



Summary of Fund Performance

City of Austin Employees' Retirement System

Period Ended: June 30, 2023



City of Austin Employees' Retirement System Executive Summary

As of June 30, 2023

Capital Markets Review						Market Performance						
<ul style="list-style-type: none"> At the start of 2023, the combination of rate hikes and quantitative tightening kept expectations for a near-term US recession embedded in many market forecasts. However, the continued strength of certain indicators, such as consumer spending and job growth, has altered the expected timing of a recession for some market participants. In the June data release, the Consumer Price Index (CPI) slowed to a 3.0% year-over-year rate, its lowest since March 2021. The World Bank released its 2023 Global Economic Prospects report in June, forecasting subdued global GDP growth of 2.1% in 2023 and 2.4% in 2024, caused by tightening financial conditions and decreases in demand due to continued elevated inflation. 						QTD	1 Year	3 Years	5 Years	10 Years		
						S&P 500 (Mkt Cap Wtd)	8.7	19.6	14.6	12.3	12.9	
						Russell 2000	5.2	12.3	10.8	4.2	8.3	
						MSCI EAFE (Net)	3.0	18.8	8.9	4.4	5.4	
						MSCI Emg Mkts (Net)	0.9	1.7	2.3	0.9	3.0	
						Bbrg US Agg Bond	-0.8	-0.9	-4.0	0.8	1.5	
Bbrg Cmnty (TR)	-2.6	-9.6	17.8	4.7	-1.0							
NCREIF ODCE (Net)	-2.9	-10.7	7.0	5.6	7.8							
Total Fund Performance												
	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018
Total Fund	2.7	7.5	7.6	6.1	5.2	6.5	6.4	-15.6	13.0	10.8	20.7	-5.9
Policy Benchmark	3.4	9.0	9.5	7.0	5.4	6.6	6.3	-17.3	14.4	10.9	21.6	-6.8
Excess Return	-0.7	-1.5	-1.9	-0.9	-0.2	-0.1	0.1	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	0.3	0.4	0.3	0.5	0.6	-1.2	1.9	0.6	2.3	-0.9		
Standard Deviation	13.7	12.1	10.8	12.5	10.0	14.3	6.7	17.4	7.3	8.3		
Tracking Error	1.8	1.8	1.8	1.7	1.8	2.1	1.2	2.0	1.0	1.8		
Asset Class Performance						Performance Commentary						
	QTD	CYTD	1 Year	3 Years	Since Inception	Inception Date	<ul style="list-style-type: none"> The Total Fund returned 2.7% net of fees during the quarter, underperforming the Policy Benchmark which returned 3.4%. US Equity was the best performing asset class on an absolute basis, net of fees, returning 6.0%. Emerging Markets Equity had strong relative returns, outpacing its benchmark in Q2 by 1.6% 					
Total Fund	2.7	7.5	7.6	6.1	9.3	06/01/1982						
Policy Benchmark	3.4	9.0	9.5	7.0	N/A							
Excess Return	-0.7	-1.5	-1.9	-0.9	N/A							
US Equity	6.0	11.7	15.4	12.0	10.5	06/01/1988						
US Equity Benchmark	8.6	16.8	19.0	13.6	10.7							
Excess Return	-2.6	-5.1	-3.6	-1.6	-0.2							
Developed Markets Equity	3.0	12.3	17.0	7.9	4.9	01/01/2008						
Developed Market Equity Benchmark	3.0	11.3	17.4	9.3	2.5							
Excess Return	0.0	1.0	-0.4	-1.4	2.4							
Emerging Markets Equity	2.5	8.6	5.6	1.6	0.9	03/01/2008						
Emerging Market Equity Benchmark	0.9	4.9	1.7	2.3	1.4							
Excess Return	1.6	3.7	3.9	-0.7	-0.5							
Real Estate Equity	-0.2	-0.4	-6.0	8.0	6.8	09/01/2004						
Real Estate Equity Benchmark	2.6	5.4	-0.1	8.9	7.8							
Excess Return	-2.8	-5.8	-5.9	-0.9	-1.0							
Infrastructure Equity	1.4	4.3	5.8	8.9	2.3	01/01/2020						
Infrastructure Equity Benchmark	-0.4	3.3	3.2	9.8	1.7							
Excess Return	1.8	1.0	2.6	-0.9	0.6							
Global Fixed Income	-0.9	2.5	-1.7	-5.1	5.0	02/01/1991						
Global Fixed Income Benchmark	-1.5	1.4	-1.3	-5.0	4.7							
Excess Return	0.6	1.1	-0.4	-0.1	0.3							
Asset Allocation	3.6	9.3	9.9	5.5	7.0	05/01/2020						
Multi-Asset Benchmark	3.1	8.8	9.2	5.9	7.4							
Excess Return	0.5	0.5	0.7	-0.4	-0.4							
Commodities & Other	-6.3	2.1	1.8	1.3	N/A	07/01/2017						
Commodities & Other Benchmark	-2.6	-7.8	-9.6	17.8	5.2							
Excess Return	-3.7	9.9	11.4	-16.5	N/A							
Asset Allocation vs. Target Allocation												
	Market Value (\$000)	Allocation (%)	Target (%)									
US Equity	1,075,559	34.7	34.0									
DM Equity	495,560	16.0	16.0									
EM Equity	207,099	6.7	6.0									
Real Estate Equity	284,833	9.2	10.0									
Infrastructure Equity	157,423	5.1	5.0									
Global Fixed Income	516,876	16.7	21.0									
Asset Allocation	86,262	2.8	5.0									
Commodities & Other	38,725	1.2	2.0									
Cash & Equivalents	236,449	7.6	1.0									
Total Fund	3,098,785	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	-60,656,166	218,190,398	3,098,785,392	7.49							

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.

