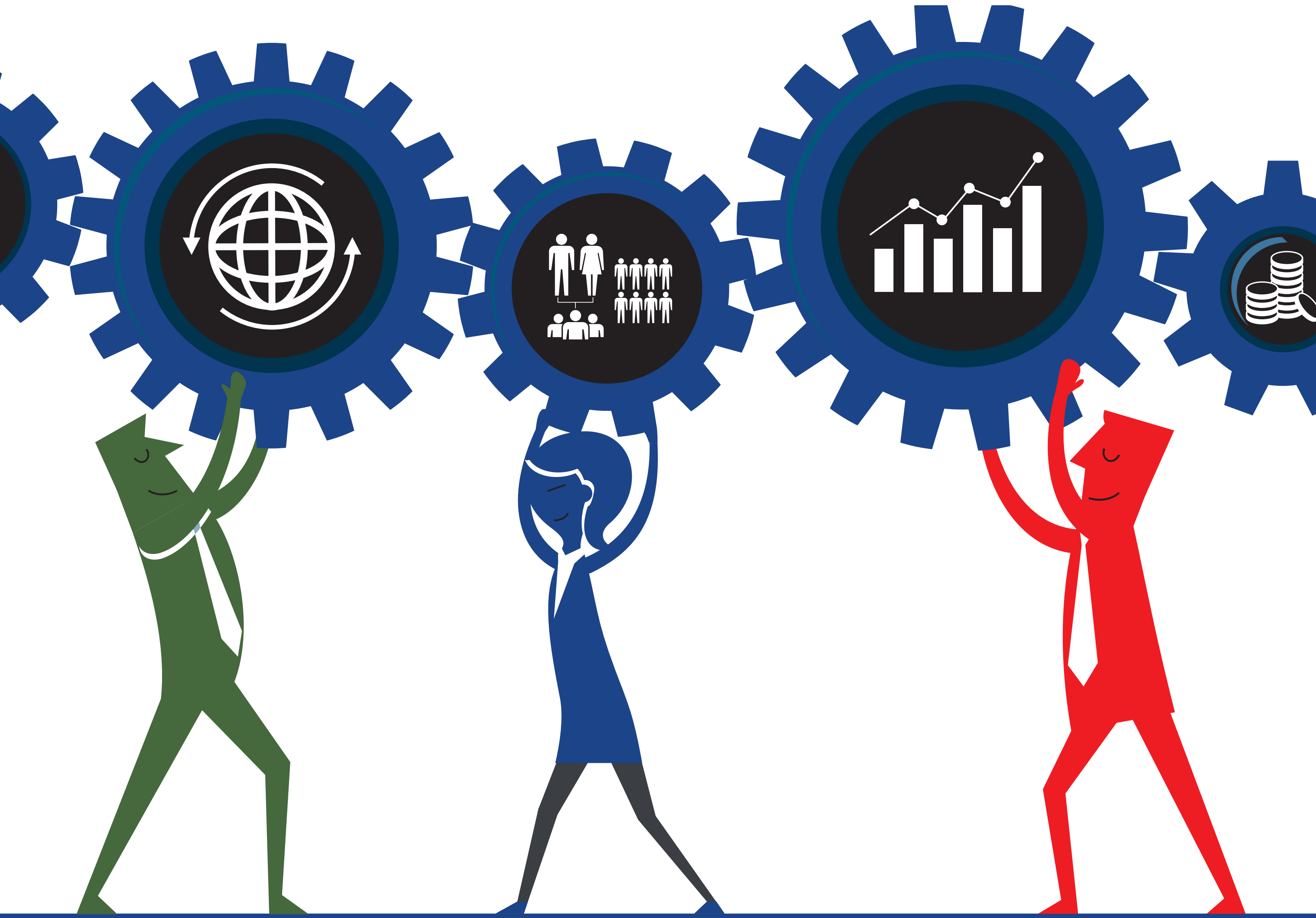
POLICE Officers

FAIRFAX COUNTY

Retirement SYSTEMS



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR 2021

ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Three systems...
one team.

FAIRFAX COUNTY
Retirement
SYSTEMS
EMPLOYEES'
POLICE Officers
UNIFORMED

A Pension Trust Fund of Fairfax County, Virginia

This report was prepared by the financial, administrative and investment staff of the Fairfax County Police Officers Retirement System.

Table of Contents

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INTRODUCTORY

INTRODUCTORY

County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

November 15, 2021

Dear Members of the Board of Trustees:

I am pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Fairfax County Police Officers Retirement System (System) for the fiscal year ended June 30, 2021. This ACFR is provided as an aid to understanding the structure and evaluating the status of the System. The System's management is responsible for the accuracy of financial information contained herein. The Management's Discussion and Analysis provides further detail to the financial statements.

History

The Fairfax County Police Officers Retirement System was created under authority granted by Chapter 303 of the Acts of Assembly (law of the Commonwealth of Virginia) on March 29, 1944, to provide defined benefit pension plan coverage for sworn full-time law enforcement officers of the Fairfax County Police Department. In 1981 Fairfax County enacted Article 7 of the Fairfax County Code, which adopted and continued Chapter 303 as amended. There were 1,335 active members, 82 in the Deferred Retirement Option Program (DROP), 73 terminated vested members and 1,261 retirees participating in the System as of June 30, 2021. For calculations surrounding the Total Pension Liability and its components, Cheiron, the System's actuary, used June 30, 2021, as the measurement date which coincides with the actuarial valuation date.

Provisions

The benefit provisions of the System are established by County Ordinance. The System provides normal service retirement and early service retirement benefits for members who attain age or service requirements. Coverage for service-connected disability benefits is immediate upon membership in the System. Ordinary (non-service-related) disability benefits are provided after the attainment of five years of service. Members are vested after five years of service and are eligible for benefits at the early or normal service retirement date.

Capital Markets and Economic Conditions

In fiscal year 2021, the System's investment returns were the highest they have been since 1983. The System's portfolio investment return (time-weighted) for the year increased to 35.11 percent (31.22 percent, net of fees),exceeding the long term return target of 6.75 percent. This return placed in the 4th percentile of the BNY Mellon Universe of public funds. Over the long term, returns

FAIRFAX COUNTY Retirement SYSTEMS
EMPLOYEES' POLICE Officers UNIFORMED

Fairfax County Retirement Systems
12015 Lee Jackson Memorial Hwy, Suite 350, Fairfax, VA 22033
Phone: 703-279-8200 * 1-800-333-1633 * Fax: 703-273-3185
www.fairfaxcounty.gov/retirement/

compared more favorably, with investment returns for the ten-year period were 8.21 percent per year, ranking the fund in the 71st percentile of all other public funds in the BNY Mellon Universe. Additional details on the markets and the System's investments are provided in the Investment Section.

Internal and Budgetary Controls

The System's management is responsible for the financial information presented in this report in accordance with U.S. Generally Accepted Accounting Principles. Proper internal accounting controls exist to provide reasonable, but not absolute, assurance for both the safekeeping of assets and the fair presentation of the financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Investment Policies and Strategies

The Board of Trustees (Board) has adopted a Statement of Investment Objectives and Policy. This Statement establishes the investment goals, guidelines, constraints and performance standards that the Board of Trustees uses when exercising its fiduciary duties to manage the investment assets of the System. The Board operates in conformity with the standard of care required in making investments as stated in the Code of Virginia §51.1-803. Please see Note 3 to the Financial Section of this report for a description of this standard of care and details on the System's investment policies and strategies.

The Board receives quarterly reporting from staff to ensure compliance with its stated objectives and policy. Staff also monitors the performance of the System and its investment managers and updates the Board on a monthly basis throughout the year. Rate of return information included in the Investment Section is calculated using a time-weighted rate of return and is prepared internally by County staff using data from the System and its investment managers.

Securities of the System, except for the pooled funds and the County's pooled cash and temporary investments, are held in safekeeping, on the System's behalf, by BNY Mellon Asset Servicing as agent. The BNY Mellon Financial Corporation, the parent company, carries Financial Institution bond insurance coverage including a Computer Crime Policy. An additional Excess Securities policy covers all risk of physical loss to securities.

Funded Status

An actuarial valuation of the System to determine funding requirements is performed annually. The System's funding policy provides for periodic employer contributions at actuarially determined rates, which are calculated as a percentage of covered payroll, and are adjusted as necessary to accumulate sufficient assets to meet the costs of benefit payments when due. As of the latest annual valuation, performed as of June 30, 2021, the ratio of the market value of assets to total pension liabilities for benefits increased from 75.64 percent to 90.20 percent. The actuarial section contains further information on the results of the June 30, 2020, valuation.

Based on the June 30, 2019, actuarial valuation, the employer contribution rate for 2021 following the adopted corridor-based funding policy remains at to 41.60 percent. Working in concert with the County's Chief Financial Officer, the System's actuary (Cheiron) and other County staff, efforts continue to improve the funded status of the Plan. As a result of this work, and as referenced above, the County has increased the employer contribution rate above what was required by the adopted corridor-based funding policy for two consecutive years.

Major Initiatives

As a result of the COVID-19 pandemic, staff continued to implement a temporary transition to teleworking. Of the 191 unique interactions and transactions handled by staff in the course of daily operations, virtually all can be and have been completed with staff working remotely. This includes:

- Retirement counseling
- Monthly retiree benefits payments
- Investment portfolio management
- Investment-related transactions
- Investment manager screening and due diligence
- Actuarial valuations and data analysis
- Processing and reconciliation of financial transactions
- Preparation of annual financial reports

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The Fairfax County Police Officers Retirement System for its ACFR for the fiscal year ended June 30, 2020. This was the eleventh consecutive year that the System has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Fairfax County Retirement Systems received the Public Pension Standards Award for Funding and Administration for the fiscal year ended June 30, 2021, from the Public Pension Coordinating Council (PPCC), in recognition of meeting the professional standards for plan funding as set forth in the Public Pensions Standards. The PPCC is a confederation of the National Association of the State Retirement Administrators, the National Conference on Public Employee Retirement Systems and the National Council on Teacher Retirement.

Other Information

Independent Audit and Actuarial Certifications

Cherry Bekaert LLP performed an annual audit of the financial statements of the System to obtain reasonable assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. Additionally, Cheiron performed an annual actuarial valuation to assess the plan's ability to meet future obligations. The report of independent auditor and certification from the actuary are included in this report.

Acknowledgments

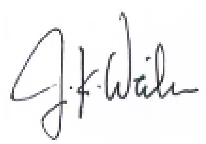
This report is intended to provide complete and reliable information for determining the financial status of the System. It is being submitted to the Board of Supervisors and other interested parties and is available to the public via the County's website located at www.fairfaxcounty.gov/retirement/.

This annual report for the Police Officers Retirement System is the result of the hard work of the System's Accounting team, as assisted by other members of the Retirement Systems Team.

As always, I am very thankful and feel privileged to lead the Retirement Systems team. These fine people work every day to provide the best-possible service and stewardship for the employees, retirees and citizens of Fairfax County. This year, however, I am particularly appreciative of their flexibility and diligence in adapting to a significant change in how we do business. That, along with the support of County technology and administrative resources, allowed us to continue to serve our members during the COVID-19 pandemic.

Finally, I must express my deep appreciation, on behalf of the 2,751 members and beneficiaries of the Police Officers Retirement System, for your dedicated service as trustees.

Respectfully submitted,



Jeffrey K. Weiler
Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fairfax County Police Officers Retirement System
Virginia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

PPCC

Public Pension Coordinating Council

Recognition Award for Funding 2021

Presented to

Fairfax County Police Officers Retirement System

In recognition of meeting professional standards for
plan funding as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle

Alan H. Winkle
Program Administrator

Board of Trustees

Eight members serve on the Fairfax County Police Officers Retirement System Board of Trustees. Three of the members are citizens appointed by the Fairfax County Board of Supervisors. Three of the members are elected by Fairfax County Government Employees, and one member is elected by retirees. The Director of Finance serves as an Ex Officio member.

Rich Barron - *President*
Elected Member Trustee
Term Expires: December 31, 2022

James Krause- *V.P. & Secretary*
Elected Member Trustee
Term Expires: August 31, 2024

Christopher J. Pietsch - *Treasurer*
Ex Officio Trustee
Fairfax County Director of Finance

James E. Bitner
Board of Supervisors Appointee
Term Expires: June 30, 2022

James R. Dooley, Jr.
Elected Retired Member Trustee
Term Expires: June 30, 2022

Brendan D. Harold
Board of Supervisors Appointee
Term Expires: December 31, 2022

Jay A. Jupiter
Board of Supervisors Appointee
Term Expires: December 31, 2021

Edward C. O'Carroll
Elected Member Trustee
Term Expires: December 31, 2024

Administrative Organization

Administrative Staff

Jeffrey K. Weiler
Executive Director

Katherine Molnar, CFA
Chief Investment Officer

Investment Managers

Acadian Asset Management
Boston, MA

AlphaSimplex Group, LLC
Cambridge, MA

AQR Capital Management, LLC
Greenwich, CT

Aspect Capital Ltd
London, United Kingdom

BlackRock, Inc
San Francisco, CA

Blockchain Capital
San Francisco, CA

BlueCrest Capital Management, LLP
New York, NY

Blue Owl Capital Inc
New York, NY

Bridgewater Associates, LP
Westport, CT

Citadel Advisors, LLC
Chicago, IL

Cohen & Steers Capital Management, Inc
New York, NY

Coatue Management, LLC
New York, NY

Crabel Capital Management, Inc
Los Angeles, CA

Crestline Management
Fort Worth, TX

Czech Asset Management, LP
Old Greenwich, CT

DoubleLine Capital, LP
Los Angeles, CA

DWS
Chicago, IL

EJF Capital, LLC
Arlington, VA

First Eagle Investment Management
New York, NY

Hoisington Investment Management, Co
Austin, TX

King Street Capital Management, LP
New York, NY

Kirkoswald Asset Management, LLC
New York, NY

Landmark Partners
Simsbury, CT

Loomis, Sayles & Company, LLC
Boston, MA

Investment Managers

Man Asset Management, Ltd
London, United Kingdom

Marathon Asset Management, LP
New York, NY

Morgan Creek Capital Management, LLC
Chapel Hill, NC

Onyxpoint Global Management, LP
New York, NY

Parametric Portfolio Associates, LLC
Minneapolis, MN

PIMCO
Newport Beach, CA

Pinnacle Associates GP, LLC
New York, NY

Prudential Global Investment Management
Newark, NJ

Sands Capital Management, LLC
Arlington, VA

Section Partners
Palo Alto, CA

Solus Alternative Asset Management
New York, NY

Starboard Value, LP
New York, NY

Two Sigma
New York, NY

Verition
Greenwich, CT

WCM Investment Management
Laguna Beach, CA

Professional Services

Actuary
Cheiron
Actuaries
McLean, VA

Independent Auditor
Cherry Bekaert, LLP
Certified Public Accountants
Tysons Corner, VA

Custodian Bank
BNY Mellon Asset Servicing
Pittsburgh, PA

Legal Counsel
Morgan, Lewis & Bockius LLP
Washington, DC

Schedule of fees and schedule of commissions are located in the Investment Section, pages 65-66.

Organization Chart

Board of Supervisors
Kathy L. Smith, Penelope A. Gross, Dalia A. Palchik, James R. Walkinshaw
Walter L. Alcorn, Pat Herrity, Jeffrey C. McKay, John W. Foust, Rodney L. Lusk
Daniel G. Storck

Board of Trustees
(Eight Members – see page 7)
Richard A. Barron, James E. Bitner, James R. Dooley, Jr.,
James Krause, Brendan D. Harold, Jay A. Jupiter,
Edward C. O'Carroll, Christopher J. Pietsch

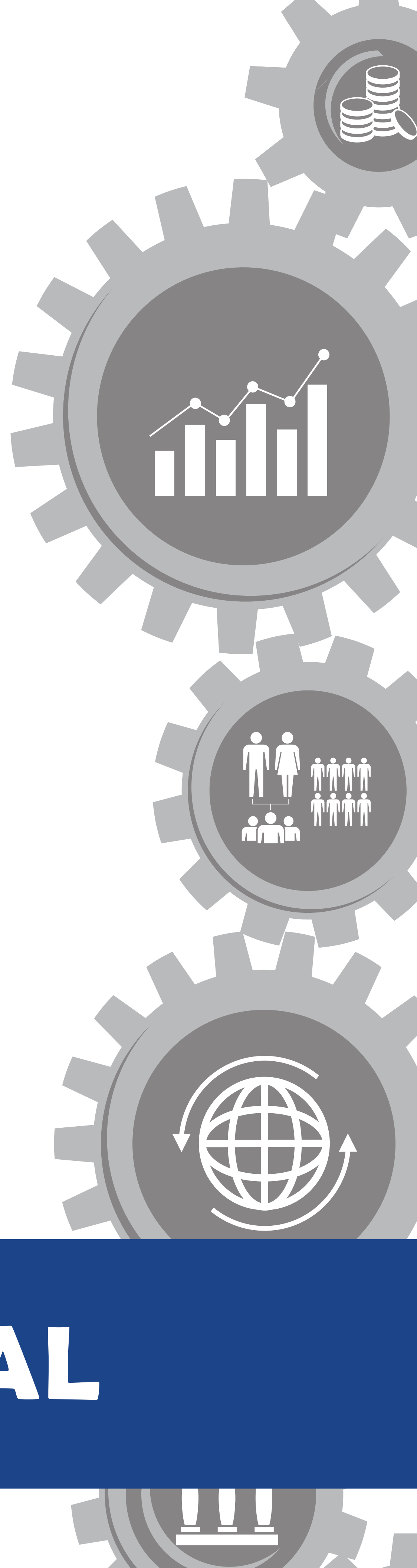
Executive Director
Jeff Weiler

Investment Analyst
Anthony Vu

Chief Investment Officer
Katherine Molnar, CFA

Investment Operations Manager
Jennifer Snyder

Retirement Systems Management Team
Vicky Panlaqui - Accounting and Financial Reporting
Carol Patterson - Communications
Pamela Pettross - Technology
John Prather - Membership Services
Meir Zupovitz - Retiree Services



FINANCIAL

FINANCIAL

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Supervisors
County of Fairfax, Virginia

To the Board of Trustees
Fairfax County Police Officers' Retirement System

Report on the Financial Statements

We have audited the accompanying financial statements of the Fairfax County Police Officers' Retirement System (the "System"), a pension trust fund of the County of Fairfax, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which comprise collectively the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of June 30, 2021, and the changes in fiduciary net position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of net pension liability, schedule of money-weighted rate of return, schedule of employer contributions and summary of significant changes to the pension system be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The introduction section, schedule of administrative expenses, schedule of investment expenses, schedule of consultant expenses, investment section, actuarial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of administrative expenses, schedule of investment expenses, and schedule of consultant expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of administrative expenses, schedule of investment expenses, and schedule of consultant expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introduction section, investment section, actuarial section, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2021, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the System's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tysons Corner, Virginia
November 15, 2021

Management's Discussion and Analysis

(Unaudited)

This section presents management's discussion and analysis of the Fairfax County Police Officers Retirement System's ("System" or "Plan") financial performance and provides an overview of the financial activities for the fiscal year ended June 30, 2021. The information in this section should be reviewed in conjunction with the Letter of Transmittal located in the Introductory Section.

Overview of Financial Statements and Accompanying Information

The financial presentation is composed of four parts: (1) the financial statements; (2) notes to the financial statements; (3) required supplementary information and (4) other supplementary information. Below is the summary of the information provided in each of these sections.

Financial Statements

The System presents the Statement of Fiduciary Net Position as of June 30, 2021 and Statement of Changes in Fiduciary Net Position for the fiscal year ended June 30, 2021. The Statement of Fiduciary Net Position provides a snapshot of the financial position. It reports the assets, liabilities and resulting net position restricted for pension benefits. The Statement of Changes in Fiduciary Net Position presents the Plan's transactions under the categories of Additions and Deductions. Additions include contributions from the County and by participating employees, net appreciation in the fair value of investments, dividend and interest income. Investment income is reduced by investment-related expenses such as asset management fees, custody charges and consulting fees. Deductions include outlays for monthly pension benefits, death benefits, refunds of contributions to employees and fees paid for professional services and administrative expenses.

Notes to Financial Statements

The Notes to Financial Statements are an integral part of the financial statements and include additional information and schedules to provide a better understanding of the fiduciary fund financial statements. The Notes to Financial Statements include detailed information that is not readily evident in the financial statements such as the accounting policies, plan membership and benefits, and summary disclosures. Specifically:

Note 1	Describes significant accounting policies.
Note 2	Provides a description of the System, the funding policy, and member contributions and benefits.
Note 3	Describes investments and disclosures on fair value hierarchy, interest rate, credit quality, foreign currency risk, derivatives disclosures, and security lending.
Note 4	Describes the net pension liability, actuarial method and assumptions.
Note 5	Explains the System's tax status.

Required Supplementary Information

This section consists of historical trend exhibits such as the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Net Pension Liability, Schedule of Employer Contributions accompanied by the Notes to Schedule of Employer Contributions and Schedule of Money-Weighted Rate of Return. These schedules will be presented over 10 years as information becomes available. A Summary of Significant Changes to the Pension System is also included.

Other Supplementary Information

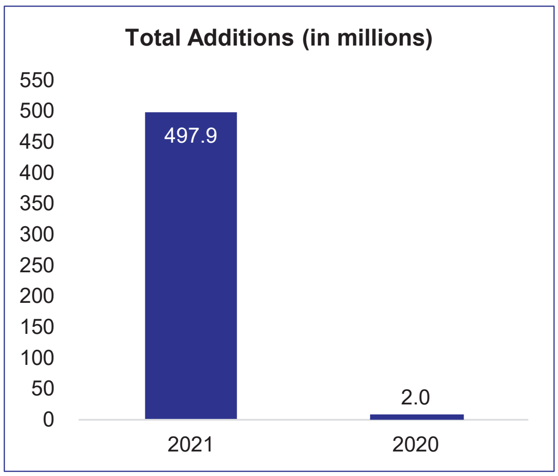
This section includes the Schedule of Administrative Expenses and the Schedule of Investment and Consultant Expenses.

