

COAERS CONNECT

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City of Austin Employees' Retirement System

2020 COAERS Board of Trustees Election Results



Brad Sinclair

COAERS Trustee,
Active Member Place 6

Michael Benson

COAERS Trustee,
Retired Member Place 10



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COAERS HOURS OF REMOTE OPERATION

COAERS offices remain closed to the public while we continue to monitor the COVID-19 pandemic. However, our staff is working remotely to help via telephone, email, or virtual visits.

Monday - Friday
8:00 a.m. to 5:00 p.m.
Tel: (512) 458-2551
Fax: (512) 458-5650
www.coaers.org
member.services@coaers.org

COAERS BOARD OF TRUSTEES

Chris Noak - Chair
Michael Benson - Vice Chair
Stephanie Beach
Amy Hunter
Yuejiao Liu
Frank Merriman
Leslie Pool
Anthony B. Ross, Sr.
Brad Sinclair
Randy Spencer
Diana Thomas

During the December 15 meeting of the COAERS Board of Trustees, the Board voted to certify the results of the 2020 election for Retired Member Place 10 and the Active Member Place 6 special election.

Prior to the Board's certification, the Nominating and Election Committees met on December 3 to tabulate the election ballots. With 450 votes, Brad Sinclair was elected to the Active Member Place 6 position. Michael Benson was elected to the Retired Member Place 10 position, garnering 716 votes.

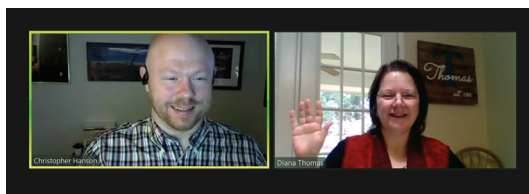
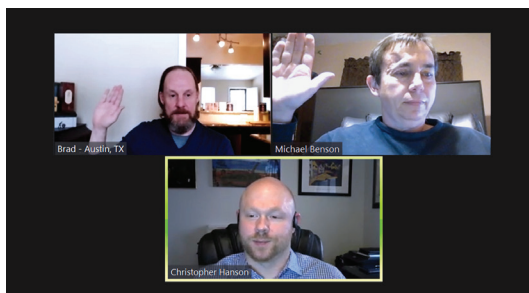
Thank you to all the candidates for their participation, the election committees for their dedication to this important process, and to all our members who voted. We congratulate Mr. Sinclair and Mr. Benson on their election.

COAERS Board Elects New Officers for 2021 Term

On January 26, the COAERS Board elected Chris Noak and Michael Benson to serve as the new Chair and Vice Chair, respectively, for the 2021 term. The Board is required by its governing statute to elect the Chair and Vice Chair each January for a one-year term.

During the meeting, the COAERS Board also welcomed Diana Thomas as its newest trustee. On January 13, the Office of the City Manager notified COAERS that Ms. Thomas would replace long-serving member Ed Van Eenoo, the City of Austin's newly appointed Chief Financial Officer, as the City Manager's designee to the COAERS Board of Trustees, effective immediately.

Ms. Thomas, who is the Controller for the City of Austin, was sworn into her position on the Board of Trustees on January 19.



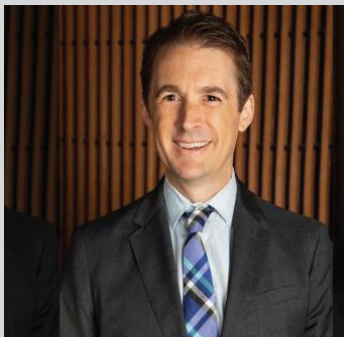
Farewell to 2020 Board Chair Eyna Canales-Zarate and Vice Chair Ed Van Eenoo

We are proud to recognize the tremendous work of Board Chair Eyna Canales-Zarate and Vice Chair Ed Van Eenoo. Their service and expertise have been an incredible asset to the COAERS Board and the COAERS membership.

Throughout her tenure on the Board, Ms. Canales-Zarate's leadership has been central to shepherding COAERS' mission and vision. In addition to her role as Board Chair, Ms. Canales-Zarate has fulfilled the roles of Investment Committee Chair, Benefits and Services Chair, Policy Committee Chair and as a member of Disability, Audit and Finance Committees on the COAERS Board. Ms. Canales-Zarate was a member of the Board for three consecutive terms prior to retiring from 30 years of service to Austin and was subsequently elected to the Board in 2016 as a retired member.

