



Summary of Fund Performance

City of Austin Employees' Retirement System

Period Ended: December 31, 2021



Capital Markets Review		Market Performance					
<ul style="list-style-type: none"> Inflation remained a top concern among investors as the year-over-year change in the CPI reached 7.0% according to the December reading, the highest level in 30 years. GDP growth estimates for 2022 were impacted with forecasts trending lower, but most continue to reflect healthy growth expected next year. Treasury yields have trended upwards and credit spreads widened in the quarter. 		QTD	1 Year	3 Years	5 Years	10 Years	
		S&P 500 (Mkt Cap Wtd)	11.0	28.7	26.1	18.5	16.6
		Russell 2000	2.1	14.8	20.0	12.0	13.2
		MSCI EAFE (Net)	2.7	11.3	13.5	9.5	8.0
		MSCI Emg Mkts (Net)	-1.3	-2.5	10.9	9.9	5.5
		Bbrg US Agg Bond	0.0	-1.5	4.8	3.6	2.9
		Bbrg Comdty (TR)	-1.6	27.1	9.9	3.7	-2.9
NCREIF ODCE (Net)	7.7	21.1	8.2	7.7	9.4		

Total Fund Performance												
	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Total Fund	5.2	13.0	13.0	14.7	10.6	8.4	9.2	10.8	20.7	-5.9	16.6	8.1
Policy Benchmark	5.4	14.4	14.4	15.5	10.8	8.4	9.2	10.9	21.6	-6.8	16.0	7.5
Excess Return	-0.2	-1.4	-1.4	-0.8	-0.2	0.0	0.0	-0.1	-0.9	0.9	0.6	0.6

Total Fund Risk Metrics											
	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016	
Sharpe Ratio	1.9	1.2	0.9	0.8	1.0	0.6	2.3	-0.9	7.8	1.0	
Standard Deviation	6.7	11.6	9.5	10.1	8.8	17.4	7.3	8.3	1.8	7.5	
Tracking Error	1.2	1.7	1.6	1.8	1.7	2.0	1.0	1.8	1.0	1.7	

Asset Class Performance						
	QTD	CYTD	1 Year	3 Years	Since Incep	Inception Date
Total Fund	5.2	13.0	13.0	14.7	10.0	06/01/1982
Policy Benchmark	5.4	14.4	14.4	15.5	N/A	
Excess Return	-0.2	-1.4	-1.4	-0.8	N/A	
US Equity	8.8	25.1	25.1	23.1	11.3	06/01/1988
US Equity Benchmark	10.0	26.5	26.5	26.0	11.4	
Excess Return	-1.2	-1.4	-1.4	-2.9	-0.1	
Developed Markets Equity	3.4	11.6	11.6	17.4	6.3	01/01/2008
Developed Market Equity Benchmark	3.1	12.6	12.6	14.1	3.1	
Excess Return	0.3	-1.0	-1.0	3.3	3.2	
Emerging Markets Equity	-1.7	-6.4	-6.4	9.9	2.3	03/01/2008
Emerging Market Equity Benchmark	-1.3	-2.5	-2.5	10.9	2.8	
Excess Return	-0.4	-3.9	-3.9	-1.0	-0.5	
Real Estate Equity	12.0	28.4	28.4	11.2	8.0	09/01/2004
Real Estate Equity Benchmark	16.3	43.2	43.2	18.4	9.9	
Excess Return	-4.3	-14.8	-14.8	-7.2	-1.9	
Infrastructure Equity	5.4	16.4	16.4	0.7	1.1	01/01/2020
Infrastructure Equity Benchmark	4.4	11.0	11.0	9.3	1.9	
Excess Return	1.0	5.4	5.4	-8.6	-0.8	
Global Fixed Income	1.0	-2.5	-2.5	4.7	5.7	02/01/1991
Global Fixed Income Benchmark	-0.7	-4.7	-4.7	3.6	5.5	
Excess Return	1.7	2.2	2.2	1.1	0.2	
Asset Allocation	3.6	8.8	8.8	N/A	17.2	05/01/2020
Multi-Asset Benchmark	3.7	11.3	11.3	13.6	22.1	
Excess Return	-0.1	-2.5	-2.5	N/A	-4.9	
Commodities & Other	3.5	-2.4	-2.4	N/A	N/A	07/01/2017
Commodities & Other Benchmark	-1.6	27.1	27.1	9.9	5.3	
Excess Return	5.1	-29.5	-29.5	N/A	N/A	

Performance Commentary
<ul style="list-style-type: none"> The Total Fund returned 5.2% net of fees in the second quarter, underperforming the Policy Benchmark which returned 5.4%. Real Estate Equity was the best performing asset class on an absolute net of fees returning 12.0%. Commodities & Others had strong relative returns, outpacing its benchmark in Q4.

