



***Summit Strategies Group***

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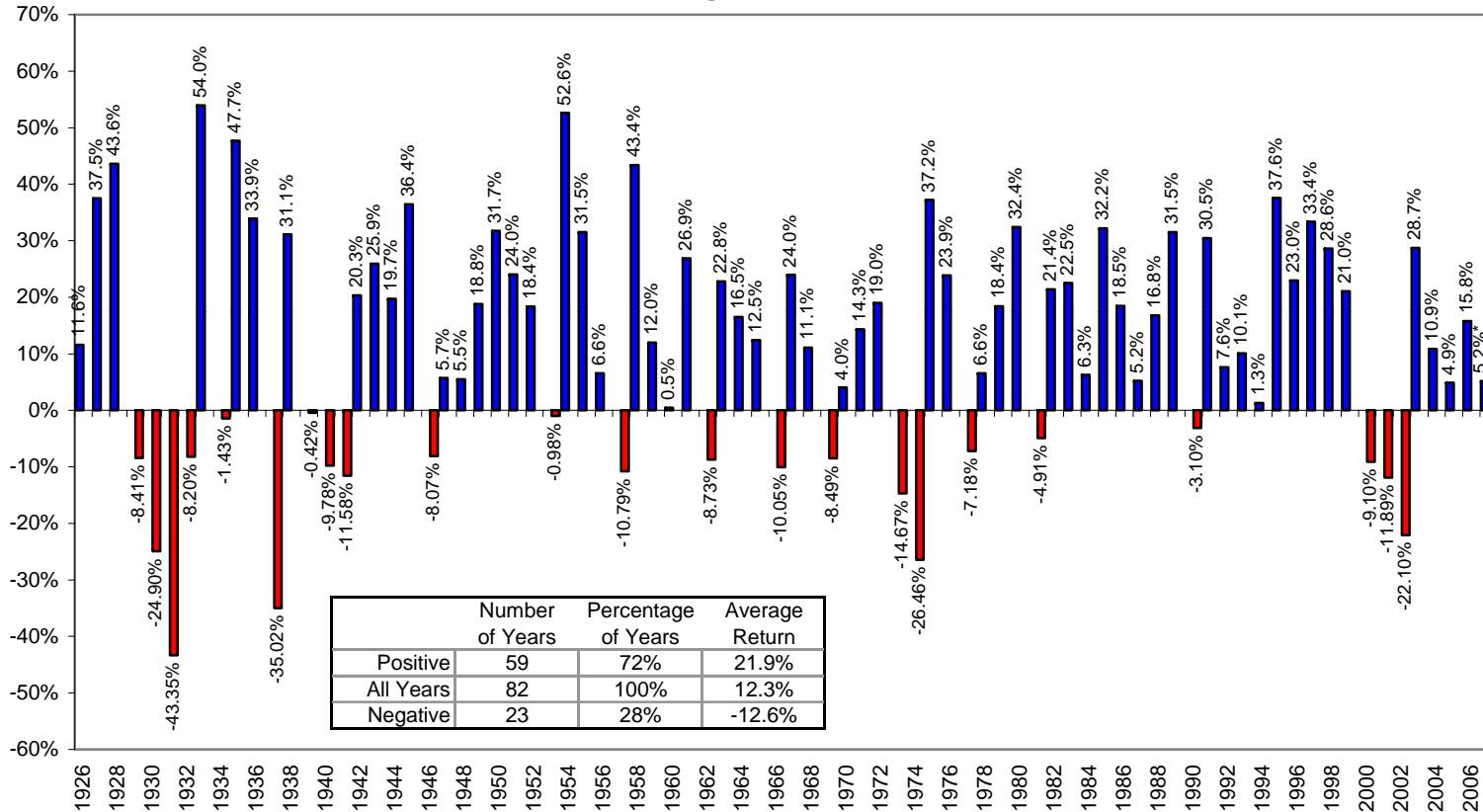
**Annual Members' Meeting  
City of Austin Employees'  
Retirement System**

October 17, 2007

Standard & Poor's 500 Index

Total Return: Calendar Years 1928-2007\* (YTD through 8/31/07)

