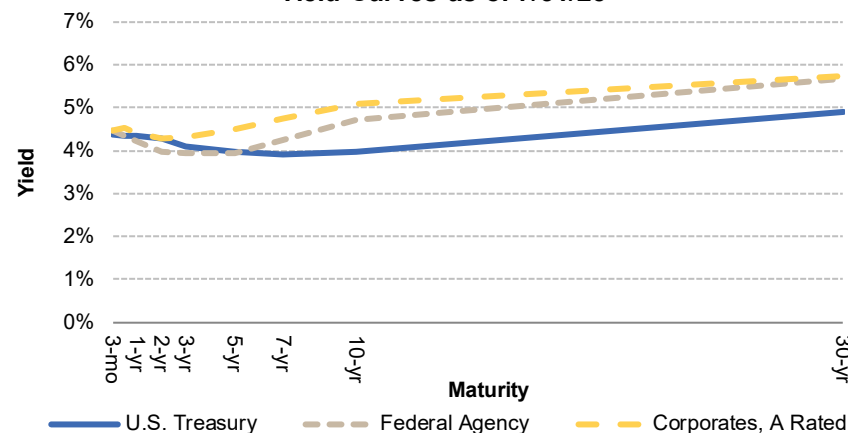
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Jul '25	Apr '25	Change over Quarter	Jul '24	Change over Year
3-month	4.34%	4.29%	0.05%	5.29%	(0.95%)
1-year	4.10%	3.86%	0.24%	4.75%	(0.65%)
2-year	3.96%	3.61%	0.35%	4.26%	(0.30%)
5-year	3.97%	3.73%	0.24%	3.91%	0.06%
10-year	4.38%	4.16%	0.22%	4.03%	0.35%
30-year	4.90%	4.68%	0.22%	4.30%	0.60%

Yield Curves as of 7/31/25



Labor Market		Latest	Apr '25	Jul '24	<div>Unemployment Rate (left) vs. Change in Nonfarm Payrolls (right)</div> <div><div>Change In Non-Farm Payrolls</div><div>Unemployment Rate</div></div>
Unemployment Rate	Aug'25	4.3%	4.2%	4.2%	
Change In Non-Farm Payrolls	Aug'25	22,000	158,000	88,000	
Average Hourly Earnings (YoY)	Aug'25	3.7%	3.8%	3.6%	
Personal Income (YoY)	Aug'25	5.1%	5.8%	5.6%	
Initial Jobless Claims (week)	9/20/25	218,000	241,000	248,000	
Growth					
Real GDP (QoQ SAAR)	2025Q2	3.8%	-0.6% <sup>1</sup>	3.6% <sup>2</sup>	<div>Real GDP (QoQ)</div>
GDP Personal Consumption (QoQ SAAR)	2025Q2	2.5%	0.6% <sup>1</sup>	3.9% <sup>2</sup>	
Retail Sales (YoY)	Aug'25	5.0%	5.0%	3.0%	
ISM Manufacturing Survey (month)	Sep'25	49.1	48.7	47.0	
Existing Home Sales SAAR (month)	Aug'25	4.00 mil.	4.00 mil.	3.98 mil.	
Inflation / Prices					
Personal Consumption Expenditures (YoY)	Aug'25	2.7%	2.3%	2.6%	<div>Consumer Price Index</div> <div><div>CPI (YoY)</div><div>Core CPI (YoY)</div></div>
Consumer Price Index (YoY)	Aug'25	2.9%	2.3%	2.9%	
Consumer Price Index Core (YoY)	Aug'25	3.1%	2.8%	3.2%	
Crude Oil Futures (WTI, per barrel)	Jul 31	\$69.26	\$58.21	\$77.91	
Gold Futures (oz.)	Jul 31	\$3,293	\$3,319	\$2,427	

1. Data as of January 2025

2. Data as of October 2024

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

July 31, 2025	Duration	Yield	3 Month	1 Year	3 Years
Starting Date:			4/30/2025	7/31/2024	7/31/2022
Ending Date:	7/31/2025	7/31/2025	7/31/2025	7/31/2025	7/31/2025
<b>1-3 Year Indices</b>					
U.S. Treasury	1.75	3.99%	0.34%	4.43%	3.28%
Federal Agency	1.38	3.88%	0.53%	4.51%	3.47%
U.S. Corporates, A-AAA rated	1.76	4.44%	0.89%	5.25%	3.53%
Agency MBS (0 to 3 years)	1.92	4.58%	0.58%	4.68%	3.39%
Taxable Municipals	1.78	4.31%	0.74%	4.95%	3.70%
<b>1-5 Year Indices</b>					
U.S. Treasury	2.46	3.96%	0.23%	4.38%	2.95%
Federal Agency	1.99	3.82%	0.50%	4.56%	3.27%
U.S. Corporates, A-AAA rated	2.55	4.46%	1.04%	5.53%	(0.98%)
Agency MBS (0 to 5 years)	3.11	4.69%	0.93%	5.27%	3.28%
Taxable Municipals	2.34	4.25%	0.84%	4.93%	3.45%
<b>Master Indices (Maturities 1 Year or Greater)</b>					
U.S. Treasury	5.98	4.21%	(0.18%)	2.49%	0.63%
Federal Agency	3.24	3.97%	0.43%	4.11%	2.70%
U.S. Corporates, A-AAA rated	6.57	4.90%	1.60%	4.27%	2.73%
Agency MBS (0 to 30 years)	5.84	5.08%	0.41%	3.28%	1.09%
Taxable Municipals	8.71	5.23%	1.02%	2.19%	1.63%

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# Battery Park City Authority Benchmark Review

October 29, 2025

# Agenda

**Introduction**

**Summary**

**PFM Asset Management Recommendations**

**Ramirez Asset Management Recommendations**

**Appendix**

- The Authority's investment advisors reviewed each of the Authority's portfolios. The objective was to determine if changes should be made to existing benchmarks or if additional portfolios could be compared to a benchmark.
- Along with the Authority's Finance Team, we collectively determined that several portfolios could be managed to total return benchmarks.
- Benchmarks are recommended based on portfolio objectives, cash flows, and risk tolerance.
- Portfolio returns will be calculated and compared to the benchmark on a total return basis.
- Ramirez Asset Management ("RAM") reviewed the duration profile and annual cashflows of the Authority's portfolios and determined four (4) accounts which can be managed to total return benchmarks.
- RAM manages each portfolio primarily to ensure safety of principal and to match the cash flow needs of the Authority
- We optimize portfolio yield given the liquidity profiles of each portfolio and shape of the U.S. Treasury Yield Curve



- Measures and evaluates relative investment performance
- Provides for comparison of risk and return
- Defines and evaluates a long-term investment strategy
- A benchmark should:
  - Be an independent representation
  - Reflect asset mix, credit quality, and average maturity or duration of the portfolio

OR

- Be a baseline, such as a U.S. Treasury Index

*The benchmark should not lead to taking inappropriate risks to outperform the benchmark.*





