Metropolitan Transportation Authority Deferred Compensation Program

(A Fiduciary Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2025 and 2024, and
Independent Auditor’s Report

METROPOLITAN TRANSPORTATION AUTHORITY DEFERRED COMPENSATION PROGRAM

TABLE OF CONTENTS

Deloitte & Touche LLP
30 Rockefeller Plaza
41st Floor
New York, NY 10112-0015
USA

Tel:+1 212 492 4000
Fax:+1 212 489 1687
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Committee of the
Metropolitan Transportation Authority Deferred Compensation Program

Opinion

We have audited each of the accompanying statements of fiduciary net position of the Metropolitan Transportation Authority Deferred Compensation Program, comprised of the Deferred Compensation Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the "457 Plan") and the Thrift Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the "401(k) Plan"), (collectively the "Plans") as of December 31, 2025 and 2024, and each of the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position as of December 31, 2025 and 2024, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Deloitte Touche LLP

July 29, 2026

METROPOLITAN TRANSPORTATION AUTHORITY DEFERRED COMPENSATION PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

The Deferred Compensation Program is comprised of the Deferred Compensation Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the "457 Plan") and the Thrift Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the "401(k) Plan"), collectively known as the "Plans" and the "Metropolitan Transportation Authority Deferred Compensation Plans". This management's discussion and analysis of the Plans' financial performance provides an overview of the Plans' financial activities for the years ended December 31, 2025 and 2024. It is meant to assist the reader in understanding the Plans' financial statements by providing an overall review of the financial activities during the year and the effects of significant changes. This discussion and analysis may contain opinions, assumptions, or conclusions by the MTA's management that should not be considered a replacement for, and is intended to be read in conjunction with the Plans' financial statements which begin on page 21.

Overview of Basic Financial Statements

The following discussion and analysis is intended to serve as an introduction to the financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position**—present the financial position of the Plans at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at contract and net asset values ("NAV"). All other assets and liabilities are determined on an accrual basis.

- **The Statements of Changes in Fiduciary Net Position**—present the results of activities during the year. All changes affecting the assets and liabilities of the Plans are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the contract and NAV of investments are included in the year's activity as net appreciation in contract and NAV values of investments.

- **The Notes to Financial Statements**—provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plans' accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

The financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Pronouncements.

Financial Highlights

As a result of various Deferred Compensation Program changes, expanding participant eligibility through collective bargaining, a strong educational program and greater participant satisfaction, the Deferred Compensation Program has continued to grow. The assets of the 457 Plan exceeded its liabilities by $4.930 billion and the assets of the 401(k) Plan exceeded its liabilities by $6.984 billion as of December 31, 2025. This net position restricted for benefits is held in trust for distribution to the Plans participants and/or beneficiaries. During 2025, the net positions held in trust for the 457 Plan and the 401(k) Plan increased by

$484.4 million and $741.7 million, respectively, due primarily to market outperformance and net increase in investment income to the plans.

The assets of the 457 Plan exceeded its liabilities by $4.445 billion and the assets of the 401(k) Plan exceeded its liabilities by $6.241 billion as of December 31, 2024. This net position restricted for benefits is held in trust for distribution to the Plans participants and/or beneficiaries. During 2024, the net positions held in trust for the 457 Plan and the 401(k) Plan increased by $409.9 million and $589.3 million, respectively, due primarily to market outperformance and net increase in investment income to the plans.

Deductions from the Plans' net position consist primarily of distributions to participant and transfers to other plans, and plan expenses in the amounts of $392.241 million and $331.172 million for the 457 Plan and $548.568 million and $499.919 million for the 401(k) Plan for the years ended December 31, 2025 and 2024.

Plans Fiduciary Net Position

As of December 31,
($ in thousand)

				Amount of Change		Percentage Change	
457 Plan	**2025**	**2024**	**2023**	**(2025–2024)**	**(2024–2023)**	**(2025–2024)**	**(2024–2023)**
ASSETS:							
Investments	$ 4,824,654	$ 4,345,579	$ 3,949,255	$ 479,075	$ 396,324	11.0 %	10.0 %
Participant loans receivable	103,930	99,539	85,889	4,391	13,650	4.4	15.9
Other plan assets	950	-	-	950	-	100.0	-
Total assets	4,929,534	4,445,118	4,035,144	484,416	409,974	10.9	10.2
LIABILITIES—Administrative expense reimbursement	579	603	524	(24)	79	(4.0)	15.1
Total liabilities	579	603	524	(24)	79	(4.0)	15.1
TOTAL NET POSITION RESTRICTED FOR BENEFITS	$ 4,928,955	$ 4,444,515	$ 4,034,620	$ 484,440	$ 409,895	10.9 %	10.2 %

				Amount of Change		Percentage Change	
401(k) Plan	**2025**	**2024**	**2023**	**(2025–2024)**	**(2024–2023)**	**(2025–2024)**	**(2024–2023)**
ASSETS:							
Investments	$ 6,755,384	$ 6,031,167	$ 5,477,595	$ 724,217	$ 553,572	12.0 %	10.1 %
Participant loans receivable	226,399	211,252	175,336	15,147	35,916	7.2	20.5
Other plan assets	2,160	-	-	2,160	-	100	-
Total assets	6,983,943	6,242,419	5,652,931	741,524	589,488	11.9	10.4
LIABILITIES—Administrative expense reimbursement	1,475	1,668	1,492	(193)	176	(11.6)	11.8
Total liabilities	1,475	1,668	1,492	(193)	176	(11.6)	11.8
TOTAL NET POSITION RESTRICTED FOR BENEFITS	$ 6,982,468	$ 6,240,751	$ 5,651,439	$ 741,717	$ 589,312	11.9 %	10.4 %

Changes in Plans Fiduciary Net Position

For the Years Ended December 31,
($ in thousands)

457 Plan	2025	2024	2023	Amount of Change (2025–2024)	Amount of Change (2024–2023)	Percentage Change (2025–2024)	Percentage Change (2024–2023)
ADDITIONS:							
Investment income/(loss)	$ 553,056	$ 436,509	$ 496,915	$ 116,547	$ (60,406)	26.7 %	(12.2)%
Contributions and additional deposits	316,389	298,321	251,518	18,068	46,803	6.1	18.6
Loan repayments—interest	7,236	6,237	4,556	999	1,681	16.0	36.9
Total additions	876,681	741,067	752,989	135,614	(11,922)	18.3	(1.6)
DEDUCTIONS:							
Distribution to participants	-	174,316	106,732	(174,316)	67,584	100.0	63.3
Distribution to participants and transfers to other plans	344,786	-	-	344,786	-	100.0	0.0
Transfers to other plans	-	155,359	146,839	(155,359)	8,520	(100.0)	5.8
New issued loans	45,093	-	-	45,093	-	100.0	0.0
Net participant loan activity	-	130	3,365	(130)	(3,235)	(100.0)	(96.1)
Other	2,362	1,367	1,674	995	(307)	72.8	(18.3)
Total deductions	392,241	331,172	258,610	61,069	72,562	18.4	28.1
Increase in net position	484,440	409,895	494,379	74,545	(84,484)	18.2	(17.1)
TOTAL NET POSITION RESTRICTED FOR BENEFITS							
Beginning of year	4,444,515	4,034,620	3,540,241	409,895	494,379	10.2	14.0
End of year	$ 4,928,955	$ 4,444,515	$ 4,034,620	$ 484,440	$ 409,895	10.9 %	10.2 %

401(k) Plan	2025	2024	2023	Amount of Change (2025–2024)	Amount of Change (2024–2023)	Percentage Change (2025–2024)	Percentage Change (2024–2023)
ADDITIONS:							
Investment income/(loss)	$ 782,011	$ 608,188	$ 704,020	$ 173,823	$ (95,832)	28.6 %	(13.6)%
Contributions and						0.0	0.0
additional deposits	492,613	467,640	368,466	24,973	99,174	5.3	26.9
Loan repayments—interest	15,661	13,403	9,379	2,258	4,024	16.8	42.9
Total additions	1,290,285	1,089,231	1,081,865	201,054	7,366	18.5	0.7
DEDUCTIONS:							
Distribution to participants	-	211,060	155,924	(211,060)	55,136	(100.0)	35.4
Distribution to participants and transfers to other plans	444,130	-	-	444,130	-	100.0	-
Transfers to other plans	-	286,616	207,293	(286,616)	79,323	(100.0)	38.3
New issued loans	101,243	-	-	101,243	-	100.0	-
Net participant loan activity	-	120	5,365	(120)	(5,245)	(100.0)	(97.8)
Other	3,195	2,123	2,974	1,072	(851)	50.5	(28.6)
Total deductions	548,568	499,919	371,556	48,649	128,363	9.7	34.5
Increase in net position	741,717	589,312	710,309	152,405	(120,997)	25.9	(17.0)
TOTAL NET POSITION RESTRICTED FOR BENEFITS							
Beginning of year	6,240,751	5,651,439	4,941,130	589,312	710,309	10.4	14.4
End of year	$ 6,982,468	$ 6,240,751	$ 5,651,439	$ 741,717	$ 589,312	11.9 %	10.4 %

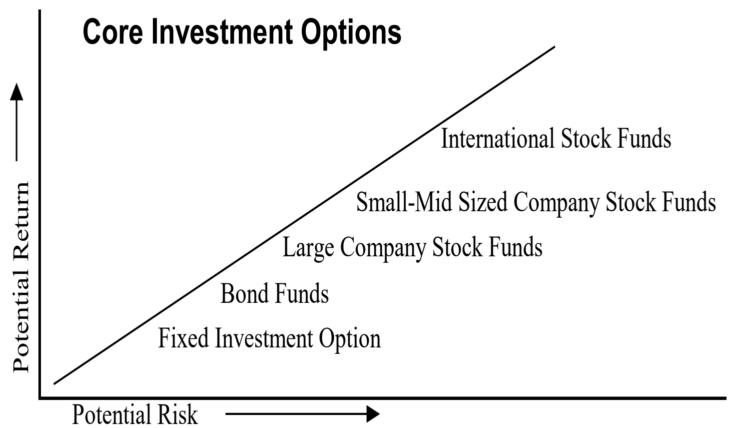
Investment Options

The MTA Plans offer eleven (11) Target-Year Lifecycle Funds, which provide a diversified mix of certain of the Plans' investment options and allow a participant to choose the fund closest to their anticipated withdrawal date. The Target-Year Lifecycle Funds are designed to provide an asset allocation strategy appropriate for an individual's risk and return preferences in a single fund through a diversified portfolio of the Plans' domestic stock funds, international stock funds and fixed income funds. Some components are not offered to participants outside of the Target-Year Lifecycle Funds. Allocations are automatically rebalanced to their targets on a quarterly basis.

