# The Long Island Rail Road Company Plan for Additional Pensions

(A Fiduciary Component Unit of the Metropolitan Transportation Authority)

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

# THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Administration of
The Long Island Rail Road Company Plan
for Additional Pensions:

## Opinion

We have audited the accompanying statements of fiduciary net position of the Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan"), as of December 31, 2025 and 2024, and 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 Additional Plan's 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; Schedule of Changes in the Employers' Net Pension Liability and Related Ratios—Schedule I; Schedule of Employer Contributions—Schedule II; and Schedule of Investment Returns—Schedule III 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

# THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

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

### OVERVIEW OF THE FINANCIAL STATEMENTS

**Introduction**—This management's discussion and analysis ("MD&A") of The Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan") financial performance for the years ended December 31, 2025 and 2024, provides an overview of the Additional Plan's financial activities. It is meant to assist the reader in understanding the Additional Plan's financial statements by providing an overview of the financial activities and the effects of significant changes, as well as a comparison with the prior year's activities and results. This discussion and analysis are intended to be read in conjunction with the Additional Plan document as well as the Additional Plan's financial statements. Additionally, an analysis of major economic factors and industry decisions that have contributed to significant changes is provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are extracted from the Additional Plan's financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America and is intended to be read in conjunction with the Plan's financial statements which begin on page 9.

**Overview of Basic Financial Statements**

The following discussion and analysis are intended to serve as an introduction to the Additional Plan's financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position**—present the financial position of the Additional Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Additional Plan presently controls (assets), consumption of net assets by the Additional Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Additional Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Additional 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 fair value. 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 Additional Plan 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 fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value 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 Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

- **Required Supplementary Information**—as required by the Government Accounting Standards Board ("GASB"), includes the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment returns.

The accompanying financial statements of the Additional Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

## Financial Highlights

**Financial Analysis**
**Fiduciary Net Position**
**As of December 31, 2025, 2024 and 2023**
**(Amounts in thousands)**

| | | | | Increase/(Decrease) | | | |
|---|---|---|---|---|---|---|---|
| | | | | 2025-2024 | | 2024-2023 | |
| | 2025 | 2024 | 2023 | $ | % | $ | % |
| Assets: | | | | | | | |
| Cash | $ 839 | $ 31 | $ 625 | $ 808 | 2,606 % | $ (594) | (95)% |
| Investments, at fair value | 660,874 | 710,108 | 711,905 | (49,234) | (7)% | (1,797) | (0.3)% |
| Receivables | 1,446 | 1,239 | 1,110 | 207 | 17 % | 129 | 12 % |
| Total assets | 663,159 | 711,378 | 713,640 | (48,220) | (7)% | (2,262) | (0.3)% |
| Liabilities: | | | | | | | |
| Due to broker for securities purchased | 700 | 1,023 | 1,606 | (323) | (32)% | (583) | (36)% |
| Forward Currency & Margin contracts | 512 | 33 | 48 | 479 | 1,451 % | (15) | (31)% |
| Due to broker for investment fee | 125 | 407 | 211 | (282) | (69)% | 196 | 93 % |
| Due to broker for administrative fee | 229 | 289 | (6) | (60) | (21)% | 295 | 4,917 % |
| Total liabilities | 1,566 | 1,752 | 1,859 | (186) | (11)% | (107) | (6)% |
| Net position restricted for pensions | $ 661,593 | $ 709,626 | $ 711,781 | $ (48,034) | (7)% | $ (2,155) | (0.3)% |

***December 31, 2025 versus December 31, 2024***

The assets of the Additional Plan exceeded its liabilities by $661.6 million as of December 31, 2025. Net position restricted for pensions are held for the payment of future benefits to members and pensioners.

The Additional Plan's net position restricted for pensions decreased by $48.0 million during 2025, representing a decrease of 7% over 2024. This decrease is a result of lower investment activity and plan contributions net of benefit payments and expenses during 2025.

Investments at December 31, 2025 were $660.9 million representing a decrease of $49.2 million from 2024. The decrease was a result of the changes noted above together with lower employer contributions in 2025.

Payables for investments purchased at December 31, 2025, amounted to $0.7 million. Investments are purchased on a trade-date settlement basis and generate timing differences on settlement dates, like receivables for investments sold.

***December 31, 2024 versus December 31, 2023***

The assets of the Additional Plan exceeded its liabilities by $709.6 million as of December 31, 2024. Net position restricted for pensions are held for the payment of future benefits to members and pensioners.

The Additional Plan's net position restricted for pensions decreased by $2.2 million during 2024, representing a decrease of 0.30% over 2023. This decrease is a result of lower investment activity and plan contributions net of benefit payments and expenses during 2024.

Investments at December 31, 2024 were $710.1 million representing a decrease of $1.8 million from 2023. The decrease was a result of the changes noted above together with lower employer contributions in 2024.

Payables for investments purchased at December 31, 2024, amounted to $1.0 million. Investments are purchased on a trade-date settlement basis and generate timing differences on settlement dates, like receivables for investments sold.

## CHANGES IN FIDUCIARY NET POSITION

**For the Years Ended December 31, 2025, 2024 and 2023**
**(Amounts in thousands)**

| | | | | Increase/(Decrease) | | | |
|---|---|---|---|---|---|---|---|
| | | | | 2025-2024 | | 2024-2023 | |
| | 2025 | 2024 | 2023 | $ | % | $ | % |
| Additions: | | | | | | | |
| Net investment income/(loss) | $ 80,051 | $ 57,552 | $ 58,303 | $ 22,499 | 39 % | $ (751) | (1)% |
| Employer contributions | 1,389 | 74,957 | 140,400 | (73,568) | (98)% | (65,443) | (47)% |
| Employee contributions | 32 | 45 | 50 | (13) | (28)% | (5) | (10)% |
| Total additions | 81,472 | 132,554 | 198,753 | (51,082) | (39)% | (66,199) | (33)% |
| Deductions: | | | | | | | |
| Benefits paid directly to participants | 128,790 | 133,794 | 138,824 | (5,004) | (4)% | (5,030) | (4)% |
| Administrative expenses | 715 | 915 | 546 | (200) | (22)% | 369 | 68 % |
| Total deductions | 129,505 | 134,709 | 139,370 | (5,204) | (4)% | (4,661) | (3)% |
| Net increase/(decrease) | (48,033) | (2,155) | 59,383 | (45,878) | (2,129)% | (61,538) | (104)% |
| Net position restricted for pensions Beginning of Year | 709,626 | 711,781 | 652,398 | (2,155) | (0.3)% | 59,383 | 9 % |
| End of year | $ 661,593 | $ 709,626 | $ 711,781 | $ (48,033) | (7)% | $ (2,155) | (0.3)% |

***December 31, 2025 versus December 31, 2024***

At the end of 2025, the net investment income increased by $22.5 million due to higher net investment gains of $80.1 million in 2025 versus net gain of $57.6 million experienced in 2024.

Employer and employee contributions for the year ended December 31, 2025 totaled $1.4 million, which represents a decrease of 98% from 2024. This decrease was the result of the prepayment of 2025 actuarially determined contributions (“ADC”) made to the Plan in 2024.