Total Return: Calendar Years 1928 - 2007\*  
Percentage Gain or Loss

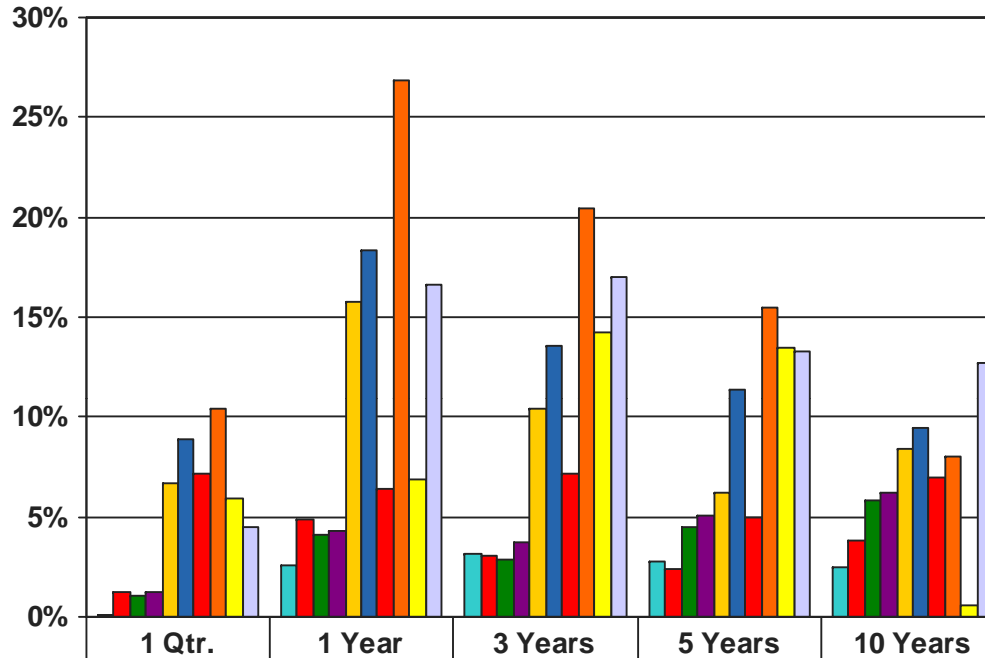


	1 Year	5 Years	10 Years	15 Years	20 Years	30 Years
Best Case	54.0%	28.6%	20.1%	18.9%	17.9%	13.7%
Worst Case	-43.4%	-12.5%	-0.9%	0.6%	3.1%	8.5%

\* Year-to-date through August 31, 2007.

Sources: Standard & Poor's Corporation; Crandall, Pierce & Company; Alliance Bernstein.

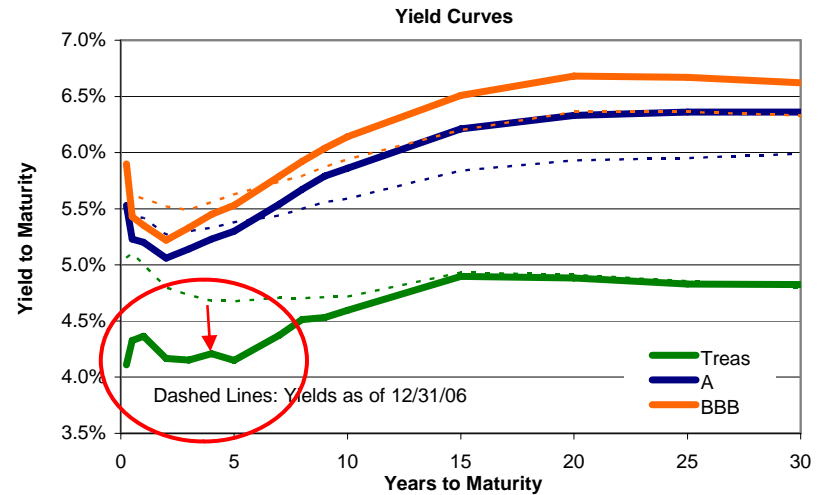
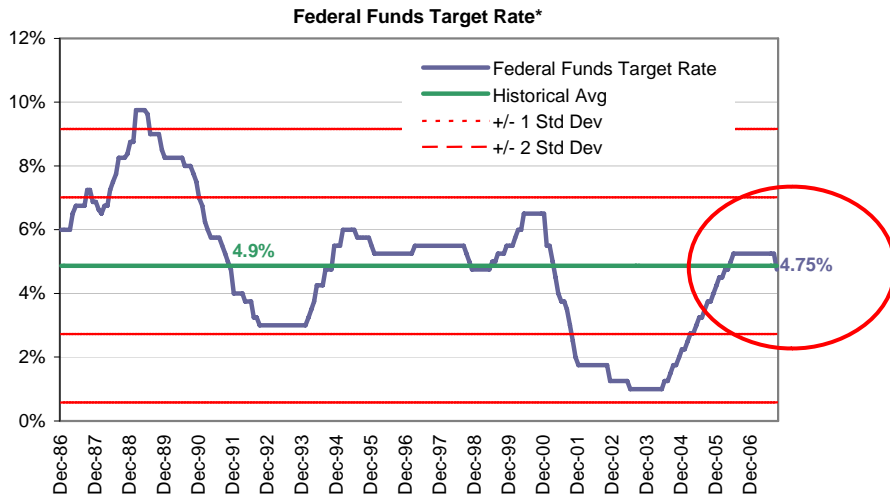
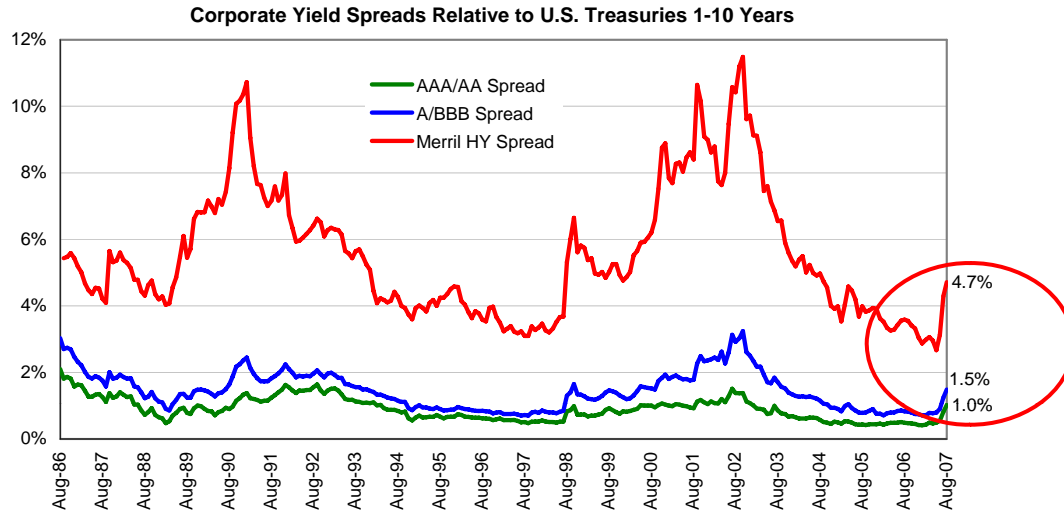
**Market Environment**  
**Periods Ending December 31, 2006**