Fund Name	Asset Class	Portfolio Allocations
MTA Target-Year Lifecycle 2020 Fund	Large Cap 18.50%	MTA Large Cap Equity Index Fund 18.50%
	Small - Mid Cap 2.80%	MTA Small-Mid Cap Equity Fund 2.80%
	Intl Equity 10.70%	MTA International Equity Fund 10.70%
	Fixed Income 15.60%	MTA Bond Fund 15.60%
	Real Asset 6.50%	MTA Real Asset Fund 6.50%
	Stable Value 45.90%	MTA Stable Value Fund 45.90%
MTA Target-Year Lifecycle 2025 Fund	Large Cap 22.90%	MTA Large Cap Equity Index Fund 22.90%
	Small - Mid Cap 3.40%	MTA Small-Mid Cap Equity Fund 3.40%
	Intl Equity 13.50%	MTA International Equity Fund 13.50%
	Fixed Income 15.30%	MTA Bond Fund 15.30%
	Real Asset 6.10%	MTA Real Asset Fund 6.10%
	Stable Value 38.80%	MTA Stable Value Fund 38.80%
MTA Target-Year Lifecycle 2030 Fund	Large Cap 29.50%	MTA Large Cap Equity Index Fund 29.50%
	Small - Mid Cap 4.40%	MTA Small-Mid Cap Equity Fund 4.40%
	Intl Equity 17.60%	MTA International Equity Fund 17.60%
	Fixed Income 15.10%	MTA Bond Fund 15.10%
	Real Asset 5.70%	MTA Real Asset Fund 5.70%
	Stable Value 27.70%	MTA Stable Value Fund 27.70%
MTA Target-Year Lifecycle 2035 Fund	Large Cap 36.10%	MTA Large Cap Equity Index Fund 36.10%
	Small - Mid Cap 5.40%	MTA Small-Mid Cap Equity Fund 5.40%
	Intl Equity 22.10%	MTA International Equity Fund 22.10%
	Fixed Income 14.40%	MTA Bond Fund 14.40%
	Real Asset 5.20%	MTA Real Asset Fund 5.20%
	Stable Value 16.80%	MTA Stable Value Fund 16.80%
MTA Target-Year Lifecycle 2040 Fund	Large Cap 41.70%	MTA Large Cap Equity Index Fund 41.70%
	Small - Mid Cap 6.20%	MTA Small-Mid Cap Equity Fund 6.20%
	Intl Equity 26.00%	MTA International Equity Fund 26.00%
	Fixed Income 13.90%	MTA Bond Fund 13.90%
	Real Asset 4.70%	MTA Real Asset Fund 4.70%
	Stable Value 7.50%	MTA Stable Value Fund 7.50%
MTA Target-Year Lifecycle 2045 Fund	Large Cap 45.40%	MTA Large Cap Equity Index Fund 45.40%
	Small - Mid Cap 6.70%	MTA Small-Mid Cap Equity Fund 6.70%
	Intl Equity 29.00%	MTA International Equity Fund 29.00%
	Fixed Income 12.80%	MTA Bond Fund 12.80%
	Real Asset 4.20%	MTA Real Asset Fund 4.20%
	Stable Value 1.90%	MTA Stable Value Fund 1.90%
MTA Target-Year Lifecycle 2050 Fund	Large Cap 48.00%	MTA Large Cap Equity Index Fund 48.00%
	Small - Mid Cap 7.10%	MTA Small-Mid Cap Equity Fund 7.10%
	Intl Equity 31.10%	MTA International Equity Fund 31.10%
	Fixed Income 10.10%	MTA Bond Fund 10.10%
	Real Asset 3.70%	MTA Real Asset Fund 3.70%
MTA Target-Year Lifecycle 2055 Fund	Large Cap 49.10%	MTA Large Cap Equity Index Fund 49.10%
	Small - Mid Cap 7.30%	MTA Small-Mid Cap Equity Fund 7.30%
	Intl Equity 32.60%	MTA International Equity Fund 32.60%
	Fixed Income 7.80%	MTA Bond Fund 7.80%
	Real Asset 3.20%	MTA Real Asset Fund 3.20%
MTA Target-Year Lifecycle 2060 Fund	Large Cap 49.40%	MTA Large Cap Equity Index Fund 49.40%
	Small - Mid Cap 7.30%	MTA Small-Mid Cap Equity Fund 7.30%
	Intl Equity 33.30%	MTA International Equity Fund 33.30%
	Fixed Income 7.00%	MTA Bond Fund 7.00%
	Real Asset 3.00%	MTA Real Asset Fund 3.00%

Fund Name	Asset Class	Portfolio Allocations
MTA Target-Year Lifecycle 2065 Fund	Large Cap 49.40%	MTA Large Cap Equity Index Fund 49.40%
	Small - Mid Cap 7.30%	MTA Small-Mid Cap Equity Fund 7.30%
	Intl Equity 33.30%	MTA International Equity Fund 33.30%
	Fixed Income 7.00%	MTA Bond Fund 7.00%
	Real Asset 3.00%	MTA Real Asset Fund 3.00%
MTA Income Fund	Large Cap 16.90%	MTA Large Cap Equity Index Fund 16.90%
	Small - Mid Cap 2.50%	MTA Small-Mid Cap Equity Fund 2.50%
	Intl Equity 9.60%	MTA International Equity Fund 9.60%
	Fixed Income 16.00%	MTA Bond Fund 16.00%
	Real Asset 7.00%	MTA Real Asset Fund 7.00%
	Stable Value 48.00%	MTA Stable Value Fund 48.00%

In addition to the eleven Target-Year lifecycle funds, the Plans offer a spectrum of investment options that include two international funds, four small-mid company stock funds, two large company stock funds, three bond funds, and the Stable Value Income Fund ("Fixed Investment Option").



The investment objective for each of the funds is described below. Additional information on each investment option, including a Fund Fact Sheet is available on the Plans' website at empower-retirement.com.

<u>**International Equity Funds**</u>

MTA International Equity Index Fund (Non-US Equity)—The fund invests wholly in State Street Global Advisors ("SSgA") Global All Cap Equity ex U.S. Index Fund—Class K (the Collective Investment Trust C.I.T.). The C.I.T. Fund seeks to match as closely as possible, before expenses, the performance of the MSCI ACWI ex-USA IMI Index over the long term.

MTA International Equity Fund (International Stock-Blend)—The Portfolio is managed by two complementary, but independent managers. The balances in the investments are rebalanced regularly to maintain the 50%/50% split. By employing two managers, this portfolio offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **William Blair International Growth Fund (International Stock-Growth)**—The fund seeks to provide long-term growth of capital. The fund invests in a diversified portfolio of equity securities, including common stocks and other forms of equity investments (e.g., securities convertible into common stocks), issued by companies of all sizes domiciled outside the U.S. that William Blair believes have above-average growth, profitability and quality characteristics. William Blair will vary sector and geographic diversification for the fund based upon its ongoing evaluation of economic, market and political trends throughout the world. The fund seeks to provide long-term growth of capital.

2. **Boston Partners International Value Equity (International Stock-Value)**—The Collective Investment Trust Fund is advised by Boston Partners. The objective of the portfolio is to provide long-term capital growth that utilizes bottom-up fundamental analysis in conjunction with a screening process across global equities to construct a portfolio of non-U.S. stocks.

<u>Small-Mid Cap Equity Fund</u>

MTA Small-Mid Cap Equity Index Fund (Mid Cap Stock-Blend)—The Fund invests wholly in the underlying collective investment trust SSgA Russell Small/Mid Cap Non-Lending Series- Class K (the "C.I.T."). The underlying collective investment trust seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Russell Small Cap Completeness Index over the long term.

MTA Small-Mid Cap Equity Fund (Mid Cap Stock-Blend)—The Fund is managed by four complementary, but independent managers. By employing four managers, this fund offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **The William Blair Small-Mid Cap Growth Fund** (Small Growth)—is sub-advised by William Blair Investment Management, LLC. The strategy seeks capital appreciation to outperform its benchmark, the Russell 2500 Growth Index, and its peers over a full market cycle. The strategy is a diversified portfolio of 65-80 holdings, investing in common stocks of small and mid-cap quality companies that are expected to have solid growth in earnings.

2. **The DFA US Targeted Value I** (Small Value)—the fund is advised by Dimensional Fund Advisors LP. The investment seeks long-term capital appreciation. The fund, using a market capitalization weighted approach, purchases a broad and diverse group of the readily marketable securities of U.S. small and midcap companies that the Advisor determines to be value stocks. It may purchase or sell futures contracts and options on futures contracts for U.S. equity securities and indices, to adjust market exposure based on actual or expected cash inflows to or outflows from the fund. The fund does not intend to sell futures contracts to establish short positions in individual securities or to use derivatives for purposes of speculation or leveraging investment returns.

3. **AllianceBernstein US SMID Cap Value Equity Fund** (Small Value)—the fund is managed by AllianceBernstein. It seeks a deep-value service that invests in a portfolio of small and mid-capitalization stocks located primarily in the United States. Macroeconomic, industry or company-specific concerns often cause investors to react emotionally and overlook underlying company fundamentals, causing securities to become mispriced. The investment strategy seeks to capitalize these short-term market inefficiencies created by enduring patterns of human behavior. The investment team employs a highly disciplined stock selection process that marries in-depth fundamental research with quantitative analysis to identify companies that are undervalued relative to their long-term earnings power and offer compelling return potential.

4. **Westfield Small/Mid Cap Growth Equity** (Small Growth)—employs a growth at a reasonable price (GARP) investment style favoring investments in companies with underappreciated earnings growth trading at reasonable valuations based on the belief that stock prices ultimately follow earnings growth, and fundamental research best identifies inefficiencies and investment opportunities. MTA Deferred Compensation Committee is solely responsible for: (1) the selection of the Fund and its underlying funds (including the selection of the asset allocation percentages for each underlying fund); (2) decisions to allocate plan assets to the Fund; and (3) the selection, monitoring and replacement of the Fund and its underlying funds, and if applicable, the Fund's investment advisors.

<u>Large-Cap Equity Funds</u>

MTA Large Cap Equity Index Fund (Large Cap Stock-Blend)—The Fund invests wholly in the Vanguard Institutional Index Fund, Institutional Plus shares. The investment seeks to track the performance of a benchmark index that measures the investment return of large capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

MTA Large Cap Equity Fund (Large Cap Stock-Blend)—The portfolio is managed by two complementary, but independent managers. The balances in the investments are rebalanced regularly to maintain the 50%/50% split. By employing two managers, this portfolio offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **T. Rowe Price US Large Cap Value Equity Fund** (Large Cap Stock-Value)—The Fund is advised by T. Rowe Price Associates, Inc. and seeks to provide long-term capital appreciation by investing in common stocks believed to be undervalued. Income is a secondary objective.

2. **Jennison Large Cap Growth Fund** (Large Cap Stock-Growth)—The Fund is sub-advised by Jennison Associates LLC, following its Large Cap Growth Equity investment strategy. It seeks to outperform, over the long term, both the Russell 1000 Growth and S&P 500 Indexes and to be the best performing manager among its peers, with a consistent risk profile.

Bond Funds

MTA Bond Index Fund (Fixed Income-Domestic)—The Fund invests wholly in the SSgA US Bond Index Non-Lending—Class C (the Collective Investment Trust or C.I.T.). The Fund seeks an investment return that approximates, as closely as practicable, before expenses, the performance of the Blomberg Barclays U.S. Aggregate Bond Index over the long term.

MTA Bond Fund (Fixed Income-Domestic)—The portfolio is managed by three complementary, but independent managers. The balances in the investments are rebalanced regularly to maintain the 34%/33%/33% split. By employing three managers, this fund offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **TCW Core Plus Fund** (Fixed Income-Domestic)—This separate account is sub-advised by Metropolitan West Asset Management, LLC. The Fund seeks to outperform the broad bond market by applying specialized management expertise to and allocating capital among US government, corporate, high yield and mortgage-backed sectors. In addition, exposure to international and emerging markets fixed income assets are opportunistically incorporated into portfolio positioning. The strategy seeks to outperform the Bloomberg Barclays Aggregate Bond Index.

2. **Loomis Sayles Core Plus Fixed Income Trust** (Fixed Income)—The Trust seeks high total investment return through a combination of current income and capital appreciation and to outperform its benchmark, the Bloomberg Barclays US Aggregate Bond Index denominated in US dollars. This index is used for comparative purposes only and is not intended to parallel the risk or investment style of the fund.

3. **WTC CIF II World Bond Portfolio** (Fixed Income)—The Collective Investment Trust Fund is sub-advised by Wellington Management Company, LLP. The portfolio seeks to generate consistent total returns over a full market cycle. The investment process is designed to allocate capital to high quality sovereign countries while simultaneously identifying opportunistic investment ideas across a wide range of diversified fixed income strategies, and to transparently manage portfolio risk.