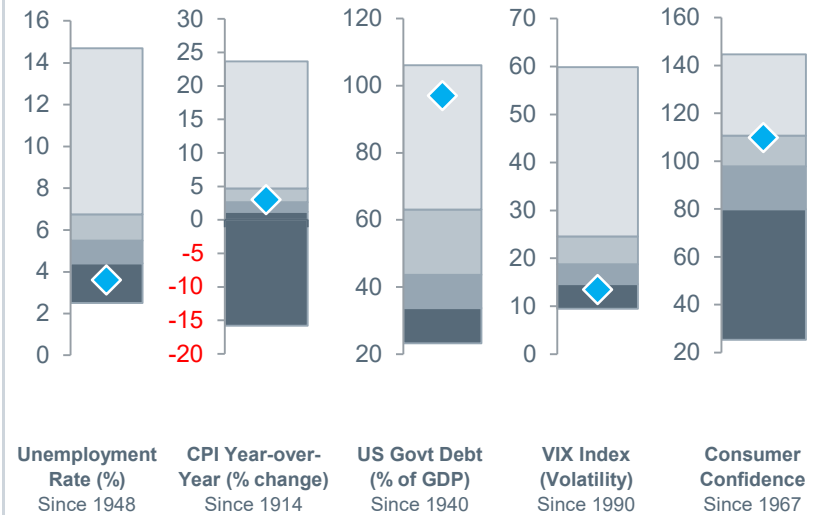


Capital Markets Review

Second Quarter Economic Environment

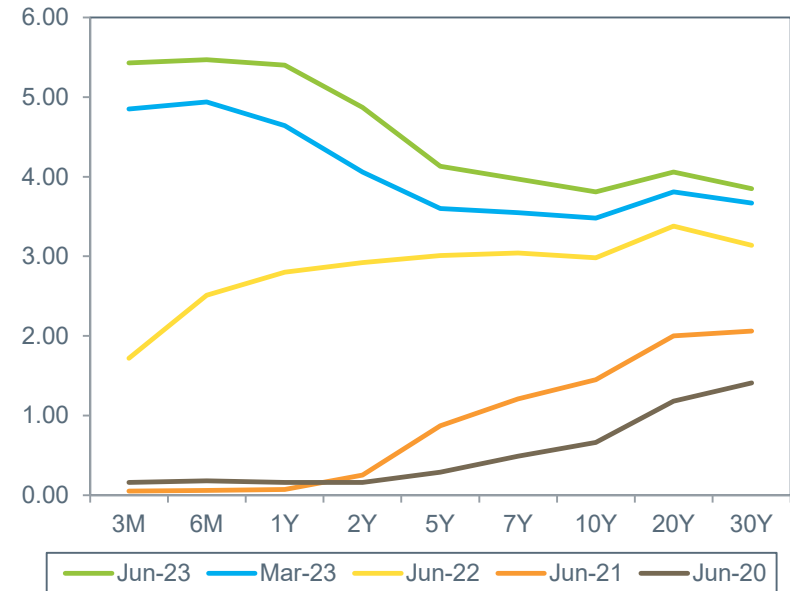
During Q2, investors focused on the uncertainty of the future interest rate path and timing of further actions by the US Federal Reserve and other global central banks. At the start of 2023, the combination of rate hikes and quantitative tightening kept expectations for a near-term US recession embedded in many market forecasts. However, the continued strength of certain indicators, such as consumer spending and job growth, has altered the expected timing of a recession for some market participants. Mid-quarter forecasts and market outlooks were further complicated by the US debt ceiling debate, raising concerns regarding a potential default on the national debt. Ultimately, a deal was struck that suspended the ceiling until 2025. In the June data release, the Consumer Price Index (CPI) slowed to a 3.0% year-over-year rate, its lowest since March 2021. Recent job growth reports in the US provided mixed signals. US equity markets delivered strong results in Q2, primarily driven by the largest growth-oriented companies. US fixed income markets broadly posted negative returns in Q2, as the yield curve inverted further. The economic outlook in China, and its impact on global growth, continued to be a significant topic for investors. As concerns about China have grown, more investors are starting to view India and other south-east Asia countries as the drivers of growth in the region. The World Bank released its 2023 Global Economic Prospects report in June, forecasting subdued global GDP growth of 2.1% in 2023 and 2.4% in 2024, caused by tightening financial conditions and decreases in demand due to continued elevated inflation.