# Portfolios Recommended to be Managed to a Benchmark

## Summary

Account	Current	Recommended
OPEB	ICE 1-10 Year Treasury	ICE 1-10 Year Treasury
Insurance Fund*	NA	ICE 0-5 Year Treasury
Operating Budget Reserve*	NA	ICE 0-5 Year Treasury
Operating Reserve Contingency*	NA	ICE 0-5 Year Treasury
Working Capital Account	NA	ICE 0-5 Year Treasury
2003 Pledged Revenue	ICE 3-Month Treasury	ICE 3-Month Treasury
2003 Project Operating Fund	ICE 3-Month Treasury	ICE 3-Month Treasury
2003 Debt Service Senior Payments	NA	ICE 3-Month Treasury
2003 Debt Service Junior Payments	NA	ICE 3-Month Treasury
2023B Project Fund	NA	ICE 3-Month Treasury
2023C Sustainable Taxable Fund	NA	ICE 3-Month Treasury

*\*These portfolios were historically managed to the ICE 1-10 Year Treasury Index however benchmarking was paused during the 2023 bond issuance. The authority at times utilized these reserves to fund capital accounts to bridge bond issuances*

*Accounts shown in light blue are managed by PFM Asset Management.*

*Accounts shown in light yellow are managed by Ramirez Asset Management.*

# PFMAM Managed Portfolios

# OPEB Benchmark Considerations

- **Unique Characteristics compared to Operating Portfolios**
  - No Liquidity Needs: Unlike operating portfolios, the OPEB portfolio does not have short-term liquidity requirements.
  - Long-term investment horizon: Designed to support future retiree benefits, allowing for strategic, long-term asset allocation
  - Long-term liabilities: Matches the nature of the obligations it is intended to fund
- **Investment Strategy History**
  - In 2005, The Authority approved an active investment approach
  - Adopted the ICE 1-10 Year Treasury Index as benchmark
  - Focused on total return, rather than income or liquidity
- **Benchmark Considerations**
  - The benchmark should balance return enhancement with interest rate risk mitigation
  - A longer duration benchmark is more appropriate for the OPEB portfolio should to its long-term nature.

# OPEB Benchmark Considerations

- **Rationale for Change:**

- The Treasury Master Index includes longer-duration securities, aligning better with the OPEB Fund's long-term liabilities and investment horizon.
- The current benchmark (ICE 1-10 Year Treasury) may underrepresent duration risk and limit return potential.

- **Benefits of a Longer Duration Benchmark:**

- Improved return potential over time due to exposure to longer-term interest rates.
- Better liability matching for long-term obligations.
- Strategic alignment with the Fund's total return objective.

- **Risks and Considerations:**

- Higher interest rate sensitivity: Longer duration means greater price volatility when rates change.
- Increased portfolio volatility: Portfolio market value may experience significant changes in market value.

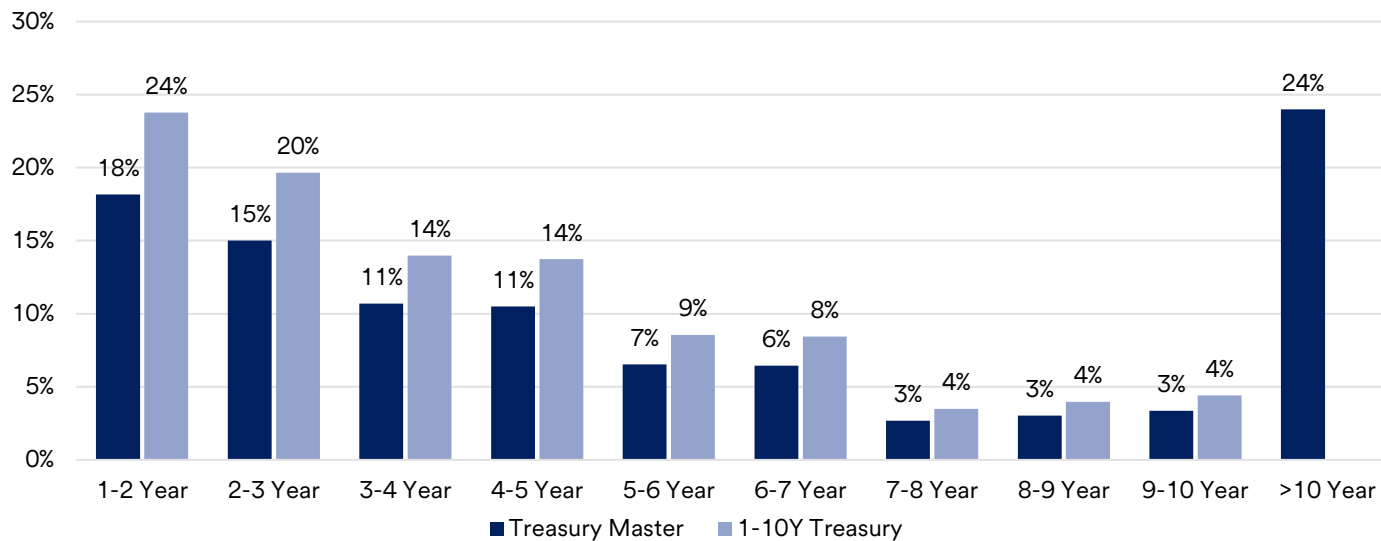


# OPEB Fund Benchmark Comparison

## Comparison of ICE 1-10 Year and Master Indexes

Benchmark	Duration	Yield to Maturity
ICE 1-10 Treasury	3.54 years	4.01%
ICE Treasury Master	6.04 years	4.21%

### Treasury Indices Allocation Comparison



Source: Bloomberg.

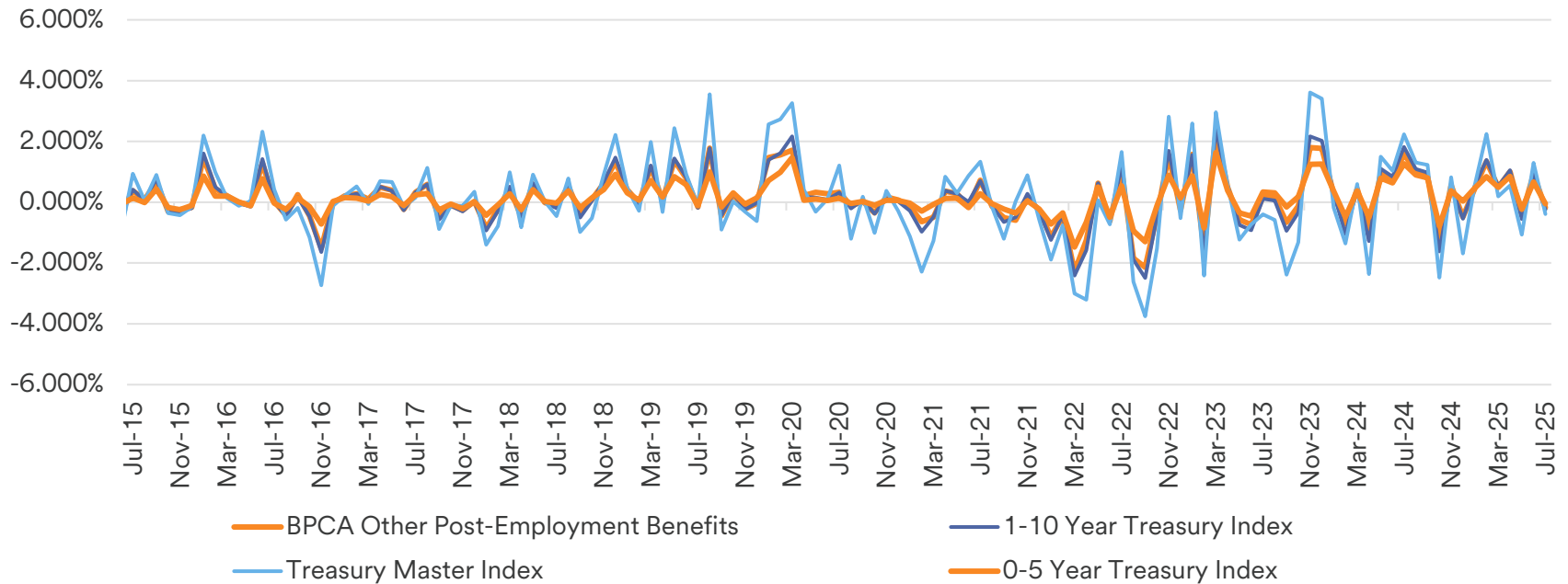
# OPEB Portfolio: Considerations in Changing Rate Environment