Asset Allocation vs. Target Allocation			
	Market Value (\$000)	Allocation (%)	Target (%)
US Equity	1,214,041	34.3	33.0
DM Equity	524,374	14.8	15.0
EM Equity	275,491	7.8	8.0
Real Estate Equity	390,036	11.0	10.0
Infrastructure Equity	178,255	5.0	5.0
Global Fixed Income	743,458	21.0	21.0
Asset Allocation	139,987	4.0	5.0
Commodities & Other	37,846	1.1	2.0
Cash & Equivalents	35,247	1.0	1.0
Total Fund	3,538,734	100.0	100.0

Schedule of Investable Assets					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	3,183,142,083	-54,695,038	410,287,291	3,538,734,335	12.99

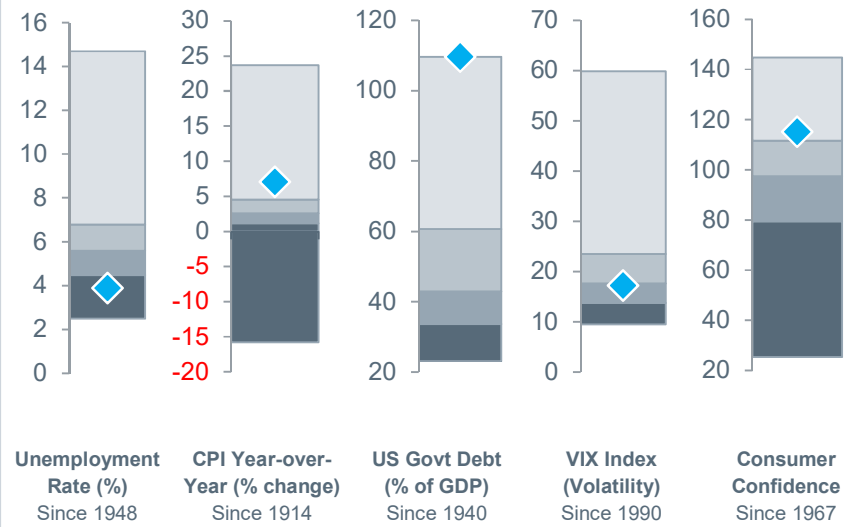
Performance shown is net of fees. Allocations shown may not sum up to 100% exactly. Tracking Error shown is relative to the Passive Benchmark. Risk statistics shown are less meaningful for periods less than one year. Please see the addendum for custom benchmark definitions.



Fourth Quarter Economic Environment

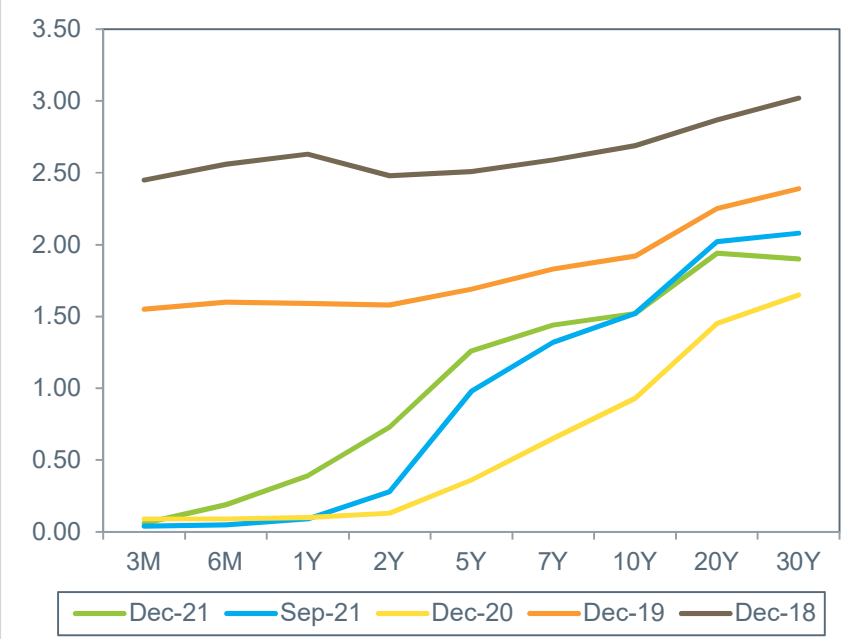
Inflation remained a top concern among investors as the year-over-year change in the CPI reached 7.0% according to the December reading, the highest level in 30 years. Nevertheless, consumer demand and the ability of companies to pass along increasing costs have buoyed corporate profits. Employment data has indicated mixed progress and has been complicated by releases missing expectations, only to be revised higher in subsequent reports. However, strong wage growth and a declining unemployment rate reflect incremental improvement in labor conditions. Headlines were dominated by the emergence of the omicron variant which early studies suggest spreads more quickly, but causes fewer hospitalizations. Continued vaccination efforts and the development of new treatments countered concerns regarding the increased spread of the virus. GDP growth estimates for 2022 were impacted with forecasts trending lower, but most continue to reflect healthy growth expected next year. For instance, the IMF released a 2022 GDP growth forecast of 4.9% in October representing a decline of 0.1% from its July estimate. In response to the current environment, the Federal Reserve has started to reduce measures taken during the pandemic. The tapering of bond purchases began in November and accelerated in December, a trend expected to continue in 2022. In response to these conditions, Treasury yields have trended upwards and credit spreads widened in the quarter.