	1 Qtr.	1 Year	3 Years	5 Years	10 Years
<span style="color: cyan;">■</span> CPI	0.1%	2.6%	3.1%	2.7%	2.5%
<span style="color: red;">■</span> Treasury Bills	1.3%	4.8%	3.1%	2.4%	3.8%
<span style="color: green;">■</span> Lehman Intermed Govt/Credit	1.0%	4.1%	2.9%	4.5%	5.8%
<span style="color: purple;">■</span> Lehman Aggregate	1.2%	4.3%	3.7%	5.1%	6.2%
<span style="color: yellow;">■</span> S&P 500	6.7%	15.8%	10.4%	6.2%	8.4%
<span style="color: blue;">■</span> Russell 2000	8.9%	18.4%	13.6%	11.4%	9.4%
<span style="color: red;">■</span> NASDAQ	7.2%	6.4%	7.2%	5.0%	7.0%
<span style="color: orange;">■</span> EAFE	10.4%	26.9%	20.4%	15.4%	8.1%
<span style="color: yellow;">■</span> NIKKEI	5.9%	6.9%	14.2%	13.5%	0.6%
<span style="color: lightblue;">■</span> NCREIF	4.5%	16.6%	17.0%	13.3%	12.7%

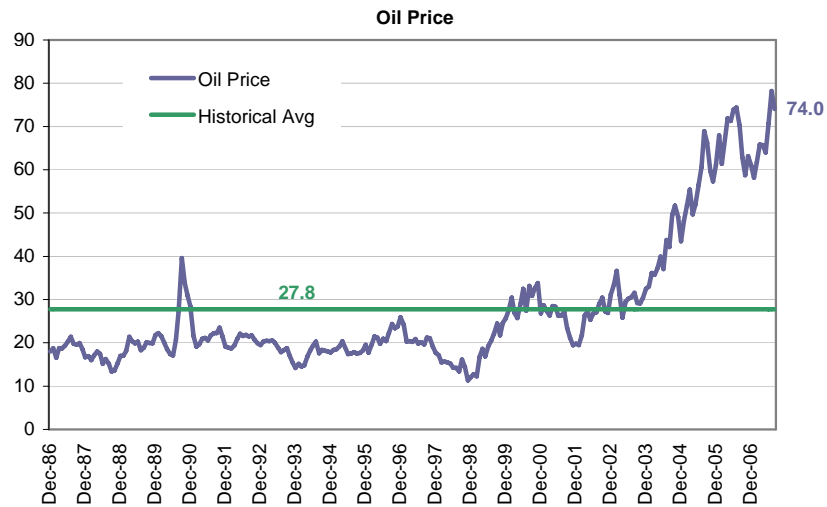
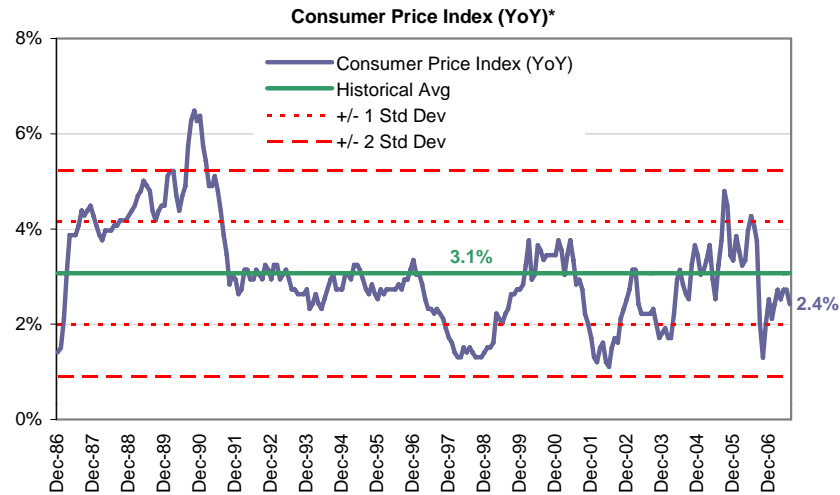
- Inflation
- Cash
- Intermediate Bonds
- Core Bonds
- Domestic Large Cap Stocks
- Domestic Small Cap Stocks
- Domestic OTC Stocks
- International Stocks
- Japanese Stocks
- Core Real Estate