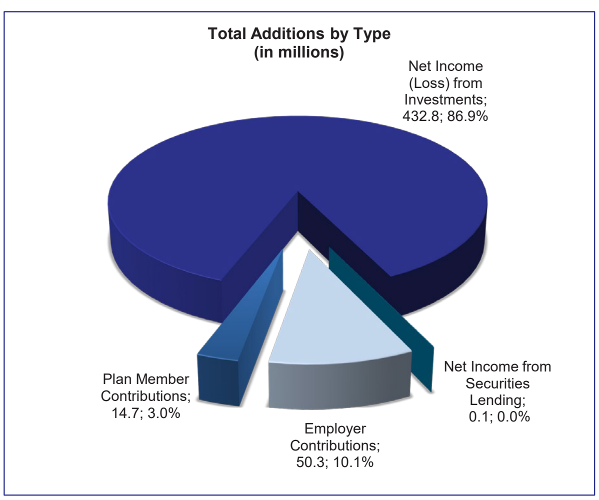
The Required Supplementary Information and Other Supplementary notes are immediately following the Notes to the Financial Statements.

Financial Highlights

The net position restricted for pension benefits as of June 30, 2021, and June 30, 2020, was $1,808.2 million and $1,400.6 million, respectively. The net position restricted for pension benefits representing assets available to pay for current and future member pension benefits, increased by $407.6 million or 29.1 percent.

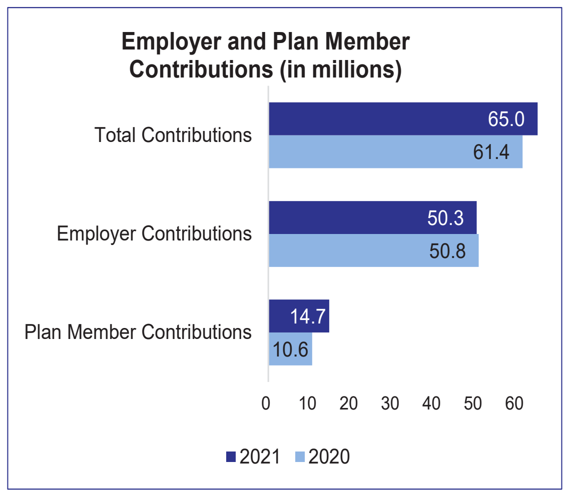
Total additions to fiduciary net position has risen from $2.0 million in fiscal year 2020 to $497.9 million in 2021.

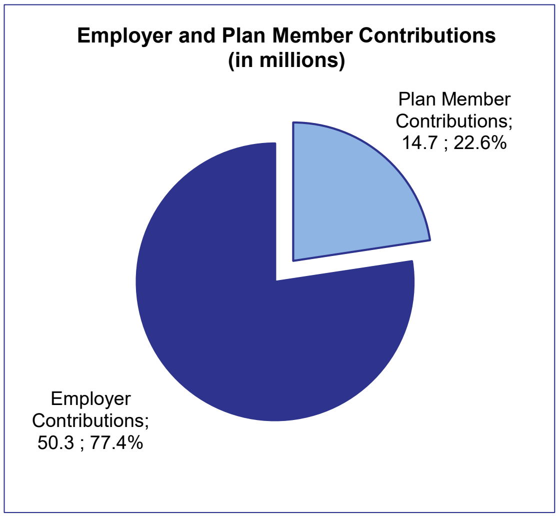




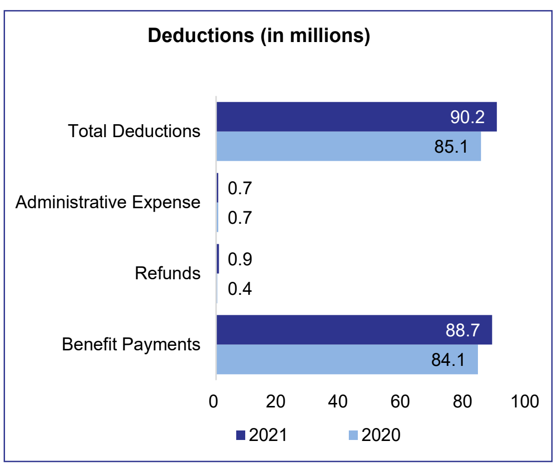
Net income from investments (excluding securities lending) increased by 828.4 percent from -$59.4 million in 2020 to $432.8 million in 2021. The net money-weighted rate of return on investments on a fair value basis was 31.17 percent in fiscal year 2021, and has increased from -3.87 percent in fiscal year 2020.

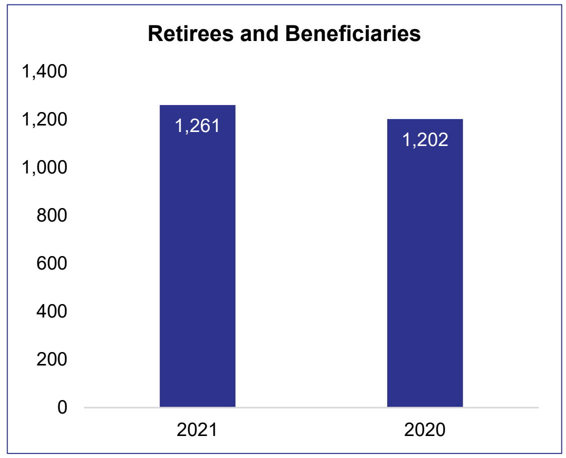
Employer and employee contributions received during the year totaled to $65.0 million, an increase of 5.9 percent or $3.6 million compared to 2020 received contributions of $61.4 million. The employer contributions decreased by 1.0 percent from $50.8 million in fiscal year 2020 to $50.3 million in fiscal year 2021.





Total deductions from fiduciary net position increased by $5.10 million from $85.1 million in 2020 to $90.2 million in 2021. Member retirement benefit payments of $88.7 million in 2021 make up the majority of total deduction and increased by $4.6 million or 5.5 percent from $84.1 million in 2020. The number of retired members and beneficiaries receiving a benefit payment increased 4.9 percent from 1,202 to 1,261 payees as of June 30, 2021.





The net pension liability as calculated per Generally Accepted Accounting Principles in the United States of Amercia (GAAP) as of June 30, 2021, and June 30, 2020, was $196.5 million and $451.0 million, respectively. The plan fiduciary net position as a percentage of total pension liability as of June 30, 2021, and June 30, 2020, was 90.20 percent and 75.64 percent, respectively. The net pension liability as a percentage of covered payroll has decreased from 369.48 percent in fiscal year 2020 to 162.40 percent in fiscal year 2021. The covered payroll decreased from $122.10 million in fiscal year 2020 to $121.0 million in fiscal year 2021.

	2021	2020
Net Pension Liability (in millions)	$196.5	$451.0
Net Position as Percentage of TPL	90.20%	75.64%
Covered Payroll (in millions)	$121.0	$122.1
Net Pension Liability as Percentage of Covered Payroll	162.40%	369.48%

Financial Analysis

Plan Fiduciary Net Position
When viewed over time, increases or decreases in plan fiduciary net position can be used to measure the financial condition of a pension plan.

For fiscal year 2021, the fiduciary net position of the Police Officers Retirement System increased 29.1 percent, resulting in a total fiduciary net position value of $1,808.2 million, reflecting an increase of $407.6 million over fiscal year 2020.

Total assets as of June 30, 2021, was $1,832.8 million, representing an increase of $413.5 million, or 29.1 percent over the previous fiscal year. The main component of the increase was due to the 29.3 percent or $409.8 million growth of cash and investment, from $1,399.3 million in fiscal year 2020 to $1,809.0 million in fiscal year 2021 as a result of the favorable market conditions. Receivables increased by $3.3 million or 47.9 percent due to the timing of investment for settled trades that occurred near year end.

The table below details the Police Retirement System's net position for the current and prior year.

Net Position for Current and Prior Fiscal Year

Fiscal Year	Ending Balances (millions)	Net Change in Dollars (millions)	Net Change in Percent
2021	$1,808.2	$407.6	29.1%
2020	1,400.6	(83.1)	5.6%

Summary of Plan Fiduciary Net Position

Assets	**2021**	**2020**	**Difference**	**Percentage of Change**
Total Cash and Investments	$1,809,039,821	$1,399,287,924	$409,751,897	29.3%
Cash Collateral, Securities Lending	13,523,487	13,069,006	454,481	3.5%
Capital Assets, net	8,661	9,586	(925)	9.6%
Total Receivables	10,223,567	6,914,751	3,308,816	47.9%
Total Assets	1,832,795,536	1,419,281,267	413,514,269	29.1%
Liabilities				
Purchase of Investments	($6,362,722)	($1,833,463)	($4,529,259)	247.0%
Cash Collateral, Securities Lending	(13,523,487)	(13,069,006)	(454,481)	3.5%
Accounts Payables and Others	(4,719,784)	(3,813,867)	(905,917)	23.8%
Total Liabilities	(24,605,993)	(18,716,336)	(5,889,657)	31.5%
Net Position Restricted for Pension Benefits	**$1,808,189,543**	**$1,400,564,931**	**$407,624,612**	**29.1%**

Total liabilities as of June 30, 2021, were $24.6 million, representing an increase of $5.9 million, or 31.5 percent, over the previous year. The increase in total liabilities was the result of an upswing in purchase of investments from $1.8 million as of fiscal year 2020 to $6.4 million as of fiscal year 2021. However, there was a 4.1 percent decrease in accrued expenses, including the year-end accrual for management fees.

The total assets of $1,832.8 million exceeded its liabilities of $24.6 million at the close of the Plan year ended June 30, 2021 with $1,808.2 million in fiduciary net position restricted for pension benefits.

The Plan's investments are exposed to various risks including interest rate, market and credit risks. These risks may be influenced by changes in economic conditions and market conditions. Therefore, it is reasonable to assume that there will be changes in the values of the investments held in trust, which could materially affect the amounts reported in the financial statements. Detailed information on investment results are in the Investment Section of this report.

	2021	2020	Difference	Percentage of Change
Accrued Expenses (in thousands)	$3,189.8	$3,326.6	-$136.8	4.1%

Summary of Additions and Deductions

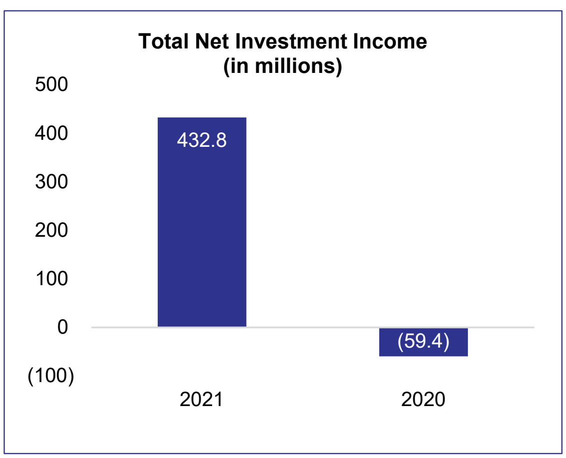
Additions	2021	2020	Difference	Percentage of Change
Employer Contributions	$50,348,130	$50,781,403	($433,273)	0.9%
Plan Member Contributions	14,687,984	10,570,158	4,117,826	39.0%
Net Income (Loss) from Investments	432,766,830	(59,410,577)	492,177,407	828.4%
Net Income from Securities Lending	67,652	55,223	12,429	22.5%
Total Additions	497,870,596	1,996,207	495,874,389	24840.8%
Deductions				
Benefit Payments	$88,691,929	$84,087,797	$4,604,132	5.5%
Refunds	888,427	361,855	526,572	145.5%
Administrative Expense	665,628	655,944	9,684	1.5%
Total Deductions	90,245,984	85,105,596	5,140,388	6.0%
Net Increase/(Decrease)	**$407,624,612**	**($83,109,389)**	**$490,734,001**	590.5%

Additions and Deductions

Total additions to the retirement fund consist of contributions from employers and active members and changes in the value of assets. Total additions increased by $495.9 million, attributed primarily due to a huge upturn in investment gains in fiscal year 2021 versus fiscal year 2020. The interest and dividend income also experienced an increase of 16.5 percent. This significant gain compared to the previous year's investment performance was due to the strong and favorable market environment in fiscal year 2021.

Total contributions for the fiscal year ended June 30, 2021, amounted to $65.0 million. This was an increase of $3.6 million when compared with the activity of fiscal year 2020. The employer contributions for fiscal year 2021 decreased by 0.9 percent. Employee contributions increased by 39.0 percent due to upsurge in buybacks, merit, and the 0.4 percent COLA increase.

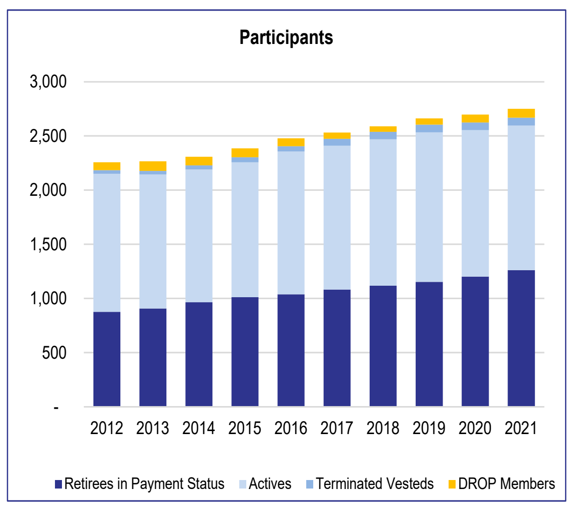
Investment returns had a huge upturn for fiscal year 2021, reflecting favorable returns in the capital markets. Total net investment income (including securities lending) increased from -$59.4 million in fiscal year 2020 to a significant gain of $432.8 million in fiscal year 2021, as a result of a favorable investment performance.



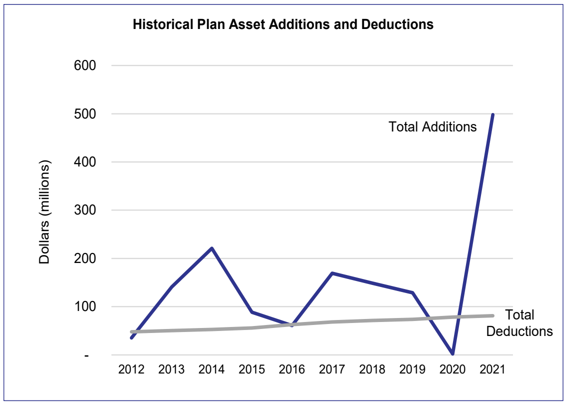
Total deductions of the System consist of the payments of benefits to retirees and beneficiaries, the refund of contributions to former members and the cost of administering the System. The total deductions for fiscal year 2021 were $90.2 million, an increase of $5.1 million, or 6.0 percent, over fiscal year 2020.

Regular pension benefit payments increased as the number of retirees and beneficiaries receiving benefit payments rose to 1,261 in fiscal year 2021 from 1,202 in fiscal year 2020. Benefit payments also increased due to a cost-of-living increase of 0.4 percent and higher average benefits for new retirees. Refunds reflected 145.5 percent increase due to higher employee turnover, separation of employees in the fiscal year, more employees asking for refunds or higher balances of refunded amount.

Participant Count	2021	2020
Actives	1,335	1,353
DROP Members	82	74
Terminated Vesteds	73	70
Retirees in Payment Status	1,261	1,202
Total	**2,751**	**2,699**



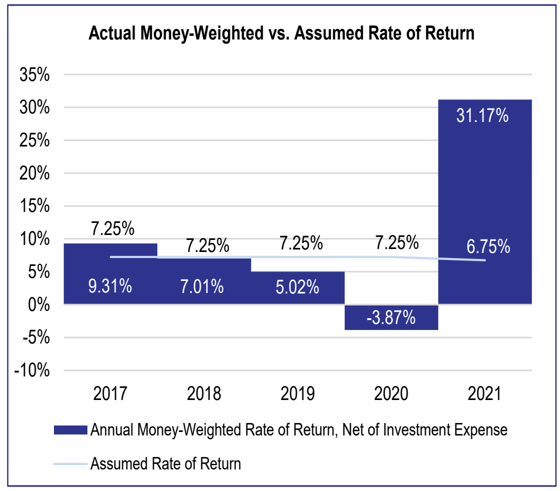
Historical additions to and deductions from fiduciary net position indicate a pattern of steadily increasing deductions as compared to fluctuating additions as a result of the unpredictable market environment.



The System utilizes two methodologies when analyzing investment returns. They may vary from each other in any given period. For GAAP accounting valuation purposes, a money-weighted return is used. A money-weighted rate of return calculates the investment performance accounting for all cash flows (contributions and withdrawals) occurring during the performance measurement period. The System's investment returns, net of fees, on a money-weighted rate of return increased from -3.87 percent in fiscal year 2020 to 31.17 percent in fiscal year 2021.

For investment performance reporting purposes, the System relies on a time-weighted approach. A time-weighted rate of return minimizes the impact of cash flows occurring throughout the measurement period. This methodology allows the System to compare its investment performance with relevant benchmark returns, as well as its performance with other pension plans. The System's investment returns, net of fees, on a time-weighted rate of return increased from -3.87 percent to 31.22 percent in fiscal year 2021.

The annual money-weighted rate of return of 31.17 percent exceeded the assumed 6.75 percent rate of return, net of fees, for the year ended June 30, 2021.



An actuarial valuation is performed annually by Cheiron. The actuarial value of the assets as of the last valuation on June 30, 2021, was $1,723.8 million, while actuarial liabilities as of the same period was $2,004.7 million. As of June 30, 2021, the date of the most recent actuarial valuation, the funded ratio of the System was 85.99 percent. This was an increase of 2.91 percent from the June 30, 2020, valuation funded ratio of 83.07 percent.

Under GAAP calculation, using the December 31, 2020, data rolled forward to June 30, 2021, the plan fiduciary net position as a percentage of the total pension liability was 90.20 percent. It increased from 75.64 percent in fiscal year 2020, primarily as a result of the upsurge in the Plan Fiduciary Net Position. The Total Pension Liability as of June 30, 2021, and June 30, 2020, was $2,004.7 million and $1,851.6 million, respectively.

(Dollars in millions)	**2021**	**2020**
Actuarial Accrued Liability	$2,004.7	$1,851.6
Actuarial Value of Assets	1,723.8	1,538.1
Unfunded Actuarial Liability	$280.9	$313.4
Funding Ratio	85.99%	83.07%
Total Pension Liability	$2,004.7	$1,851.6
Plan Fiduciary Net Position	1,808.2	1,400.6
Net Pension Liability	$196.5	$451.0
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.20%	75.64%

Contacting the System's Financial Management

This financial report is designed to provide our membership, the Board of Trustees and the County's Board of Supervisors with a general overview of the System's financial condition. If you have any questions about this report or need additional information, contact the Fairfax County Retirement System, 12015 Lee Jackson Memorial Highway, Fairfax, VA 22033. This report can also be found on the County's internet site at www.fairfaxcounty.gov/retirement/.

Basic Financial Statements

Statement of Fiduciary Net Position

as of June 30, 2021

Assets		
Cash and Short-Term Investments		
Equity in County's Pooled Cash and Temporary Investments	$1,912,618	
Cash Collateral Received for Securities on Loan	13,523,487	
Short-Term Investments	65,667,361	
Total Cash and Short-Term Investments		$81,103,466
Capital Assets		
Building Improvements, net	3,949	
Equipment, net	4,712	
Total Capital Assets		8,661
Receivables		
Accounts Receivable	3,993,883	
Accrued Interest and Dividends	2,621,930	
Investment Proceeds and Other Receivables	3,607,754	
Total Receivables		10,223,567
Investments, at Fair Value		
Common Stock	202,038,926	
Preferred Securities	1,841,340	
Natural Resources	4,425,275	
Fixed Income		
Asset-Backed Securities	43,380,369	
Corporate Bonds	82,378,203	
U.S. Government Obligations	78,964,276	
Pooled and Mutual Funds	1,328,431,453	
Total Investments		1,741,459,842
Total Assets		1,832,795,536
Current Liabilities		
Investment Purchases and Other Liabilities	6,362,722	
Cash Collateral Received for Securities on Loan	13,523,487	
Accounts Payable and Accrued Expenses	4,640,126	
Compensated Absences, Short-Term	21,620	
Noncurrent Liabilities		
Compensated Absences, Long-Term	58,038	
Total Liabilities		(24,605,993)
Net Position Restricted for Pension Benefits		**$1,808,189,543**

See accompanying notes to financial statements.

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2021

Additions		
Contributions		
Employer	$50,348,130	
Plan Members	14,687,984	
Total Contributions		$65,036,114
Investment Income from Investment Activities		
Net Appreciation in Fair Value of Investments	439,194,912	
Interest	9,861,961	
Dividends	3,421,776	
Total Investment Income	452,478,649	
Investment Activity Expense		
Management Fees	(18,946,038)	
Custodial Fees	(94,888)	
Consulting Fees	(99,749)	
Allocated Administration Expense	(571,144)	
Total Investment Expense	(19,711,819)	
Net Income from Investment Activities		432,766,830
Securities Lending Activities		
Total Securities Lending Income	103,641	
Total Securities Lending Expense	(35,989)	
Net Income from Securities Lending Activities		67,652
Total Net Investment Income		432,834,482
Total Additions		$497,870,596
Deductions		
Annuity Benefits	81,576,691	
Disability Benefits	1,423,764	
Survivor Benefits	5,691,474	
Refunds of Employee Contributions	888,427	
Administrative Expense	665,628	
Total Deductions		90,245,984
Net Increase		407,624,612
Net Position Restricted for Pension Benefits		
Beginning of Fiscal Year		1,400,564,931
End of Fiscal Year		**$1,808,189,543**

See accompanying notes to financial statements.

The Fairfax County Police Officers Retirement System ("System" or "Plan") is a legally separate single-employer defined benefit pension plan established under the Code of Virginia to provide defined pension benefits to certain Fairfax County, Virginia ("County") police. As such, the System is considered part of the County reporting entity and its financial statements are included in the County's basic financial statements as a pension trust fund.