Key Economic Indicators



Economic Indicators	Dec-21	Sep-21	Dec-20	Dec-18	20 Yr
Federal Funds Rate (%)	0.07 ▲	0.06	0.09	2.40	1.30
Breakeven Infl. - 5 Yr (%)	2.91 ▲	2.53	1.97	1.49	1.86
Breakeven Infl. - 10 Yr (%)	2.59 ▲	2.38	1.99	1.71	2.04
CPI YoY (Headline) (%)	7.0 ▲	5.4	1.4	1.9	2.2
Unemployment Rate (%)	3.9 ▼	4.7	6.7	3.9	6.1
Real GDP YoY (%)	5.5 ▲	4.9	-2.3	2.3	1.9
PMI - Manufacturing	58.8 ▼	60.5	60.5	54.9	53.5
USD Total Wtd Idx	115.32 ▲	114.67	111.33	115.57	103.10
WTI Crude Oil per Barrel (\$)	75.2 ▲	75.0	48.5	45.4	64.4
Gold Spot per Oz (\$)	1,829 ▲	1,757	1,898	1,282	1,086

Treasury Yield Curve (%)



Market Performance (%)	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	11.03	28.71	28.71	18.47	16.55
Russell 2000	2.14	14.82	14.82	12.02	13.23
MSCI EAFE (Net)	2.69	11.26	11.26	9.55	8.03
MSCI EAFE SC (Net)	0.07	10.10	10.10	11.04	10.80
MSCI Emg Mkts (Net)	-1.31	-2.54	-2.54	9.87	5.49
Bloomberg US Agg Bond	0.01	-1.55	-1.55	3.57	2.90
ICE BofAML 3 Mo US T-Bill	0.01	0.05	0.05	1.14	0.63
NCREIF ODCE (Gross)	7.97	22.17	22.17	8.71	10.45
FTSE NAREIT Eq REIT (TR)	16.31	43.24	43.24	10.75	11.38
HFRI FOF Comp	0.29	6.03	6.03	5.68	4.54
Bloomberg Cmdty (TR)	-1.56	27.11	27.11	3.66	-2.85

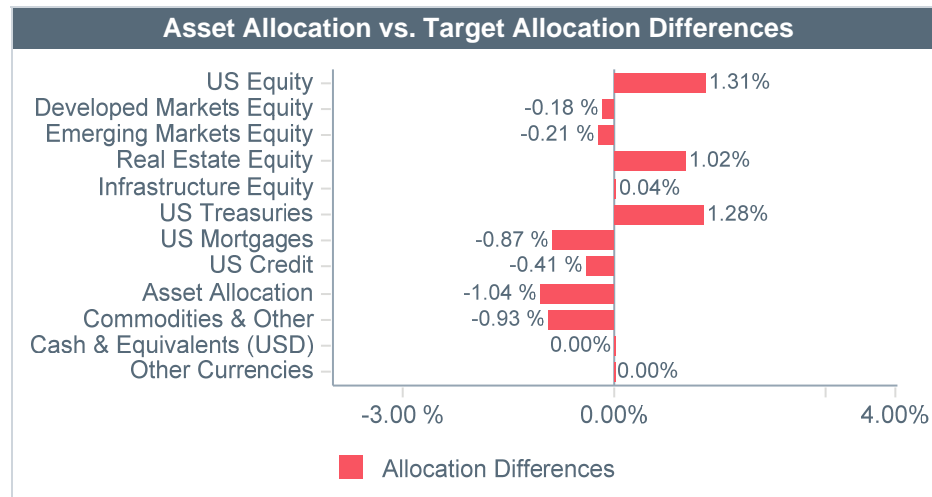
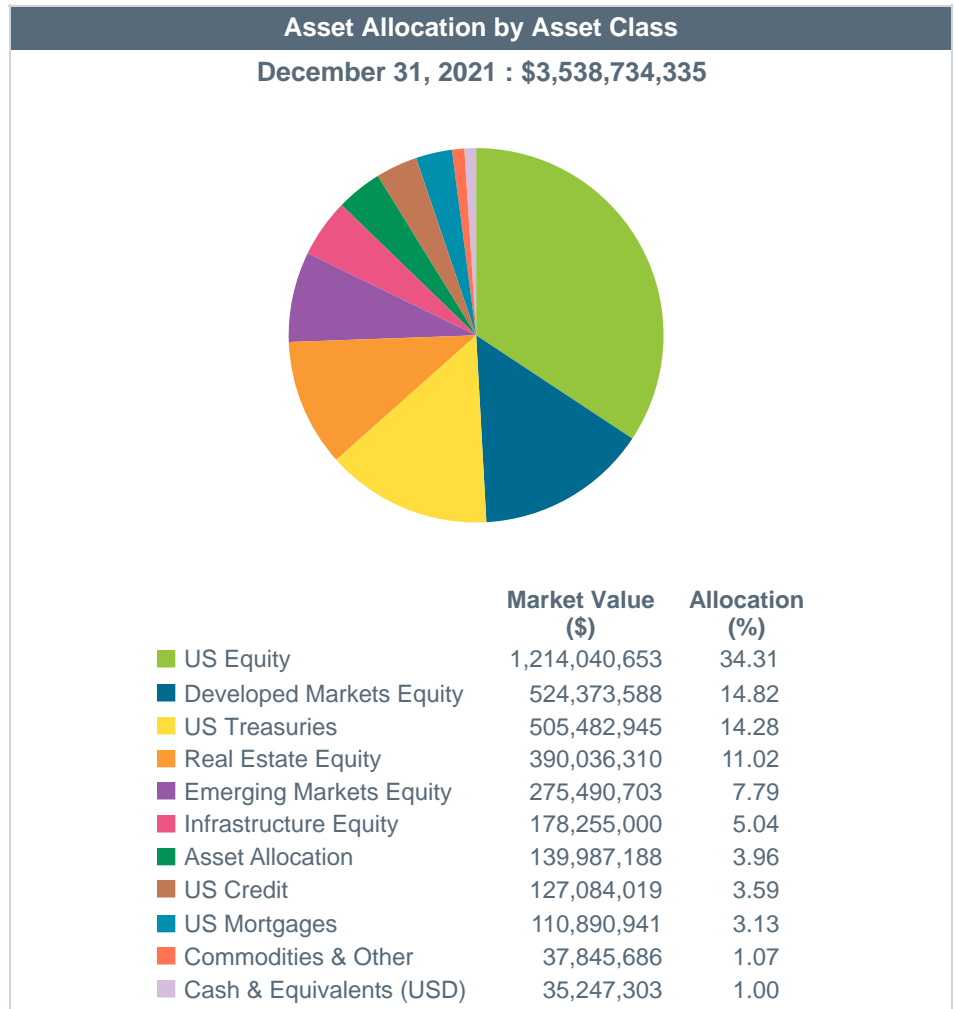


