



# Summary of Fund Performance

City of Austin Employees' Retirement System

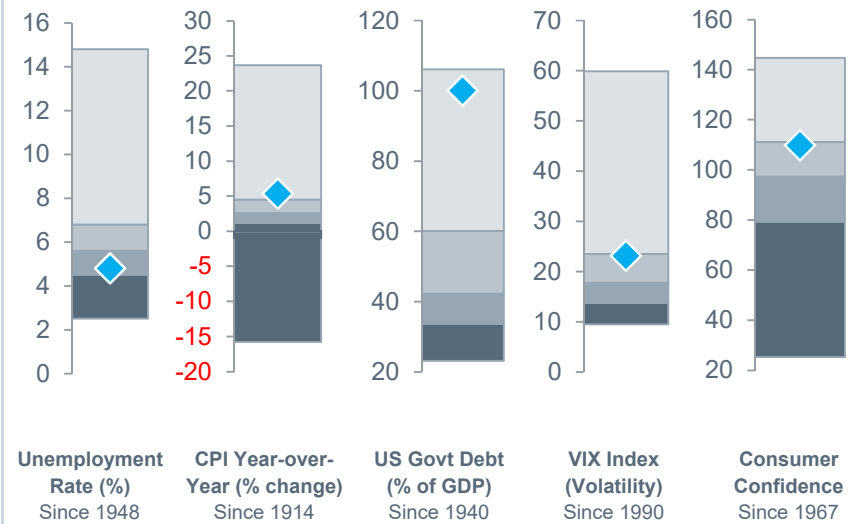
Period Ended: September 30, 2021



**Third Quarter Economic Environment**

Persistent inflationary pressures, disrupted supply chains, stalled fiscal negotiations, and the continued spread of the delta variant, all contributed to a quarter of mixed results for risk assets. In addition, heightened concerns over an increasingly stringent regulatory regime in China, combined with the debt restructuring of its second-largest property developer, led to a down quarter for emerging markets with volatility spreading to other regions as well. US markets outperformed on average, though were roughly flat. Investor sentiment was aided by a strong corporate earnings environment amid continued support from the Federal Reserve, along with improvement in some economic fundamentals. Globally, an uneven economic recovery continued, evidenced by labor market conditions and inflation readings showing mixed indications of progress. The September US non-farm payrolls report indicated a weaker than anticipated 194,000 added jobs, although past months were revised higher. The unemployment rate dropped to 4.8%, compared to 5.9% at the start of the quarter, but this decrease was largely driven by a declining labor force participation rate. The core PCE price index, the Federal Reserve's preferred measure for inflation, ran at a 30 year high based on the reading in August. Wage growth similarly rose higher in September with average hourly pay increasing 4.6% year-over-year. Overall, global growth forecasts remained relatively consistent with recent quarters.

