



Summary of Fund Performance

City of Austin Employees' Retirement System

Period Ended: September 30, 2023



Capital Markets Review	
•	During Q3, investors grappled with mixed signals regarding the health of the economy and the direction of corporate profits. Although labor market data releases have exceeded expectations, rising energy costs and mortgage rates raised concerns about a decline in consumer spending.
•	Rising energy prices drove the September reading of the Consumer Price Index (CPI) to 3.7%, higher than earlier in the year.
•	The Federal Open Markets Committee (FOMC) paused rate hikes during its September meeting--marking only the second pause since March 2022--but it also indicated that an additional rate increase should be expected before the end of the year.

Market Performance					
	QTD	1 Year	3 Years	5 Years	10 Years
S&P 500 (Mkt Cap Wtd)	-3.3	21.6	10.2	9.9	11.9
Russell 2000	-5.1	8.9	7.2	2.4	6.6
MSCI EAFE (Net)	-4.1	25.6	5.8	3.2	3.8
MSCI Emg Mkts (Net)	-2.9	11.7	-1.7	0.6	2.1
Bbrg US Agg Bond	-3.2	0.6	-5.2	0.1	1.1
Bbrg Cmnty (TR)	4.7	-1.3	16.2	6.1	-0.7
NCREIF ODCE (Net)	-2.1	-12.9	6.2	4.7	7.2

Total Fund Performance												
	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018
Total Fund	-3.8	3.4	9.7	2.9	3.9	5.4	5.3	-15.6	13.0	10.8	20.7	-5.9
Policy Benchmark	-4.0	4.7	13.2	3.6	4.1	5.4	5.3	-17.3	14.4	10.9	21.6	-6.8
Excess Return	0.2	-1.3	-3.5	-0.7	-0.2	0.0	0.0	1.7	-1.4	-0.1	-0.9	0.9

Total Fund Risk Metrics												
	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018		
Sharpe Ratio	0.5	0.2	0.2	0.4	0.5	-1.2	1.9	0.6	2.3	-0.9		
Standard Deviation	11.1	12.2	11.0	12.7	10.0	14.3	6.7	17.4	7.3	8.3		
Tracking Error	1.3	1.7	1.8	1.7	1.8	2.1	1.2	2.0	1.0	1.8		

Asset Class Performance						
	QTD	CYTD	1 Year	3 Years	Since Inception	Inception Date
Total Fund	-3.8	3.4	9.7	2.9	9.2	06/01/1982
Policy Benchmark	-4.0	4.7	13.2	3.6	N/A	
Excess Return	0.2	-1.3	-3.5	-0.7	N/A	
US Equity	-3.6	7.6	16.6	7.8	10.3	06/01/1988
US Equity Benchmark	-3.2	13.1	21.0	9.0	10.5	
Excess Return	-0.4	-5.5	-4.4	-1.2	-0.2	
Developed Markets Equity	-6.5	4.9	20.2	2.7	4.4	01/01/2008
Developed Market Equity Benchmark	-4.1	6.7	24.0	6.1	2.2	
Excess Return	-2.4	-1.8	-3.8	-3.4	2.2	
Emerging Markets Equity	-4.1	4.2	15.2	-3.0	0.6	03/01/2008
Emerging Market Equity Benchmark	-2.9	1.8	11.7	-1.7	1.1	
Excess Return	-1.2	2.4	3.5	-1.3	-0.5	
Real Estate Equity	-5.2	-5.5	-7.3	5.1	6.4	09/01/2004
Real Estate Equity Benchmark	-7.1	-2.1	3.0	5.8	7.3	
Excess Return	1.9	-3.4	-10.3	-0.7	-0.9	
Infrastructure Equity	-2.5	1.7	8.1	8.1	1.5	01/01/2020
Infrastructure Equity Benchmark	-7.5	-4.5	5.9	6.5	-0.5	
Excess Return	5.0	6.2	2.2	1.6	2.0	
Global Fixed Income	-3.5	-1.2	0.0	-6.4	4.8	02/01/1991
Global Fixed Income Benchmark	-3.6	-2.2	2.2	-6.9	4.5	
Excess Return	0.1	1.0	-2.2	0.5	0.3	
Asset Allocation	-2.9	6.2	13.0	3.1	5.5	05/01/2020
Multi-Asset Benchmark	-3.5	5.1	13.2	2.8	5.8	
Excess Return	0.6	1.1	-0.2	0.3	-0.3	
Commodities & Other	-3.7	-1.7	6.3	-1.1	N/A	07/01/2017
Commodities & Other Benchmark	4.7	-3.4	-1.3	16.2	5.7	
Excess Return	-8.4	1.7	7.6	-17.3	N/A	

Performance Commentary	
•	The Total Fund returned -3.8% net of fees during the quarter, outperforming the Policy Benchmark which returned -4.0%.
•	Cash & Equivalents was the best performing asset class on an absolute basis, net of fees, returning 1.3%. Infrastructure Equity had strong relative returns, outpacing its benchmark in Q3 by 5.0%.