Composite: Total Fund

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	-54,695,038	410,287,291	3,538,734,335	12.99
1 Year	3,183,142,083	-54,695,038	410,287,291	3,538,734,335	12.99
3 Years	2,447,648,033	-130,251,604	1,221,337,906	3,538,734,335	14.73

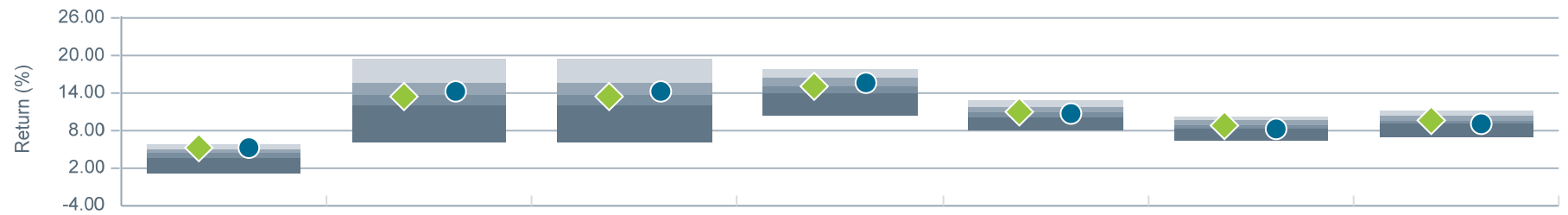
Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Neutral (%)	Min. (%)	Max. (%)
Total Fund	3,538,734,335	100.00	100.00	-	-
US Equity	1,214,040,653	34.31	33.00	28.00	38.00
Developed Markets Equity	524,373,588	14.82	15.00	12.50	17.50
Emerging Markets Equity	275,490,703	7.79	8.00	5.50	12.50
Real Estate Equity	390,036,310	11.02	10.00	7.00	13.00
Infrastructure Equity	178,255,000	5.04	5.00	1.00	7.00
US Treasuries	505,482,945	14.28	13.00	11.00	21.00
US Mortgages	110,890,941	3.13	4.00	3.00	6.00
US Credit	127,084,019	3.59	4.00	2.50	7.00
Asset Allocation	139,987,188	3.96	5.00	3.50	7.50
Commodities & Other	37,845,686	1.07	2.00	1.00	5.00
Cash & Equivalents (USD)	35,247,303	1.00	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 \$985,507 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.