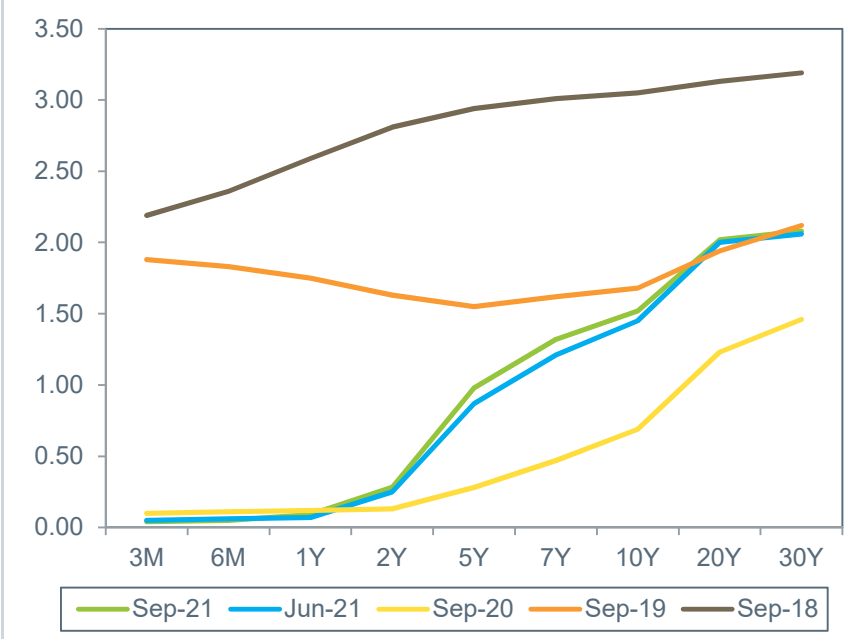
**Key Economic Indicators**



Economic Indicators	Sep-21	Jun-21	Sep-20	Sep-18	20 Yr
Federal Funds Rate (%)	0.06 ▼	0.08	0.09	2.18	1.33
Breakeven Infl. - 5 Yr (%)	2.53 ▲	2.50	1.49	2.03	1.84
Breakeven Infl. - 10 Yr (%)	2.38 ▲	2.34	1.63	2.14	2.03
CPI YoY (Headline) (%)	5.4 =	5.4	1.4	2.3	2.1
Unemployment Rate (%)	4.8 ▼	5.9	7.8	3.7	6.1
Real GDP YoY (%)	4.9 ▼	12.2	-2.9	3.1	1.9
PMI - Manufacturing	61.1 ▲	60.6	55.7	59.5	53.3
USD Total Wtd Idx	114.99 ▲	112.85	117.26	113.81	103.15
WTI Crude Oil per Barrel (\$)	75.0 ▲	73.5	40.2	73.3	63.7
Gold Spot per Oz (\$)	1,757 ▼	1,770	1,886	1,191	1,067

Market Performance (%)	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	0.58	15.92	30.00	16.90	16.63
Russell 2000	-4.36	12.41	47.68	13.45	14.63
MSCI EAFE (Net)	-0.45	8.35	25.73	8.81	8.10
MSCI EAFE SC (Net)	0.90	10.02	29.02	10.38	10.73
MSCI Emg Mkts (Net)	-8.09	-1.25	18.20	9.23	6.09
Bloomberg US Agg Bond	0.05	-1.56	-0.90	2.94	3.01
ICE BofAML 3 Mo US T-Bill	0.02	0.04	0.07	1.16	0.63
NCREIF ODCE (Gross)	6.63	13.15	14.63	7.51	9.92
FTSE NAREIT Eq REIT (TR)	0.98	23.15	37.39	6.83	11.27
HFRI FOF Comp	0.68	5.67	14.24	5.79	4.46
Bloomberg Cmdty (TR)	6.59	29.13	42.29	4.54	-2.66

**Treasury Yield Curve (%)**

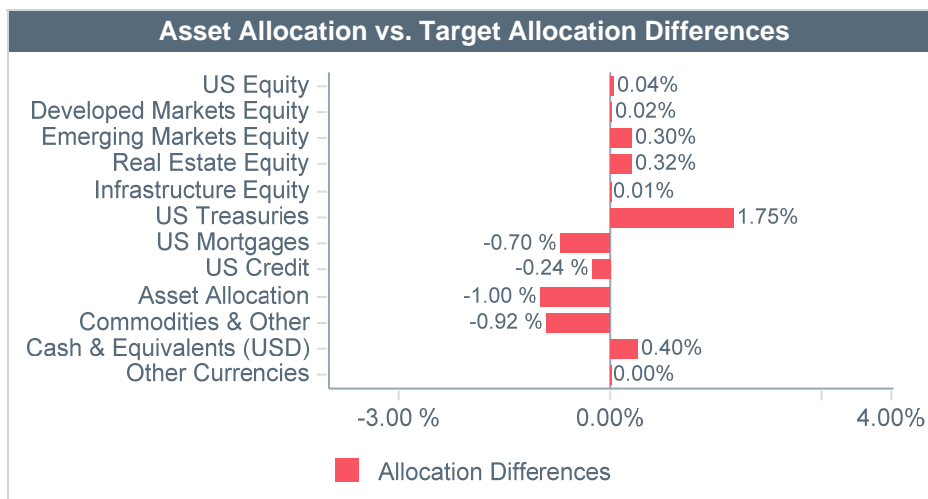
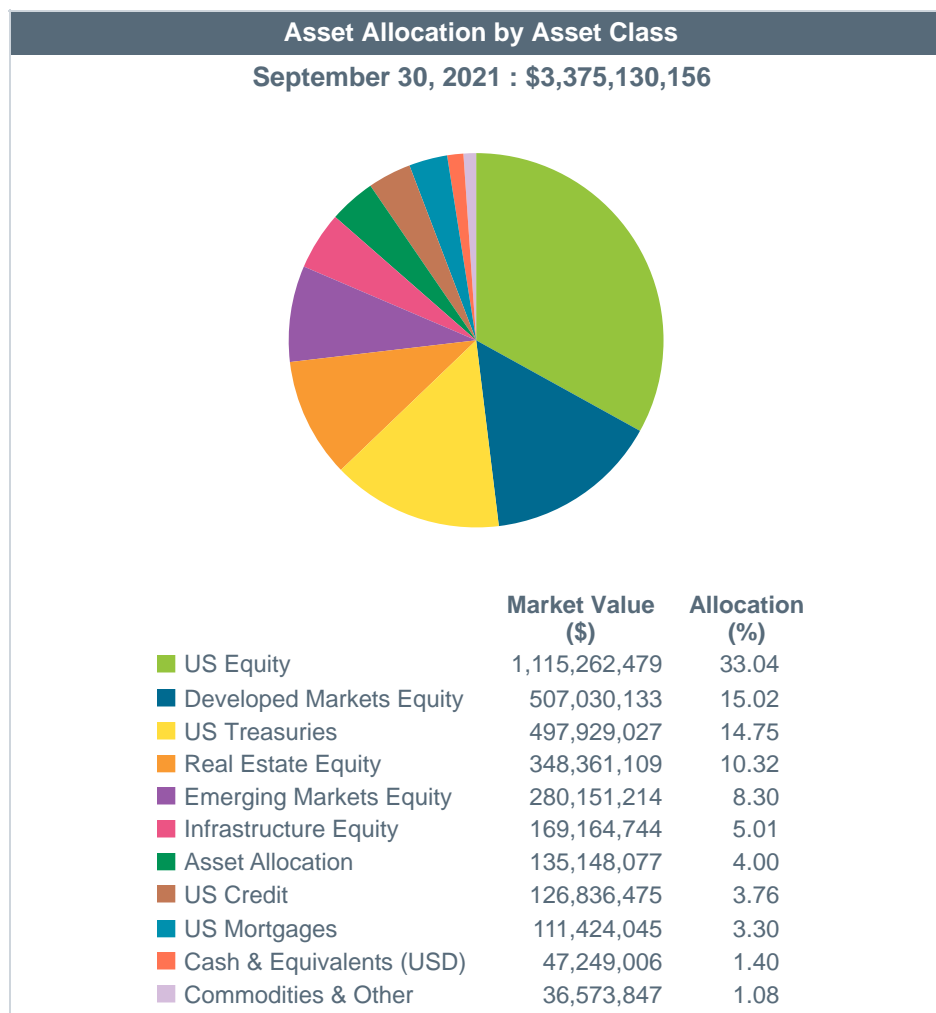