As the Austin City Manager's designee, Mr. Van Eenoo was appointed to the COAERS Board in 2011. Over the last decade, Mr. Van Eenoo brought his extensive expertise as one of the City's leading financial officers. He served on the Investment and the Audit and Risk Committees, and served as chair of the Benefits and Services Committee.

We are thankful for their dedicated service and commitment to the fiduciary responsibilities of a COAERS Trustee in working to ensure a secure retirement for all members and to strengthen the System's financial standing.



State of the Fund: COAERS Investment Update

Despite the many challenges that 2020 presented, the COAERS Fund delivered double-digit returns for the year totaling 10.8% net of all fees. These gains saw the assets of the Fund reach \$3.18 billion, a new record level in its history dating back more than 75 years.

Global equities, which represent the centerpiece of the Fund, gained 16.0%, including a 20.1% increase in the emerging markets equity portfolio. The only asset class that declined in value was real assets, posting a 3.7% loss for the year as its investments in real estate and infrastructure struggled.

Last year, the benefits of key strategic initiatives also came to fruition, including the division of the bond portfolio into more manageable allocations. The measure greatly increased the portfolio's ability to hedge against adverse market events. This work paid off handsomely in 2020, where the significant investment in long-dated Treasuries returned 20.4% as interest rates plunged.

The Fund also expanded into new asset types such as a small allocation to gold, which rose 10.1% for the year. These types of holdings aim to prepare the Fund for the risk that significant inflation could stage a comeback after three decades of deflation.

COAERS also initiated a new strategy for investing in global equities that includes the ability to mitigate the heavy concentration observed in large equity

COAERS BY THE NUMBERS 2020

\$3.18 billion

Total fund assets
as of 12/31/2020

Returns net of all
fees as of 12/31/2020

10.8%

20,217

Total
COAERS membership



indices such as the S&P 500. In 2020, the Board also approved the Investment Risk Framework, a comprehensive strategy maintaining a well-diversified portfolio and delivering strong risk-adjusted returns as market conditions change.

Last year, COAERS also initiated a change in its custodial bank, which reduced counterparty risk for the System while delivering better service.

As in years past, these results were achieved with best-in-class levels of stewardship. A review by CEM, a global benchmarking company, shows that the Fund remains among the very lowest of its peers for the level of fees paid. All of these strategic actions were accomplished by our highly dedicated investment team while working remotely for the past year. We are proud of the results and look forward to a bright future for the Fund.

You can find more information about our Investment Policies at www.coaers.org/Investments.

COAERS CONTINUES REMOTE OPERATIONS

Like many organizations and agencies around the country, COAERS is approaching the one-year mark of remote operations since the onset of the COVID-19 global pandemic. Throughout this time, the COAERS staff has continued to successfully carry out business operations in a virtual environment and has ensured the seamless continuity of our service to members, delivering benefits on time and without interruption.

As local, state, and federal officials and healthcare professionals provide the latest information about the ongoing pandemic, COAERS will remain in remote operations to protect the health and safety of the COAERS staff, our Trustees, and our valued member community. COAERS continues to monitor and review the advice and guidelines of local health officials, and we will keep our membership informed of when in-person operations will resume. We will continue to communicate updates and changes on our website at www.coaers.org/covid19.

Kickstart Retirement Planning in 2021 with COAERS



The start of the new year means new resolutions, new goals, and new opportunities to plan for the year ahead. This year, if you're wanting to jumpstart your retirement planning, then we have a few ways to help you get started.

1. Track your COAERS retirement account through MemberDirect

Keep track of your COAERS benefits by using MemberDirect. This past fall, COAERS launched its new online portal called MemberDirect. The web tool is an information portal for COAERS members to access your retirement accounts, where you can see and review your accrued earned benefits and service credits, calculate estimates of your retirement benefit, review or designate beneficiaries, check retirement eligibility and much more. Enroll today by visiting www.coaers.org.

