



# Summary of Fund Performance

City of Austin Employees' Retirement System

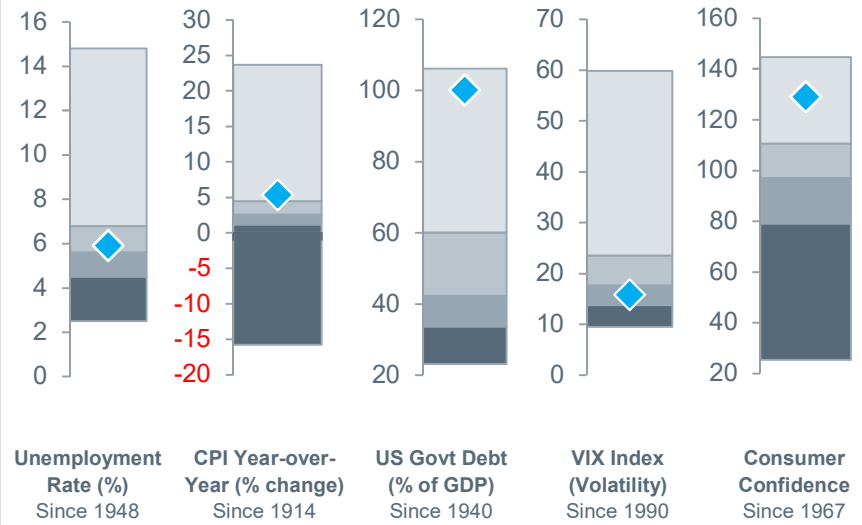
Period Ended: June 30, 2021



**Second Quarter Economic Environment**

Optimism stemming from reopening efforts, lifted mask mandates, and a proposed bipartisan infrastructure spending bill in the US was balanced with concerns regarding emerging variants of the coronavirus and increasing inflation. Global equity markets provided strong gains in Q2 led by the US equity market. Joining equity markets in positive territory were commodities and REITs. Aggregate fixed income markets generally trailed, although issues with longer dated maturities or that are inflation-linked fared better. Key inflation indicators experienced significant year-over-year increases in Q2, but many forecasters view these elevated levels as transitory. Currently, Fed officials are projecting two rate increases by the end of 2023 but remain sensitive to repeating the taper tantrum experienced in 2013. Inflation is also rising outside of the US which notably led both the Bank of Canada and Bank of England to announce the tapering of their bond purchasing programs. Progress in the US labor market recovery was mixed in Q2. The jobs reports in April and May failed to meet expectations, but the gains in the June report outpaced most forecasts. The unemployment rate remains above target levels, although the Congressional Budget Office projected that the rate would decline to 3.6% by the end of 2022. Overall, the economic recovery continues to advance, with the International Monetary Fund forecasting global GDP growth of 6.0% and 4.4% in 2021 and 2022, respectively.