Asset Allocation vs. Target Allocation			
	Market Value (\$000)	Allocation (%)	Target (%)
US Equity	1,036,351	34.8	34.0
DM Equity	463,165	15.6	16.0
EM Equity	198,647	6.7	6.0
Real Estate Equity	270,063	9.1	10.0
Infrastructure Equity	153,467	5.2	5.0
Global Fixed Income	498,604	16.8	21.0
Asset Allocation	83,787	2.8	5.0
Commodities & Other	37,285	1.3	2.0
Cash & Equivalents	235,290	7.9	1.0
Total Fund	2,976,658	100.0	100.0

Schedule of Investable Assets					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,941,251,159	-64,721,659	100,128,452	2,976,657,953	3.39

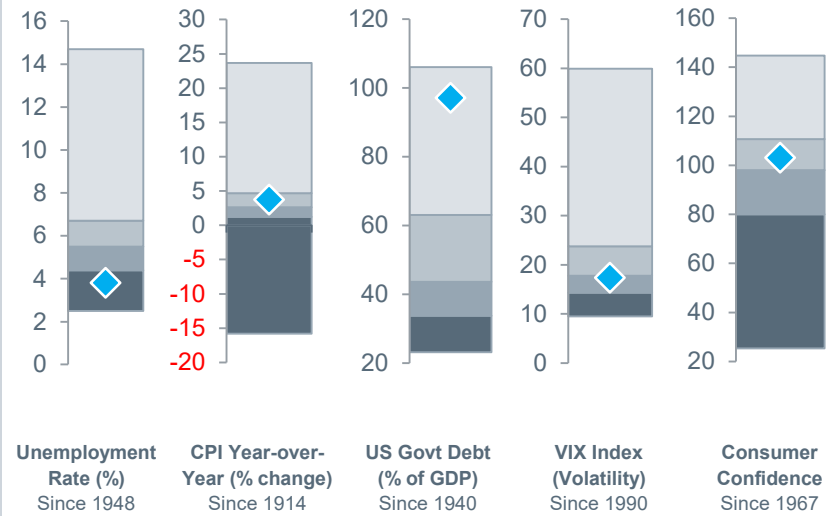
Performance shown is net of fees. Allocations shown may not sum up to 100% exactly. Tracking Error shown is relative to the Passive Benchmark. Risk statistics shown are less meaningful for periods less than one year. Please see the addendum for custom benchmark definitions.



Third Quarter Economic Environment

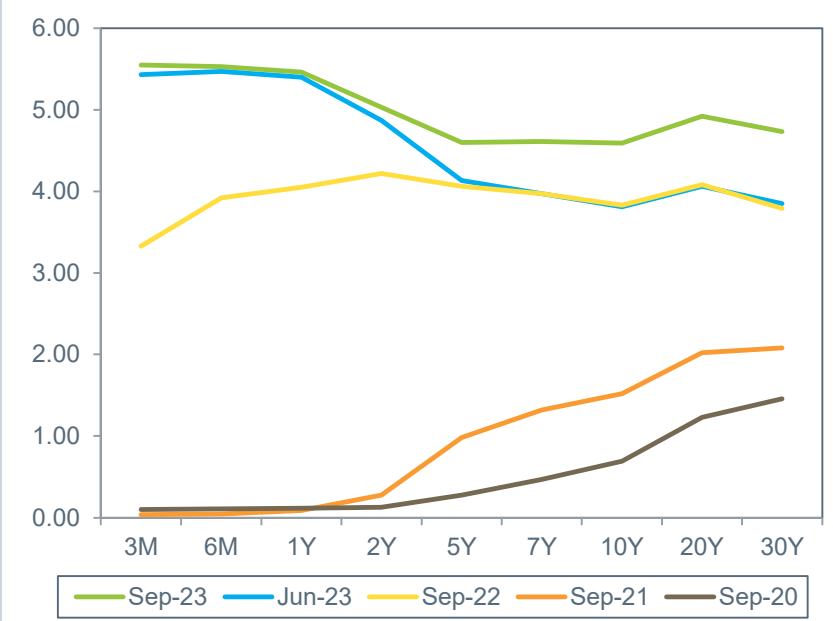
During Q3, investors grappled with mixed signals regarding the health of the economy and the direction of corporate profits. Several factors were at play, including an uptick in inflation, a downgrade to the US debt rating, ongoing labor negotiations and strikes, and uncertainty around the funding of the US government—all of which complicated the outlook for investors. As the prospect of a “higher for longer” outlook for interest rates was digested by investors, it led to increased volatility and negative equity market returns in the latter part of the quarter. Among investors, there was an increasing focus on the behavior and financial health of the US consumer. Although labor market data releases, including wage growth, have exceeded expectations, rising energy costs and mortgage rates, as well as the resumption of student loan payments following a multi-year pause, raised concerns about a decline in consumer spending. Within the US, rising energy prices drove the August and September readings of the Consumer Price Index (CPI) to 3.7% for consecutive months, higher than earlier in the year. Global central banks and policymakers have continued to focus on the balance between maintaining downward pressure on inflation and avoiding significant disruption to economic growth. The Federal Open Markets Committee (FOMC) paused rate hikes during its September meeting—marking only the second pause since March 2022—but it also indicated that an additional rate increase should be expected before the end of the year.