Benefit payments for the year ended December 31, 2025 totaled $128.8 million, which was lower than benefit payments made in 2024 in the amount of $133.8 million, due to lower Plan benefits paid out to existing retirees.

***December 31, 2024 versus December 31, 2023***

At the end of 2024, the net investment income decreased by $0.8 million due to lower net investment gains of $57.6 million in 2024 versus net gain of $58.3 million experienced in 2023.

Employer and employee contributions for the year ended December 31, 2024 totaled $75.0 million, which represents a decrease of 47% from 2023. This decrease was the result of a lower prepayment of 2025 actuarially determined contributions (“ADC”) to the Plan.

Benefit payments for the year ended December 31, 2024 totaled $133.8 million, which was lower than benefit payments made in 2023 in the amount of $138.8 million, due to lower Plan benefits paid out to existing retirees attaining age sixty-five in 2024.

## 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.

***Market Outlook—2026***

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 Long Island Rail Road Company for Additional Pensions' finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, NY 10004.

# THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

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

| | 2025 | 2024 |
|---|---|---|
| ASSETS: | | |
| Cash | $ 839 | $ 31 |
| Investment at fair value (notes 2 and 3): | | |
| Investments measured at readily determined fair value | 186,917 | 333,230 |
| Investments measured at net asset value | 473,957 | 376,878 |
| Total investments | 660,874 | 710,108 |
| Receivables: | | |
| Participant and union contributions | 2 | (4) |
| Other receivables | 514 | 66 |
| Securities sold | 122 | 217 |
| Accrued interest and dividends | 808 | 960 |
| Total receivables | 1,446 | 1,239 |
| Total assets | 663,159 | 711,378 |
| LIABILITIES: | | |
| Due to broker for securities purchased | 700 | 1,023 |
| Forward currency and margin contracts | 512 | 33 |
| Due to broker for investment fees | 229 | 407 |
| Due to broker for administrative expenses | 125 | 289 |
| Total liabilities | 1,566 | 1,752 |
| NET POSITION RESTRICTED FOR PENSIONS | $ 661,593 | $ 709,626 |

See notes to financial statements.

# THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

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

| | 2025 | 2024 |
|---|---|---|
| ADDITIONS: | | |
| Investment income: | | |
| Net realized and unrealized gains | $ 73,489 | $ 50,777 |
| Interest income | 5,511 | 5,229 |
| Dividend income | 5,169 | 6,074 |
| Total investment income | 84,169 | 62,080 |
| Less investment expenses | (4,118) | (4,528) |
| Total net investment income | 80,051 | 57,552 |
| Contributions (Note 5): | | |
| Employer | 1,389 | 74,957 |
| Participant and union | 32 | 45 |
| Total contributions | 1,421 | 75,002 |
| Total additions | 81,472 | 132,554 |
| DEDUCTIONS: | | |
| Benefits paid to participants | 128,790 | 133,794 |
| Administrative expenses | 715 | 915 |
| Total deductions | 129,505 | 134,709 |
| NET DECREASE IN NET POSITION | (48,033) | (2,155) |
| NET POSITION RESTRICTED FOR PENSIONS: | | |
| Beginning of year | 709,626 | 711,781 |
| End of year | $ 661,593 | $ 709,626 |

See notes to financial statements.

# THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

## NOTES TO FINANCIAL STATEMENTS
## AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
## (Dollars in thousands)

### 1. PLAN DESCRIPTION

The Long Island Rail Road Company Plan for Additional Pensions (the “Additional Plan”) is a single employer defined benefit plan administered by the Board of Pension Managers. The following brief description of the Additional Plan is provided for general information purposes only. Participants should refer to the Additional Plan document for more complete information.

**General**—Effective July 1, 1971, The Long Island Rail Road Company (the “Company”) adopted two fully integrated defined benefit pension plans, The Long Island Rail Road Company Pension Plan (the “Plan”) and the Additional Plan. These plans cover employees hired before January 1, 1988. Effective January 1, 1989, the Plan was amended to limit the accrual of credited service time and determination of average earnings through December 31, 1988. All pension plan benefits were frozen as of that date by virtue of a Plan amendment. All benefit accruals subsequent to that date are provided under the Additional Plan, which was amended to provide for accruals on and after January 1, 1989. The Additional Plan benefits are now the total benefit that would have been paid previously from the sum of the two plans reduced by any portion of benefits that a participant received from the frozen pension plan benefits. The total benefits payable to participants have not been changed. These financial statements do not include any amounts related to the Plan, as all Plan assets were transferred into the MTA Defined Benefit Pension Plan, effective October 2, 2006.

Both Company’s pension plans are governmental plans and, accordingly, are not subject to funding and other requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Metropolitan Transportation Authority Defined Benefit Pension Plan and The Long Island Rail Road Company Plan for Additional Pensions comprise the Metropolitan Transportation Authority’s Master Trust. The MTA Master Trust is governed by the Board of Pension Managers (the “Board”). The Board has contracted with JP Morgan Chase, as the Trustee for the Trust, and has provided the Master Trust Investment Guidelines to the respective Trustee. These guidelines provide the specific goals and objectives of the Trust as well as the allowable investments permitted under the Trust. Under the Investment Guidelines, the Trustee is permitted to invest in commingled funds on behalf of the Master Trust.

The total asset allocation of the 2025 Master Trust is 93.04% for the Metropolitan Transportation Authority Defined Benefit Pension Plan and 6.96% for the Long Island Rail Road Company Plan for Additional Pensions for the year ended December 31, 2025.

The total asset allocation of the 2024 Master Trust is 91.84% for the Metropolitan Transportation Authority Defined Benefit Pension Plan and 8.16% for the Long Island Rail Road Company Plan for Additional Pensions for the year ended December 31, 2024.

**Pension Benefits**—All full-time employees who were hired before January 1, 1988, are eligible for Additional Plan membership. At January 1, 2025 and 2024, the most recent valuation date, the Additional Plan's membership consisted of the following:

| | January 1, 2025 | January 1, 2024 |
|---|---|---|
| Active plan members | 11 | 12 |
| Terminated vested & other inactives | 13 | 13 |
| Retirees and beneficiaries receiving benefits | 4,633 | 4,772 |
| Total | 4,657 | 4,797 |

An employee who retires under the Additional Plan, either: (a) after completing at least 20 years of credited service, or (b) after both attaining age 65 while in service and completing at least five years of credited service, or in the case of those who were active employees on January 1, 1988, after completing at least 10 years of credited service, is entitled to an annual retirement benefit, payable monthly for life. Payments commence to an employee referred to in: (a) only after attaining age 50, or (b) only after attaining age 65.

Benefit and contribution provisions, which are based on the point in time at which participants last entered qualifying service and their length of credited service, are established by, and may only be amended by the Company, subject to the obligations of the Company under its collective bargaining agreements. The Company's Board of Directors must approve all amendments. The Additional Plan has both contributory and non-contributory requirements, with retirement ages varying from 50 to 65 depending upon a participant's length of credited service. Pension benefits payable to age 65, where eligible, are calculated as 2% of the employee's applicable final average earnings for each year of qualifying service up to 25 years plus 1.5% of applicable final average earnings for each year of qualifying service in excess of 25 years. For pension benefits payable at and after age 65, regardless of whether benefits commenced before or after the employee attained age 65, benefits are calculated in the same manner as pension benefits payable prior to age 65 except that the amount so determined is reduced by a percentage of the employee's annuity (not including any supplemental annuity) value at age 65 under the Federal Railroad Retirement Act.