**Key Economic Indicators**



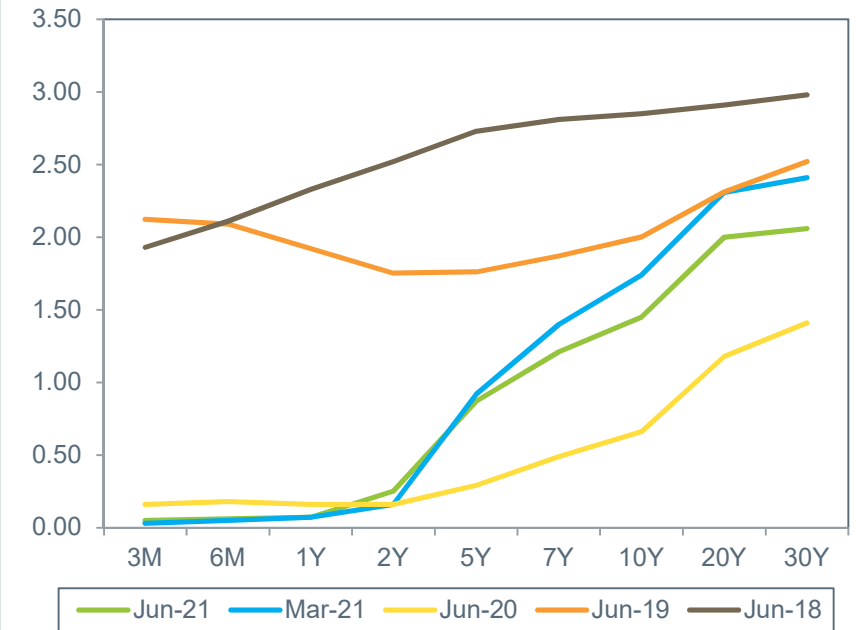
**Economic Indicators**

	Jun-21	Mar-21	Jun-20	Jun-18	20 Yr
Federal Funds Rate (%)	0.08 ▲	0.06	0.08	1.91	1.37
Breakeven Infl. - 5 Yr (%)	2.50 ▼	2.60	1.17	2.08	1.83
Breakeven Infl. - 10 Yr (%)	2.34 ▼	2.37	1.34	2.13	2.02
CPI YoY (Headline) (%)	5.4 ▲	2.6	0.6	2.9	2.1
Unemployment Rate (%)	5.9 ▼	6.0	11.1	4.0	6.1
Real GDP YoY (%)	12.2 ▲	0.5	-9.1	3.3	1.8
PMI - Manufacturing	60.6 ▼	64.7	52.2	59.7	53.1
USD Total Wtd Idx	112.85 ▼	114.13	120.78	113.26	103.17
WTI Crude Oil per Barrel (\$)	73.5 ▲	59.2	39.3	74.2	63.2
Gold Spot per Oz (\$)	1,770 ▲	1,708	1,781	1,253	1,048

**Market Performance (%)**

	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	8.55	15.25	40.79	17.65	14.84
Russell 2000	4.29	17.54	62.03	16.47	12.34
MSCI EAFE (Net)	5.17	8.83	32.35	10.28	5.89
MSCI EAFE SC (Net)	4.34	9.04	40.98	12.03	8.38
MSCI Emg Mkts (Net)	5.05	7.45	40.90	13.03	4.29
Bloomberg US Agg Bond	1.83	-1.61	-0.34	3.03	3.39
ICE BofAML 3 Mo US T-Bill	0.00	0.02	0.09	1.17	0.63
NCREIF ODCE (Gross)	3.93	6.12	8.02	6.57	9.60
FTSE NAREIT Eq REIT (TR)	12.02	21.96	38.02	6.31	9.41
HFRI FOF Comp	2.89	4.97	18.31	6.13	3.86
Bloomberg Cmdty (TR)	13.30	21.15	45.61	2.40	-4.44