Benchmark	Duration	YTM
ICE 1-10 Year Treasury	3.54	4.01%
Treasury Master	6.04	4.21%

Change in Yields	Estimated Change in Total Return for Parallel Yield Curve Shift	
	ICE 1-10 Year Treasury	Treasury Master
-2.0%	11.09%	16.29%
-1.5%	9.32%	13.27%
-1.0%	7.55%	10.25%
-0.5%	5.78%	7.23%
0.0%	4.01%	4.21%
0.5%	2.24%	1.19%
1.0%	0.47%	-1.83%
1.5%	-1.30%	-4.85%
2.0%	-3.07%	-7.87%

Source: Bloomberg. Analysis period is one year. This assumes a parallel shift in rates at the beginning of the period. This is a hypothetical analysis meant to show the difference in returns based on changes in interest rates and static duration

# OPEB Fund: Historic Returns



	2Q 2025	Year to Date	1-Year	3-Year	5-Year	10-Year
BPCA Other Post-Employment Benefits	0.327%	3.665%	4.204%	2.626%	0.418%	1.705%
1-10 Year Treasury Index	0.133%	3.674%	4.090%	2.299%	0.061%	1.487%
Treasury Master Index	-0.181%	3.391%	2.488%	0.627%	-2.071%	1.052%

Source: Bloomberg Finance L.P. Data as of July 31, 2025.

# Operating Portfolio Considerations

- Historically Benchmarked Portfolios:
  - Operating Budget Reserve
  - Operating Reserve Contingency and Replacement
  - Insurance Portfolio
- These portfolios were benchmarked to the ICE 1-10 Year Treasury Index, which emphasizes short- to intermediate-term government securities.
- Recent Developments:
  - Benchmarking paused during the 2023 bond issuance.
- Current Considerations:
  - Working Capital Portfolio could be added to the benchmarked group.
  - These portfolios do not have regular liquidity needs, though they may be used for liquidity under certain conditions.
  - The absence of regular withdrawals allows for a longer investment horizon.





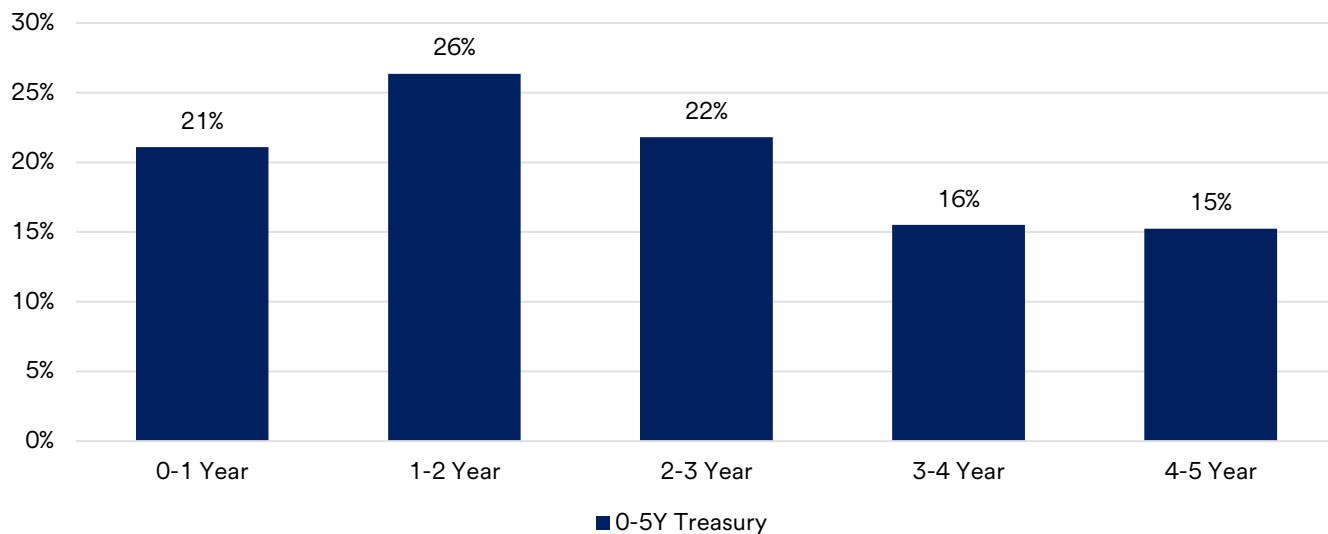
# Corporate Portfolios Considerations

Portfolio strategy objectives:

- Enhance return potential through longer duration exposure.
- Preserve flexibility to meet unexpected liquidity needs.

Benchmark	Duration	Yield to Maturity
ICE 0-5 Year Treasury Index	2.10 years	4.03%

0-5Y Treasury Index Allocation



Source: Bloomberg.