The reduction of pension benefits for amounts payable under the Federal Railroad Retirement Act is as follows:

(i) 25% for an employee who had 20 years credited service prior to July 1, 1974,
(ii) 50% for any other employee first employed before July 1, 1974, and
(iii) 100% for any employee first employed on or after July 1, 1974.

Beginning in 1999, for all represented employees who were hired between July 1, 1974, and December 31, 1987, who were employees after January 1, 1999, and were not retired when their collective bargaining agreement was ratified and approved by MTA Board after that date, the offset of Railroad Retirement Benefits is reduced to 50% (under the Additional Plan). For all management employees who were hired between July 1, 1974, and December 31, 1987, and who were employees on September 30, 1999, the offset of Railroad Retirement Benefits was reduced to 50% (under the Additional Plan).

For participants, the Additional Plan has both non-contributory and contributory requirements. Participants who entered qualifying service before July 1, 1978 are not required to contribute. Participants who entered qualifying service on or after July 1, 1978, are required to contribute 3% of their wages to the Additional Plan. The Company contributes additional amounts based on actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due.

**Death and Disability Benefits**—Participants who become disabled after accumulating 10 years of credited service and who meet the requirements as described in the Additional Plan receive a disability benefit. Disability pension benefits are calculated based on the participant's qualifying service and a percentage of final average compensation reduced by the full amount of benefit under the Federal Railroad Retirement Act.

Survivorship benefits are paid to the participant's spouse when a survivorship option is elected or when an active participant has not divested his or her spouse of benefits. The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than $5,000 is payable upon death on behalf of a non-vested participant or vested participant whose pension rights were waived.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**—The Additional Plan's 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 Plan. Contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due in accordance with the terms of the Plan. Additions to the Plan 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 Additional Plan adheres to accounting principles generally accepted in the United States of America. The Additional Plan applies all applicable pronouncements of the Governmental Accounting Standards Board ("GASB").

**New Accounting Standards Adopted**—The Plan adopted the following GASB Statement for the year ended December 31, 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 Plan.

**Accounting Standards Issued but Not Yet Adopted**

| GASB Statement No. | GASB Accounting Standard | The Long Island Rail Road Company Plan for Additional Pensions |
|---|---|---|
| 103 | *Financial Reporting Model Improvements* | 2026 |
| 104 | *Disclosure of Certain Capital Assets* | 2026 |
| 105 | *Subsequent Events* | 2027 |

**Use of Management's Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include fair value of investments, the annual required contribution, and the Net Pension liability.

**Payment of Benefits**—Benefits are recorded when paid.

**Investment and Administrative Expenses**—Investment and administrative expenses are paid by the Additional Plan assets and accordingly are reflected in the accompanying financial statements.

**Income Tax Status**—The Additional Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) of the Internal Revenue Code. Accordingly, the Additional Plan is tax-exempt and is not subject to the provisions of ERISA.

## 3. CASH AND INVESTMENTS

**Investment Committee**—The Plan's policy statement is issued for the guidance of fiduciaries, including the members of the Board and investment managers, in the course of investing the assets of the Trust. The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board upon consideration of the advice and recommendations of the investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, a quarterly basis and will be readjusted when an asset class weighting is outside its target range. The following was the MTA Defined Benefit Pension Plan Board adopted asset allocation policy, which includes assets of the Additional Plan, as of December 31, 2025.

| Asset Class | Target Strategic Asset Allocation | Allocation Range | Benchmark Index |
|---|---|---|---|
| **Total Equity** | **50.0 %** | **40.0%–60.0%** | |
| Domestic Large Cap Equity | 23.0 % | 18.0%–28.0% | S&P 500 Index |
| Domestic Small/Mid Cap Equity | 4.5 % | 0%–9.5% | Russell 2000 Index |
| Developed International Equity | 10.5 % | 5.5%–15.5% | MSCI EAFE |
| Emerging Markets Large Cap Equity | 3.0 % | 0%–8.0% | MSCI Emerging Markets |
| Emerging Markets Small Cap Equity | 1.0 % | 0%–6.0% | MSCI Emerging Markets Small Cap |
| Private Equity | 8.0 % | 3.0%–13.0% | C/A Global All PE (Qtr Lag) |
| **Total Fixed Income** | **31.0 %** | **21.0%–41.0%** | |
| US TIPS | 2.0 % | 0%–7.0% | Bloomberg US TIPS |
| US Treasury Bonds | 2.0 % | 0%–7.0% | Bloomberg US Treasury |
| US Aggregate Bonds | 15.5 % | 10.5%–20.5% | Bloomberg US Aggregate |
| US High Yield | 3.5 % | 0%–8.5% | ICE BofA US High Yield |
| Private Debt | 8.0 % | 3.0%–13.0% | 50% CS Leveraged Loan/50% ICE BofA Euro HY Constrained |
| **Total Real Assets** | **11.0 %** | **1.0%–21.0%** | |
| Public Real Assets | 3.0 % | 0%–8.0% | SSgA Real Assets Index |
| Private Real Assets—Natural Resources/Infrastructure | 3.0 % | 0%–8.0% | CPI + 3.0% |
| Private Real Estate—Core/Non–Core | 5.0 % | 0%–10.0% | NCREIF Property Index (Qtr Lag) |
| **Total Multi-Asset** | **8.0 %** | **3.0%–13.0%** | |
| Hedge Funds | 8.0 % | 3.0%–13.0% | HFRI Fund of Funds Index |

**Investment Objective**—The investment objective of the funds is to achieve consistent positive real returns and to maximize long-term total return with prudent levels of risk through a combination of income and capital appreciation.

**Investment Guidelines**—The Board of Pension Managers executes investment management agreements with professional investment management firms to manage the assets of the Plan. The fund managers must adhere to guidelines that have been established to limit exposure to risk.

All investment managers shall be registered advisors under the Investment Advisors Act of 1940.

The Strategic Asset Allocation targets and permissible ranges for eligible asset classes of the Plan are detailed within the Investment Policy Statement ("IPS"). Full discretion, within the parameters of the IPS and in any individual investment policy associated with that allocation, is granted to the Investment Managers regarding the selection of securities and the timing of transactions. For separate accounts, individual manager guidelines and/or exemptions are specified in each approved investment management agreement ("IMA"). Should there be conflicts between the IPS and the IMA, the manager guidelines set forth in the IMA supersede the general guidelines in this Statement. For commingled funds, investment guidelines and/or exemptions are specified in such vehicle's offering documents and any applicable side letter agreements. Should there be conflicts, the individual vehicle's investment guidelines supersede the general guidelines in the IPS.