Key Economic Indicators



Economic Indicators	Sep-23	Jun-23	Sep-22	Sep-20	20 Yr
Federal Funds Rate (%)	5.33 ▲	5.08	3.08	0.09	1.44
Breakeven Infl. - 5 Yr (%)	2.25 ▲	2.17	2.16	1.49	1.94
Breakeven Infl. - 10 Yr (%)	2.34 ▲	2.21	2.15	1.63	2.10
CPI YoY (Headline) (%)	3.7 ▲	3.0	8.2	1.4	2.6
Unemployment Rate (%)	3.8 ▲	3.6	3.5	7.9	5.9
Real GDP YoY (%)	N/A —	2.4	1.8	-2.0	2.0
PMI - Manufacturing	49.0 ▲	46.0	50.9	55.4	53.6
USD Total Wtd Idx	122.77 ▲	119.89	127.64	116.97	103.67
WTI Crude Oil per Barrel (\$)	90.8 ▲	70.6	79.5	40.2	69.6
Gold Spot per Oz (\$)	1,872 ▼	1,906	1,661	1,886	1,219

Treasury Yield Curve (%)



Market Performance (%)	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	-3.27	13.07	21.62	9.92	11.91
Russell 2000	-5.13	2.54	8.93	2.40	6.65
MSCI EAFE (Net)	-4.11	7.08	25.65	3.24	3.82
MSCI EAFE SC (Net)	-3.51	1.82	17.90	0.76	4.30
MSCI Emg Mkts (Net)	-2.93	1.82	11.70	0.55	2.07
Bloomberg US Agg Bond	-3.23	-1.21	0.64	0.10	1.13
ICE BofAML 3 Mo US T-Bill	1.31	3.60	4.47	1.72	1.11
NCREIF ODCE (Gross)	-1.99	-7.64	-12.22	5.63	8.15
FTSE NAREIT Eq REIT (TR)	-7.13	-2.14	2.99	2.77	5.96
HFRI FOF Comp	0.51	2.81	4.59	3.38	3.28
Bloomberg Cmdty (TR)	4.71	-3.44	-1.30	6.13	-0.75

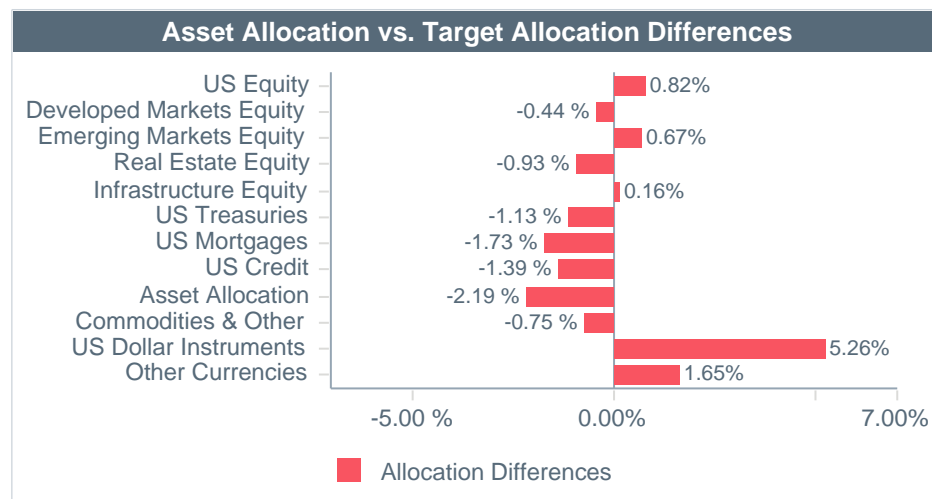
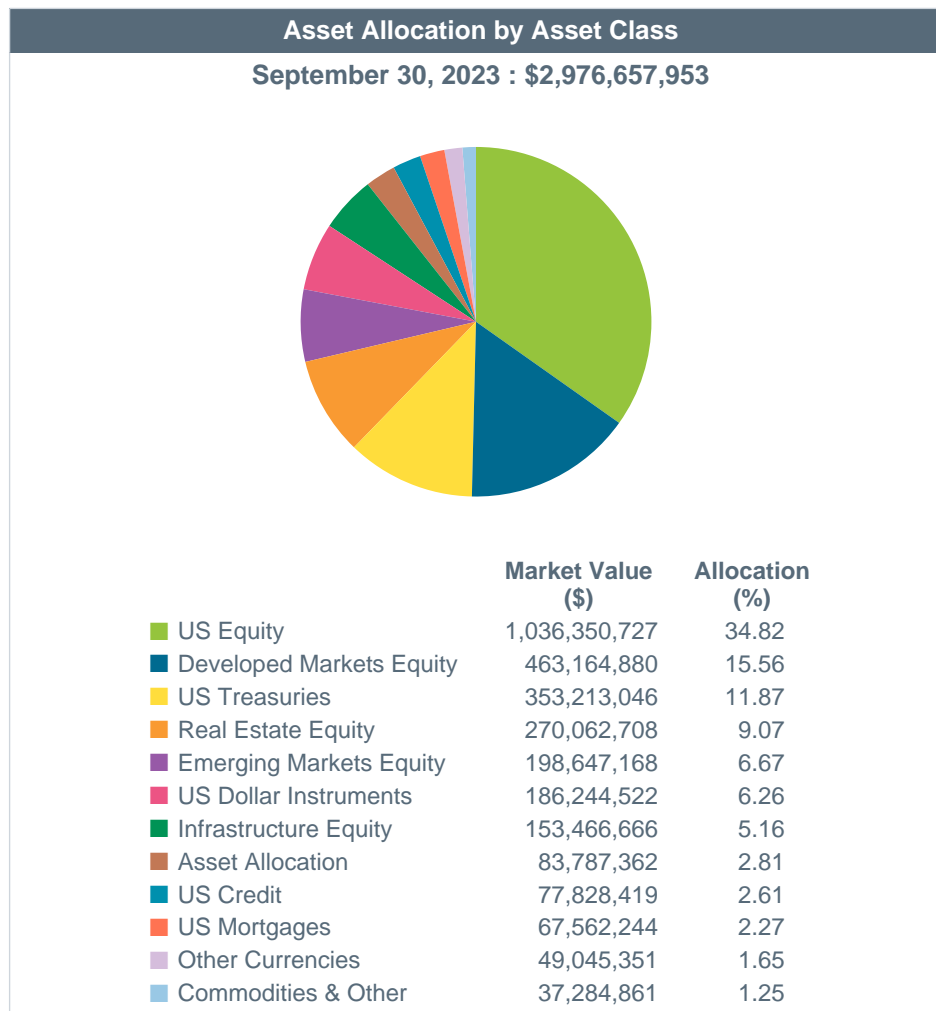