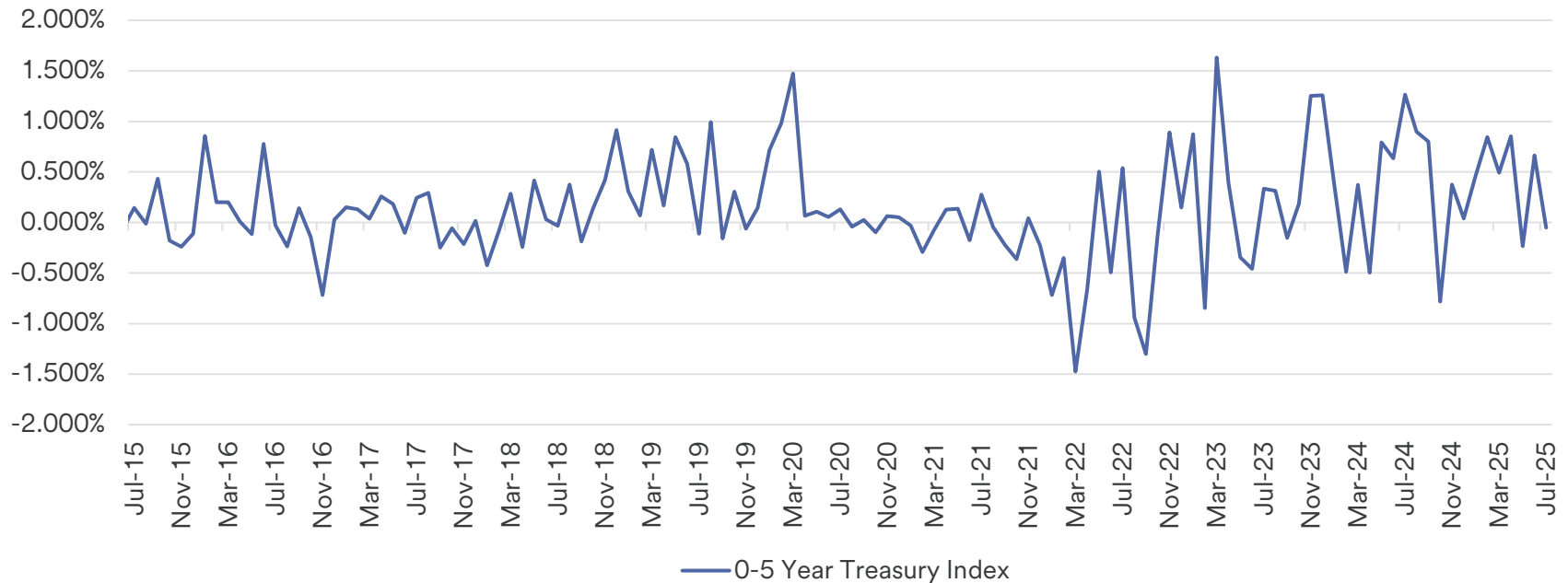
# Corporate Portfolio: Considerations in Changing Rate Environment

Benchmark	Duration	YTM
ICE 0-5 Year Treasury	2.1	4.03%

Change in Yields	Estimated Change in Total Return for Parallel Yield Curve Shift
	ICE 0-5 Year Treasury
-2.0%	8.23%
-1.5%	7.18%
-1.0%	6.13%
-0.5%	5.08%
0.0%	4.03%
0.5%	2.98%
1.0%	1.93%
1.5%	0.88%
2.0%	-0.17%


Source: Bloomberg. Analysis period is one year. This assumes a parallel shift in rates at the beginning of the period. This is a hypothetical analysis meant to show the difference in returns based on changes in interest rates and static duration

# Corporate Portfolios: Benchmark Historical Returns



	2Q 2025	Year to Date	1-Year	3-Year	5-Year	10-Year
0-5 Year Treasury Index	0.376%	3.060%	4.427%	3.326%	1.268%	1.686%

Source: Bloomberg Finance L.P. Data as of July 31, 2025.



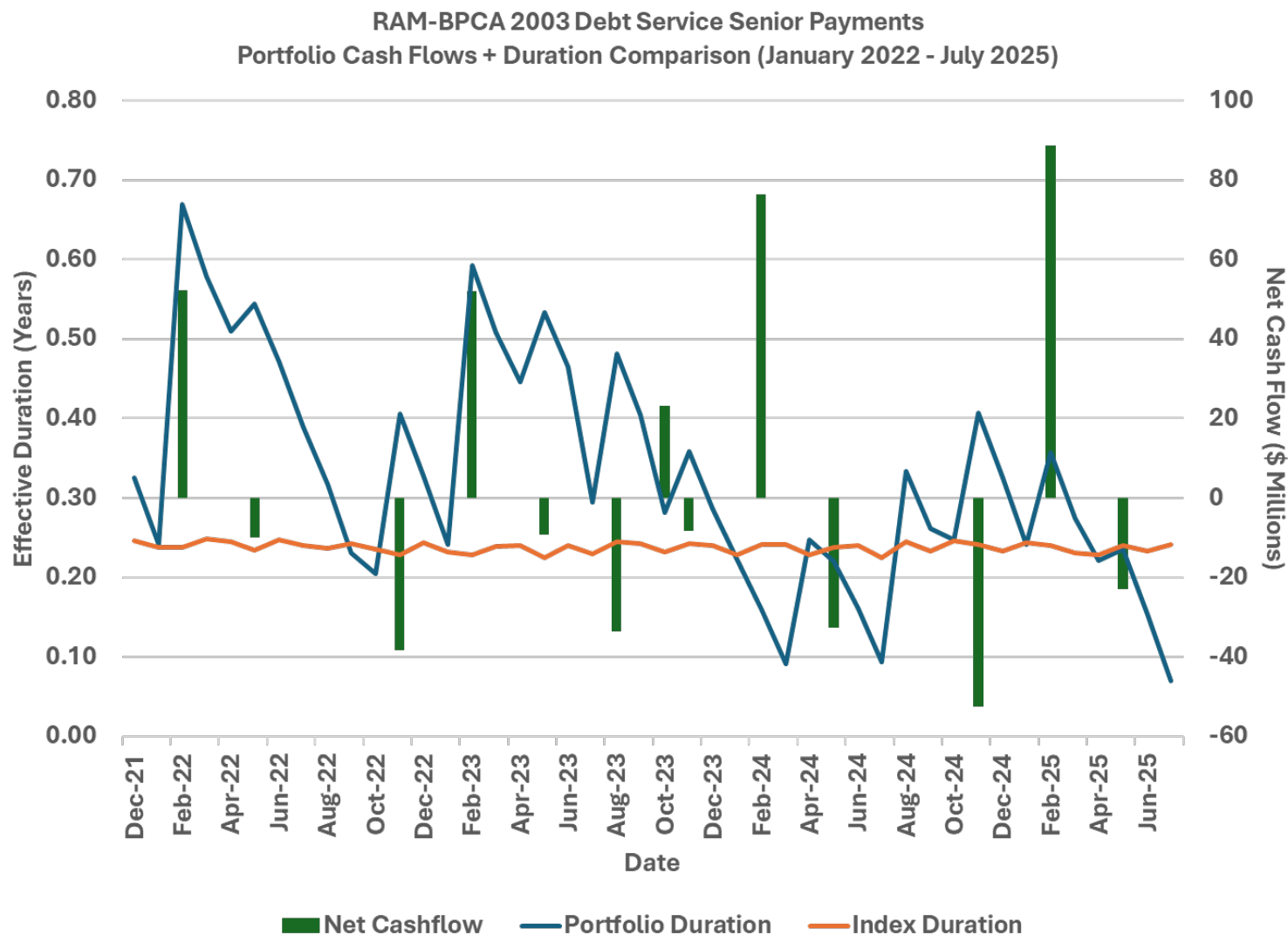
# **Ramirez Asset Management Managed Portfolios**

# Recommendations

- As of 2Q, the RAM-managed debt service reserve and project loan portfolio exhibit the following characteristics and historical performance versus the proposed ICE BofA US 3-Month Treasury Bill Index; **on average, RAM anticipates each portfolio will be managed within a tight duration band of the proposed index within the calendar year period**

Portfolio	Quality	Yield-to-Worst (%)	Effective Duration (Yrs)
<b>ICE BofA US 3-Month Treasury Bill Index</b>	<b>Aa1</b>	<b>4.242</b>	<b>0.23</b>
RAM-BPCA 2023B Project Fund	Aa1	4.202	0.14
2003 Debt Service Senior Payments	Aa1	4.285	0.15
2023C Sustainable Taxable Fund	Aa1	4.251	0.16
2003 Debt Service Junior Payments	Aa1	4.261	0.30