Composite: Total Fund

Asset Alloc. by Asset Class, Asset Alloc. vs. Target, and Schedule of Investable Assets

Schedule of Investable Assets					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	3,183,142,083	-43,111,176	235,099,249	3,375,130,156	7.41
1 Year	2,885,026,655	-48,182,839	538,286,340	3,375,130,156	18.70
3 Years	2,676,704,375	-126,511,794	824,937,575	3,375,130,156	9.61

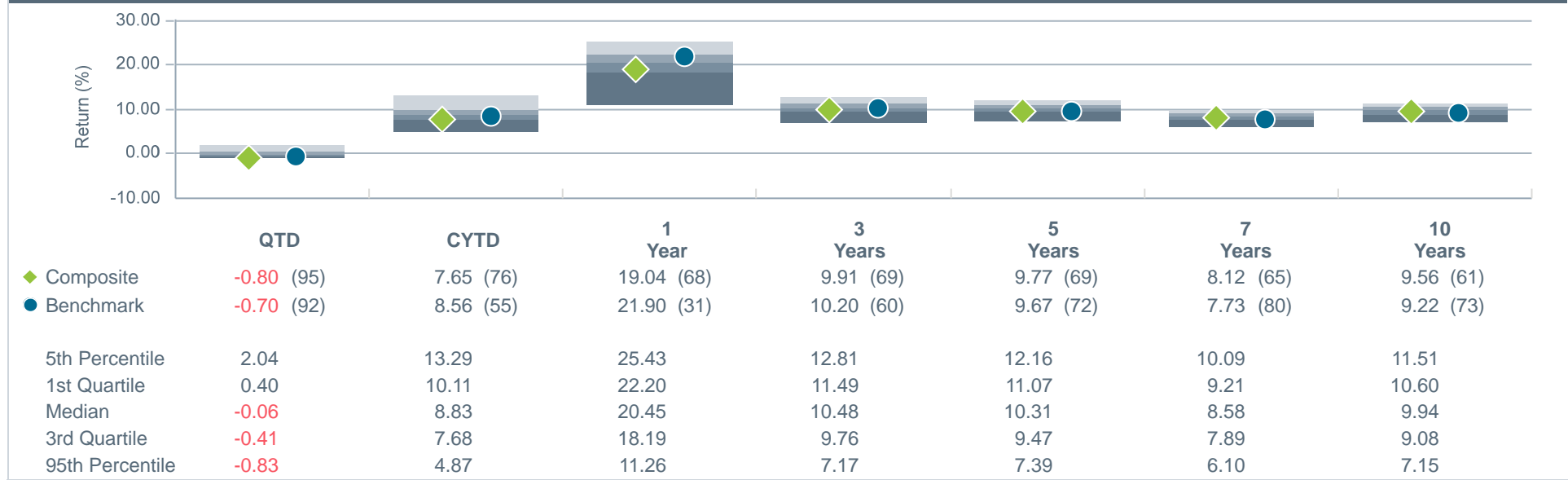
Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Neutral (%)	Min. (%)	Max. (%)
<b>Total Fund</b>	<b>3,375,130,156</b>	<b>100.00</b>	<b>100.00</b>	-	-
US Equity	1,115,262,479	33.04	33.00	28.00	38.00
Developed Markets Equity	507,030,133	15.02	15.00	12.50	17.50
Emerging Markets Equity	280,151,214	8.30	8.00	5.50	12.50
Real Estate Equity	348,361,109	10.32	10.00	7.00	13.00
Infrastructure Equity	169,164,744	5.01	5.00	1.00	7.00
US Treasuries	497,929,027	14.75	13.00	11.00	21.00
US Mortgages	111,424,045	3.30	4.00	3.00	6.00
US Credit	126,836,475	3.76	4.00	2.50	7.00
Asset Allocation	135,148,077	4.00	5.00	3.50	7.50
Commodities & Other	36,573,847	1.08	2.00	1.00	5.00
Cash & Equivalents (USD)	47,249,006	1.40	1.00	0.00	5.00
Other Currencies	-	0.00	0.00	0.00	1.00



