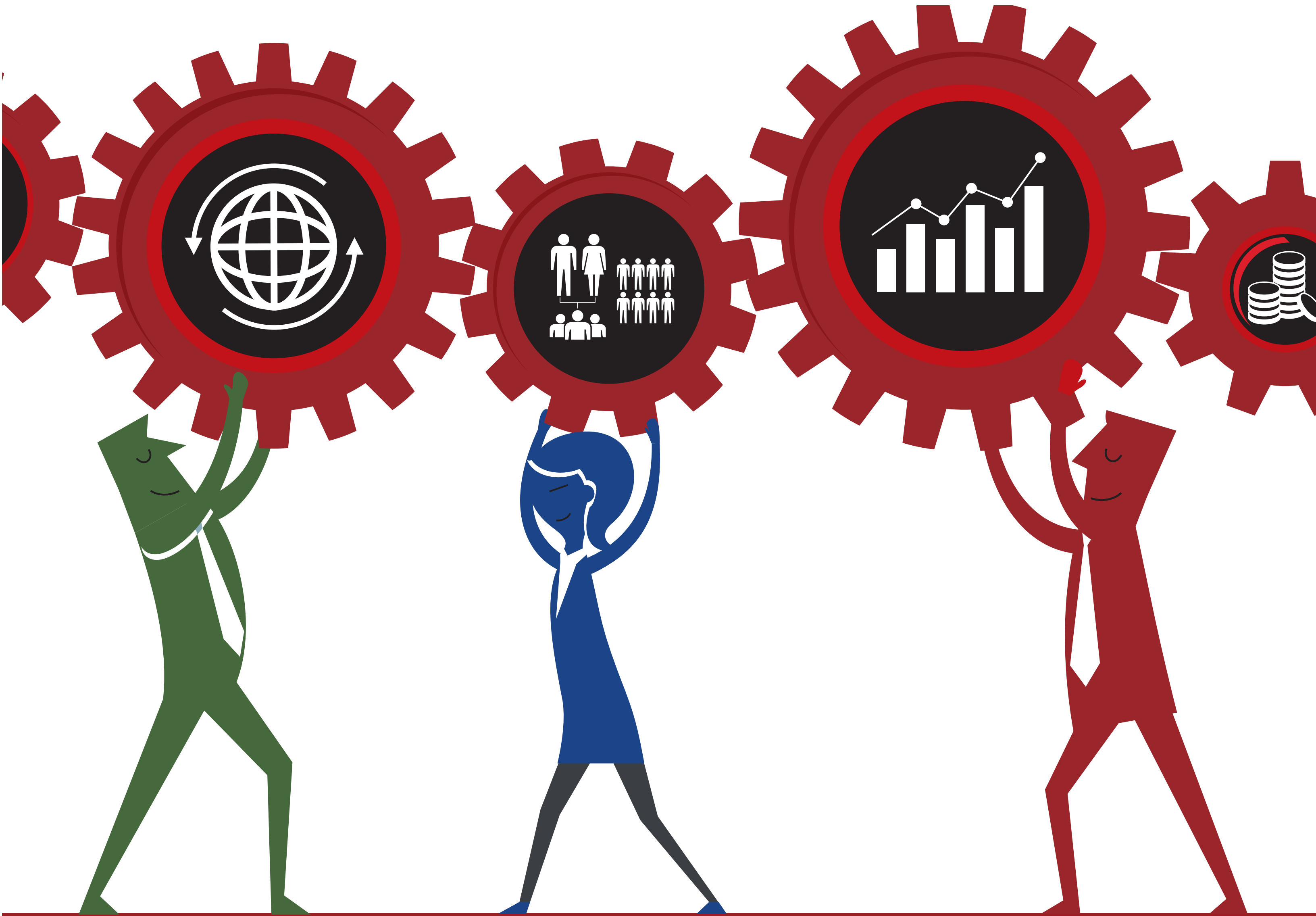
UNIFORMED

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 Uniformed Retirement System.

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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 Uniformed 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 Uniformed Retirement System was established on July 1, 1974, as a public employee retirement system providing defined benefit pension plan coverage for uniformed or sworn employees of the Fire and Rescue Department, helicopter pilots, the Sheriff's Department, the animal control division, and certain park police officers. In 2005, membership was extended to employees in non-administrative positions of the Department of Public Safety Communications, formerly included in the Fairfax County Employees' Retirement System. There were 1,909 active members, 128 in the Deferred Retirement Option Program (DROP), 97 terminated vesteds and 1,518 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 26.88 percent (25.43 percent, net of fees), exceeding the long term return target of 6.75 percent. This return placed in the 57th percentile of the BNY Mellon Universe of public funds. Over the long term,

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/

returns compared favorably, with investment returns for the ten-year period at 7.72 percent per year, ranking the fund in the 84th 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 in 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 their external consulting firm 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 will remain relatively level over time as a percentage of covered payroll and will 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 76.81 percent to 88.65 percent. The actuarial section contains further information on the results of the June 30, 2021, valuation.

Based on the June 30, 2019, actuarial valuation, the employer contribution rate for 2021 following the adopted corridor-based funding policy remained unchanged from prior year at 38.84 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 five 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 Uniformed 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 current 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 and administration 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 a reasonable assurance about whether the financial statements are free from material misstatements, whether due from 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 Uniformed 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 3,652 members and beneficiaries of the Uniformed 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 Uniformed Retirement System
Virginia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2021

Presented to

Fairfax County Uniformed Retirement System

In recognition of meeting professional standards for
plan funding and administration 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

Ten members serve on the Fairfax County Uniformed Retirement System Board of Trustees. Four of the members are citizens appointed by the Fairfax County Board of Supervisors. Two of the members are elected by Fairfax County Fire and Rescue Department; one is elected by the Fairfax County Sheriff's Office, and one is elected by retirees. The Director of Human Resources and the Director of Finance serve as Ex Officio members.

Frank H. Grace, III - *Chairma*
Board of Supervisors Appointe
Term Expires: July 31, 2022

Hank H. Kim - *Vice Chairman*
Board of Supervisors Appointee
Term Expires: August 31, 2024

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

Brian Edmonston
Elected Member Trustee
Term Expires: June 30, 2024

William Friedman
Elected Member Trustee
Term Expires: October 31, 2021

Robert Konczal
Elected Member Trustee
Term Expires: December 31, 2025

Richard L. Merrell
Elected Member Trustee
Term Expires: June 30, 2025

Shaughnessy Pierce
Board of Supervisors Appointee
Term Expires: July 30, 2022

Catherine Spage
Ex Officio Trustee
Fairfax County Director of Human Resources

Teresa Valenzuela
Board of Supervisors Appointe
Term Expires: October 31, 202

Administrative Organization

Administrative Staff

Jeffrey K. Weiler
Executive Director

Brian Morales, CAIA
Chief Investment Officer

Investment Managers

Acadian Asset Management, LLC
Boston, MA

Activum SG Capital Management Ltd
St. Helier, United Kingdom

Alcentra Ltd
London, United Kingdom

Apollo Financial Credit Investment, LLC
New York, NY

AQR Capital Management, LLC
Greenwich, CT

Ashmore Investment Advisors Ltd
London, United Kingdom

Aspect Capital Ltd
London, United Kingdom

BlackRock Enhanced STIF
San Francisco, CA

BlueBay Asset Management
London, United Kingdom

BNY Fallen Angels
Pittsburgh, PA

BNY US TIPS
Pittsburgh, PA

Bridgewater Associates, LP
Westport, CT

Carlyle Property Investors, LP
Washington, DC

Cohen & Steers Capital Management, Inc
New York, NY

Czech Asset Management, LP
Old Greenwich, CT

Davidson Kempner Institutional Partners, LP
New York, NY

DoubleLine Capital, LP
Los Angeles, CA

Garcia Hamilton & Associates
Houston, TX

GoldenTree Asset Management, LP
New York, NY

Harbourvest Partners, LLC
Boston, MA

HG Vora Capital Management, LLC
New York, NY

JPMorgan Investment Management, Inc
New York, NY

Kabouter Management, LLC
Chicago, IL

Kayne Anderson Capital Advisors, LP
Los Angeles, CA

King Street Capital Management, LP
New York, NY

Kirkoswald Asset Management LLC
New York, NY

Landmark Partners
Simsbury, CT

Levine Leichtman Capital Partners, Inc
Beverly Hills, CA

Investment Managers

Manulife Asset Management, LLC
Boston, MA

Marathon Asset Management, LLP
London, United Kingdom

Millennium Management, LLC
New York, NY

Monroe Capital, LLC
New York, NY

OrbiMed Capital, LLC
New York, NY

Pantheon Ventures, Inc
New York, NY

Parametric Portfolio Associates, LLC
Minneapolis, MN

PIMCO
Newport Beach, CA

Pontifax AgTech
Los Angeles, CA

Siguler Guff & Company, LP
New York, NY

SoMa Equity Partners
San Francisco, CA

Starboard Value, LP
New York, NY

Taurus Funds Management
Grand Cayman, Cayman Islands

Thoma Bravo, LLC
Chicago, IL

UBS Realty Investors, LLC
New York, NY

Varde Partners, Inc
Hartford, CT

Walter Scott
Edinburgh, Scotland

Wellington Management Company, LLP
Boston, MA

Professional Services

Actuary
Cheiron
Actuaries
McLean, VA

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

Investment Consultant
NEPC
Boston, MA

Custodian Bank
BNY Mellon Asset Servicing
Pittsburgh, PA

Legal Counsel
Morgan, Lewis & Bockius LLP
Washington, DC

Schedule of fees and schedule of commissions is located in the Investment Section, pages 69-70.

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
(Ten Members – see page 7)
Brian C. Edmonston, William Friedman, Robert Konczal, Frank Henry Grace, III,
Hank H. Kim, Richard L. Merrell, Shaughnessy Glennon Pierce,
Christopher J. Pietsch, Catherine Spage, Teresa Valenzuela

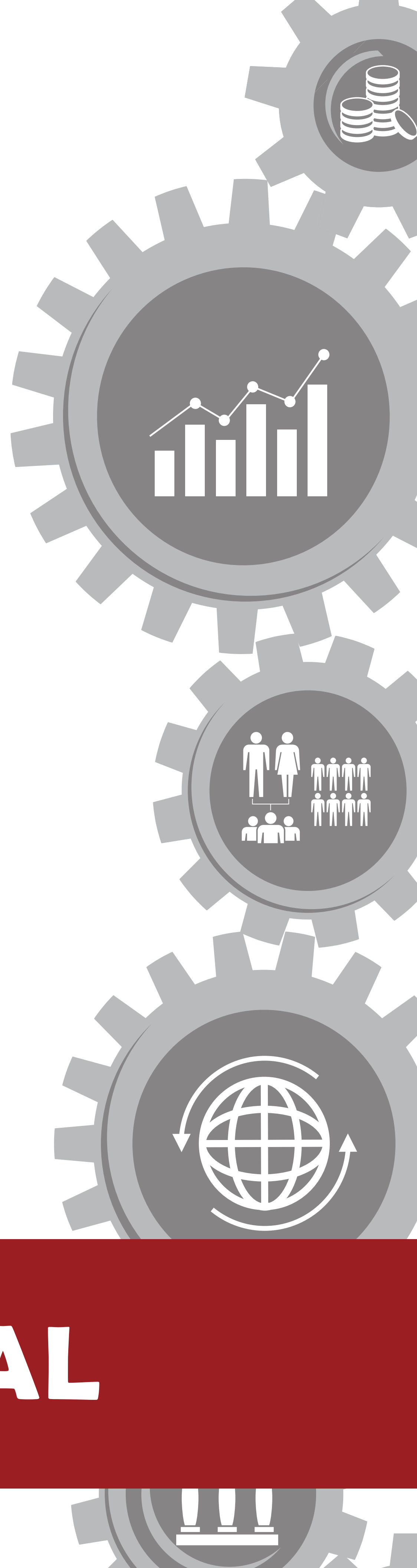
Executive Director
Jeff Weiler

Investment Analyst
Anthony Vu

Chief Investment Officer
Brian Morales, CAIA

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



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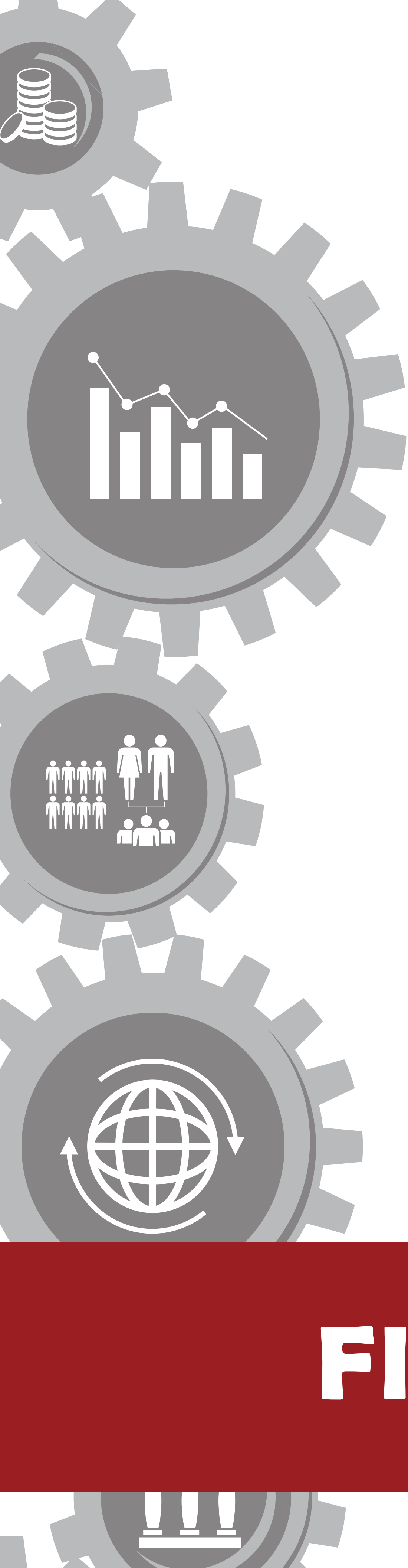


FINANCIAL

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 Uniformed Retirement System

Report on the Financial Statements

We have audited the accompanying financial statements of the Fairfax County Uniformed 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 collectively comprise 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 Uniformed 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 the Financial Statements
The Notes to the 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 the 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.

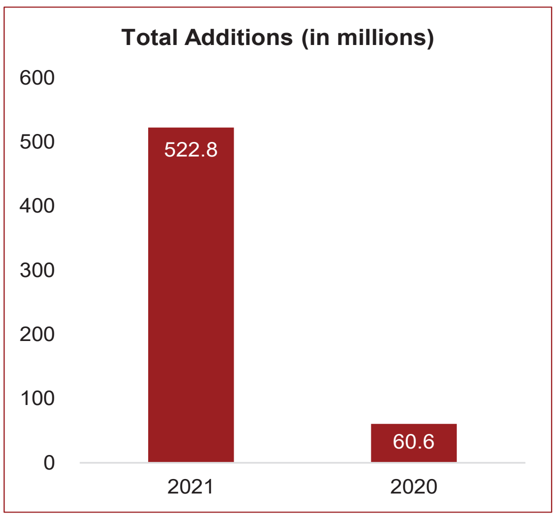
Other Supplementary Information
This section includes the Schedule of Administrative Expenses and the Schedule of Investment and Consultant Expenses.

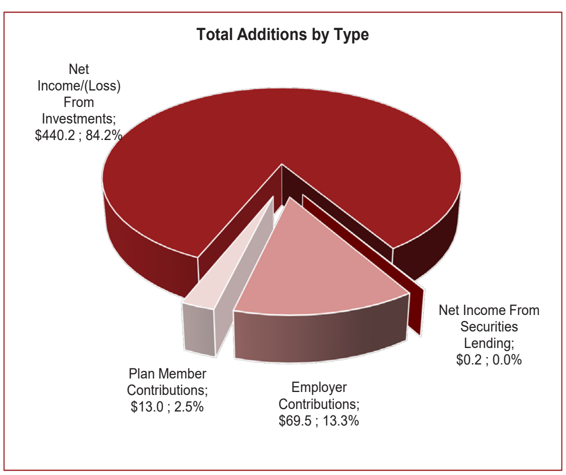
The Required Supplementary Information and Other Supplementary notes are immediately following the Notes to the Financial Statements.

Financial Highlights

The net position restricted for pension benefits as of June 30, 2021, and June 30, 2020, was $2,165.0 million and $1,762.1 million, respectively. The net position restricted for pension benefits representing assets available to pay for current and future member pension benefits, increased by $402.9 million or 22.9 percent.

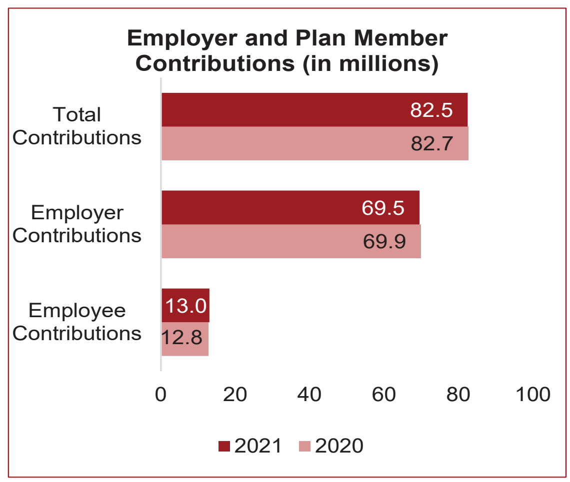
Total additions to fiduciary net position has risen by 763.0 percent or $462.2 million from $60.6 million in 2020 to $522.8 million in 2021.