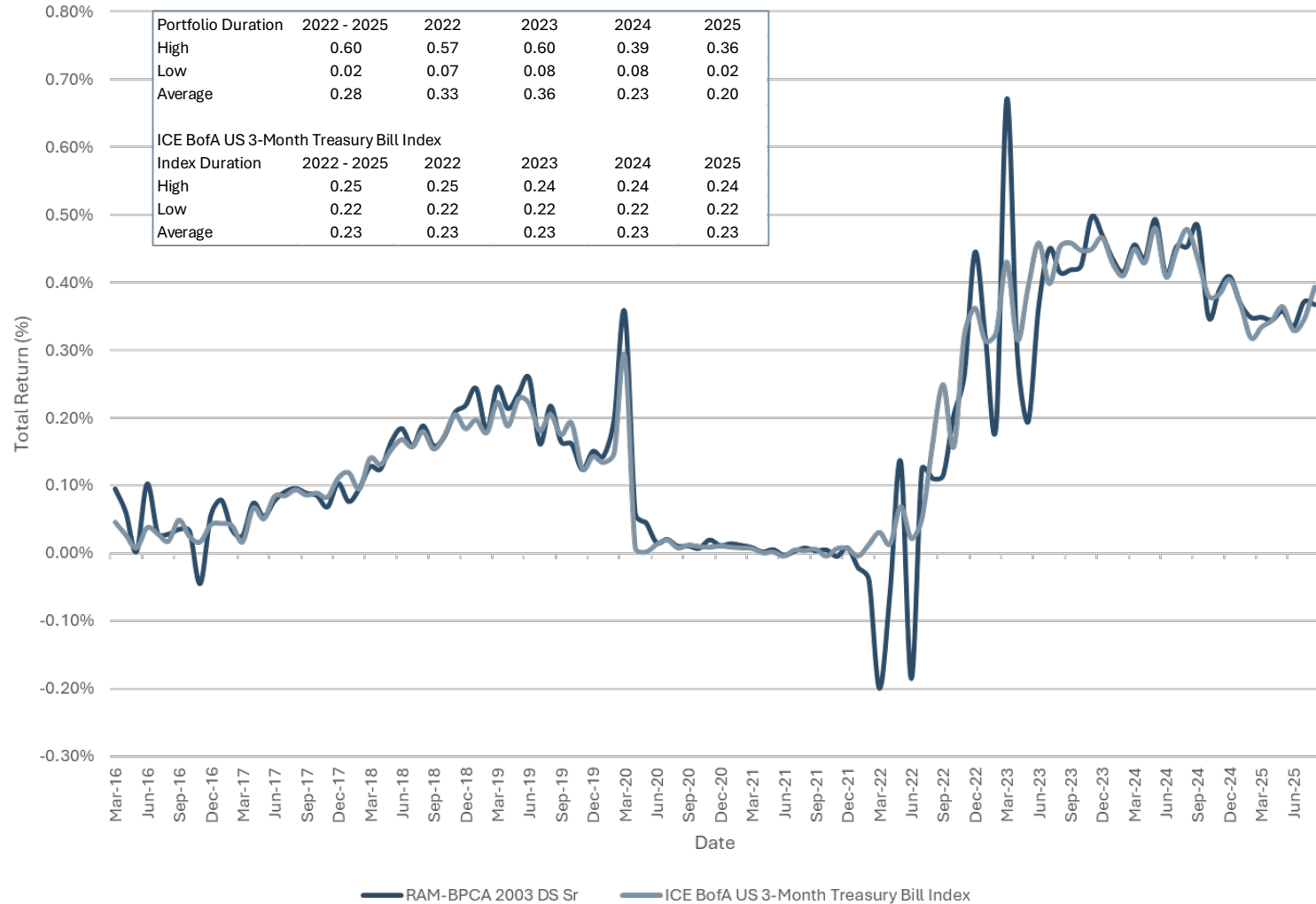
# Portfolio Overview | RAM-BPCA 2003 Debt Service Senior Payments



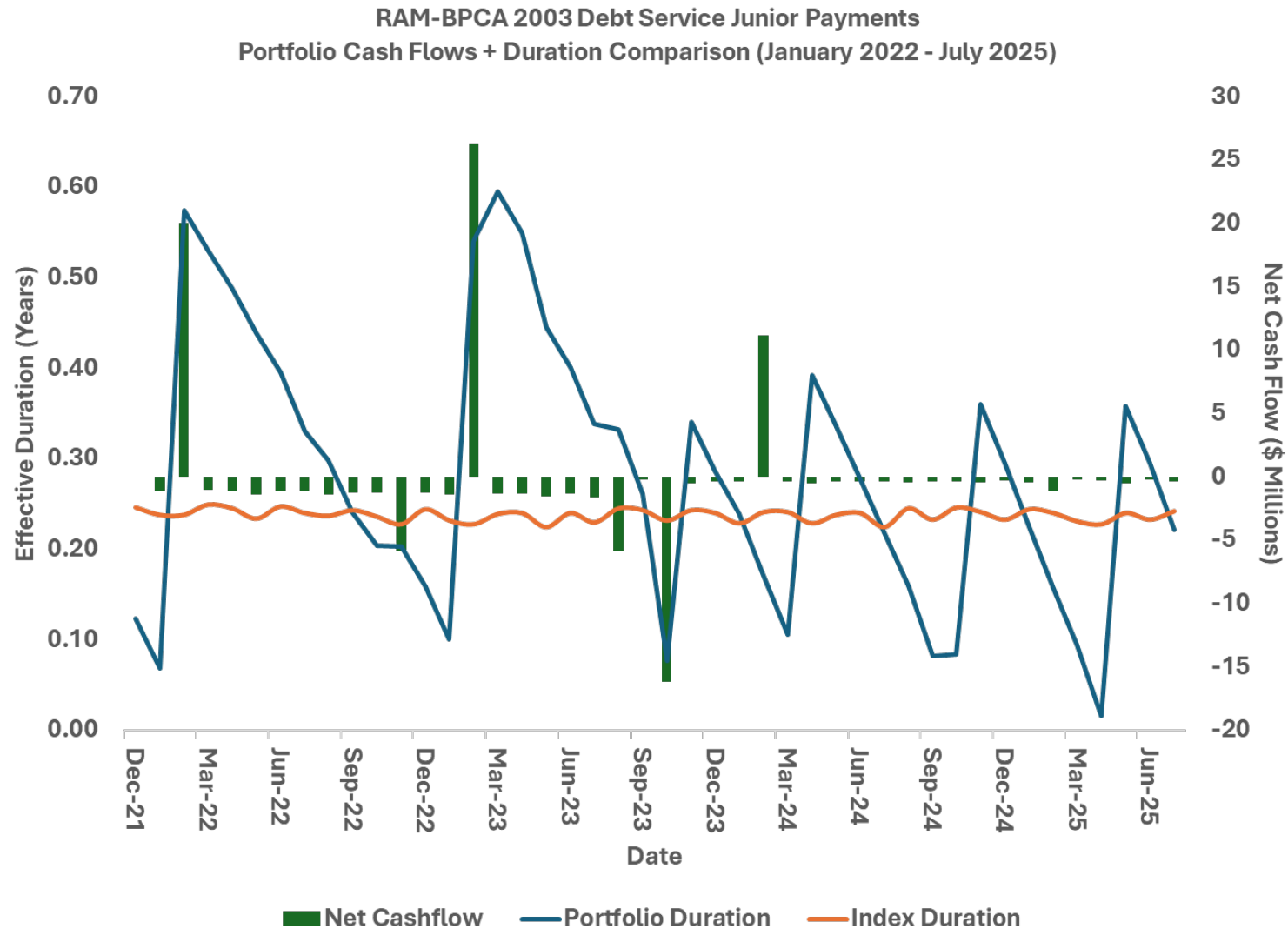
# Portfolio Overview | RAM-BPCA 2003 Debt Service Senior Payments