Performance of the Trust will be evaluated on a regular basis. Evaluation will include the degree to which performance results meet the goals and objectives as herewith set forth. Toward that end, the following standards will be used in evaluating investment performance:

- The compliance of each investment manager with the guidelines as expressed herein.
- The extent to which the total rate of return performance of the Trust achieves or exceeds the targeted goals.

**Fixed Income Investment Managers**—Investment managers are governed by the provisions described in the IPS. The fixed-income portion of the Additional Plan's assets shall be invested in marketable, fixed income securities, such as:

- Domestic fixed income securities, subject to the guidelines reflected in IPS. Generally defined, the Bloomberg Barclays US Aggregate Bond Index represents the opportunity set for intermediate-term investment grade bonds traded in the United States
- International fixed income securities, subject to the guidelines reflected in IPS. Generally defined, the Citigroup World Government Bond Index represents the opportunity set for international developed market bonds. The J.P. Morgan Emerging Markets Bond Index-Global represents the opportunity set for international emerging market bonds denominated in USD. The J.P. Morgan GBI-EM Global Diversified Index represents the opportunity set for international emerging market bonds denominated in local currency.

These index references are guidelines and do not prohibit investment in securities outside those indexes.

**Equity Investment Managers**—Investment managers are governed by the provisions described in the IPS. The equity portion of the Additional Plan's assets shall be invested in marketable securities, such as:

- Domestic equity securities, subject to the guidelines. Generally defined, the Standard & Poor's 500 and the Russell 3000 Index represents the opportunity set for the Large Cap and Small Cap equities traded in the United States.

- International equity securities, subject to the guidelines. Generally defined, the Morgan Stanley EAFE (Europe, Australasia, and the Far East) Index represents the opportunity set for equities traded in international developed markets. The Morgan Stanley Emerging Markets Index represents the opportunity set for equities traded in international emerging markets.

These index references are guidelines and do not prohibit investment in securities outside those indexes.

**Overlay Managers**—For a variety of reasons, the investment program may carry large amounts of cash throughout the year. In order to achieve the actuarial assumed returns on the total investment program, the Committee may retain an overlay manager(s). The overlay manager may use exchange traded futures contracts, Treasuries, and/or Exchange-Traded Funds (ETFs) to expose the cash to the Policy Target Allocation.

In addition, the overlay manager may be utilized for the following:

- Expose un-invested assets of domestic and international equity investment managers to their respective equity benchmarks,
- Assist the Board in rebalancing, transitions, and/or gaining exposure to approved asset classes,
- Invest excess cash into highly liquid short-term investments
- Provide the market (or “beta”) exposures in a portable alpha program.
- The overlay manager shall ensure that all futures positions are fully collateralized, and the manager is prohibited from leveraging any portion of the portfolio.

**Alternative Investments Managers**—Alternative investments allow the Plan to expand the opportunity set beyond public markets and can be used to enhance overall Plan returns and diversify risk.

Alternative investments are broadly categorized into the following categories:

- Private fixed income
- Real assets
- Real estate
- Absolute return or Hedge Funds
- Private equity
- Venture Capital

Common features of alternative investments are limited liquidity, the use of derivatives, leverage and shorting, lower regulatory oversight, limited transparency, and high fees. Compensating for these risks, these investments offer the potential of diversification and/or higher rates of return over time.

**Derivatives Policy**—Where appropriate, investment managers may use derivative securities for the following reasons:

- Hedging. To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures.
- Creation of Market Exposures. Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the investment manager allow for such exposures to be created with the underlying assets themselves.

- Management of Country and Asset Allocation Exposure. Investment managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for these purposes.

- Additional uses of derivatives shall be approved by the Board or set forth in the individual investment guidelines or the offering documents prior to implementation and shall be restricted to those specific investment managers.

**Ineligible Investments**—Unless specifically approved by the Committee or set forth in the individual investment guidelines of a particular allocation, certain securities, strategies and investments are ineligible for inclusion within separately managed accounts. These are:

- Privately-placed or other non-marketable debt, except securities issued under Rule 144a,
- Lettered, legend or other so-called restricted stock,
- Investments in Russian securities,
- Investments in any securities issued by the Metropolitan Transportation Authority or any of its affiliates,
- Commodities,
- Naked Short sales and short sales not acting as a hedge, and
- Direct investments in private placements, real estate, oil and gas and venture capital.

**Investment Valuation**—Investments primarily include money market funds, equity securities, United States government securities, corporate bonds and debentures, asset backed securities, mortgage and commercial backed securities, mutual and commingled funds. All investments are registered and held by the trustee under a grantor trust, in the name of the Additional Plan. The values of Additional Plan investments are adjusted to fair value as of the last business day of each month based on quoted market prices or net asset value, which is determined to be a practical expedient for measuring fair value, except for certain cash equivalents, which are stated at cost and approximate market value. Purchases and sales of securities are recorded on a trade-date basis.

**Income Recognition**—Gains or losses from investment transactions are recognized on a trade date basis. Such investment gains or losses are determined using the average cost method. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis.

**Risks and Uncertainties**—The Plan's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect the amounts reported in the Plan's financial statements.

The financial markets, both domestically and internationally, have demonstrated significant volatility on a daily basis, which affects the valuation of investments. The Plan utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and with acceptable levels of risk.

**GASB Statement No. 72**—In year 2015, the Plan adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2025 and 2024:

**LIRRD Additional Pension Plan**
**Investments Measured by Fair Value Level**
**(In thousands)**

| | 2025 | | | |
|---|---|---|---|---|
| | 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: | | | | |
| Separate account large-cap equity funds | $ 42,999 | $ 42,999 | $ - | $ - |
| Separate account small-cap equity funds | 27,056 | 27,056 | - | - |
| Separate account small-real estate investments trusts | 22 | 22 | - | - |
| Separate account—international equity funds | 19,899 | 19,899 | - | - |
| Total equity investments | 89,976 | 89,976 | - | - |
| Debt securities: | | | | |
| Mutual fund | 10,965 | 10,965 | - | - |
| Separate account—opportunistic credit/private debt | 5,259 | - | 5,259 | - |
| Separate account debt funds | 80,718 | - | 80,718 | - |
| Total debt investments | 96,941 | 10,965 | 85,976 | - |
| Total investments by fair value | $ 186,917 | $ 100,941 | $ 85,976 | $ - |