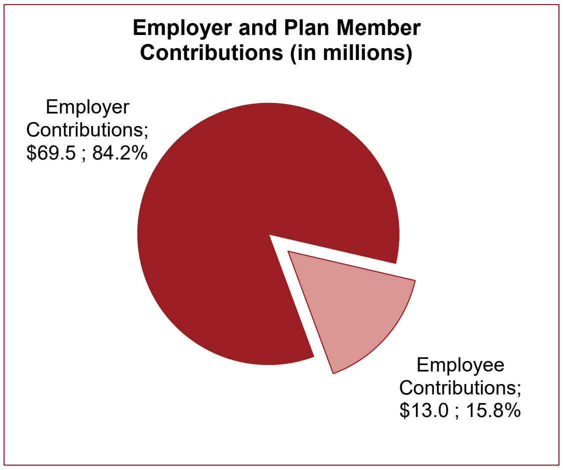


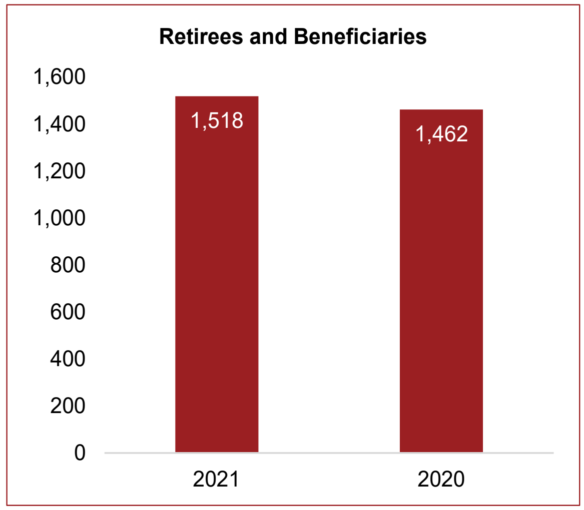


Net income from investments (excluding securities lending) increased 2,074.0 percent from -$22.3 million in 2020 to a gain of $440.2 million in 2021. The net money-weighted rate of return on investments on a fair value basis was 25.27 percent in fiscal year 2021, which was an increase from -1.24 percent in fiscal year 2020.

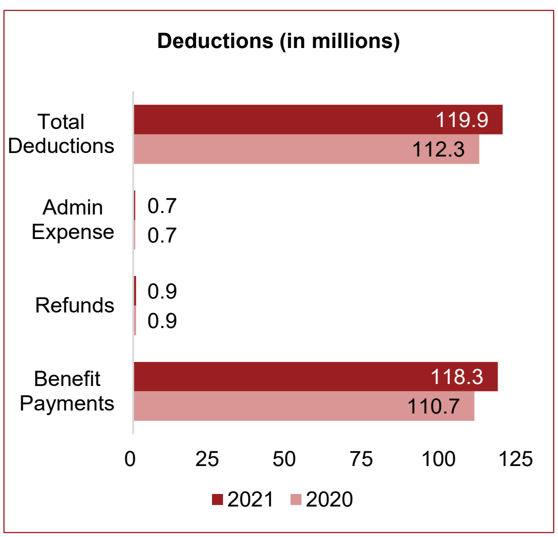
Employer and employee contributions received during the fiscal year totaled to $82.5 million, a decrease of 0.2 percent or $0.2 million compared to 2020 received contributions of $82.7 million. The employer contributions decreased by 0.6 percent from $69.9 million in fiscal year 2020 to $69.5 million in fiscal year 2021.







Total deductions from fiduciary net position increased by $7.6 million from $112.3 million in 2020 to $119.9 million in 2021. Member retirement benefit payments of $118.3 million in 2021 make up the majority of total deduction and increased by $7.6 million or 6.9 percent from $110.7 million in 2020. The number of retired members and beneficiaries receiving a benefit payment increased 3.8 percent from 1,462 to 1,518 payees as of June 30, 2021.



The net pension liability as calculated per Generally Accepted Accounting Principles of the United States of America (GAAP) as of June 30, 2021, and June 30, 2020, was $277.2 million and $532.0 million, respectively. The plan fiduciary net position as a percentage of total pension liability as of June 30, 2021 and June 30, 2020, was 88.65 percent and 76.81 percent, respectively. The net pension liability as a percentage of covered payroll has decreased from 295.45 percent in fiscal year 2020 to 154.97 percent in fiscal year 2021. The covered payroll decreased from $180.0 million in 2020 to $178.8 million in 2021.

	2021	2020
Net Pension Liability (in millions)	$277.2	$532.0
Net Position as Percentage of TPL	88.65%	76.81%
Covered Payroll (in millions)	$178.8	$180.0
Net Pension Liability as Percentage of Covered Payroll	154.97%	295.45%

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 Uniformed Retirement System increased 22.9 percent, resulting in a total net position value of $2,165.0 million, reflecting an increase of $402.9 million over fiscal year 2020.

Total assets as of June 30, 2021, were $2,195.6 million, representing an increase of $412.1 million, or 23.1 percent over the previous fiscal year. The main component of the increase was due to the 23.3 percent, or $408.7 million growth of cash and investments from $1,757.2 million in fiscal year 2020 to $2,165.9 million in fiscal year 2021.

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

Net Position for Current and Prior Fiscal Year

Fiscal Year	Ending Balances (millions)	Net Change in Dollars (millions)	Net Change in Percent
2021	$2,165.0	$402.9	22.9%
2020	1,762.1	(51.6)	2.9%

Summary of Plan Fiduciary Net Position

Assets	**2021**	**2020**	**Difference**	**Percentage of Change**
Total Cash and Investments	$2,165,875,147	$1,757,155,346	$408,719,801	23.3%
Cash Collateral, Securities Lending	19,283,770	17,462,395	1,821,375	10.4%
Capital Assets, net	8,660	9,586	(926)	9.7%
Total Receivables	10,453,068	8,875,890	1,577,178	17.8%
Total Assets	2,195,620,645	1,783,503,217	412,117,428	23.1%
Liabilities				
Purchase of Investments	($6,004,679)	($1,393,852)	($4,610,827)	330.8%
Cash Collateral, Securities Lending	(19,283,770)	(17,462,395)	(1,821,375)	10.4%
Accounts Payable and Others	(5,306,641)	(2,544,600)	(2,762,041)	108.5%
Total Liabilities	(30,595,090)	(21,400,847)	(9,194,243)	43.0%
Net Position Restricted for Pension Benefits	**$2,165,025,555**	**$1,762,102,370**	**$402,923,185**	**22.9%**

Management's Discussion and Analysis
(continued)

Total liabilities as of June 30, 2021, were $30.6 million, representing an increase of $9.2 million, or 43 percent, over the previous year. There was an increase of 87.2 percent in accrued expenses, including the year end accrual for management fees. In addition, there was an upturn in the liability in the securities lending cash collateral by $1.8 million or 10.4 percent.

	2021	2020	Difference	Percentage of Change
Accrued Expenses (in thousands)	$3,307.2	$1,767.0	$1,540.2	87.2%

The total assets of $2,195.6 million exceeded its liabilities of $30.6 million at the close of the Plan year ended June 30, 2021, with $2,165.0 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.

Summary of Additions and Deductions

Additions	**2021**	**2020**	**Difference**	**Percentage of Change**
Employer Contributions	$69,464,042	$69,930,974	($466,932)	0.7%
Plan Member Contributions	12,980,620	12,810,112	170,508	1.3%
Net Income/Loss from Investments	440,180,091	(22,298,718)	462,478,809	2074.0%
Net Income from Securities Lending	167,142	137,152	29,990	21.9%
Total Additions	522,791,895	60,579,520	462,212,375	763.0%
Deductions				
Benefit Payments	$118,290,494	$110,652,768	$7,637,726	6.9%
Refunds	899,880	890,475	9,405	1.1%
Administrative Expense	678,336	666,683	11,653	1.7%
Total Deductions	119,868,710	112,209,926	7,658,784	6.8%
Net Increase/(Decrease)	**$402,923,185**	**($51,630,406)**	**$454,553,591**	**880.4%**

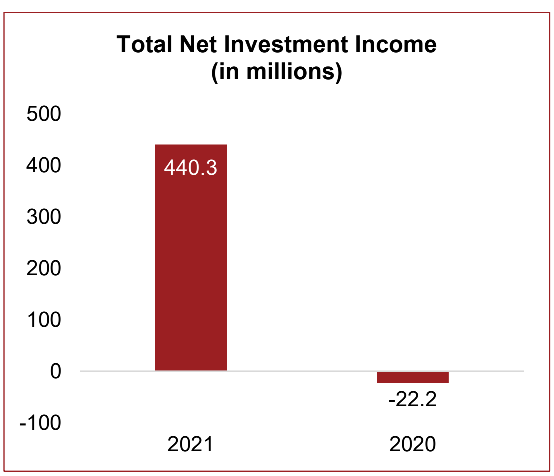
Management's Discussion and Analysis
(continued)

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 $462.2 million or 763.0 percent 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 a decrease of 7.8 percent. The 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 $82.5 million. This was a decrease of $0.2 million when compared with the activity of fiscal year 2020. The employer contributions for fiscal year 2021 decreased by 0.7 percent due to 1.6 percent reduction in the number of actives. Plan member contributions increased by 1.3 percent, due to merit and 0.4 percent COLA increase. In addition, new hires or rehires bought back service for retirement.

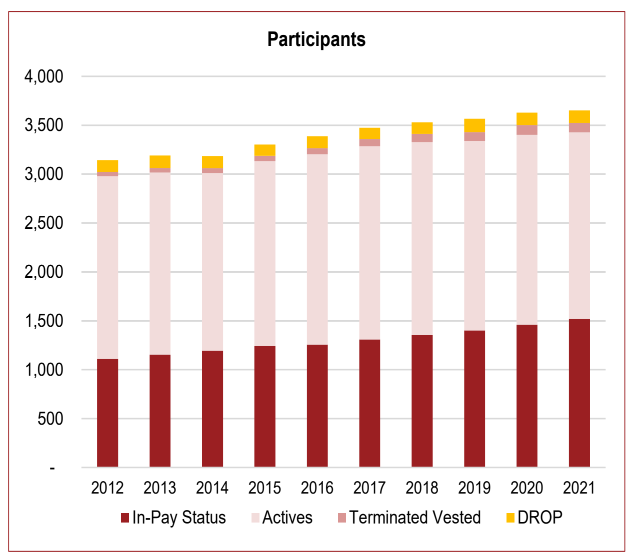
Investment returns had a huge upturn for fiscal year 2021, reflecting favorable returns in the capital markets. Total net investment income (including securities lending) rose from -$22.2 million in fiscal year 2020 to a significant gain of $440.3 million in fiscal year 2021 as a result of strong investment performance.



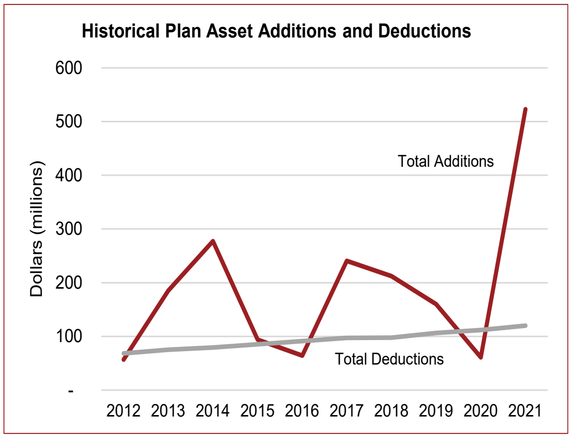
Total deductions of the System consist of the payments of benefits to retirees and beneficiaries, the refund of contributions to former members and the cost of administering the System. The total deductions for fiscal year 2021 were $119.9 million, an increase of $7.6 million, or 6.8 percent, over fiscal year 2020.

Regular pension benefit payments increased as the number of retirees and beneficiaries receiving benefit payments rose to 1,518 in fiscal year 2021 from 1,462 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 a 1.1 percent slight increase due to higher employee turnover, more separation of employees in the current fiscal year, more employees asking for refunds or higher balance of refunded amount.

Participant Count	**2021**	**2020**
Actives	1,909	1,941
DROP Members	128	128
Terminated Vesteds	97	98
Retirees in Payment Status	1,518	1,462
Total	**3,652**	**3,629**



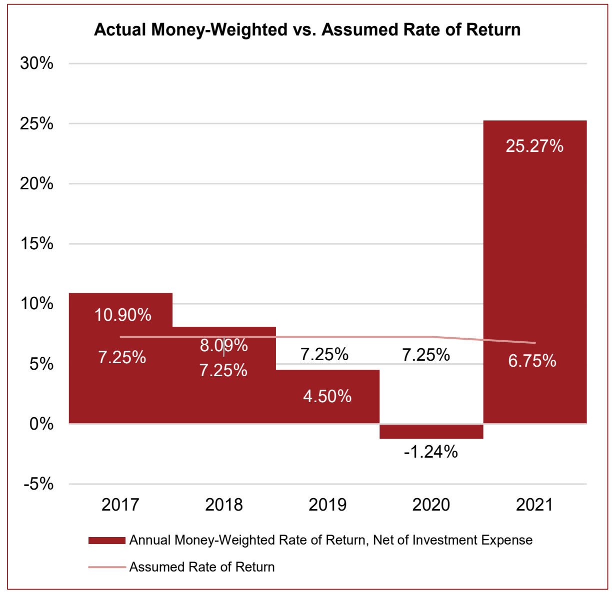
Historical additions to and deductions from fiduciary net position indicate a pattern of steadily increasing deductions as compared to fluctuating additions as a result of unpredictable market environment.



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 rose from -1.24 percent in fiscal year 2020 to a 25.27 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 rose from -1.26 percent to a 25.43 percent in fiscal year 2021.

The annual net money-weighted rate of return of 25.27 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 $2,069.3 million, while actuarial liabilities as of the same period was $2,442.2 million. As of June 30, 2021, the date of the most recent actuarial valuation, the funded ratio of the System was 84.73 percent. This was an increase of 2.06 percent from the June 30, 2020, valuation funded ratio of 82.67 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 88.65 percent. It increased from 76.81 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 $2,442.2 million and $2,294.1 million, respectively.

Management's Discussion and Analysis

(Dollars in millions)	**2021**	**2020**
Actuarial Accrued Liability	$2,442.2	$2,294.1
Actuarial Value of Assets	2,069.3	1,896.4
Unfunded Actuarial Liability	$372.9	$397.7
Funding Ratio	84.73%	82.67%
Total Pension Liability	$2,442.2	$2,294.1
Plan Fiduciary Net Position	2,165.0	1,762.1
Net Pension Liability	$277.2	$531.9
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.65%	76.81%

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	$2,151,890	
Cash Collateral Received for Securities on Loan	19,283,770	
Short-Term Investments	182,195,144	
Total Cash and Short-Term Investments		$203,630,804
Capital Assets		
Building Improvements, net	3,949	
Equipment, net	4,711	
Total Capital Assets		8,660
Receivables		
Accounts Receivable	5,270,870	
Accrued Interest and Dividends	3,103,469	
Investment Proceeds and Other Receivables	2,078,729	
Total Receivables		10,453,068
Investments, at Fair Value		
Common Stock	385,436,263	
Preferred Securities	2,090,415	
Fixed Income		
Asset-Backed Securities	105,861,291	
Corporate Bonds	113,389,813	
International Bonds	491,144	
U.S. Government Obligations	65,457,530	
Pooled and Mutual Funds	1,308,801,657	
Total Investments		1,981,528,113
Total Assets		2,195,620,645
Current Liabilities		
Investment Purchases and Other Liabilities	6,004,679	
Cash Collateral Received for Securities on Loan	19,283,770	
Accounts Payable and Accrued Expenses	5,226,984	
Compensated Absences, Short-Term	28,036	
Noncurrent Liabilities		
Compensated Absences, Long-Term	51,621	
Total Liabilities		30,595,090
Net Position Restricted for Pension Benefits		**$2,165,025,555**

See accompanying notes to financial statements.

Basic Financial Statements

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2021

Additions		
Contributions		
Employer	$69,464,042	
Plan Members	12,980,620	
Total Contributions		$82,444,662
Investment Income from Investment Activities		
Net Depreciation in Fair Value of Investments	440,845,024	
Interest	9,898,772	
Dividends	12,835,266	
Total Investment Income	463,579,062	
Investment Activity Expense		
Management Fees	(21,991,473)	
Custodial Fees	(94,888)	
Consulting Fees	(410,537)	
Allocated Administration Expense	(902,073)	
Total Investment Expense	(23,398,971)	
Net Income from Investment Activities		440,180,091
Securities Lending Activities		
Securities Lending Income	250,822	
Securities Lending Expenses	(83,680)	
Net Income from Securities Lending Activities		167,142
Total Net Investment Income		440,347,233
Total Additions		522,791,895
Deductions		
Annuity Benefits	108,503,532	
Disability Benefits	7,978,801	
Survivor Benefits	1,808,161	
Refunds of Employee Contributions	899,880	
Administrative Expense	678,336	
Total Deductions		119,868,710
Net Increase		402,923,185
Net Position Restricted for Pension Benefits		
Beginning of Fiscal Year		1,762,102,370
End of Fiscal Year		**$2,165,025,555**

See accompanying notes to financial statements.

Notes on Financial Statements

The Fairfax County Uniformed Retirement System ("System" or "Plan") is a single employer defined benefit pension plan considered part of the County of Fairfax, Virginia's ("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 the 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 risk, 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 change 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 2020 Beginning Balance	$71,809
Leave Earned	22,171
Leave Used	14,323
FY 2021 Ending Balance	$79,657
Due Within One Year	$28,036

Note 2. Summary of Plan Provision

A. Plan Description and Provision

The Uniformed 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 Uniformed Retirement System are as follows:

Membership.
The plan includes most uniformed or sworn employees of the Fire and Rescue Department, the Sheriff's Department, the Animal Control Division, the Department of Public Safety Communications, helicopter pilots, and former park police officers who elected to remain in the System rather than transfer to the Police Officers Retirement System.

Normal Retirement.
To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 55 with six years of service, or (b) complete 25 years of service.

Plan B Benefit is 2.0 percent of average final compensation multiplied by creditable service, plus 50 percent of the Pre-62 supplement, until age 55 and 100 percent of the supplement after age 55, and then increased by 3 percent.