Fixed Income Environment (8/31/07)



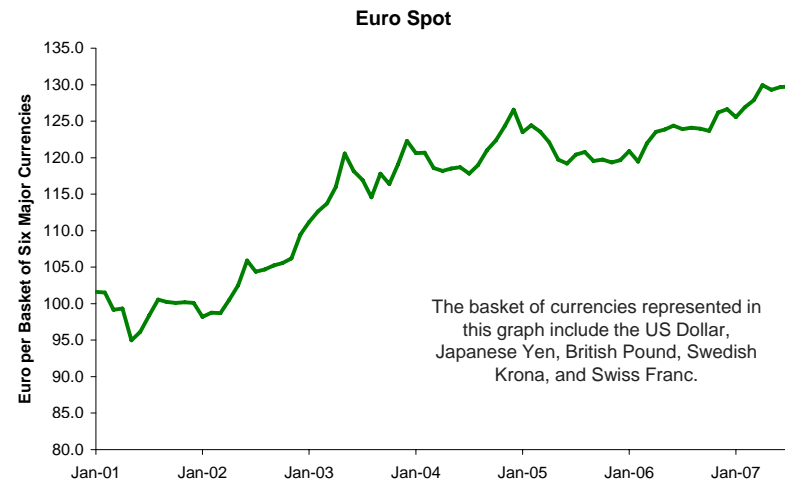
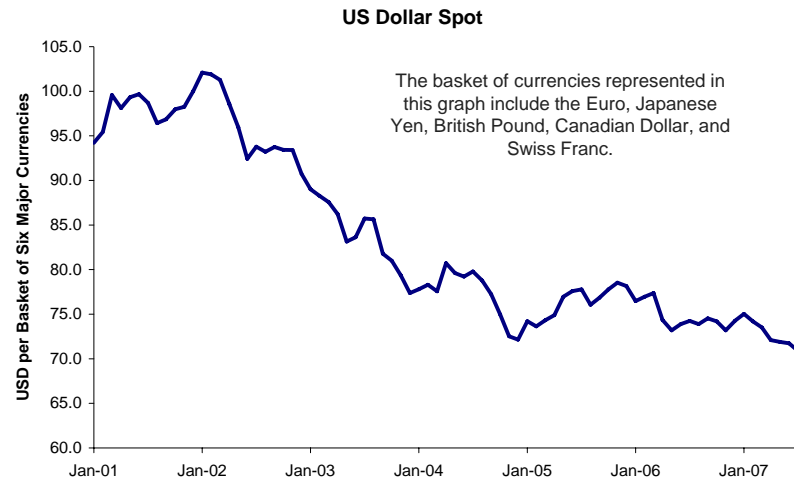
\* As of September 30, 2007.

Economic Environment (8/31/07)



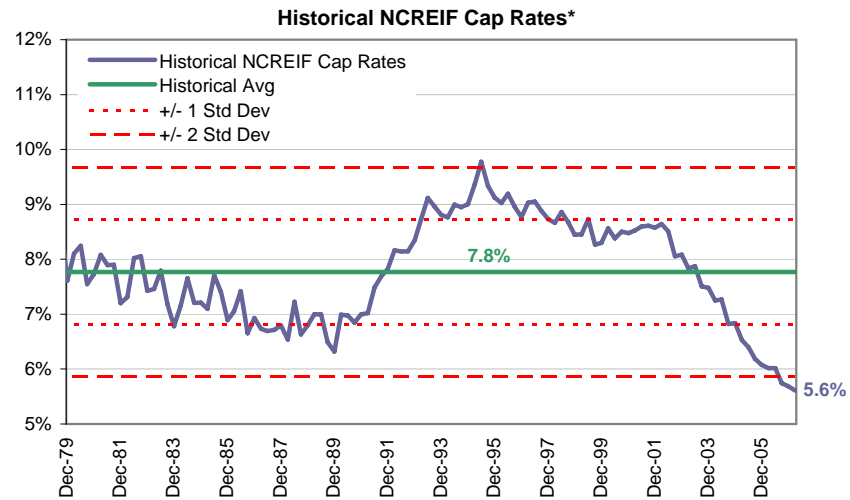
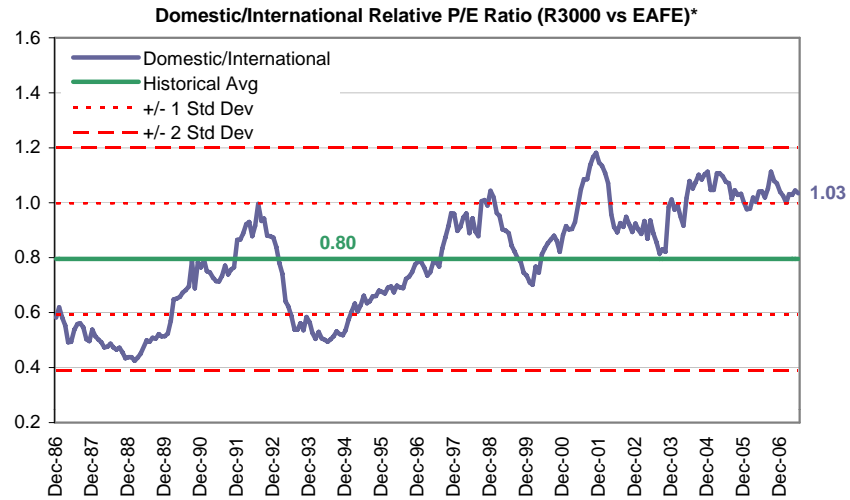
\*Data was not available at time of publication – data is previous month's.