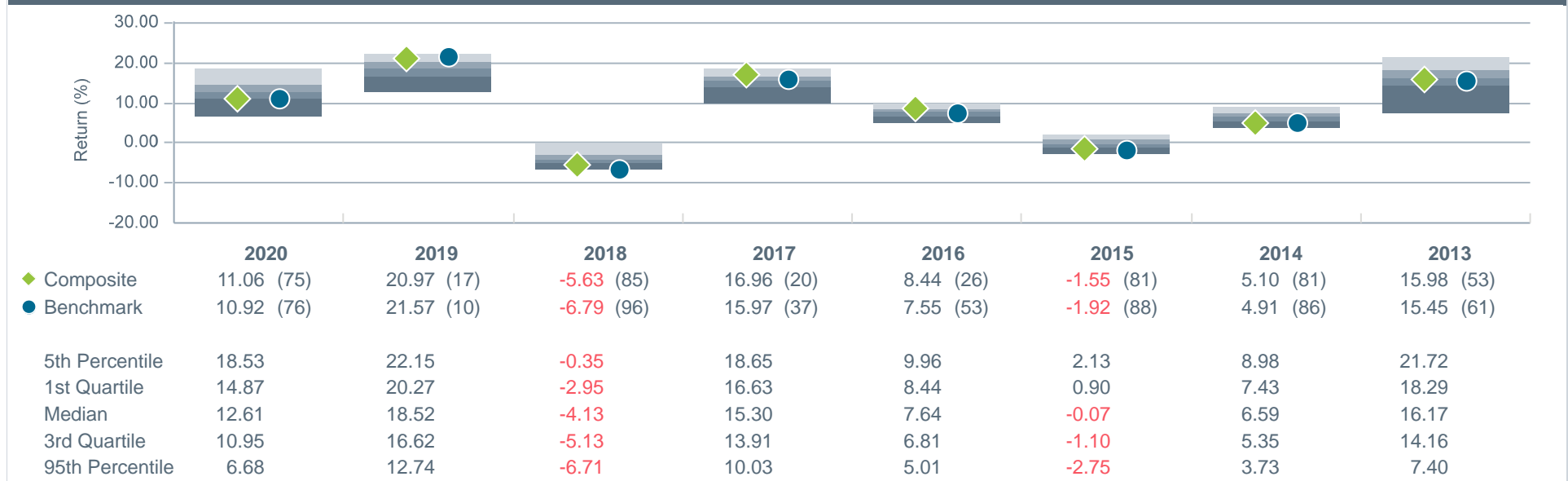
Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Performance is annualized for periods greater than one year. Total Fund market value does not include \$1,599,373 in assets remaining at Northern Trust - representing accruals, cash, tax reclaims, and some assets that were restricted from being delivered due to a liquidation or pending corporate action.