**LIRRD Additional Pension Plan**
**Investments Measured at NAV**
**(In thousands)**

| | 2025 | | | |
|---|---|---|---|---|
| | **December 31, 2025** | **Unfunded Commitments** | **Redemption Frequency** | **Redemption Notice Period** |
| Equity securities: | | | | |
| Comingled large cap equity funds | $ 98,600 | $ - | Daily | None |
| Comingled international equity funds | 40,323 | - | Daily | None |
| Comingled emerging market equity funds | 31,697 | - | Daily, monthly | None |
| Total equity investments measured at the NAV | 170,620 | - | | |
| Debt securities | | | | |
| Comingled debt funds | 55,525 | - | Daily, monthly, quarterly | None |
| Total debt investments measured at the NAV | 55,525 | - | | |
| Absolute return: | | | | |
| Direct lending | 10,266 | 15,718 | Bi-annually | 60 plus days |
| Distressed securities | 920 | - | Not eligible | N/A |
| Credit long | 5,611 | - | Quarterly | 3–30 days |
| Event Driven | - | 185 | Quarterly | 3–60 days |
| Hedge Funds of funds | 61,301 | - | Quarterly | 70 days |
| Total absolute return measured at the NAV | 78,098 | 15,903 | | |
| Venture capital | 205 | 587 | Not eligible | N/A |
| Private equity—private equity partnerships | 43,253 | 35,881 | Not eligible | N/A |
| Comingled real estate funds | 82,861 | 8,648 | Not eligible | N/A |
| Real assets: | | | | |
| Comingled commodities fund | 17,820 | - | Not eligible | N/A |
| Energy | 4,452 | 4,278 | Not eligible | N/A |
| Infrastructure | 2,702 | 8,801 | Not eligible | N/A |
| Shipping | - | 83 | Not eligible | N/A |
| Total real assets measured at the NAV | 24,974 | 13,162 | | |
| Short term investments measured at the NAV | 18,421 | - | | |
| Total investments measured at the NAV | $ 473,957 | $ 74,181 | | |
| Total investments | $ 660,874 | | | |

**LIRRD Additional Pension Plan**
**Investments Measured by Fair Value Level**
**(In thousands)**

| | 2024 | | | |
|---|---|---|---|---|
| | **December 31, 2024** | **Quoted Price in Active Markets for Identical Assets Level 1** | **Significant Other Observable Inputs Level 2** | **Significant Unobservable Inputs Level 3** |
| Equity securities: | | | | |
| Separate account large-cap equity funds | $ 149,437 | $ 149,437 | $ - | $ - |
| Separate account small-cap equity funds | 40,329 | 40,329 | - | - |
| Separate account small-real estate investments trusts | 5,951 | 5,951 | - | - |
| Separate account—international equity funds | 21,730 | 21,730 | - | - |
| Total equity investments | 217,447 | 217,447 | - | - |
| Debt securities: | | | | |
| Mutual fund | 8,768 | 8,768 | - | - |
| Separate account—opportunistic credit/private debt | 7,615 | - | 7,615 | - |
| Separate account debt funds | 99,400 | - | 99,400 | - |
| Total debt investments | 115,783 | 8,768 | 107,015 | - |
| Total investments by fair value | $ 333,230 | $ 226,215 | $ 107,015 | $ - |

**LIRRD Additional Pension Plan**
**Investments Measured at NAV**
**(In thousands)**

| | 2024 | | | |
|---|---|---|---|---|
| | **December 31, 2024** | **Unfunded Commitments** | **Redemption Frequency** | **Redemption Notice Period** |
| Equity securities: | | | | |
| Comingled international equity funds | $ 56,769 | $ - | Daily | None |
| Comingled emerging market equity funds | 28,382 | - | Daily, monthly | None |
| Total equity investments measured at the NAV | 85,151 | - | | |
| Debt securities: | | | | |
| Comingled debt funds | 51,329 | - | Daily, monthly, quarterly | None |
| Total debt investments measured at the NAV | 51,329 | - | | |
| Absolute return: | | | | |
| Direct lending | 12,939 | 8,905 | Bi-annually | 60 plus days |
| Distressed securities | 1,135 | - | Not eligible | N/A |
| Credit long | 6,109 | - | Quarterly | 3–30 days |
| Event Driven | - | 185 | Quarterly | 3–60 days |
| Hedge Funds of funds | 50,312 | - | Quarterly | 70 days |
| Total absolute return measured at the NAV | 70,495 | 9,090 | | |
| Venture capital | 52 | 747 | Not eligible | N/A |
| Private equity—private equity partnerships | 47,516 | 28,656 | Not eligible | N/A |
| Comingled real estate funds | 93,744 | 7,202 | Not eligible | N/A |
| Real assets: | | | | |
| Energy | 6,565 | 4,857 | Not eligible | N/A |
| Infrastructure | 1,206 | 6,313 | Not eligible | N/A |
| Shipping | 9 | 83 | Not eligible | N/A |
| Total real assets measured at the NAV | 7,780 | 11,253 | | |
| Short term investments measured at the NAV | 20,811 | - | | |
| Total investments measured at the NAV | $ 376,878 | $ 56,948 | | |
| Total investments | $ 710,108 | | | |

**Concentration of Credit Risk**—Individual investments held by the Additional Plan that represent 5% or more of the Additional Plan's net assets available for benefits at December 31, 2025 and 2024, is as follows (amount in thousands):

| | **2025** | **2024** |
|---|---|---|
| Investments at fair value as determined by quoted market prices: | | |
| JPMCB Strategic Property Fund | $ 75,198 | $ 71,720 |
| Blackrock Hedge Index | 36,409 | 41,279 |
| Rhumbline Core Bond | 30,289 | - |
| Rhumbline Large Cap Equity | 98,600 | 110,459 |
| Independent Franchise Partners | 42,998 | 38,978 |

**Credit Risk**—The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations at December 31, 2025 and 2024 (amount in thousands):

| Quality Rating—S&P | 2025 Fair Value | Percentage of Fixed Income Portfolio | 2024 Fair Value | Percentage of Fixed Income Portfolio |
|---|---|---|---|---|
| AAA | $ 4,106 | 4.92 % | $ 4,754 | 4.57 % |
| AA | 1,433 | 1.72 | 17,801 | 17.13 |
| A | 4,177 | 5.00 | 3,860 | 3.71 |
| BBB | 13,007 | 15.57 | 12,653 | 12.18 |
| BB | 4,923 | 5.89 | 4,512 | 4.34 |
| B | 6,376 | 7.63 | 8,577 | 8.25 |
| CCC | 3,090 | 3.70 | 3,203 | 3.08 |
| Not rated | 28,155 | 33.71 | 9,311 | 8.96 |
| Total credit risk debt securities | 65,267 | 78.14 | 64,671 | 62.23 |
| U.S. Government bonds* | 18,256 | 21.86 | 39,249 | 37.77 |
| Total fixed income securities | 83,523 | 100.00 % | 103,920 | 100.00 % |
| Other securities not rated—equity, international funds and foreign corporate bonds | 577,351 | | 606,188 | |
| Total investments | $ 660,874 | | $ 710,108 | |

* U.S. Treasury Bonds, Notes and Treasury-inflation protected securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore not considered to have a credit risk.

***Custodial Credit Risk***—Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Additional Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Additional Plan and are held by either the counterparty or the counterparty's trust department or agent but not in the Additional Plan's name.

Consistent with the Additional Plan's trust custodial administration agreement, the investments are held by the Additional Plan's custodian and registered in the Additional Plan's name.