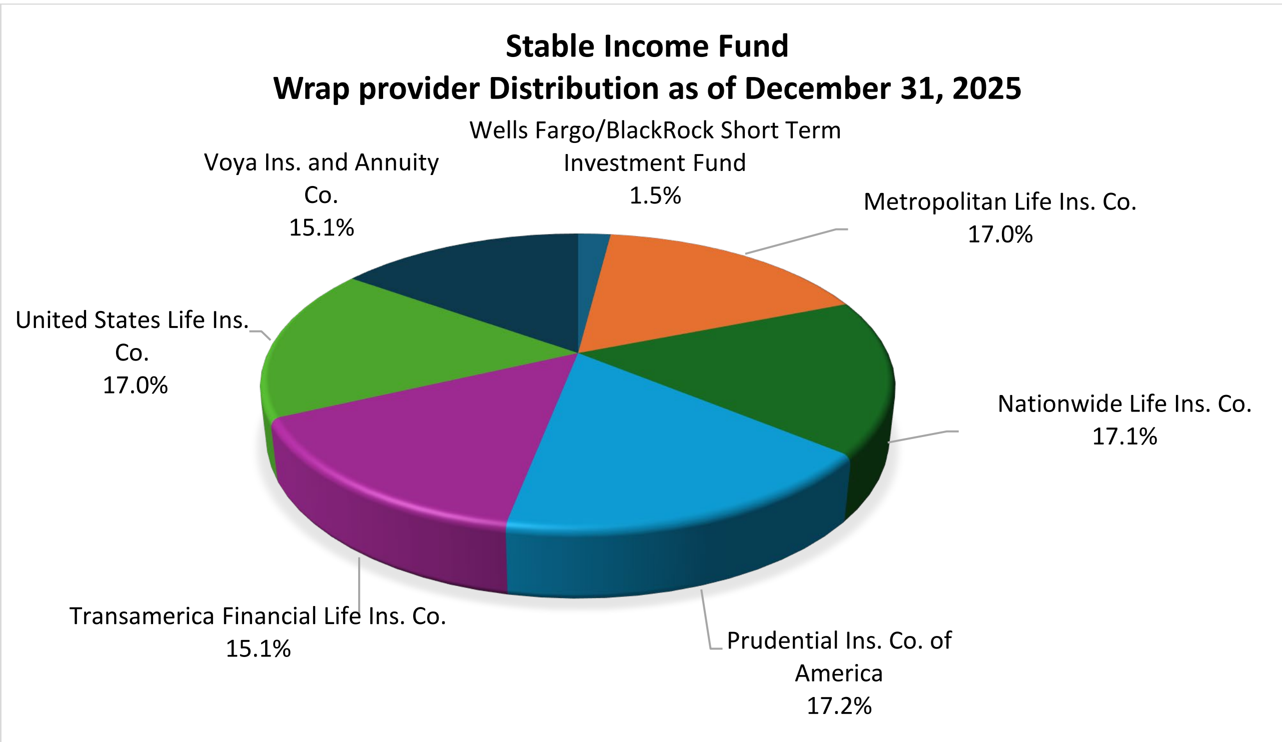
Stable Value Option

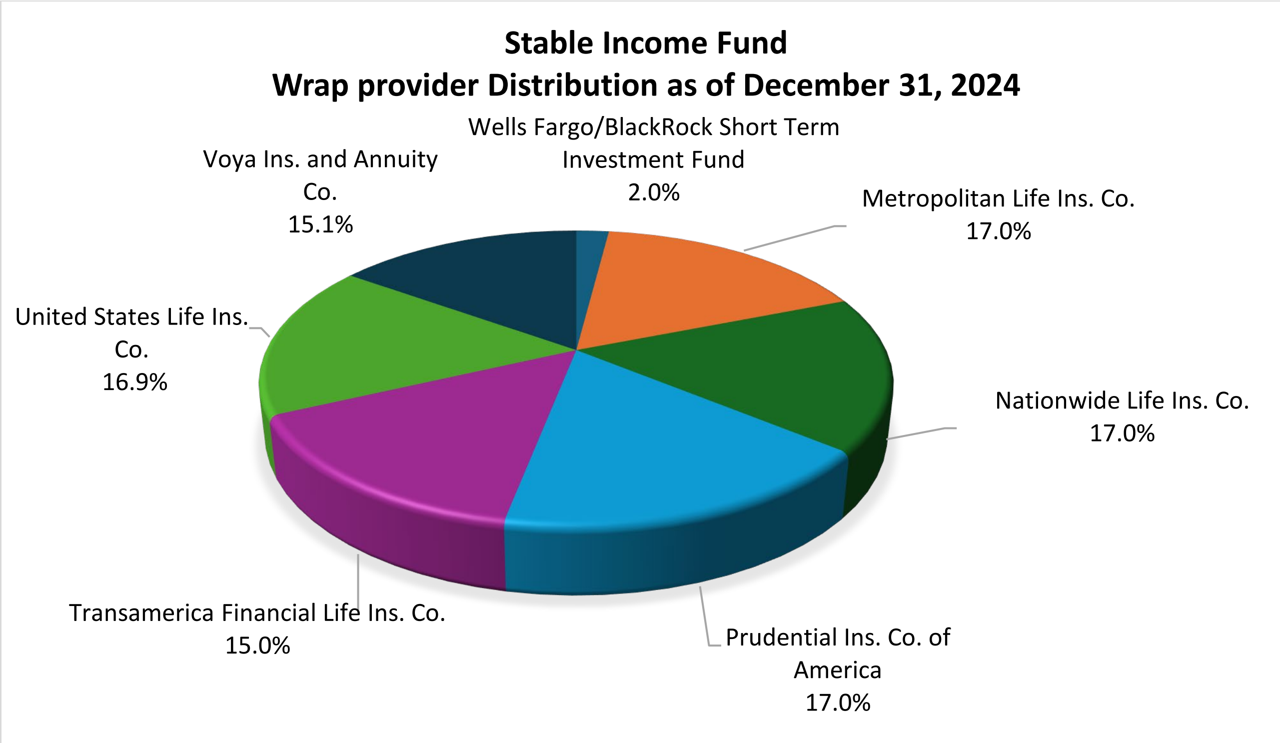
MTA Stable Value Fund (Stable Value)—The fund seeks to provide safety of principal and a stable credited rate of interest, while generating competitive returns over time compared to other comparable investments. The fund is managed by Galliard Capital Management and is primarily comprised of investment contracts issued by financial institutions and other eligible stable value investments. All contract issuers and securities utilized in the portfolio are rated investment grade by one of the Nationally Recognized Statistical Rating Organizations at time of purchase. The types of investment contracts in which the Fund may invest include Separate Account Guaranteed Investment Contracts (“GICs”) and Security Backed Investment Contracts. These types of investment contracts seek to provide participants with safety of principal and accrued interest as well as a stable crediting rate.

Separate Account GICs are GICs issued by and insurance company and are maintained within a separate account. Separate Account GICs are typically backed by segregated portfolios of fixed income securities.

Security Backed Investment Contracts are comprised of two components: 1) investment contracts issued by a financial institution and 2) underlying portfolios of fixed income securities (i.e., bonds) whose market prices fluctuate. The investment contract is designed to allow participants to transact at book value (principal plus accrued interest) without reference to the price fluctuations of the underlying fixed income securities.

The following chart shows the underlying investments of the MTA Stable Value Fund as of December 31, 2025 and 2024.





*The Wells Fargo Stable Return Fund W and Wells Fargo/BlackRock STIF are not a part of the wrapped portfolio.

The MTA Plans' investment options performance is outlined in the following tables. The Plans, with the assistance of its independent investment consultant, continuously monitors the investment options in conformance with the investment policy for the Plans. Below each Fund listed below is the benchmark used to compare the investment results.

Performance Summary

Year Ended December 31, 2025

	3 Months	1 Year	3 Years	5 Years	7 Years
Stable Value:					
MTA Stable Value	0.9 %	3.5 %	3.2 %	2.6 %	2.6 %
Galliard 3YrCMT+50bps	1.0	4.3	4.6	3.7	3.1
Fixed Income:					
State Street U.S. Bond Index Fund	1.0	7.2	4.7	(0.4)	2.0
Blmbg. U.S. Aggregate Index	1.1	7.3	4.7	(0.4)	2.0
Loomis Sayles Core Plus Bond Fund	1.0	8.5	5.3	0.2	3.0
Blmbg. U.S. Aggregate Index	1.1	7.3	4.7	(0.4)	2.0
TCW MetWest Core Plus Fixed Income	1.2	8.1	4.9	(0.4)	2.3
Blmbg. U.S. Aggregate Index	1.1	7.3	4.7	(0.4)	2.0
Wellington World Bond Fund	0.1	5.3	4.7	1.9	2.3
FTSE World Government Bond Index	0.1	7.5	3.2	(3.5)	(0.4)
Domestic Equity:					
Vanguard Institutional 500 Index Trust	2.6	17.9	23.0	14.4	17.3
S&P 500 Index	2.7	17.9	23.0	14.4	17.3
T. Rowe Price Large Cap Value Fund (Empower Separate Account)	4.2	12.0	11.2	10.6	11.8
Russell 1000 Value Index	3.8	15.9	13.9	11.3	12.1
Jennison Large Cap Growth (Empower Separate Account)	1.3	15.7	32.5	10.5	19.5
Russell 1000 Growth Index	1.1	18.6	31.2	15.3	21.3
State Street Small/Mid Cap Index Fund	0.4	12.7	18.0	6.7	13.0
Russell Small Cap Completeness Index	0.4	12.7	18.1	6.7	13.0
AB US SMID Cap Value Equity (Separate Account)	0.9	3.1	10.0	8.9	9.8
Russell 2500 Value Index	3.1	12.7	13.2	10.0	11.1
DFA US Targeted Value Fund (MTA)	2.9	9.5	12.6	13.6	13.2
Russell 2500 Value Index	3.1	12.7	13.2	10.0	11.1
William Blair SMID Growth (Separate Account)	1.9	1.0	10.2	2.5	10.3
Russell 2500 Growth Index	0.3	10.3	14.3	3.0	11.6
International Equity:					
State Street MSCI ACWI ex-U.S. IMI Index Fund	4.8	32.7	17.3	8.0	10.3
MSCI AC Wld ex US IMI (Net)	4.8	32.0	17.1	7.8	10.1
William Blair Institutional International Growth All Cap (Separate Account)	2.1	19.3	12.7	2.8	10.1
MSCI AC Wld Index ex USA.IMI Growth (Net)	2.4	25.7	14.5	4.0	9.6
Boston Partners International Value	5.1	40.6	NA	NA	NA
MSCI AC Wld ex USA Value (Net)	7.6	39.5	20.2	11.9	10.5
Diversified Inflation:					
State Street Real Asset Fund	3.5	19.8	8.1	9.5	9.2
State Street Custom Real Asset Index	3.5	19.8	8.1	9.6	9.1
Lifecycle:					
MTA Income	1.6	10.4	7.9	5.1	6.3
MTA Income Composite Index	1.9	10.9	9.0	5.9	6.5
MTA 2020	1.7	10.9	8.5	5.2	7.2
MTA 2020 Composite Index	1.9	11.4	9.5	5.9	7.2
MTA 2025	1.8	12.4	10.2	5.9	8.3
MTA 2025 Composite Index	2.1	12.9	11.0	6.5	8.2
MTA 2030	2.1	14.5	12.3	6.7	9.5
MTA 2030 Composite Index	2.4	15.1	12.9	7.3	9.4
MTA 2035	2.3	16.4	14.2	7.6	10.7
MTA 2035 Composite Index	2.7	17.2	14.7	8.2	10.6
MTA 2040	2.5	18.0	15.5	8.0	11.3
MTA 2040 Composite Index	2.9	18.9	16.0	8.8	11.2
MTA 2045	2.6	19.0	16.2	8.3	11.7
MTA 2045 Composite Index	3.1	20.0	16.7	9.2	11.6
MTA 2050	2.7	19.5	16.7	8.6	11.9
MTA 2050 Composite Index	3.2	20.7	17.3	9.6	12.0
MTA 2055	2.8	19.8	17.0	8.7	12.0
MTA 2055 Composite Index	3.3	21.0	17.6	9.7	12.1
MTA 2060	2.8	19.9	17.0	8.7	12.0
MTA 2060 Composite Index	3.3	21.2	17.6	9.7	12.1
MTA 2065	2.8	19.9	17.0	8.7	12.0
MTA 2065 Composite Index	3.3	21.2	17.6	9.7	12.1