**Treasury Yield Curve (%)**

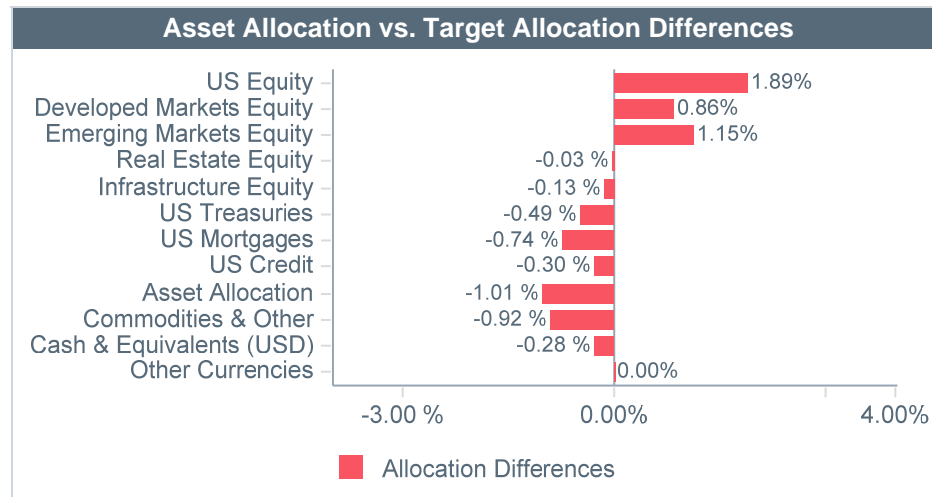
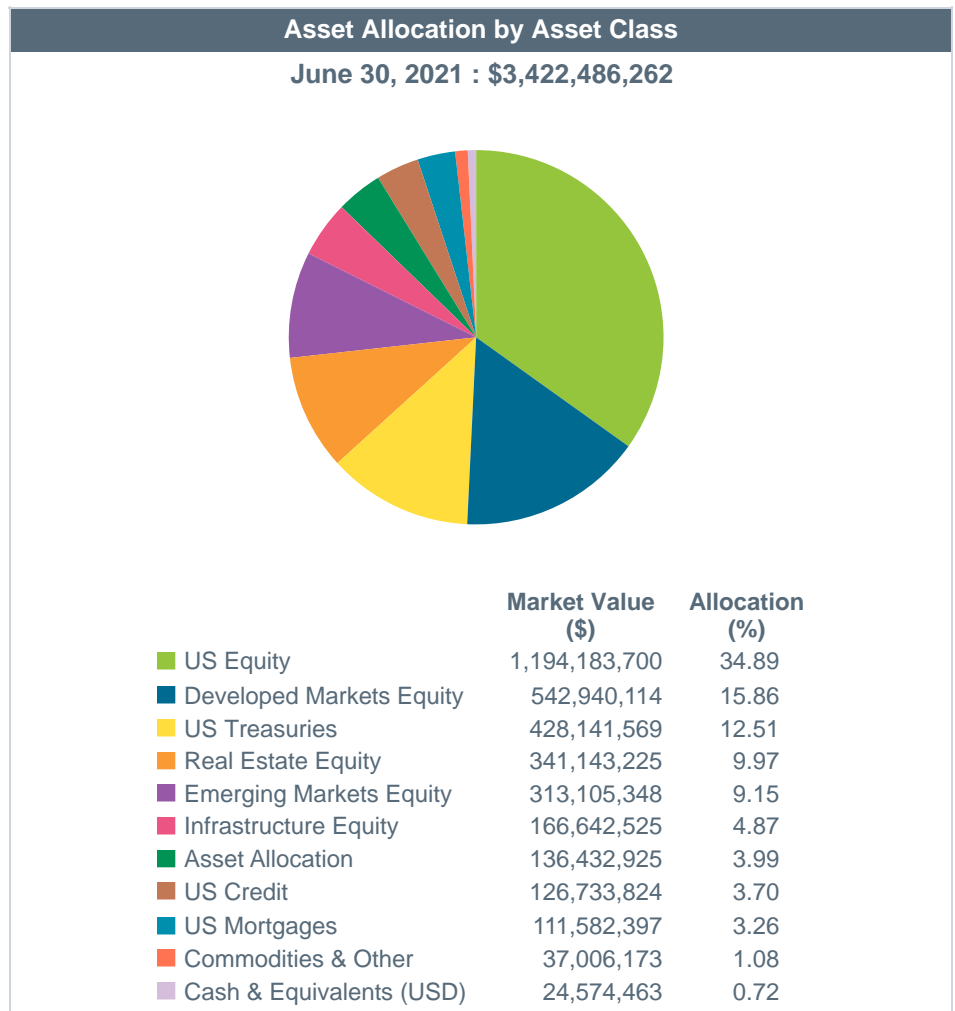


Composite: Total Fund

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	-24,910,521	264,254,700	3,422,486,262	8.34
1 Year	2,749,066,322	-44,929,862	718,349,802	3,422,486,262	26.31
3 Years	2,625,398,261	-117,960,149	915,048,150	3,422,486,262	10.77

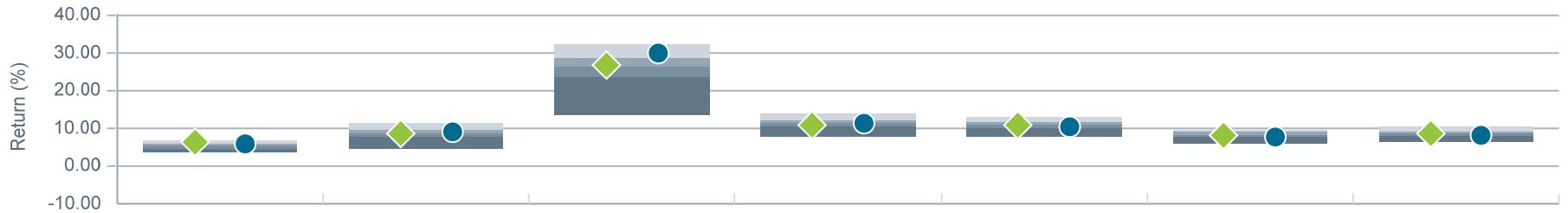
Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Neutral (%)	Min. (%)	Max. (%)
<b>Total Fund</b>	<b>3,422,486,262</b>	<b>100.00</b>	<b>100.00</b>	-	-
US Equity	1,194,183,700	34.89	33.00	28.00	38.00
Developed Markets Equity	542,940,114	15.86	15.00	12.50	17.50
Emerging Markets Equity	313,105,348	9.15	8.00	5.50	12.50
Real Estate Equity	341,143,225	9.97	10.00	7.00	13.00
Infrastructure Equity	166,642,525	4.87	5.00	1.00	7.00
US Treasuries	428,141,569	12.51	13.00	11.00	21.00
US Mortgages	111,582,397	3.26	4.00	3.00	6.00
US Credit	126,733,824	3.70	4.00	2.50	7.00
Asset Allocation	136,432,925	3.99	5.00	3.50	7.50
Commodities & Other	37,006,173	1.08	2.00	1.00	5.00
Cash & Equivalents (USD)	24,574,463	0.72	1.00	-5.00	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.