Composite: Total Fund

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	2,941,251,159	-64,721,659	100,128,452	2,976,657,953	3.39
1 Year	2,778,760,359	-72,788,184	270,685,778	2,976,657,953	9.73
3 Years	2,885,026,655	-172,831,061	264,462,359	2,976,657,953	2.91

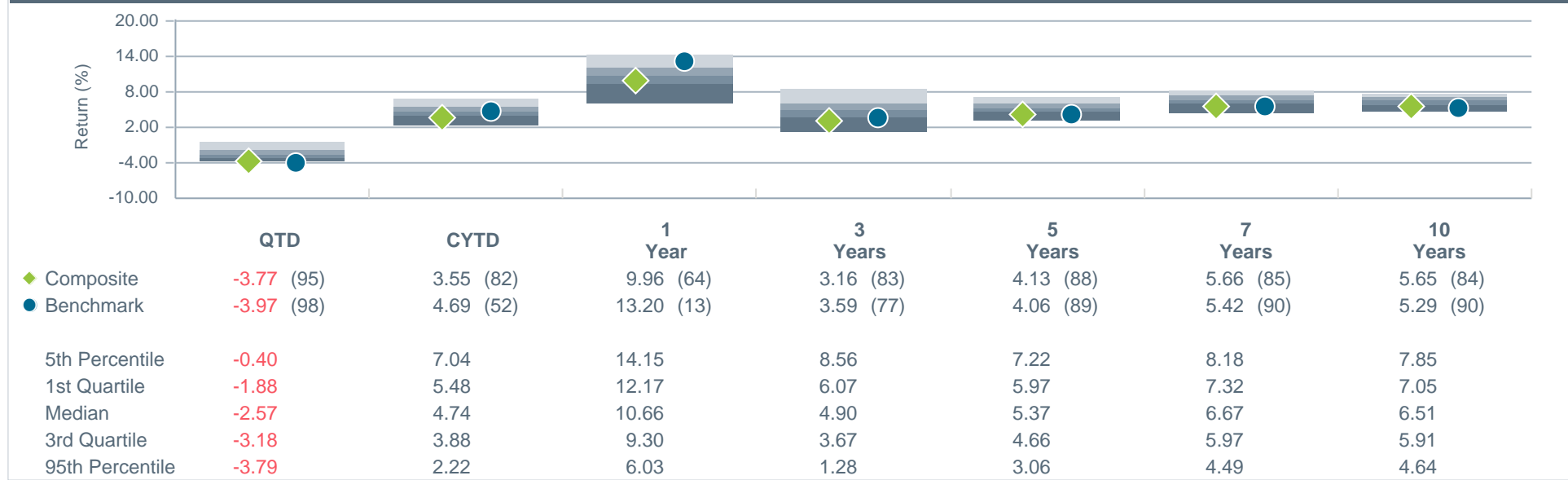
Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Neutral (%)	Min. (%)	Max. (%)
Total Fund	2,976,657,953	100.00	100.00	-	-
US Equity	1,036,350,727	34.82	34.00	29.00	39.00
Developed Markets Equity	463,164,880	15.56	16.00	13.50	18.50
Emerging Markets Equity	198,647,168	6.67	6.00	4.00	10.50
Real Estate Equity	270,062,708	9.07	10.00	7.00	13.00
Infrastructure Equity	153,466,666	5.16	5.00	1.00	7.00
US Treasuries	353,213,046	11.87	13.00	11.00	21.00
US Mortgages	67,562,244	2.27	4.00	3.00	6.00
US Credit	77,828,419	2.61	4.00	2.50	7.00
Asset Allocation	83,787,362	2.81	5.00	3.50	7.50
Commodities & Other	37,284,861	1.25	2.00	1.00	5.00
US Dollar Instruments	186,244,522	6.26	1.00	0.00	5.00
Other Currencies	49,045,351	1.65	0.00	0.00	1.00