Performance Summary

Year Ended December 31, 2024

	3 Months	1 Year	3 Years	5 Years	7 Years
Stable Value:					
MTA Stable Value	0.9 %	3.3 %	2.6 %	2.4 %	2.4 %
Galliard 3YrCMT+50bps	1.0	4.8	4.4	3.0	2.9
Fixed Income:					
SSgA U.S. Bond Index Fund	(3.0)	1.3	(2.4)	(0.3)	1.0
Blmbg. U.S. Aggregate	(3.1)	1.3	(2.4)	(0.3)	1.0
Loomis Sayles Core Plus Bond Fund	(3.5)	1.2	(2.1)	0.7	1.7
Blmbg. U.S. Aggregate	(3.1)	1.3	(2.4)	(0.3)	1.0
TCW MetWest Core Plus Fixed Income	(3.7)	0.9	(2.9)	0.0	1.3
Blmbg. U.S. Aggregate	(3.1)	1.3	(2.4)	(0.3)	1.0
Wellington World Bond Fund	(0.5)	4.1	1.7	1.2	1.9
FTSE World Government Bond	(5.4)	(2.9)	(5.8)	(3.1)	(1.5)
Domestic Equity:					
Vanguard Institutional 500 Index Trust	2.4	25.0	8.9	14.5	13.8
S&P 500	2.4	25.0	8.9	14.5	13.8
T. Rowe Price Large Cap Value Fund (Empower Separate Account)	(3.3)	11.6	5.4	8.9	8.5
Russell 1000 Value Index	(2.0)	14.4	5.6	8.7	8.4
Jennison Large Cap Growth (Empower Separate Account)	6.5	31.4	7.2	17.7	16.8
Russell 1000 Growth Index	7.1	33.4	10.5	19.0	18.1
SSgA Small/Mid Cap Index Fund	4.2	17.1	2.9	10.2	9.5
Russell Small Cap Completeness Index	4.3	17.1	2.9	10.3	9.6
AB US SMID Cap Value Equity (Separate Account)	(0.3)	10.2	3.0	9.1	6.8
Russell 2500 Value Index	(0.3)	11.0	3.8	8.4	7.2
DFA US Targeted Value Fund (MTA)	1.0	9.3	7.6	12.4	9.0
Russell 2500 Value Index	(0.3)	11.0	3.8	8.4	7.2
William Blair SMID Growth (Separate Account)	1.2	12.0	0.9	8.4	9.9
Russell 2500 Growth Index	2.4	13.9	0.0	8.1	8.8
International Equity:					
SSgA MSCI ACWI ex-U.S. IMI Index Fund	(7.7)	5.0	0.6	4.2	3.6
MSCI AC Wld ex US IMI (Net)	(7.6)	5.2	0.5	4.1	3.5
William Blair Institutional International Growth All Cap (Separate Account)	(6.4)	3.4	(5.1)	4.6	4.5
MSCI AC Wld Index ex USA.IMI Growth (Net)	(7.8)	4.8	(2.9)	3.5	3.6
Boston Partners International Value	(11.4)	NA	NA	NA	NA
MSCI AC Wld ex USA Value (Net)	(7.3)	6.0	4.4	4.5	3.1
Diversified Inflation:					
SSgA Real Asset Fund	(4.3)	4.4	2.8	6.3	5.3
State Street Custom Real Asset Index	(4.3)	4.4	2.9	6.2	5.2
Lifecycle:					
MTA Income	(1.0)	5.7	2.7	4.7	4.5
MTA Income Composite Index	(0.6)	7.3	4.0	5.0	4.7
MTA 2020	(1.1)	6.0	2.3	5.2	5.0
MTA 2020 Composite Index	(0.7)	7.7	3.4	5.2	5.0
MTA 2025	(1.4)	7.1	2.4	5.9	5.7
MTA 2025 Composite Index	(1.0)	8.7	3.3	5.7	5.5
MTA 2030	(1.7)	8.4	2.4	6.6	6.4
MTA 2030 Composite Index	(1.3)	9.9	3.3	6.5	6.2
MTA 2035	(2.1)	9.6	2.6	7.4	7.0
MTA 2035 Composite Index	(1.6)	11.2	3.4	7.2	6.8
MTA 2040	(2.3)	10.3	2.6	7.8	7.3
MTA 2040 Composite Index	(1.9)	12.1	3.5	7.6	7.1
MTA 2045	(2.5)	10.6	2.6	8.0	7.4
MTA 2045 Composite Index	(2.0)	12.5	3.7	7.9	7.2
MTA 2050	(2.5)	10.9	2.7	8.2	7.6
MTA 2050 Composite Index	(2.0)	12.9	3.9	8.2	7.4
MTA 2055	(2.5)	11.1	2.8	8.2	7.6
MTA 2055 Composite Index	(2.0)	13.2	4.0	8.2	7.5
MTA 2060	(2.5)	11.0	2.8	8.2	7.6
MTA 2060 Composite Index	(1.9)	13.2	4.0	8.2	7.5
MTA 2065	(2.5)	11.0	2.8	8.2	7.6
MTA 2065 Composite Index	(1.9)	13.2	4.0	8.2	7.5

At December 31, 2025, the investment option holding the largest portion of participants' funds in both the 457 and 401(k) Plans was the Target Year Lifecycle Funds with 36.53% and 40.56% of invested funds, respectively. This was followed by the large-Cap Equity Funds with 28.30% and 27.21% of invested 457 and 401(k) funds, respectively.

The table below summarizes the Plans' investments by category at December 31, 2025 and 2024:

2025
FUND INVESTMENT SUMMARY

	457		401(k)	
Investment at Fair, Contract and NAV Values	**Allocation ($)**	**Percentage (%)**	**Allocation ($)**	**Percentage (%)**
Target-Year Lifecycle Funds	$ 1,762,897,540	36.54 %	$ 2,740,674,436	40.57 %
International Equity Funds	167,824,811	3.48	212,821,819	3.15
Small-Mid Cap Equity Funds	435,642,290	9.03	554,495,554	8.21
Large-Cap Equity Funds	1,365,576,303	28.30	1,838,418,765	27.21
Bond Funds	87,263,908	1.81	130,207,992	1.93
Stable Income Fund	992,639,237	20.57	1,261,897,133	18.68
Real Asset Fund	2,827,845	0.06	2,837,251	0.04
Self-Directed Investment Option	9,982,141	0.21	14,031,083	0.21
Total Investments	$ 4,824,654,075	100.00 %	$ 6,755,384,033	100.00 %

At December 31, 2024, the investment option holding the largest portion of participants' funds in both the 457 and 401(k) Plans was the Target Year Lifecycle Funds with 34.16% and 38.21% of invested funds, respectively. This was followed by the large-Cap Equity Funds with 27.74% and 26.95% of invested 457 and 401(k) funds, respectively.

The table below summarizes the Plans' investments by category at December 31, 2024 and 2023:

2024
FUND INVESTMENT SUMMARY

	457		401(k)	
Investment at Fair, Contract and NAV Values	**Allocation ($)**	**Percentage (%)**	**Allocation ($)**	**Percentage (%)**
Target-Year Lifecycle Funds	$ 1,484,320,457	34.16 %	$ 2,304,245,590	38.21 %
International Equity Funds	124,570,016	2.87	158,229,489	2.62
Small-Mid Cap Equity Funds	426,944,002	9.82	540,176,998	8.96
Large-Cap Equity Funds	1,205,362,139	27.74	1,625,647,652	26.95
Bond Funds	82,407,265	1.90	120,376,466	2.00
Stable Income Fund	1,014,108,429	23.34	1,271,065,870	21.07
Self-Directed Investment Option	7,866,844	0.18	11,425,184	0.19
Total Investments	$ 4,345,579,152	100.00 %	$ 6,031,167,249	100.00 %

Economic Factors

Market Overview 2025

In 2025, global markets navigated elevated volatility and evolving policy expectations. Geopolitical tensions and tariff disruptions periodically challenged investor sentiment. However, a shift toward monetary easing, complemented by supportive fiscal measures, such as the "Big Beautiful Bill", reinforced risk appetite. Against this backdrop global equities delivered solid returns, international markets outperformed the United States, and precious metals emerged as standout performers.

United States ("U.S.") equities started the year strong but experienced a sharp drawdown following the April 2 tariff announcement, dubbed "Liberation Day". Markets later recovered as negotiations and temporary pauses reduced fears of prolonged trade tensions. The U.S. dollar weakened over the year, reflecting an extended Federal Reserve easing cycle and narrowing interest-rate differentials relative to other developed economies. This weaker dollar supported international equities and commodities, while periods of geopolitical stress provided only brief upward support for the dollar.

European equity markets outperformed most developed market peers, with several indices posting their best annual returns since the early 2000s. Attractive valuations, foreign inflows, currency effects, and relatively stable economic conditions underpinned performance. Across Asia and emerging markets, results were mixed. Policy stimulus in China and semiconductor-driven earnings growth in Taiwan supported returns, while trade uncertainty and uneven global growth created regional dispersion.

U.S. fixed income benefited from multiple Federal Reserve rate cuts aimed at stabilizing inflation and sustaining growth. Broader bond indices delivered positive returns as interest-rate volatility dampened and yields remained attractive. Yield curves steepened as markets anticipated additional easing. European central banks also had an easing policy, supporting rallies in sovereign debt and investment-grade credit. Emerging market debt performed well in both hard and local currencies.

Commodity performance was mixed. Gold and silver posted notable gains as safe-haven assets amid geopolitical uncertainty. Industrial metals rallied early in the year before moderating, while energy prices remained volatile as supply concerns competed with softer demand expectations.

U.S. Fiscal policy provided meaningful support to the markets through targeted measures, including infrastructure spending, tax incentives, and industrial policy initiatives. These measures acted as a late-cycle tailwind, supporting corporate investment, reinforcing labor market stability, and boosting business sentiment during periods of market stress.

Key Macro Themes of 2025

- A renewed global monetary easing cycle supporting risk assets
- Tariff volatility and trade policy uncertainty driving market stress
- Fiscal stimulus supporting corporate investment and economic activity
- U.S. dollar weakness reshaping global capital flows
- Strong performance in precious metals amid geopolitical risk
- Continued long-term optimism surrounding AI and structural growth trends

United States

U.S. economic growth slowed but remained resilient. Real Gross Domestic Product rose 2.4% in 2025, down from 2.8% in 2024. Fourth-quarter growth fell short of expectations, partly due to an extended government shutdown. Unemployment increased modestly to 4.4% from 4.1% but remained historically low. Inflation continued to ease, with Consumer Price Index ending the year at 2.7% versus 2.9% in 2024, while core inflation declined to 2.6% in 2025 from 3.2% in 2024.

U.S. equities delivered broad gains. Large-cap indices posted double-digit returns (S&P 500: 17.9%, Russell 1000: 17.4%), while mid-caps (S&P 400: 7.5%) and small-caps (Russell 2000: 12.8%) lagged. Growth stocks (Russell 1000 Growth: 18.6%) outperformed value stocks (Russell 1000 Value: 15.9%), and market concentration remained elevated, with the "Magnificent 7" continuing to drive a substantial share of index performance.

Treasury yields were volatile but trended lower as the Federal Reserve implemented three 25 basis point rate cuts. Diversified fixed income (Bloomberg U.S. Aggregate: 7.3%) delivered solid returns, led by convertibles (Bloomberg U.S. Convertibles Index: 16.9%), mortgage-backed securities (Bloomberg MBS Index: 8.6%), high yield bonds (Bloomberg High Yield Index: 8.6%), and Treasury Inflation-Protected Securities (Bloomberg TIPS Index: 7.0%).

International Developed Markets

U.S. dollar weakness provided meaningful support to international equities. International developed markets (MSCI EAFE: 31.2%) significantly outperformed U.S. large caps. Europe (MSCI Europe: 35.4%) and the United Kingdom (MSCI United Kingdom: 35.1%) led performance, while Japan (MSCI Japan: 24.6%) also delivered strong gains. International developed small caps (MSCI EAFE Small Cap: 31.8%) posted similarly robust returns.

Emerging Markets

Emerging market equities also benefited from the U.S. dollar weakness and capital inflows. The broad emerging markets index (MSCI EM: 33.6%) outperformed U.S. equities and matched developed international equity returns, while emerging market small caps (MSCI EM Small Cap: 18.6%) lagged relative to other international indices.

Emerging Markets fixed income performed well. Hard-currency bonds, which are denominated in U.S. dollars, (JPMorgan EMBI Global Diversified: 14.3%) delivered solid returns but trailed the returns of bonds denominated in local-currencies (JPMorgan GBI-EM Global Diversified: 19.3%).

Commodities

Overall commodity returns (Bloomberg Commodity Index: 15.8%) were strong. However, when broken down by sectors, there was mixed performance. Gold (Gold Spot: 64.7%) and silver (Silver Spot: 148.0%), posted very strong gains as safe-haven assets. Energy markets were weaker, with oil (WTI Spot Crude Oil: -20.8%) declining as demand concerns offset supply risks.

<u>Market Outlook—2026</u>

The first quarter of 2026 saw equity markets trend modestly lower, with losses generally contained to single digits, marking a shift from the broadly positive returns across most asset classes in 2025. Value equities continued to outperform growth, extending the rotation that developed late last year as higher interest rates and more tempered earnings expectations weighed on growth-oriented sectors. Market volatility increased compared to last year, driven by slowing economic momentum, policy uncertainty, and geopolitical risks.

Fixed income markets generated modest positive returns amid continued uncertainty around the path of future interest rates. Mixed economic data and persistent inflation have pushed expectations for rate cuts toward later in the year. International equities remained a relatively bright spot, building on the strong performance in 2025, supported by accommodative policy in Europe and improving conditions in emerging markets.

A key development in 2026 has been the escalation of geopolitical risk, most notably the outbreak of conflict involving the U.S. and Iran in late February. This has contributed to increased market volatility, upward pressure on energy prices, and added uncertainty to the global growth and inflation outlook. Overall, compared to the resilient and optimistic backdrop of 2025, markets in 2026 are exhibiting greater uncertainty and less directional clarity.

Contact Information

This financial report is designed to provide a general overview of the Metropolitan Transportation Authority Deferred Compensation Program's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Deferred Compensation Department, Metropolitan Transportation Authority, 2 Broadway 10th Floor, New York, NY 10004.