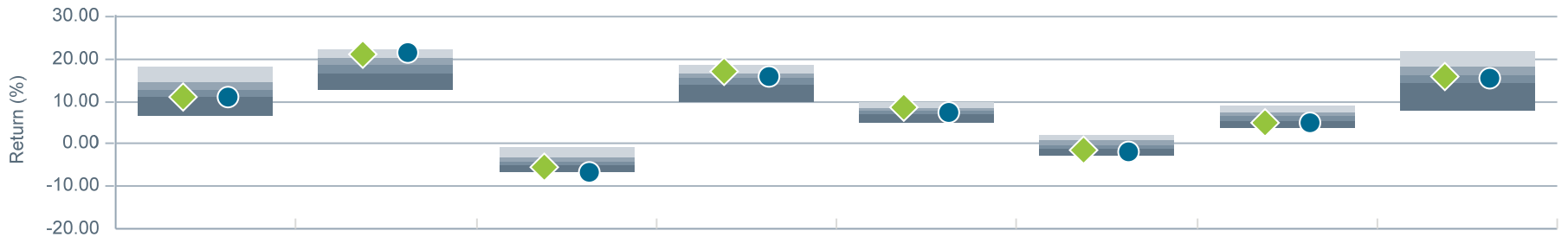


Rate of Return - Trailing



	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years
◆ Composite	6.50 (8)	8.52 (55)	26.68 (49)	11.07 (57)	10.80 (53)	7.99 (59)	8.42 (59)
● Benchmark	5.92 (19)	9.32 (34)	29.78 (17)	11.30 (53)	10.64 (62)	7.57 (76)	8.07 (76)
5th Percentile	6.71	11.24	32.42	13.94	13.01	9.72	10.24
1st Quartile	5.74	9.68	28.59	12.32	11.79	8.88	9.31
Median	5.27	8.68	26.49	11.40	10.91	8.21	8.61
3rd Quartile	4.72	7.77	23.76	10.51	10.13	7.57	8.10
95th Percentile	3.60	4.57	13.57	7.52	7.64	6.00	6.42