The Pre-62 supplemental benefit provides members of Plan B with income during the period between retirement and the member's eligibility for early social security benefit at age 62. The amount of pre-62 supplement is determined by the date of hire and age at time of retirement.

Pre-Social Security Supplement (Plan B): Calculated at 0.2 percent of average final compensation multiplied by creditable service and increased by 3 percent.

Plans D and E Benefit is 2.5 percent of average final compensation multiplied by creditable services, and then increased by 3 percent.

Pre-Social Security Supplement for Plans D and E is 0.3 percent of average final compensation multiplied by creditable service and increased by 3 percent.

Plan F is 2.5 percent of average final compensation multiplied by creditable services.

Early Retirement.
A member is eligible for early retirement upon attaining 20 years of service. Reduction factors are applied to the basic formula.

Deferred Retirement Option Program (DROP).
Those eligible for normal retirement may enter DROP for 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 County service.

Service-Connected Disability Retirement.
Service-connected disability retirement is available for members, regardless of length of service, who become disabled as a result of a job-related illness or injury. The benefit is 40.0 percent of final compensation less average monthly workers' compensation.

Ordinary Disability Retirement.
Ordinary 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:

If the member is vested and the spouse is the listed beneficiary, the spouse may elect to receive 50 percent of the normal retirement benefit earned as of the date of the member's death. If the 50 percent of normal retirement benefit is not payable, a refund of the member's contribution plus interest will be paid to the named beneficiary or member's estate.

If death occurs after retirement:

Refunds of any of the member's contributions and interest not already paid out in benefits will be paid to the named beneficiary(ies) unless the member elected the irrevocable Joint and Last Survivor Option which provides a benefit to the member's spouse for life. At retirement, the member may choose to have his or her spouse receive 50.0 percent, 66.67 percent, 75.0 percent, or 100.0 percent of the member's reduced annuity upon the member's death. The member's annuity is reduced by a percentage based on the difference in age between the member and his or her spouse. If the spouse predeceases the member, the annuity is restored to what it would have been if this option had not been elected.

If death is service-connected:

A $10,000 lump-sum payment is made to the beneficiary if the member's death is due to a job-related illness or injury.

Cost of Living Benefit.
Annual cost-of-living adjustments (COLAs) are provided to retirees and beneficiaries 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. COLAs are not applied to the Pre-Social Security Supplements, or other Supplemental Benefits.

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.

Notes on Financial Statements
(continued)

Contribution Rates		
Member	Plan B	7.08% of base salary up to the maximum Social Security wage base plus 8.83% of creditable compensation in excess of the Social Security wage base.
	Plan D, E, and F	7.08% of creditable compensation.
Employer	Plan B, D, E, and F	The rate for Fiscal Year 2021 was 38.84% of covered payroll for all plans.

B. Board of Trustees

Ten members serve on the Fairfax County Uniformed Retirement System Board of Trustees (Board). Four of the members are citizens appointed by the Fairfax County Board of Supervisors. Two of the members are elected by Fairfax County Fire and Rescue Department; one is elected by the Fairfax County Sheriff's Office and one is elected by the retirees. The Director of Human Resources and the Director of Finance also serve as Ex Officio members.

C. Membership

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

Retirees and Beneficiaries Receiving Benefits	1,518
Terminated Vesteds	97
Deferred Retirement Option Program (DROP) Participants	128
Active Plan Members	1,909
Total	**3,652**

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 (no pre-Social Security Supplements are paid into DROP accounts for Plan E). 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 $18.0 million.

E. Contributions

The contribution requirements of the System's members are established and may be amended by County ordinances. Plan A members were given the opportunity to join Plan B as of July 1, 1981, and to enroll in Plan C as of April 1, 1997. From July 1, 1981, until March 31, 1997, all new hires were enrolled in Plan B. Plan B members were given the opportunity to enroll in Plan D as of April 1, 1997. From April 1, 1997, through December 31, 2012, all new hires were enrolled in Plan D. All eligible employees whose County employment commenced by reporting to work on or after January 1, 2013, are automatically enrolled in Plan E. Employees who joined on or after July 1, 2019 are automatically enrolled in Plan F membership. Plan B requires member contributions of 7.08 percent of compensation up to the Social Security wage base and 8.83 percent of compensation in excess of the wage base. Plan D, E and F require contributions of 7.08 percent of compensation. The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2021, was 37.05 percent of annual overed payroll. The decision was made to commit additional funding and a rate of 38.84 percent was adopted for fiscal year 2021. The County has a policy of not paying any less than the existing rate until such time as the UAL has been exhausted. The total contributions for the fiscal year ended June 30, 2021, amounted to $82.5 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 $119.9 million.

Note 3. Investments

A. Investment Policy

The authority to establish the System is set forth in Section 51.1-800 Code of Virginia (Code). Section 51.1- 803 of the Code 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 Uniformed Retirement System Statement of Investment Objectives and Policies whose general investment philosophy is to maintain a well-diversified, high- quality investment program that can meet the long-term needs of the members of the System. The Board of Trustees believes that the retention of experienced money management professionals with proven investment disciplines is the best means of attaining the System's investment goals and that the investment program should be sufficiently flexible to adapt to changes in the financial markets. Investment decisions for these assets are made by the Board of Trustees or investment managers selected by the Board. The Board of Trustees has the authority to amend the investment policy. The overall investment policies do not address specific levels of credit risk, interest rate risk or foreign currency risk. Each individual investment portfolio is managed by an investment management firm selected by the Board. Each investment portfolio has a specific benchmark and investment guidelines. While the overall investment guidelines do not specifically address concentration of credit risk, managers have specific quality and concentration limits appropriate for the type of mandate they are managing and that fit within the total risk tolerance of the fund.

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	12.0%
Global Equity	55.0%
Global Fixed Income	24.0%
Global Multi-Asset	0.0%
Global Real Assets	14.0%

Notes on Financial Statements
(continued)

B. Concentrations
At June 30, 2021, the System does not hold investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one security that represents 5.0 percent or more of 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 25.27 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 give 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.

Notes on Financial Statements
(continued)

Fair Value Hierarchy

Investments by Fair Value Level	6/30/2021	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Asset-Backed Securities	$105,861,291	$-	$28,684,017	$77,177,274
Convertible Securities	246,801	246,801	-	-
Corporate Bonds	106,823,790	-	67,141,403	39,682,387
International Bonds	491,144	-	491,144	-
Equity	385,436,263	385,436,263	-	-
Futures Contracts	6,319,222	6,319,222	-	-
Preferred Securities	2,090,415	863,731	1,226,684	-
U.S. Government Obligations	65,457,530	-	65,457,530	-
Total Investments by Fair Value Level	**$672,726,456**	**$392,866,017**	**$163,000,778**	**$116,859,661**
Investments Measured at Net Asset Value (NAV)				
Absolute Return	$316,203,984			
Global Equity	369,264,872			
Global Fixed Income	377,216,292			
Global Multi-Asset	122,904,450			
Global Real Assets	123,212,059			
	$1,308,801,657			
Investments Measured at Amortized Cost				
Short Term	**$182,195,144**			
Total Investments	**$2,163,723,257**			

Investments Measured at NAV

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Absolute Return	$316,203,984	$-	Daily, Monthly, Quarterly	2 - 90 days
Global Equity	369,264,872	97,006,839	None, Daily, Monthly	0 - 30 days and N/A
Global Fixed Income	377,216,292	69,050,200	None, Daily, Monthly, Quarterly	0 - 90 days and N/A
Global Multi-Asset	122,904,450	-	Monthly	5 - 15 days
Global Real Assets	123,212,059	127,257,720	None, Daily, Quarterly	0 - 60 days and N/A
Total Investments Measured at NAV	**$1,308,801,657**	**$293,314,759**		

Absolute Return.

Equity long/short hedge funds:

This type includes investments in three hedge funds that invest both long and short primarily in the U.S. common stock market. Each of the three funds has different strategies. The first one is a long/short healthcare fund that focuses on event driven investments such as clinical trial outcomes, new product launches, and M&A activity. The Fund is diversified across all areas of healthcare, company stages, geographies, and strategies (equities, debt, royalties, option overlay) to mitigate risk. The second 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 values of each of these hedge funds have been determined using the NAV per share of the investments. The nature of each of the hedge fund strategies requires a longer hold period to realize value so each fund has quarterly liquidity and 45-day notice period for redemptions. The third hedge fund is a multi-strategy event driven hedge fund. Underlying strategies include distressed debt, relative value, event driven equity, value equity and leveraged loans. The Fund invests opportunistically throughout the capital structures and targets catalysts in a variety of event equity and event credit strategies. The Fund will invest across several sectors but has historically held a bias and preference towards companies in the gaming, lodging, leisure, and real estate sectors. Investments are predominantly made with small and mid-cap US-based companies. Historically the Fund's exposure has been 85-90% US- based. Structured credit, municipal debt, and sovereign debt are generally avoided.

Multi-Strategy:

This type includes investment in a hedge fund that is an event-driven multi-strategy fund that invests in distressed debt, risk arbitrage, event equities, convertible arbitrage, and volatility trades. The distressed portfolio seeks opportunities arising from distressed and stressed financial markets as well as bankruptcy, liquidations, and restructuring. Risk arbitrage strategy typically invests in large publicly announced merger deals and other arbitrage opportunities. The Fund tries to capture event equities opportunities across a range of soft events such as corporate restructuring, spin-offs, tender offers, and others. The majority of the assets are invested in U.S. and Western Europe.

Global Macro:

This type includes investment in three hedge funds. The first hedge fund in this group is a managed futures specialist that takes directional positions across a variety of markets such as interest rate, FX, commodities, and equity indices. They employ a systematic momentum-based investment process using proprietary core trend following models.
The second hedge fund in this group uses a bottom up, multi-manager trading platform structured across four core strategies, (Strat Arb., Relative Value Equity, Merger Arb/Event Driven, Fixed Income) with an aim to deliver repeatable alpha driven returns with minimal volatility and market correlation. Risk management infrastructure with proprietary systems for monitoring of team limits and exposure mitigate risks. Trading technology designed to

attract and support industry expertise. The fair values of each of these hedge funds have been determined using the NAV per share (or its equivalent) of the investments. The third hedge fund in this group is a long-biased equity long/short hedge fund focused on the technology, media, and telecommunications (“TMT”) sectors. The manager primarily invests in out of favor high quality growth companies, although it expects to hold a mix of growth and value. They will also evaluate event/catalyst driven opportunities. The Fund invests primarily in US-based companies with up to 30% gross exposure outside the US. It invests across market capitalization but has historically had most of its exposure in mid- and large-cap stocks. At its core, the strategy seeks to be contrarian, buying high quality growth companies when they have fallen out of favor. The fair values of each of these hedge fund have been determined using the NAV per share (or its equivalent) of the investments.

Global Equity.

U.S. Equity:

This asset type includes investment in an internally managed account and one U.S. equity fund. The manager manages a portfolio of futures contracts in major asset classes such as equities, fixed income, and commodities to passively target levels of asset class exposures for the overall Fairfax portfolio. Changes to futures exposures are made at the client’s direction. Currently this account is used to cheaply purchase S&P 500 and Russell 2500 exposure for the Uniformed plan. The manager believes that small and mid- cap stocks of higher-quality companies trading at a discount have the potential to generate above-average returns with below-average risk over a longer-term investment horizon. They also believe that markets are generally efficient over the long run but are often inefficient in the short run. Mispricing’s often exist where the market is overly focused on short-term data points or events, in situations driven by change and uncertainty, and in structural areas that receive less investor attention such as small and mid- cap companies. The team uses a bottom-up stock selection process, measured at NAV (or its equivalent), to find resilient businesses. They have an extended time horizon focus, more than most other managers. Their process is applied through an absolute risk and return framework to control risks. Part of the risk controls are a disciplined sell process with price targets, market capitalization limits, and fundamental disappointments.

International Equity:

This type includes investment in three international equity funds. The first fund in this group is an emerging markets equity fund. The Fund is a long only emerging markets equity fund that uses both quantitative and qualitative analysis to build a diversified portfolio of around 300 stocks. They use a bottom-up multi-factor quantitative relative value analysis to find companies with value characteristics and with improving growth prospects. A top-down qualitative approach is used to do a peer group forecast relative to the world equity markets to determine country and industry allocations. The fair values of each of these funds have been determined using the NAV per share (or its equivalent) of the investments. The second fund has long-term strategies based on a blend of fundamental and qualitative disciplines which are applied to construct well- diversified portfolios with a mid-cap value market bias. The approach is differentiated by its competition/capital base analysis especially as applied to industry selection. Over time capital flows within an economy will cause sector returns to tend toward mean market rates of return. Research focus is placed on industries in a state of disequilibrium, offering below average rates of return, where barriers to capital movement suggest that returns will improve. The third fund invests primarily in stocks of companies based outside the U.S. with market capitalizations between approximately $500 million to $20 billion. The Fund may hold companies long after they exceed market capitalizations of $20 billion, as long as they continue to exhibit the fundamental and price criteria the Manager believes are important. The Fund does not focus on any specific geographic area and its geographic concentration may change over time depending on market conditions. They buy undiscovered small-cap stocks in sustainable secular growth businesses. Using friendly activism to engage with management teams to create positive changes.

Private Equity:

This type includes eleven private equity fund-of-funds and four direct funds. The fund-of- funds invest as limited partners with private equity managers that then invest directly in underlying companies. The eleven fund-of-funds are diversified by vintage year and investment type. They are invested in management buy-in, management buy-out, leveraged buy-out, venture capital, growth and expansion capital, mezzanine, distressed and venture debt, special situation, recapitalization, and other types of private equity funds. The intent is to build a diversified portfolio of top tier private equity funds. Top tier private equity funds are extremely hard to access because of high demand so relationships and connections play a key role in gaining access to the best managers. The first direct fund's objective is to capitalize on the manager's experience in building insurance-backed portfolios in both life settlements and insurance linked credit to generate low correlation, attractive risk-adjusted returns typically unavailable in the market. They use an opportunistic, value-driven investment approach backed by fundamental analysis and multi-area expertise in this niche asset class. The insurance contracts are held at book value unless a payment has occurred. The second direct fund makes structured equity investments in middle market companies in a diverse set of industries. It targets investments in companies with enterprise values between $50 million and $500 million with EBITDA margins in excess of 25% and conversion to free cash flow in excess of 70%. Target companies will have a history of growth uncorrelated to U.S. Gross Domestic Product. The Fund provides capital primarily for growth and expansion, mergers and acquisitions, management led corporate divestitures and equity recapitalizations. The fund avoids companies whose principal business activity focuses on high technology or biotechnology. The fair values of these funds are determined via a mark-to market basis using assessments of similar companies that are traded in the liquid markets. The third direct fund makes growth equity investments in food and agriculture technology ("AgTech") companies, investing in businesses with verified technologies that exhibit the potential to grow revenues and expand distribution channels. The Fund may invest on a global basis but will focus primarily on North America. There are four major themes that will shape the portfolio: life sciences; production; supply chain; and food and nutrition. The fair values of these funds are determined via a mark-to- market basis using assessments of similar companies that are traded in the liquid markets. The fourth is fund with a manager that has a software and tech-enabled services buyout strategy. Their consolidation or "buy-and-build" strategy is intended to increase the value of profitable or cash flowing companies through rapid operating improvements that reduce costs and provide opportunities to reinvest these cost savings to increase revenue. The Firm pursues add on acquisitions to add new product offerings and/or new customers to accelerate growth. They seek to identify operating improvements and develop a plan with the portfolio companies' management teams well before the close so that such growth and cost saving initiatives can be implemented from the start. The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments. These investments cannot be redeemed. Instead, the nature of the investments in this type are that distributions are received through the liquidation of underlying assets of the funds over five to ten years. The fair values of these funds are determined via a mark-to-market basis using assessments of similar companies that are traded in the liquid markets.

Global Fixed Income.

U.S. Fixed Income:

This type includes seven funds. The first fund is an index fund that invests in inflation linked bonds i.e. TIPS. The second fund employs a top-down approach using fundamental analysis of duration, yield curve, and sectors in its fixed income portfolio construction. The portfolios are dominated by treasuries, agencies and agency guaranteed mortgage passthroughs. All corporate bonds must be rated a minimum of single "A" or better. They do not invest in any spread product with a maturity greater than ten years to contain risk. The high-quality bias of the issues utilized reduces credit risk while ensuring ample liquidity. The third fund uses a top-down macroeconomic analysis to position the portfolio using a relative approach for sector allocation and issue selection. They use fundamental credit research designed to find hidden value across the fixed income universe. They will also move up and down the yield curve to capture value. The fourth fund invests in undervalued mortgage-backed securities (MBS) in a strategic total return strategy. The portfolio mainly consists of a combination of agency and non-agency residential mortgages. Financial analysis allows them to understand the fixed income characteristics of the mortgages that make up the underlying collateral. The fifth fund invests in Mortgage Backed, Asset Backed and other distressed securities believed to be priced below the fundamental credit risk inherent in those securities. The fair values of the investments in these funds have been determined using NAV per share (or its equivalent) of the investments. The sixth fund is a high yield bond fund that invests in "Fallen Angel" bonds. These are publicly traded bonds that were formerly investment grade companies that have been downgraded to high yield. This index fund is "enhanced" by BNY Mellon's approach to security selection, efficient allocation, and cost-effective implementation. The Fund uses factor models to develop a bond rating of their own. They don't just use the rating agency's analysis. They use a unique trading method to reduce the high cost of trading high yield bonds. The fund only holds bonds in the index have a duration of less than 10 years. This gives the Fund exposure to most of the securities. They don't hold perpetual fallen angel companies. The Fund is designed with a target 50-100 bps of alpha net of costs and a tracking error range of 1-2%. The fifth fund is a multi-sector fund focused on total return, with a portfolio constructed of primarily long only investments in an array of credit instruments such as high yield bonds, leveraged loans, and structured products. This offering is not constrained by a benchmark and as such will invest in securities that are substantially undervalued irrespective of rating or where they reside in the capital structure. They use fundamental analysis to determine enterprise value and the capital structure to ensure a high margin of safety. They look for catalysts to drive change and subsequently total return. To control risk, they employ a rigorous real-time relative value analysis with current portfolio holdings. This forces constant re-underwriting of the portfolio.