Note 1. Summary of Significant Accounting Policies

A. Basis of Accounting

The System's basic financial statements have been prepared under the accrual basis of accounting in accordance with accounting principles applicable to governmental units in the United States of America (GAAP). Member and employer contributions to the plan are recognized in the period in which the contributions are due pursuant to legal requirements. Benefits and refunds are recognized when due in accordance with the terms of the plan. The cost of administering the plan is paid by the System.

For financial reporting purposes, the System adheres to GAAP. The System applies all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

B. Method Used to Value Investments

Short-term investments are reported at fair value when published market prices and quotations are available, or at a cost plus accrued interest, which approximates market or fair value. All other investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Asset-backed securities are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Because of the inherent uncertainty in valuing these securities, the fair value may differ from the values that would have been used had a ready market for such securities existed. Accordingly, the realized value received upon the sale of the assets may differ from the fair value. The System records investment purchases and sales as of trade date. These transactions are not finalized until the settlement date, which occurs approximately three business days after the trade date. The amounts of trade receivables and payables are shown as receivables and payables on the Statement of Fiduciary Net Position. Cash received as collateral on securities lending transactions and investments made with such cash are reported as assets along with a related liability for collateral received. The fair values of private investments and private real estate are generally lagged by at least one quarter due to the timing of receipt of private market valuations and information.

C. Equity in County's Pooled Cash and Temporary Investments

The System maintains cash with the County, which invests cash and allocates interest earned, net of a management fee, on a daily basis to the System based on the System's average daily balance of equity in pooled cash. As of June 30, 2021, the bank balance of the County's public deposits was either insured by the Federal Deposit Insurance Corporation or through the State Treasury Board pursuant to the provisions of the Security for Public Deposit Act. The County's investments are exposed to various risks such as interest rate, market and credit risks. Such risks, and the resulting investment security values, may be influenced by changes in economic conditions and market perceptions and expectations. Accordingly, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

D. Compensated Absences
Employees are granted vacation and sick leave based on their length of service. Unused annual and compensatory leave is payable to employees upon termination based on the employees' current rate of pay, up to certain limits. Sick leave does not vest with the employees; however, it is converted to years of service upon retirement. In addition, employees may accrue compensatory leave for hours worked in excess of their scheduled hours. Compensatory leave in excess of 240 hours is forfeited at the end of the calendar year.

Compensated Absences	
FY 2021 Beginning Balance	$71,809
Leave Earned	22,440
Leave Used	14,591
FY 2021 Ending Balance	$79,658
Due Within One Year	$21,620

Note 2. Summary of Plan Provisions

A. Plan Description and Provision
The Police Officers Retirement System is a single-employer defined benefit pension plan. Benefit provisions are established and may be amended by County ordinance. All benefits vest at five years of service. The general provisions of the Police Officers Retirement System are as follows:

Membership.
The plan covers County police officers who are not covered by other plans of the County or the Virginia Retirement System. Members sworn before January 1, 2013, are members of Plan A. Members sworn on January 1, 2013, or between January 1, 2013, and July 1, 2019, are members of Plan B. Members sworn on or after July 1, 2019, are members of Plan C.

Contribution Rate.
The member contribution rate is set by the County Ordinance and is currently 8.65 percent of base salary. The County contribution rate is set by the actuarial process and was 41.60 percent for fiscal year 2021. Police Officers do not participate in Social Security.

Normal Retirement.
To be eligible for normal retirement, an individual must meet the following criteria: (a) if employed before July 1, 1981; attained the age of 55 or completed 20 years of service, or (b) if employed on or after July 1, 1981; attained the age of 55 or completed 25 years of service.

The normal retirement benefit for Plans A and B is 2.8 percent of average final compensation (i.e., the highest consecutive three years) multiplied by creditable service at date of termination, and increased by 3 percent. Plan C calculation of normal benefit does not include the additional 3 percent.

Early Retirement.
A member is eligible for early retirement if under the age of 55 within at least 20 years of creditable service. This is the normal retirement benefit calculated using average final compensation and service at early retirement, actuarially reduced, and increased by 3 percent.

Deferred Retirement Option Program (DROP).
Those eligible for normal retirement may enter DROP for a period of up to three years. Members can only participate in DROP once, and their election is irrevocable.

Deferred Vested Retirement.
Deferred vested retirement is available for vested members (vesting is at 5 years of service), who leave their contributions in the System when they terminate employment. At age 55, these members are entitled to their normal retirement benefit based on service with the Police Department.

Service-Connected Disability Retirement.
Service-connected disability retirement is available for members, regardless of their length of service, who become disabled as a result of a job-related illness or injury. Benefits for total disability are 66.67 percent of the salary, reduced by any Workers' Compensation benefits. These benefits continue during the existence of the disability.

Non-Service Connected Disability Retirement.
Non-service connected disability retirement is available for vested members who become disabled due to an injury or illness that is not job- related. Normal retirement benefits are paid.

Death Benefits.
If death occurs prior to retirement:

An automatic monthly benefit is payable to the member's spouse and children. This benefit equals $2,398.04 for the spouse or surviving handicapped child (if there is no spouse), plus each eligible child receives $959.21 up to a maximum total family benefit of $4,796.09 (these benefits are indexed to inflation). If the death occurred in the line of duty, the spouse or surviving handicapped child (if there is no spouse) may elect to receive 66.67 percent of the member's regular salary at the time of death in lieu of the automatic benefits.

If death occurs after retirement:

In addition to the automatic benefit detailed above, at the time the member retires, the Plan provides for the member to elect survivor benefit options for the Surviving Spouse or a Handicapped Child at 100 percent, 66.67 percent or 50.0 percent of the retiree's benefit.

Cost of Living Benefit.
Annual cost of living adjustments (COLAs) are provided to retirees and beneficiaries and are equal to the lesser of 4.0 percent or the percentage increase in the Consumer Price Index for the Metropolitan Statistical Area that includes Fairfax County.

Benefit Limits.
Benefits are limited to the maximum amounts for qualified plans as set forth in Section 415 of the Internal Revenue Code. A separate, nonqualified benefit restoration plan has been established for the payment of any benefit formula amounts in excess of the Section 415 limit.

Note: Detailed provisions may be found in the Retirement Handbook for Active Employees.

B. Board of Trustees
Eight members serve on the Fairfax County Police Officers Retirement System (Board). Three of the members are citizens appointed by the Fairfax County Board of Supervisors. Three of the members are elected by Fairfax County Government Employees, and one of the members is elected by retirees. The Director of Finance also serves as an Ex Officio member.

C. Membership
At June 30, 2021, the date of the latest actuarial valuation, membership in the System consisted of:

Retirees and Beneficiaries Receiving Benefits	1,261
Terminated Vesteds	73
Deferred Retirement Option Program (DROP) Participants	82
Active Plan Members	1,335
Total	**2,751**

D. Deferred Retirement Option Program
Members eligible for normal retirement may elect to enter the DROP. As a DROP member, he or she will continue to work and receive a salary for a maximum period of three years while an amount equal to what could have been received as a retirement benefit is credited to his or her DROP account. The monthly benefit that will be credited to the DROP account is determined by the years of service and Average Final Compensation at the DROP entry date. During the DROP period, the retirement plan accumulates his or

her accrued monthly benefit which is payable at the end of the DROP period. The DROP account balance is credited at an annual interest rate of 5 percent, compounded monthly. At the end of the DROP period, the DROP member must terminate employment with the Fairfax County Government and will begin receiving his or her monthly retirement benefit. Upon DROP exit, the retiree can elect to receive the balance of the DROP account in the form of a lump sum distribution, a rollover to another qualified plan (or IRA), or as an addition to the monthly retirement annuity. The DROP balance as of June 30, 2021, was $10.7 million.

E. Contributions

The contribution requirements of the System's members are established and may be amended by County ordinances. Member contributions are based on 8.65 percent of compensation for the year ended June 30, 2021. The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2021, was 41.60 percent of annual covered payroll. Total contributions for the fiscal year ended June 30, 2021, amounted to $65.0 million.

F. Deductions

The deductions from the System include the payment of retiree and beneficiary payments, the refund of employee contributions to former members and administrative expenses. The total deductions for the fiscal year ended June 30, 2021, amounted to $90.2 million.

Note 3. Investments

A. Investment Policy

The authority to establish the System is set forth in Chapter 303 of the Acts of Assembly (law of the Commonwealth of Virginia). Section 26-45.1 of the Code of Virginia (Code), updated by Section 51.1-803, authorizes fiduciaries of the System to purchase investments with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with the same aims. The Board shall also diversify such investments as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.

The System's Board of Trustees has adopted the Police Officers Retirement System Statement of Investment Objectives and Policy which establishes a broad set of investment objectives, guidelines, risk tolerance and performance standards for the assets of the System. The Board of Trustees has the authority to amend the investment policy. The Board recognizes that investing in worldwide capital markets inherently entails the assumption of risk. The Board believes that part of the risk involved in managing the System's assets can be reduced by investing in diversified, lowly-correlated asset classes and employing different philosophies and investment management styles. The Board has selected a long-term strategic asset allocation strategy which provides a high degree of diversification, maintains appropriate asset coverage of plan liabilities, and also optimizes investment return. Investment decisions for these assets are made by the Board of Trustees or investment managers selected by the Board. The Board hires each of its investment advisory firms on the basis of its specific area of expertise as well as its fit with the total risk and return objectives of the System. Each manager exercises investment discretion around specifically mandated quality, concentration, benchmark and performance guidelines, and practices active risk controls in order to achieve the System's investment expectations.

The following was the System's adopted asset allocation policy as of June 30, 2021. The asset allocation policy commonly exceeds 100 percent because of target exposures to both direct investments in asset classes plus notional exposure to asset classes through derivative positions such as Futures held at the portfolio level. Also, the System commonly includes notional exposures for select Investment Managers that have a mandate from the Board to provide the System with additional asset class exposure using leverage or derivatives.

Asset Class	Target Exposure
Absolute Return	18.0%
Global Equity	31.0%
Global Fixed Income	39.0%
Global Multi-Asset	27.0%
Global Real Assets	12.5%

B. Concentrations

For the most part, the overall investment policy does not identify a specific level of credit risk, interest rate risk or foreign currency risk. That is addressed at the individual account level. The guideline for "concentration of risk" is system-wide, however the System does not hold investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one security that represent 5.0 percent or more of fiduciary net position available for benefits. All investments, except for the pooled and mutual funds, short-term investment fund and a short-term collateral investment pool are held by an unaffiliated custodian. There is no custodial credit risk since the custodian's records establish the System's interest in the securities and the custodian provides insurance for all custody assets.

C. Rate of Return

For the year ended June 30, 2021, the annual money- weighted rate of return on pension plan investment, net of pension plan investment expense, was 31.17 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Fair Value Hierarchy

The System measures and records its investments using fair value hierarchy measurement guidelines established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest level to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest level to unobservable inputs (Level 3 measurements).

Level 1	Unadjusted quoted prices for identical instruments in active markets.
Level 2	Observable inputs other than quoted market prices.
Level 3	Valuation derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The table below shows the fair value levels of the investments.

Equities and fixed income securities classified in Level 1 are valued using prices quoted in the active markets for those securities. Securities in Level 2 and Level 3 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationships to benchmark quoted prices. Level 3 securities use proprietary information or single source pricing.

Fair Value Hierarchy				
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by Fair Value Level	**6/30/2021**	**Level 1**	**Level 2**	**Level 3**
Asset-Backed Securities	$43,380,369	$ -	$18,817,346	$24,563,023
Convertible or Exchangeable Securities	3,748,373	-	3,748,373	-
Convertible Securities	188,662	188,662	-	-
Corporate and Other Bonds	71,321,910	-	70,138,638	1,183,272
Equity	202,038,926	158,102,039	-	43,936,887
Futures Contract	7,119,258	7,119,258	-	-
Natural Resources	4,425,275	-	-	4,425,275
Preferred Securities	1,841,340	1,292,276	549,064	-
U.S. Government Obligations	78,964,276	-	78,964,276	-
	$413,028,389	**$166,702,235**	**$172,217,697**	**$74,108,457**
Investments Measured at Net Asset Value (NAV)				
Absolute Return	$274,583,761			
Global Equity	280,684,504			
Global Fixed Income	379,030,885			
Global Multi-Asset	271,135,013			
Global Real Assets	122,997,290			
	$1,328,431,453			
Investments Measured at the Amortized Cost				
Short Term	**$65,667,361**			
Total Investments	**$1,807,127,203**			

Investments Measured at NAV				
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Absolute Return	$274,583,761	$-	Monthly, Quarterly	3 - 90 days
Global Equity	280,684,504	121,278,764	Daily, Monthly, Quarterly, None	3 - 90 days
Global Fixed income	379,030,885	123,068,526	Daily, Semi-Annually, None	5 - 90 days
Global Multi-Asset	271,135,013	-	Monthly	15 - 90 Days
Global Real Assets	122,997,290	21,988,150	Daily, None	3- 20 days
Total Investments Measured at NAV	**$1,328,431,453**	**$266,335,440**		

Absolute Return.

Global Macro:

This type includes four hedge funds. The first one has 100+ active ideas across fixed income, currencies, equities, and commodities. The process is equally driven by analysis of the macro environment, flows of capital, and the expected reaction to changes in interest rates and other drivers. The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments. The second one is a Commodity Trading Advisor (CTA) that analyzes market prices to determine trends and then uses tactical asset allocation to capture and ride market trends. The Fund is a diversified portfolio with exposure to currencies, commodities, bonds and short interest rates, and equity indices at various times. These exposures are typically achieved using derivatives which allows quick response because of the high liquidity in the derivative markets. The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments. The third one is a short-term systematic global macro CTA and is unique vs. other systematic macro hedge funds. Such short-term managers tend to not only be uncorrelated to long-only beta, hedge funds broadly and other global macro hedge funds specifically, they are also generally uncorrelated to each other within their own peer group. These features give them extremely attractive diversification characteristics. The fourth one is a discretionary global macro strategy with an emerging markets bias. Portfolio consists of 3-5 medium to long-term structural themes per year with active short-term positioning. Strategy invests across equities, fixed income, currency, credit, and commodities.

Event Driven:

This type includes one hedge fund. The first one focuses on global long/short credit and event driven positions, investing across the capital structure. The fund is directionally agnostic and over time has been net long and opportunistically net short. The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments.

Relative Value/ Multi-Strategy:

This type includes four hedge funds. The first fund is a multi-strategy hedge fund which deploys capital across a range of asset classes, investment strategies and geographies. The five core investment strategies are: Equities, Credit, Fixed Income & Macro, Commodities, and Quantitative. The second fund is a market neutral multi-strategy fund whose return stream should be largely uncorrelated to the broader markets. The third fund is a relative value hedge fund which uses a systematic, relative value, duration-neutral approach to global fixed income, global stock indices, currency and volatility investing using a disciplined and repeatable quantitative investment process. They seek to capture macroeconomic theories using a range of input data and research ideas by using a combination of fundamental, technical and sentiment driven models. The fourth fund is a stub position.

Global Equity.

U.S. Equities:

This type includes one hedge fund and eleven private funds. The first one is a U.S. small cap deep value long/short equity fund. The team looks for companies with management or capital structure issues. They identify undervalued companies and then perform a fundamental value analysis to find catalysts that may spark change in the company. The Fund will then, on its own or together with other members of a group, acquire a controlling interest in the company and then force management to enact the changes they feel are necessary for a turnaround. The fair value has been determined by using NAV per share (or its equivalent) of the investments.

The first and second private funds focus on acquiring minority equity stakes in institutionalized hedge fund firms or firms managing private exposures (private equity, private credit, etc.) with assets under management in excess of $1.0 billion.

The third and fourth private funds invest in blockchain technology, its many other industry uses, and the infrastructure for crypto currency markets (index rights, wallet, settlement, and custody platforms, etc.).

The fifth fund seeks to generate superior returns through the long-term capital appreciation of venture capital investments primarily structured as equity and equity-related investments in early stage blockchain technology companies and associated digital assets, including digital currencies, tokens, and other blockchain-based assets.

The sixth fund focuses on the underlying blockchain technology, its many other industry uses, and the infrastructure for crypto currency markets (index rights, wallet, settlement, and custody platforms, etc.). Additionally, the fund seeks to invest in Artificial Intelligence technologies that act in concert with Blockchain technologies.

The seventh fund targets highly innovative life sciences businesses that are leaders in their spaces and present attractive return opportunities with downside protection. The strategy will target companies operating in specific areas of innovation such as therapeutics, medical devices, diagnostics, and life sciences tools.

The eight fund seeks to identify and invest in breakthrough companies harnessing information growth and computing advances across a variety of industries.

The ninth fund targets highly innovative private hyper growth businesses that can become substantial public franchises. These businesses have a high prospect of sustainable earnings growth; financial strength with attractive downside protection rights; and rational valuation relative to business prospects.

The tenth fund is a venture debt strategy that seeks to generate attractive risk-adjusted returns by providing proprietary financing solutions to stockholders of venture capital (VC)-backed companies. Ample collateral coverage ratio– generally 3x.

The eleventh fund makes select direct equity investments alongside its sister venture debt fund.

International Equities:

This includes two managers. The first one is an international small cap long/short equity fund that uses a quantitative approach. In addition to traditional value measures such as price/earnings and price/book ratios, the firm also considers growth-related factors, such as price momentum and trends in analysts' earnings estimates, to target undervalued companies that have strong prospects for future outperformance. The second fund seeks long term capital appreciation by investing primarily in companies located in emerging market countries and opportunistically, in frontier market countries. The portfolio typically holds 30-50 companies within global emerging markets. Country and sector exposures are primarily a by-product of individual stock selection. The fair value of these funds has been determined by using NAV per share (or its equivalent) of the investments.

Global Fixed Income.
This type includes two public debt funds and fourteen private debt funds. The first fund incorporates a best ideas approach from a broad range of emerging markets sovereign bonds, corporate bonds, local bonds, currencies, and volatility through long and short exposures. The second fund uses a macroeconomic approach for fixed income management. The firm places all its efforts on the correct duration/maturity, which has generated the firm's advantage over the indices. The firm invests in U.S. Treasury securities only.

The private debt funds provide broad exposure to Direct Lending as well as Opportunistic Credit.

Direct Lending:
The private debt funds provide broad exposure to Direct Lending as well as Opportunistic Credit.

Opportunistic Credit:
Opportunistic Credit includes opportunistic/ distressed funds investing in public and private debt, equity and real estate as opportunities present themselves. These investments cannot be redeemed. Instead, the nature of the investments in these private debt funds are that distributions are received through the liquidation of underlying assets of the funds over a period of years as per the terms of the fund.

Global Multi-Asset.
This type includes three funds that invest across asset classes using a risk balanced approach in their asset allocation of the Funds with the intent to balance risk across all four combinations of Rising and Falling Growth and Inflation. The main goal is to construct a portfolio that achieves the best risk adjusted return at a 10 percent expected volatility by overweighting the lower risk asset classes and balance expected returns in inflationary, deflation, high growth, and low growth periods. This is achieved using derivatives and liquid long positions across multiple asset classes. The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments.

Global Real Assets.
This type includes five funds. The first fund focuses on publicly traded REITs, listed infrastructure, commodities, MLPs, natural resource equities (including timber and agriculture), precious metals, TIPS, and floating rate/bank loans. The strategy will set long term strategic allocations to those asset classes with broad ranges and the portfolio will be tactically reviewed on a quarterly basis. The second fund purchases interests in other private real estate funds on the secondary market. The third fund is a hybrid private and public equity strategy focused on technology companies believed to be disrupting the transportation, logistics, and infrastructure complex. The fourth fund owns and operates the real estate, infrastructure and inventory of a cattle feeding operation. These investments cannot be redeemed. Instead, the nature of the investments in these private debt funds are that distributions are received through the liquidation of underlying assets of the funds over a period of years as per the terms of the fund. The fifth fund seeks to capture value in the commodity supply chain through hedged physical trading/arbitrage as well as merchanting activities.

E. Sensitivity to Interest Rate Risk

The System's investments' sensitivity to interest rates at June 30, 2021, were as follows:

Investment Type	Fair Value	Option Adjusted Duration (yrs)	Percentage of Fixed
Asset-Backed Securities	$43,380,369	6.0	21.2%
Corporate Bonds	82,378,203	4.8	40.2%
U.S. Government Obligations	78,964,276	13.4	38.6%
Total Fixed Income	**$204,722,848**	8.4	**100.0%**
Short-Term Investments			
Cash and Cash Equivalents	($2,391,281)	0.0	
Police STIF*	68,058,642	0.1	
Total Short-Term Investments	**$65,667,361**		

*Short-Term Investment Funds

The duration of the System's overall fixed income portfolio excluding pooled funds was 8.4 years for the separately managed accounts. BCAG's established option-adjusted duration was 6.65 years.

F. Short-term Investments

The short-term investments of $65.7 million includes a position of $68.1 million of commingled cash held by our investment managers and cash held by the System in an enhanced short-term investment fund managed by our custodian.

G. Quality Ratings

The System's investment quality ratings at June 30, 2021, for the separately managed fixed income accounts, were as follows:

Type of Investment	Fair Value	Ratings	Percentage of Fixed
U.S. Government Obligations	$78,964,276		38.6%
Asset-Backed Securities	7,253,997	AA	3.5%
	957,599	A	0.5%
	611,933	BBB	0.3%
	2,852,856	BB	1.4%
	1,594,218	B	0.8%
	899,525	CC	0.4%
	1,049,640	D	0.5%
	28,160,601	Unrated	13.8%
Corporate and Other Bonds	111,298	AA	0.1%
	117,959	A	0.1%
	1,972,881	BBB	0.9%
	24,690,792	BB	12.1%
	26,860,384	B	13.1%
	10,980,704	CCC	5.4%
	315,774	CC	0.2%
	373,771	D	0.2%
	16,954,640	Unrated	8.1%
Total Fixed Income	**$204,722,848**		**100.0%**
Short-Term Investments			
Cash and Cash Equivalents	($2,391,281)	Unrated	
Police STIF*	68,058,642	Unrated	
Total Short-Term Investments	**$65,667,361**		

*Short-Term Investment Funds

As of June 30, 2021, the fixed income portfolio, excluding pooled funds, consisted of 44.0 percent invested in investment grade securities, 34.1 percent invested in securities rated below- investment-grade, and 21.9 percent invested in unrated securities.