Rate of Return - Calendar



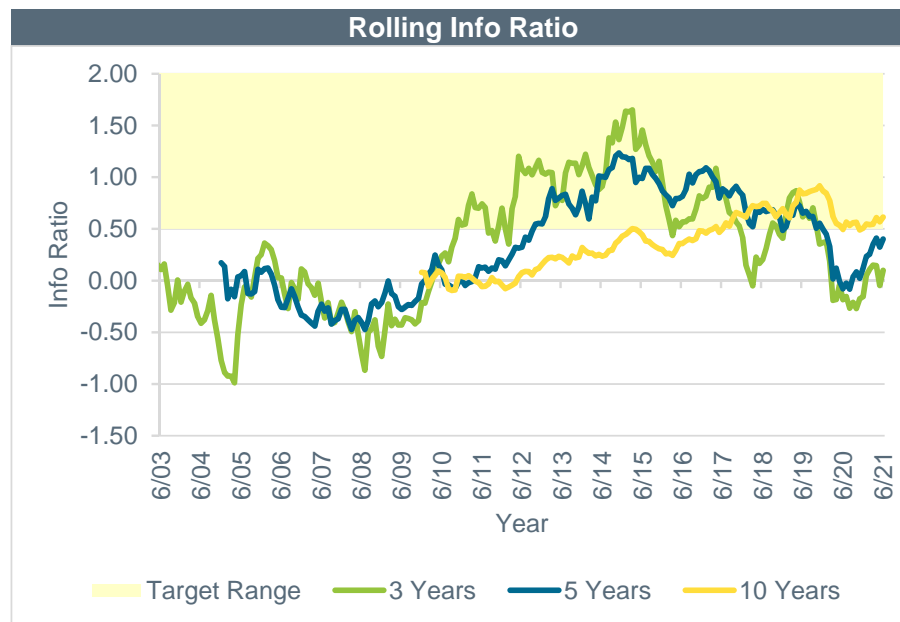
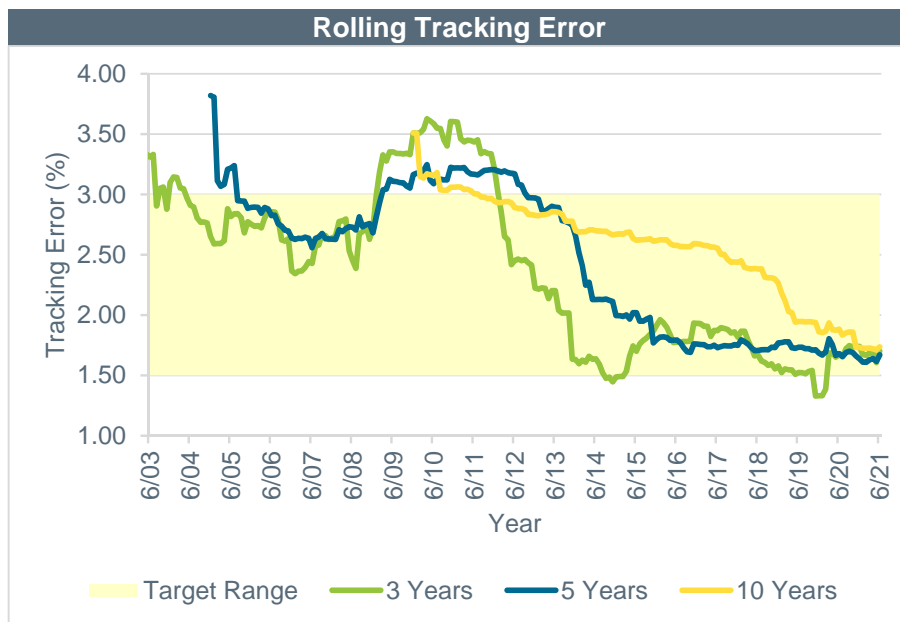
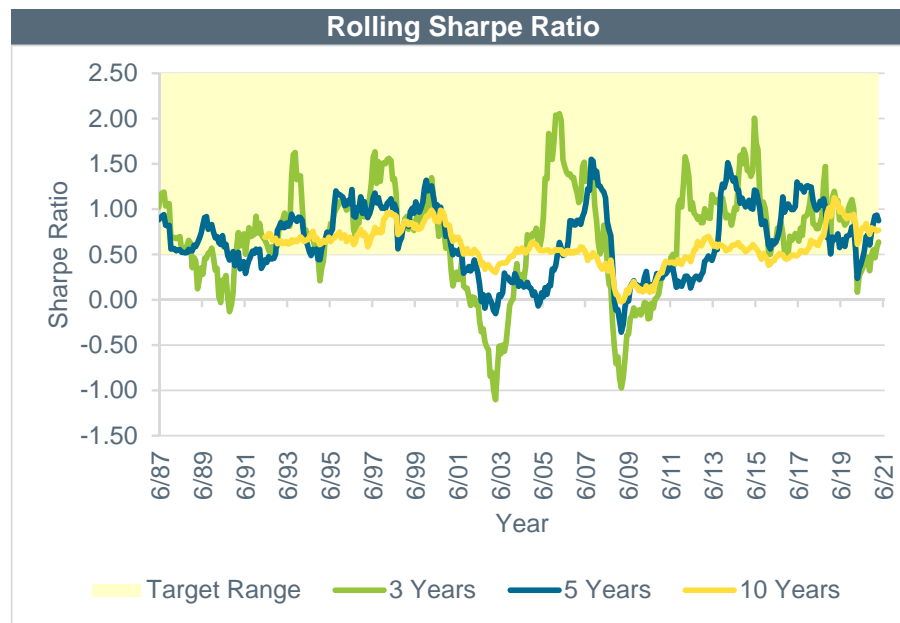
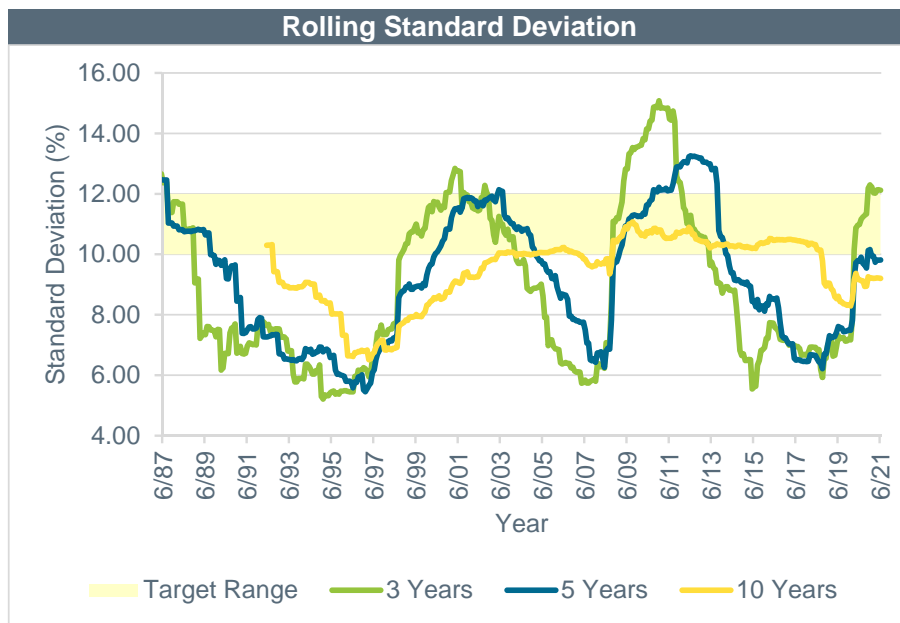
	2020	2019	2018	2017	2016	2015	2014	2013
◆ Composite	11.06 (74)	20.97 (17)	-5.63 (85)	16.96 (20)	8.44 (26)	-1.55 (81)	5.10 (82)	15.98 (54)
● Benchmark	10.92 (75)	21.57 (10)	-6.79 (96)	15.97 (37)	7.55 (53)	-1.92 (88)	4.91 (86)	15.45 (61)
5th Percentile	18.46	22.15	-0.54	18.63	9.96	2.11	9.00	21.74
1st Quartile	14.77	20.28	-2.99	16.64	8.44	0.90	7.42	18.35
Median	12.57	18.59	-4.15	15.28	7.65	-0.08	6.60	16.19
3rd Quartile	10.91	16.67	-5.14	13.90	6.81	-1.09	5.39	14.21
95th Percentile	6.66	12.85	-6.73	10.02	5.02	-2.70	3.74	7.86