**Interest Rate Risk Exceptions**—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice-versa. Duration is an indicator of bond price's sensitivity to 100-basis point change in interest rates. The lengths of investment maturities (in years), as of December 31, 2025 and 2024, is as follows (in thousands):

| | 2025 | | 2024 | |
|---|---|---|---|---|
| **Investment Fund** | **Fair Value** | **Duration** | **Fair Value** | **Duration** |
| JP Morgan Chase | $ 83,523 | 6.07 | $ 103,920 | 5.12 |
| Total fixed income securities | 83,523 | | 103,920 | |
| Portfolio modified duration | | 6.07 | | 5.12 |
| Investments with no duration reported | 577,351 | | 606,188 | |
| Total investments | $ 660,874 | | $ 710,108 | |

**Foreign Currency Risk**—Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Each investment manager, through the purchase of units in a commingled investment trust fund or international equity mutual fund establishes investments in international equities. The Additional Plan also holds investments in American Depository Receipts ("ADRs"), which are denominated in US dollars and accounted for at fair value.

In addition, the Plan has investments in foreign stocks denominated in foreign currencies. The Plan's foreign currency exposures as of December 31, 2025 and 2024, are as follows (amounts in U.S. dollars, in thousands):

| | **2025** | **2024** |
|---|---|---|
| Australia (Dollar) | $ 378 | $ - |
| Canadian (Dollar) | 1,728 | - |
| Euro | 6,826 | 692 |
| Hong Kong (Dollar) | 323 | - |
| Japanese (Yen) | 3,996 | 1,341 |
| Mexican (Peso) | 514 | - |
| Singapore (Dollar) | 748 | - |
| South Korea (Won) | 514 | - |
| Sweden (Krona) | 428 | - |
| Swiss Franc | 2,326 | 1,943 |
| United Kingdom (GBP) | 4,628 | 2,363 |
| Total | $ 22,409 | $ 6,339 |

**Additional Information**—The Additional Plan is part of the MTA Master Trust of which the Additional Plan participates on a percentage basis. JP Morgan Chase is the trustee of the MTA Master Trust. The percentage of the Additional Plan ownership for the year ended December 31, 2025 and 2024, was 6.96% and 8.16%, respectively.

| **(In thousands)** | **December 31, 2025** | | **December 31, 2024** | |
|---|---|---|---|---|
| | **Master Trust Total** | **Additional Plan** | **Master Trust Total** | **Additional Plan** |
| Total Investments: | | | | |
| Investments measured at readily determined fair value | $ 2,686,526 | $ 186,917 | $ 4,083,505 | $ 333,230 |
| Investments measured at the net asset value | 5,731,285 | 398,758 | 3,739,494 | 305,157 |
| Total investments measured at fair value | $ 8,417,811 | $ 585,675 | $ 7,822,999 | $ 638,387 |

There is an additional investment which resides outside of the Master Trust which is presented within these financial statements.

## 4. NET PENSION LIABILITY

The components of the net pension liability of the Plan at December 31, 2025 and 2024, was as follows (in thousands):

| | **2025** | **2024** |
|---|---|---|
| Total pension liability | $ 1,087,100 | $ 1,143,000 |
| Fiduciary net position | 661,593 | 709,626 |
| Net pension liability | $ 425,507 | $ 433,374 |
| Fiduciary net position as a percentage of the total pension liability | 60.86 % | 62.08 % |

**Actuarial Methods and Assumptions**—The total pension liability as of December 31, 2025 and 2024, was determined by an actuarial valuation date of January 1, 2025 and 2024, that was updated to roll forward the total pension liability to year-end. Actuarial valuations are performed annually as of January 1.

**Discount Rate**—The discount rate used to measure the total liability as of December 31, 2025 and 2024, was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in accordance with the Employer funding policy as projected by the Plan's actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**—The following presents the net pension liability of the Plan in 2025 and 2024, calculated using the discount rate of 6.50%; as well as what the Plan's net pension would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

| **2025 (In thousands)** | **1% Decrease 5.50%** | **Current Discount Rate 6.50%** | **1% Increase 7.50%** |
|---|---|---|---|
| Net pension liability | $ 504,521 | $ 425,508 | $ 356,058 |

| **2024 (In thousands)** | **1% Decrease 5.50%** | **Current Discount Rate 6.50%** | **1% Increase 7.50%** |
|---|---|---|---|
| Net pension liability | $ 518,085 | $ 433,374 | $ 359,091 |

Additional information of the latest actuarial valuation follows:

| | |
|---|---|
| Valuation date | January 1, 2025 |
| Valuation timing | Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year. For 2023 - 2025, discounts reflect timing of prepaid contributions. |
| Actuarial cost method | Entry age normal. |
| Amortization method | Period specified in current valuation report (closed 8-year period beginning January 1, 2025) with level dollar payments. |
| Actuarial asset valuation method | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. |
| Mortality | Based on experience of all MTA-sponsored pension plan members from January 1, 2018–December 31, 2023 reflecting mortality improvement on a generational basis using Scale MP-2021. |
| Actuarial assumptions: | |
| Investment rate of return | 6.5%—net of investment expenses |
| Projected salary increases | 3.0% |
| Inflation/Railroad Retirement wage base | 2.25%; 3.25% |

| | |
|---|---|
| Valuation date | January 1, 2024 |
| Valuation timing | Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year. For 2023 - 2024, discounts reflect timing of prepaid contributions. |
| Actuarial cost method | Entry age normal. |
| Amortization method | Period specified in current valuation report (closed 9-year period beginning January 1, 2024) with level dollar payments. |
| Actuarial asset valuation method | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. |
| Mortality | Based on experience of all MTA-sponsored pension plan members from January 1, 2015–December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021. |
| Actuarial assumptions: | |
| Investment rate of return | 6.5%—net of investment expenses |
| Projected salary increases | 3.00% |
| Inflation/Railroad Retirement wage base | 2.25%; 3.25% |

**Calculation on Money-Weighted Rate of Return**—The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

**2025—Schedule of Calculations of Money-Weighted Rate of Return**
**(Amounts in thousands)**

| | Net External Cash Flows | Periods Invested | Period Weight | Net External Cash Flows With Interest |
|---|---|---|---|---|
| Beginning value—January 1, 2025 | $ 709,626 | 12.00 | 1.00 | $ 798,243 |
| Monthly net external cash flows: | | | | |
| January | (10,789) | 12.00 | 1.00 | (12,137) |
| February | (10,789) | 11.00 | 0.92 | (12,023) |
| March | (10,789) | 10.00 | 0.83 | (11,896) |
| April | (10,789) | 9.00 | 0.75 | (11,785) |
| May | (10,789) | 8.00 | 0.67 | (11,674) |
| June | (10,789) | 7.00 | 0.58 | (11,552) |
| July | (10,219) | 6.00 | 0.50 | (10,839) |
| August | (10,789) | 5.00 | 0.42 | (11,336) |
| September | (10,789) | 4.00 | 0.33 | (11,217) |
| October | (10,789) | 3.00 | 0.25 | (11,111) |
| November | (10,789) | 2.00 | 0.17 | (11,007) |
| December | (9,971) | 1.00 | 0.08 | (10,073) |
| Ending value—December 31, 2025 | | | | $ 661,593 |
| Money—Weighted Rate of Return | 12.49 % | | | |