The Barclays Capital Aggregate Bond Index (BCAG) is the standard benchmark against which the industry and the System's Board measures its fixed income portfolio performance and volatility. The System's fixed income managers have discretion, within circumscribed limits, to extend the duration of their portfolios beyond that of the BCAG if they forecast falling interest rates (and thus higher bond prices). Conversely, if managers anticipate that the general level of interest rates will rise, they have the ability to shorten the duration of their portfolio and thus reduce the portfolio's sensitivity to rising rates.

H. Foreign Currency Risk

The Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of the international investments. A portion of the developed markets currency exposures is hedged. The System's investments at June 30, 2021, held in currencies other than U.S. dollars were as follows:

International Securities	Short-Term Investments & Other	Convertible & Fixed Income	Equity	Total
Australian Dollar	$-	$-	$4,364,102	$4,364,102
Brazil Real	655	(412,665)	1,184,930	772,920
Canadian Dollar	895	-	2,495,357	2,496,252
Colombian Peso	-	157,158	-	157,158
Danish Krone	(4)	-	2,341,661	2,341,657
Euro Currency Unit	54,971	-	23,488,331	23,543,302
Hong Kong Dollar	29,823	-	11,620,341	11,650,164
Indian Rupee	1,544	-	-	1,544
Indonesian Rupiah	-	73,864	-	73,864
Japanese Yen	42,420	-	18,852,914	18,895,334
Malaysian Ringgit	-	153,729	-	153,729
Mexican Peso	-	277,412	115,575	392,987
Norwegian Krone	-	-	612,775	612,775
Peruvian Sol	-	117,959	-	117,959
Pound Sterling	2,682	-	8,979,328	8,982,010
Singapore Dollar	11,526	(20,436)	2,731,761	2,722,851
South African Rand	-	(162,973)	-	(162,973)
South Korean Won	-	(318,893)	2,160,636	1,841,743
Swedish Krona	1,166	-	6,517,766	6,518,932
Swiss Franc	(18)	-	9,036,455	9,036,437
Thailand Baht	-	-	312,028	312,028
Turkish Lira	-	-	83,413	83,413
Grand Total	**$145,660**	**($134,845)**	**$94,897,373**	**$94,908,188**

I. Derivative Financial Instruments

In accordance with the Board's investment policies, the System regularly invests in derivative financial instruments in the normal course of its investing activities to enhance return on investment and manage exposure to certain risks within the System. The System also enters into derivative transactions to gain exposure to currencies and markets where derivatives are the most cost- effective instrument. Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates or financial indices. The System had exposure to various derivatives including asset-backed securities, collateralized mortgage obligations (CMOs), exchange-traded futures contracts, forward currency contracts, options, swaps and floating rate securities. Some securities, such as structured notes, can have derivative-like characteristics where the return may be linked to one or more indexes. Asset-backed securities, such as CMOs, are sensitive to changes in interest rates and pre-payments. It should also be noted that the System has exposure to derivatives indirectly through its ownership interests in certain hedge funds, mutual funds and commingled funds which may use, hold or write derivative financial instruments.

Derivative investments may involve, to varying degrees, elements of credit and market risk in excess of amounts recognized on the financial statements. Market risk results from the fluctuations in interest rates and currency rates. The credit risk of these investments is associated with the creditworthiness of the related parties to the contracts. The System could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. Holders of futures contracts look to the exchange for performance under the contract and not to the other party holding the offsetting futures position. Accordingly, the amount at risk due to nonperformance of counterparties to futures contracts is minimal. For counterparties involving over the counter derivatives, the Board seeks to control this risk through counterparty credit evaluations, counterparty credit limits, and exposure monitoring procedures conducted by investment managers and staff.

At June 30, 2021, the System held the following three types of derivative financial instruments: futures, swaps and currency forwards. These three types of derivatives provide the System with the opportunity to build passive benchmark positions, enhance returns, and gain market exposure to various indices in a more efficient way and at lower transaction costs. Credit risks depend on whether the contracts are exchange- traded or exercised over-the-counter. Market risks arise from adverse changes in market prices, interest rates and foreign exchange rates.

Investment managers are prohibited from purchasing securities on margin or using leverage unless specifically permitted within the investment manager's guidelines. Derivative instruments covered under the scope of GAAP are reported at fair value. The change in fair value of derivative instruments that are used for investment purposes are reported within the investment revenue classification. Gains and losses on derivative securities are determined based upon fair values as determined by our custodian and recorded in the Statement of Changes in Fiduciary Net Position.

Futures.

Futures contracts are contracts to deliver or receive securities at a specified future date and at a specified price or yield. Futures contracts are traded on organized exchanges (exchange-traded) and typically require an initial margin (collateral) in the form of cash or marketable securities. The net change in the futures contract value is settled daily, in cash, with the exchanges. The net gains or losses resulting from the daily settlements are included in the System's financial statements. Holders of futures contracts look to the exchange for performance under the contract and not to the entity holding the offsetting futures position. Accordingly, the amount at risk posed by nonperformance of counterparties to futures contracts is minimal.

The notional value of the System's investment in futures contracts at June 30, 2021, were as follows:

Types of Futures	Base Exposure	Notional Cost
Cash and Cash Equivalents		
Short	($79,277,242)	($81,295,604)
Equity		
Long	215,596,210	213,163,009
Fixed Income Securities		
Long	103,665,875	98,613,650
Commodity		
Long	39,683,840	42,068,370
Total	**$279,668,683**	**$272,549,425**

Swaps.
The System enters into several types of swap contracts, in which two counterparties agree to exchange one stream of payments for another over some agreed to period of time. Swaps are used to manage risk and enhance returns. All counterparties are rated A or better. The following is the information on the System's swap contracts outstanding at June 30, 2021:

Fixed Income Securities	Fair Value	Base Exposure
Cleared Zero Coupon Swaps	($412,665)	($269,393)
Cleared Interest Rate Swaps	(775,645)	(668,209)
Total	**($1,188,310)**	**($937,602)**

Currency Forwards.
Currency forwards represent foreign exchange contracts. They are used to affect settlements and to protect the base currency value of portfolio assets denominated in foreign currencies against fluctuations in the exchange rates of those currencies, or to gain exposure to the change in fair value of a specific currency. A forward foreign currency exchange contract is a commitment to purchase or sell a foreign currency at a future date and at a negotiated price. The credit risk of currency contracts that are exchange-traded lies with the clearinghouse of the exchange where the contracts are traded. The credit risk of currency contracts traded over-the counter lies with the counterparty, and exposure usually is equal to the unrealized profit on in-the money contracts. All counterparties are rated A or better. The market risk in foreign currency contracts is related to adverse movements in currency exchange rates. The following is the summary information on the System's currency forward contracts at June 30, 2021:

Foreign Currency Contracts Purchased	Notional (Local Currency)	Cost	Fair Value Payable in U.S. Dollars	Unrealized Gain/(Loss)
Euro Currency Unit	($1,285,000)	($1,555,970)	($1,526,329)	$29,641
Pound Sterling	(343,000)	(477,533)	(473,941)	3,592
		($2,033,503)	**($2,000,270)**	**$33,233**

J. Securities Lending

The Board of Trustees' policies permit the System to lend its securities to broker/dealer and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodian is the agent in lending the plan's domestic securities for collateral of 102.0 percent and international securities of 105.0 percent of the fair value. The custodian receives cash or securities as collateral from the borrower. All securities loans can be terminated on demand by either the System or the borrower. Securities received as collateral are not reported as assets and liabilities on the balance sheets since the Retirement System does not have the ability to pledge or sell the collateral securities absent borrower default.

The System did not impose any restrictions during fiscal year 2021 on the amounts of loans the lending agent made on its behalf. At June 30, 2021, the System had no credit risk exposure to borrowers because the amounts the System owed the borrowers exceeded the amounts the borrowers owed the System. The custodian provides full indemnification to the System for any losses that might occur in the program due to the failure of a broker/dealer to return a borrowed security or failure to pay the System income earned on the securities while on loan. Cash collateral is invested in a separate account with the lending agent which includes a larger allocation to equity repurchase securities.

At June 30, 2021, cash collateral had a weighted-average maturity of one day. The maturities of the resulting investments generally match the maturities of the securities lending arrangements. While the System bears no credit risk from the failure of a borrower to return a borrowed security, it does bear risk from investing the collateral.

The following represents the balances relating to the securities lending transactions at June 30, 2021:

Securities Lent	Underlying Securities	Cash Collateral Investment Value	Securities Collateral Investment Value
Lent for Cash Collateral			
Corporate and Other Bonds	$10,976,600	$11,248,662	
Common and Preferred Stock	2,198,730	2,274,825	
Lent for Securities Collateral			
U.S. Government Securities	5,683,894	-	$5,964,077
Corporate and Other Bonds	632,967	-	868,832
Common and Preferred Stock	23,823,095	-	26,575,293
Total Securities Lent	**$43,315,286**	**$13,523,487**	**$33,408,202**

Note 4. Net Pension Liability, Actuarial Methodsand Assumptions

A. Net Pension Liability

The components of the net pension liability at June 30, 2021, were as follows:

Total Pension Liability	$2,004,738,244
Plan Fiduciary Net Position	1,808,189,543
Net Pension Liability	$196,548,701
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.20%

B. Actuarial Methods and Assumptions

The Total Pension Liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement.

Entry Age Normal, Level Percent of Payroll	
Discount Rate, Net of Plan Investment Expenses	6.75%
Inflation	2.25%
Salary Increase; Including Inflation	2.25% + merit
Investment Rate of Return, Net of Plan Investment Expenses	6.75%
Municipal Bond Rate	N/A
Projected Period of Unfunded Benefit Payments	None

The actuarial assumptions used have been recommended by the actuary and adopted by the System's Board of Trustees based on the most recent review of the System's experience study presented at a Board meeting on September 9, 2021.

The rate of employer contributions to the System is composed of normal cost, amortization of the unfunded actuarial accrued liability and an allowance for administrative expenses. The normal cost is a level percent of payroll cost which, along with the member contributions, will pay for projected benefits at retirement for each plan participant. The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future normal employer costs or member contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial accrued liability. The allowance for administrative costs is based upon the System's actual administrative expenses.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2021, was 41.11 percent of annual covered payroll. The decision was made to commit additional funding and a rate of 41.60% was adopted for fiscal year 2021.

Mortality rates with adjustments for mortality improvements were based on 100% of the PubS-2010 Healthy Annuitant Head-Count Weighted Mortality Table for males and females for participants (non beneficiary/ survivor) and 100% of the PubG-2010 Healthy Annuitant Head-Count Weighted Mortality table for beneficiaries projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20- 80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. Twenty percent of pre-retirement deaths are assumed to be service-connected.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

C. Long Term Expected Rate of Return

C. Long Term Expected Rate of Return The long term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic excess rates of return (over cash) for each major asset class included in the System's target asset allocation as of June 30, 2021, are summarized below.

Asset Class	Long Term Expected Real Rate of Return
Absolute Return	7.0%
Core Fixed Income	1.8%
High Yield	4.3%
International Developed Mkt. Equities	4.4%
International Emerging Mkt. Equities	7.1%
Real Assets	4.7%
Risk Parity	6.0%
U.S. Equity	4.7%
Gold	0.0%

D. Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In making this determination, we assumed the outflows would equal the anticipated benefit payments from the 2021 actuarial valuation.

The administrative expenses attributable to current actives were assumed to equal 0.50 percent of covered payroll. The inflows to the plan were assumed to continue at the member rate for the 2021 active population of 8.65 percent of payroll and County contributions were projected at 46.04 percent for fiscal year 2022 through fiscal year 2028. After that time, the County contribution is assumed to decrease to the normal cost, plus expenses (20.05 percent) and amortization of any remaining experience gains and losses.

E. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 6.75 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate.

Sensitivity of Net Pension Liability			
	1% Decrease 5.75%	**Discount Rate 6.75%**	**1% Increase 7.75%**
Total Pension Liability	$2,285,238,325	$2,004,738,244	$1,775,898,153
Plan Fiduciary Net Position	1,808,189,543	1,808,189,543	1,808,189,543
Net Pension Liability	$477,048,782	$196,548,701	($32,291,390)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.12%	90.20%	101.82%

Note 5. Adoption of New Accounting Standards

GASB Statement No. 98, The Annual Comprehensive Financial Report

This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. Although this Statement is effective for financial reporting periods ending after December 15, 2021 (fiscal year ending June 30, 2022,) the System is immediately implementing this Statement.

Note 6. Income Taxes

The Internal Revenue Service issued the System a determination letter which stated that the System and its underlying trust qualify under the applicable provisions of the Internal Revenue Code and therefore are exempt from federal income taxes.

Required Supplementary Information
(Unaudited)

Schedule of Changes in the Net Pension Liability and Related Ratios

Year Ended June 30	2021	2020	2019	2018
Total Pension Liability				
Service Cost (MOY)	$32,981,351	$32,943,754	$31,993,668	$30,743,227
Interest (includes interest on service cost)	133,440,709	128,460,867	123,663,623	118,405,143
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	20,396,361	(5,784,619)	(7,959,490)	1,315,247
Changes in Assumptions	55,913,508	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(89,580,356)	(84,449,652)	(80,576,131)	(77,838,367)
Net Change in Total Pension Liability	153,151,573	71,170,350	67,121,670	72,625,250
Total Pension Liability - Beginning	1,851,586,671	1,780,416,321	1,713,294,651	1,640,669,401
Total Pension Liability - Ending (a)	$2,004,738,244	$1,851,586,671	$1,780,416,321	$1,713,294,651
Plan Fiduciary Net Position				
Contributions - Employer	$50,348,130	$50,781,403	$47,182,840	$44,504,675
Contributions - Member	14,687,984	10,570,158	10,176,811	9,895,922
Net Investment Income	432,834,482	(59,355,354)	71,578,489	94,134,740
Benefit Payments, Including Refunds of Member Contributions	(89,580,356)	(84,449,652)	(80,576,131)	(77,838,367)
Administrative Expenses	(665,628)	(655,945)	(610,711)	(618,207)
Net change in Plan Fiduciary Net Position	$407,624,612	($83,109,390)	$47,751,298	$70,078,763
Plan Fiduciary Net Position - Beginning	1,400,564,931	1,483,674,321	1,435,923,023	1,365,844,260
Plan Fiduciary Net Position - Ending (b)	$1,808,189,543	$1,400,564,931	$1,483,674,321	$1,435,923,023
Net Pension Liability - Ending (a)-(b)	$196,548,701	$451,021,740	$296,742,000	$277,371,628
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.20%	75.64%	83.33%	83.81%
Covered Payroll	$121,029,159	$122,070,680	$117,662,943	$114,173,102
Net Pension Liability as a Percentage of Covered Payroll	162.40%	369.48%	252.20%	242.94%

See next page for the continuation of the 10 year report.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The total pension liability contained in this schedule was calculated by Cheiron, the System's Actuary. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Police Officers Retirement System.

Required Supplementary Information
(continued)

Schedule of Changes in the Net Pension Liability and Related Ratios

Year Ended June 30	2017	2016	2015	2014
Total Pension Liability				
Service Cost (MOY)	$29,051,739	$30,913,269	$30,389,897	$30,858,609
Interest (includes interest on service cost)	112,637,566	110,362,493	106,739,905	102,492,490
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	11,638,382	(30,820,874)	(11,515,790)	-
Changes in Assumptions	-	9,895,400	-	-
Benefit Payments, Including Refunds of Member Contributions	(73,175,998)	(70,749,811)	(67,757,160)	(62,287,705)
Net Change in Total Pension Liability	80,151,689	49,600,477	57,856,852	71,063,394
Total Pension Liability - Beginning	1,560,517,712	1,510,917,235	1,453,060,383	1,381,996,989
Total Pension Liability - Ending (a)	$1,640,669,401	$1,560,517,712	$1,510,917,235	$1,453,060,383
Plan Fiduciary Net Position				
Contributions - Employer	$43,381,151	$40,646,884	$37,867,181	$34,178,960
Contributions - Member	9,631,618	9,324,066	8,889,931	10,091,331
Net Investment Income	116,099,350	10,764,028	41,601,153	176,683,610
Benefit Payments, Including Refunds of Member Contributions	(73,175,998)	(70,749,811)	(67,757,160)	(62,287,705)
Administrative Expenses	(481,574)	(510,544)	(443,230)	(431,064)
Net change in Plan Fiduciary Net Position	$95,454,547	($10,525,377)	$20,157,875	$158,235,132
Plan Fiduciary Net Position - Beginning	1,270,389,713	1,280,915,090	1,260,757,215	1,102,522,083
Plan Fiduciary Net Position - Ending (b)	$1,365,844,260	$1,270,389,713	$1,280,915,090	$1,260,757,215
Net Pension Liability - Ending (a)-(b)	$274,825,141	$290,127,999	$230,002,145	$192,303,168
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%	81.41%	84.78%	86.77%
Covered Payroll	$111,290,793	$107,021,811	$102,844,055	$100,912,194
Net Pension Liability as a Percentage of Covered Payroll	246.94%	271.09%	223.64%	190.56%

Continued from previous page.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information
(continued)

Schedule of Net Pension Liability

Year Ended June 30	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2021	$2,004,738,244	$1,808,189,543	$196,548,701	90.20%	$121,029,159	162.40%
2020	1,851,586,671	1,400,564,931	451,021,740	75.64%	122,070,680	369.48%
2019	1,780,416,321	1,483,674,321	296,742,000	83.33%	117,662,943	252.20%
2018	1,713,294,651	1,435,923,023	277,371,628	83.81%	114,173,102	242.94%
2017	1,640,669,401	1,365,844,260	274,825,141	83.25%	111,290,793	246.94%
2016	1,560,517,712	1,270,389,713	290,127,999	81.41%	107,021,811	271.09%
2015	1,510,917,235	1,280,915,090	230,002,145	84.78%	102,844,055	223.64%
2014	1,453,060,383	1,260,757,215	192,303,168	86.77%	100,912,194	190.56%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of Money-Weighted Rate of Return

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2021	31.17%
2020	-3.87%
2019	5.02%
2018	7.01%
2017	9.31%
2016	0.87%
2015	3.36%
2014	16.20%
2013	9.50%
2012	-0.68%

Required Supplementary Information
(continued)

Schedule of Employer Contributions

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$50,348,130	$50,348,130	-	$121,029,159	41.60%
2020	50,781,403	50,781,403	-	122,070,680	41.60%
2019	47,182,840	47,182,840	-	117,662,943	40.10%
2018	44,504,675	44,504,675	-	114,173,102	38.98%
2017	43,381,151	43,381,151	-	111,290,793	38.98%
2016	40,646,884	40,646,884	-	107,021,811	37.98%
2015	37,867,181	37,867,181	-	102,844,055	36.82%
2014	34,178,960	34,178,960	-	100,912,194	33.87%
2013	34,011,347	34,011,347	-	102,598,332	33.15%
2012	31,700,690	31,700,690	-	101,280,160	31.30%

Notes to Schedule

Valuation Date	June 30, 2019
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the fiscal year

<u>Key Methods and Assumptions Used to Determine Contribution Rates:</u>

Actuarial cost method	Entry Age Normal, Level Percent of Payroll
Asset valuation method	33% of Aggregate Gain/Loss is recognized
Amortization method	Closed 15-year layers, with level % of payroll
Discount rate	7.25%
Amortization growth rate	2.75%
Price inflation	2.75%
Salary increases	2.75% plus merit component based on employee’s years of service
Mortality	110% and 100% of the RP-2014 Healthy Annuitant Mortality Table for males and females respectively projected using the RPEC-2015 model, with an ultimate rate of 0.75% for ages 20-85 grading down to an ultimate rate of 0% for ages 115-120 and convergence to the ultimate rate in the year 2015

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2021 can be found in the June 30, 2019 actuarial valuation report.

Summary of Significant Changes to the Pension System

The summary of employer and employee contribution rates during the past five years and other significant changes in the pension system were as follows:

Contribution Rates		
Fiscal Year	**Employer**	**Employee**
2021	41.60%	8.65%
2020	41.60%	8.65%
2019	40.10%	8.65%
2018	38.98%	8.65%
2017	38.98%	8.65%

July 2019	New hires on or after July 1, 2019, are enrolled in Plan C.
December 2018	Retirement Board of Trustees approved a new plan for all employees hired on or after July 1, 2019.
July 2014	Member contribution rate decreased from 10 percent to 8.65 percent.