Historical Performance Comparison vs. ICE BofA US 3-Month Treasury Bill Index

RAM-BPCA 2003 Debt Service Senior Payments | Historical Returns



# Portfolio Overview | RAM-BPCA 2003 Debt Service Senior Payments



- RAM maintained its yearly portfolio average duration in the 0.22 – 0.41 years range to match liquidity needs while maximizing yields on the front-end of the term structure

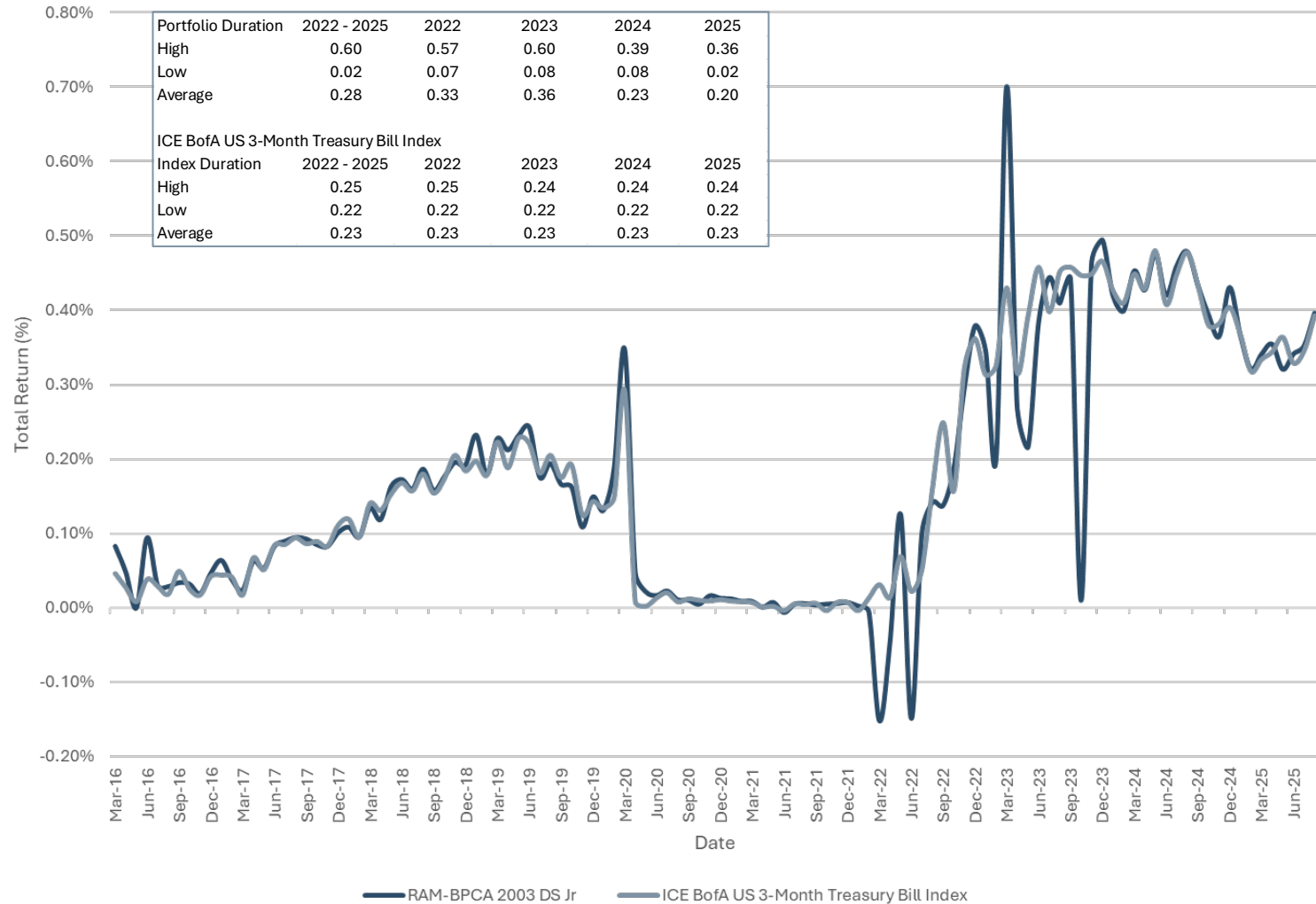
Source: Advent Portfolio Exchange ("APX"), ICE BondEdge Next Generation



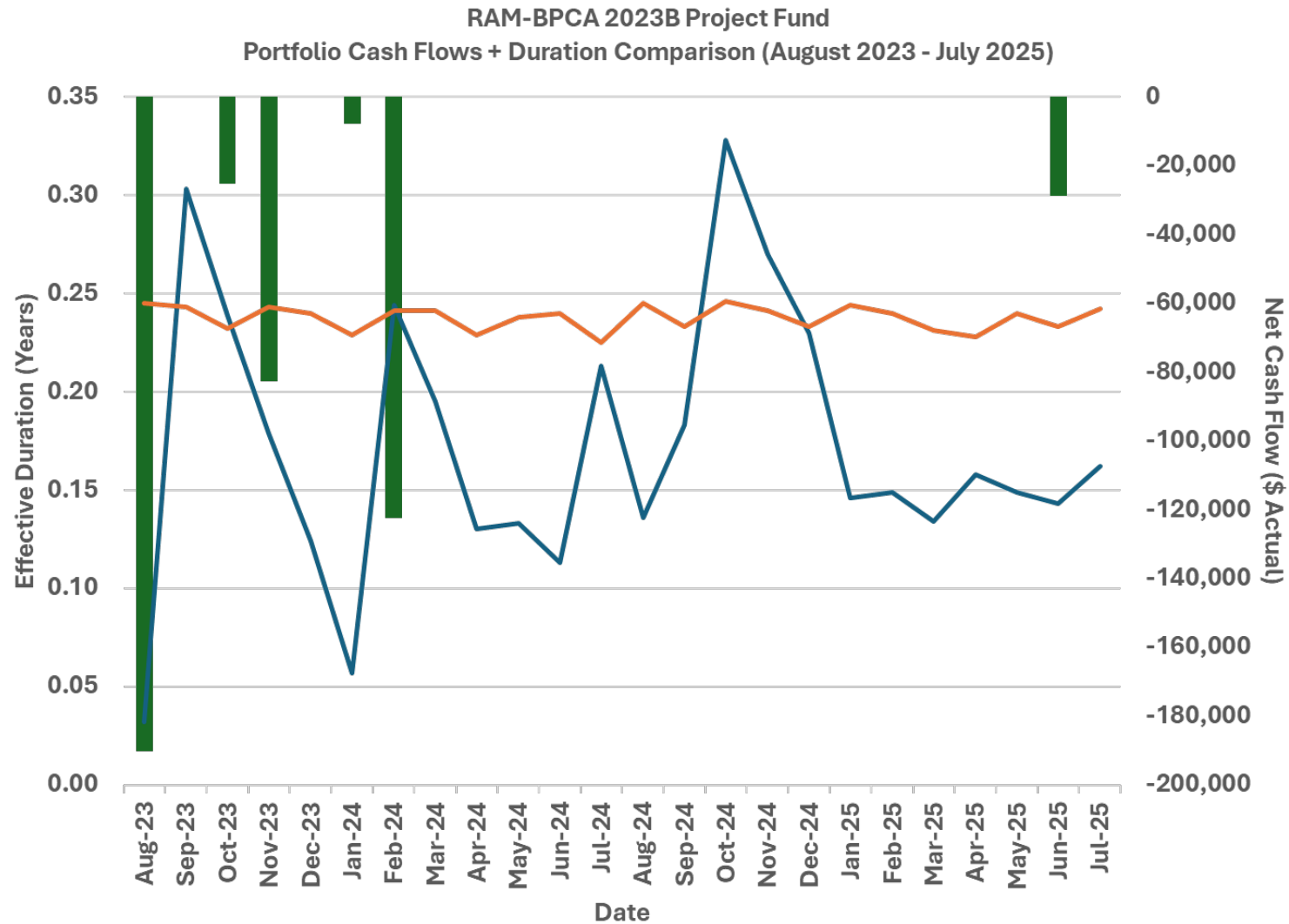
# Portfolio Overview | RAM-BPCA 2003 Debt Service Junior Payments