Currency Movements (8/31/07)



\*Source: Bloomberg – Deutsche Bank Trade Weighted Indices.

Market Environment (8/31/07)



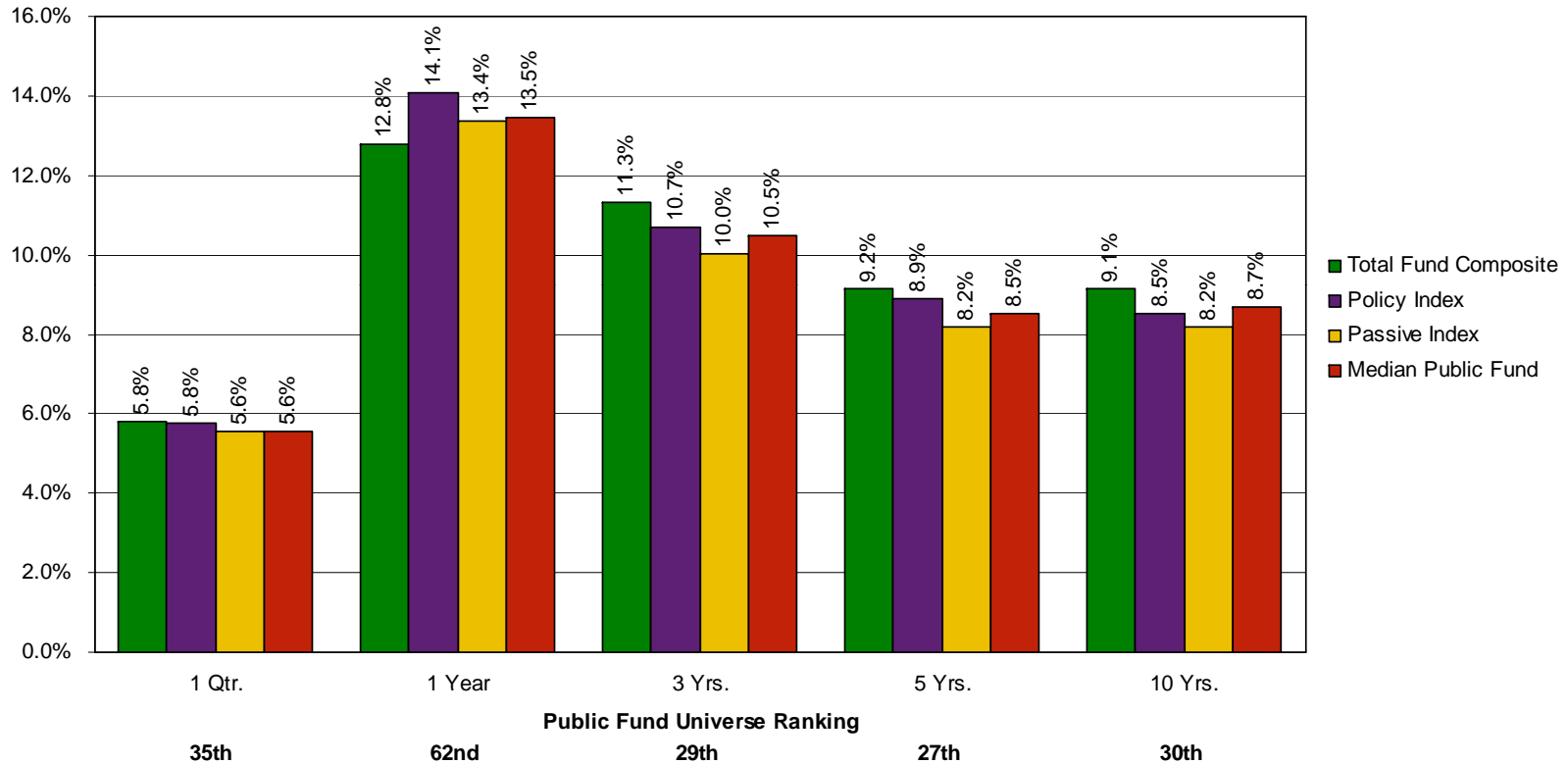
\*Data was not available at time of publication – data is previous month's.