Schedule of Investment and Consultant Expenses

For the Year Ended June 30, 2021

Investment Manager Fees	
Absolute Return	$3,457,663
Global Equity	5,136,307
Global Fixed Income	4,976,156
Global Multi-Asset	2,250,073
Global Real Assets	2,903,921
Short Term and Others	221,918
Fees Related to Securities Lending	35,989
Custodial Fees	94,888
Consultant Expenses	99,749
Investment Related Legal Fees	183,519
Allocated Administration Expense	387,625
Total Investment and Consultant Expenses	**$19,747,808**

Schedule of Administrative Expenses

For the Year Ended June 30, 2021

Personnel Services		
Salaries and Wages	$355,771	
Fringe Benefits	145,066	
Total Personnel Services		$500,837
Professional Services		
Actuarial	42,793	
Audit	6,747	
Total Professional Services		49,540
Communications		
Phone Charges	3,607	
Printing, Binding and Copying	1,179	
Postage	3,530	
Total Communications		8,316
Supplies		
Office Supplies	1,534	
Total Supplies		1,534
Other Services and Charges		
Staff Travel and Development	83	
Professional Membership	1,445	
Professional Subscription	883	
Insurance	11,218	
Building Rent	34,767	
Depreciation Expense	617	
Computer System	42,958	
Other Operating	13,430	
Total Other Services and Charges		105,401
Total Administrative Expenses		**$665,628**

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Supervisors
County of Fairfax, Virginia

To the Board of Trustees
Fairfax County Police Officers' Retirement System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Fairfax County Police Officers' Retirement System (the "System"), a pension trust fund of the County of Fairfax, Virginia, as of and for the year ended June 30, 2021 and the related notes to the financial statements, and have issued our report thereon dated November 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Tysons Corner, Virginia
November 15, 2021

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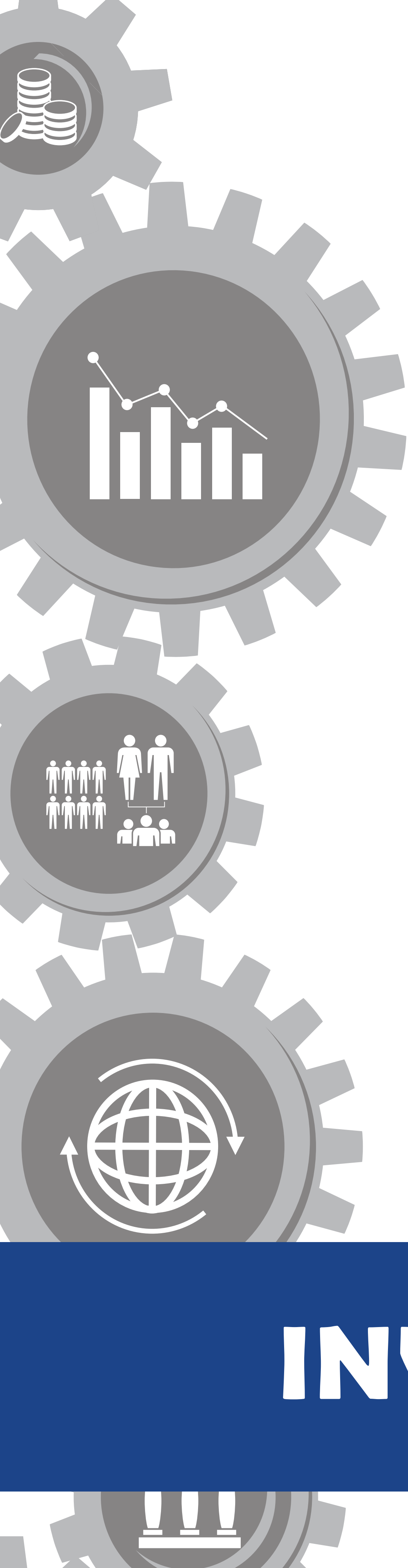
INVESTMENT



INVESTMENT

County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

October 4, 2021

Dear Members of the Board of Trustees:

Major global equity indexes rallied for the fiscal year ended June 2021, posting positive returns in domestic, international, and emerging markets. U.S. equity markets (as measured by the S&P 500 Index) ended each of the four quarters during FY2021 with positive returns, with the S&P 500 Index ending the fiscal year with a one-year return of 40.8%. Within the U.S. stock market, small cap stocks (as measured by the Russell 2000 Index) posted the strongest results with a one-year return of 62.0%. Developed international equity markets (as measured by the MSCI EAFE Index) ended FY2021 with a 12-month return of 32.4%. Emerging markets stocks ended the fiscal year with a one-year return of 40.9%. The U.S. Federal Reserve held its benchmark rate to a range of 0.00% - 0.25% throughout the fiscal year and continued its monthly asset purchase program of buying $120 billion in Treasury and mortgage-backed securities that it had implemented in 2020. Despite contracting credit spreads, which supported gains in U.S. investment grade credit and high yield markets, rising U.S. Treasury rates during the fiscal year were a headwind for certain bond markets. The Bloomberg Barclays U.S. Aggregate Index ended the fiscal year down -0.3%, with the Bloomberg Barclays U.S. Treasury Index down -3.2% for the trailing 12-month period ending June 30, 2021. The U.S. high yield bond market (as measured by the Bloomberg Barclays U.S. High Yield Index) posted a twelve month return of 15.4%. In real assets, commodities rebounded off calendar year 2020 lows with the Bloomberg Commodities Index posting one-year gains of 45.6% and WTI crude oil prices rising 87.1% since June 30, 2020.

Despite a pullback in September, equities ended the third quarter 2020 in the black. Returns in the first two months of the quarter were bolstered by better-than-expected corporate earnings, optimism surrounding a potential vaccine and the possibility for additional fiscal stimulus. Stocks snapped their winning streak in September as the much-anticipated stimulus became less of a given and investors contemplated a wide range of electoral outcomes. Emerging markets equities—boosted by China and India—led performance for the three months ended 9/30/2020, with the MSCI Emerging Markets Index returning 9.6%. Domestic stocks followed with gains of 8.9%, according to the S&P 500 Index; outside of North America, international developed equities were up 4.8%, according to the MSCI EAFE Index. In the U.S., growth stocks maintained their lead over value despite coming under pressure in September; the Russell 1000 Growth Index returned 13.2% in the third quarter compared to 5.6% for the Russell 1000 Value Index. While U.S. large-cap equities bested small-caps as of 9/30/2020, international small-caps outperformed in emerging and developed markets. Led by consumer discretionary, all sectors in the U.S. posted positive returns except for energy.

FAIRFAX COUNTY Retirement SYSTEMS
EMPLOYEES' POLICE Officers UNIFORMED

Fairfax County Retirement Systems
12015 Lee Jackson Memorial Hwy, Suite 350, Fairfax, VA 22033
Phone: 703-279-8200 * 1-800-333-1633 * Fax: 703-273-3185
www.fairfaxcounty.gov/retirement/

After months of steady gains since March 2020, segments of the fixed income market saw their first month of negative returns in September 2020. Investment-grade and high-yield spreads tightened during the quarter but widened towards the end; the widening was most noticeable in lower-quality securities. U.S. high-yield mutual funds have seen record net inflows this year, while bank-loan mutual funds reported outflows for 24 straight months. The Bloomberg Barclays U.S. Aggregate Index was up 0.6% in the third quarter and the Bloomberg Barclays U.S. Corporate High Yield Index gained 4.6% for the three months ended September 30; during this period, the S&P/LSTA Leveraged Loan Index increased 3.5% but is in the red for the year.

Global equities started the fourth quarter 2020 slow but then finished the calendar year on a strong note, buoyed by news of successful trials of multiple COVID-19 vaccines. Emerging markets led performance for the second straight quarter, with gains of 19.7%; they were followed by international developed equities that returned 16.0% while U.S. stocks were up 12.1%. During this period, small-cap equities surged, gaining 31.4%; value stocks, bucking trend, outperformed growth equities, with the Russell 1000 Value up 16.3% compared to the Russell 1000 Growth returning 11.4%.

Credit spreads of investment-grade and high-yield debt tightened in the fourth quarter 2020 with some segments of the market reaching pre-pandemic levels; lower-quality investment-grade and high-yield securities saw the most tightening. While new issuance of U.S. corporate credit slowed down in the fourth quarter, 2020 volume surpassed issuance in 2019. Meanwhile, volume of newly issued bank loans fell in 2020 from a year earlier. For calendar year 2020, the Bloomberg Barclays U.S. Aggregate Index returned 7.5%, the Bloomberg Barclays U.S. Corporate High Yield Index was up 7.1%, and S&P/LSTA Leveraged Loan Index gained 3.1%.

Global equities continued their march upward in first quarter of calendar year 2021 bolstered by widespread vaccination efforts, a fresh round of fiscal stimulus, and renewed confidence in an economic recovery. U.S. stocks led the charge with gains of 6.2%, followed by international developed equities which returned 3.5%; emerging market equities were up 2.3%. Small-cap stocks outperformed large-cap equities. Catalyzed by rising interest rates, value bested growth for the second straight quarter, with the Russell 1000 Value Index up 11.3% compared to the paltry 0.9% gain by the Russell 1000 Growth Index. In a reversal from last year, energy led all sectors, followed by financials, while technology and consumer discretionary stocks lagged.

U.S. interest rates rose significantly during the first quarter of calendar year 2021, reaching pre-pandemic levels. Losses were felt across interest-rate sensitive indexes as a 0.8% increase in 10-year Treasury yields negatively impacted the fixed-income market. Investment-grade and high-yield spreads continued to compress in the first quarter with significant spread tightening occurring in lower quality credit. However, returns for U.S. corporate credit were largely negative due to interest rates moving higher. The Bloomberg Barclays U.S. Aggregate Index was down -3.4%, while the Bloomberg Barclays U.S. Corporate High Yield Index was up a modest 0.8%.

Global equities posted strong returns in the second quarter of calendar year 2021, propelled by continuing vaccine adoption, ongoing monetary and fiscal support, and a robust economic outlook. U.S. stocks led the way for a second straight quarter, with the S&P 500 up 8.5%; meanwhile, international developed-market equities gained 5.2% and emerging markets returned 5.0%. In the U.S. and international developed markets, small caps underperformed, while emerging market small caps bested emerging large caps. In a reversal from the first quarter, growth indexes outperformed value measures, with the Russell 1000 Growth returning 11.9% compared to gains of 5.2% for the Russell 1000 Value Index. Within sectors, real estate, information technology, energy and communication services led performance, while utilities, consumer staples, industrials and materials lagged the market.

U.S. Treasury yields reversed course in the second quarter of calendar year 2021, with yields falling on the 10-year Treasury note. The Federal Open Market Committee announced on the heels of its meeting in June that it would keep rates unchanged at 0.00%-0.25%. Credit spreads tightened in the three months ended June 30, reflecting a broader appetite for risk-taking; the spread tightening was more pronounced in lower-quality credit with the Bloomberg Barclays U.S. High Yield Index Option-Adjusted Spread decreasing nearly 40 basis points since March. Corporate credit gained in the second quarter with the Bloomberg Barclays U.S. Aggregate Index up 1.8%, while the Bloomberg Barclays U.S. Corporate High Yield Index returned 2.7% in the second quarter.

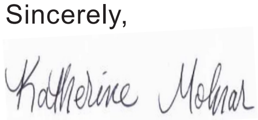
Police Officers Retirement System

The Police Officers Retirement System operates a balanced and diversified investment program with disciplined asset re-balancing to achieve strategic long-term goals. This disclaimed investment process has been effective in achieving a long-term record of consistent asset growth.

As of June 30, 2021, the Fairfax County Police Officers Retirement System stood at $1.807 billion, up from $1.401 billion at the end of fiscal year 2020. Calculating performance using a time-weighted rate of return, for the year ending 2021, the system returned +35.11%, gross of fees (+31.22%, net of fees), ranking in the 4th percentile of all public funds in the BNY Mellon Total Public Fund Universe. For the three, five, and ten-year periods (annualized), the system returned gross of fees, +11.61%, (+9.84%, net of fees), ranking in the 45th percentile, +10.54%, (+9.16%, net of fees), ranking in the 68th percentile, and +8.21% (+7.41, net of fees), ranking in the 71st percentile, respectively.

During the past twelve months, the System continued to focus on further diversifying risk. Blockchain Capital, Morgan Creek Digital III, Sands Global Innovation II, Section IV, and Section Ventures were added to the Global Equity portfolio; Citadel Global and Verition were added to the Absolute Return lineup; Hoisington, Marathon Europe Credit Opportunity IV and OnyxPoint Distressed were added to the Global Fixed Income lineup; Coatue Smart Transport, Pinnacle PACP, and Pinnacle Physicals and Financing V were added to the Global Real Assets portfolio.

Sincerely,



Katherine Molnar, CFA
Chief Investment Officer
Fairfax County Police Officers Retirement System

Investment by Category and Investment Manager
For the Year Ended June 30, 2021

Asset Class Manager	Investment Style	Fair Value	% of Total Portfolio
Absolute Return			
Alpha Simplx Trend	Global Macro	$34,397,405	1.9%
Aspect Sysmatic Gm	Global Macro	27,980,250	1.5%
Bluecrest Mult Strat	Multi-Strategy	133,249	0.0%
Bridgewater Pa II	Global Macro	24,641,245	1.4%
Citadel Global	Multi-Strategy	45,745,441	2.5%
Crabel Multi-Prod	Global Macro	29,971,494	1.7%
King St Capital Hy	Event Driven	3,032,479	0.2%
Kirkoswald Gm	Global Macro	34,610,402	1.9%
Solus Sola	Event Driven	27,723,114	1.5%
Verition Multi Strat	Multi-Strategy	46,348,681	2.6%
Global Equity			
Acadian Intl Small	Int'l Developed Small Cap	43,936,887	2.3%
Blockchain V	Private Markets Equity	4,000,000	0.2%
Dyal Capital II	Private Markets Equity	27,012,817	1.5%
Dyal Capital IV	Private Markets Equity	20,798,875	1.2%
FEIM Intl Value*	Int'l Developed Markets Value	52,580,030	2.9%
Morgan Creek Bco I	Private Markets Equity	46,612,360	2.6%
Morgan Creek Bco II	Private Markets Equity	70,470,866	3.9%
Morgan Creek Digital	Private Markets Equity	4,000,000	0.2%
Sands Em Equity	Int'l Emerging Markets	42,294,979	2.3%
Sands Global Inov II	Private Markets Equity	3,330,012	0.2%
Sands Life Sci Pulse	Private Markets Equity	12,708,730	0.7%
Section Ventures	Private Markets Equity	3,205,144	0.2%
Starboard Val & Opp	U.S. Small Cap	26,878,734	1.5%
Two Sigma Ventur III	Private Markets Credit	14,149,793	0.8%
WCM Intl Growth*	Int'l Developed Markets Growth	60,586,101	3.4%
Global Fixed Income			
Crestline Opp III	Private Markets Credit	25,402,455	1.6%
Crestline Opp IV	Private Markets Credit	13,514,368	0.7%
Czech SJC III	Private Markets Credit	27,234,744	1.5%
Doubleline Mtg Opp	Private Markets Credit	31,589,138	1.7%
Doubleline Strat Mbs*	Mortgage Backed Securities	61,204,199	3.4%
EJF Debt Opp	Private Markets Credit	43,724,393	2.4%
Hoisington US Treas*	Core Fixed	29,185,282	1.6%
Loomis High Yield*	High Yield Bonds	50,470,722	2.8%
Marathon Dist Cr	Private Markets Credit	11,433,360	0.6%
Marathon Eco III	Private Markets Credit	32,558,304	1.8%
Marathon Eco VI	Private Markets Credit	17,409,102	1.0%
Onyxpoint*	High Yield Bonds	21,437,716	1.2%
Parametric US Tips*	Inflation-Linked	45,439,828	2.5%
PGIM Em Debt Plus	Emerging Market	46,799,365	2.6%
Pimco Bravo III	Private Markets Credit	41,918,804	2.3%
Pimco Bravo II	Private Markets Credit	9,146,551	0.5%
Pimco Disco III	Private Markets Credit	13,561,060	0.8%
Pimco Tac Opps	Private Markets Credit	36,764,901	2.0%
Section IV	Private Markets Credit	5,222,194	0.3%
Solus Long Term Opp	Private Markets Credit	27,974,340	1.5%
Global Multi-Asset			
AQR Global Risk Premium	Core Risk Parity	63,661,686	3.5%
Blackrock Market Advantage	Core Risk Parity	102,349,692	5.7%
Man AHL Target Risk	Core Risk Parity	105,123,635	5.8%
Global Real Assets			
C&S Global Real Est*	Global Real Estate Securities	53,982,421	3.0%
Coatue Transport I	Private/Public Infrastructure	18,472,464	1.0%
DWS Real Assets	Multi-Real Asset	69,205,264	3.8%
Landmark Re Sec VIII	Private Markets Real Estate	13,752,719	0.8%
Pinnacle Cattle	Private Markets Real Estate	4,083,864	0.2%
Pinnacle Physicals	Private Markets Real Estate	17,482,979	1.0%
Short Term			
Blackrock Stif A/L*	Plan Level Cash Account	2,173,839	0.1%
Cash Management	Plan Level Cash Account	4,213,022	0.2%
Parametric Pios*	Overlay	53,485,704	3.0%
Total Investments		**$1,807,127,203**	**100.0%**

*Separately Managed Accounts

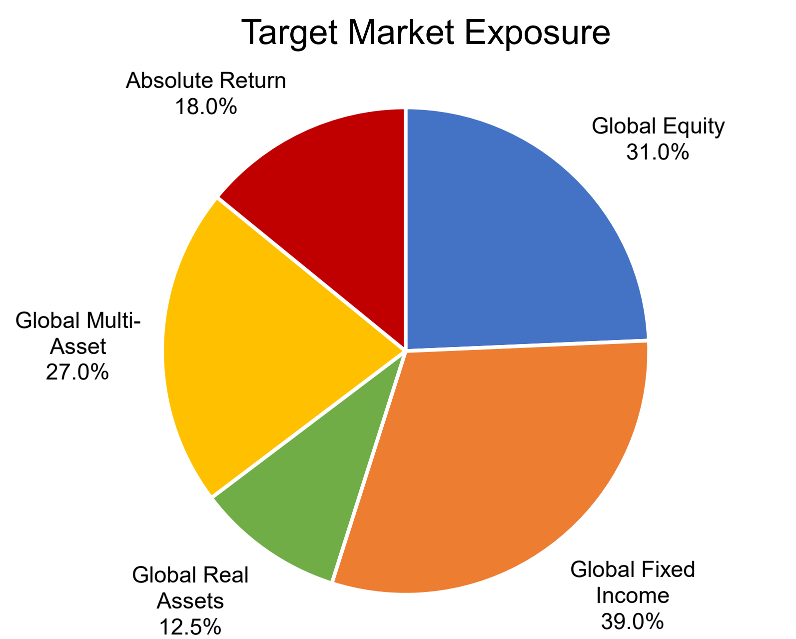
**See pages 8-9 for complete listing of investment professionals

Police Officers Retirement System – Allocation of Capital Exposures

Target Asset Allocation

The asset structure shown below represents the Trustees' assessment of their optimal asset allocation as of June 30, 2021. The target asset allocation provides a reasonable expectation that the System's investment objectives can be achieved based on historical relationships of asset class performance.

The pie chart below details the target asset mix, consistent with the achievement of the long-term objectives of the System, as of June 30, 2021.

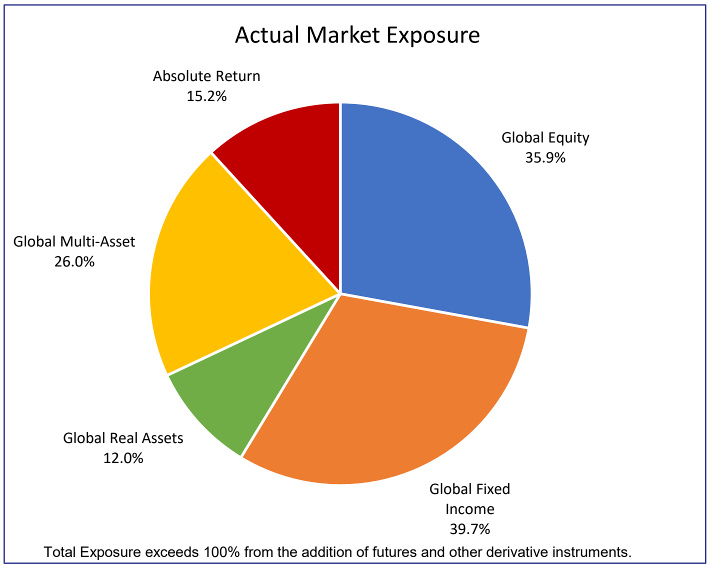


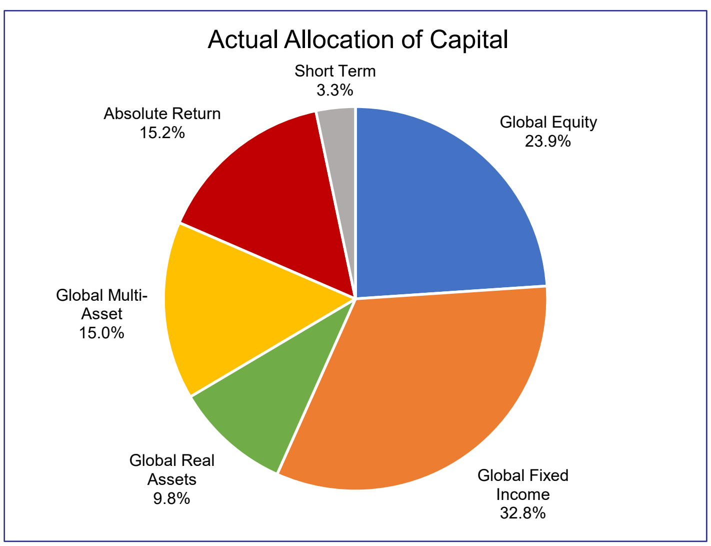
Total Exposure exceeds 100% from the addition of futures and other derivative instruments.

Actual Asset Allocation as of June 30, 2021

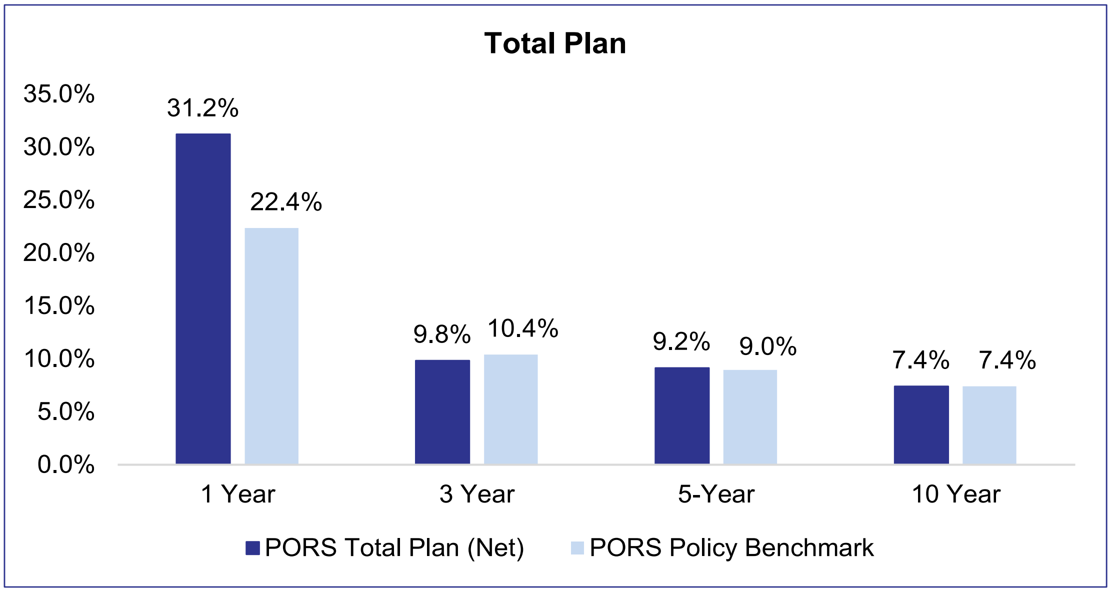
The asset structure of the Police Officers Retirement System has historically reflected a proper balance of the System's needs for liquidity, growth of assets, and risk tolerance. The System's investment policy is designed to continue to meet its long-term investment objectives while, at the same time, providing sufficient flexibility to meet short-term funding requirements.