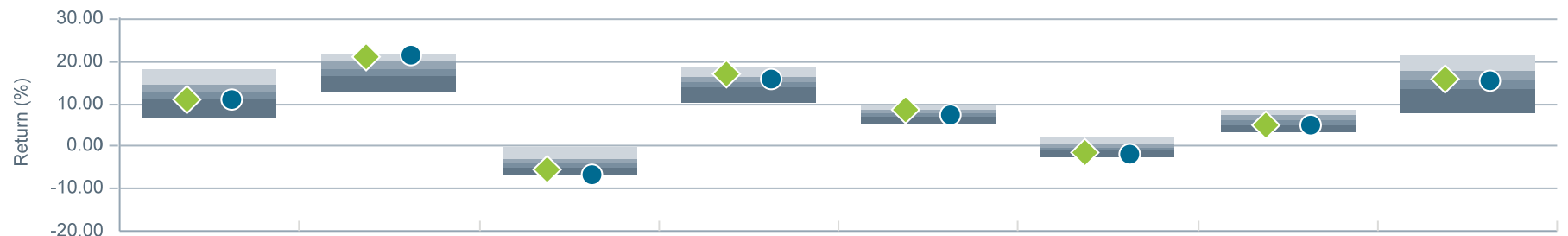


Rate of Return - Trailing



	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years
◆ Composite	5.26 (14)	13.32 (55)	13.32 (55)	15.04 (51)	10.94 (53)	8.71 (56)	9.55 (54)
● Benchmark	5.36 (12)	14.38 (40)	14.38 (40)	15.54 (41)	10.76 (61)	8.40 (70)	9.17 (68)
5th Percentile	5.91	19.53	19.53	17.81	12.79	10.28	11.19
1st Quartile	4.93	15.56	15.56	16.33	11.88	9.54	10.33
Median	4.32	13.60	13.60	15.08	10.98	8.86	9.69
3rd Quartile	3.56	12.09	12.09	13.92	10.26	8.23	8.99
95th Percentile	1.16	6.21	6.21	10.57	8.13	6.38	6.80