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 June 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 June 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>3,422,486,262</b>	<b>100.00</b>	<b>6.43</b>	<b>8.34</b>	<b>26.31</b>	<b>10.77</b>	<b>10.48</b>	<b>8.05</b>	<b>10.00</b>	<b>06/01/1982</b>
Policy Benchmark			5.92	9.32	29.78	11.30	10.64	8.07	N/A	
Excess Return			0.51	-0.98	-3.47	-0.53	-0.16	-0.02	N/A	
Passive Benchmark			4.94	5.89	23.58	10.70	9.80	6.92	N/A	
Excess Return			1.49	2.45	2.73	0.07	0.68	1.13	N/A	
<b>Global Equity</b>	<b>2,050,229,162</b>	<b>59.90</b>	<b>7.47</b>	<b>11.92</b>	<b>40.27</b>	<b>13.88</b>	<b>14.40</b>	<b>10.07</b>	<b>9.64</b>	<b>06/01/1988</b>
Global Equity Benchmark			7.18	12.68	40.94	14.24	14.55	9.90	N/A	
Excess Return			0.29	-0.76	-0.67	-0.36	-0.15	0.17	N/A	
<b>US Equity</b>	<b>1,194,183,700</b>	<b>34.89</b>	<b>8.59</b>	<b>15.36</b>	<b>42.22</b>	<b>15.95</b>	<b>15.71</b>	<b>13.11</b>	<b>11.24</b>	<b>06/01/1988</b>
US Equity Benchmark			8.79	14.63	41.87	18.51	17.75	14.63	11.25	
Excess Return			-0.20	0.73	0.35	-2.56	-2.04	-1.52	-0.01	
<b>Developed Markets Equity</b>	<b>542,940,114</b>	<b>15.86</b>	<b>6.73</b>	<b>8.13</b>	<b>34.86</b>	<b>10.94</b>	<b>12.77</b>	<b>7.72</b>	<b>6.24</b>	<b>01/01/2008</b>
Developed Market Equity Benchmark			5.65	9.92	33.60	8.57	10.36	5.70	3.04	
Excess Return			1.08	-1.79	1.26	2.37	2.41	2.02	3.20	
<b>Emerging Markets Equity</b>	<b>313,105,348</b>	<b>9.15</b>	<b>4.61</b>	<b>6.41</b>	<b>43.61</b>	<b>12.23</b>	<b>12.82</b>	<b>3.95</b>	<b>3.41</b>	<b>03/01/2008</b>
Emerging Market Equity Benchmark			5.05	7.45	40.90	11.27	13.03	4.29	3.67	
Excess Return			-0.44	-1.04	2.71	0.96	-0.21	-0.34	-0.26	
<b>Real Assets</b>	<b>507,785,750</b>	<b>14.84</b>	<b>7.47</b>	<b>11.06</b>	<b>19.16</b>	<b>6.48</b>	<b>6.27</b>	<b>8.42</b>	<b>6.31</b>	<b>09/01/2004</b>
Real Assets Benchmark			8.60	15.97	32.52	8.34	6.07	8.13	8.52	
Excess Return			-1.13	-4.91	-13.36	-1.86	0.20	0.29	-2.21	
<b>Real Estate Equity</b>	<b>341,143,225</b>	<b>9.97</b>	<b>7.70</b>	<b>12.30</b>	<b>21.99</b>	<b>7.71</b>	<b>8.10</b>	<b>10.31</b>	<b>7.40</b>	<b>09/01/2004</b>
Real Estate Equity Benchmark			12.02	21.96	38.02	10.10	8.94	10.22	9.19	
Excess Return			-4.32	-9.66	-16.03	-2.39	-0.84	0.09	-1.79	
<b>Infrastructure Equity</b>	<b>166,642,525</b>	<b>4.87</b>	<b>6.99</b>	<b>8.84</b>	<b>13.98</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-2.97</b>	<b>01/01/2020</b>
Infrastructure Equity Benchmark			2.12	4.99	22.22	4.69	5.28	5.27	-1.22	
Excess Return			4.87	3.85	-8.24	N/A	N/A	N/A	-1.75	