Historical Performance Comparison vs. ICE BofA US 3-Month Treasury Bill Index

RAM-BPCA 2003 Debt Service Junior Payments | Historical Returns



# Portfolio Overview | RAM-BPCA 2023B Project Fund

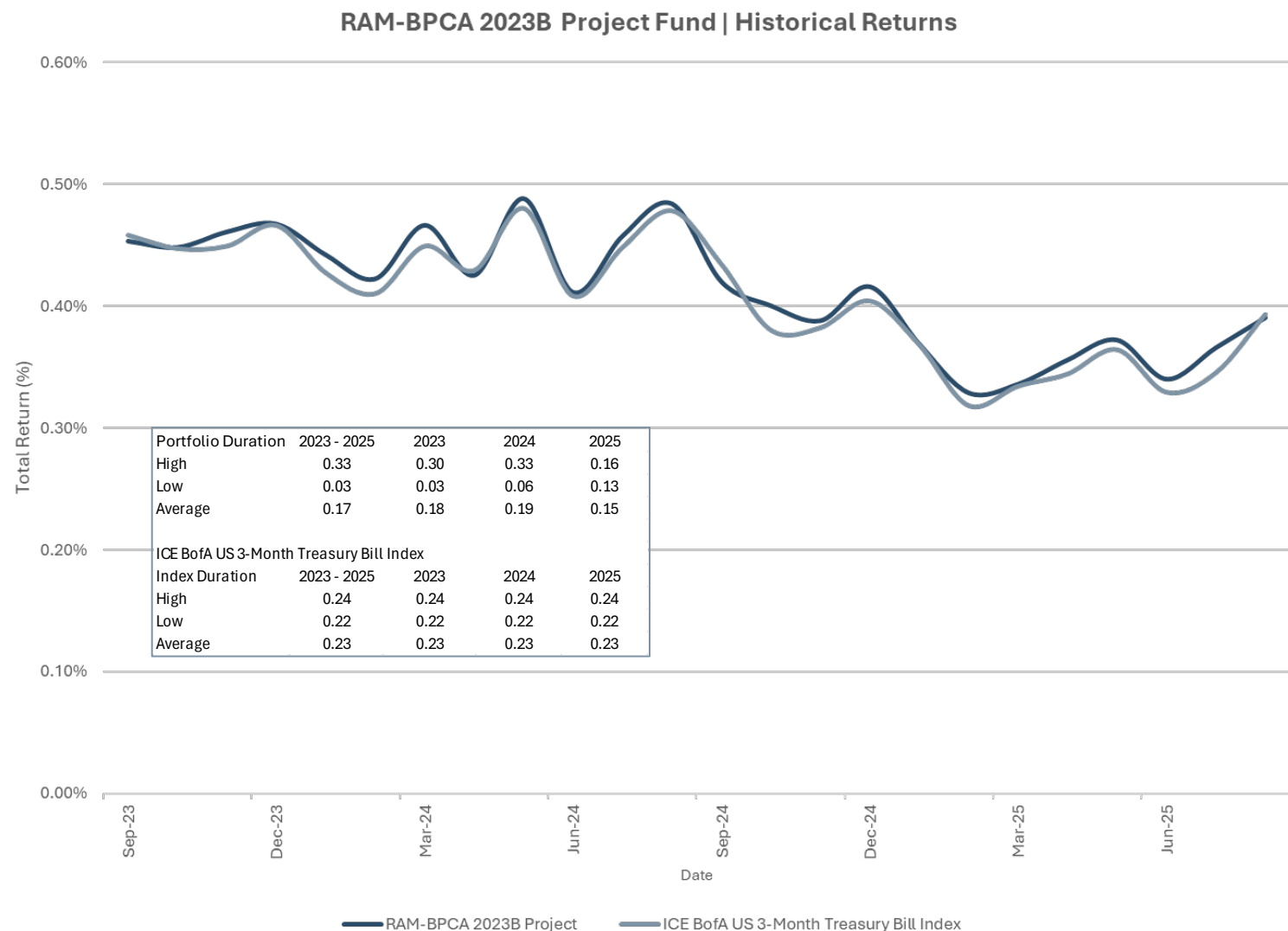


- RAM maintained an average portfolio duration in the 0.15 – 0.19 range over the selected time period to maximize yields on the front-end of the term structure. Currently, portfolio liquidity is matched on a monthly basis with inflows equaling outflows.