Rate of Return - Calendar

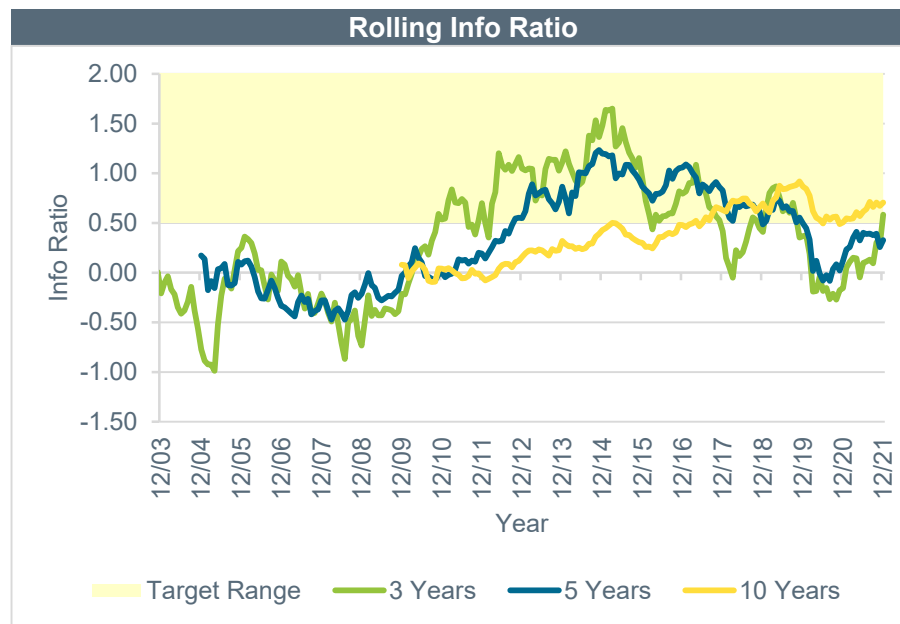
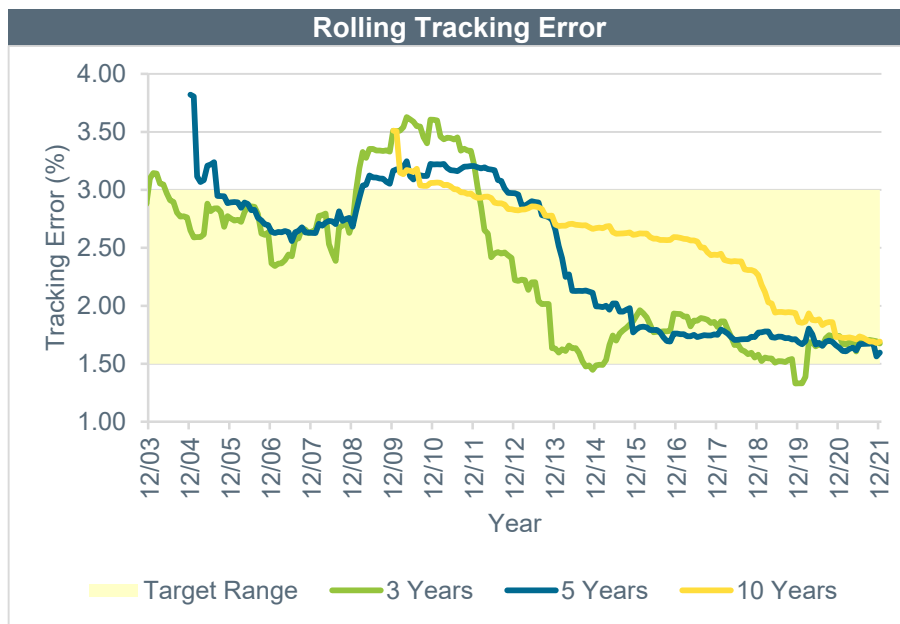
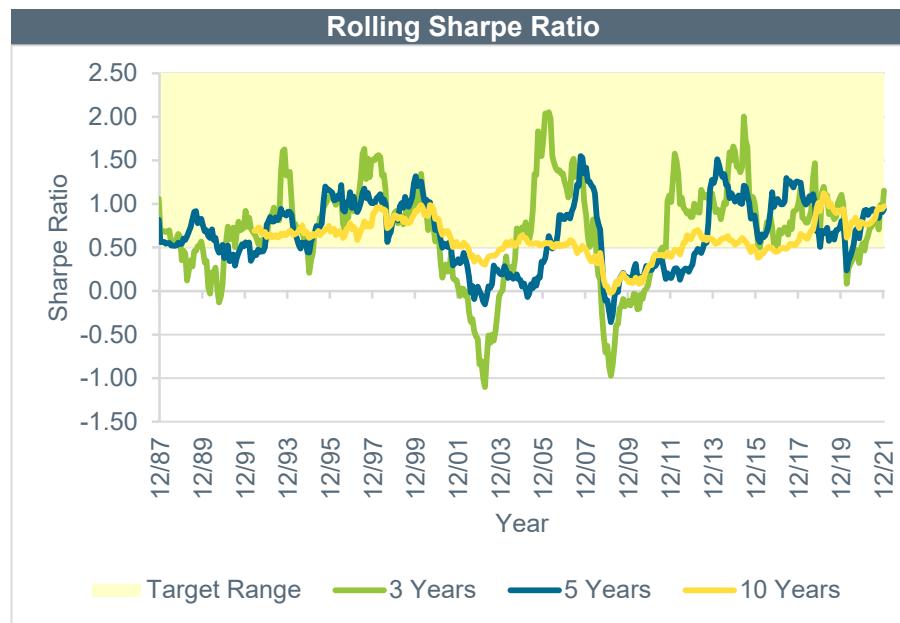
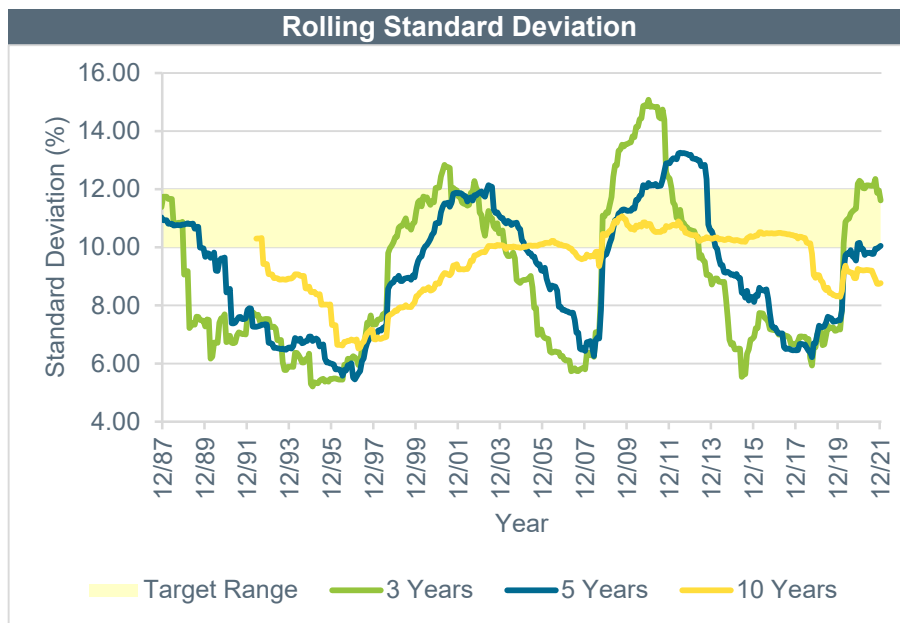