Key Economic Indicators



Economic Indicators	Jun-23	Mar-23	Jun-22	Jun-20	20 Yr
Federal Funds Rate (%)	5.08 ▲	4.83	1.58	0.08	1.39
Breakeven Infl. - 5 Yr (%)	2.17 ▼	2.47	2.62	1.17	1.94
Breakeven Infl. - 10 Yr (%)	2.21 ▼	2.33	2.34	1.34	2.09
CPI YoY (Headline) (%)	3.0 ▼	5.0	9.1	0.6	2.6
Unemployment Rate (%)	3.6 ▲	3.5	3.6	11.0	5.9
Real GDP YoY (%)	N/A —	1.8	1.8	-8.4	2.0
PMI - Manufacturing	46.0 ▼	46.3	53.0	52.4	53.6
USD Total Wtd Idx	119.89 ▲	119.48	121.05	120.49	103.57
WTI Crude Oil per Barrel (\$)	70.6 ▼	75.7	105.8	39.3	69.0
Gold Spot per Oz (\$)	1,906 ▼	1,979	1,807	1,781	1,199

Treasury Yield Curve (%)



Market Performance (%)	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	8.74	16.89	19.59	12.31	12.86
Russell 2000	5.21	8.09	12.31	4.21	8.26
MSCI EAFE (Net)	2.95	11.67	18.77	4.39	5.41
MSCI EAFE SC (Net)	0.58	5.53	10.18	1.30	6.19
MSCI Emg Mkts (Net)	0.90	4.89	1.75	0.93	2.95
Bloomberg US Agg Bond	-0.84	2.09	-0.94	0.77	1.52
ICE BofAML 3 Mo US T-Bill	1.17	2.25	3.59	1.55	0.98
NCREIF ODCE (Gross)	-2.68	-5.77	-9.98	6.50	8.74
FTSE NAREIT Eq REIT (TR)	2.62	5.37	-0.13	4.55	6.42
HFRI FOF Comp	1.43	2.18	3.58	3.30	3.38
Bloomberg Cmdty (TR)	-2.56	-7.79	-9.61	4.73	-0.99



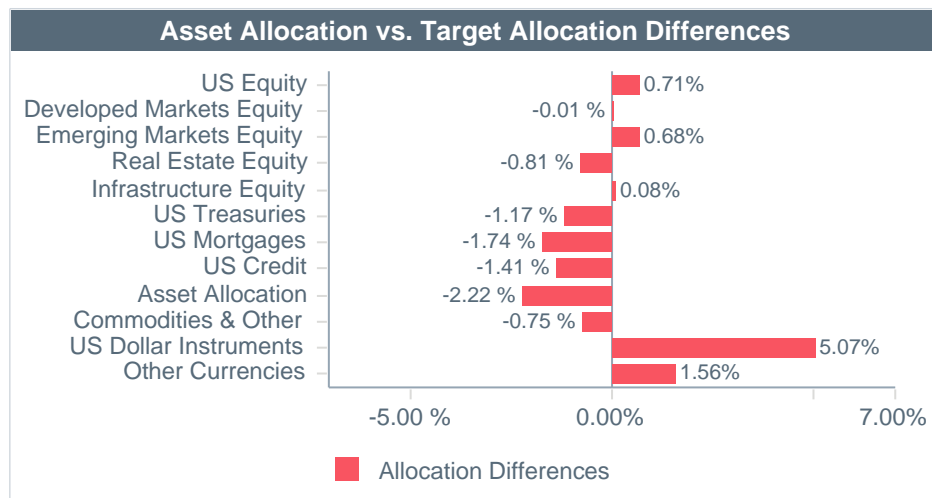
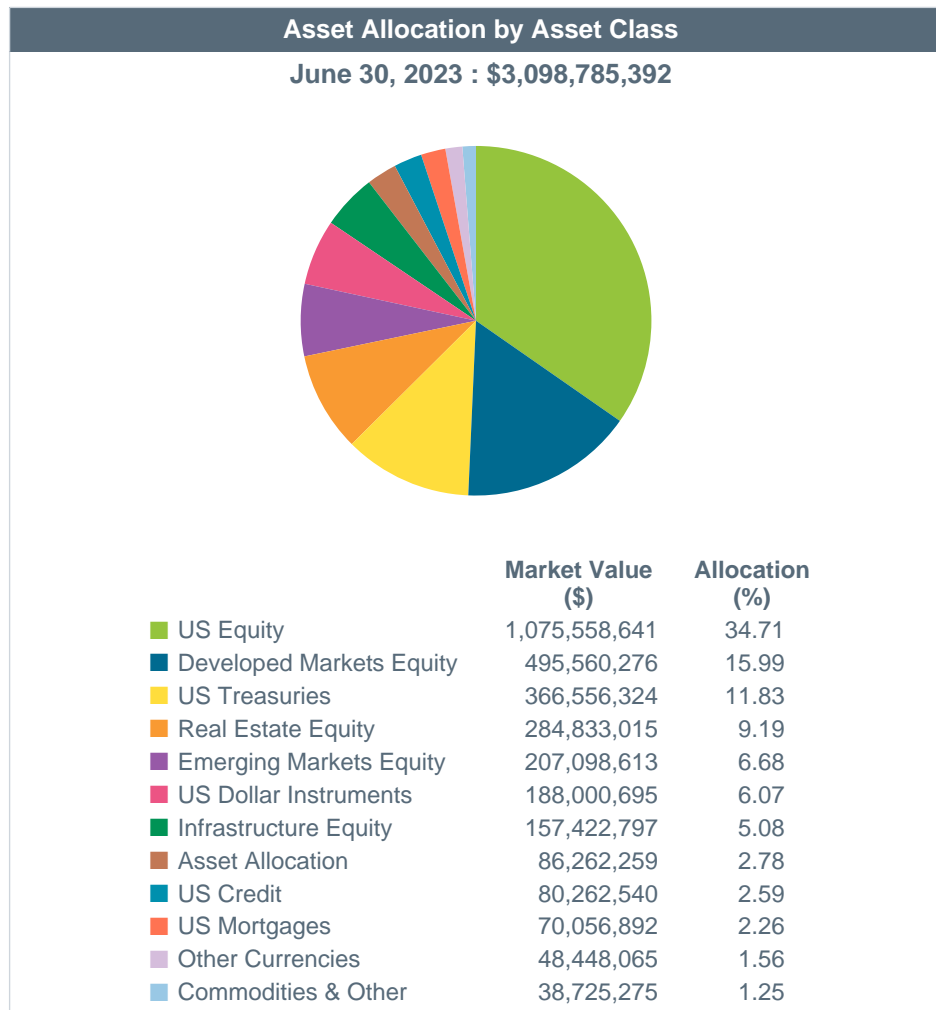
City of Austin Employees' Retirement System