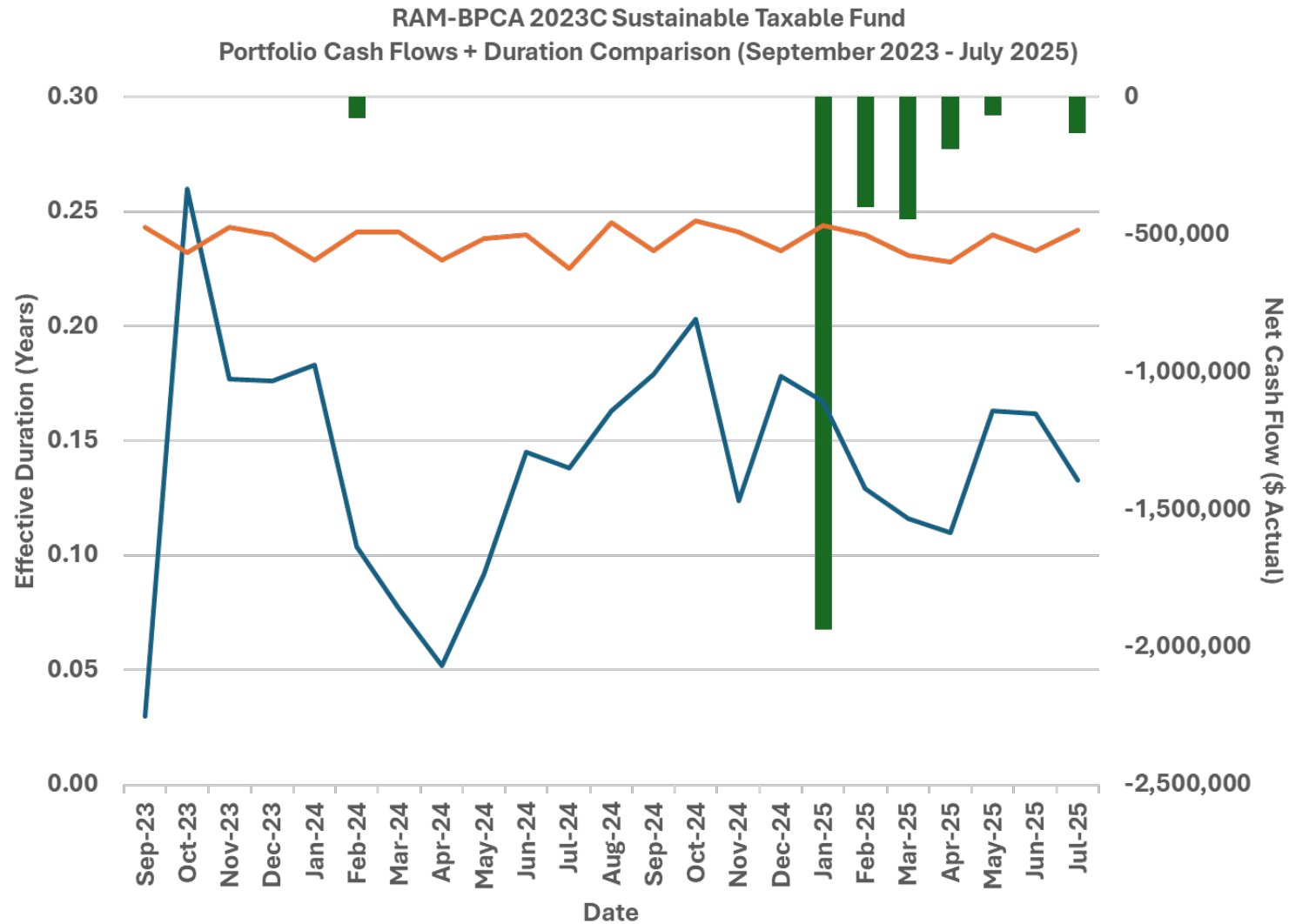
Source: Advent Portfolio Exchange ("APX"), ICE BondEdge Next Generation

# Portfolio Overview | RAM-BPCA 2023B Project Fund

Historical Performance Comparison vs. ICE BofA US 3-Month Treasury Bill Index



# Portfolio Overview | RAM-BCPA 2023C Sustainable Taxable Fund

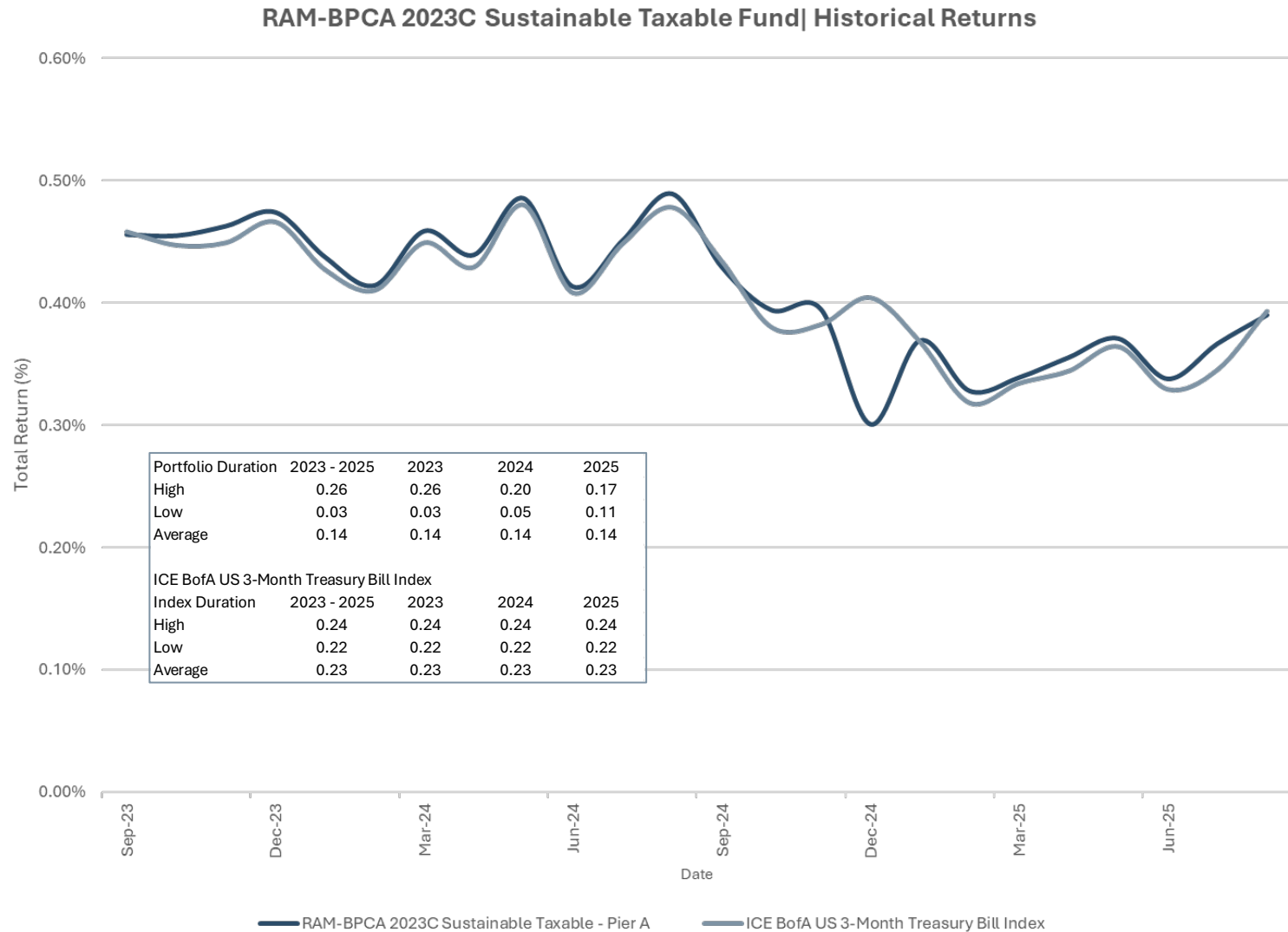


- RAM maintained portfolio duration at 0.14 years, on average, over the selected time period to maximize yields on the front-end of the term structure. Liquidity draws impacting the account began in January 2025

Source: Advent Portfolio Exchange ("APX"), ICE BondEdge Next Generation

# Portfolio Overview | RAM-BPCA 2023C Sustainable Taxable Fund

Historical Performance Comparison vs. ICE BofA US 3-Month Treasury Bill Index



# Appendix



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