International Fixed Income:

This asset type includes two funds that invest in non-U.S. fixed income securities. The first fund is a long only portfolio that uses a long-term value driven philosophy starting with a macro top- down approach supported by bottom-up credit analysis. Global and local macro-economics, politics, interest rates, and currency trends are analyzed to determine structural changes in emerging market capital markets. Country and asset allocations are then managed on an active basis. Bottom-up credit analysis is used to look for divergence between market prices and credit risk to spot unrealized value in securities. They may use an active approach focused on liquidity management of special situations, event driven, which may result in controlling positions. The fund invests in both U.S. dollar denominated debt and local currency denominated debt in the portfolio. The second fund opportunistic emerging market debut fund is a “best ideas” investment approach that seeks to generate attractive returns relative to an emerging markets debt blended benchmark. The strategy will seek to take advantage of investment opportunities across the emerging markets fixed income spectrum, including hard and local currency denominated sovereign, quasi-sovereign, and corporate debt, and their derivatives. Currencies will be used to both manage risk and enhance return.

Private Debt:

This type includes eight private debt funds. Six focused on middle market direct lending funds that negotiate senior secured loans to borrowers that are too small to attract the attention of conventional banks and lenders. The seventh fund is a private debt fund created to take advantage of the opportunities generated by market dislocations. The Fund has a 3 to 4-year term with no investment or harvest periods and a much broader mandate. It will focus on dislocated markets and senior structured credit and will also be able to invest across sectors, all public credit markets, TALF-eligible ABS and other government programs, CMBS, RMBS, CLO, CMBS, RMBS, etc.. The broad mandate will seek to capitalize on liquidity-driven dislocations across public credit sectors. The manager believes that flexibility to take advantage of attractive opportunities across different credit sectors is key for success in the current market dynamics. The eighth fund is focused on investing in credit and value-oriented opportunities across a broad range of markets, including corporate and trade credit, specialty finance, real estate, and real assets/infrastructure. The Fund will invest in temporary and structural opportunities that arise from cycles in pricing and supply of credit and credit-dependent assets. Opportunities may include Non-Performing Loans (“NPLs”), cyclical distressed including energy and commodities, gap investing focused on small balance lending platforms and special situations lending.

Global Multi-Asset.

This type includes two funds that invests 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% 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.

Inflation Hedges:

This asset class includes three funds of two types. Two of the funds invest in inflation sensitive asset classes to help hedge against inflation risks in the broader portfolio and one fund that invests in assets that will generate reoccurring cash flow. The first of these funds is focused on credit investments in the metals and mining sector. The Fund may invest up to 25% of its capital in equity positions. The fund provides credit for asset-specific mining projects as well as bridge financing for corporate mining acquisitions. The manager seeks to be the most senior debt in a company's capital structure and will only lend against fully permitted projects, which means that the Fund will not take exploration risk. In most deals, the fund will seek to participate in a company's/asset's upside through royalties, offtakes, or warrants. It will only invest in projects producing commodities with relatively stable demand such as copper, lead, zinc, gold, and silver. The second Fund's goal is to provide strong relative performance vs. broad equity and fixed income markets during rising inflation. The portfolio is invested in inflation sensitive assets and inflation linked assets. Exposure to the inflation-sensitive assets is achieved through global equity and derivative positions in precious metals, metals and mining, agriculture, energy, and other commodities and commodity-dependent equities. Global inflation linked bonds such as TIPS and emerging market inflation linked bonds provide exposure to the assets directly linked to inflation. The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments. The third fund is a closed-end infrastructure/real assets secondary fund. They will create a diversified portfolio of infrastructure and real asset secondary transactions, co-investments, and 30% to 45% in custom solutions. The manager expects the Fund to be diversified by vintage year, sponsor, geography, property type, and strategy. Although the Manager will allocate across strategies based on market opportunities.

Real Estate Funds:

This type includes five real estate funds. The first fund a public REIT fund that utilizes a top- down approach; evaluating property sectors based on national and regional economic trends, capital market conditions, and property type fundamentals. Having established target sector weightings, within each sector they select the best-positioned companies subject to relative valuation. Their process is differentiated by using both equity evaluation and real estate skills in portfolio construction. The second fund focuses on investing in opportunistic real estate targeting diversified investments in primarily Germany and Spain, and to a lesser extent, Portugal. The Fund will be diversified by investment type with the ability to concentrate capital depending on opportunities. The Manager will allocate across strategies based on market opportunities, including ground-up development, value-add/redevelopment, corporate restructuring, and mezzanine lending.The third fund targets opportunistic real estate investments in senior housing, medical office, and student housing. The Fund will make 40 to 50 investments diversified by geography across the US. The Fund will invest primarily in specialized real estate sectors exhibiting favorable demographic patterns, supply demand imbalances, fragmented ownership, and stable historical growth. Among such sectors, the manager expects to be primarily focused on healthcare-related real estate, particularly seniors housing and medical office facilities, which have experienced strong growth over the past several years. Due to demographic shifts and changes in the delivery of healthcare, the Manager believes that such sectors will continue experiencing strong growth. The Fund will also focus on student housing, particularly in public university markets. The third fund seeks to deliver attractive returns by identifying and capitalizing on inefficiencies in the real estate secondary market, including capital supply and demand imbalances, inconsistent information quality and sources, and various non-economic seller motivations. They use proactive sourcing outreach, in-house analytical research, and active fund pricing library, and leveraging their relationship networks to identify and capture these inefficiencies. They acquire interests in existing funds, partnerships and other structured entities invested in underlying real estate. The acquisitions typically occur well into a fund's investment period, at which point underlying investments are identified and the harvesting period has begun. The fair values of these funds are determined on an appraisal basis using assessments of similar real estate that has recently sold. The second fund is a distressed real estate fund-of- funds that invests in local real estate managers that purchase distressed properties and renovate them. These investments cannot be redeemed. Instead, the nature of the investment in this fund is that distributions are received through the liquidation of the underlying properties in the funds over five to ten years. Rental income is received as a current yield from the underlying funds. The fair values of these funds are determined on an appraisal basis using assessments of similar real estate that has recently sold. The first fund is primarily a core portfolio of U.S. equity real estate with a goal to provide good returns while limiting downside risk through property type, geographic, and economic diversification with moderate leverage. The Fund is focused on owning and managing high- quality, well- leased properties, or properties with expansion and/or rehabilitation potential, and, to a limited extent, make forward commitments on to-be-built properties. The Fund is structured as a $U.S. denominated open-ended fund with quarterly liquidity, subject to availability of capital.

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	$105,861,291	4.2	37.1%
Corporate Bonds	113,389,813	3.4	39.7%
International Bonds	491,144	5.8	0.2%
U.S. Government Obligations	65,457,530	9.2	23.0%
Total Fixed Income	**$285,199,778**	5.0	**100.0%**
Short-Term Investments			
Cash and Cash Equivalents	$20,595,270	0.0	
Uniformed STIF*	161,599,874	0.1	
Total Short-Term Investments	**$182,195,144**		

*Short-Term Investment Funds

The duration of the System's overall fixed income portfolio excluding pooled funds was 5.0 years for the separately managed accounts. BCAG established option-adjusted duration was 6.65 years.

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

Type of Investment	Fair Value	Ratings	Percentage of Fixed
U.S. Government Obligations	$65,457,530		23.0%
Asset-Backed Securities	2,468,668	AAA	0.9%
	45,831,605	AA	16.1%
	884,797	A	0.3%
	1,673,840	BBB	0.6%
	4,460,523	BB	1.6%
	3,842,851	B	1.3%
	3,996,135	D	1.4%
	1,534,280	CC	0.5%
	41,168,592	Unrated	14.4%
Corporate and Other Bonds	64,902	AAA	0.0%
	1,272,814	AA	0.5%
	11,981,023	A	4.2%
	34,131,472	BBB	12.0%
	8,652,167	BB	3.0%
	4,415,148	B	1.6%
	952,347	CCC	0.3%
	118,605	D	0.0%
	51,801,335	Unrated	18.1%
International Bonds	183,719	BB	0.1%
	210,900	B	0.1%
	96,525	CCC	0.0%
Total Fixed Income	**$285,199,778**		**100.0%**
Short-Term Investments			
Cash and Cash Equivalents	$20,595,270	Unrated	
Uniformed STIF*	161,599,874	Unrated	
Total Short-Term Investments	**$182,195,144**		

*Short-Term Investment Funds

As of June 30, 2021, the fixed income portfolio, excluding pooled funds, consisted of 57.6 percent invested in investment grade securities, 9.9 percent invested in below-investment-grade securities and 32.5 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.

G. Short-term Investments

The Short-term investments of $182.2 million includes a position of $161.6 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.

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. The System hedges away 50 percent of the currency risk for the whole portfolio using currency derivatives. 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	Equity	Total
Australian Dollar	$1	$12,128,937	$12,128,938
Brazil Real	725	-	725
Canadian Dollar	1,162	2,900,341	2,901,503
Colombian Peso	27	-	27
Danish Krone	162	16,042,109	16,042,271
Euro Currency Unit	55,477	66,373,165	66,428,642
Hong Kong Dollar	39,181	11,225,076	11,264,257
Indian Rupee	1,888	-	1,888
Japanese Yen	992,749	57,560,087	58,552,836
Malaysian Ringgit	-	77,822	77,822
New Taiwan Dollar	317,744	3,328,642	3,646,386
New Zealand Dollar	-	242,116	242,116
Norwegian Krone	-	2,083,413	2,083,413
Polish Zloty	-	-	-
Pound Sterling	3	55,069,863	55,069,866
Singapore Dollar	-	5,200,467	5,200,467
South African Rand	7	160,767	160,774
South Korean Won	3,309	2,228,956	2,232,265
Swedish Krona	1,260	7,112,372	7,113,632
Swiss Franc	532	19,513,524	19,514,056
Thailand Baht	-	327,757	327,757
Grand Total	**$1,414,227**	**$261,575,414**	**$262,989,641**

Notes on Financial Statements
(continued)

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, 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 collateralized mortgage obligations (CMOs), are sensitive to changes in interest rates and pre-payments. It should also be noted that the System also 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 two types of derivative financial instruments: currency forwards and futures. These type 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 with lower transaction costs. It is exchange traded and so, counter party risk is very low. 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 are reported at fair value. The changes 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 value 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	($87,441,400)	($89,382,495)
Equity		
Long	363,852,560	359,474,433
Total	**$276,411,160**	**$270,091,938**

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 a 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)
Hong Kong Dollar	(229,587)	($29,562)	($29,564)	($2)

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 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 sheet 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

Notes on Financial Statements
(continued)

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			
U.S. Government Securities	$7,178,483	$7,324,516	
Corporate and Other Bonds	5,593,482	5,743,407	
Common and Preferred Stock	5,941,460	6,215,847	
Lent for Securities Collateral			
U.S. Government Securities	9,742,227	-	$10,381,705
Corporate and Other Bonds	852,152	-	$1,169,692
Common and Preferred Stock	56,077,263	-	62,453,178
Total Securities Lent	**$85,385,067**	**$19,283,770**	**$74,004,575**

Note 4. Net Pension Liability, Actuarial Methods and Assumptions

A. Net Pension Liability

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

Total Pension Liability	$2,442,188,474
Plan Fiduciary Net Position	2,165,025,555
Net Pension Liability	$277,162,919
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.65%

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 22, 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 37.05 percent of annual covered payroll. The decision was made to commit additional funding and a rate of 38.84 percent 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. Five 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

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. Equities	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 0.35 percent of covered payroll. The inflows to the plan were assumed to reflect the average aggregate member rate for the 2021 active population of 6.97 percent of payroll and County contributions were projected at 39.31 percent for fiscal year 2022 continuing through fiscal year 2029. After that time the County contribution is assumed to decrease to the normal cost plus expenses (15.34 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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 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	$2,763,914,168	$2,442,188,474	$2,176,459,645
Plan Fiduciary Net Position	2,165,025,555	2,165,025,555	2,165,025,555
Net Pension Liability	$598,888,613	$277,162,919	$11,434,090
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.33%	88.65%	99.47%

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)	$45,462,649	$43,435,580	$43,537,010	$42,113,858
Interest	165,370,104	159,360,043	153,521,546	147,114,045
Changes in Benefit Terms	-	-	-	956,369
Differences Between Expected and Actual Experience	(4,252,566)	(6,625,376)	(7,935,310)	(1,127,589)
Changes in Assumptions	60,741,861	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(119,190,374)	(111,543,243)	(105,543,380)	(96,896,205)
Net Change in Total Pension Liability	148,131,674	84,627,004	83,579,866	92,160,478
Total Pension Liability - Beginning	2,294,056,800	2,209,429,796	2,125,849,930	2,033,689,452
Total Pension Liability - Ending (a)	$2,442,188,474	$2,294,056,800	$2,209,429,796	$2,125,849,930
Plan Fiduciary Net Position				
Contributions - Employer	69,464,042	69,930,974	69,246,070	67,895,377
Contributions - Member	12,980,620	12,810,112	12,605,683	12,262,288
Net Investment Income	440,347,233	(22,161,566)	78,141,805	131,997,257
Benefit Payments, Including Refunds of Member Contributions	(119,190,374)	(111,543,243)	(105,543,380)	(96,896,205)
Administrative Expenses	(678,336)	(666,683)	(620,136)	(619,827)
Net Change in Plan Fiduciary Net Position	$402,923,185	($51,630,406)	$53,830,042	$114,638,890
Plan Fiduciary Net Position - Beginning	1,762,102,370	1,813,732,776	1,759,902,734	1,645,263,844
Plan Fiduciary Net Position - Ending (b)	$2,165,025,555	$1,762,102,370	$1,813,732,776	$1,759,902,734
Net Pension Liability (Asset) - Ending (a)-(b)	$277,162,919	$531,954,430	$395,697,020	$365,947,196
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.65%	76.81%	82.09%	82.79%
Covered Payroll	$178,846,658	$180,048,852	$178,285,453	$174,807,871
Net Pension Liability as a Percentage of Covered Payroll	154.97%	295.45%	221.95%	209.34%

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 Uniformed 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)	$39,667,968	$43,407,620	$41,720,784	$39,647,527
Interest	140,285,987	136,679,066	132,950,836	125,659,578
Changes in Benefit Terms	839,465	806,226	1,702,105	-
Differences Between Expected and Actual Experience	6,047,673	(54,053,500)	11,019,203	-
Changes in Assumptions	-	20,479,405	-	-
Benefit Payments, Including Refunds of Member Contributions	(93,608,871)	(90,536,075)	(84,849,425)	(78,916,881)
Net Change in Total Pension Liability	93,232,222	56,782,742	102,543,503	86,390,224
Total Pension Liability - Beginning	1,940,457,230	1,883,674,488	1,781,130,985	1,694,740,761
Total Pension Liability - Ending (a)	$2,033,689,452	$1,940,457,230	$1,883,674,488	$1,781,130,985
Plan Fiduciary Net Position				
Contributions - Employer	67,410,252	65,548,338	60,928,766	56,094,690
Contributions - Member	12,223,468	12,020,447	11,473,273	10,905,744
Net Investment Income	161,013,714	(13,447,090)	21,800,261	210,256,032
Benefit Payments, Including Refunds of Member Contributions	(93,608,871)	(90,536,075)	(84,849,425)	(78,916,881)
Administrative Expenses	(477,564)	(500,255)	(455,440)	(433,541)
Net Change in Plan Fiduciary Net Position	$146,560,999	($26,914,635)	$8,897,435	$197,906,044
Plan Fiduciary Net Position - Beginning	1,498,702,845	1,525,617,480	1,516,720,045	1,318,814,001
Plan Fiduciary Net Position - Ending (b)	$1,645,263,844	$1,498,702,845	$1,525,617,480	$1,516,720,045
Net Pension Liability (Asset) - Ending (a)-(b)	$388,425,608	$441,754,385	$358,057,008	$264,410,940
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.90%	77.23%	80.99%	85.15%
Covered Payroll	$173,558,836	$168,808,493	$160,761,916	$153,979,385
Net Pension Liability as a Percentage of Covered Payroll	223.80%	261.69%	222.73%	171.72%

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	$2,442,188,474	$2,165,025,555	$277,162,919	88.65%	$178,846,658	154.97%
2020	2,294,056,800	1,762,102,370	531,954,430	76.81%	180,048,852	295.45%
2019	2,209,429,796	1,813,732,776	395,697,020	82.09%	178,285,453	221.95%
2018	2,125,849,930	1,759,902,734	365,947,196	82.79%	174,807,871	209.34%
2017	2,033,689,452	1,645,263,844	388,425,608	80.90%	173,558,836	223.80%
2016	1,940,457,230	1,498,702,845	441,754,385	77.23%	168,808,493	261.69%
2015	1,883,674,488	1,525,617,480	358,057,008	80.99%	160,761,916	222.73%
2014	1,781,130,985	1,516,720,045	264,410,940	85.15%	153,979,385	171.72%

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	25.27%
2020	-1.24%
2019	4.50%
2018	8.09%
2017	10.90%
2016	-0.87%
2015	1.47%
2014	16.06%
2013	10.20%
2012	-0.30%

Required Supplementary Information
(continued)

Schedule of Employer Contributions

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$69,464,042	$69,464,042	$ -	$178,846,658	38.84%
2020	69,930,974	69,930,974	-	180,048,852	38.84%
2019	69,246,070	69,246,070	-	178,285,453	38.84%
2018	67,895,377	67,895,377	-	174,807,871	38.84%
2017	67,410,252	67,410,252	-	173,558,836	38.84%
2016	65,548,338	65,548,338	-	168,808,493	38.83%
2015	60,928,766	60,928,766	-	160,761,916	37.90%
2014	56,094,690	56,094,690	-	153,979,385	36.43%
2013	53,722,160	53,722,160	-	153,491,886	35.00%
2012	50,351,335	50,351,335	-	148,924,386	33.81%

Notes to Schedule

Valuation Date	6/30/2019
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the fiscal year
Key Methods and Assumptions Used to Determine Contribution Rates:	
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 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	38.84%	7.08%, Plan B 8.83% in excess of Social Security taxable wage base.
2020	38.84%	7.08%, Plan B 8.83% in excess of Social Security taxable wage base.
2019	38.84%	7.08%, Plan B 8.83% in excess of Social Security taxable wage base.
2018	38.84%	7.08%, Plan B 8.83% in excess of Social Security taxable wage base.
2017	38.84%	7.08%, Plan B 8.83% in excess of Social Security taxable wage base.