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	-60,656,166	218,190,398	3,098,785,392	7.49
1 Year	2,961,650,113	-83,787,779	220,923,058	3,098,785,392	7.57
3 Years	2,749,066,322	-183,713,246	533,432,316	3,098,785,392	6.13

Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Neutral (%)	Min. (%)	Max. (%)
Total Fund	3,098,785,392	100.00	100.00	-	-
US Equity	1,075,558,641	34.71	34.00	29.00	39.00
Developed Markets Equity	495,560,276	15.99	16.00	13.50	18.50
Emerging Markets Equity	207,098,613	6.68	6.00	4.00	10.50
Real Estate Equity	284,833,015	9.19	10.00	7.00	13.00
Infrastructure Equity	157,422,797	5.08	5.00	1.00	7.00
US Treasuries	366,556,324	11.83	13.00	11.00	21.00
US Mortgages	70,056,892	2.26	4.00	3.00	6.00
US Credit	80,262,540	2.59	4.00	2.50	7.00
Asset Allocation	86,262,259	2.78	5.00	3.50	7.50
Commodities & Other	38,725,275	1.25	2.00	1.00	5.00
US Dollar Instruments	188,000,695	6.07	1.00	0.00	5.00
Other Currencies	48,448,065	1.56	0.00	0.00	1.00



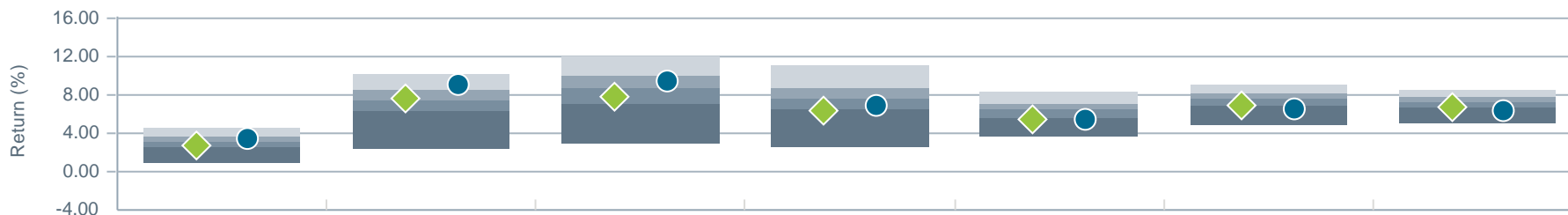
Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Performance is annualized for periods greater than one year. Total Fund market value does not include \$405,246.33 in assets remaining at Northern Trust - representing accruals, cash, tax reclaims, and some assets that were restricted from being delivered due to a liquidation or pending corporate action.