Style Performance Ranking: One-Year Time Periods

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Past Qtr	YTD 2007	*10 Yr ROR	*20 Yr ROR
Best Performing	EAFE 69.9%	EAFE 24.9%	Small Value 29.5%	Large Growth 35.9%	LB Int Treas 9.5%	Small Growth 51.2%	Small Value 29.1%	EAFE 32.9%	EAFE 8.1%	Large Value 38.4%	Large Growth 23.1%	Large Value 35.2%	Large Growth 38.7%	Small Growth 43.1%	Small Value 22.8%	Small Value 14.0%	Core Bonds 10.3%	Small Growth 48.5%	Small Value 22.3%	EAFE 14.0%	EAFE 26.9%	Large Growth 4.2%	EAFE 13.6%	Small Value 10.1%	Small Value 11.9%
	Large Value 20.0%	Large Growth 5.3%	EAFE 28.6%	S&P 500 31.7%	Core Bonds 9.0%	Small Cap 46.1%	Small Cap 18.4%	Small Value 23.8%	Large Growth 2.7%	S&P 500 37.6%	S&P 500 23.0%	S&P 500 33.4%	S&P 500 28.6%	Large Growth 33.2%	Core Bonds 11.6%	Core Bonds 8.4%	LB Int Treas 9.6%	Small Cap 47.3%	EAFE 20.7%	Large Value 7.1%	Small Value 23.5%	LB Int Treas 3.5%	Large Growth 12.7%	Large Value 8.8%	Large Value 11.8%
	S&P 500 18.7%	S&P 500 5.3%	Small Cap 24.9%	Large Value 25.2%	Large Growth -0.3%	Small Value 41.7%	Large Value 13.8%	Small Cap 18.9%	S&P 500 1.3%	Large Growth 37.2%	Large Value 21.6%	Small Value 31.8%	EAFE 20.3%	EAFE 27.3%	LB Int Treas 10.3%	LB Int Treas 8.2%	Small Value -11.4%	Small Value 46.0%	Small Cap 18.3%	Large Growth 5.3%	Large Value 22.2%	Core Bonds 2.8%	Small Growth 9.4%	EAFE 8.3%	S&P 500 10.6%
	Large Growth 15.4%	LB Int Treas 3.6%	Large Value 23.2%	Small Growth 20.2%	S&P 500 -3.1%	Large Growth 41.2%	Small Growth 7.8%	Large Value 18.1%	Small Value -1.5%	Small Growth 31.0%	Small Value 21.4%	Large Growth 30.5%	Large Value 15.6%	Small Cap 21.3%	Large Value 7.0%	Small Cap 2.5%	Large Value -15.5%	EAFE 39.2%	Large Value 16.5%	S&P 500 4.9%	Small Cap 18.4%	EAFE 2.2%	S&P 500 9.1%	Small Cap 7.2%	Small Cap 9.7%
	Core Bonds 15.3%	Core Bonds 2.8%	Small Growth 20.4%	Small Cap 16.2%	Large Value -8.1%	S&P 500 30.5%	S&P 500 7.6%	Small Growth 13.4%	Small Cap -1.8%	Small Cap 28.4%	Small Cap 16.5%	Small Cap 22.4%	Core Bonds 8.7%	S&P 500 21.0%	Small Cap -3.0%	Large Value -5.6%	EAFE -15.7%	Large Value 30.0%	Small Growth 14.3%	Small Value 4.7%	S&P 500 15.8%	S&P 500 2.0%	Large Value 6.0%	S&P 500 6.6%	Large Growth 9.2%
Worst Performing	LB Int Treas 13.1%	Large Value 0.5%	S&P 500 16.6%	Core Bonds 14.5%	Small Growth -17.4%	Large Value 24.6%	Core Bonds 7.4%	S&P 500 10.1%	LB Int Treas -1.8%	Small Value 25.8%	Small Growth 11.3%	Small Growth 12.9%	LB Int Treas 8.6%	Large Value 7.4%	S&P 500 -9.1%	Small Growth -9.2%	Small Cap -20.5%	Large Growth 29.8%	S&P 500 10.9%	Small Cap 4.6%	Small Growth 13.4%	Small Growth 0.0%	LB Int Treas 5.1%	Core Bonds 6.0%	Core Bonds 7.7%
	Small Value 7.4%	Small Value -7.1%	Large Growth 11.3%	LB Int Treas 12.7%	Small Cap -19.5%	Core Bonds 16.0%	LB Int Treas 7.0%	Core Bonds 9.8%	Large Value -2.0%	Core Bonds 18.5%	EAFE 6.4%	Core Bonds 9.7%	Small Growth 1.2%	LB Int Treas 0.4%	EAFE -14.0%	S&P 500 -11.9%	S&P 500 -22.1%	S&P 500 28.7%	Large Growth 6.3%	Small Growth 4.1%	Large Growth 9.1%	Large Value -0.2%	Core Bonds 3.8%	LB Int Treas 5.3%	EAFE 7.3%
	Small Cap 5.7%	Small Cap -8.8%	Core Bonds 7.9%	Small Value 12.4%	Small Value -21.8%	LB Int Treas 14.1%	Large Growth 5.0%	LB Int Treas 8.2%	Small Growth -2.4%	LB Int Treas 14.4%	LB Int Treas 4.0%	LB Int Treas 7.7%	Small Cap -2.5%	Core Bonds -0.8%	Large Growth -22.4%	Large Growth -20.4%	Large Growth -27.9%	Core Bonds 4.1%	Core Bonds 4.3%	Core Bonds 2.4%	Core Bonds 4.3%	Small Cap -3.1%	Small Cap 3.2%	Large Growth 4.1%	Small Growth 6.9%
	Small Growth 3.6%	Small Growth -10.5%	LB Int Treas 6.3%	EAFE 10.8%	EAFE -23.2%	EAFE 12.5%	EAFE -11.8%	Large Growth 2.9%	Core Bonds -2.9%	EAFE 11.6%	Core Bonds 3.6%	EAFE 2.1%	Small Value -6.5%	Small Value -1.5%	Small Growth -22.4%	EAFE -21.2%	Small Growth -30.3%	LB Int Treas 2.1%	LB Int Treas 2.0%	LB Int Treas 1.6%	LB Int Treas 3.5%	Small Value -6.3%	Small Value -2.7%	Small Growth 3.6%	LB Int Treas 6.8%