July 1, 2019	New hires on or after July 1, 2019 are enrolled in Plan F.
December 2018	Retirement Board of Trustees approved a new plan for all employees hired on or after July 1, 2019.
July 2017	Service-Connected Disability Social Security offset reduced from 10 percent to 5 percent.
July 2016	Service-Connected Disability Social Security offset reduced from 15 percent to 10 percent.
January 2014	Service-Connected Disability Social Security offset was reduced from 25.0 percent to 15.0 percent. The Board of Trustees increased from 8 to 10 members, one is appointed and one is elected by the retirees of the System.

Schedule of Investment & Consultant Expenses

For the Year Ended June 30, 2021

Investment Manager Fees	
Absolute Return	$8,549,290
Global Equity	5,191,245
Global Fixed Income	4,114,924
Global Multi-Asset	420,492
Global Real Assets	3,453,203
Short Term and Others	262,319
Fees Related to Securities Lending	83,680
Custodial Fees	94,888
Consultant Expenses	410,537
Investment Related Legal Fees	334,067
Allocated Administration Expense	568,006
Total Investment and Consultant Expenses	**$23,482,651**

Schedule of Administrative Expenses

For the Year Ended June 30, 2021

Personnel Services		
Salaries and Wages	$362,064	
Fringe Benefits	147,265	
Total Personnel Services		$509,329
Professional Services		
Actuarial	47,420	
Audit	6,748	
Total Professional Services		54,168
Communications		
Phone Charges	3,462	
Printing, Binding and Copying	1,179	
Postage	3,623	
Total Communications		8,264
Supplies		
Office Supplies	1,534	
Total Supplies		1,534
Other Services and Charges		
Staff Travel and Development	83	
Professional Membership	1,034	
Professional Subscription	1,084	
Insurance	11,218	
Building Rent	34,767	
Depreciation Expense	617	
Computer System	42,958	
Other Operating	13,280	
Total Other Services and Charges		105,041
Total Administrative Expenses		**$678,336**

Cherry Bekaert LLP
CPAs & Advisors

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 Uniformed 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 Uniformed 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 d*eficiency 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

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
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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.

Uniformed Retirement System

The Uniformed Retirement System continued to focus on optimizing and diversifying the portfolio and implementing a diversified investment program to achieve the System's strategic long-term goals. This disciplined investment process has been effective in achieving a long-term record of consistent asset growth with lower volatility then most of its peers.

The time weighted method of calculating performance is used if there is a greater than 10% cashflow in the account, otherwise the Modified Dietz method is used to calculate the rate of return. As of June 30, 2021, the Fairfax Uniformed Retirement System stood at $2.164 billion, up from $1.762 billion at the end of fiscal year 2020. For the year ending June 30, 2021, the System returned +26.88%, gross of fees (+25.43%, net of fees), ranking in the 57th percentile of all public funds in the BNY Mellon Total Public Fund Universe. For the three- and five-year periods (annualized), the System returned gross of fees, +9.94%, (+8.99%, net of fees), ranking in the 90th percentile, and +10.04%, (+9.19%, net of fees), ranking in the 84th percentile. For the longer ten-year period, the System had a gross of fees return of +7.72%, (+7.11%, net of fees), ranking in the 84th percentile. The Uniformed Retirement System's portfolio is constructed with a lower targeted risk (volatility) level then most of its peers. The System's standard deviation (volatility) is much lower than its peers, ranking in the top quartile of the peer universe, over the past ten years. The lower volatility is achieved with a lower equity allocation, which lowers the expected target return but gives more stability to the portfolio.

During the past twelve months, the System continued to focus on further diversifying risk and implementing the previously adopted changes to long term asset allocation targets. Kirkoswald Global Macro was added to the Absolute Return lineup; while Bridgewater Pure Alpha was terminated at the portfolio level; Wellington was added to the Emerging Market Debt lineup; Walter Scott was added to International Equity lineup. Anchorage Capital Partners was terminated from the Opportunistic Credit lineup at the portfolio level; Carlyle Renewable and Sustainable Energy and Taurus Mining and Mineral Fund were added to the Real Assets lineup; Kayne Real Estate VI was added to the Real Estate lineup; Monroe Direct Lending IV was added to Private Debt lineup; and Thoma Bravo XIV was added to Private Equity lineup.

Sincerely,

Brian Morales

Brian Morales, CAIA
Chief Investment Officer
Fairfax County Uniformed Retirement System

Investments by Category and Investment Manager**

For the Year Ended June 30, 2021

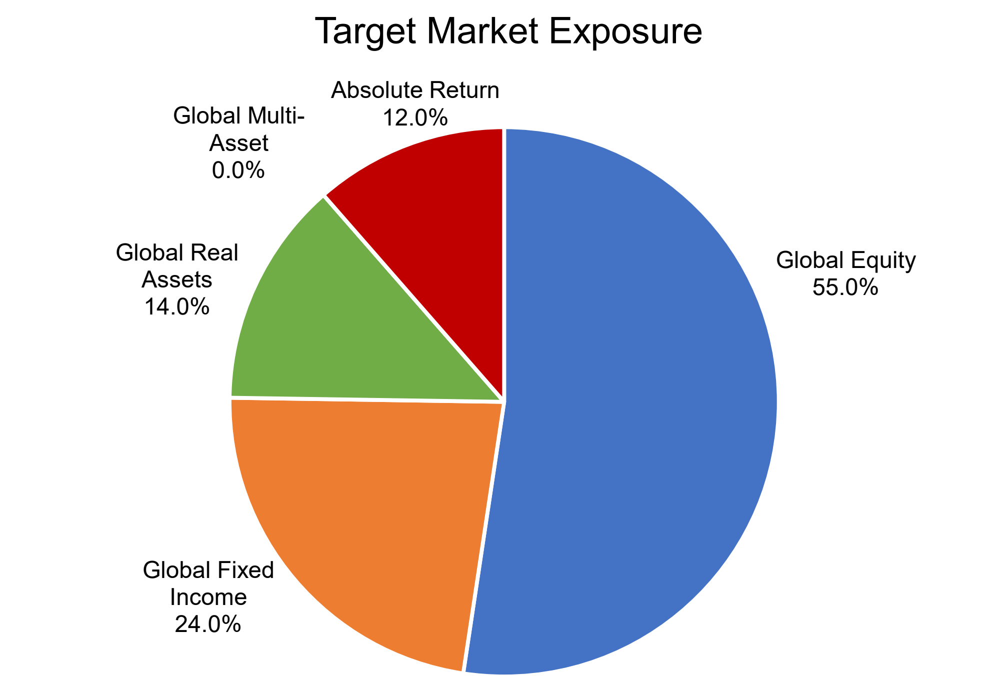
Asset Class / Manager	Investment Style	Fair Value	% of Total Portfolio
Absolute Return			
Aspect Core Trend	Global Macro	$39,254,772	1.9%
Davidson Kempner Capital Management	Multi-Strategy	41,724,154	1.9%
HG Vora Special Opps	Multi-Strategy	44,027,638	2.0%
Kirkoswald Gm	Global Macro	31,576,640	1.5%
Millennium Management	Relative Value	58,424,776	2.7%
Orbimed Advisors	Equity Long/Short	37,578,013	1.7%
SoMa Partners, LP	Equity Long/Short	48,343,528	2.2%
Starboard Value and Opportunity	Equity Long/Short	54,529,235	2.5%
Global Equity			
Acadian Asset Management	Int'l Emerging Markets	161,341,003	7.5%
HarbourVest FUND IX	Private Markets Equity	10,632,927	0.5%
HarbourVest International Partners VI	Private Markets Equity	4,523,424	0.2%
HarbourVest PART XI	Private Markets Equity	9,689,470	0.4%
HarbourVest Partners	Private Markets Equity	919,783	0.0%
HarbourVest X	Private Markets Equity	31,045,490	1.4%
J.P. Morgan Private Equity	Private Markets Equity	2,227,792	0.1%
Kabouter Management	Int'l Developed Small Cap	65,281,950	3.0%
Levine Leichtman Capital Partners, Inc	Private Markets Equity	9,096,747	0.4%
Marathon Asset Management - London*	Int'l Developed Markets	169,135,858	8.0%
Pantheon GBL SEC V	Private Markets Equity	14,291,999	0.7%
Pantheon Secondary	Private Markets Equity	1,030,729	0.0%
Pantheon USA FUND	Private Markets Equity	190,299	0.0%
Parametric Lc Us*	Overlay	514,141	0.0%
Parametric Overlay*	Overlay	41,280	0.0%
Pontifax Agtech PE	Private Markets Equity	4,517,775	0.2%
Siguler Guff BO IV	Private Markets Equity	8,384,188	0.4%
Siguler Guff DIS II	Private Markets Equity	22,287,562	1.0%
Thoma Bravo, LLC	Private Markets Equity	17,904,338	0.8%
Thoma Bravo Pe XIV	Private Markets Equity	5,899,392	0.3%
Walter Scott Eafe*	Int'l Developed Markets	68,660,555	3.2%
Wellington Smid Cap*	U.S. SMid Cap Value	82,742,313	3.8%
Global Fixed Income			
Alcentra Eur Dir Len	Private Debt	18,066,481	0.8%
Apollo Life Settle I	Private Markets Life Insuran	11,653,466	0.5%
Ashmore Em Debt	Emerging Markets Debt	31,988,353	1.5%
Bluebay Dir Lend III	Private Debt	9,803,842	0.5%
BNY Fallen Angels	High Yield Bonds	39,682,387	1.8%
BNY US Tips	TIPS	22,583,478	1.0%
Czech SJC III	Private Debt	16,703,976	0.8%
Doubleline Strat Mbs*	Mortgage-Backed Securities	75,928,996	3.5%
Garcia Hmltn Core*	Core Bonds	89,274,395	4.3%
Goldentree Opp Cred	High Yield Bonds	41,213,581	1.9%
King St Capital Hy	High Yield Bonds	422,426	0.0%
Manulife Core Plus*	Core Bonds	83,281,467	3.8%
Monroe Dir Lend III	Private Debt	17,306,312	0.8%
Monroe Dir Lend IV	Private Debt	5,243,715	0.2%
Pimco Disco Iii	Opportunistic Credit	37,308,200	1.7%
Pimco Disco III	Private Debt	9,686,471	0.4%
Pimco Total Return*	Core Bonds	9	0.0%
Varde Dis Pe XIII	Private Debt	12,286,266	0.6%
Wellington Emd	Emerging Markets Debt	42,933,883	2.0%
Global Multi-Asset			
Aqr Gbl Risk Premia	Core Risk Parity	92,749,422	4.3%
Bridgewater All Wthr	Core Risk Parity	90,916,097	4.2%
Global Real Assets			
Activum Real Est Vi	Private Debt	13,528,771	0.6%
C&S Global Real Est*	Global REITs	72,064,880	3.5%
Carlyle Rs Energy	Private Markets Real Estate	2,708,164	0.1%
Kayne Real Est VI	Private Markets Real Estate	799,999	0.0%
Landmark Infra Sec I	Private Markets Real Assets	2,772,387	0.1%
Landmark Re Sec VIII	Private Markets Real Estate	6,548,914	0.3%
Taurus Mining Pe II	Private Markets Real Assets	3,078,799	0.1%
Ubs Realty Trust	Private Markets Real Estate	53,116,531	2.5%
Wellington Inflation	Multi-Real Asset	40,658,494	1.9%
Short Term and Others			
Blackrock Stif A/L*	Plan Level Cash Account	2,525,091	0.1%
Cash Management	Plan Level Cash Account	18,185,928	0.8%
Parametric Crrncy Hg*	Overlay	397,809	0.0%
Parametric Pios*	Operating Cash Account	152,486,496	7.1%
Total Investments		**$2,163,723,257**	**100.0%**

Uniformed Retirement System – Allocation of Market 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.

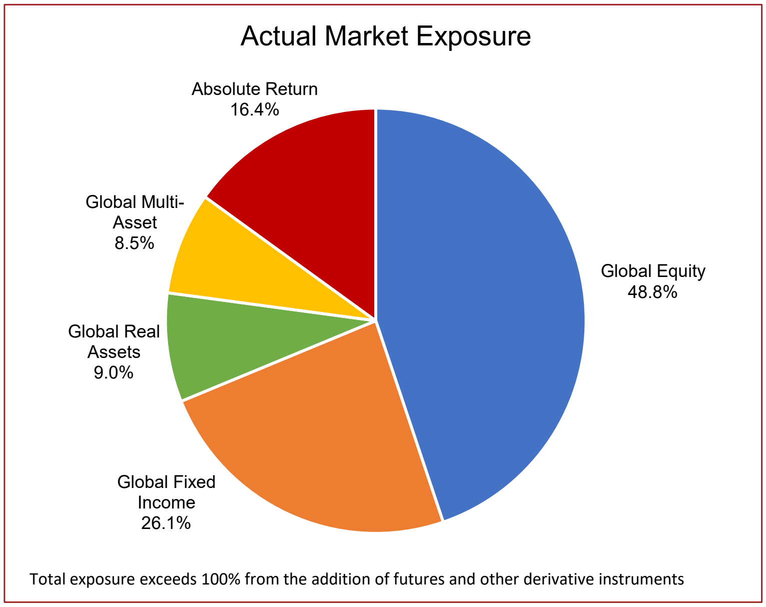


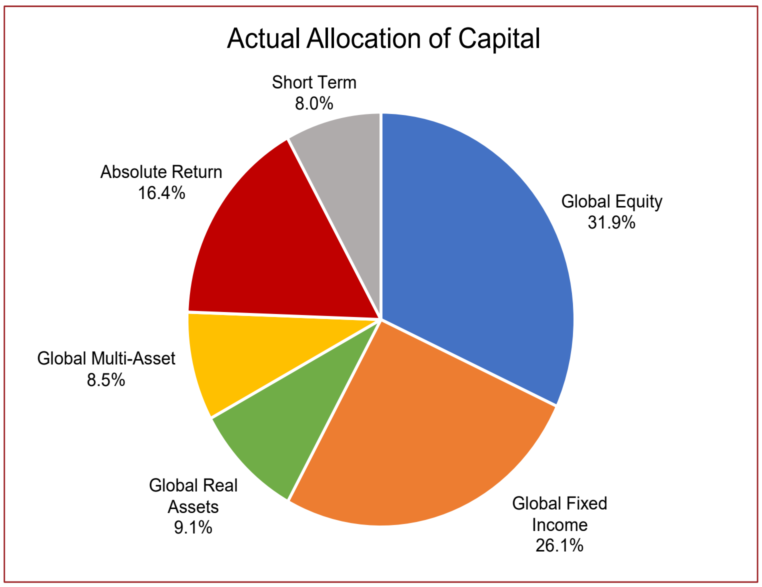
Total Exposure exceeds 100% from the addition of futures and other derivative instruments.

Actual Asset Allocation as of June 30, 2021

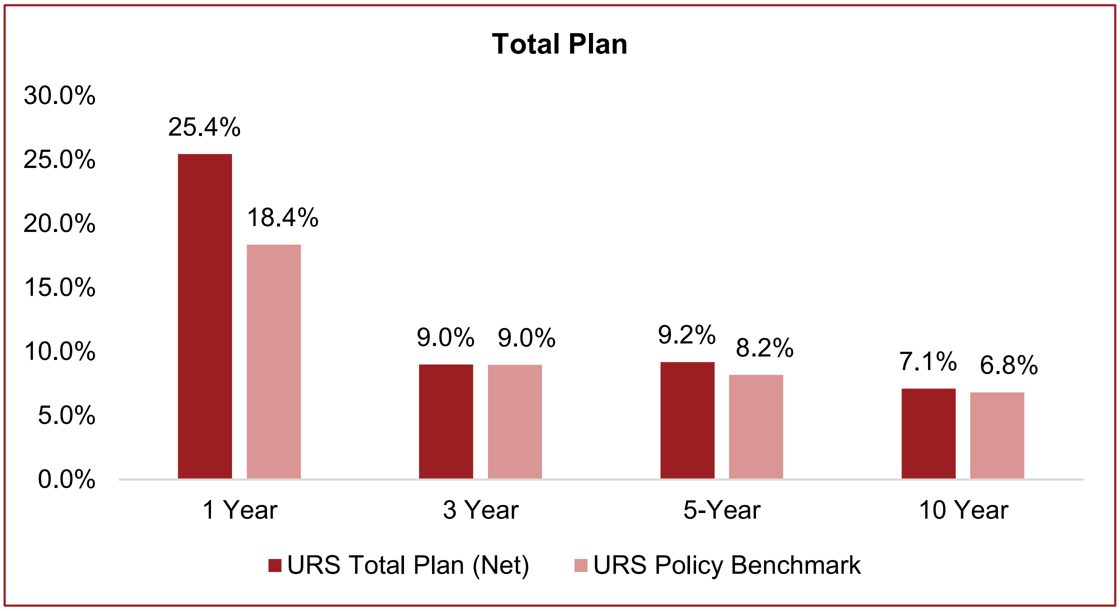
The asset structure of Uniformed Retirement System has historically reflected a proper balance of the System's needs for liquidity, growth of assets, and risk tolerance. The System's investment policy is designed to continue to meet its long-term investment objectives while, at the same time, providing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

The pie chart below details the actual asset allocation as of June 30, 2021.