Composite: Total Fund
Benchmark: Policy Benchmark
Peer Group: All Public Plans - Total Fund

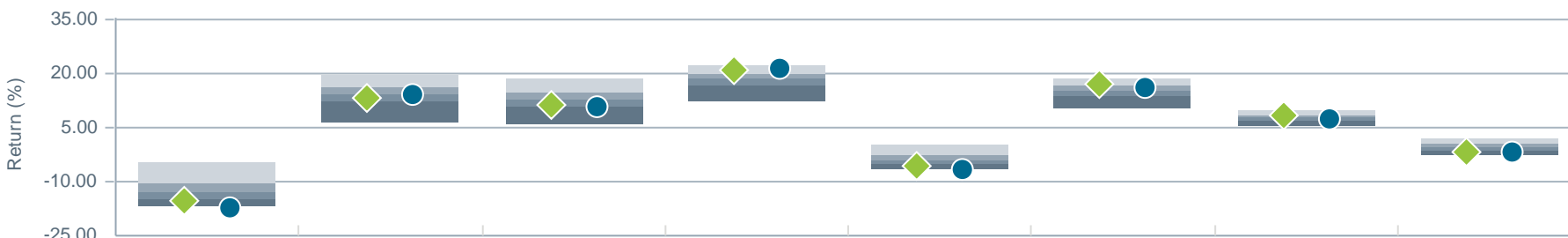
As of June 30, 2023

Rate of Return - Trailing



	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years
◆ Composite	2.71 (68)	7.60 (46)	7.80 (65)	6.40 (76)	5.43 (84)	6.83 (79)	6.68 (76)
● Benchmark	3.43 (34)	9.02 (17)	9.52 (34)	6.97 (68)	5.39 (86)	6.59 (85)	6.31 (86)
5th Percentile	4.49	10.17	11.91	11.06	8.33	9.10	8.55
1st Quartile	3.60	8.53	9.96	8.74	7.15	8.25	7.87
Median	3.05	7.46	8.81	7.72	6.59	7.57	7.29
3rd Quartile	2.52	6.29	7.12	6.46	5.70	6.96	6.68
95th Percentile	0.92	2.29	2.97	2.62	3.72	4.99	5.03