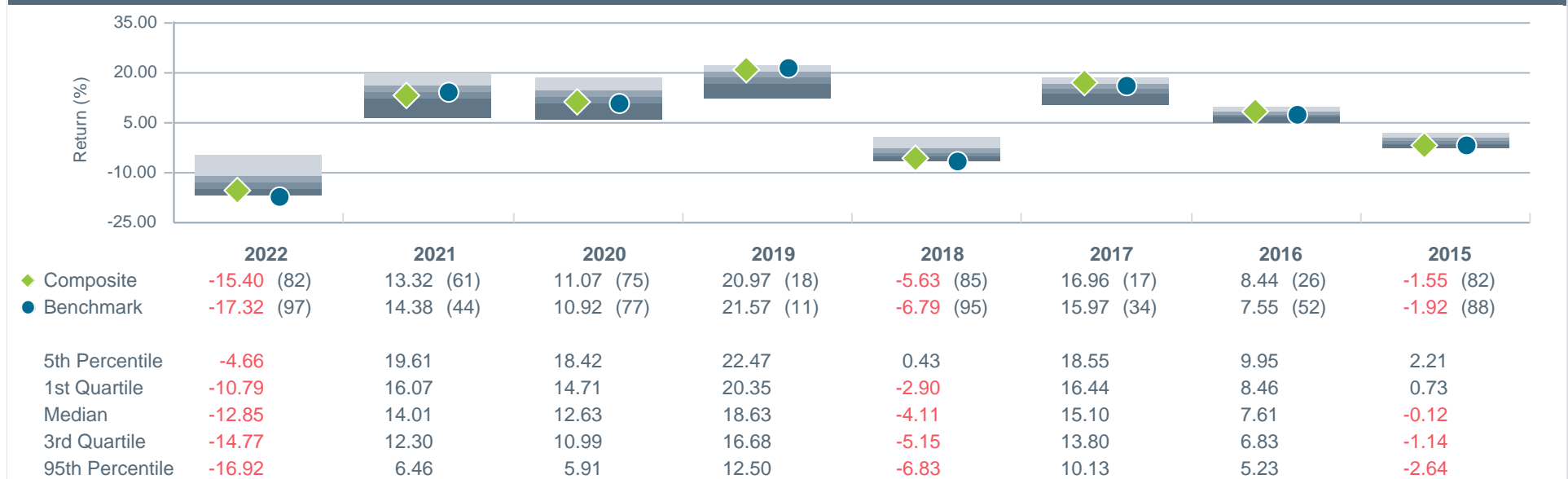
Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Performance is annualized for periods greater than one year. Total Fund market value does not include \$385,777.95 in assets remaining at Northern Trust - representing accruals, cash, tax reclaims, and some assets that were restricted from being delivered due to a liquidation or pending corporate action.