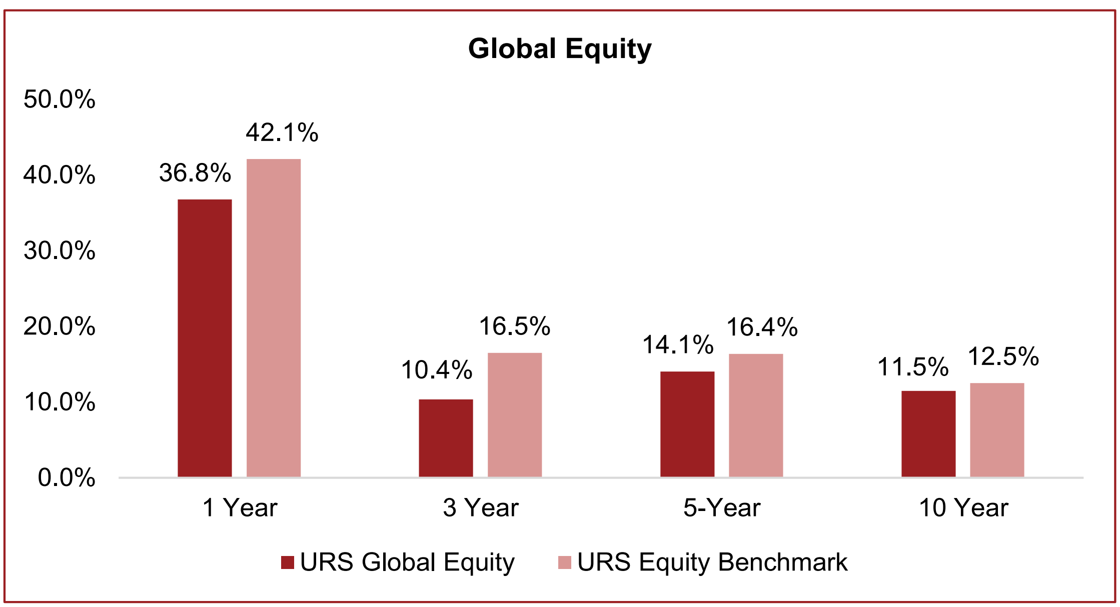




Investment Results
(Time-Weighted Return, net of Fees)

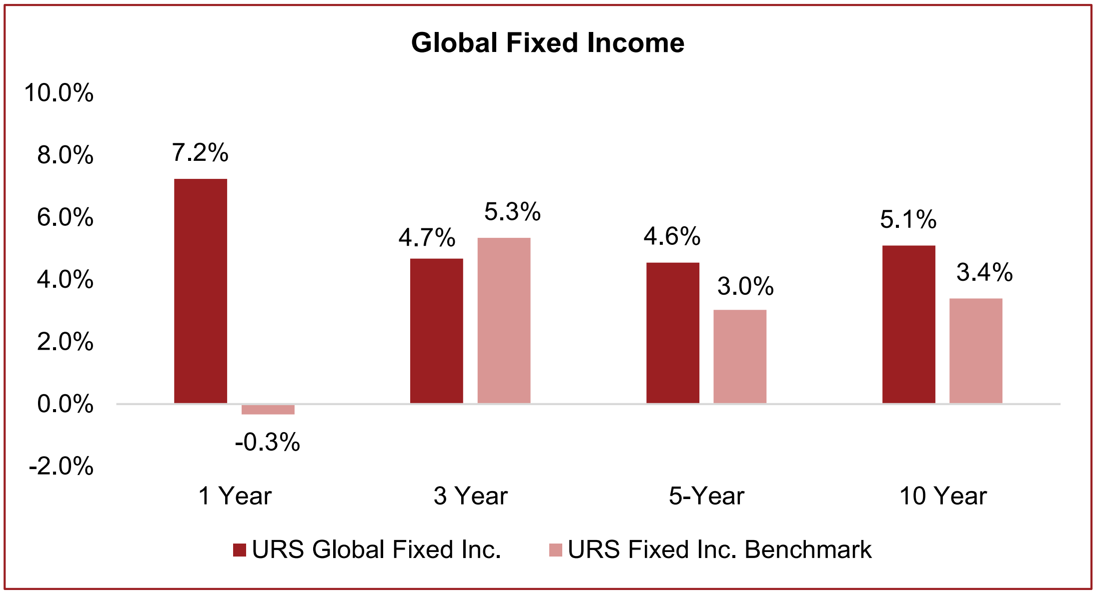


*Blended Benchmark. Current Benchmark: 6% MSCI Emerging Markets Net, 4% JP Morgan Emerging Mkt Bond Index GD, 3% FTSE EPRA/ NAREIT Developed Index, 5% NCREIF Open End Diversified Core, 3% Citigroup World Govt, 6% Credit Suisse High Yield, 11% US Aggregate, 3% Russell 2000, 10% MSCI EAFE Net Dividend, 12% S&P500, 2% US Treasury US TIPS, 2% Commodity, 5% Cambridge Associates US Private Equity, 12% Risk Parity Benchmark (-100% LIBOR BBA USD 3 Month Index, 75% Global Treasury 7-10 (hedged), 75% World Gov't Inflation Bond Index, 25% Commodity Index Total Return Benchmark: 10% Russell 2000, 38% S&P 500, 32% MSCI EAFE, 20% MSCI Emerging Markets Free Gross.

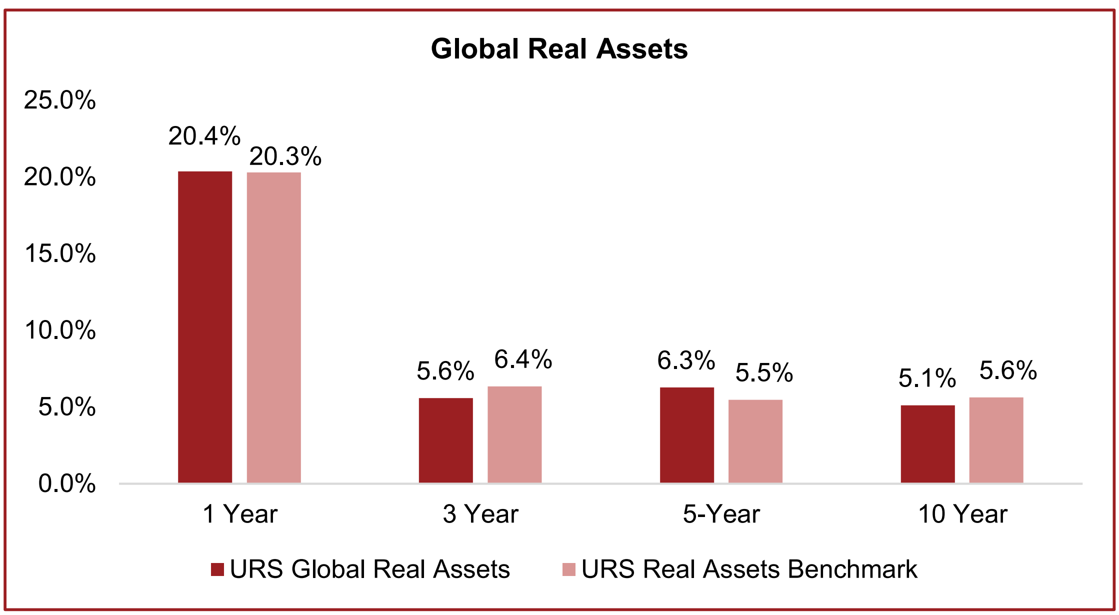


*Blended Benchmark. Current Benchmark: 10% Russell 2000, 38% S&P 500, MSCI EAFE 32%, 20% MSCI Emerging Markets

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

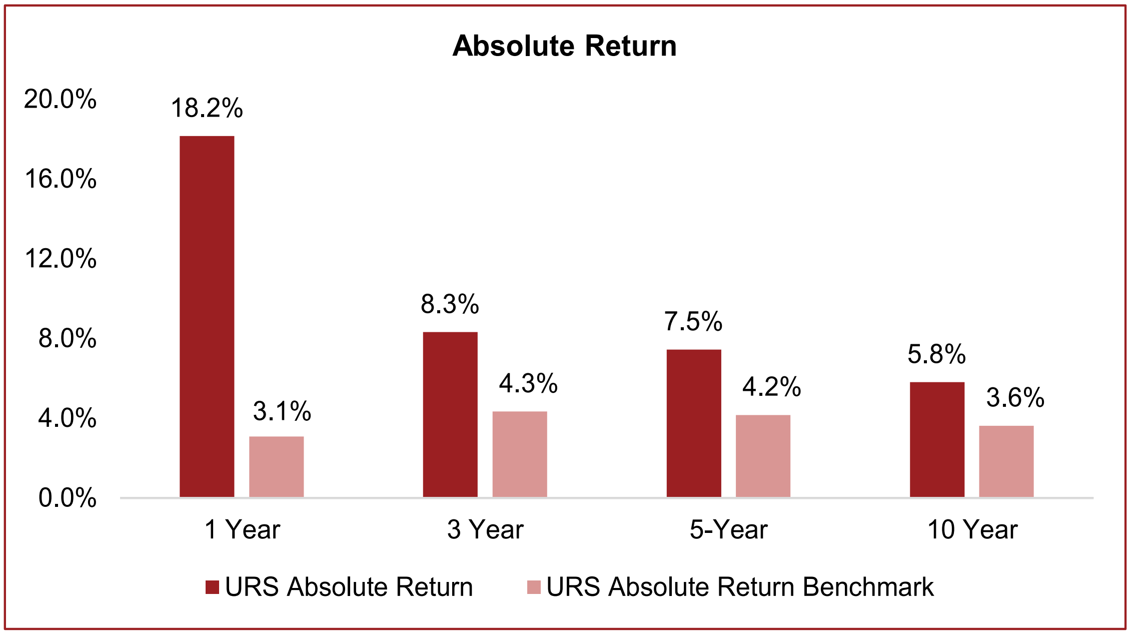


*Blended Benchmark: 40% U.S. Aggregate Bond Index, 22% CSFB High Yield Index, 11% Citigroup WGBI Index, 15% JPM EMBI Global Diversified, 6% S&P/LSTA Leveraged Loan Index, and 6% S&P European Leveraged Loan Index

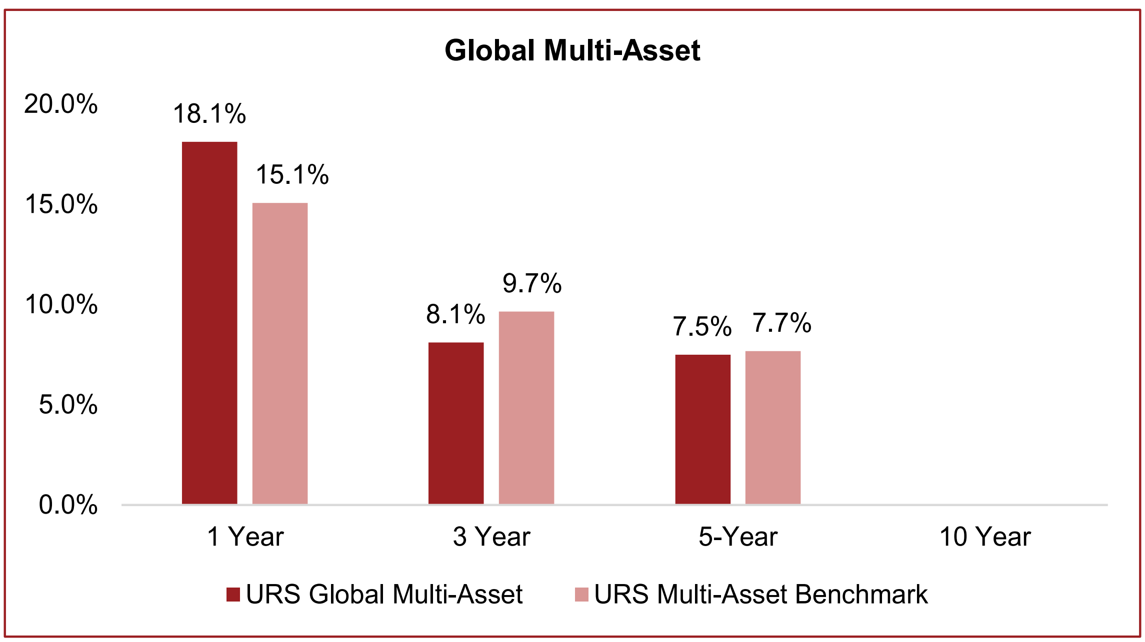


*Benchmark: 32.5% FTSE EPRA NAREIT Developed Gross Index, 32.5% NCREIF ODCE Index, 17.5% DJ UBS Commodity Index, 17.5%
U.S. – TIPS index

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



*Benchmark : LIBOR 3 Month Return + 300 Basis Points



*Blended Benchmark: 25% MSCI ACWI (LC Gross), 75% Treasury 7-10 (hedged), 25% UBS Commodity Index (TR), 75% World Gov't Inflation Linked Bond Index (LC), -100% LIBOR 3 Month Return

Schedule of Ten Largest Equity & Fixed Income Holdings

Ten Largest Equity Holdings*

No. Shares	Description	Cost	Fair Value	% of Total Portfolio
11,481	Public Storage	$2,346,479	$3,452,222	0.16%
7,829	Roche Holding AG	1,777,606	2,952,126	0.14%
24,784	Prologis Inc	1,671,632	2,962,432	0.14%
22,097	Simon Property Group Inc	2,081,279	2,883,217	0.13%
47,600	Hitachi Ltd	1,347,828	2,728,026	0.13%
628,897	BP PLC	3,240,777	2,736,688	0.13%
39,957	Vonovia SE	2,396,985	2,583,431	0.12%
60,745	Vestas Wind Systems A/S	338,370	2,371,463	0.11%
48,188	UDR Inc	1,756,544	2,360,248	0.11%
3,300	ASML Holding NV	1,195,862	2,267,465	0.10%
	Total	$18,153,362	$27,297,318	1.27%

*full disclosure of holdings is available upon request.

Ten Largest Fixed Income Holdings*

No. Shares	Description	Cost	Fair Value	% of Total Portfolio
11,575,000	U S Treasury Note2.375% 05/15/2027 dd 05/15/17	$12,710,540	$12,467,085	0.58%
8,270,000	U S Treasury Note1.500% 02/15/2030 dd 02/15/20	8,854,638	8,357,910	0.39%
9,050,000	U S Treasury Bond1.625% 11/15/2050 dd 11/15/20	8,593,476	8,132,240	0.38%
6,835,000	U S Treasury Note2.500% 02/28/2026 dd 02/28/19	7,462,085	7,362,047	0.34%
3,761,818	FNMA Pool #0FM33403.500% 06/01/2035 dd 05/01/20	4,018,186	4,012,844	0.19%
3,335,000	Allstate Corp/the0.750% 12/15/2025 dd 11/24/20	3,333,414	3,301,483	0.15%
3,145,000	U S Treasury Note1.250% 03/31/2028 dd 03/31/21	3,141,500	3,159,750	0.15%
2,670,000	Morgan Stanleyvar RT 01/24/2029 dd 01/23/18	2,812,010	2,998,997	0.14%
2,803,348	FNMA Pool #0MA39853.000% 03/01/2035 dd 03/01/20	2,955,342	2,946,627	0.14%
2,560,000	U S Treasury Note2.375% 05/15/2029 dd 05/15/19	2,863,200	2,764,390	0.13%
	Total	$56,744,391	$55,503,373	2.59%

*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
RAYMOND JAMES & ASSOC INC, ST PETERSBURG	$415,245	119,163	$1,622	0.39%
ICBC FINCL SVCS, NEW YORK	24,717	7,700	77	0.31%
BTIG LLC, NEW YORK	1,170,259	94,047	3,567	0.30%
WELLS FARGO SECURITIES, LLC, NEW YORK	188,046	17,100	513	0.27%
OPPENHEIMER & CO INC, NEW YORK	257,255	16,650	677	0.26%
JANNEY MONTGOMERY SCOTT, PHILADELPHIA	496,553	37,310	1,128	0.23%
CITIGROUP GBL MKTS/SALOMON, NEW YORK	777,206	263,517	1,369	0.18%
JEFFERIES HONG KONG LIMITED, HONG KONG	37,643	15,000	64	0.17%
PIPER JAFFRAY & CO., JERSEY CITY	31,883	1,774	53	0.17%
CITIGROUP GBL MKTS INDIA, MUMBAI	194,848	47,400	294	0.15%
JP MORGAN SECS, SINGAPORE	135,688	60,559	204	0.15%
JEFFERIES AUSTRALIA PTY LIMITED, SYDNEY	94,854	30,504	142	0.15%
GOLDMAN SACHS AUSTRALIA PTY LTD,MELBOURN	162,449	54,006	244	0.15%
CREDIT SUISSE AUSTRALIA EQ, MELBOURNE	19,824	1,927	30	0.15%
JONESTRADING INST SVCS LLC, NEW YORK	248,418	11,959	357	0.14%
CITIBANK LTD, MELBOURNE	248,170	54,238	349	0.14%
J P MORGAN SEC, SYDNEY	414,164	73,243	556	0.13%
CITIGROUP GLOBAL MARKETS, INC., NEW YORK	926,629	40,220	1,223	0.13%
MIZUHO SECURITIES USA, INC., NEW YORK	56,025	2,410	72	0.13%
UBS AG LONDON BRANCH, LONDON	772,808	12,878	992	0.13%
MKM PARTNERS LLC, GREENWICH	174,481	7,700	224	0.13%
J.P. MORGAN SECURITIES, HONG KONG	1,354,024	239,185	1,714	0.13%
CREDIT SUISSE, NEW YORK (CSUS)	2,234,717	270,679	2,684	0.12%
DAIWA SECS AMER INC, NEW YORK	535,064	25,906	642	0.12%
MACQUARIES SECURITIES AUSTRALIA, SYDNEY	2,792,569	1,460,022	3,221	0.12%
BARCLAYS CAPITAL LE, NEW YORK	302,293	15,392	338	0.11%
WELLS FARGO SECURITIES LLC, CHARLOTTE	761,353	48,650	805	0.11%
BMO CAPITAL MARKETS CORP, NEW YORK	1,149,299	38,563	1,173	0.10%
MACQUARIE BANK LTD, HONG KONG	696,141	101,662	706	0.10%
LIQUIDNET ASIA LTD, HONG KONG	85,079	14,900	85	0.10%
BNP PARIBAS SECS SERVS, SYDNEY	24,803	2,295	25	0.10%
RBC DOMINION SECS INC, TORONTO (DOMA)	765,144	31,862	763	0.10%
ALLEN & COMPANY LLC, JERSEY CITY	30,290	1,002	30	0.10%
MERRILL LYNCH PIERCE FENNER SMITH INC NY	6,255,132	223,368	6,086	0.10%
INVESTMENT TECH GROUP INC, NEW YORK	405,459	46,130	394	0.10%
KEYBANC CAPITAL MARKETS INC, NEW YORK	455,451	12,030	441	0.10%
CIBC WORLD MKTS INC, TORONTO (WGDB)	15,049	851	14	0.09%
CITIGROUP GLOBAL MARKETS LTD, LONDON	3,354,384	1,611,171	2,951	0.09%
BNP PARIBAS SEC SRVS SA, SINGAPORE	175,934	23,041	153	0.09%
ISI GROUP INC, NEW YORK	619,431	45,039	532	0.09%
BAIRD, ROBERT W & CO INC, MILWAUKEE	1,032,053	26,779	863	0.08%
J P MORGAN SECS LTD, LONDON	2,559,978	454,630	2,135	0.08%
JEFFERIES & CO LTD, LONDON	1,633,866	187,276	1,351	0.08%
CANTOR FITZGERALD & CO INC, NEW YORK	115,949	3,104	94	0.08%
HSBC JAMES CAPEL, SEOUL	51,121	529	41	0.08%
CREDIT SUISSE (EUROPE), SEOUL	166,357	3,446	133	0.08%
MACQUARIE SECURITIES LTD, SEOUL	72,947	451	58	0.08%
HONG KONG & SHANGHAI BKG CORP, HONG KONG	460,269	71,902	368	0.08%
MORGAN STANLEY & CO INTL LTD, SEOUL	34,634	516	28	0.08%
MORGAN STANLEY DEAN WITTER, SYDNEY	11,466	6,163	9	0.08%
Other Brokers	342,486,958	22,827,027	146,959	0.04%
Total	$377,484,379	28,762,876	$188,553	0.05%