	2020	2019	2018	2017	2016	2015	2014	2013
◆ Composite	11.06 (74)	20.97 (16)	-5.63 (85)	16.96 (17)	8.44 (27)	-1.55 (81)	5.10 (75)	15.98 (48)
● Benchmark	10.92 (76)	21.57 (9)	-6.79 (97)	15.97 (35)	7.55 (53)	-1.92 (87)	4.91 (80)	15.45 (55)
5th Percentile	18.46	22.05	-0.15	18.63	9.96	2.08	8.66	21.67
1st Quartile	14.82	20.16	-2.90	16.43	8.50	0.71	7.25	17.96
Median	12.56	18.49	-4.05	15.09	7.66	-0.15	6.33	15.72
3rd Quartile	10.93	16.57	-5.12	13.80	6.87	-1.21	5.08	13.60
95th Percentile	6.64	12.57	-6.66	10.14	5.24	-2.66	3.24	7.93

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 December 31, 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 December 31, 2021

	Allocation		Rate of Return (%)							
	Market Value (\$)	%	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	Since Incep.	Inception Date
Total Fund	3,538,734,335	100.00	5.20	12.99	12.99	14.73	10.63	9.19	9.99	06/01/1982
Policy Benchmark			5.36	14.38	14.38	15.54	10.76	9.17	N/A	
Excess Return			-0.16	-1.39	-1.39	-0.81	-0.13	0.02	N/A	
Passive Benchmark			3.73	8.78	8.78	13.72	10.11	7.91	N/A	
Excess Return			1.47	4.21	4.21	1.01	0.52	1.28	N/A	
Global Equity	2,013,904,944	56.91	5.83	16.24	16.24	19.53	13.99	11.85	9.61	06/01/1988
Global Equity Benchmark			6.10	18.22	18.22	20.20	14.12	11.84	N/A	
Excess Return			-0.27	-1.98	-1.98	-0.67	-0.13	0.01	N/A	
US Equity	1,214,040,653	34.31	8.82	25.10	25.10	23.10	15.93	14.86	11.33	06/01/1988
US Equity Benchmark			9.97	26.45	26.45	25.99	18.08	16.36	11.40	
Excess Return			-1.15	-1.35	-1.35	-2.89	-2.15	-1.50	-0.07	
Developed Markets Equity	524,373,588	14.82	3.41	11.60	11.60	17.40	12.54	9.75	6.25	01/01/2008
Developed Market Equity Benchmark			3.14	12.62	12.62	14.07	9.63	7.84	3.11	
Excess Return			0.27	-1.02	-1.02	3.33	2.91	1.91	3.14	
Emerging Markets Equity	275,490,703	7.79	-1.67	-6.39	-6.39	9.89	9.33	5.24	2.33	03/01/2008
Emerging Market Equity Benchmark			-1.31	-2.54	-2.54	10.94	9.87	5.49	2.81	
Excess Return			-0.36	-3.85	-3.85	-1.05	-0.54	-0.25	-0.48	
Real Assets	568,291,310	16.06	9.81	24.30	24.30	9.17	7.70	9.01	6.81	09/01/2004
Real Assets Benchmark			12.18	31.55	31.55	15.34	9.54	9.94	9.05	
Excess Return			-2.37	-7.25	-7.25	-6.17	-1.84	-0.93	-2.24	
Real Estate Equity	390,036,310	11.02	11.96	28.40	28.40	11.22	10.02	11.15	8.01	09/01/2004
Real Estate Equity Benchmark			16.31	43.24	43.24	18.41	11.72	11.32	9.93	
Excess Return			-4.35	-14.84	-14.84	-7.19	-1.70	-0.17	-1.92	
Infrastructure Equity	178,255,000	5.04	5.37	16.43	16.43	0.74	-1.18	N/A	1.11	01/01/2020
Infrastructure Equity Benchmark			4.42	11.04	11.04	9.30	6.86	6.81	1.90	
Excess Return			0.95	5.39	5.39	-8.56	-8.04	N/A	-0.79	

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.