Rate of Return - Calendar

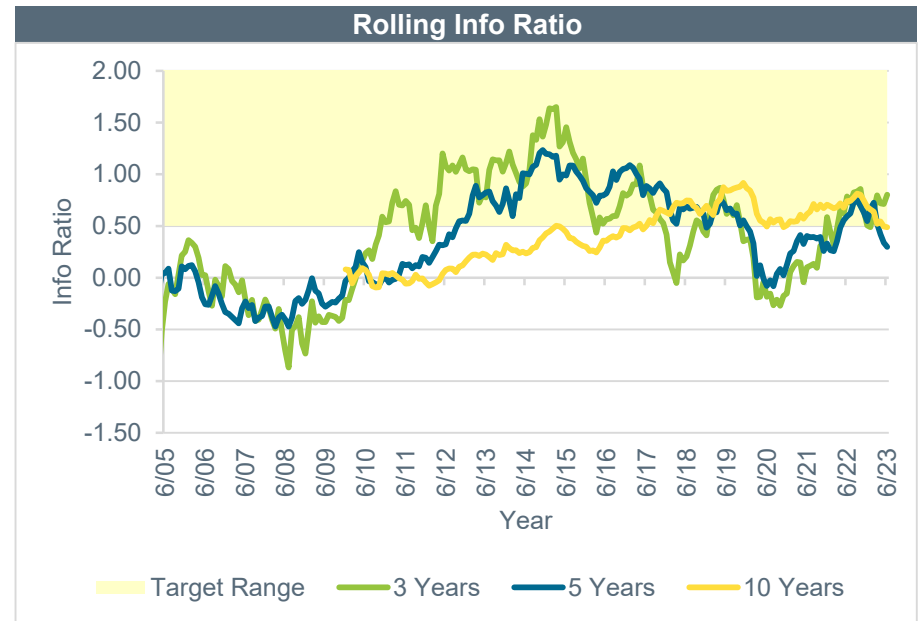
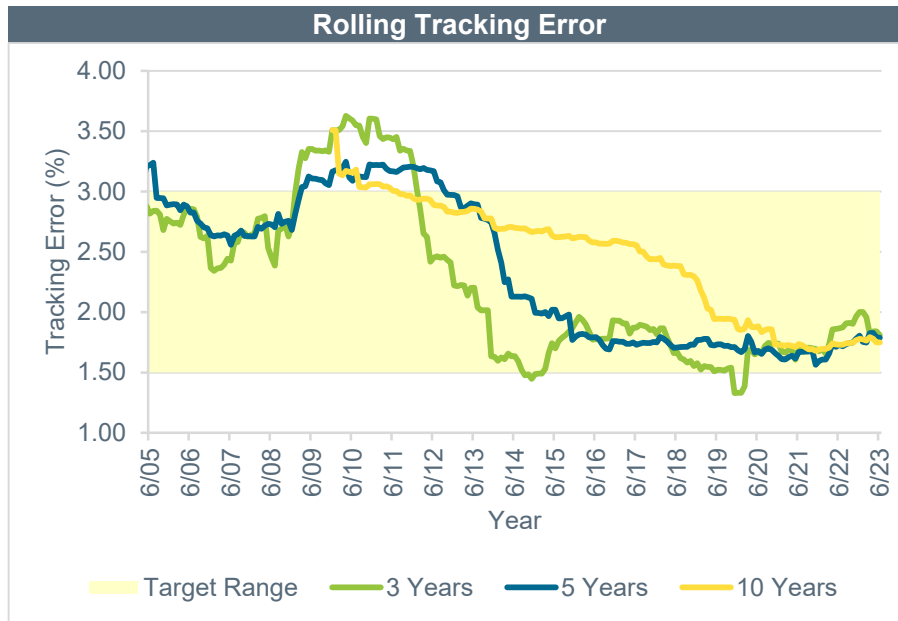
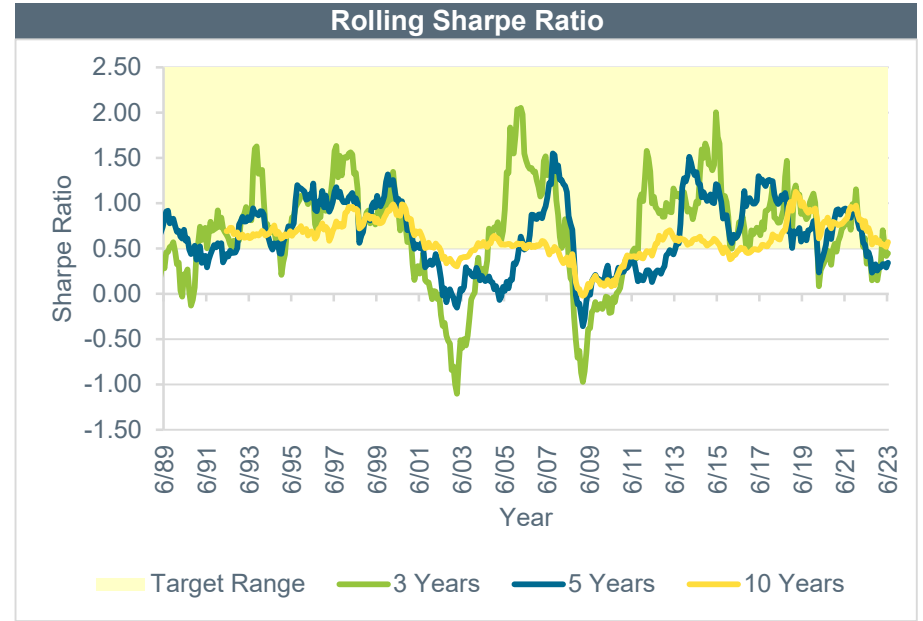
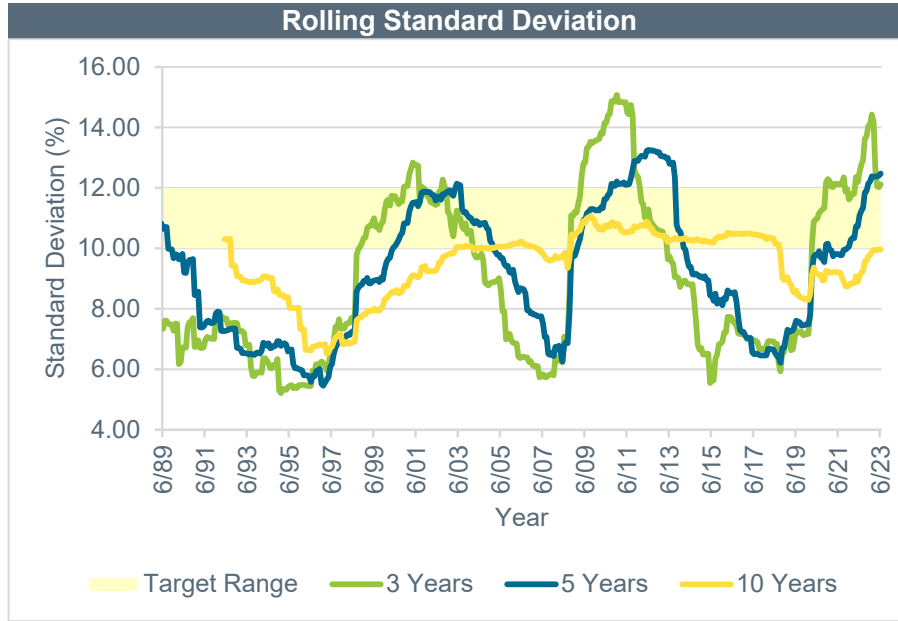


	2022	2021	2020	2019	2018	2017	2016	2015
◆ Composite	-15.40 (84)	13.32 (61)	11.07 (74)	20.97 (17)	-5.63 (86)	16.96 (17)	8.44 (27)	-1.55 (81)
● Benchmark	-17.32 (98)	14.38 (44)	10.92 (76)	21.57 (10)	-6.79 (97)	15.97 (34)	7.55 (54)	-1.92 (88)
5th Percentile	-4.61	19.60	18.42	22.22	-0.07	18.60	9.97	2.10
1st Quartile	-10.71	16.11	14.70	20.21	-2.88	16.44	8.51	0.72
Median	-12.78	14.01	12.54	18.57	-4.02	15.15	7.69	-0.11
3rd Quartile	-14.68	12.21	10.92	16.65	-5.11	13.87	6.92	-1.16
95th Percentile	-16.75	6.45	5.81	12.48	-6.65	10.12	5.27	-2.64

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)