**2024—Schedule of Calculations of Money-Weighted Rate of Return**
**(Amounts in thousands)**

| | Net External Cash Flows | Periods Invested | Period Weight | Net External Cash Flows With Interest |
|---|---|---|---|---|
| Beginning value—January 1, 2024 | $ 711,781 | 12.00 | 1.00 | $ 771,636 |
| Monthly net external cash flows: | | | | |
| January | (11,222) | 12.00 | 1.00 | (12,166) |
| February | (1,360) | 11.00 | 0.92 | (1,465) |
| March | (1,360) | 10.00 | 0.83 | (1,455) |
| April | (1,360) | 9.00 | 0.75 | (1,445) |
| May | (1,360) | 8.00 | 0.67 | (1,436) |
| June | (1,360) | 7.00 | 0.58 | (1,425) |
| July | (1,360) | 6.00 | 0.50 | (1,416) |
| August | (8,591) | 5.00 | 0.42 | (8,887) |
| September | (8,591) | 4.00 | 0.33 | (8,823) |
| October | (8,591) | 3.00 | 0.25 | (8,766) |
| November | (8,591) | 2.00 | 0.17 | (8,710) |
| December | (5,960) | 1.00 | 0.08 | (6,016) |
| Ending value—December 31, 2024 | | | | $ 709,626 |
| Money—Weighted Rate of Return | 8.41 % | | | |

**Calculation on Long-Term Expected Rate of Return**—The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of December 31, 2025 and 2024.

**Schedule of Long Term Expected Rate of Return For 2025**

| Asset Class | Index | Target Allocation* | Real Rate of Return |
|---|---|---|---|
| US Core Fixed Income (Aggregate) | Bloomberg Barclays Aggregate | 15.50 % | 2.33 % |
| US Treasury Bonds | Bloomberg US Treasury | 2.50 | 1.86 |
| US TIPS (Inflation-Indexed Bonds) | Bloomberg US Treasury US TIPS | 2.50 | 2.03 |
| US High Yield Bonds | ICE BofA US High Yield | 3.50 | 3.97 |
| Private Credit | CDL Index | 8.00 | 6.57 |
| US Large Cap Equity | S&P 500 TR USD | 21.50 | 5.47 |
| US Small Cap Equity | Russell 2000 TR USD | 5.00 | 6.52 |
| Foreign Developed Equity | MSCI EAFE NR USD | 11.00 | 6.35 |
| Emerging Market Equity | MSCI EM NR USD | 3.50 | 8.48 |
| Emerging Markets Small Cap Equity | MSCI EM Small NR USD | 1.00 | 8.77 |
| Private Real Estate Property | NCREIF Property | 5.00 | 5.91 |
| Private Equity | Cambridge Associates US Private Equity | 8.00 | 10.51 |
| Infrastructure—Public | S&P Global Infrastructure TR USD | 3.00 | 5.51 |
| Commodities | Bloomberg Commodity TR USD | 3.00 | 3.13 |
| Hedge Funds—MultiStrategy | HFRI: Fund Wtd Composite | 7.00 | 4.03 |
| Assumed Inflation—Mean | | | 2.33 |
| Assumed Inflation—Standard Deviation | | | 1.47 |
| Portfolio Nominal Mean Return | | | 7.71 |
| Portfolio Standard Deviation | | | 12.26 |
| Long-Term Expected Rate of Return selected by MTA | | | 6.50 |

* Based on February 2026 Investment Policy

**Schedule of Long Term Expected Rate of Return for 2024**

| Asset Class | Index | Target Allocation* | Real Rate of Return |
|---|---|---|---|
| US Core Fixed Income (Aggregate) | Bloomberg Barclays Aggregate | 15.50 % | 2.36 % |
| US Treasury Bonds | Bloomberg US Treasury | 2.00 | 1.85 |
| US TIPS (Inflation-Indexed Bonds) | Bloomberg US Treasury US TIPS | 2.00 | 1.93 |
| US High Yield Bonds | ICE BofA US High Yield | 3.50 | 4.04 |
| Private Credit | CDL Index | 8.00 | 6.48 |
| US Large Cap Equity | S&P 500 | 23.00 | 5.33 |
| US Small Cap Equity | Russell 2000 | 4.50 | 6.82 |
| Foreign Developed Equity | MSCI EAFE NR | 10.50 | 6.91 |
| Emerging Market Equity | MSCI EM NR | 3.00 | 9.29 |
| Emerging Markets Small Cap Equity | MSCI EM Small NR | 1.00 | 9.62 |
| Private Real Estate Property | NCREIF Property | 5.00 | 5.93 |
| Private Equity | Cambridge Private Equity | 8.00 | 10.37 |
| Infrastructure—Public | S&P Global Infrastructure | 3.00 | 5.92 |
| Commodities | Bloomberg Commodity | 3.00 | 3.38 |
| Hedge Funds—MultiStrategy | HFRI: Fund Wtd Composite | 8.00 | 4.13 |
| | | | |
| Assumed Inflation—Mean | | | 2.30 |
| Assumed Inflation—Standard Deviation | | | 1.46 |
| Portfolio Nominal Mean Return | | | 7.77 |
| Portfolio Standard Deviation | | | 12.25 |
| Long-Term Expected Rate of Return selected by MTA | | | 6.50 |

* Based on October 2021 Investment Policy

## 5. CONTRIBUTIONS

Employer contributions are actuarially determined on an annual basis and are recognized when due. The Additional Plan is a governmental plan and accordingly, is not subject to the funding and other requirements of ERISA.

Upon termination of employment before retirement, vested participants who have been required to contribute must choose to: (1) receive a refund of their own contributions, including accumulated interest at rates established by the Company's Board of Managers of Pensions (1.5% in 2025 and 2024), or (2) leave their contributions in the Additional Plan until they retire and become entitled to the pension benefits. Non-vested participants who have been required to contribute will receive a refund of their own contributions, including accumulated interest at rates established by the Company's Board of Managers of Pensions (1.5% in 2025 and 2024).

The Company performs a public service of providing essential passenger transportation between New York City and Long Island. Substantial deficits result from providing these services and the Company expects that such deficits will continue in the foreseeable future. Funding for the Additional Plan by the Company is provided by MTA, which obtains the required funds from New York State, federal grants, the sale of bonds to the public and other sources. Certain funding by MTA is made to the Company on a discretionary basis. The continuance of the Company's funding for the Additional Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

## 6. ACTUARIAL METHODS AND ASSUMPTIONS

### A. ACTUARIAL VALUATION METHOD

The Plan's actuarial cost method is the Entry Age Normal method. Under this method, a projected benefit is determined at each active participant's assumed retirement age assuming future compensation increases. The plan's normal cost is the sum of each active participant's annual cost for the current year of service determined such that, if it were calculated as a level percentage of compensation each year, it would accumulate at the valuation interest rate over his total prior and future years of service to the assumed retirement date into an amount sufficient to fund the projected benefit. The plan's accrued liability is the (a) present value of each active participant's benefits plus (b) the present value of each inactive participant's future benefits, less (c) the present value of each active participant's normal costs attributable to all future years of service.

## B. ASSET VALUATION METHOD

The Asset Valuation method smooths gains and losses over a 5-year period. The formula for the asset valuation method is as follows:

Actuarial Value of Assets = MVt – 0.8*UR1 – 0.6*UR2 – 0.4*UR3 – 0.2*UR4

Where:

MVt = Market Value of assets as of the valuation date.