The pie chart below details the target asset mix, consistent with the achievement of the long-term objectives of the System, as of June 30, 2021.

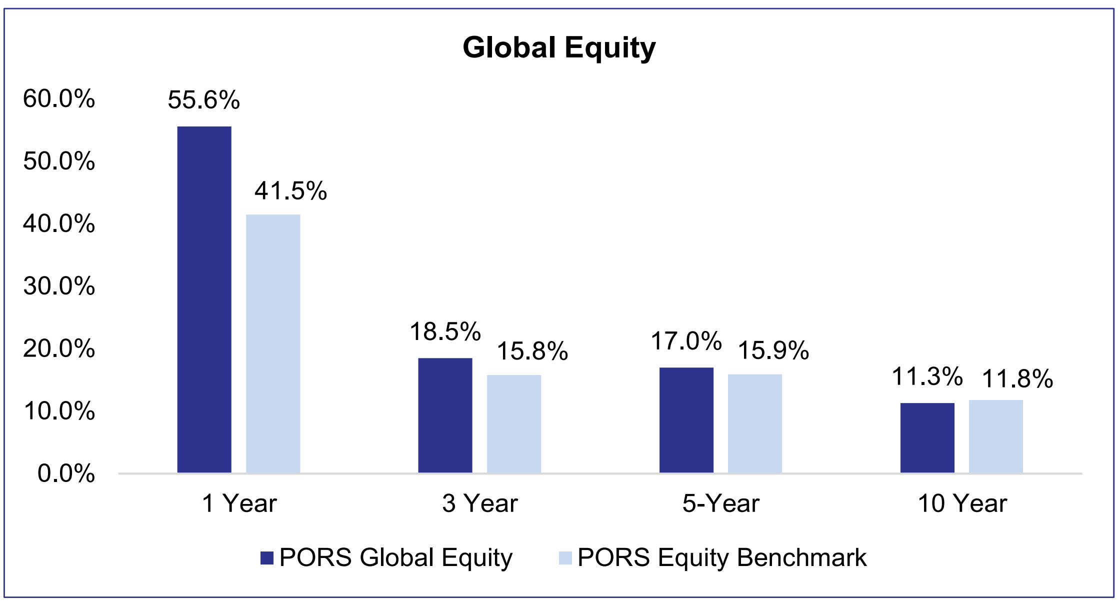




Investment Results
(Time-Weighted Return, net of Fees)

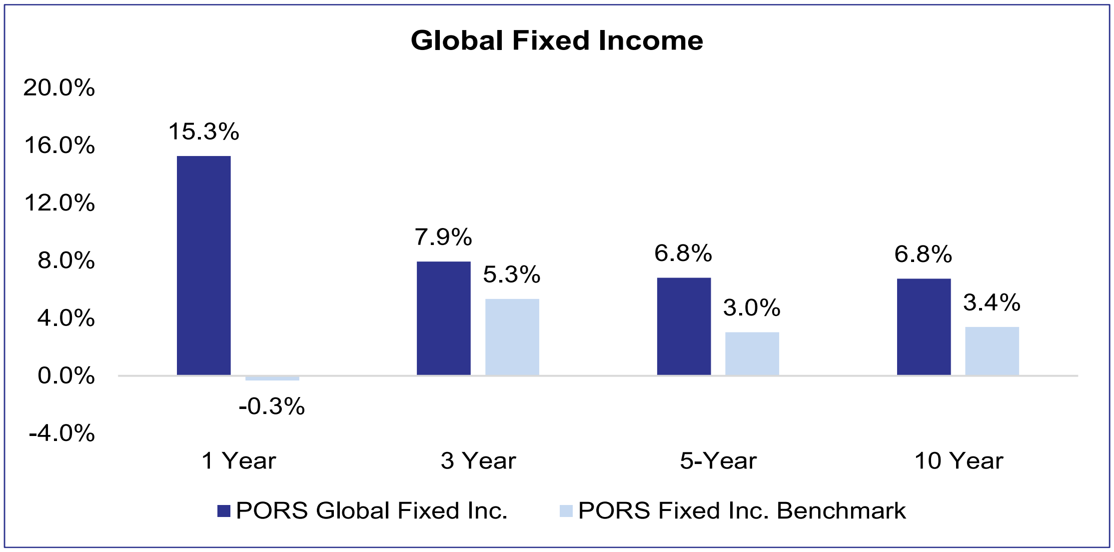


*Current Benchmark: 27% Global Multi-Asset blended benchmark, 11% S&P 500, 8% Russell 2000, 9.5% MSCI EAFE, 2.5% MSCI Emerging Markets, 35% U.S. Aggregate Bond Index, 4% Merrill Lynch High Yield Master, 10% Real Assets blended benchmark, 2.5% S&P GSCI Gold Excess Return, -7.0% Libor. (Benchmark has been revised through time)

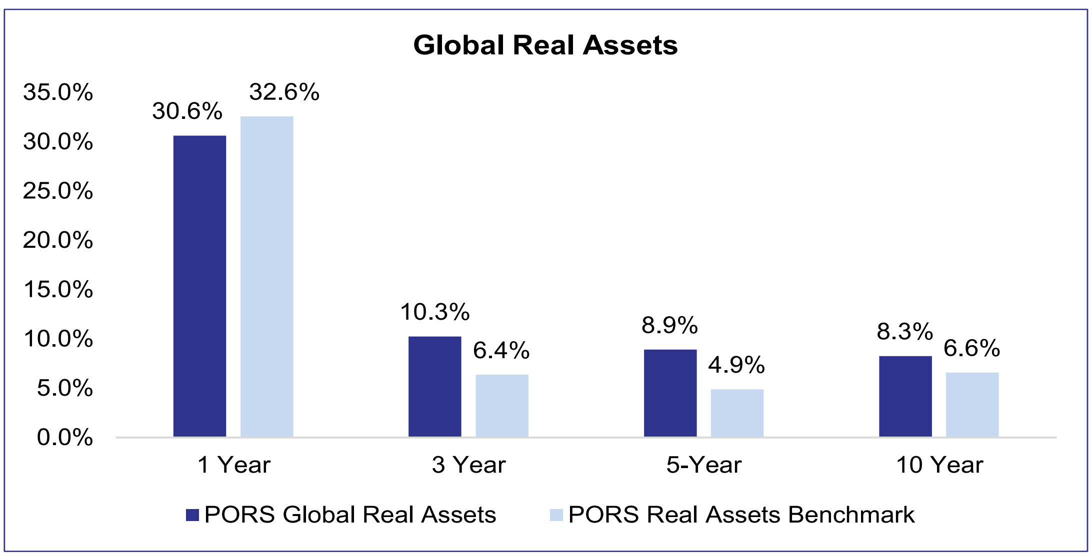


*Current Benchmark: 41% S&P 500, 33% MSCI EAFE, 17% Russell 2000, 9% EM (Benchmark has been revised through time)

Investment Results
(Time-Weighted Return, net of Fees)

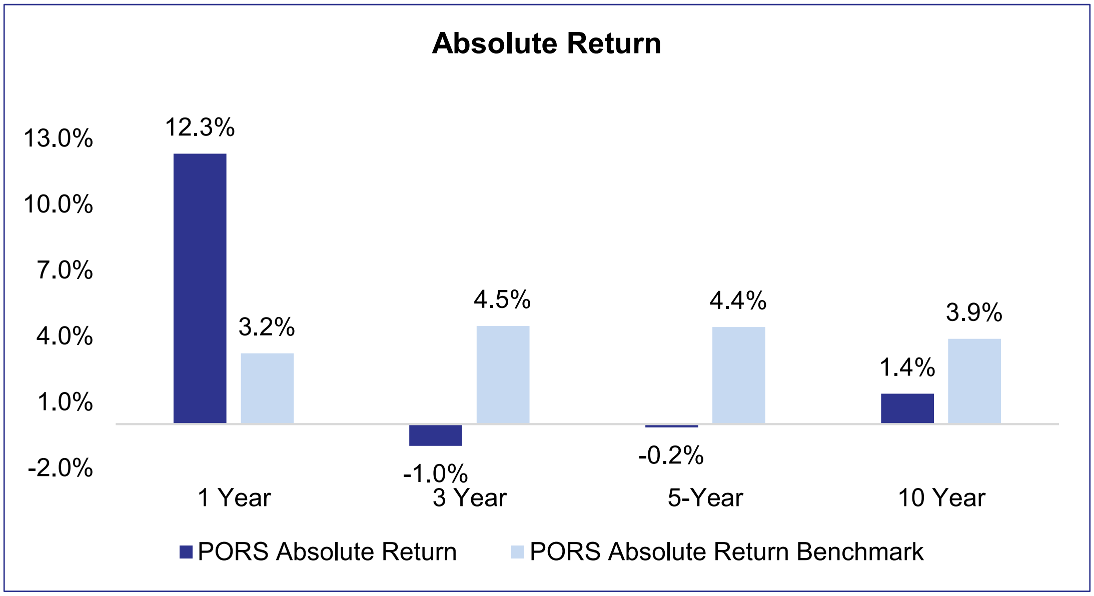


*Current Benchmark: 83% U.S. Agg Bond Index, 17% Merrill Lynch High Yield Master (Benchmark has been revised through time)

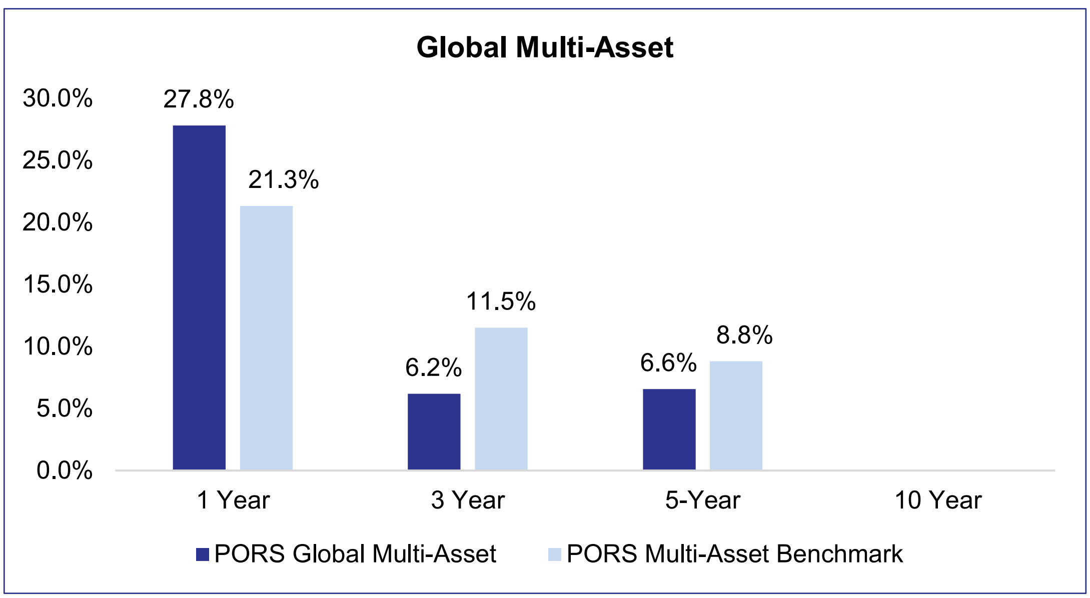


*Current Benchmark: 33.3% FTSE/NAREIT Developed, 33.3% DJ Brookfield Global Infrastructure, 33.3% Commodity (Benchmark has been revised through time)

Investment Results
(Time-Weighted Return, net of Fees)



*Current Benchmark: Libor + 3% (Benchmark has been revised through time)



*Current Benchmark: 25% MSCI AC World Index (Local Currency Gross), 75% Global Treasury 7-10 Year Index (Hedged), 75% World Government Inflation Linked Bond Index (Hedged), 25% Commodity Index, -100% LIBOR 3 Month Return (Benchmark has been revised through time)

Schedule of Ten Largest Equity & Fixed Income Holdings

Ten Largest Equity Holdings*

No. Shares	Description	Cost	Fair Value	% of Total Portfolio
3,450	LVMG Moet Hennessy Louis Vuitt	$591,961	$2,705,613	0.15%
8,554	Public Storage	1,744,761	2,572,102	0.14%
21,000	Taiwan Semiconductor Manufactu	346,062	2,523,360	0.14%
30,925	Canadian Pacific Railway Ltd	766,260	2,378,442	0.13%
10,040	DSV Panalpina A/S	950,838	2,341,661	0.13%
18,560	Prologis Inc	1,252,431	2,218,477	0.12%
8,815	Resmed Inc	938,708	2,173,074	0.12%
3,170	ASML Holding NV	597,171	2,189,963	0.12%
1,475	Shopify Inc	183,094	2,154,946	0.12%
16,567	Simon Property Group Inc	1,557,037	2,161,662	0.12%
	Total	**$8,928,323**	**$23,419,300**	**1.29%**

*full disclosure of holdings is available upon request.

Ten Largest Fixed Income Holdings*

No. Shares	Description	Cost	Fair Value	% of Total Portfolio
8,722,242	U S Treasury Bond2.500% 05/15/2046 dd 05/15/16	$8,300,000	$10,525,762	0.58%
6,192,936	US Treas-CPI Inflat2.375% 01/15/2027 dd 01/15/07	7,201,962	8,571,312	0.47%
5,183,747	US Treas-CPI Inflat3.875% 04/15/2029 dd 04/15/99	6,250,930	8,676,109	0.48%
5,182,743	U S Treasury Bond2.500% 02/15/2046 dd 02/15/16	6,720,000	8,506,575	0.47%
3,296,880	US Treas-CPI Tnflat0.625% 04/15/2023 dd 04/15/18	6,753,547	7,126,169	0.39%
2,033,083	U S Treasury BD Prin Strip0.000% 11/15/2045 dd 11/16/15	10,000,000	7,108,000	0.39%
2,085,155	US Treas-CPI Inflat0.125% 07/15/2024 dd 07/15/14	4,803,394	4,916,557	0.27%
2,013,439	U S Treasury Bond1.625% 11/15/2050 dd 11/15/20	4,900,000	4,681,838	0.26%
1,308,698	US Treas-CPI Inflat1.000% 02/15/2048 dd 02/15/18	2,954,606	3,848,205	0.21%
1,970,304	U S Treasury Bond2.250% 08/15/2046 dd 08/15/16	3,680,000	4,413,733	0.24%
	Total	**$61,564,439**	**$68,374,260**	**3.76%**

*full disclosure of holdings is available upon request.

Schedule of Brokerage Commissions

For the Year Ended June 30, 2021

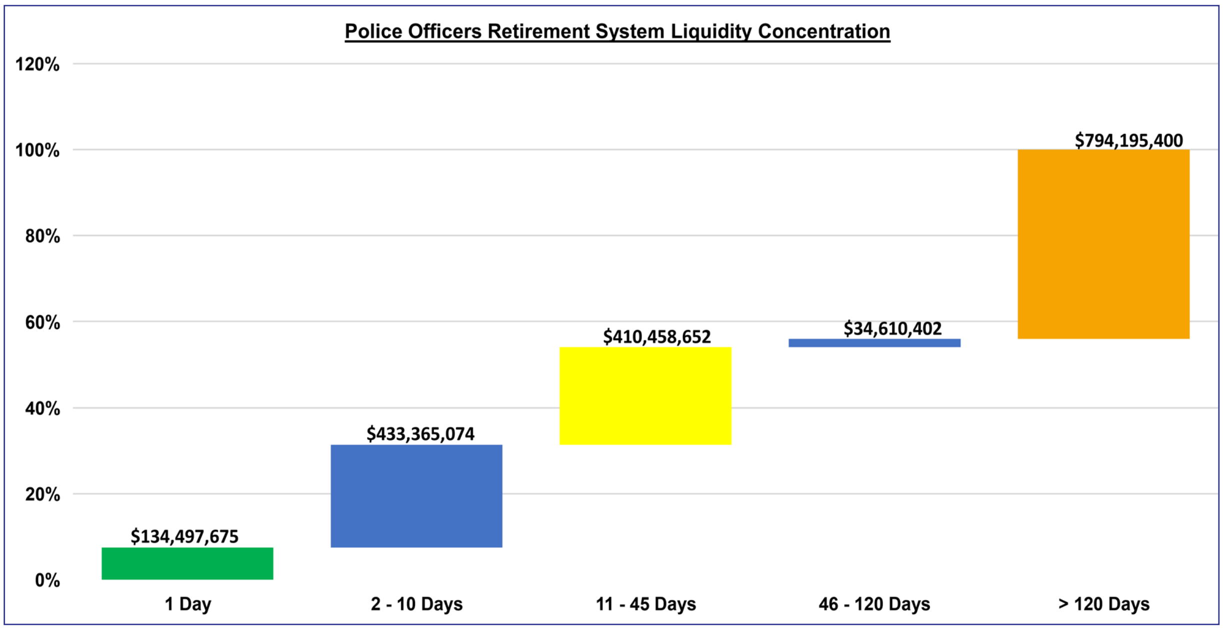
Broker Name	Base Volume	Total Shares	Base Commission	Commission Percentage
BANCO ITAU, SAO PAULO	$916,101	213,600	$2,193	0.24%
BRADESCO S.A. CTVM, SAO PAULO	189,815	43,500	359	0.19%
CITIGROUP GBL MKTS/SALOMON, NEW YORK	887,102	345,848	1,480	0.17%
JEFFERIES HONG KONG LIMITED, HONG KONG	184,596	23,500	298	0.16%
CITIGROUP GBL MKTS INC, NEW YORK	18,462	7,749	30	0.16%
BERENBERG GOSSLER & CIE, HAMBURG	604,187	5,478	966	0.16%
BARCLAYS CAPITAL, NEW YORK	22,404	329	36	0.16%
MERRILL LYNCH PIERCE FENNER, CHARLOTTE	10,739	20.00	17	0.16%
UBS WARBURG ASIA LTD, HONG KONG	1,810,229	153,108	2,808	0.16%
PAREL, PARIS	364,864	981	565	0.15%
JEFFERIES AUSTRALIA PTY LIMITED, SYDNEY	93,538	32,832	141	0.15%
CITIGROUP GBL MKTS INDIA, MUMBAI	160,288	38,800	241	0.15%
GOLDMAN SACHS AUSTRALIA PTY LTD,MELBOURN	137,201	44,208	206	0.15%
J P MORGAN SEC, SYDNEY	276,315	56,369	414	0.15%
CREDIT SUISSE (EUROPE), LONDON	742,973	22,779	1,114	0.15%
JP MORGAN SECS, SINGAPORE	114,262	52,356	169	0.15%
BOFA SECURITIES, INC, NEW YORK	621,029	220,117	915	0.15%
J.P. MORGAN SECURITIES, HONG KONG	1,286,593	192,502	1,875	0.15%
BARCLAYS CAPITAL, LONDON (BARCGB33)	368,113	14,004	515	0.14%
CITIBANK LTD, MELBOURNE	199,184	43,181	278	0.14%
MACQUARIES SECURITIES AUSTRALIA, SYDNEY	1,307,499	224,362	1,823	0.14%
UBS AG LONDON BRANCH, LONDON	560,661	9,568	773	0.14%
KEPLER EQUITIES, PARIS	351,093	29,510	480	0.14%
MACQUARIE BANK LTD, HONG KONG	398,338	60,787	540	0.14%
CREDIT SUISSE, NEW YORK (CSUS)	1,818,622	211,284	2,355	0.13%
UBS EQUITIES, LONDON	1,233,867	60,265	1,543	0.13%
CREDIT LYONNAIS SECS (ASIA), HONG KONG	686,142	99,736	853	0.12%
DAIWA SECS AMER INC, NEW YORK	833,098	27,899	1,031	0.12%
J P MORGAN SECS LTD, LONDON	1,796,438	119,226	2,195	0.12%
JPMORGAN SECURITIES INC, NEW YORK	778,214	267,985	950	0.12%
CREDIT LYONNAIS SEC, SEOUL	69,153	834	83	0.12%
DAIWA SEC, SEOUL	63,796	189	77	0.12%
SKANDINAVISKA ENSKILDA BANKEN, COPENHAGE	28,058	175	34	0.12%
GOLDMAN SACHS DO BRASIL, SAO PAULO	2,619	600	3	0.12%
SKANDINAVISKA ENSKILDA BANKEN, STOCKHOLM	32,031	210	38	0.12%
SKANDINAVISKA ENSKILDA BANKEN, LONDON	101,777	141	122	0.12%
CLSA AUSTRALIA PTY LTD, SYDNEY	20,204	3,990	23	0.11%
MERRILL LYNCH, NEW YORK	14,947	526	17	0.11%
LIQUIDNET EUROPE LIMITED, LONDON	1,931,219	37,701	2,125	0.11%
BNP PARIBAS SECURITIES SVCS, HONG KONG	235,705	18,000	259	0.11%
D CARNEGIE AB, STOCKHOLM	1,370,773	15,118	1,496	0.11%
WELLS FARGO SECURITIES LLC, CHARLOTTE	605,600	38,192	631	0.10%
MACQUARIE BANK LIMITED, SYDNEY	76,725	20,349	80	0.10%
LIQUIDNET ASIA LTD, HONG KONG	78,976	13,500	79	0.10%
BNP PARIBAS SECS SERVS, SYDNEY	21,215	1,963	21	0.10%
PERSHING SECURITIES LTD, LONDON	5,119,326	415,932	5,090	0.10%
RBC DOMINION SECS INC, TORONTO (DOMA)	635,081	26,264	627	0.10%
MERRILL LYNCH INTL LONDON EQUITIES	4,910,776	926,930	4,720	0.10%
JEFFERIES & CO LTD, LONDON	1,029,542	63,275	965	0.09%
CIBC WORLD MKTS INC, TORONTO (WGDB)	13,582	768	12	0.09%
Other Brokers	193,974,643	3,297,369	92,584	0.05%
Total	**$229,107,715**	**7,503,909**	**$136,249**	**0.06%**

Schedule of Management Fees by Asset Class For the Year Ended June 30, 2021		
Asset Class	**Fair Value**	**Management Fees**
Absolute Return	$274,583,760	$3,457,663
Global Equity	432,565,328	4,871,732
Global Fixed Income	591,990,826	5,240,731
Global Multi-Asset	271,135,013	2,250,073
Global Real Assets	176,979,711	2,903,921
Short Term and Others	59,872,565	221,918
Total	**$1,807,127,203**	**$18,946,038**

Investment Summary (Based on Capital Allocation)				
	As of June 30, 2021		**As of June 30, 2020**	
	Fair Value	**% Fair Value**	**Fair Value**	**% Fair Value**
Absolute Return	$274,583,760	15.2%	$228,643,554	16.3%
Global Equity	432,565,328	23.9%	271,204,328	19.4%
Global Fixed Income	591,990,826	32.8%	474,851,105	33.9%
Global Multi-Asset	271,135,013	15.0%	217,458,409	15.5%
Global Real Assets	176,979,711	9.8%	127,416,697	9.1%
Short Term and Others	59,872,565	3.3%	80,893,204	5.8%
Total	**$1,807,127,203**	**100.0%**	**$1,400,467,297**	**100.00%**

Liquidity Snap Shot on June 30, 2021

The below liquidity chart for the Police Officers Retirement System demonstrates how the pension fund's capital has been allocated to ensure sufficient liquidity to support short term uses of cash, such as retirement distributions, capital calls, potential daily margin calls and coverage ratio requirements on derivative notional balances. It details the liquidity concentration of the System's total capital allocated to investments by their redemption schedule (monthly, quarterly, annually or none), including the number of calendar days' notice that must be provided before the redemption of funds can be made.