Rate of Return - Trailing



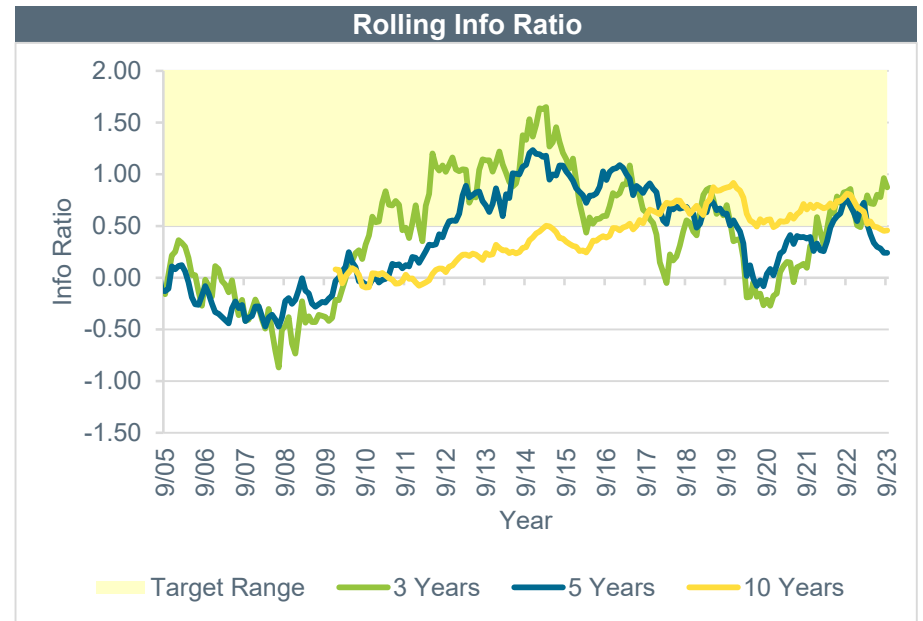
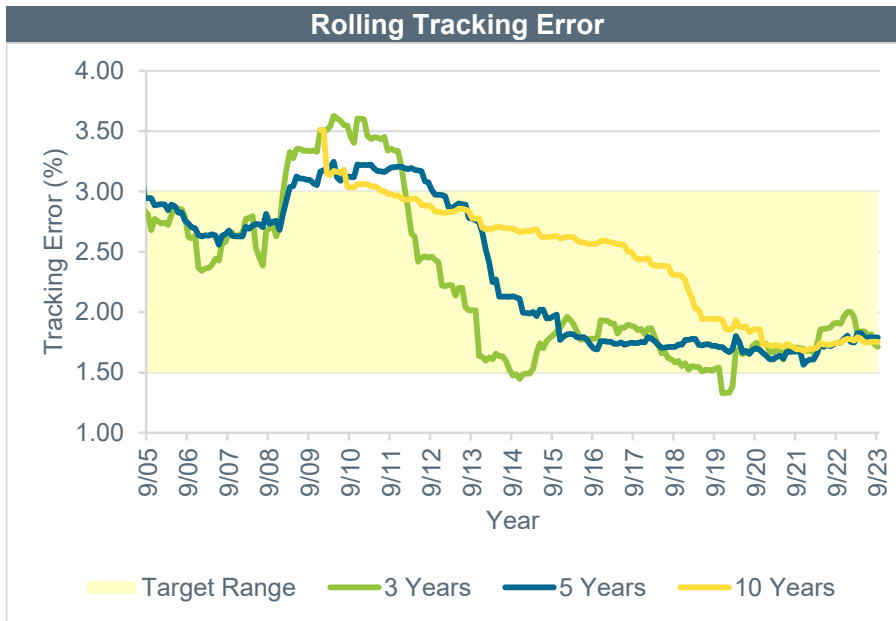
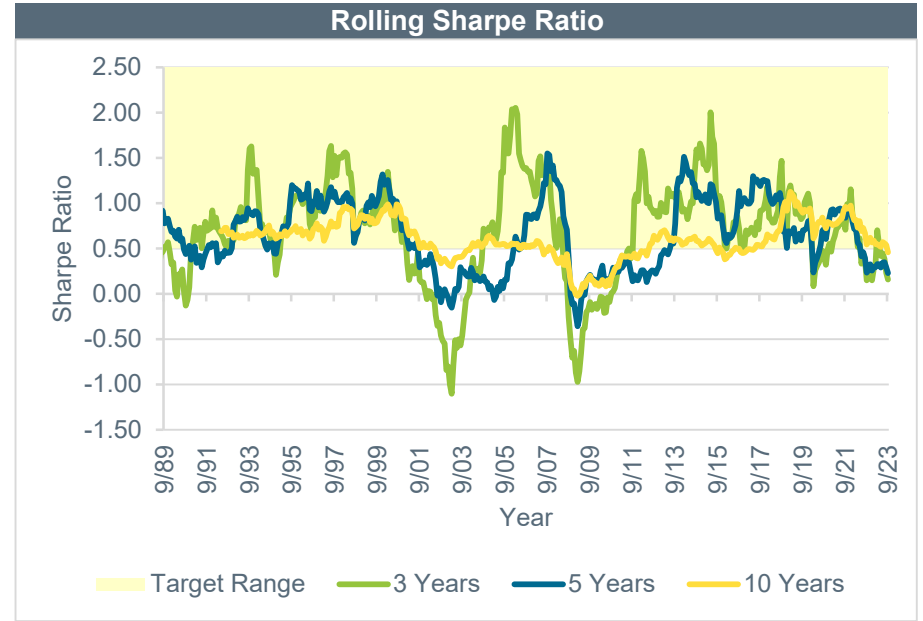
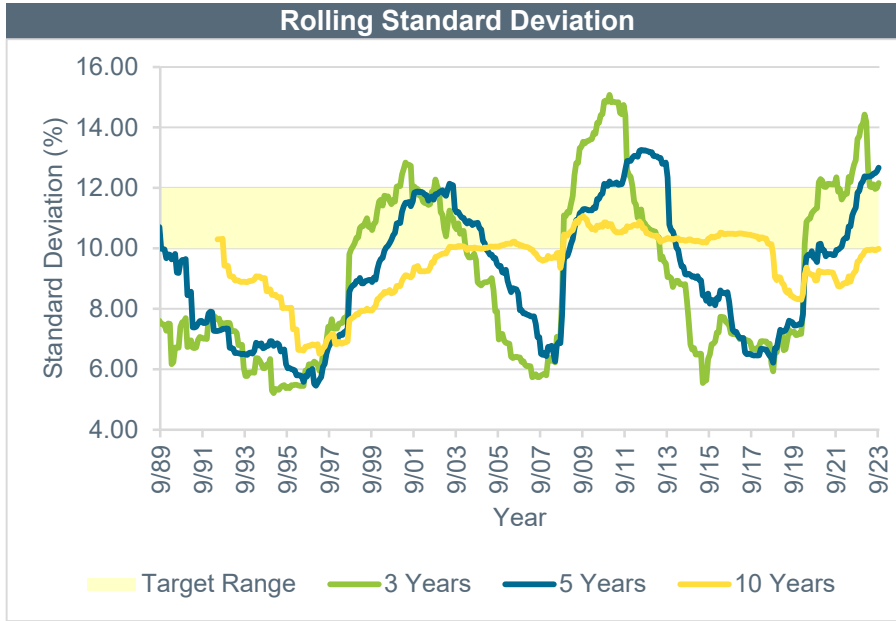
Rate of Return - Calendar