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

As of June 30, 2023

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

	Allocation		Rate of Return (%)							
	Market Value (\$)	%	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	Since Incep.	Inception Date
Total Fund	3,098,785,392	100.00	2.65	7.49	7.57	6.13	5.17	6.36	9.35	06/01/1982
Policy Benchmark			3.43	9.02	9.52	6.97	5.39	6.31	N/A	
Excess Return			-0.78	-1.53	-1.95	-0.84	-0.22	0.05	N/A	
Passive Benchmark			3.07	8.82	9.25	4.53	4.62	5.46	N/A	
Excess Return			-0.42	-1.33	-1.68	1.60	0.55	0.90	N/A	
Global Equity	1,778,217,530	57.38	4.71	11.45	14.52	9.37	6.61	8.22	8.85	06/01/1988
Global Equity Benchmark			5.89	13.25	16.14	10.97	7.65	8.62	N/A	
Excess Return			-1.18	-1.80	-1.62	-1.60	-1.04	-0.40	N/A	
US Equity	1,075,558,641	34.71	5.99	11.67	15.44	12.02	9.03	10.80	10.53	06/01/1988
US Equity Benchmark			8.60	16.84	18.98	13.59	11.45	12.37	10.68	
Excess Return			-2.61	-5.17	-3.54	-1.57	-2.42	-1.57	-0.15	
Developed Markets Equity	495,560,276	15.99	2.96	12.26	16.97	7.88	4.92	6.39	4.93	01/01/2008
Developed Market Equity Benchmark			3.03	11.29	17.41	9.30	4.58	5.40	2.49	
Excess Return			-0.07	0.97	-0.44	-1.42	0.34	0.99	2.44	
Emerging Markets Equity	207,098,613	6.68	2.48	8.60	5.63	1.57	0.62	2.64	0.86	03/01/2008
Emerging Market Equity Benchmark			0.90	4.89	1.75	2.32	0.93	2.95	1.36	
Excess Return			1.58	3.71	3.88	-0.75	-0.31	-0.31	-0.50	
Real Assets	442,255,812	14.27	0.38	1.17	-2.32	8.22	5.13	6.74	6.10	09/01/2004
Real Assets Benchmark			1.59	4.74	1.15	9.37	4.65	6.35	7.51	
Excess Return			-1.21	-3.57	-3.47	-1.15	0.48	0.39	-1.41	
Real Estate Equity	284,833,015	9.19	-0.17	-0.38	-5.97	7.97	5.21	8.02	6.77	09/01/2004
Real Estate Equity Benchmark			2.62	5.37	-0.13	8.91	4.55	7.16	7.79	
Excess Return			-2.79	-5.75	-5.84	-0.94	0.66	0.86	-1.02	
Infrastructure Equity	157,422,797	5.08	1.42	4.32	5.81	8.94	1.63	N/A	2.33	01/01/2020
Infrastructure Equity Benchmark			-0.42	3.30	3.25	9.75	4.42	5.77	1.73	
Excess Return			1.84	1.02	2.56	-0.81	-2.79	N/A	0.60	

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.

As of June 30, 2023

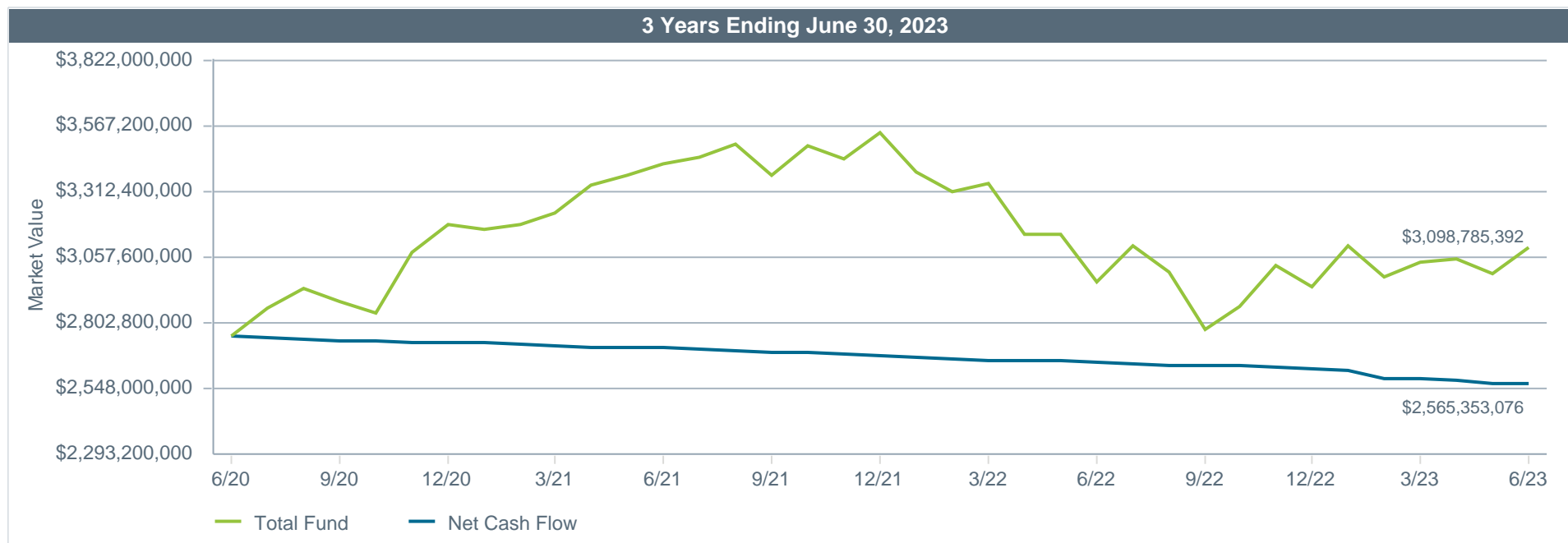
Composite: Total Fund
Asset Allocation & Performance - Net of Fees