Schedule of Management Fees by Asset Class
For the Year Ended June 30, 2021

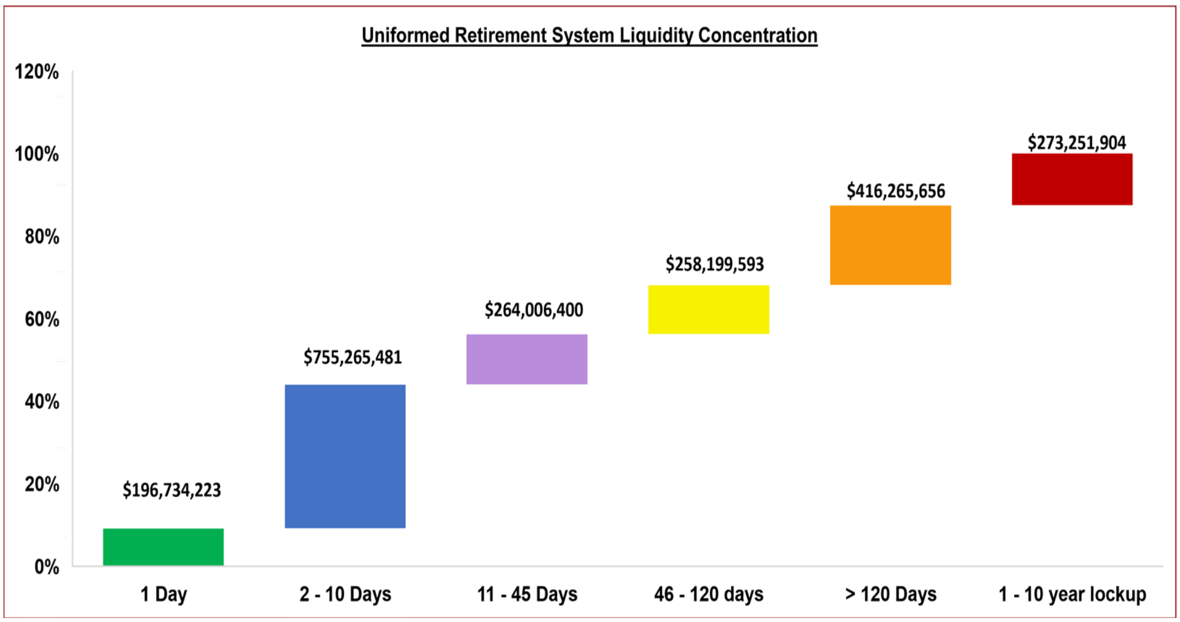
Asset Class	Fair Value	Management Fees
Absolute Return	$355,458,756	$8,793,776
Global Equity	690,359,015	5,191,245
Global Fixed Income	565,367,704	3,547,107
Global Multi-Asset	183,665,519	743,823
Global Real Assets	195,276,939	3,453,203
Short Term and Others	173,595,324	262,319
Total	$2,163,723,257	$21,991,473

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	$355,458,756	16.4%	$299,328,118	17.0%
Global Equity	690,359,015	31.9%	465,053,758	26.5%
Global Fixed Income	565,367,704	26.1%	459,819,915	26.1%
Global Multi-Asset	183,665,519	8.5%	155,492,089	8.8%
Global Real Assets	195,276,939	9.1%	169,577,133	9.7%
Short Term and Others	173,595,324	8.0%	210,306,051	11.9%
Total	$2,163,723,257	100.0%	$1,759,577,064	100.0%

Liquidity Snap Shot on June 30, 2021

The below liquidity chart for the Uniformed 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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Classic Values, Innovative Advice.

October 14, 2021

Fairfax County Uniformed
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 Uniformed 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, 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 Uniformed 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. The employer-provided accrual rates in the System 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 Uniformed 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 Uniformed 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

Coralie Taylor

Fiona E. Liston, FSA
Principal Consulting Actuary

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 $17.5 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 $17.5 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

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.

5% 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 1,000 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.

Disability

Annual Disabilities Per 10,000 Members*

Age	Male and Female
20	3
25	4
30	5
35	7
40	10
45	17
50	28
55	40
60	40

*Disabilities are assumed to be all service connected. Of these, 38% are assumed to receive Workers' Compensation benefits. 5% of all service-connected disabilities are at the 90% severe level.

Retirement/DROP

Year of Service	Retirement/DROP*
5-24	20%
25	35
26	25
27	35
28	30
29	30
30	30
31	30
32	30
33	30
34	30
35+	100

*75% of those who leave under this decrement are assumed to DROP, with the other 25% taking immediate retirement.

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

Year of Service	Merit/Seniority Increase*
0	6.50%
5	3.00%
10	2.00%
15	1.75%
20	1.50%
25	0.50%
30+	0.00%

Family Composition

For purposes of valuing the pre-retirement death benefit, an assumption is made concerning how many employees are married. The assumption used in this valuation is that 80% of employees are married at death while active and that the female spouse is three years younger than the male spouse is.

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 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:	0.35% of payroll.

*General Wage Increase assumption applies for projecting contributions and developing Social Security benefits.

**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 this section and 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	($19,330,917)	($1,456,752)	($20,787,669)	$-	($20,787,669)
2013	(3,805,385)	24,088,845	20,283,460	(813,016)	19,470,444
2014	34,542,175	(9,026,264)	25,515,911	(20,177,168)	5,338,743
2015	(12,354,967)	38,954,945	26,599,978	-	26,599,978
2016	(51,308,849)	15,038,096	(36,270,753)	(21,285,640)	(57,556,393)
2017	(19,058,604)	(6,047,672)	(25,106,276)	(839,465)	(25,945,741)
2018	(9,182,282)	1,127,589	(8,054,693)	(956,369)	(9,011,062)
2019	(22,760,419)	7,935,310	(14,825,109)	-	(14,825,109)
2020	(67,142,912)	6,625,377	(60,517,535)	-	(60,517,535)
2021	56,635,384	4,252,565	60,887,949	(43,241,861)	17,646,088

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

Schedule of Retirees and Beneficiaries

Added To and Removed From Rolls[2]

Year	Added to Rolls		Removed From Rolls		On Rolls @ Yr. End		%	
Ended June 30	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	Increase Allowance	Average Allowance
2012	45	$4,704,657	11	$481,168	1,109	$63,046,398	7.18%	$56,850
2013	57	5,446,162	11	610,907	1,155	67,881,653	7.67%	58,772
2014	64	5,865,807	25	1,033,836	1,194	72,713,625	7.12%	60,899
2015	61	4,908,201	12	618,655	1,243	77,003,170	5.90%	61,949
2016	25	1,745,424	12	467,322	1,256	78,281,273	1.66%	62,326
2017	72	6,284,796	19	850,639	1,309	83,715,430	6.94%	63,954
2018	61	5,510,547	16	903,747	1,354	88,322,230	5.50%	65,231
2019	67	6,410,298	19	867,159	1,402	93,865,369	6.28%	66,951
2020	81	7,315,444	21	953,547	1,462	100,227,266	6.78%	68,555
2021	86	6,453,199	30	1,639,814	1,518	105,040,651	4.80%	69,197

[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	$120,373,016	$981,922,550	$511,358,566	$1,247,526,438	100%	100%	28%
2013	130,979,546	1,042,085,650	503,200,502	1,326,424,772	100%	100%	30%
2014	137,482,080	1,094,584,634	561,785,579	1,466,110,756	100%	100%	42%
2015	145,293,199	1,126,142,315	573,284,029	1,550,327,414	100%	100%	49%
2016	155,579,540	978,657,862	806,219,828	1,601,320,543	100%	100%	58%
2017	154,777,842	1,046,091,139	832,820,471	1,683,381,052	100%	100%	58%
2018	168,602,734	1,097,926,481	859,320,715	1,778,267,298	100%	100%	60%
2019	169,786,637	1,156,254,071	883,389,088	1,859,253,613	100%	100%	60%
2020	175,048,915	1,211,787,816	907,220,069	1,896,388,193	100%	100%	56%
2021	170,599,835	1,327,125,571	944,463,068	2,069,254,787	100%	100%	61%

[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 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	$1,247,526,438	$1,613,654,132	$366,127,694	77%	$148,235,740	247%
2013	1,326,424,772	1,676,265,698	349,840,926	79%	146,597,688	239%
2014	1,466,110,756	1,793,852,293	327,741,537	82%	153,456,176	214%
2015	1,550,327,414	1,844,719,543	294,392,129	84%	159,216,906	185%
2016	1,601,320,543	1,940,457,230	339,136,687	83%	167,965,582	202%
2017	1,683,381,052	2,033,689,452	350,308,400	83%	174,888,440	200%
2018	1,778,267,298	2,125,849,930	347,582,632	84%	180,446,949	193%
2019	1,859,253,613	2,209,429,796	350,176,183	84%	179,819,293	195%
2020	1,896,388,193	2,294,056,800	397,668,607	83%	187,502,364	212%
2021	2,069,254,787	2,442,188,474	372,933,687	85%	185,544,167	201%

Schedule of Active Member Valuation Data

Valuation Date June 30	Number of Active Members[1]	Covered Payroll	Average Annual Salary	Percentage Increase in Average Pay
2012	1,870	$148,235,740	$79,270	
2013	1,862	146,597,688	78,731	-0.68%
2014	1,817	153,456,176	84,456	7.27%
2015	1,889	159,216,907	84,286	-0.20%
2016	1,948	167,965,582	86,225	2.30%
2017	1,975	174,888,440	88,551	2.70%
2018	1,974	180,446,949	91,412	3.23%
2019	1,939	179,819,293	92,738	1.45%
2020	1,941	187,502,364	96,601	4.17%
2021	1,909	185,544,167	97,194	0.61%

[1] Excludes DROP participants.

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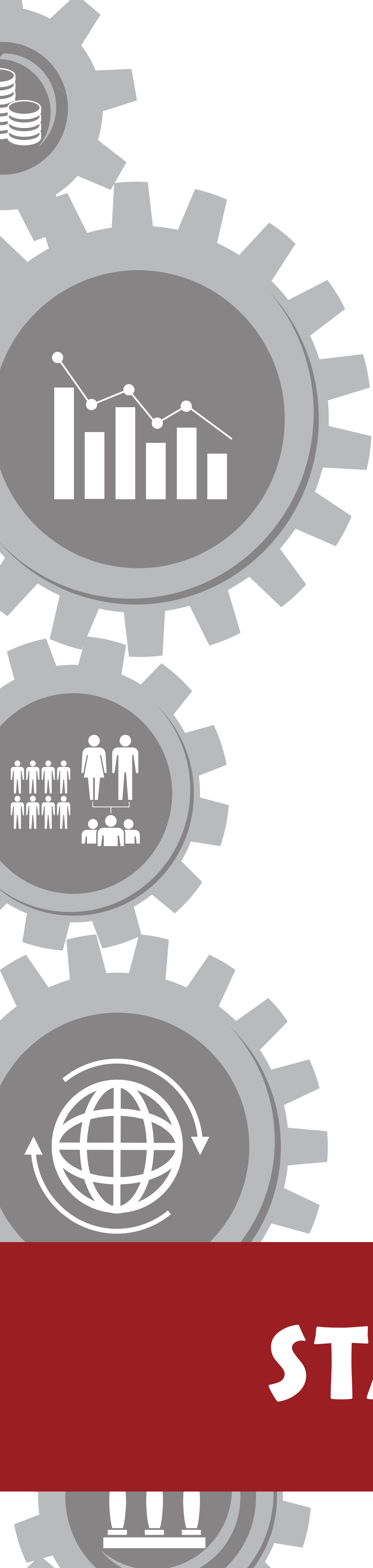
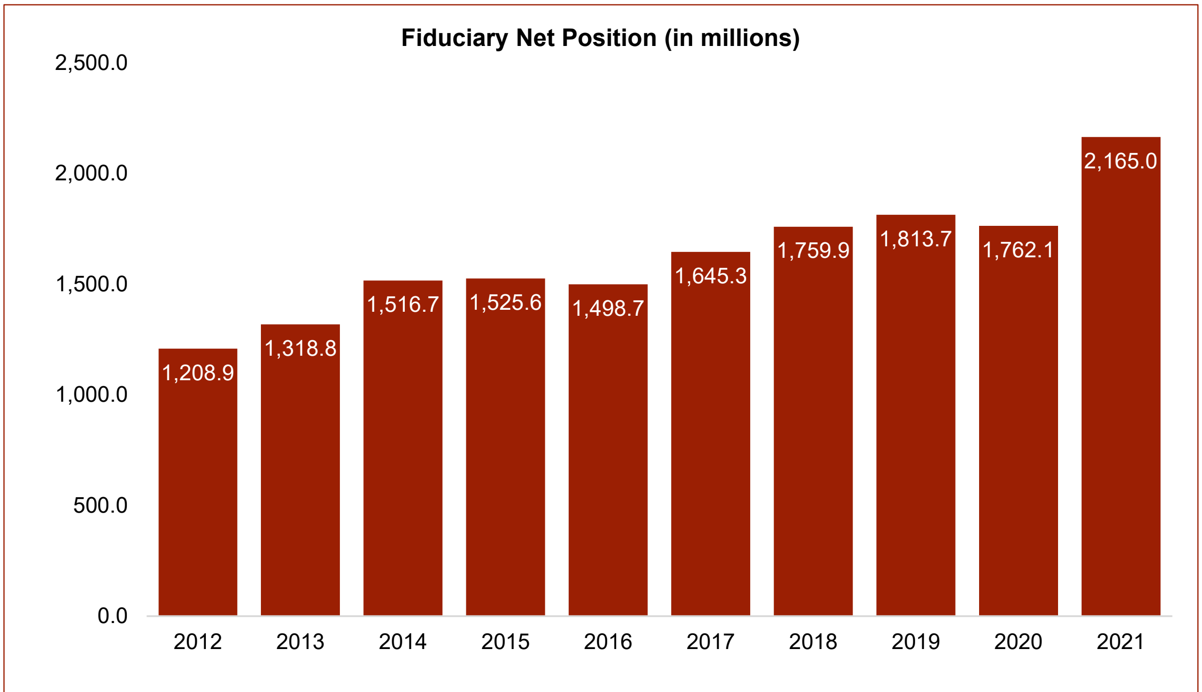
STATISTICAL



STATISTICAL

The Statistical Section presents historical information regarding the retirement plan. This information includes a ten-year analysis of the sources of change in 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.