* * * * * *

METROPOLITAN TRANSPORTATION AUTHORITY
DEFERRED COMPENSATION PROGRAM

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2025 AND 2024
($ in thousands)

	2025		2024	
	457	**401(k)**	**457**	**401(k)**
ASSETS:				
Investments measured at fair value level	$ 100,643	$ 148,085	$ 116,939	$ 171,827
Investments at contract value	1,306,226	1,741,561	1,280,537	1,676,630
Investments at fair value—net asset value	3,417,785	4,865,738	2,948,103	4,182,710
Total investments	4,824,654	6,755,384	4,345,579	6,031,167
OTHER PLAN ASSETS:				
Participant loans receivable	103,930	226,399	99,539	211,252
Other assets	950	2,160	-	-
Total other plan assets	104,880	228,559	99,539	211,252
Total assets	4,929,534	6,983,943	4,445,118	6,242,419
LIABILITIES—Administrative expense reimbursement	579	1,475	603	1,668
Total liabilities	579	1,475	603	1,668
TOTAL NET POSITION RESTRICTED FOR BENEFITS	$ 4,928,955	$ 6,982,468	$ 4,444,515	$ 6,240,751

See notes to financial statements.

METROPOLITAN TRANSPORTATION AUTHORITY
DEFERRED COMPENSATION PROGRAM

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
($ in thousands)

	2025		2024	
	457	**401(k)**	**457**	**401(k)**
ADDITIONS:				
Investment income—net appreciation in fair valve of investments	$ 553,056	$ 782,011	$ 436,509	$ 608,188
Total investment income	553,056	782,011	436,509	608,188
Contributions:				
Employee contributions—net	261,723	366,482	244,169	345,388
Participant rollovers	9,375	24,186	12,988	27,628
Employer contributions	-	3,825	-	3,861
Loan repayments	45,291	98,120	38,975	87,713
Distributed loans	-	-	2,189	3,050
Total contributions	316,389	492,613	298,321	467,640
Other additions—loan repayments—interest	7,236	15,661	6,237	13,403
Total additions	876,681	1,290,285	741,067	1,089,231
DEDUCTIONS:				
Distribution to participants	-	-	174,316	211,060
Distribution to participants and transfers to other plans	344,786	444,130	-	-
Transfers to other plans	-	-	155,359	286,616
New loans issued	45,093	101,243	-	-
Net loan initiations/repayments	-	-	-	(54)
Loan defaults/offsets	-	-	110	130
Loan principal transfers out	-	-	-	-
Loan fees transfers to other plans	-	-	20	44
Other deductions	1,783	1,720	764	455
Administrative expense	579	1,475	603	1,668
Total deductions	392,241	548,568	331,172	499,919
Net increase in net position	484,440	741,717	409,895	589,312
TOTAL NET POSITION RESTRICTED FOR BENEFITS				
Beginning of year	4,444,515	6,240,751	4,034,620	5,651,439
End of year	$ 4,928,955	$ 6,982,468	$ 4,444,515	$ 6,240,751

See notes to financial statements.

METROPOLITAN TRANSPORTATION AUTHORITY DEFERRED COMPENSATION PROGRAM

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024
($ in Thousands)

1. PLANS BACKGROUND AND DESCRIPTION

Description—The Deferred Compensation Program consists of two defined contribution plans that provide benefits based solely on the amounts contributed to each participant's account(s), plus or minus any income, expenses and gains/losses. The Deferred Compensation Program is comprised of the Deferred Compensation Plan For Employees of the Metropolitan Transportation Authority ("MTA"), its Subsidiaries and Affiliates ("457 Plan") and the Thrift Plan For Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates ("401(k) Plan"). Certain MTA Related Groups employees are eligible to participate in both deferred compensation plans. Both Plans are designed to have participant charges, including investment and other fees, cover the costs of administering the Deferred Compensation Program.

In 1984, the MTA established the 457 Plan to provide benefits competitive with private industry. Only managerial employees were permitted to participate in the Plan and investment options were limited to five funds: a Guaranteed Interest Fund, a Common Stock Fund, a Money Market Fund, a Managed Fund, and a Stock Index Fund. Pursuant to Internal Revenue Code ("Code") Section 457, the MTA has established a trust or custodial account to hold plan assets for the exclusive benefit of the participants and their beneficiaries. Participation in the 457 Plan is now available to non-represented employees and, after collective bargaining, most represented employees. All amounts of compensation deferred under the 457 Plan, and all income attributable to such compensation, less expenses and fees, are held in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 457 Plan is not reflected on the MTA's consolidated statements of net position.

In 1985, the MTA Board adopted the 401(k) Plan, a tax-qualified plan under section 401(k) of the Code. The 401(k) Plan remained dormant until 1988 when an IRS ruling "grandfathered" the plan under the Tax Reform Act of 1986. Participation in the 401(k) Plan is now available to non-represented employees and, after collective bargaining, most represented employees. All amounts of compensation deferred under the 401(k) Plan, and all income attributable to such compensation, less expenses and fees, are held in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 401(k) Plan is not reflected in the MTA consolidated statements of net position. The 401(k) Plan received a favorable determination letter from the Internal Revenue Service dated October 27, 2016.

As the Deferred Compensation Program's asset base and contribution flow increased, participants' investment options were expanded by the Deferred Compensation Committee with the advice of its Financial Advisor to provide greater diversification and flexibility. In 1988, after receiving an IRS determination letter for the 401(k) Plan, the MTA offered its managers the choice of either participating in the 457 Plan or the 401(k) Plan. By 1993, the MTA offered eight investment funds: a Guaranteed Interest Account Fund, a Money Market Fund, a Common Stock Fund, a Managed Fund, a Stock Index Fund, a Government Income Fund, an International Fund and a Growth Fund.

In 1998, the Deferred Compensation Committee approved the unbundling of the Plans. In 2008, the Plans' investment choices were re-structured to set up a four-tier strategy:

- **Tier 1**—The MTA Asset Allocation Program provides the MTA Target Year Funds for those participants who would like to make retirement investing easy. Investments are diversified among a range of investment options based on the target year, which is the year the money is intended to be needed for retirement income. The mix of investments becomes more conservative as the target year approaches by lessening stock exposure and increasing exposure in fixed-income type investments.

- **Tier 2**—The MTA Index Funds offer a tier of index funds, which invest in the securities of companies that are included in a selected index, such as the Standard & Poor's 500 (large cap) Index or Barclays Capital U.S. Aggregate (bond) index. The typical objective of an index fund is to achieve approximately the same return as that specific market index. Index funds provide investors with lower-cost investments because they are less expensive to administer than actively managed funds.

- **Tier 3**—The MTA Actively Managed Portfolios, which are comprised of actively managed portfolios that are directed by one or a team of professional managers who buy and sell a variety of holdings in an effort to outperform selected indices. The funds provide a diversified array of distinct asset classes, with a single option in each class. They combine the value and growth disciplines to create a 'core' portfolio for the mid-cap and international categories.

- **Tier 4**—Self-Directed Mutual Fund Option is designed for the more experienced investors. Offers access to an expanded universe of mutual funds from hundreds of well-known mutual fund families. Participants may invest only a portion of their account balances in this Tier.

The two Plans offer the same array of investment options. Eligible participants in the Deferred Compensation Program include employees (and in the case of Metropolitan Suburban Bus Authority, former employees) of:

- MTA
- The Long Island Rail Road Company ("MTA Long Island Rail Road")
- Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels")
- Metropolitan Suburban Bus Authority ("MTA Long Island Bus")
- Metro-North Commuter Railroad Company ("MTA Metro-North Railroad")
- New York City Transit Authority ("MTA New York City Transit")
- Staten Island Rapid Transit Operating Authority ("MTA Staten Island Rapid Transit")
- MTA Construction and Development ("MTA Construction and Development ")
- MTA Bus Company ("MTA Bus")

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The Deferred Compensation Program's ("Program") financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred and revenues are recognized in the accounting period in which they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Contributions from members are recorded when the employer makes payroll deductions from plans' members. Additions to the Plans consist of contributions (member and employer) and net investment income. Investment purchases and sales are recorded as of trade date.

For financial reporting purposes, The MTA adheres to accounting principles generally accepted in the United States of America. The MTA Deferred Compensation Program applies all applicable pronouncements of the Governmental Accounting Standards Board ("GASB").

New Accounting Standards—The Program adopted the following GASB Statements in 2025:

GASB Statement No 102, *Certain Risk Disclosures ("GASB 102")*, aims to enhance financial reporting by requiring disclosure of risks associated with concentrations (lack of diversity in resource inflows or outflows) and constraints (limitations imposed by external parties or internal governance). This statement addresses the need for transparency regarding risks that could substantially affect the level of services provided by governments.

The adoption of this Statement has no material impact on the net position of The Program.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	MTA DC Program Required Year of Adoption
103	*Financial Reporting Model Improvements*	2026
104	*Disclosure of Certain Capital Assets*	2026
105	*Subsequent Events*	2027

Use of Management Estimates—The preparation of the Program's financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by Government Accounting Standards Board ("GASB"). These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates which include fair value of investments.

Investment Valuation and Income Recognition—Investments are stated at fair, contract and NAV values as reported by Empower (the "Trustee"). Net asset value is determined to be a practical expedient for measuring fair value. All investments are registered, with securities held by the Plans' Trustee, in the name of the Plans. The values of the Plans' investments are adjusted to fair, contract and NAV values as of the last business day of the Plans' year. Gains and losses on investments that were sold during the year are included in net appreciation/(depreciation) in fair, contract and NAV values of investments.

3. INVESTMENTS

Investment Objective—The primary investment objective of the Program is to offer a set of investment options such that:

- Sufficient options are offered to allow participants to build portfolios consistent with their investment risk/return preferences.
- Each option is adequately diversified.
- Each option has a risk profile consistent with its position in the overall structure.
- Each option is managed so as to implement the desired risk profile of the asset class it represents.

Investment Guidelines—The Deferred Compensation Committee selects and executes agreements with qualified investment managers and/or funds which fulfill the criteria of the identified investment option. The Program is participant-directed and participants select from among the available investment options.

The investment options used to fund the various asset classes may be separately managed portfolios, commingled funds, or mutual funds. The Committee may from time to time modify the number and characteristics of the investment vehicles to be made available to participants within each investment option.

The specific investment vehicles chosen by the Committee must have appropriate investment characteristics and be managed by organizations which, by their record and experience, have demonstrated their investment expertise.

Such investment vehicles also should:

- Have sufficient assets under management so that the MTA account is not more than 10% of total strategy assets; strategy is defined as assets in all vehicles (separate accounts, collective trusts and mutual funds),
- Be well diversified,
- Have a minimum of three years of verifiable investment performance information,
- Have acceptable volatility in line with investment philosophy and process,
- Have the liquidity and/or marketability to pay benefit amounts to participants due under the terms of the Program, and
- Have a reasonable expense ratio.

Concentration of Credit Risk—Individual investments held by the Plans that represent 5.0% or more of the fiduciary net position available for benefits at December 31, 2025 and 2024 is as follows:

	457 Value	**401(k) Value**
Investment at NAV—December 31, 2025		
Vanguard Institutional Index Fund	$ 1,435,623,692	$ 2,021,781,775
Jennison Large Cap Growth Fund	278,349,856	398,136,891
T. Rowe Price Large Cap Value Fund	286,139,813	409,279,233
William Blair Institutional International Growth Fund	247,568,252	377,139,541
Boston Partners International Value Equity Fund	255,926,261	389,871,932

	457 Value	**401(k) Value**
Investment at NAV—December 31, 2024		
Vanguard Institutional Index Fund	$ 1,096,694,732	$ 1,530,164,702
Jennison Large Cap Growth Fund	265,959,942	378,025,692
T. Rowe Price Large Cap Value Fund	265,959,942	378,025,692
William Blair Institutional International Growth Fund	231,953,366	354,027,037
Boston Partners International Value Equity Fund	231,953,366	354,027,037

The following table shows the fair, contract and NAV values of investment in the various investment options at December 31, 2025 and 2024.