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, 2023



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, 2023

	Allocation		Rate of Return (%)							
	Market Value (\$)	%	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	Since Incep.	Inception Date
Total Fund	2,976,657,953	100.00	-3.82	3.39	9.73	2.91	3.87	5.33	9.18	06/01/1982
Policy Benchmark			-3.97	4.69	13.20	3.59	4.06	5.29	N/A	
Excess Return			0.15	-1.30	-3.47	-0.68	-0.19	0.04	N/A	
Passive Benchmark			-3.46	5.05	13.18	1.33	3.44	4.49	N/A	
Excess Return			-0.36	-1.66	-3.45	1.58	0.43	0.84	N/A	
Global Equity	1,698,162,775	57.05	-4.51	6.42	17.26	4.86	4.97	6.85	8.64	06/01/1988
Global Equity Benchmark			-3.40	9.39	20.16	6.88	6.09	7.39	N/A	
Excess Return			-1.11	-2.97	-2.90	-2.02	-1.12	-0.54	N/A	
US Equity	1,036,350,727	34.82	-3.65	7.59	16.55	7.84	6.98	9.57	10.33	06/01/1988
US Equity Benchmark			-3.18	13.13	21.03	9.02	9.22	11.32	10.50	
Excess Return			-0.47	-5.54	-4.48	-1.18	-2.24	-1.75	-0.17	
Developed Markets Equity	463,164,880	15.56	-6.54	4.92	20.22	2.71	3.53	4.63	4.40	01/01/2008
Developed Market Equity Benchmark			-4.10	6.73	24.00	6.07	3.44	3.84	2.18	
Excess Return			-2.44	-1.81	-3.78	-3.36	0.09	0.79	2.22	
Emerging Markets Equity	198,647,168	6.67	-4.09	4.16	15.17	-3.00	-0.37	1.57	0.58	03/01/2008
Emerging Market Equity Benchmark			-2.93	1.82	11.70	-1.73	0.55	2.07	1.14	
Excess Return			-1.16	2.34	3.47	-1.27	-0.92	-0.50	-0.56	
Real Assets	423,529,373	14.23	-4.23	-3.11	-2.49	6.09	3.70	5.99	5.78	09/01/2004
Real Assets Benchmark			-7.25	-2.85	4.07	6.17	3.04	5.51	6.98	
Excess Return			3.02	-0.26	-6.56	-0.08	0.66	0.48	-1.20	
Real Estate Equity	270,062,708	9.07	-5.19	-5.54	-7.27	5.14	3.58	7.16	6.38	09/01/2004
Real Estate Equity Benchmark			-7.13	-2.14	2.99	5.76	2.77	6.10	7.27	
Excess Return			1.94	-3.40	-10.26	-0.62	0.81	1.06	-0.89	
Infrastructure Equity	153,466,666	5.16	-2.51	1.70	8.06	8.14	1.11	N/A	1.49	01/01/2020
Infrastructure Equity Benchmark			-7.50	-4.45	5.90	6.45	3.18	4.20	-0.48	
Excess Return			4.99	6.15	2.16	1.69	-2.07	N/A	1.97	

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.