Rate of Return - Trailing



Rate of Return - Calendar

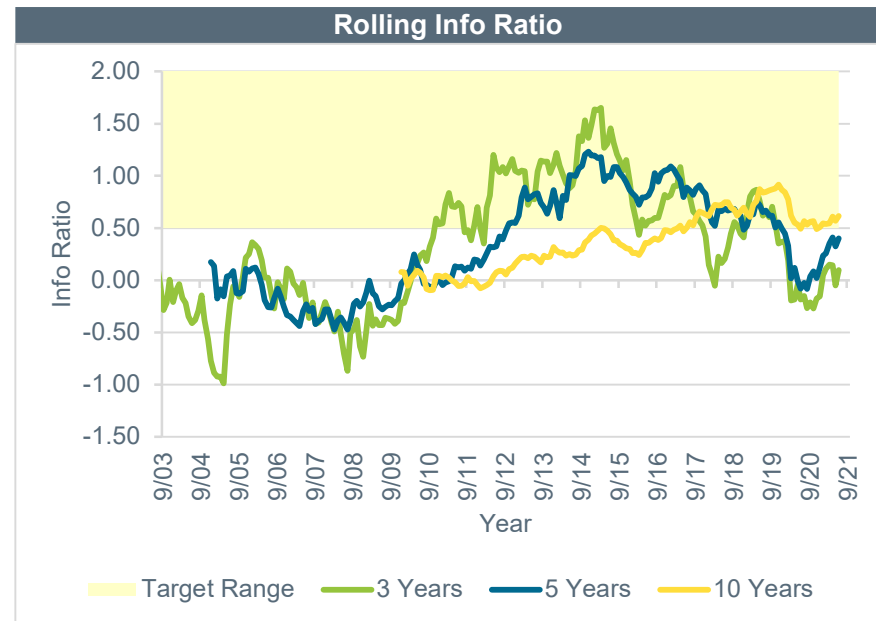
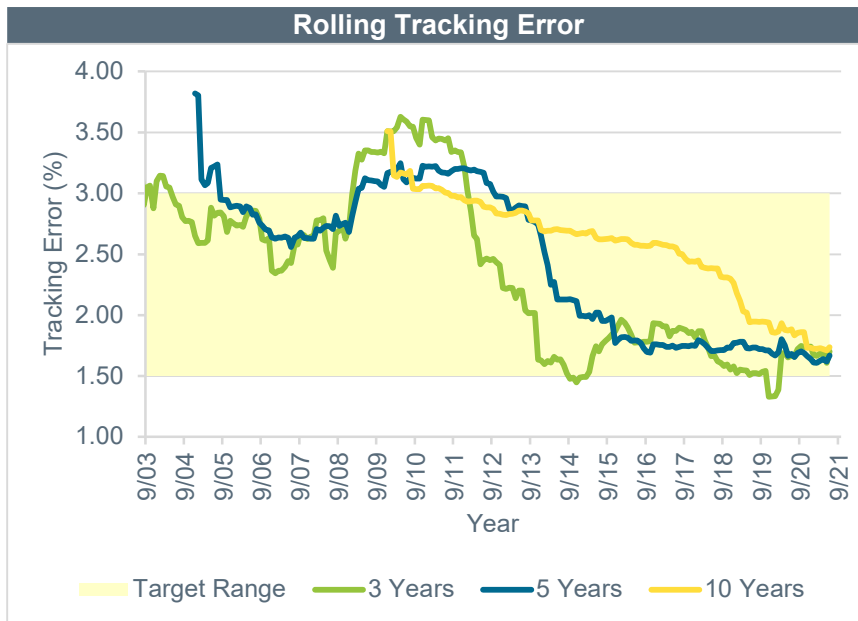
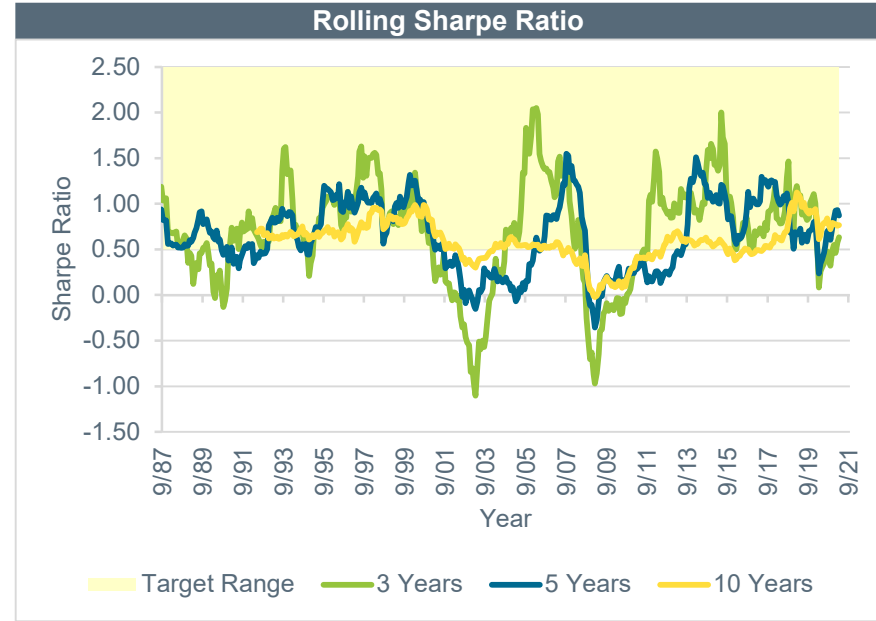
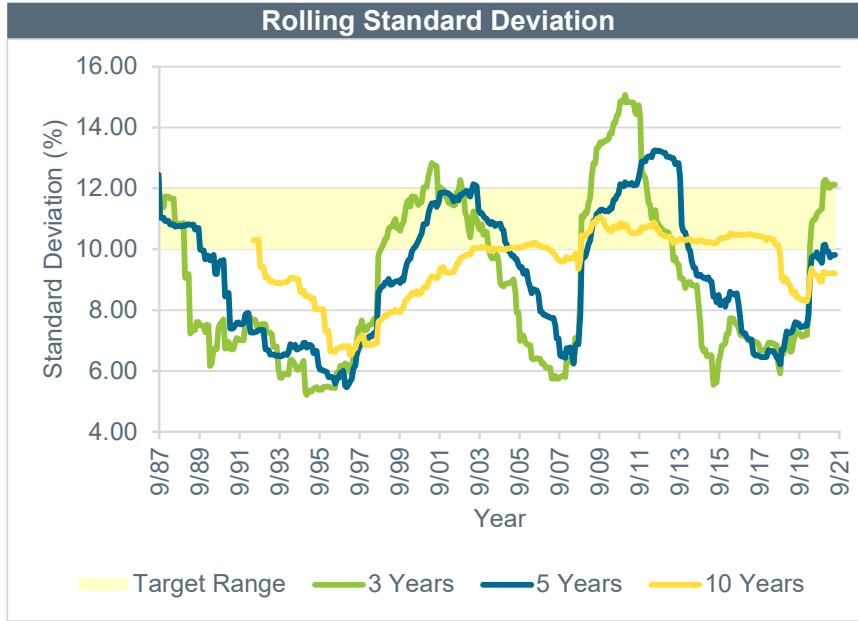