Investments at Contract, Fair Value and NAV at December 31, 2025

	457 Value	401(k) Value
Target-Year Lifecycle Funds:		
MTA Target-Year Lifecycle 2020 Fund	$ 66,945,334	$ 100,826,037
MTA Target-Year Lifecycle 2025 Fund	228,255,556	346,296,250
MTA Target-Year Lifecycle 2030 Fund	255,853,626	406,342,704
MTA Target-Year Lifecycle 2035 Fund	335,599,352	540,899,898
MTA Target-Year Lifecycle 2040 Fund	216,906,853	342,686,371
MTA Target-Year Lifecycle 2045 Fund	201,623,621	333,216,575
MTA Target-Year Lifecycle 2050 Fund	162,664,181	245,793,612
MTA Target-Year Lifecycle 2055 Fund	102,684,951	163,006,395
MTA Target-Year Lifecycle 2060 Fund	51,184,261	71,721,531
MTA Target-Year Lifecycle 2065 Fund	24,648,290	27,954,862
MTA Income Fund	116,531,517	161,930,201
International Equity Funds:		
MTA International Portfolio	104,907,222	144,882,638
MTA International Index Fund	62,917,589	67,939,181
Small- Mid Cap Equity Funds:		
MTA Small-Mid Cap Portfolio	230,133,672	330,190,591
MTA Small-Mid Cap Index	205,508,617	224,304,963
Large-Cap Equity Funds:		
MTA Large Cap Portfolio	564,490,025	807,416,124
MTA Large Cap Core Index Fund	801,086,277	1,031,002,641
Bond Funds:		
MTA Bond Core Plus Portfolio	52,987,462	82,889,783
MTA Bond Aggregate Index Fund	34,276,446	47,318,209
Fixed Investment Option—		
MTA Stable Value Fund	992,639,237	1,261,897,133
Inflation Sensitive—		
MTA Real Asset Fund	2,827,845	2,837,251
Self-Directed Investment Account	9,982,141	14,031,083
Total	$ 4,824,654,075	$ 6,755,384,033

Investments at Contract, Fair Value and NAV at December 31, 2024

	457 Value	401(k) Value
Target-Year Lifecycle Funds:		
MTA Target-Year Lifecycle 2020 Fund	$ 67,931,887	$ 100,936,101
MTA Target-Year Lifecycle 2025 Fund	223,119,133	327,727,081
MTA Target-Year Lifecycle 2030 Fund	217,298,236	349,783,684
MTA Target-Year Lifecycle 2035 Fund	283,361,628	455,624,069
MTA Target-Year Lifecycle 2040 Fund	173,634,338	272,924,872
MTA Target-Year Lifecycle 2045 Fund	158,736,957	264,487,365
MTA Target-Year Lifecycle 2050 Fund	124,843,289	188,291,288
MTA Target-Year Lifecycle 2055 Fund	77,270,444	123,615,300
MTA Target-Year Lifecycle 2060 Fund	38,066,715	53,517,662
MTA Target-Year Lifecycle 2065 Fund	17,756,939	18,422,085
MTA Income Fund	102,300,893	148,916,082
International Equity Funds:		
MTA International Portfolio	83,942,349	115,066,198
MTA International Index Fund	40,627,666	43,163,292
Small- Mid Cap Equity Funds:		
MTA Small-Mid Cap Portfolio	236,827,334	335,113,673
MTA Small-Mid Cap Index	190,116,667	205,063,325
Large-Cap Equity Funds:		
MTA Large Cap Portfolio	531,919,885	756,051,384
MTA Large Cap Core Index Fund	673,442,254	869,596,268
Bond Funds:		
MTA Bond Core Plus Portfolio	51,550,547	77,139,788
MTA Bond Aggregate Index Fund	30,856,718	43,236,678
Fixed Investment Option—		
MTA Stable Value Fund	1,014,108,429	1,271,065,870
Self-Directed Investment Account	7,866,844	11,425,184
Total	$ 4,345,579,152	$ 6,031,167,249

The following tables show the interest and/or dividends earned on investments and net appreciation/(depreciation) for the years ended December 31, 2025 and 2024.

457 Investments at December 31, 2025

	Earnings	In Fair Value—Net
Target-Year Lifecycle Funds:		
MTA Target-Year Lifecycle 2020 Fund	$ -	$ 6,869,452
MTA Target-Year Lifecycle 2025 Fund	-	26,089,797
MTA Target-Year Lifecycle 2030 Fund	-	31,769,398
MTA Target-Year Lifecycle 2035 Fund	-	46,678,162
MTA Target-Year Lifecycle 2040 Fund	-	32,126,908
MTA Target-Year Lifecycle 2045 Fund	-	31,069,081
MTA Target-Year Lifecycle 2050 Fund	-	25,614,843
MTA Target-Year Lifecycle 2055 Fund	-	16,096,754
MTA Target-Year Lifecycle 2060 Fund	-	8,139,558
MTA Target-Year Lifecycle 2065 Fund	-	3,887,551
MTA Income Fund	-	10,718,116
International Equity Funds:		
MTA International Portfolio	-	24,138,939
MTA International Index Fund	-	13,828,493
Small-Mid-Cap Equity Funds:		
MTA Small-Mid Cap Portfolio	-	14,453,836
MTA Small-Mid Cap Index Fund	-	23,164,470
Large-Cap Equity Funds:		
MTA Large Cap Portfolio	-	73,846,627
MTA Large Cap Index Fund	-	122,278,398
Bond Funds:		
MTA Bond Portfolio	-	3,701,575
MTA Bond Index Fund	-	2,304,014
Stable Value Option—		
MTA Stable Value Fund	-	34,772,885
Inflation Sensitive—MTA Real Asset Fund	-	112,858
Self-Directed Investment Account	540,128	854,521
Total	$ 540,128	$ 552,516,236

457 Investments at December 31, 2024

	Cash and Dividend Earnings	Appreciation/(Depreciation) In Fair Value—Net
Target-Year Lifecycle Funds:		
MTA Target-Year Lifecycle 2020 Fund	$ -	$ 4,154,255
MTA Target-Year Lifecycle 2025 Fund	-	15,754,831
MTA Target-Year Lifecycle 2030 Fund	-	16,437,989
MTA Target-Year Lifecycle 2035 Fund	-	24,411,822
MTA Target-Year Lifecycle 2040 Fund	-	15,787,335
MTA Target-Year Lifecycle 2045 Fund	-	14,848,363
MTA Target-Year Lifecycle 2050 Fund	-	11,682,959
MTA Target-Year Lifecycle 2055 Fund	-	7,103,944
MTA Target-Year Lifecycle 2060 Fund	-	3,469,860
MTA Target-Year Lifecycle 2065 Fund	-	1,386,717
MTA Income Fund	-	5,561,729
International Equity Funds:		
MTA International Portfolio	-	760,658
MTA International Index Fund	-	1,894,068
Small-Mid-Cap Equity Funds:		
MTA Small-Mid Cap Portfolio	-	26,040,978
MTA Small-Mid Cap Index Fund	-	26,804,705
Large-Cap Equity Funds:		
MTA Large Cap Portfolio	-	94,493,038
MTA Large Cap Index Fund	-	130,172,618
Bond Funds:		
MTA Bond Portfolio	-	1,029,873
MTA Bond Index Fund	-	404,216
Stable Value Option—		
MTA Stable Value Fund	-	33,400,319
Self-Directed Investment Account	315,884	593,218
Total	$ 315,884	$ 436,193,495

401(k) Investments at December 31, 2025

	Cash and Dividend Earnings	Appreciation/(Depreciation) In Fair Value—Net
Target-Year Lifecycle Funds		
MTA Target-Year Lifecycle 2020 Fund	$ -	$ 10,388,213
MTA Target-Year Lifecycle 2025 Fund	-	39,169,845
MTA Target-Year Lifecycle 2030 Fund	-	50,709,705
MTA Target-Year Lifecycle 2035 Fund	-	75,385,082
MTA Target-Year Lifecycle 2040 Fund	-	50,593,124
MTA Target-Year Lifecycle 2045 Fund	-	51,658,822
MTA Target-Year Lifecycle 2050 Fund	-	38,803,615
MTA Target-Year Lifecycle 2055 Fund	-	25,908,060
MTA Target-Year Lifecycle 2060 Fund	-	11,349,293
MTA Target-Year Lifecycle 2065 Fund	-	4,200,644
MTA Income Fund	-	15,197,322
International Equity Funds		
MTA International Portfolio	-	33,189,616
MTA International Index Fund	-	14,864,605
Small-Mid-Cap Equity Funds		
MTA Small-Mid Cap Portfolio	-	20,212,582
MTA Small-Mid Cap Index Fund	-	25,438,836
Large-Cap Equity Funds		
MTA Large Cap Portfolio	-	104,625,615
MTA Large Cap Index Fund	-	155,592,375
Bond Funds		
MTA Bond Portfolio	-	5,584,712
MTA Bond Index Fund	-	3,089,236
Stable Value Option—		
MTA Stable Value Fund	-	43,842,101
Inflation Sensitive—		
MTA Real Asset Fund	-	124,370
Self-Directed Investment Account	629,025	1,454,632
Total	$ 629,025	$ 781,382,405

401(k) Investments at December 31, 2024

	Cash and Dividend Earnings	Appreciation/(Depreciation) In Fair Value—Net
Target-Year Lifecycle Funds:		
MTA Target-Year Lifecycle 2020 Fund	$ -	$ 6,184,747
MTA Target-Year Lifecycle 2025 Fund	-	22,662,016
MTA Target-Year Lifecycle 2030 Fund	-	26,426,264
MTA Target-Year Lifecycle 2035 Fund	-	38,962,724
MTA Target-Year Lifecycle 2040 Fund	-	24,674,546
MTA Target-Year Lifecycle 2045 Fund	-	24,446,701
MTA Target-Year Lifecycle 2050 Fund	-	17,568,051
MTA Target-Year Lifecycle 2055 Fund	-	11,204,324
MTA Target-Year Lifecycle 2060 Fund	-	4,908,507
MTA Target-Year Lifecycle 2065 Fund	-	1,505,895
MTA Income Fund	-	8,043,209
International Equity Funds:		
MTA International Portfolio	-	1,054,265
MTA International Index Fund	-	2,117,537
Small-Mid-Cap Equity Funds:		
MTA Small-Mid Cap Portfolio	-	36,352,885
MTA Small-Mid Cap Index Fund	-	29,799,666
Large-Cap Equity Funds:		
MTA Large Cap Portfolio	-	135,034,023
MTA Large Cap Index Fund	-	172,337,978
Bond Funds:		
MTA Bond Portfolio	-	1,510,809
MTA Bond Index Fund	-	549,836
Stable Value Option—		
MTA Stable Value Fund	-	41,593,791
Self-Directed Investment Account	444,696	805,637
Total	$ 444,696	$ 607,743,412

Credit Risk—The investment alternatives offered under the Program are not guaranteed by any governmental body, including the MTA, and are not risk-free. The credit risk of the investment strategy in the various investment accounts is based upon the performance of the securities in the underlying portfolios. Investments in these investment strategies can be expected to increase or decrease in value depending upon market conditions. The Deferred Compensation Committee (the “Committee”), with the assistance of its independent investment consultant continuously monitors the program investment strategies pursuant to the investment policy and objectives. When the investment strategies are determined to not meet the criteria, the strategy is terminated as outlined by the investment policy statement.

At December 31, 2025, the following credit quality rating has been assigned by a nationally recognized statistical rating organization ("NRSRO") to the portion of Fixed Income Portfolio of the Plans which are held in Separate Manager Accounts ("SMAs"):

Quality Rating	457	457 Percentage of Fixed Income Portfolio	401(k)	401(k) Percentage of Fixed Income Portfolio
AAA	$ 321,072,662	18.67 %	$ 428,105,285	18.00 %
AA	305,245,389	17.75	414,260,074	17.42
A	177,164,035	10.30	237,719,173	9.99
BBB	195,025,663	11.34	262,415,876	11.03
BB	3,548,145	0.21	5,278,034	0.22
Below BB	1,851,821	0.11	2,820,942	0.12
Credit risk debt securities	1,003,907,715	58.37	1,350,599,384	56.78
U.S. Government Bonds	400,802,146	23.31	545,159,368	22.92
Total fixed income securities in SMAs	1,404,709,860	81.68	1,895,758,752	79.70
Other fixed income investments	315,059,909	18.32	482,838,433	20.30
Total fixed income investments	1,719,769,770	100.00 %	2,378,597,186	100.00 %
Other securities not rated—equity, international funds and corporate bonds	3,104,884,305		4,376,786,847	
Total investments	$ 4,824,654,075		$ 6,755,384,033	

At December 31, 2024, the following credit quality rating has been assigned by a nationally recognized statistical rating organization ("NRSRO") to the portion of Fixed Income Portfolio of the Plans which are held in Separate Manager Accounts ("SMAs"):

Quality Rating	457	457 Percentage of Fixed Income Portfolio	401(k)	401(k) Percentage of Fixed Income Portfolio
AAA	$ 368,136,640	22.48 %	$ 487,710,485	21.91 %
AA	44,269,904	2.70	58,851,147	2.64
A	157,760,680	9.63	208,037,505	9.35
BBB	181,226,401	11.07	239,604,933	10.77
BB	2,611,250	0.16	3,968,689	0.18
Below BB	2,278,700	0.14	3,396,343	0.15
Credit risk debt securities	756,283,576	46.18	1,001,569,101	45.00
U.S. Government Bonds	610,092,499	37.25	809,360,282	36.37
Total fixed income securities in SMAs	1,366,376,074	83.43	1,810,929,383	81.37
Other fixed income investments	271,359,467	16.57	414,710,792	18.63
Total fixed income investments	1,637,735,541	100.00 %	2,225,640,174	100.00 %
Other securities not rated—equity, international funds and corporate bonds	2,707,843,611		3,805,526,977	
Total investments	$ 4,345,579,152		$ 6,031,167,151	

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect the contract and NAV values of the investment. Duration is a measure of sensitivity to interest rate risk. The greater the duration of a portfolio, the greater its principal value will fluctuate in response to a change in interest rate risk and vice versa. Modified duration is an indicator of bond price's sensitivity and is the percentage change in a bond principal value given a 100-basis point parallel change in interest rates.