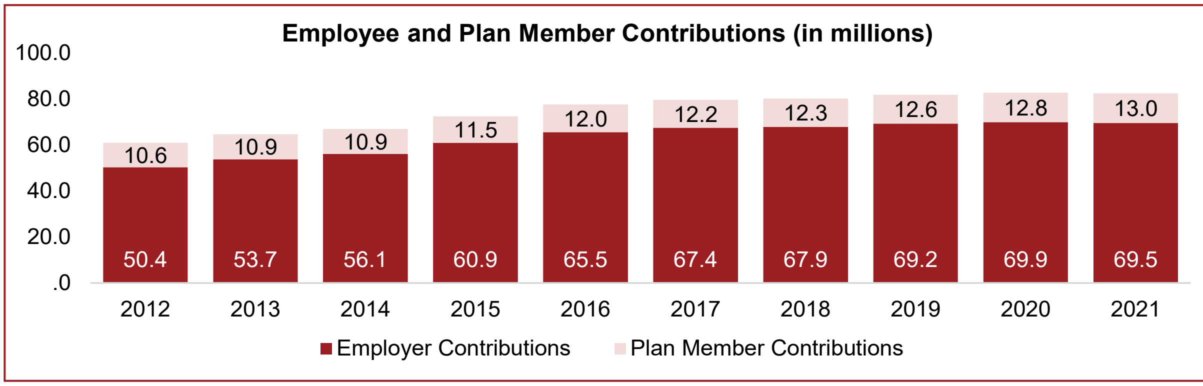


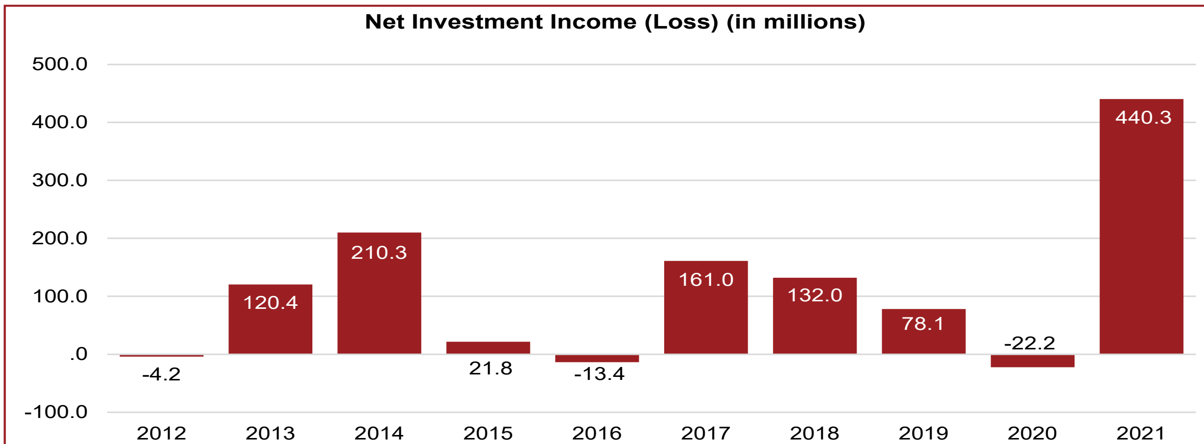
Fiscal Year	Fiduciary Net Position
2012	$1,208,864,603
2013	1,318,814,001
2014	1,516,720,045
2015	1,525,617,480
2016	1,498,702,845
2017	1,645,263,844
2018	1,759,902,734
2019	1,813,732,776
2020	1,762,102,370
2021	2,165,025,555

Fiscal Year	2012	2013	2014	2015	2016
Additions by Source					
Plan Member Contributions	$10,603,097	$10,937,857	$10,905,744	$11,473,273	$12,020,447
Employer Contributions	50,351,335	53,722,160	56,094,690	60,928,766	65,548,338
Net Investment Income (Loss)	(4,168,239)	120,417,604	210,256,032	21,800,261	(13,447,090)
Total Additions	56,786,193	185,077,621	277,256,466	94,202,300	64,121,695
Deductions by Type					
Benefit Payments	$67,361,605	$73,914,711	$78,358,943	$84,440,939	$89,730,185
Refunds of Contributions	599,188	779,395	557,938	408,486	805,890
Administrative Expenses	372,770	434,117	433,541	455,440	500,255
Total Deductions	68,333,563	75,128,223	79,350,422	85,304,865	91,036,330
Change in Fiduciary Net Position	**($11,547,370)**	**$109,949,398**	**$197,906,044**	**$8,897,435**	**($26,914,635)**

***Changes in Fiduciary Net Position**

*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	$12,223,468	$12,262,288	$12,605,683	$12,810,112	$12,980,620
Employer Contributions	67,410,252	67,895,377	69,246,070	69,930,974	69,464,042
Net Investment Income (Loss)	161,013,714	131,997,257	78,141,806	-22,161,566	440,347,233
Total Additions	240,647,434	212,154,922	159,993,559	60,579,520	522,791,895
Deductions by Type					
Benefit Payments	$92,844,624	$96,018,500	$104,632,253	$110,652,768	$118,290,494
Refunds of Contributions	764,247	877,705	911,127	890,475	899,880
Administrative Expenses	477,564	619,827	620,136	666,683	678,336
Total Deductions	94,086,435	97,516,032	106,163,516	112,209,926	119,868,710
Change in Fiduciary Net Position	**$146,560,999**	**$114,638,890**	**$53,830,043**	**($51,630,406)**	**$402,923,185**

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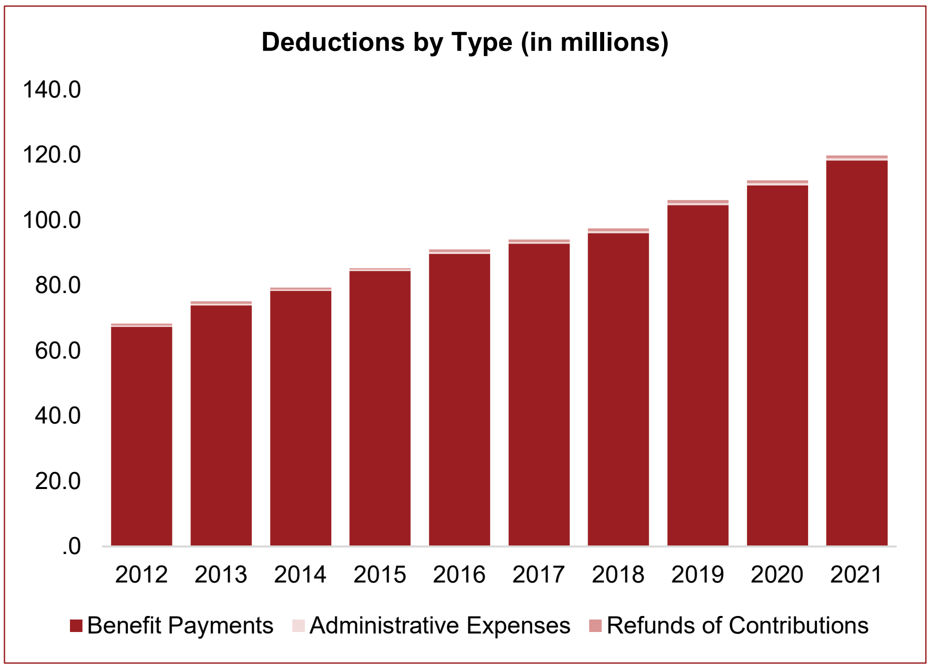


Schedule of Benefit Payments by Type

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Total
2012	$58,531,116	$7,751,042	$339,101	$740,346	$67,361,605
2013	64,917,112	7,771,437	341,271	884,891	73,914,711
2014	69,212,758	7,808,253	356,140	981,792	78,358,943
2015	75,228,455	7,771,270	330,343	1,110,871	84,440,939
2016	80,717,696	7,515,341	332,402	1,164,746	89,730,185
2017	83,777,110	7,556,874	328,116	1,182,524	92,844,624
2018	86,794,111	7,612,571	342,450	1,269,368	96,018,500
2019	95,256,500	7,714,880	350,227	1,310,646	104,632,253
2020	101,021,750	7,795,142	355,831	1,480,045	110,652,768
2021	108,503,532	7,658,554	320,247	1,808,161	118,290,494

Schedule of Retired Members by Benefit Type

Fiscal Year	Service Annuity	Service Connected Disability	Disability	Survivor Benefit	Total
2012	878	187	18	26	1,109
2013	925	185	17	29	1,156
2014	967	176	17	34	1,194
2015	1,021	171	17	34	1,243
2016	1,038	168	18	32	1,256
2017	1,097	163	17	32	1,309
2018	1,142	162	17	33	1,354
2019	1,194	157	18	33	1,402
2020	1,254	154	18	36	1,462
2021	1,308	151	16	43	1,518

Schedule of Average Monthly Benefit Amounts

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Average
2012	$5,127	$3,571	$1,614	$2,122	$4,737
2013	5,285	3,607	1,624	2,422	4,891
2014	5,457	3,809	1,609	2,492	5,075
2015	5,533	3,826	1,614	2,530	5,162
2016	5,563	3,800	1,576	2,576	5,194
2017	5,674	3,933	1,608	2,604	5,329
2018	5,764	4,046	1,629	2,852	5,436
2019	5,892	4,133	1,621	2,935	5,571
2020	6,035	4,215	1,647	2,943	5,713
2021	6,085	4,219	1,548	3,084	5,766

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 **	$477	$1,980	$1,944	$2,527	$4,331	$5,381	$6,873
Average of Final Monthly Salaries	$4,144	$4,950	$6,538	$6,318	$7,929	$8,239	$8,612
Number of Retirees	1	1	3	1	10	38	7
Period 7/1/2011 to 6/30/2012							
Average Monthly Benefit **	-	760	2,455	-	3,732	5,262	7,355
Average of Final Monthly Salaries	-	4,321	6,137	-	7,510	8,205	9,284
Number of Retirees	-	2	1	-	3	30	6
Period 7/1/2012 to 6/30/2013							
Average Monthly Benefit **	458	-	2,188	3,155	4,343	5,871	7,410
Average of Final Monthly Salaries	5,345	-	5,470	7,119	7,631	9,044	9,875
Number of Retirees	1	-	1	1	4	37	7
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit **	-	940	2,094	4,189	4,895	5,419	7,983
Average of Final Monthly Salaries	-	4,640	6,514	8,674	7,872	8,363	10,169
Number of Retirees	-	2	2	1	6	33	9
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit **	-	2,038	1,693	3,024	4,200	5,530	8,312
Average of Final Monthly Salaries	-	5,501	6,658	7,374	7,706	8,888	10,985
Number of Retirees	-	1	1	3	6	30	9
Period 7/1/2015 to 12/31/2015							
Average Monthly Benefit **	-	925	-	2,853	2,923	5,501	8,072
Average of Final Monthly Salaries	-	5,975	-	7,817	7,595	8,519	9,596
Number of Retirees	-	1	-	1	1	16	6
Period 1/1/2016 to 12/31/2016							
Average Monthly Benefit **	-	671	1,282	2,373	3,587	5,686	7,115
Average of Final Monthly Salaries	-	4,410	4,678	6,706	7,923	8,900	9,681
Number of Retirees	-	1	2	5	8	47	7
Period 1/1/2017 to 12/31/2017							
Average Monthly Benefit **	-	-	1,722	3,220	3,901	5,675	7,032
Average of Final Monthly Salaries	-	-	6,064	7,404	8,040	8,929	9,365
Number of Retirees	-	-	2	2	11	32	11
Period 1/1/2018 to 12/31/2018							
Average Monthly Benefit **	-	1,211	1,780	3,120	3,874	6,316	9,192
Average of Final Monthly Salaries	-	7,607	6,389	7,263	7,845	9,835	11,047
Number of Retirees	-	4	3	3	10	33	9
Period 1/1/2019 to 12/31/2019							
Average Monthly Benefit **	-	2,368	2,202	3,203	4,482	6,085	7,981
Average of Final Monthly Salaries	-	5,920	6,991	7,753	9,062	9,397	10,444
Number of Retirees	-	1	4	8	16	37	13
Period 1/1/2020 to 12/31/2020							
Average Monthly Benefit **	-	1,287	1,889	3,168	4,312	6,030	8,252
Average of Final Monthly Salaries	-	6,425	5,951	7,925	8,628	9,306	10,192
Number of Retirees	-	3	2	6	21	30	14

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

**Does not include supplements.

Active Participants Counts by Age/Service

Age	Service: 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	24	43	1	0	0	0	0	0	68
25 to 29	33	153	64	0	0	0	0	0	250
30 to 34	10	85	136	57	1	0	0	0	289
35 to 39	9	46	102	145	81	0	0	0	383
40 to 44	2	12	35	83	124	44	1	0	301
45 to 49	1	6	15	37	96	113	28	0	296
50 to 54	2	7	4	22	59	87	43	4	228
55 to 59	1	4	5	7	16	16	13	10	72
60 to 64	0	1	3	1	4	6	1	4	20
65 & up	0	0	0	0	1	1	0	0	2
Total	82	357	365	352	382	267	86	18	1,909

Active Participants Total Salary by Age/Service

Age	Service: 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	$1,163,021	$2,642,473	$79,990	$0	$0	$0	$0	$0	$3,885,484
25 to 29	1,592,668	10,211,737	5,187,901	-	-	-	-	-	16,992,306
30 to 34	510,358	5,903,202	11,620,023	5,376,069	98,431	-	-	-	23,508,083
35 to 39	445,364	3,157,114	8,498,510	13,695,691	8,449,613	-	-	-	34,246,292
40 to 44	82,926	781,773	2,997,821	7,858,630	13,381,356	5,175,560	191,116	-	30,469,182
45 to 49	48,819	424,820	1,221,558	3,464,596	10,283,968	13,816,033	3,840,290	-	33,100,084
50 to 54	119,861	648,219	341,732	1,998,836	6,142,264	10,193,707	5,816,522	571,845	25,832,986
55 to 59	69,525	276,649	366,858	618,132	1,557,291	1,804,340	1,746,133	1,310,673	7,749,601
60 to 64	-	70,842	223,382	107,788	345,026	634,891	162,530	438,394	1,982,853
65 & up	-	-	-	-	102,054	95,299	-	-	197,353
Total	$4,032,542	$24,116,829	$30,537,775	$33,119,742	$40,360,003	$31,719,830	$11,756,591	$2,320,912	$177,964,224

Retirees By Location

Retirees by State

State	% of Total
Virginia	64.73%
Florida	8.01%
Maryland	6.52%
South Carolina	4.56%
North Carolina	4.48%
West Virginia	2.12%
Pennsylvania	1.57%
Delaware	0.86%
Tennessee	0.79%
Georgia	0.71%
Texas	0.63%
District of Columbia	0.55%
Alabama	0.47%
Colorado	0.31%
Montana	0.31%
Washington	0.31%
Arizona	0.24%
California	0.24%
South Dakota	0.24%
Wyoming	0.24%
Kentucky	0.16%
Maine	0.16%
Massachusetts	0.16%
Mississippi	0.16%
Missouri	0.16%
New Mexico	0.16%
New York	0.16%
Ohio	0.16%
Utah	0.16%
Wisconsin	0.16%
Alaska	0.08%
Indiana	0.08%
Iowa	0.08%
Minnesota	0.08%
Nebraska	0.08%
Oklahoma	0.08%
Oregon	0.08%

Retirees in Virginia

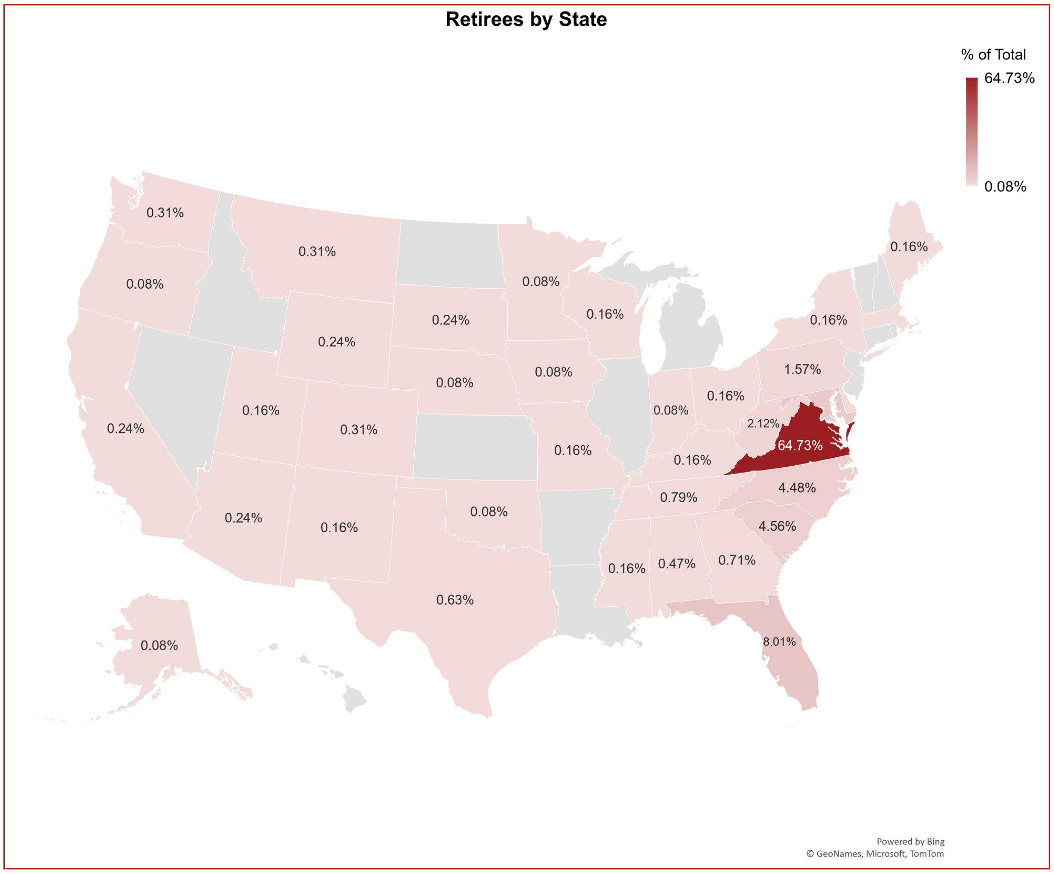
County	% of Total
Other Counties	94.35%
Fairfax County	5.65%
Total	**100.00%**

Retirees by Fairfax County/City

City	% of Total
Centreville	1.02%
Alexandria	0.86%
Herndon	0.63%
Fairfax	0.47%
Annandale	0.39%
Falls Church	0.39%
Springfield	0.39%
Lorton	0.31%
Vienna	0.24%
Burke	0.16%
Clifton	0.16%
Fairfax Station	0.16%
Great Falls	0.16%
Reston	0.16%
Chantilly	0.08%
Mc Lean	0.07%

Retirees Outside of the United States

Country	Number of Retirees
Australia	1
Canada	1
Costa Rica	1
Total	**3**


Retirees by State
% of Total
64.73%
0.08%
0.31%
0.31%
0.08%
0.08%
0.24%
0.16%
0.24%
0.16%
0.16%
0.08%
0.08%
1.57%
0.16%
0.08%
0.24%
0.16%
0.31%
0.16%
0.08%
2.12%
64.73%
0.16%
0.79%
4.48%
0.24%
0.08%
0.16%
4.56%
0.16%
0.47%
0.71%
0.63%
8.01%
0.08%
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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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