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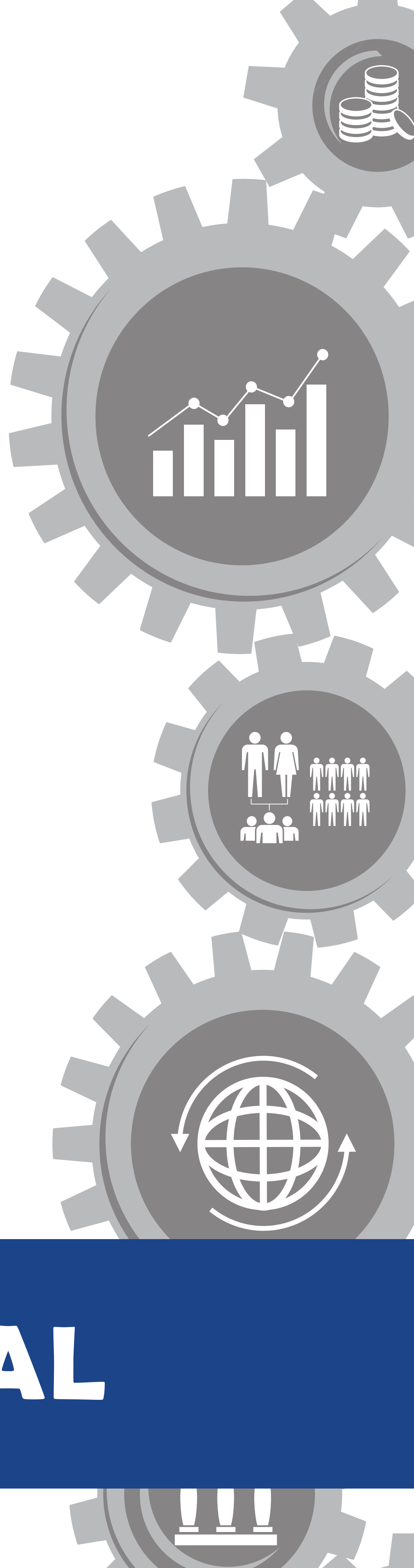

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CHEIRON Classic Values, Innovative Advice.

October 14, 2021

Fairfax County Police Officers
Retirement System
12015 Lee Jackson Memorial Hwy, Suite 350
Fairfax, Virginia 22033

Dear Members of the Board:

At your request, we have performed an actuarial valuation of the Fairfax County Police Officers Retirement System as of June 30, 2021. The full results and analysis of that annual valuation will be presented in a full actuarial valuation report. The purpose of this actuarial section is to provide key information from that report and support the disclosure of Total Pension Liability that is presented in the Financial Section of this ACFR. For a more complete analysis, please see the full report.

Funding Objective
The funding objective of the System is to establish contribution rates that will remain level as a percentage of payroll over time. In order to achieve this, the County contribution rate is based on the normal cost rate and expense rate developed in the current valuation combined with an unfunded actuarial liability rate (UAL rate) based on 15 year layered amortization bases reflecting assumption changes, plan changes, and annual gains and losses.

Assumptions
The actuarial assumptions used in performing the June 30, 2021 valuation were recommended by the actuary and adopted by the Board of Trustees based on our most recent review of the System's experience for the five-year period ending June 30, 2020. The assumptions and methods used for funding purposes were developed in compliance with the actuarial standards of practice as they relate to pension plans. The assumptions reflect our understanding of the likely future experience of the System and the assumptions both individually and as a whole represent our best estimate for the future experience of the System. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the underlying assumptions, the results would vary accordingly.

Reliance on Others
In preparing our valuation, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standards of Practice No. 23.

Supporting Schedules
As a part of the 2021 actuarial valuation, Cheiron prepared the Analysis of Financial Experience, Schedule of Retirees and Beneficiaries Added to and Removed from the Rolls and Liability by Type provided in this Actuarial Section.

We are also responsible for the disclosures of Net Pension Liability and its components in the Financial Section. The information provided in Note 4 of the Financial Section comes from the Actuarial Valuation as of June 30, 2021.

Compliance with Code of Virginia §51.1-800

Code of Virginia §51.1-800 requires that the benefits provided to a retiree at age 65 from a local retirement system equal or exceed two-thirds of the allowance to which the employee would be entitled under the provisions of the Virginia Retirement System (VRS).

Although there is no formal procedure for making this comparison, we compared the least valuable rate under the Police Officers Retirement System to the most valuable accrual rate under the VRS, making adjustments for the fact that employee contributions are required in excess of the VRS 5% rate. We found that the employer-provided accrual rates do exceed two-thirds of the most valuable employer-provided accrual rates under the VRS plan.

We certify that, to the best of our knowledge and understanding, the Fairfax County Police Officers Retirement System satisfies the requirements of the Code of Virginia §51.1-800.

Certification

This section and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices, and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinions contained in this section. This section does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This section was prepared for the Fairfax County Police Officers Retirement System for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this section are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Sincerely,
Cheiron

Fiona E. Liston

Fiona E. Liston, FSA
Principal Consulting Actuary

Coralie Taylor

Coralie A, Taylor, FSA
Consulting Actuary

CHEIRON

Summary of Valuation Results

The Actuarially Determined Contribution rate for Fiscal Year (FY) 2021 was developed in the 2019 valuation report. For more information on the assumptions and methods used to develop that rate, please see the Funding Method section of that report.

Amounts disclosed in Note 4 of the Financial Section were developed in conjunction with the 2021 valuation.

Summary of Actuarial Assumptions and Methods

Funding Method

The Entry Age Normal Cost funding method is used to determine costs. Under this method, the County contribution has three components: the normal cost, the payment toward the unfunded actuarial liability, and the expense rate.

The normal cost is a level percent of pay cost which, along with the member contributions, will pay for projected benefits at retirement for each plan participant.

The actuarial liability is that portion of the present value of future benefits that will not be paid by future County normal costs or member contributions. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability. The rate includes amortization layers which exhaust the unfunded liability amount over 15 year layers from the date first measured. The amortization is performed as a level percent of pay.

The expense rate is added to cover the System's administrative expenses.

The County's total contribution rate is equal to the sum of these three components.

Actuarial Value of Assets

For purposes of determining the County contribution to the System, we use an Actuarial Value of Assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the Actuarial Value of Assets, we calculate an expected actuarial value based on cash flow for the year and imputed returns at the actuarial assumption. This expected value is compared to the market value, and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

In 2021, there was an additional recognition of $38.7 million of the remaining balance of past investment gains.

Changes Since Last Valuation

In addition to the standard recognition from the System's actuarial valuation method, there was an additional recognition of $38.7 million of the past investment gains.

Rationale for Change in Asset Smoothing Method

This one-time adjustment to the asset smoothing method was made to recognize both the fact that market returns on investments were extraordinarily high this year and the desire to make changes to the actuarial assumptions while maintaining a level contribution rate. The County has established a policy of not allowing the contribution rate to go down until the System has paid off its unfunded actuarial liability. Absent recognizing these additional gains that rate would have increased with this valuation report and not recognizes the anticipated reductions that would occur in future valuations as the remaining investment gains flow through the asset smoothing method.

Long Term Assumptions Used to Determine System Costs and Liabilities

Demographic Assumptions
Healthy Mortality
Healthy Retiree Mortality

Annual Deaths Per 10,000 Members Mortality Projected to 2021		
Age	**Male**	**Female**
50	26	18
55	37	32
60	65	55
65	105	83
70	162	130
75	285	219
80	522	380
85	963	657
90	1,604	1,142
95	2,347	1,839
100	3,217	2,853

*Post-retirement mortality shown

The PubS-2010 Healthy Annuitant Head-Count Weighted Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are those projected through the valuation date.

20% of pre-retirement deaths are assumed to be service-connected.

Beneficiary/Survivor Mortality

Annual Deaths Per 10,000 Members Mortality Projected to 2021		
Age	**Male**	**Female**
20	4	2
25	4	2
30	6	3
35	9	4
40	10	5
45	12	6
50	47	37
55	62	41
60	84	49
65	114	66
70	170	104
75	281	182
80	493	333
85	876	621
90	1,497	1,172
95	2,288	1,913
100	3,217	2,853

The PubG-2010 Healthy Annuitant Head-Count Weighted Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are those projected through 2021.

Active Separation From Service Due to Death

Annual Deaths Per 10,000 Members

Mortality Projected to 2021

Age	Male	Female
20	5	2
25	5	2
30	7	4
35	8	5
40	9	6
45	10	7

The PubS-2010 Employee Head-Count Weighted Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are those projected through the valuation date.

Disabled Mortality

Annual Deaths Per 10,000 Members

Mortality Projected to 2021

Age	Male	Female
45	33	22
50	43	30
55	63	56
60	98	92
65	143	120
70	207	169
75	329	292
80	553	499

The PubS-2010 Disabled Head-Count Weighted Annuitant Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are projected through the valuation date.

Termination of Employment

(Prior to Normal Retirement Eligibility)

Annual Terminations Per 1,000 Members

Years of Service	Terminations
0	96
1	68
2	42
3	32
4	29
5	23
6	18
7	18
8	15
9	19
10	10
11	8
12	8
13	10
14	6
15	7
16	3
17	7
18	3
19	3
20	2
21	2
22	1
23	1
24	1
25 or more	0

It is assumed that members who terminated before normal or early retirement age elect to receive a refund of contributions instead of vested benefits.

Disability

Annual Disabilities Per 1,000 Members*	
Age	**Male and Female**
20	3
25	4
30	5
35	7
40	10
45	17
50	28
55	40
60	40

* 80% of disabilities are assumed to be service-connected.
Of these, 100% are assumed to receive Workers' Compensation benefits.

Retirement/DROP

Years of Service	Retirement/ DROP*
5-23	5%
24	10
25	40
26	35
27	30
28	35
29	40
30	35
31	40
32	25
33	50
34	30
35+	100

*70% of those who leave under this decrement are assumed to DROP, with the other 30% taking immediate retirement.

Merit/Seniority Salary Increase
(in addition to across-the-board increase)

Years of Service	Merit/Seniority Increase*
0	6.50%
5	3
10	1
15	2
20	2.5
25	1
30+	1

Family Composition

For purposes of valuing the pre-retirement death benefit, an assumption concerning how many employees are married is needed. The assumption used in this valuation is that 80% of active employees are married at death and that the female spouse is five years-younger than the male spouse. In addition, each married employee is assumed to have two children, 22 and 24 years younger than the employee.

Sick Leave Credit

The unused sick leave balance as reported for each active member is used as of the valuation date. Future sick leave accruals for those hired before 2012 are assumed to accrue at 100% of each participant's annual average, but capped at 124 hours per year.

Economic Assumptions

Investment Return:	6.75% compounded per annum.
Rate of General Wage Increase:	2.25% compounded per annum.
Rate of Increase in Cost-of-Living:	2.10% compounded per annum.*
Total Payroll Increase (For amortization):	2.25% compounded per annum.
Administrative Expenses:	0.50% of payroll.

* Benefit increases are limited to 4% per year.

Rationale for Assumptions

The actuarial assumptions were adopted by the Board of Trustees upon the recommendation of the actuary, based on an experience study performed in 2021. The results of this study were presented in a report dated October 2021 and are incorporated into the actuarial report by reference.

Changes since Last Valuation

All of the assumptions were reviewed as part of the experience study performed in early 2021. The assumptions that were changed since the last valuation include healthy and disabled mortality rates, termination, disability, retirement and DROP rates, salary increases, sick leave credit, investment return (decreased by 0.50%), general wage increase (decreased by 0.50%), cost-of-living adjustments, total payroll increase, and administrative expenses as a percentage of payroll.

Analysis of Financial Experience

Gain and Loss in Accrued Liability during Years Ended June 30[1]

Resulting from Differences between Assumed Experience and Actual Experience

Type of Activity	Investment Income	Combined Liability Experience	Gain (or Loss) During Year from Financial Experience	Non-Recurring Items	Composite Gain (or Loss) During Year
2012	($8,996,470)	$1,919,058	$7,077,412	$-	($7,077,412)
2013	523,678	17,282,544	17,806,222	-	17,806,222
2014	31,937,393	11,575,441	43,512,834	(3,202,649)	40,310,185
2015	(4,528,707)	19,857,201	15,328,494	-	15,328,494
2016	(31,414,324)	10,963,818	(20,450,506)	(9,895,400)	(30,345,906)
2017	(14,213,085)	(11,638,382)	(25,851,467)	-	(25,851,467)
2018	(11,506,421)	(1,315,247)	(12,821,668)	-	(12,821,668)
2019	(18,786,193)	7,959,490	(10,826,702)	-	(10,826,702)
2020	(68,790,703)	5,784,618	(63,006,085)	-	(63,006,085)
2021	61,545,112	(19,812,468)	41,732,644	(17,213,508)	24,519,136

[1] Schedule comes from the Actuarial Valuation as of June 30, 2021.

Schedule of Retirees and Beneficiaries

Added To and Removed From Rolls[2]

	Added to Rolls		Removed From Rolls		On Rolls @ Yr. End			
Year Ended June 30	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	% Increase Allowance	Average Allowance
2012	37	$3,304,118	11	$433,632	876	$51,266,257	5.93%	$58,523
2013	51	3,747,038	20	820,110	907	54,193,185	5.71%	59,750
2014	71	5,441,901	12	671,616	966	58,963,469	8.80%	61,039
2015	62	4,149,523	16	534,130	1,012	62,578,862	6.15%	61,837
2016	35	1,828,843	8	288,260	1,039	64,119,445	2.46%	61,713
2017	55	3,992,713	12	600,334	1,082	67,511,824	5.29%	62,395
2018	51	4,209,384	14	756,560	1,119	70,694,648	5.11%	63,418
2019	46	4,289,133	12	714,403	1,153	74,539,378	5.04%	64,648
2020	72	5,480,470	23	1,205,650	1,202	78,814,198	5.73%	65,569
2021	83	5,527,070	24	1,284,283	1,261	83,056,985	5.38%	65,866

[2] Prior to 2016, amounts are based on June 30 benefits adjusted for known COLA effective July 1. Post-2015, amounts reported are based on benefits on December 31 prior to the valuation date.

Schedule of Funded Liabilities by Type[1]

	Aggregate Accrued Liabilities For						
	(1)	(2)	(3)		(1)	(2)	(3)
Valuation Date June 30	Active Member Contributions	Retirees, Vested Terms, Beneficiaries & DROP	Active Members (County Financed Portion)	Reported Assets	Portion of Accrued Liabilities by Reported Assets		
2012	$107,411,328	$798,639,061	$380,790,276	$1,035,444,171	100%	100%	34%
2013	107,211,514	859,305,980	374,612,001	1,101,474,728	100%	100%	36%
2014	106,872,811	913,113,803	421,557,979	1,224,882,430	100%	100%	49%
2015	105,765,035	961,692,517	423,602,482	1,289,972,504	100%	100%	53%
2016	110,961,165	995,104,603	454,451,944	1,333,218,360	100%	100%	50%
2017	114,966,811	1,022,229,636	503,472,954	1,394,270,429	100%	100%	51%
2018	116,981,031	1,067,481,291	528,832,329	1,458,935,865	100%	100%	52%
2019	118,210,189	1,119,414,518	542,791,614	1,521,246,708	100%	100%	52%
2020	116,462,622	1,180,355,291	554,768,758	1,538,146,337	100%	100%	44%
2021	116,591,173	1,299,954,940	588,192,131	1,723,799,319	100%	100%	52%

[1] Schedule uses actuarial value of assets. Results would be different if market value of assets were used. Despite the name of this exhibit, the liabilities presented in this schedule are not an appropriate measurement of the settlement value of the System.

Schedule of Active Member Valuation Data

Valuation Date June 30	Number of Active Members[2]	Covered Payroll	Average Annual Salary	Percentage Increase in Average Pay
2012	1,276	$101,121,159	$79,249	
2013	1,237	97,361,728	78,708	-0.68%
2014	1,226	98,346,858	80,218	1.92%
2015	1,246	100,619,957	80,754	0.67%
2016	1,319	109,062,310	82,686	2.39%
2017	1,329	112,928,533	84,973	2.77%
2018	1,350	117,785,703	87,249	2.68%
2019	1,382	121,441,720	87,874	0.72%
2020	1,353	123,249,682	91,094	3.66%
2021	1,335	123,434,071	92,460	1.50%

[2] Excludes DROP participants.

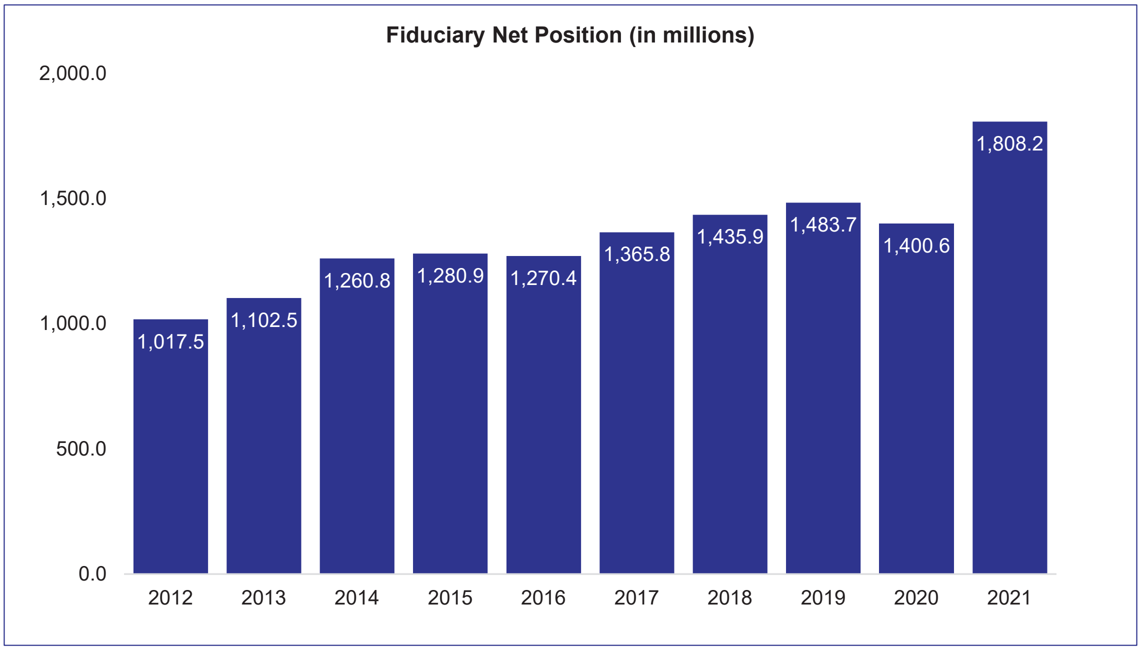
Schedule of Funding Progress

Valuation Date June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (b)	Unfunded Actuarial Accrued Liabilities (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c)
2012	$1,035,444,171	$1,286,840,665	$251,396,494	80%	$101,121,159	249%
2013	1,101,474,728	1,341,129,495	239,654,767	82%	97,361,728	246%
2014	1,224,882,430	1,441,544,593	216,662,163	85%	98,346,859	220%
2015	1,289,972,504	1,491,060,034	201,087,530	87%	100,619,957	200%
2016	1,333,218,360	1,560,517,712	227,299,352	85%	109,062,310	208%
2017	1,394,270,429	1,640,669,401	246,398,972	85%	112,928,533	218%
2018	1,458,935,865	1,713,294,651	254,358,786	85%	117,785,703	216%
2019	1,521,246,708	1,780,416,321	259,169,613	85%	121,441,720	213%
2020	1,538,146,337	1,851,586,671	313,440,334	83%	123,249,682	254%
2021	1,723,799,319	2,004,738,244	280,938,925	86%	123,434,071	228%

STATISTICAL

STATISTICAL

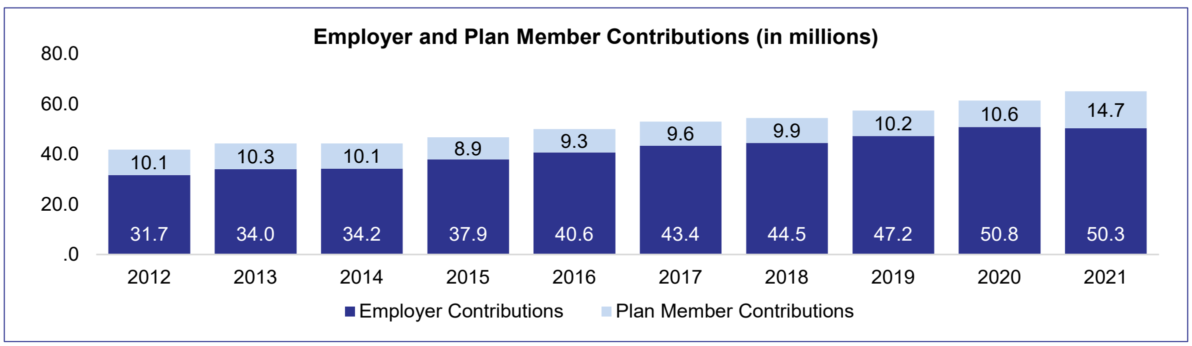
The Statistical Section presents historical information regarding the retirement plan. This information includes a ten-year analysis of the sources of change in plan fiduciary net position, benefit payments, the number of retired members and average monthly benefits. Sources of additions include employer and plan member contributions and net investment income; deductions include benefit payments to retirees and beneficiaries, refunds of employee contributions and administrative expenses. The amounts of benefits paid, the count of benefit recipients and the average benefit payments are provided by type of benefit, including service retirement annuities, service-connected and ordinary disability benefits and survivor benefits.