2025 Investment Type	457	401(k)	Total	Duration	
Galliard Stable Value Fund	$ 1,307,175,475	$ 1,743,720,723	$ 3,050,896,198	2.95	*
TCW Core Plus Bond Fund	97,534,386	152,038,030	249,572,416	6.00	
Total fixed income assets in SMAs	1,404,709,861	1,895,758,753	3,300,468,614	3.18	
Total other fixed income assets	315,059,909	482,838,433	797,898,342	3.52	
Total fixed income portfolio modified duration	1,719,769,770	2,378,597,186	4,098,366,956	3.35	
Investment with no duration reported	3,104,884,305	4,376,786,847	7,481,671,152		
Total investments	$ 4,824,654,075	$ 6,755,384,033	$ 11,580,038,108		

* Portfolio Duration—the price sensitivity to yield and the rate of change of price with respect to yield due to the passage of time.

2024 Investment Type	457	401(k)	Total	Duration	
Galliard Stable Value Fund	$ 1,281,048,512	$ 1,679,305,185	$ 2,960,353,697	2.96	*
TCW Core Plus Bond Fund	85,327,562	131,624,198	216,951,760	7.06	
Total fixed income assets in SMAs	1,366,376,074	1,810,929,383	3,177,305,457	3.24	
Total other fixed income assets	271,359,467	414,710,792	686,070,258	4.89	
Total fixed income portfolio modified duration	1,637,735,541	2,225,640,174	3,863,375,715	3.53	
Investment with no duration reported	2,707,843,611	3,805,526,977	6,513,370,588		
Total investments	$ 4,345,579,152	$ 6,031,167,151	$ 10,376,746,303		

* Portfolio Duration—the price sensitivity to yield and the rate of change of price with respect to yield due to the passage of time.

Foreign Currency Risk—Foreign currency risk is the risk that changes in exchange rates will adversely affect the contract and NAV values of an investment or deposit. The Program has an exposure to foreign currency fluctuations for the Plans' SMAs investments are as follows:

2025 Currency	457 Holdings in U.S. Dollars	401(k) Holdings in U.S. Dollars	Total Holdings in U.S. Dollars
Australian Dollar	$ 2,335,056	$ 3,557,449	$ 5,892,505
Brazil Cruzeiro Real	1,881,519	2,866,261	4,747,780
Canada Dollar	8,615,375	13,124,456	21,739,831
Chilean Peso	594,164	905,135	1,499,299
China Renminbi	3,243,144	4,940,528	8,183,672
Czech Krone	272,325	414,854	687,179
Danish Krone	3,267,901	4,978,242	8,246,143
Euro	68,362,930	104,143,657	172,506,587
Hong Kong Dollar	17,329,778	26,399,768	43,729,546
Hungarian Forint	940,759	1,433,130	2,373,889
Indian Rupee	10,719,705	16,330,142	27,049,847
Indonesian Rupiah	594,164	905,135	1,499,299
Japanese Yen	29,163,540	44,427,038	73,590,578
Mexican Peso	544,650	829,707	1,374,357
Norwegian Krone	1,064,544	1,621,700	2,686,244
Phillipines Peso	816,975	1,244,561	2,061,536
Polish Zloty	272,325	414,854	687,179
Saudi Arabian Riyal	272,325	414,854	687,179
Singapore Dollar	816,975	1,244,560	2,061,535
South African Rand	3,020,333	4,601,102	7,621,435
South Korean Won	12,526,954	19,083,261	31,610,215
Swedish Krona	3,763,037	5,732,521	9,495,558
Swiss Franc	9,184,782	13,991,877	23,176,659
New Taiwan Dollar	9,011,484	13,727,879	22,739,363
Turkish Lira	445,623	678,851	1,124,474
United Arab Emirates Dirham	1,732,978	2,639,977	4,372,955
United Kingdom British Pound	26,218,621	39,940,859	66,159,480
Total	$ 217,011,966	$ 330,592,358	$ 547,604,324

2024 Currency	457 Holdings in U.S. Dollars	401(k) Holdings in U.S. Dollars	Total Holdings in U.S. Dollars
Australian Dollar	$ 5,776,230	$ 8,816,176	$ 14,592,406
Canada Dollar	11,265,425	17,194,254	28,459,679
Danish Krone	5,017,481	7,658,108	12,675,589
Euro	47,575,032	72,613,493	120,188,525
Hong Kong Dollar	3,025,658	4,618,017	7,643,675
Japanese Yen	30,129,237	45,985,815	76,115,052
New Zealand Dollar	113,049	172,546	285,595
Norwegian Krone	475,569	725,855	1,201,424
Singapore Dollar	1,896,094	2,893,980	4,790,074
Swedish Krona	6,031,196	9,205,326	15,236,522
Swiss Franc	13,797,477	21,058,888	34,856,365
United Kingdom British Pound	29,857,726	45,571,412	75,429,138
Total	$ 154,960,174	$ 236,513,870	$ 391,474,044

In year 2015, the MTA Deferred Compensation Program adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

Investments measured at readily determined fair value (FV)
($ In thousands)

	2025			
457 Plan	**December 31, 2025**	**Quoted Price in Active Markets for Identical Assets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Equity securities—small-mid cap equity mutual fund	$ 100,643	$ 100,643	$ -	$ -
Total equity investments	$ 100,643	$ 100,643	$ -	$ -

Investments measured at readily determined fair value (FV)
($ In thousands)

	2025			
401 (k) Plan	**December 31, 2025**	**Quoted Price in Active Markets for Identical Assets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Equity securities—small-mid cap equity mutual fund	$ 148,085	$ 148,085	$ -	$ -
Total equity investments	$ 148,085	$ 148,085	$ -	$ -

Investments measured at readily determined fair value (FV)
($ In thousands)

457 Plan	**December 31, 2024**	**2024** Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity securities—small-mid cap equity mutual fund	$ 116,939	$ 116,939	$ -	$ -
Total equity investments	$ 116,939	$ 116,939	$ -	$ -

Investments measured at readily determined fair value (FV)
($ In thousands)

401 (k) Plan	**December 31, 2024**	**2024** Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity securities—small-mid cap equity mutual fund	$ 171,827	$ 171,827	$ -	$ -
Total equity investments	$ 171,827	$ 171,827	$ -	$ -

Investments measured at Fair, Contract and NAV values
($ In thousands)

457 Plan	**2025** December 31, 2025	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity securities:				
Commingled large-cap equity funds	$ 1,435,624	$ -	Daily	None
Separate Manager Account: Large Cap equity funds	564,489	-		
Commingled Small-Mid cap equity funds	205,509	-	Daily	None
Separate Manager Account: Small-Mid cap equity funds	223,175	-	Daily	None
Commingled international equity fund	318,844	-	Daily	None
Separate Manager Account: International equity funds	247,568	-	Daily	None
Total equity securities	2,995,209	-		
Debt securities:				
Commingled debt funds	222,432	-	Daily	None
Separate Manager Account: debt funds	97,534	-	Daily	None
Total debt securities	319,966	-		
Real assets:				
Commingled real asset equity fund	92,628	-	Daily	None
Total real assets	92,628	-		
Other:				
Self direct investment option	9,982	-	Daily	None
Total other	9,982	-		
Total investments measured at the NAV	3,417,785	-		
Investment measured at fair value	100,643	-		
Investments measured at contract value	1,306,226	-		
Total investments	$ 4,824,654	$ -		

Investments measured at Fair, Contract and NAV values
($ In thousands)

401(k) Plan	**2025** **December 31, 2025**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Equity securities:				
Commingled large-cap equity funds	$ 2,021,782	$ -	Daily	None
Separate Manager Account: Large Cap equity funds	807,416			
Commingled Small-Mid cap equity funds	224,305	-	Daily	None
Separate Manager Account: Small-Mid cap equity funds	328,378	-	Daily	None
Commingled international equity fund	457,811	-	Daily	None
Separate Manager Account: International equity funds	377,139	-	Daily	None
Total equity securities	4,216,831	-		
Debt securities:				
Commingled debt funds	340,617	-	Daily	None
Separate Manager Account: debt funds	152,038	-	Daily	None
Total debt securities	492,655	-		
Real assets:				
Commingled real asset equity fund	142,221	-	Daily	None
Total real assets	142,221	-		
Other:				
Self direct investment option	14,031	-	Daily	None
Total other	14,031	-		
Total investments measured at the NAV	4,865,738	-		
Investment measured at fair value	148,085	-		
Investments measured at contract value	1,741,561	-		
Total investments	$ 6,755,384	$ -		

Investments measured at Fair, Contract and NAV values
($ In thousands)

457 Plan	**2024** December 31, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity securities:				
Commingled large-cap equity funds	$ 1,628,615	$ -	Daily	None
Commingled Small-Mid cap equity funds	190,117	-	Daily	None
Separate Manager Account: Small-Mid cap equity funds	260,284	-	Daily	None
Commingled international equity fund	272,581	-	Daily	None
Separate Manager Account: International equity funds	231,953	-	Daily	None
Total equity securities	2,583,550	-		
Debt securities:				
Commingled debt funds	196,492	-	Daily	None
Separate Manager Account: debt funds	85,327	-	Daily	None
Total debt securities	281,819	-		
Real assets:				
Commingled real asset equity fund	74,867	-	Daily	None
Total real assets	74,867	-		
Other:				
Self direct investment option	7,867	-	Daily	None
Total other	7,867	-		
Total investments measured at the NAV	2,948,103	-		
Investment measured at fair value	116,939	-		
Investments measured at contract value	1,280,537	-		
Total investments	$ 4,345,579	$ -		

Investments measured at Fair, Contract and NAV values ($ In thousands)	**2024**			
401(k) Plan	**December 31, 2024**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Equity securities:				
Commingled large-cap equity funds	$ 2,286,216	$ -	Daily	None
Commingled Small-Mid cap equity funds	205,063	-	Daily	None
Separate Manager Account: Small-Mid cap equity funds	382,454	-	Daily	None
Commingled international equity fund	397,190	-	Daily	None
Separate Manager Account: International equity funds	354,027	-	Daily	None
Total equity securities	3,624,950	-		
Debt securities:				
Commingled debt funds	298,743	-	Daily	None
Separate Manager Account: debt funds	131,624	-	Daily	None
Total debt securities	430,367	-		
Real assets:				
Commingled real asset equity fund	115,968	-	Daily	None
Total real assets	115,968	-		
Other:				
Self direct investment option	11,425	-	Daily	None
Total other	11,425	-		
Total investments measured at the NAV	4,182,710	-		
Investment measured at fair value	171,827	-		
Investments measured at contract value	1,676,630	-		
Total investments	$ 6,031,167	$ -		

Investments Measured at Contract Value

Stable Value Funds—Stable value funds typically have three components. The first component is primarily comprised of Investment Contracts issued by banks and insurance companies. The Investment Contracts help to assure that participants can transact at book value (principal plus accrued interest) as well as maintain a relatively stable return profile for the portfolio. Generally, contract issuers are rated “investment grade” by at least one of the Nationally Recognized Statistical Rating Organizations at time of purchase that are able to do business in New York State. The second component consists of an underlying portfolio of fixed income securities which are subject to the Investment Contracts and are often referred to as “underlying securities”. Finally, the portfolio may also hold cash or cash equivalents. The Stable Value fund return is expected to be higher than that of a 3-year Constant Maturity Treasury + 0.5% with similar volatility over the long-term.

Investments Measured at NAV

Commingled Funds—The fair values of the investments of this type have been determined using the NAV per share of the investments. The commingled equity funds are comprised of large cap, small and mid-cap funds and international funds that invest in core indices across all industries, growth and value respectively. The commingled debt funds are comprised of corporate, treasuries and international fixed income securities.

Separate Manager Account (SMAs)—This investment vehicle follows a single-style strategy, with funds comprised of fixed income, large cap, small and mid-cap equities and international equities. These SMAs allow the MTA to impose reasonable stock and bonds sector preferences and restrictions on the securities in the accounts. Two equity SMAs are co-invested with external managers through Empower Investments. The fair values of the investments in this vehicle are determined using the NAV per share of the investments by the external manager. Empower Investments whom the MTA holds a contractual agreement with and whom controls the investments, revalues the NAV per share after certain expense deductions and provides the MTA with its percentage allocation on an annual basis.