Performance shown is gross of fees and is annualized for periods greater than one year. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



**Composite: Total Fund**  
**Rolling Risk Statistics (Net of Fees)**

As of September 30, 2021



Performance shown is net of fees. Tracking Error and Info Ratio shown are relative to the Passive Benchmark.



**Composite: Total Fund**  
**Asset Allocation & Performance - Net of Fees**

As of September 30, 2021

	Allocation		Rate of Return (%)							
	Market Value (\$)	%	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	Since Incep.	Inception Date
<b>Total Fund</b>	<b>3,375,130,156</b>	<b>100.00</b>	<b>-0.86</b>	<b>7.41</b>	<b>18.70</b>	<b>9.61</b>	<b>9.47</b>	<b>9.18</b>	<b>9.91</b>	<b>06/01/1982</b>
Policy Benchmark			-0.70	8.56	21.90	10.20	9.67	9.22	N/A	
Excess Return			-0.16	-1.15	-3.20	-0.59	-0.20	-0.04	N/A	
Passive Benchmark			-0.97	4.86	15.48	9.55	8.83	7.99	N/A	
Excess Return			0.11	2.55	3.22	0.06	0.64	1.19	N/A	
<b>Global Equity</b>	<b>1,902,443,825</b>	<b>56.37</b>	<b>-1.86</b>	<b>9.83</b>	<b>27.04</b>	<b>11.98</b>	<b>12.76</b>	<b>12.04</b>	<b>9.50</b>	<b>06/01/1988</b>
Global Equity Benchmark			-1.11	11.42	28.92	12.38	13.06	11.96	N/A	
Excess Return			-0.75	-1.59	-1.88	-0.40	-0.30	0.08	N/A	
<b>US Equity</b>	<b>1,115,262,479</b>	<b>33.04</b>	<b>-0.35</b>	<b>14.97</b>	<b>31.24</b>	<b>13.62</b>	<b>14.84</b>	<b>15.27</b>	<b>11.14</b>	<b>06/01/1988</b>
US Equity Benchmark			0.31	14.99	29.95	15.94	16.82	16.59	11.17	
Excess Return			-0.66	-0.02	1.29	-2.32	-1.98	-1.32	-0.03	
<b>Developed Markets Equity</b>	<b>507,030,133</b>	<b>15.02</b>	<b>-0.21</b>	<b>7.91</b>	<b>24.27</b>	<b>10.91</b>	<b>11.16</b>	<b>9.65</b>	<b>6.11</b>	<b>01/01/2008</b>
Developed Market Equity Benchmark			-0.66	9.19	26.50	7.87	8.88	7.88	2.93	
Excess Return			0.45	-1.28	-2.23	3.04	2.28	1.77	3.18	
<b>Emerging Markets Equity</b>	<b>280,151,214</b>	<b>8.30</b>	<b>-10.53</b>	<b>-4.80</b>	<b>16.71</b>	<b>7.86</b>	<b>8.45</b>	<b>5.71</b>	<b>2.50</b>	<b>03/01/2008</b>
Emerging Market Equity Benchmark			-8.09	-1.25	18.20	8.58	9.23	6.09	2.96	
Excess Return			-2.44	-3.55	-1.49	-0.72	-0.78	-0.38	-0.46	
<b>Real Assets</b>	<b>517,525,853</b>	<b>15.33</b>	<b>1.92</b>	<b>13.19</b>	<b>19.46</b>	<b>6.27</b>	<b>6.18</b>	<b>8.23</b>	<b>6.33</b>	<b>09/01/2004</b>
Real Assets Benchmark			1.12	17.27	32.13	8.66	6.32	9.91	8.46	
Excess Return			0.80	-4.08	-12.67	-2.39	-0.14	-1.68	-2.13	
<b>Real Estate Equity</b>	<b>348,361,109</b>	<b>10.32</b>	<b>2.12</b>	<b>14.68</b>	<b>21.33</b>	<b>7.56</b>	<b>8.11</b>	<b>10.08</b>	<b>7.42</b>	<b>09/01/2004</b>
Real Estate Equity Benchmark			0.98	23.15	37.39	10.01	8.77	9.97	9.11	
Excess Return			1.14	-8.47	-16.06	-2.45	-0.66	0.11	-1.69	
<b>Infrastructure Equity</b>	<b>169,164,744</b>	<b>5.01</b>	<b>1.51</b>	<b>10.49</b>	<b>16.10</b>	<b>-1.00</b>	<b>-1.91</b>	<b>N/A</b>	<b>-1.71</b>	<b>01/01/2020</b>
Infrastructure Equity Benchmark			1.29	6.34	22.13	5.78	5.02	6.92	-0.32	
Excess Return			0.22	4.15	-6.03	-6.78	-6.93	N/A	-1.39	