	Allocation		Rate of Return (%)							
	Market Value (\$)	%	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	Since Incep.	Inception Date
Global Fixed Income	516,875,756	16.68	-0.91	2.45	-1.65	-5.06	0.36	1.36	4.96	02/01/1991
Global Fixed Income Benchmark			-1.53	1.43	-1.32	-4.96	-0.78	0.74	4.69	
Excess Return			0.62	1.02	-0.33	-0.10	1.14	0.62	0.27	
US Treasuries	366,556,324	11.83	-1.15	2.22	-2.44	-6.19	N/A	N/A	-0.02	05/01/2019
US Treasuries Benchmark			-1.38	1.59	-2.13	-4.80	0.44	0.96	-0.38	
Excess Return			0.23	0.63	-0.31	-1.39	N/A	N/A	0.36	
US Mortgages	70,056,892	2.26	-0.54	2.22	-2.04	-3.75	N/A	N/A	-1.63	08/01/2019
US Mortgages Benchmark			-0.64	1.87	-1.52	-3.73	0.03	1.13	-1.60	
Excess Return			0.10	0.35	-0.52	-0.02	N/A	N/A	-0.03	
US Credit	80,262,540	2.59	-0.18	3.71	2.13	-2.94	N/A	N/A	-0.21	08/01/2019
US Credit Benchmark			-0.31	3.13	1.39	-3.38	1.65	2.51	-0.55	
Excess Return			0.13	0.58	0.74	0.44	N/A	N/A	0.34	
Multi-Asset	124,987,534	4.03	0.42	6.89	7.20	7.40	5.71	N/A	4.85	02/01/2014
Multi-Asset Benchmark			3.07	8.82	9.25	5.91	4.53	5.41	4.89	
Excess Return			-2.65	-1.93	-2.05	1.49	1.18	N/A	-0.04	
Asset Allocation	86,262,259	2.78	3.58	9.32	9.86	5.55	N/A	N/A	6.98	05/01/2020
Multi-Asset Benchmark			3.07	8.82	9.25	5.91	4.53	5.41	7.44	
Excess Return			0.51	0.50	0.61	-0.36	N/A	N/A	-0.46	
Commodities & Other	38,725,275	1.25	-6.34	2.08	1.79	1.30	N/A	N/A	4.37	04/01/2021
Commodities & Other Benchmark			-2.56	-7.79	-9.61	17.82	4.73	-0.99	11.31	
Excess Return			-3.78	9.87	11.40	-16.52	N/A	N/A	-6.94	
Cash & Equivalents	236,448,760	7.63	1.10	2.36	3.96	1.35	1.52	N/A	1.47	07/01/2017
Cash & Equivalents Benchmark			1.22	2.33	3.73	1.31	1.53	0.96	1.49	
Excess Return			-0.12	0.03	0.23	0.04	-0.01	N/A	-0.02	
US Dollar Instruments	188,000,695	6.07	0.99	2.30	3.93	1.33	1.52	0.93	1.19	09/01/2015
Bloomberg US T-Bills 1-3 Mo Index			1.22	2.33	3.73	1.31	1.53	0.96	1.22	
Excess Return			-0.23	-0.03	0.20	0.02	-0.01	-0.03	-0.03	
Other Currencies	48,448,065	1.56	1.24	2.45	3.92	N/A	N/A	N/A	2.61	12/01/2021
Bloomberg US T-Bills 1-3 Mo Index			1.22	2.33	3.73	1.31	1.53	0.96	2.44	
Excess Return			0.02	0.12	0.19	N/A	N/A	N/A	0.17	

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, 2023



Schedule of Investable Assets - Quarter To Date						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
QTD	3,037,798,691	473,165,739	492,311,856	-19,146,116	80,132,817	3,098,785,392

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	514,803,807	575,459,972	-60,656,166	218,190,398	3,098,785,392

Schedule of Investable Assets - 1 Year						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
1 Year	2,961,650,113	941,088,372	1,024,876,151	-83,787,779	220,923,058	3,098,785,392

Schedule of Investable Assets - 3 Years						
Periods Ending	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)
3 Years	2,749,066,322	3,433,145,509	3,616,858,755	-183,713,246	533,432,316	3,098,785,392

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.