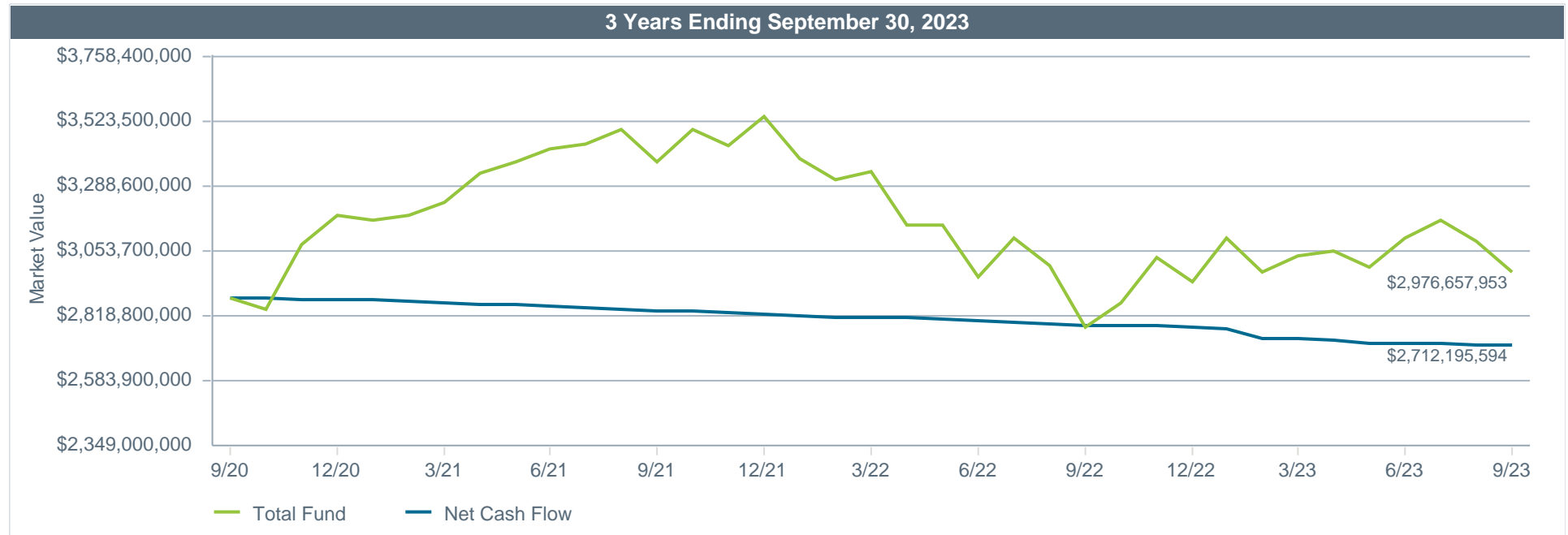


Composite: Total Fund
Asset Allocation & Performance - Net of Fees

As of September 30, 2023

	Allocation		Rate of Return (%)							
	Market Value (\$)	%	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	Since Incep.	Inception Date
Global Fixed Income	498,603,708	16.75	-3.54	-1.17	-0.01	-6.39	-0.41	0.93	4.80	02/01/1991
Global Fixed Income Benchmark			-3.59	-2.21	2.24	-6.93	-1.50	0.31	4.54	
Excess Return			0.05	1.04	-2.25	0.54	1.09	0.62	0.26	
US Treasuries	353,213,046	11.87	-3.64	-1.50	-1.03	-7.46	N/A	N/A	-0.85	05/01/2019
US Treasuries Benchmark			-3.06	-1.52	-0.81	-5.83	-0.07	0.63	-1.05	
Excess Return			-0.58	0.02	-0.22	-1.63	N/A	N/A	0.20	
US Mortgages	67,562,244	2.27	-3.56	-1.42	0.16	-4.90	N/A	N/A	-2.39	08/01/2019
US Mortgages Benchmark			-4.05	-2.26	-0.17	-5.09	-0.77	0.61	-2.47	
Excess Return			0.49	0.84	0.33	0.19	N/A	N/A	0.08	
US Credit	77,828,419	2.61	-3.03	0.56	4.25	-4.54	N/A	N/A	-0.93	08/01/2019
US Credit Benchmark			-3.01	0.03	3.47	-4.83	0.86	2.12	-1.24	
Excess Return			-0.02	0.53	0.78	0.29	N/A	N/A	0.31	
Multi-Asset	121,072,223	4.07	-3.13	3.54	10.68	4.41	4.78	N/A	4.37	02/01/2014
Multi-Asset Benchmark			-3.46	5.05	13.18	2.75	3.35	4.44	4.37	
Excess Return			0.33	-1.51	-2.50	1.66	1.43	N/A	0.00	
Asset Allocation	83,787,362	2.81	-2.87	6.19	13.03	3.13	N/A	N/A	5.55	05/01/2020
Multi-Asset Benchmark			-3.46	5.05	13.18	2.75	3.35	4.44	5.78	
Excess Return			0.59	1.14	-0.15	0.38	N/A	N/A	-0.23	
Commodities & Other	37,284,861	1.25	-3.72	-1.72	6.31	-1.12	N/A	N/A	2.36	04/01/2021
Commodities & Other Benchmark			4.71	-3.44	-1.30	16.23	6.13	-0.75	12.17	
Excess Return			-8.43	1.72	7.61	-17.35	N/A	N/A	-9.81	
Cash & Equivalents	235,289,873	7.90	1.28	3.67	4.40	1.77	1.69	N/A	1.61	07/01/2017
Cash & Equivalents Benchmark			1.34	3.71	4.63	1.75	1.71	1.09	1.65	
Excess Return			-0.06	-0.04	-0.23	0.02	-0.02	N/A	-0.04	
US Dollar Instruments	186,244,522	6.26	1.29	3.62	4.29	1.76	1.69	1.06	1.31	09/01/2015
Bloomberg US T-Bills 1-3 Mo Index			1.34	3.71	4.63	1.75	1.71	1.09	1.35	
Excess Return			-0.05	-0.09	-0.34	0.01	-0.02	-0.03	-0.04	
Other Currencies	49,045,351	1.65	1.23	3.72	4.66	N/A	N/A	N/A	2.93	12/01/2021
Bloomberg US T-Bills 1-3 Mo Index			1.34	3.71	4.63	1.75	1.71	1.09	2.85	
Excess Return			-0.11	0.01	0.03	N/A	N/A	N/A	0.08	

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	3,098,785,392	191,522	-4,257,015	-4,065,493	-118,061,946	2,976,657,953

Schedule of Investable Assets - Year To Date						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
CYTD	2,941,251,159	514,995,328	-579,716,987	-64,721,659	100,128,452	2,976,657,953

Schedule of Investable Assets - 1 Year						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
1 Year	2,778,760,359	806,212,914	-879,001,099	-72,788,184	270,685,778	2,976,657,953

Schedule of Investable Assets - 3 Years						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
3 Years	2,885,026,655	2,550,272,184	-2,723,103,245	-172,831,061	264,462,359	2,976,657,953

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.