2. Register for a Virtual Pre-Retirement Seminar

Active members who are within two years of retirement should register for a pre-retirement seminar with COAERS. COAERS offers virtual seminars to discuss how the retirement process works, what to expect when you're applying for retirement, what types of retirement benefit options are available to you, and when to apply. The live online seminar provides you with the important information you need to complete the retirement process. For information about upcoming pre-retirement seminars, visit www.coaers.org/events to view the calendar of events or log on to MemberDirect to register for open seminars. If you need assistance registering, please contact member.services@coaers.org.

3. Run a benefit estimate

Want to know what your retirement benefit could be once you retire? Use the benefit estimate tool in MemberDirect to run estimates and understand all retirement benefit options prior to completing the paperwork necessary for retirement. Log on to MemberDirect

at www.coaers.org and click the "Estimate a Benefit" tab to run estimates.

4. Understanding service purchases

While the primary way to obtain service credit is by working in a regular full-time position and making mandatory contributions to the System (this is called "membership service credit"), you can also establish additional service credit by purchasing it, if you qualify. There are several ways in which you may be able to purchase service credit and review what options are available. To learn more about service purchases, visit www.coaers.org/Service-Purchase-Options.

5. Plan your retirement dates and be aware of deadlines

Know your responsibilities when planning your retirement date. Contact COAERS approximately 90 days in advance of the date you are eligible to retire. This will provide you plenty of time to meet with a COAERS Member Services Specialist, gather important documents, and complete your retirement notice and application. Your completed retirement notice and application must be submitted no later than the 15th day of the month in which you want to retire. All retirement dates are the last day of each month. For example, if you are retiring in March, your retirement date would be March 31st and the deadline to submit your retirement application is March 15th.

Preparing for retirement is a significant undertaking. Building your knowledge about the retirement process, asking questions about your retirement benefit, and choosing options that are best for you can be a daunting task. The COAERS Member Services team is always here to help answer your benefit related questions and advise what you'll need before you apply for retirement.

For assistance with understanding your benefits, you can schedule a counseling session with COAERS staff by contacting member.services@coaers.org or call us at (512) 458-2551.

Interest Posting

At the December 2020 meeting of the COAERS Board, Trustees set the interest rate paid on member deposits at 1.04 percent. Interest was credited as of December 31, 2020, on deposits in members' accounts as of January 1, 2020.

2020 Annual Member Statement Available on MemberDirect

The COAERS Annual Member Statement for 2020 is now available on MemberDirect. The annual statement includes information regarding your retirement membership date, contributions made during 2020, interest credited as of December 31, 2020, and service purchases made during 2020.

For instructions on how to read your annual statement, please visit our YouTube channel to watch this informational video:

www.bit.ly/coaersmemberstatement. Log in or register for MemberDirect at www.coaers.org.

Notice to Retirees: Access IRS Form 1099-R on MemberDirect

Retiree members can now access the 2020 IRS Form 1099-R on MemberDirect!

You can now access and download your Form 1099-R through MemberDirect. Form 1099-R reports the taxable pension earnings for the 2020 tax year and provides information you'll need to complete your tax return. Retirees who received a payment from COAERS during 2020 will receive a Form 1099-R.

Visit www.coaers.org to log on to your MemberDirect account, and click the "1099-R" tab to view and download your Form 1099-R. As a convenience to our members, a copy of the Form 1099-R was also mailed to the address on file with COAERS.

If you have any questions about accessing your 1099-R or need assistance with enrolling in MemberDirect, contact member.services@coaers.org or call us at (512) 458-2551.

CONNECT WITH US



(512) 458-2551

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IMPORTANT 2021 DATES

FEBRUARY

2/26 Retiree Annuity Issue Date

MARCH

3/15 Retirement Application Deadline

3/30 Board Meeting

3/31 Retiree Annuity Issue Date

3/31 Virtual Pre-Retirement Seminar

APRIL

4/15 Retirement Application Deadline

4/29 Virtual Pre-Retirement Seminar

4/30 Retiree Annuity Issue Date

MAY

5/15 Retirement Application Deadline

5/26 Virtual Pre-Retirement Seminar

5/31 Retiree Annuity Issue Date

5/31 Memorial Day Holiday -
Office Closure

JUNE

6/15 Retirement Application Deadline

6/29 Board Meeting

6/30 Virtual Pre-Retirement Seminar

6/30 Retiree Annuity Issue Date



City of Austin Employees' Retirement System

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CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM

SPRING
NEWSLETTER