\*As of September 30, 2007  
Source: Standard & Poors, Frank Russell, Lehman Brothers, MSCI

**Total Fund Performance  
December 31, 2006**



Note: Total Fund Policy Index is comprised of 33% S&P 500, 14% Russell 2500 Growth, 15% FTAWI Ex-US, 38% Lehman Aggregate, thru 8/00; 33% S&P 500, 14% Russell 2500 Growth, 15% EAFE, 38% Lehman Aggregate, 9/00 thru 9/01; 33% S&P 500, 14% Russell 2500, 15% EAFE, 38% Lehman Aggregate, 10/01 thru 12/02; 33% S&P 500, 16% Russell 2500, 16% EAFE, 35% Lehman Aggregate, 1/03 thru 3/05; and 33% S&P 500, 16% Russell 2500, 16% EAFE, 30% Lehman Aggregate, 5% NCREIF, 4/05 to present. Passive Index is comprised of 47% R3000, 15% EAFE, 38% LB Aggregate through 12/02; 49% R3000, 16% EAFE, and 35% LB Aggregate from 1/03 to present. Allocation Index is comprised of Fund's beginning asset allocation using benchmark returns.

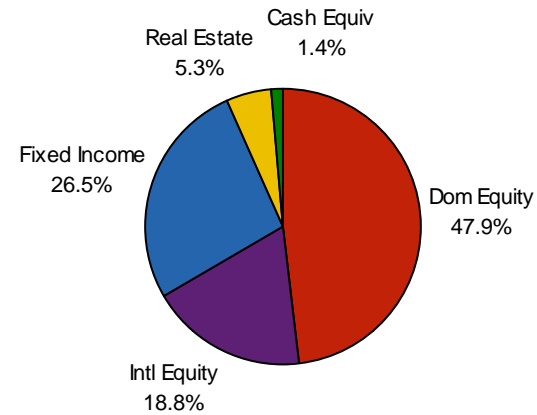
**Total Fund Asset Allocation Summary  
December 31, 2006**

**Actual Allocation as of 12/31/2006**

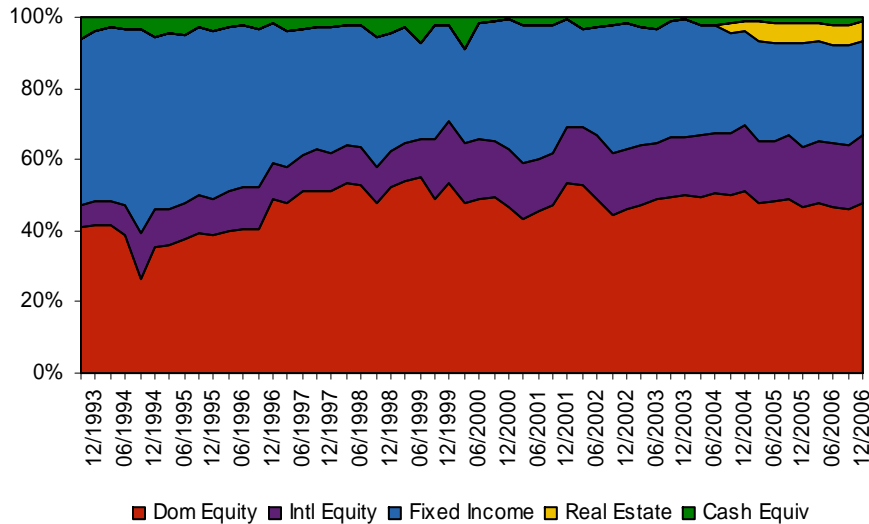
Dom Equity	\$768,429,655
Intl Equity	302,100,835
Fixed Income	425,375,383
Real Estate	85,450,667
Cash Equiv	<u>22,045,829</u>