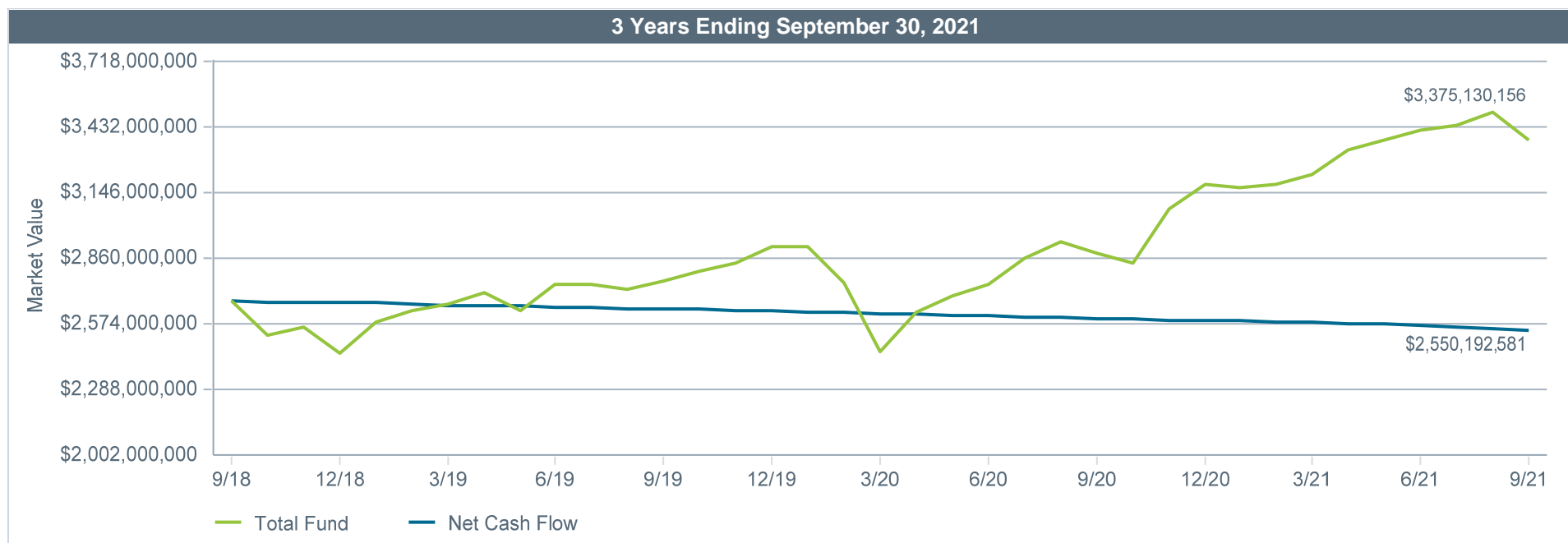
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**Composite: Total Fund  
Asset Allocation & Performance - Net of Fees**