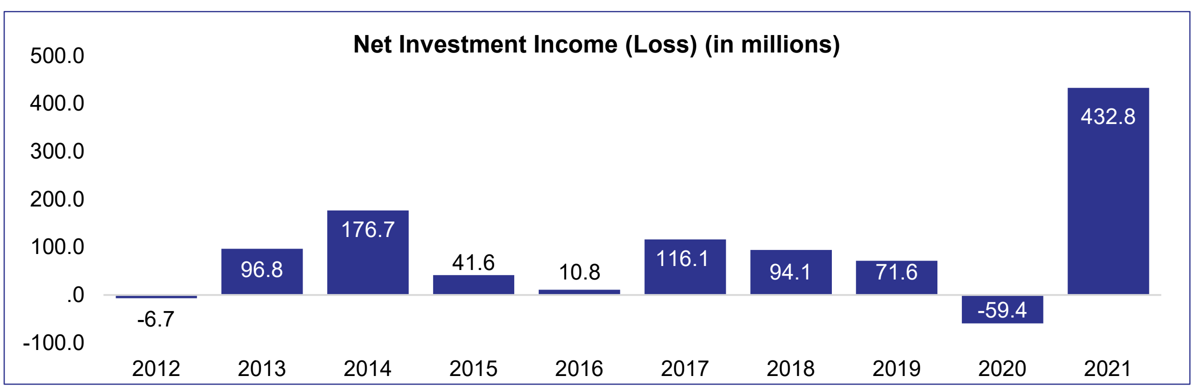


Fiscal Year	Fiduciary Net Position
2012	$1,017,451,230
2013	1,102,522,083
2014	1,260,757,215
2015	1,280,915,090
2016	1,270,389,713
2017	1,365,844,260
2018	1,435,923,023
2019	1,483,674,321
2020	1,400,564,931
2021	1,808,189,543

*Changes in Fiduciary Net Position					
Fiscal Year	**2012**	**2013**	**2014**	**2015**	**2016**
Additions by Source					
Plan Member Contributions	$10,109,068	$10,258,858	$10,091,331	$8,889,931	$9,324,066
Employer Contributions	31,700,690	34,011,347	34,178,960	37,867,181	40,646,884
Net Investment Income (Loss)	(6,731,294)	96,783,078	176,683,610	41,601,153	10,764,028
Total Additions	35,078,464	141,053,283	220,953,901	88,358,265	60,734,978
Deductions by Type					
Benefit Payments	$52,043,157	$55,266,464	$61,715,421	$67,276,713	$70,352,623
Refunds of Contributions	357,901	300,847	572,284	480,447	397,188
Administrative Expenses	372,137	415,119	431,064	443,230	510,544
Total Deductions	52,773,195	55,982,430	62,718,769	68,200,390	71,260,355
Change in Fiduciary Net Position	**($17,694,731)**	**$85,070,853**	**$158,235,132**	**$20,157,875**	**($10,525,377)**

*See next page for the continuation of the 10 year report.





Changes in Fiduciary Net Position					
Fiscal Year	**2017**	**2018**	**2019**	**2020**	**2021**
Additions by Source					
Plan Member Contributions	$9,631,618	$9,895,922	$10,176,811	$10,570,158	$14,687,984
Employer Contributions	43,381,151	44,504,675	47,182,840	50,781,403	50,348,130
Net Investment Income (Loss)	116,099,350	94,134,740	71,578,489	-59,355,354	432,834,482
Total Additions	169,112,119	148,535,337	128,938,140	1,996,207	497,870,596
Deductions by Type					
Benefit Payments	$72,534,389	$77,478,191	$80,116,433	$84,087,797	$88,691,929
Refunds of Contributions	641,609	360,176	459,698	361,855	888,427
Administrative Expenses	481,574	618,207	610,711	655,945	665,628
Total Deductions	73,657,572	78,456,574	81,186,842	85,105,597	90,245,984
Change in Fiduciary Net Position	**$95,454,547**	**$70,078,763**	**$47,751,298**	**($83,109,390)**	**$407,624,612**

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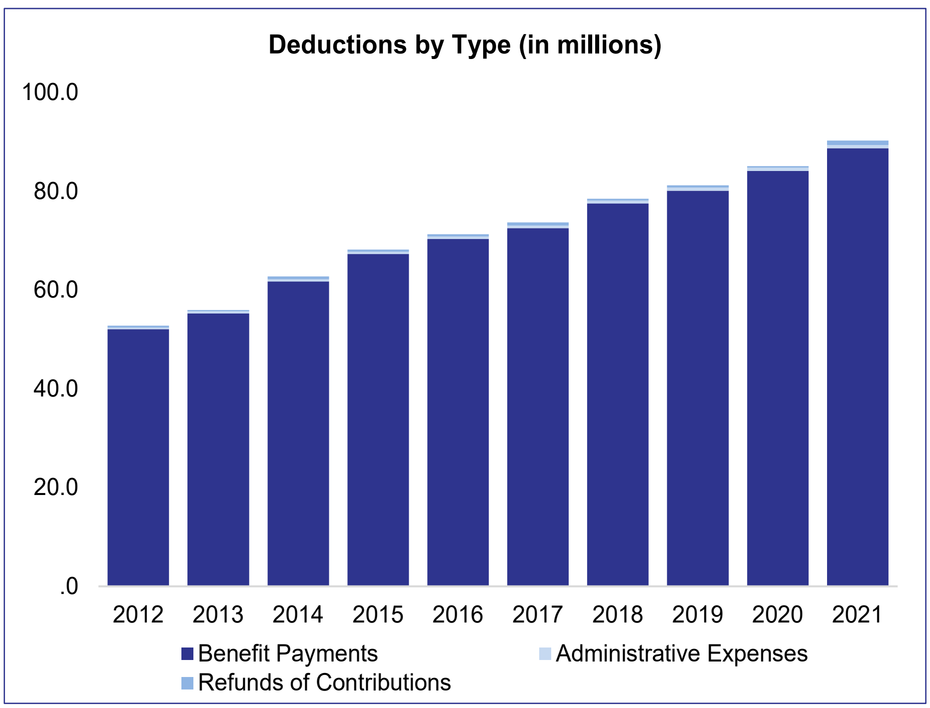


Schedule of Benefit Payments by Type

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Total
2012	$47,757,201	$1,180,749	$149,163	$2,956,044	$52,043,157
2013	50,784,313	1,212,826	147,739	3,121,586	55,266,464
2014	56,871,422	1,179,687	130,181	3,534,131	61,715,421
2015	62,221,104	1,182,810	134,897	3,737,902	67,276,713
2016	65,061,094	1,262,170	135,167	3,894,192	70,352,623
2017	67,080,670	1,148,156	136,519	4,169,044	72,534,389
2018	71,721,421	1,248,701	145,058	4,363,011	77,478,191
2019	74,086,887	1,295,820	157,209	4,576,517	80,116,433
2020	77,451,380	1,280,763	175,781	5,179,873	84,087,797
2021	81,576,691	1,210,017	213,747	5,691,474	88,691,929

Schedule of Retired Members by Benefit Type

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Total
2012	735	30	7	104	876
2013	764	30	6	107	907
2014	813	29	6	118	966
2015	862	29	6	115	1,012
2016	880	30	6	123	1,039
2017	915	30	6	131	1,082
2018	952	28	6	133	1,119
2019	978	28	7	140	1,153
2020	1,011	27	7	157	1,202
2021	1,054	25	8	174	1,261

Schedule of Average Monthly Benefit Amounts

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Average
2012	$5,320	$3,370	$1,825	$2,385	$4,877
2013	5,427	3,334	1,844	2,418	4,979
2014	5,551	3,385	1,874	2,469	5,087
2015	5,592	3,236	1,877	2,515	5,153
2016	5,599	3,556	1,877	2,424	5,143
2017	5,664	3,350	1,896	2,493	5,200
2018	5,745	3,688	1,921	2,482	5,285
2019	5,864	3,987	1,872	2,518	5,387
2020	5,724	4,633	1,664	2,289	5,227
2021	6,026	4,426	2,227	2,536	5,489

Schedule of Average Monthly Benefit Payments by Years of Service

Years of Credited Service*

	2-4	5-9	10-14	15 - 19	20 - 24	25 - 29	30+
Period 7/1/2010 to 6/30/2011							
Average Monthly Benefit **	$ -	$4,163	$ -	$4,580	$4,169	$6,193	$6,504
Average of Final Monthly Salaries	$ -	$6,062	$ -	$6,669	$7,099	$8,246	$7,576
Number of Retirees	-	1	-	1	8	20	2
Period 7/1/2011 to 6/30/2012							
Average Monthly Benefit **	-	600	-	-	4,565	5,800	-
Average of Final Monthly Salaries	-	3,711	-	-	7,437	7,661	-
Number of Retirees	-	1	-	-	4	17	-
Period 7/1/2012 to 6/30/2013							
Average Monthly Benefit **	-	-	4,339	-	4,070	5,702	7,525
Average of Final Monthly Salaries	-	-	6,319	-	7,416	8,056	8,661
Number of Retirees	-	-	1	-	4	27	3
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit **	-	-	-	3,147	4,041	5,795	6,965
Average of Final Monthly Salaries	-	-	-	6,728	7,192	8,016	7,837
Number of Retirees	-	-	-	2	9	37	7
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit **	-	997	3,202	3,758	4,059	5,624	8,047
Average of Final Monthly Salaries	-	5,519	6,235	6,925	7,507	7,840	8,698
Number of Retirees	-	1	2	2	3	32	5
Period 7/1/2015 to 12/31/2015							
Average Monthly Benefit **	-	3,726	-	3,113	3,590	5,792	8,409
Average of Final Monthly Salaries	-	5,589	-	6,492	6,977	7,982	9,192
Number of Retirees	-	1	-	1	1	15	5
Period 1/1/2016 to 12/31/2016							
Average Monthly Benefit **	-	967	3,416	2,999	3,876	5,739	6,814
Average of Final Monthly Salaries	-	6,031	6,565	6,478	7,386	7,976	7,628
Number of Retirees	-	1	2	1	5	33	3
Period 1/1/2017 to 12/31/2017							
Average Monthly Benefit **	-	2,340	2,243	-	4,469	6,267	7,219
Average of Final Monthly Salaries	-	5,541	6,510	-	7,652	8,542	8,206
Number of Retirees	-	2	2	-	4	31	5
Period 1/1/2018 to 12/31/2018							
Average Monthly Benefit **	-	1,334	-	-	4,464	6,466	7,171
Average of Final Monthly Salaries	-	5,809	-	-	8,291	8,687	8,149
Number of Retirees	-	3	-	-	6	24	3
Period 1/1/2019 to 12/31/2019							
Average Monthly Benefit **	-	929	1,937	-	4,089	6,551	9,192
Average of Final Monthly Salaries	-	4,670	6,287	-	7,747	8,884	10,481
Number of Retirees	-	1	2	-	11	32	5
Period 1/1/2020 to 12/31/2020							
Average Monthly Benefit	-	942	-	3,328	4,280	6,561	8,226
Average of Final Monthly Salaries	-	3,871	-	6,972	7,976	8,886	9,069
Number of Retirees	-	1	-	3	13	37	7

*The Years of Credited Service is the service used in the determination of benefits, which may be different than service for eligibility.

Active Participants Count by Age/Service

	Service								
Age	**Under 1**	**1 to 4**	**5 to 9**	**10 to 14**	**15 to 19**	**20 to 24**	**25 to 29**	**30 & Up**	**Total**
Under 25	41	42	-	-	-	-	-	-	83
25 to 29	23	142	64	3	-	-	-	-	232
30 to 34	11	54	107	41	3	-	-	-	216
35 to 39	3	15	37	76	71	6	-	-	208
40 to 44	1	5	15	32	100	72	6	-	231
45 to 49	2	1	7	14	51	123	17	-	215
50 to 54	2	1	3	6	28	40	28	3	111
55 to 59	-	1	1	3	10	6	5	5	31
60 to 64	-	-	1	2	2	-	1	1	7
65 & up	-	-	-	-	-	1	-	-	1
Total	83	261	235	177	265	248	57	9	1,335

Active Participants Total Salary by Age/ Service

	Service								
Age	**Under 1**	**1 to 4**	**5 to 9**	**10 to 14**	**15 to 19**	**20 to 24**	**25 to 29**	**30 & Up**	**Total**
Under 25	$2,089,249	$2,662,506	$-	$ -	$-	$-	$-	$-	$4,751,755
25 to 29	1,221,487	10,020,302	5,335,874	198,911	-	-	-	-	16,776,574
30 to 34	573,256	3,954,802	9,079,973	3,570,342	283,002	-	-	-	17,461,375
35 to 39	184,998	1,047,518	3,216,265	6,859,614	6,987,742	604,137	-	-	18,900,274
40 to 44	59,979	372,067	1,224,035	2,868,756	9,630,513	7,612,714	854,926	-	22,622,990
45 to 49	118,201	81,076	601,353	1,236,674	4,858,807	13,154,794	1,980,897	-	22,031,802
50 to 54	91,611	87,838	268,825	557,243	2,713,230	4,133,631	3,102,856	540,691	11,495,925
55 to 59	-	82,331	88,897	258,708	946,520	596,641	565,203	688,432	3,226,732
60 to 64	-	-	88,454	174,214	200,583	-	151,164	174,066	788,481
65 & up	-	-	-	-	-	100,169	-	-	100,169
Total	$4,338,781	$18,308,440	$19,903,676	$15,724,462	$25,620,397	$26,202,086	$6,655,046	$1,403,189	$118,156,077

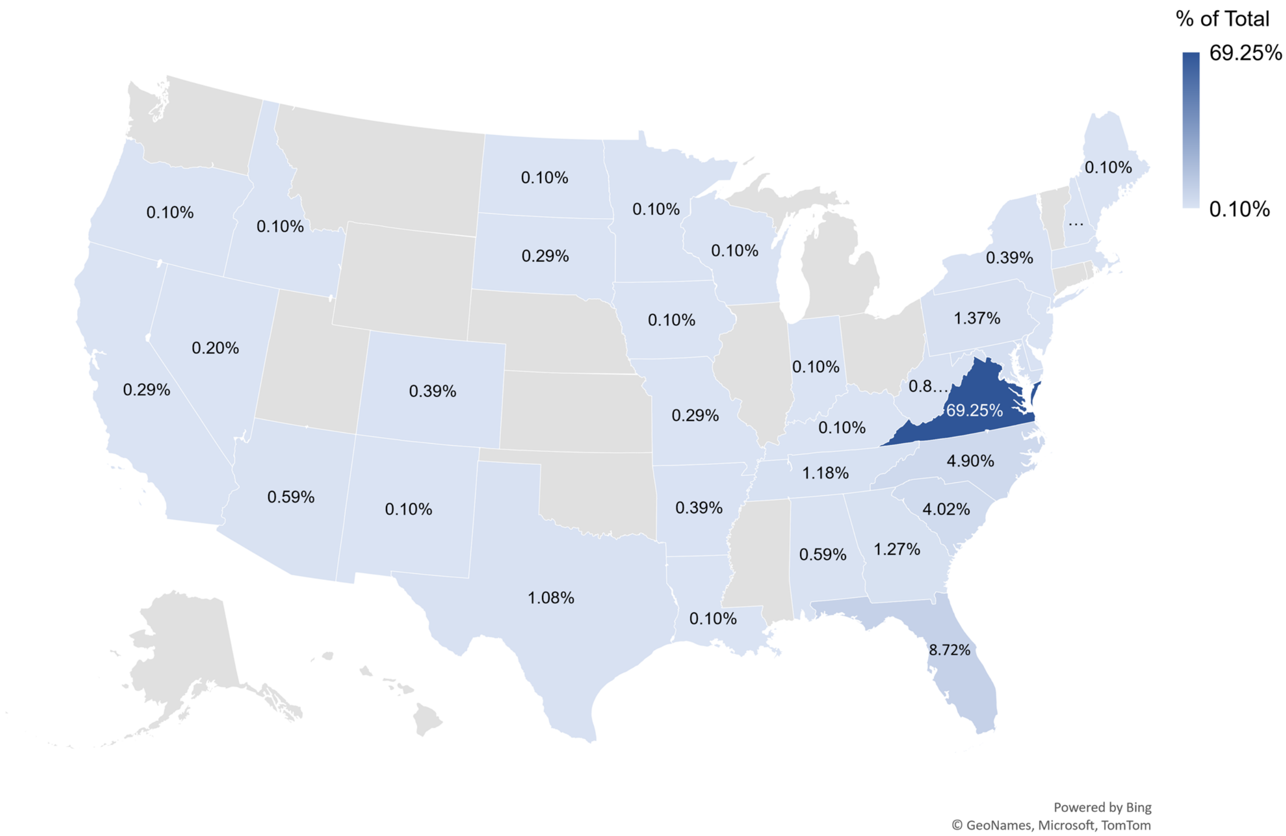
Retirees by Location

Retirees By State	
State	% of Total
Virginia	69.25%
Florida	8.72%
North Carolina	4.90%
South Carolina	4.02%
Maryland	1.96%
Pennsylvania	1.37%
Georgia	1.27%
Tennessee	1.18%
Texas	1.08%
West Virginia	0.88%
Alabama	0.59%
Arizona	0.59%
Arkansas	0.39%
Colorado	0.39%
Delaware	0.39%
New York	0.39%
California	0.29%
Missouri	0.29%
South Dakota	0.29%
District of Columbia	0.20%
Nevada	0.20%
Idaho	0.10%
Indiana	0.10%
Iowa	0.10%
Kentucky	0.10%
Louisiana	0.10%
Maine	0.10%
Massachusetts	0.10%
Minnesota	0.10%
New Hampshire	0.10%
New Jersey	0.10%
New Mexico	0.10%
North Dakota	0.10%
Oregon	0.10%
Wisconsin	0.10%

Retirees in Virginia	
County	% of Total
Other Counties	93.64%
Fairfax County	6.36%
Total	**100.00%**

Retirees by Fairfax County/City	
City	% of Total
Centreville	1.27%
Springfield	0.78%
Fairfax	0.59%
Herndon	0.59%
Clifton	0.49%
Lorton	0.49%
Alexandria	0.29%
Chantilly	0.29%
Fairfax Station	0.29%
Vienna	0.29%
Burke	0.20%
Falls Church	0.20%
Oakton	0.20%
Reston	0.20%
Great Falls	0.10%
Mc Lean	0.10%

Retirees by State



Check out Fairfax County Retirement Systems video library at:
www.fairfaxcounty.gov/retirement/retirement-videos

- **New Employee** – "Understanding Your Retirement System" for those after July 1, 2019.
- **New Public Safety Employees** – "Understanding Your Retirement System" for Police Officers and Uniformed employees hired after July 1, 2019.
- **How to Use the Online Retirement Benefit Estimator** – This video helps members walk through the process of creating their own Retirement Benefit Estimates.
- **Eligibility Service vs. Benefit Service** – What's the difference between Eligibility Service and Benefit Service?
- **Unused Sick Leave and Retirement** – How does unused sick leave benefit my retirement? Review the Unused Sick Leave video to find out the three ways sick leave can increase your retirement benefit.
- **Part Time School Employee** – A large portion of our school employees work part time. Review the Part Time Employee video to find out more about how part time employment impacts your retirement.
- **Joint & Last Survivor Option** – (Joint & Contingent Spouse and Handicapped Child Option) Can I leave my spouse my benefit if I die before them in retirement?
- **What is DROP?** – This brief video helps members understand what DROP means and how it works.
- **DROP Counseling** – Group counseling session, covering the Deferred Retirement Option Program (DROP), including information about how DROP works, eligibility, and benefits.
- **Plan Basics** – "Your Retirement System" for those hired PRIOR to July 1, 2019.

We have added new features for our member's convenience:

- **All our forms online are now fillable**
- **We have added How To videos to our video library**
- **Our classes are available virtually**
- **You can now meet with your retirement analyst virtually as well. Just email your analyst for more details.**

HOW TO VIDEOS

- **How to Use the Online Retirement Benefit Estimator**

HOW TO FILL OUT FORMS:

- **Employee Normal/Early Service Retirement Application**
- **Direct Deposit Form**
- **Payroll Deduction Form**

A Pension Trust Fund of Fairfax County, Virginia

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