Total: \$1,603,402,369

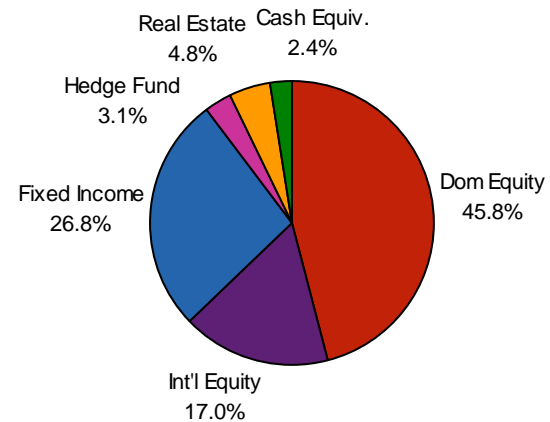
**COAERS' Asset Allocation at 12/31/2006**



**Historical Asset Allocation through 12/31/2006**

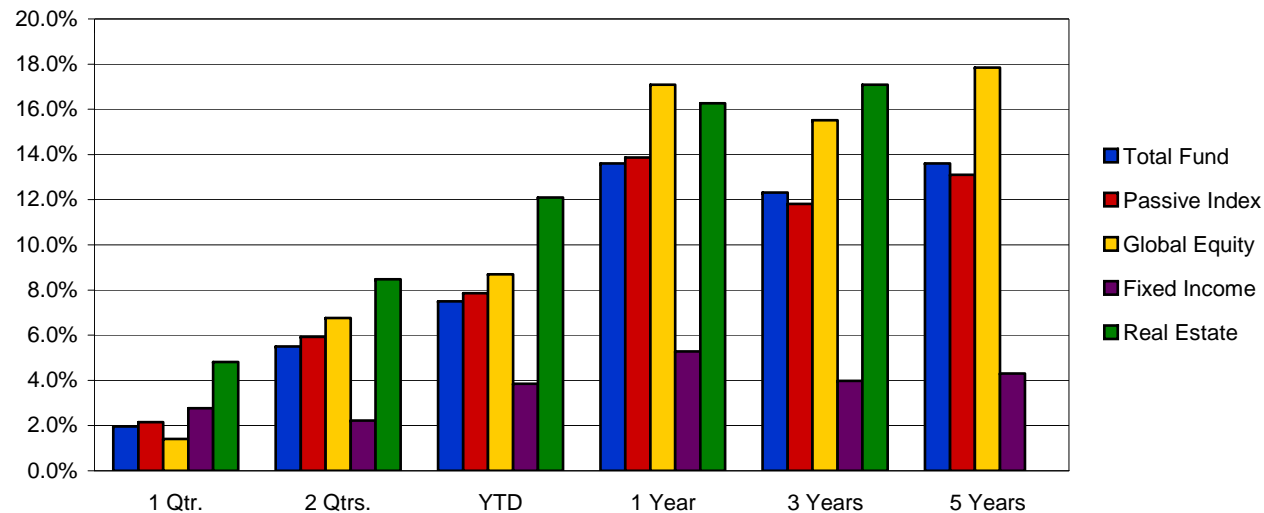


**Median Public Fund Asset Allocation at 12/31/2006**



**Net of Fees Performance Summary – Preliminary  
Periods Ending September 30, 2007**

Periods Ending 9/30/07 Net of Fees Performance (Preliminary)



Asset Values	1 Qtr.	2 Qtrs.	YTD	1 Year	3 Years	5 Years	
<b>Global Equity</b>	\$1,126,300,760	1.4%	6.8%	8.7%	17.1%	15.5%	17.9%
<b>Fixed Income</b>	\$485,883,214	2.8%	2.2%	3.9%	5.3%	4.0%	4.3%
<b>Real Estate</b>	\$91,694,625	4.8%	8.5%	12.1%	16.3%	17.1%	N/A
<b>Total Fund</b>	\$1,704,056,154	2.0%	5.5%	7.5%	13.6%	12.3%	13.6%
<b>Passive Index</b>		2.2%	5.9%	7.9%	13.9%	11.8%	13.1%

Note: Passive Index is comprised of 49% R3000, 16% EAFE, and 35% LB Aggregate from 1/03 to present.

**Disclaimer**

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