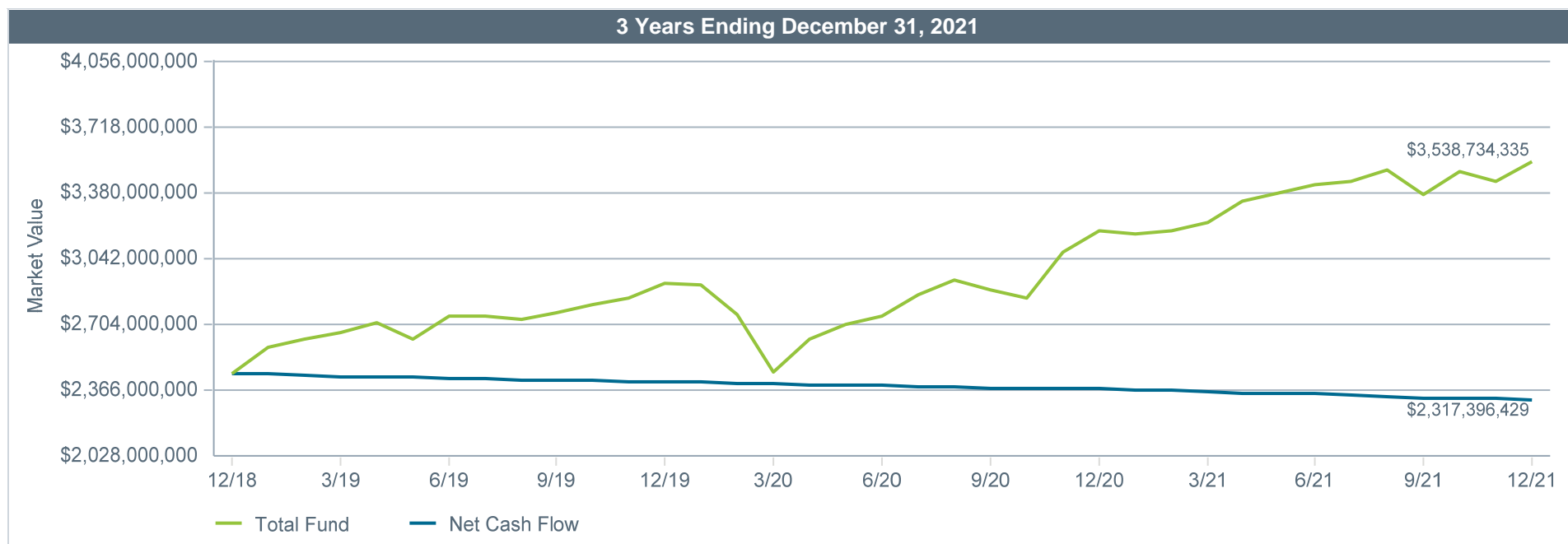


Composite: Total Fund
Asset Allocation & Performance - Net of Fees

As of December 31, 2021

	Allocation		Rate of Return (%)							
	Market Value (\$)	%	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	Since Incep.	Inception Date
Global Fixed Income	743,457,905	21.01	0.99	-2.46	-2.46	4.65	3.49	2.98	5.66	02/01/1991
Global Fixed Income Benchmark			-0.67	-4.71	-4.71	3.59	2.89	2.56	5.48	
Excess Return			1.66	2.25	2.25	1.06	0.60	0.42	0.18	
US Treasuries	505,482,945	14.28	1.52	-3.82	-3.82	N/A	N/A	N/A	5.34	05/01/2019
US Treasuries Benchmark			0.18	-2.32	-2.32	4.07	3.07	2.13	3.89	
Excess Return			1.34	-1.50	-1.50	N/A	N/A	N/A	1.45	
US Mortgages	110,890,941	3.13	-0.48	-1.15	-1.15	N/A	N/A	N/A	1.70	08/01/2019
US Mortgages Benchmark			-0.37	-1.04	-1.04	3.01	2.50	2.28	1.85	
Excess Return			-0.11	-0.11	-0.11	N/A	N/A	N/A	-0.15	
US Credit	127,084,019	3.59	0.20	-0.37	-0.37	N/A	N/A	N/A	5.75	08/01/2019
US Credit Benchmark			0.22	-1.08	-1.08	7.17	5.05	4.45	4.80	
Excess Return			-0.02	0.71	0.71	N/A	N/A	N/A	0.95	
Multi-Asset	177,832,874	5.03	3.56	10.65	10.65	14.23	9.28	N/A	6.49	02/01/2014
Multi-Asset Benchmark			3.73	11.25	11.25	13.55	10.02	7.87	7.26	
Excess Return			-0.17	-0.60	-0.60	0.68	-0.74	N/A	-0.77	
Asset Allocation	139,987,188	3.96	3.58	8.83	8.83	N/A	N/A	N/A	17.15	05/01/2020
Multi-Asset Benchmark			3.73	11.25	11.25	13.55	10.02	7.87	22.13	
Excess Return			-0.15	-2.42	-2.42	N/A	N/A	N/A	-4.98	
Commodities & Other	37,845,686	1.07	3.48	-2.42	-2.42	N/A	N/A	N/A	7.60	04/01/2021
Commodities & Other Benchmark			-1.56	27.11	27.11	9.86	3.66	-2.85	18.88	
Excess Return			5.04	-29.53	-29.53	N/A	N/A	N/A	-11.28	
Cash & Equivalents	35,247,303	1.00	0.07	0.08	0.08	0.90	1.03	N/A	1.08	07/01/2017
Cash & Equivalents Benchmark			0.01	0.04	0.04	0.93	1.08	0.58	1.14	
Excess Return			0.06	0.04	0.04	-0.03	-0.05	N/A	-0.06	

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	3,375,130,156	287,540,313	299,124,176	-11,583,862	175,188,042	3,538,734,335

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	999,963,369	1,054,658,408	-54,695,038	410,287,291	3,538,734,335

Schedule of Investable Assets - 1 Year						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
1 Year	3,183,142,083	999,963,369	1,054,658,408	-54,695,038	410,287,291	3,538,734,335

Schedule of Investable Assets - 3 Years						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
3 Years	2,447,648,033	5,466,740,295	5,596,991,899	-130,251,604	1,221,337,906	3,538,734,335

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.