Small-Mid Cap Funds—This investment option has four institutional investments funds - two growth and two value investment strategies with the objective of matching the return and risk characteristics of the Russell Small Cap Completeness Index or a similar index which measures the broad U.S. small and mid-capitalization equity market. The option's investment profile is long term capital growth through a combination of capital appreciation and to a lesser extent reinvested dividend income. The investment option is expected to have high volatility over a market cycle. The fair values of the investments in these types have been determined using the NAV per share of the investments.

Real Assets—The fund represents an optimal solution for an inflation hedging strategy and incorporates a diversified multi asset class approach. The fund strategic weights which are rebalanced monthly are as follows: 25% Bloomberg Roll Select Commodity Index; 25% Standard and Poor's (r) Global Larger Mid Cap Commodity & Resources Index; 10% Standard and Poor's Global Infrastructure Equity Index; 15% Dow Jones US Select REIT Index and 25% Barclays US TIPS Index. The fair values of the investments of this type have been determined using the NAV per share of the investments.

Self-Direct Brokerage Accounts—The Deferred Compensation program allows participants the option to invest up to twenty (20) percent of their account in over 500 mutual fund families comprising of more than 15,000 individual mutual funds. All investments under this option are in mutual funds and are measured at the respective fund NAVs.

4. CONTRIBUTIONS

Employer Contributions—The rate for the employer contribution varies by agency and are described as follows:

MTA Bus—Effective 2019, employer contributions were discontinued. Prior to 2019, certain members who were employed by Queens Surface Corporation on February 26, 2005, and who became employees of MTA Bus on February 27, 2005, received a matching contribution equal to 50% of member's before-tax contributions up to 3% of the member's base pay. MTA Bus also made a basic contribution equal to 2% of the member's compensation. These contributions vested as follows:

Years of Service	Vested Percentage
Less than 2	- %
2	20
3	40
4	60
5	80
6 or more	100

MTA Metro-North Railroad—MNR employees represented by certain unions and who elected to opt-out of participation in the MTA Defined Benefit Pension Plan receive an annual employer contribution equal to 4% of the member's compensation. Effective on the first full pay period following the nineteenth anniversary date of an eligible MNR member's continuous employment, MTA Metro-North Railroad contributes an amount equal to 7% of the member’s compensation. Eligible MNR members vest in these employer contributions as set forth below:

Years of Service	Vested Percentage
Less than 5	- %
5 or more	100

MTA Headquarters—Police—For each plan year, the MTA shall make contributions to the Account of each eligible MTA Police Benevolent Association member in the amounts required by the collective bargaining agreement (“CBA”) and subject to the contribution limits set forth in the CBA. These contributions shall be made monthly and shall be considered MTA Police contributions. Members are immediately 100% vested in these employer contributions.

MTA Headquarters—Commanding Officers—For each plan year, the MTA shall make contributions to the Account of each eligible MTA Police Department Commanding Officers Association Benevolent Association member in the amounts required by the collective bargaining agreement (“CBA”) and subject to the contribution limits set forth in the CBA. These contributions shall be made monthly and shall be considered MTA Police contributions. Members are immediately 100% vested in these employer contributions.

MTA Headquarters—Business Services Center—Effective January 1, 2011, all newly hired MTA Business Services Center employees represented by the Transportation Communications Union are eligible to receive a matching contribution, up to a maximum of 3% of the participant’s compensation. A participant’s right to the balance in his or her matching contributions shall upon the first of the following to occur:

1. Completing 5 years of service,
2. Attaining the Normal Retirement Age of 62 while in continuous employment, or
3. Death while in continuous employment.

Additional Deposits (Incoming Rollover or Transfers)—Participants in the Deferred Compensation Program are eligible to roll over both their before-tax and after-tax assets from other eligible retirement plans into the 401(k) and 457 Plans.

Status—As of December 31, 2025 and 2024, 55.33% and 51.73% of the eligible employees were enrolled in the 457 Plan and 73.81% and 70.29% of the eligible employees were enrolled in the 401(k) Plan, respectively. There were 40,870 and 38,301 active participants in the 457 Plan and 54,776 and 52,283 active participants in the 401(k) Plan as of December 31, 2025 and 2024, respectively. The average account balance in the 457 Plan was $85,826 and $81,496 and in the 401(k) Plan was $92,093 and $86,011 in 2025 and 2024, respectively.

5. DISTRIBUTIONS

In-Service Withdrawals—A 457 Plan participant who experiences an unforeseeable emergency (as defined by the Code) may apply for a withdrawal. A 401(k) Plan participant who experiences an immediate and heavy financial need (as defined by the Code) may apply for a withdrawal by filing a hardship application. Distributions are subject to applicable taxes and penalties. In addition, up to four times a year, 401(k) Plan participants may withdraw their elective deferral balance from the Plan if they are over age 59½. These withdrawals can be cash distributions or rollovers to another eligible retirement plan. 457 Plan participants may request an in-service withdrawal only after attainment of age 70½, or at any age if their account balance is less than $5,000 and there has been no activity in their account for at least two years.

Direct Transfer for Purchasing Permissive Service Credit—Participants in the 457 or 401(k) Plans are eligible to use their Plan assets as a source of funding for the purchase of certain permissive service credits (as defined by the Code) in certain defined benefit plan or pension systems, via a direct transfer.

Distribution of Benefits—Upon a participant's severance from the MTA, the participant is entitled to receive an amount equal to the value of his or her vested account, to be paid in accordance with one of the methods described below. Participants can choose to remain in the Plans and are not required to withdraw, roll over or transfer their account upon severance.

Commencement Date—Subject to required minimum distribution rules, a participant may elect any commencement date after severance. A participant has the option to cancel or change their distribution schedule at any time upon proper notice to the Plans Record-keeper. Individuals who attained age 70 ½ before January 1, 2020 were required to begin receiving minimum distributions from their accounts by April 1st of the calendar year following the later of (1) attainment of age 70 ½ or (2) the calendar year in which they separate from service with the MTA. Individuals who attain age 70 ½ after January 1, 2020 are required to begin receiving minimum distributions from their accounts by April 1st of the calendar year following the later of (1) attainment of age 72 or (2) the calendar year in which they separate from service with the MTA.

Method of Distribution for Direct Payment—If a participant chooses; the following methods of distribution are available under the Plans:

- Full lump sum payment; or
- Substantially equivalent monthly, quarterly, semi-annual or annual installment payments; or
- Any other amount of payment, subject to the required minimum distribution rules.

Election of Length of Distribution—If a participant elects installment payments, he or she may specify either:

- the total number of installment payments, or
- the dollar amount of each payment.

In either case, distributions cannot be paid over a period of time which exceeds the life expectancy of the participant or, in certain circumstances, the joint life expectancy of the participant and a "designated beneficiary" (as defined by the Code). Installment payments will be recalculated annually and will be paid only until the account is exhausted.

Rollovers or Transfers Out of the Plans—If a participant chooses to transfer or roll over his or her Deferred Compensation account, or a portion thereof, it must be to an eligible retirement plan (401(a), 457, 401(k), 403(b) or rollover IRA). 457 Plan and 401(k) Plan participants are eligible to roll over or transfer their account balance(s) upon severance from service.

6. LOANS

The MTA Deferred Compensation Program offers participants the opportunity to borrow from either one or both Plans simultaneously. The MTA Plans permit one loan from the 457 Plan and up to two loans from the 401(k) Plan. However, participants are limited to a total of two loans. Thus, as a participant of both the 401(k) and the 457 Plans, a participant can have either two 401(k) loans or the combination of a 401(k) loan and a 457 loan. The MTA offers two types of loans: the first is a "General Purpose Loan", which is a five-year loan and can be for any purpose. The second is a "Residential Loan", which is a loan for a primary residence and is a 20-year loan. For the Residential Loan, a signed contract to purchase the residence is necessary. Loan re-payment is made through payroll deduction. If a participant with an outstanding loan leaves the employment of the MTA, the participant may request to make coupon payments.

The minimum loan amount is $1,000. The maximum amount of an approved loan may not exceed the lesser of: (i) 50 percent of the participant's 457 or 401(k) Plan account balance; or (ii) $50,000 less the combined balance of all outstanding loans that a participant may have under the Program. All loans are subject to interest at prime rate plus 1 percent. A loan origination fee of $75.00 is deducted from the approved loan amount. Active MTA employee participants may not borrow from amounts attributable to Metro-North contributions, MTA Police contributions, MTA Police Commanding Officers' Association contributions, MTA Business Service Center Matching Contributions and Roth Elective Deferrals. The 457 Plan's net loans outstanding is $103.9 million and $99.5 million at December 31, 2025 and 2024, respectively, and the 401(k) Plan's was $226.4 million and $211.2 million at December 31, 2025 and 2024, respectively.

7. ADDITIONAL PLAN INFORMATION

Participation—Eligible employees are allowed to participate in the 401(k) Plan and/or the 457 Plan upon employment with the MTA and its affiliates or subsidiaries. The record-keeper/trustee maintains a website, along with a telephone voice response system, or participants may use paper enrollment forms, for Program activities. Participants may make or suspend deferrals; may increase or decrease, in multiples of 1 percent, the percentage of wages to be deferred or any whole dollar amount; may change the investment option of future deferrals or initiate account transfers between investment options in multiples of 1 percent or any dollar amount. There is no restriction on the number of times a participant may change the amount of future deferrals. An employee participating in both the 457 Plan and 401(k) Plan who wishes to make any changes must do so independently for each Plan. Participants may also choose to schedule automated, annual increases in their deferral elections. An employee who has severed service from the MTA may rejoin the 457 Plan, the 401(k) Plan, or both and become an active participant after returning to service to the MTA by following the procedures set forth above.

Excessive Trading Policy—MTA has an Excessive Trading policy in place for the Plans. This policy monitors trading activity in investment options, utilizing criteria such as frequency of trades, dollar amount of the trades, and number of buys and sells performed by the participant. Activity exceeding established thresholds can be deemed excessive trading. The Excessive Trading policy defines excessive trading as one or more trades into and out of the same investment option within a rolling 30-day period when each trade is over $25,000. Automatic or system-driven transactions are not considered excessive trading. This includes contributions or loan repayments by payroll deductions, re-mapping transactions, hardship withdrawals, regularly scheduled or periodic distributions or periodic rebalancing through a systematic rebalancing program that is not initiated by the Program.

Maximum Deferrals—A participant in the 457 Plan or the 401(k) Plan under age 50 in 2025 could have deferred up to $23,500, up to $31,000 if age 50-59 or over age 63, or $34,750 if age 60-63 at any time during the calendar year. A participant in the 457 Plan or the 401(k) Plan could have deferred up to $23,000 plus an additional $7,500 if age 50 and over in calendar year 2024. Alternatively, for the 457 Plan, under certain circumstances, a participant may double the annual maximum contribution during each of the last three years prior to reaching his or her designated "Normal Retirement Age" ("Retirement Catch-Up Amount") if less than the maximum was deferred during earlier years. Participants may not make both the Retirement Catch-Up and the Age Based Catch-Up to the 457 Plan in the same year.

Membership—As of December 31, 2025 and 2024, the Plans' membership with balances consisted of:

	2025		2024	
	457	401(k)	457	401(k)
Active employees	40,870	54,776	38,301	52,283
Terminated/Inactive employees	15,345	18,549	15,022	17,838
Total active and inactive members	56,215	73,325	53,323	70,121
Vested employees	56,215	73,145	53,323	69,991

Maintenance of Accounts—For both the 457 Plan and the 401(k) Plan, the record keeper establishes an account for each participant to which any amounts deferred, transferred or distributed under the Plans are credited or charged, including, as specified in the Participation Agreement or any amendment thereto, any increase or decrease in the value of the investment options. The Plans are not responsible for any decrease in the value of a participant's account.

Plans' Funding and Expense Payment—The MTA Deferred Compensation Program charges participants' quarterly administrative fees. These fees cover participant directed activities, communications, and administrative expenses. They also cover the cost of the Program's third-party administrator, the investment advisor, outside legal counsel, in-house legal counsel and a portion of staff salaries and benefits.

8. TRUSTEE AND OTHER PROFESSIONAL SERVICES

The Trustee for the MTA is Empower Trust Company, LLC ("Empower"). Recordkeeping, Administrative, and investment management services are provided by Empower Annuity Company ("EAC"). With regards to other providers of investment management services; separate accounts are managed by Alliance Bernstein, TCW, William Blair and Galliard (which in turn has executed agreements with IR + M, Dodge & Cox, Loomis Sayles, TCW); commingled trusts are managed by SSgA, Loomis Sayles, Wellington, Vanguard and Boston Partners; a mutual fund is managed by Dimensional Fund Advisors. The Financial Advisor is Mercer Investments LLC which reviews the investment policies adopted by the Investment Committee, the Plans' portfolio and the Investment Managers' performance.

9. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 29, 2026, to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2025. As of July 29, 2026, there were no subsequent events that required recognition or disclosure.

* * * * * *