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**

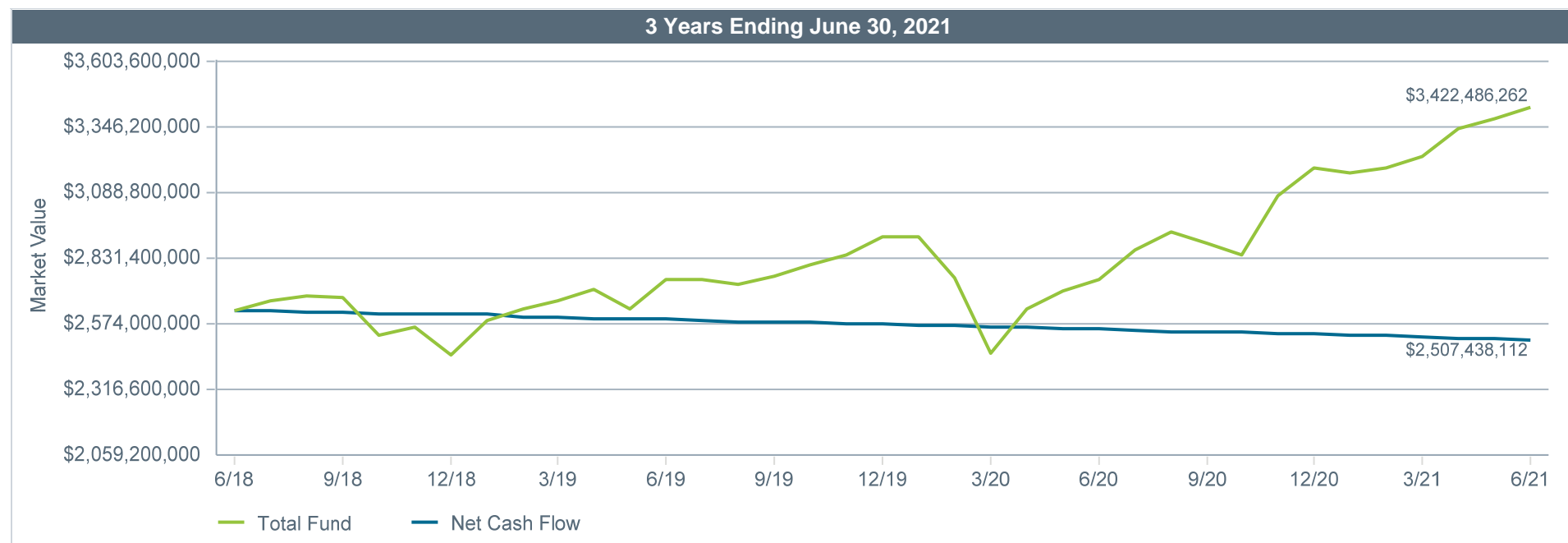
As of June 30, 2021

	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>666,457,790</b>	<b>19.47</b>	<b>3.25</b>	<b>-3.53</b>	<b>-3.12</b>	<b>4.84</b>	<b>2.80</b>	<b>3.33</b>	<b>5.72</b>	<b>02/01/1991</b>
Global Fixed Income Benchmark			1.31	-3.21	2.63	4.77	2.69	3.22	5.63	
Excess Return			1.94	-0.32	-5.75	0.07	0.11	0.11	0.09	
<b>US Treasuries</b>	<b>428,141,569</b>	<b>12.51</b>	<b>3.98</b>	<b>-5.44</b>	<b>-6.69</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>5.78</b>	<b>05/01/2019</b>
US Treasuries Benchmark			1.75	-2.58	-3.22	4.66	2.15	2.84	4.68	
Excess Return			2.23	-2.86	-3.47	N/A	N/A	N/A	1.10	
<b>US Mortgages</b>	<b>111,582,397</b>	<b>3.26</b>	<b>0.00</b>	<b>-0.53</b>	<b>-0.33</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2.48</b>	<b>08/01/2019</b>
US Mortgages Benchmark			0.33	-0.77	-0.42	3.78	2.27	2.64	2.48	
Excess Return			-0.33	0.24	0.09	N/A	N/A	N/A	0.00	
<b>US Credit</b>	<b>126,733,824</b>	<b>3.70</b>	<b>3.86</b>	<b>-0.64</b>	<b>5.25</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.15</b>	<b>08/01/2019</b>
US Credit Benchmark			3.32	-1.28	2.99	7.42	4.63	4.92	5.97	
Excess Return			0.54	0.64	2.26	N/A	N/A	N/A	1.18	
<b>Multi-Asset</b>	<b>173,439,097</b>	<b>5.07</b>	<b>4.88</b>	<b>7.92</b>	<b>27.31</b>	<b>10.69</b>	<b>8.57</b>	<b>N/A</b>	<b>6.58</b>	<b>02/01/2014</b>
Multi-Asset Benchmark			4.94	8.30	28.56	10.53	9.70	6.87	7.38	
Excess Return			-0.06	-0.38	-1.25	0.16	-1.13	N/A	-0.80	
<b>Asset Allocation</b>	<b>136,432,925</b>	<b>3.99</b>	<b>3.98</b>	<b>6.07</b>	<b>20.51</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>22.64</b>	<b>05/01/2020</b>
Multi-Asset Benchmark			4.94	8.30	28.56	10.53	9.70	6.87	30.01	
Excess Return			-0.96	-2.23	-8.05	N/A	N/A	N/A	-7.37	
<b>Commodities &amp; Other</b>	<b>37,006,173</b>	<b>1.08</b>	<b>5.21</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>5.21</b>	<b>04/01/2021</b>
Commodities & Other Benchmark			13.30	21.15	45.61	3.90	2.40	-4.44	13.30	
Excess Return			-8.09	N/A	N/A	N/A	N/A	N/A	-8.09	
<b>Cash &amp; Equivalents</b>	<b>24,574,463</b>	<b>0.72</b>	<b>-0.01</b>	<b>-0.02</b>	<b>0.01</b>	<b>1.20</b>	<b>1.04</b>	<b>N/A</b>	<b>1.19</b>	<b>07/01/2017</b>
Cash & Equivalents Benchmark			0.00	0.02	0.07	1.27	1.11	0.58	1.27	
Excess Return			-0.01	-0.04	-0.06	-0.07	-0.07	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.

Composite: Total Fund  
Total Fund Asset Growth Summary

As of June 30, 2021



Schedule of Investable Assets - Quarter To Date						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
QTD	3,227,606,952	344,673,844	357,085,420	-12,411,577	207,290,887	3,422,486,262

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	478,248,356	503,158,877	-24,910,521	264,254,700	3,422,486,262

Schedule of Investable Assets - 1 Year						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
1 Year	2,749,066,322	1,816,338,129	1,861,267,991	-44,929,862	718,349,802	3,422,486,262

Schedule of Investable Assets - 3 Years						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
3 Years	2,625,398,261	5,620,251,943	5,738,212,092	-117,960,149	915,048,150	3,422,486,262

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.