As of September 30, 2021

	Allocation		Rate of Return (%)							
	Market Value (\$)	%	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	Since Incep.	Inception Date
<b>Global Fixed Income</b>	<b>736,189,547</b>	<b>21.81</b>	<b>0.11</b>	<b>-3.42</b>	<b>-3.60</b>	<b>4.80</b>	<b>2.70</b>	<b>3.01</b>	<b>5.68</b>	<b>02/01/1991</b>
Global Fixed Income Benchmark			-0.88	-4.06	-0.91	4.45	2.41	2.75	5.55	
Excess Return			0.99	0.64	-2.69	0.35	0.29	0.26	0.13	
<b>US Treasuries</b>	<b>497,929,027</b>	<b>14.75</b>	<b>0.19</b>	<b>-5.26</b>	<b>-6.86</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>5.25</b>	<b>05/01/2019</b>
US Treasuries Benchmark			0.09	-2.50	-3.30	4.89	2.23	2.21	4.22	
Excess Return			0.10	-2.76	-3.56	N/A	N/A	N/A	1.03	
<b>US Mortgages</b>	<b>111,424,045</b>	<b>3.30</b>	<b>-0.14</b>	<b>-0.67</b>	<b>-0.45</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2.12</b>	<b>08/01/2019</b>
US Mortgages Benchmark			0.10	-0.67	-0.43	3.85	2.17	2.41	2.24	
Excess Return			-0.24	0.00	-0.02	N/A	N/A	N/A	-0.12	
<b>US Credit</b>	<b>126,836,475</b>	<b>3.76</b>	<b>0.08</b>	<b>-0.56</b>	<b>3.34</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>6.34</b>	<b>08/01/2019</b>
US Credit Benchmark			-0.03	-1.30	1.45	7.10	4.37	4.60	5.25	
Excess Return			0.11	0.74	1.89	N/A	N/A	N/A	1.09	
<b>Multi-Asset</b>	<b>171,721,925</b>	<b>5.09</b>	<b>-0.99</b>	<b>6.85</b>	<b>19.54</b>	<b>9.88</b>	<b>8.09</b>	<b>N/A</b>	<b>6.22</b>	<b>02/01/2014</b>
Multi-Asset Benchmark			-0.97	7.25	20.42	9.39	8.74	7.94	6.99	
Excess Return			-0.02	-0.40	-0.88	0.49	-0.65	N/A	-0.77	
<b>Asset Allocation</b>	<b>135,148,077</b>	<b>4.00</b>	<b>-0.94</b>	<b>5.07</b>	<b>14.65</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>17.52</b>	<b>05/01/2020</b>
Multi-Asset Benchmark			-0.97	7.25	20.42	9.39	8.74	7.94	23.28	
Excess Return			0.03	-2.18	-5.77	N/A	N/A	N/A	-5.76	
<b>Commodities &amp; Other</b>	<b>36,573,847</b>	<b>1.08</b>	<b>-1.17</b>	<b>-5.69</b>	<b>-5.16</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.98</b>	<b>04/01/2021</b>
Commodities & Other Benchmark			6.59	29.13	42.29	6.86	4.54	-2.66	20.77	
Excess Return			-7.76	-34.82	-47.45	N/A	N/A	N/A	-16.79	
<b>Cash &amp; Equivalents</b>	<b>47,249,006</b>	<b>1.40</b>	<b>0.02</b>	<b>0.01</b>	<b>0.02</b>	<b>1.05</b>	<b>1.03</b>	<b>N/A</b>	<b>1.13</b>	<b>07/01/2017</b>
Cash & Equivalents Benchmark			0.01	0.03	0.05	1.11	1.09	0.58	1.20	
Excess Return			0.01	-0.02	-0.03	-0.06	-0.06	N/A	-0.07	

Performance shown is net of fees and is annualized for periods greater than one year. Indices show N/A for since inception returns when the fund contains more history than the corresponding benchmark.



Schedule of Investable Assets - Quarter To Date						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
QTD	3,422,486,262	234,174,700	252,375,355	-18,200,655	-29,155,452	3,375,130,156

Schedule of Investable Assets - Year To Date						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
CYTD	3,183,142,083	712,423,056	755,534,232	-43,111,176	235,099,249	3,375,130,156

Schedule of Investable Assets - 1 Year						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
1 Year	2,885,026,655	1,167,447,983	1,215,630,821	-48,182,839	538,286,340	3,375,130,156

Schedule of Investable Assets - 3 Years						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
3 Years	2,676,704,375	5,313,413,858	5,439,925,653	-126,511,794	824,937,575	3,375,130,156

Cash flows shown are net of fees. Net cash flow shown in the line chart represents the beginning market value, adjusted for cash flows. Contributions and withdrawals detail shown includes intra-portfolio cash flows.