URn = Unexpected return during the nth year preceding the valuation date. The unexpected return for a year equals the total investment return minus the total expected return. The total expected return equals the market value of assets at the beginning of the year plus the weighted net cash flow during the year multiplied by the expected rate of return.

The resulting value cannot be less than 80% or greater than 120% of the market value of assets.

## C. ACTUARIAL ASSUMPTIONS

The assumptions described below were primarily determined based on an experience analysis covering the period from January 1, 2006 to December 31, 2011, with certain economic assumptions modified subsequently based on an experience analysis covering the period from January 1, 2012 to December 31, 2017. The postretirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020.

**Interest**—6.50% per annum, compounded annually, net of investment expenses.

**Salary Scale**—Valuation compensation is assumed to increase 3.00% per year.

**Valuation Compensation**—The valuation compensation is equal to the annualized base salary as of December 31, 2024 as provided by MTA, projected six months at the assumed rate of salary increase.

**Overtime/Unused Vacation Pay**—Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.

**Railroad Retirement Wage Base**—3.25% per year.

**Consumer Price Index**—2.25% per year.

**Provision for Expenses**—Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years reported administrative expenses and are assumed payable in the middle of the plan year.

**Termination**—Withdrawal rates vary by age. Illustrative rates are shown below:

| Age | Rate | Age | Rate |
|---|---|---|---|
| 20 | 2.12 % | 45 | 0.96 % |
| 25 | 1.64 | 50 | 0.80 |
| 30 | 1.44 | 55 | 0.60 |
| 35 | 1.36 | 60 | 0.00 |
| 40 | 1.16 | 65 | 0.00 |

**Retirement**—Assumed retirement age varies by year of eligibility.

| Eligibility Period | Rate of Retirement |
|---|---|
| First year | 40 % |
| Years 2–4 | 33 |
| Year 5 | 37 |
| Years 6–7 | 35 |
| Years 8–9 | 33 |
| Years 10–15 | 55 |
| Years 16 and above | 100 |

Terminated vested participants are assumed to retire upon first eligibility or attained age, if later.

**Mortality**—Preretirement and postretirement annuitant rates are projected on a generational basis using Scale MP-2021. As a generational table, it reflects mortality improvements both before and after the measurement date.

***Preretirement***—Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.

***Postretirement***—Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.

**Marriage**—80% of employees are assumed to be married with wives 3 years younger than husbands.

**Interest on Employee Contributions**—Assumed to be 3.5% per year for future years.

**Railroad Offset**—The Railroad offset at retirement is based on the sum of Tier 1 and Tier 2 Railroad benefits net of Social Security benefits, and is estimated for active members, current retirees under age 65, and current beneficiaries of members under age 65. The offsets for Railroad Retirement benefits are assumed to occur at the member's age of 65. The estimated benefits are based on a member's compensation at retirement. For inactive participants, compensation is estimated based on the benefit provided and estimated service at retirement. For the Tier 1 offset, the Primary Insurance Amount assumes that an individual would continue to earn compensation at the level in effect at his date of termination until attaining eligibility for Railroad benefits and is further increased by 2% per year from the date of termination to age 65. In addition, the estimated Tier 1 offset for inactive members currently less than age 65 is reduced by 10% to reflect, on average, the adjustment for Social Security benefits.

**Benefits Not Valued**—Disability benefits since all active plan participants are eligible for retirement. COVID-19 Accidental Death Benefit is assumed to have an insignificant cost.

**D. CHANGES IN ACTUARIAL ASSUMPTIONS**—None.

**7. PLAN TERMINATION**

While the Company expects to continue the Additional Plan indefinitely, it may, subject to its collective bargaining agreements, amend, restrict, or terminate the Additional Plan at any time. In the event of termination, all participants will become fully vested to the extent of their then accrued benefits based on their compensation and service up to the date of termination. The net assets of the Additional Plan will be allocated to provide benefits in accordance with the disposition of the Additional Plan assets in a prescribed manner as defined in the Additional Plan document.

**8. COMMINGLING OF PENSION ASSETS FOR INVESTMENT PURPOSES**

On July 26, 2006, the MTA Board passed a resolution to transfer the responsibilities for the administration of the Additional Plan to the MTA Defined Benefit Pension Plan ("MTA DB") with no changes in the pension and death benefits and appeal rights provided by the Additional Plan. The trust agreement under the Additional Plan was replaced by the MTA Master Trust Agreement, which allows for the commingling of pension assets for investment purposes under the management of the MTA DB's Board of Managers of Pensions. The Additional Plan and Trust Agreements were amended in September 2006 and all Plan assets were commingled into the MTA Master Trust for investment purposes, effective October 2, 2006.

**9. CUSTODIAL AND OTHER PROFESSIONAL SERVICES**

JP Morgan Chase Bank is the custodian of plan assets and provides cash receipt and disbursement services to the Additional Plan. NEPC (formerly New England Pension Consultants) reviews the Additional Plan's portfolio, the investment policies as stipulated by the Investment Committee and the performance of the Investment Managers. Actuarial services were provided to the Additional Plan by Milliman Inc.

**10. 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.

* * * * * *

# REQUIRED SUPPLEMENTAL SCHEDULES

# THE LONG ISLAND RAIL ROAD COMPANY PLAN
# FOR ADDITIONAL PENSIONS

**SCHEDULE I**

## REQUIRED SUPPLEMENTARY INFORMATION
## SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS
## (In thousands)

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total pension liability: | | | | | | | | | | |
| Service cost | $ 55 | $ 71 | $ 81 | $ 146 | $ 260 | $ 453 | $ 621 | $ 1,057 | $ 1,874 | $ 2,752 |
| Interest | 70,179 | 73,782 | 77,391 | 81,371 | 83,489 | 86,918 | 93,413 | 97,611 | 101,477 | 104,093 |
| Changes of benefit terms | - | - | - | - | - | - | - | - | - | - |
| Differences between expected and actual experience | 2,656 | 2,054 | 3,362 | (1,347) | 3,729 | 10,428 | 13,455 | 213 | 1,890 | 15,801 |
| Changes of assumptions | - | - | - | - | 26,300 | - | 50,191 | - | - | - |
| Benefit payments and withdrawals | (128,790) | (133,794) | (138,824) | (143,764) | (148,630) | (152,046) | (157,254) | (159,565) | (159,717) | (158,593) |
| Net change in total pension liability | (55,900) | (57,887) | (57,990) | (63,594) | (34,852) | (54,247) | 426 | (60,684) | (54,476) | (35,947) |
| Total pension liability—beginning | 1,143,000 | 1,200,887 | 1,258,877 | 1,322,471 | 1,357,323 | 1,411,570 | 1,411,144 | 1,471,828 | 1,526,304 | 1,562,251 |
| Total pension liability—ending (a) | 1,087,100 | 1,143,000 | 1,200,887 | 1,258,877 | 1,322,471 | 1,357,323 | 1,411,570 | 1,411,144 | 1,471,828 | 1,526,304 |
| Plan fiduciary net position: | | | | | | | | | | |
| Employer contributions | 1,389 | 74,957 | 140,400 | 70,763 | 70,553 | 68,724 | 62,774 | 59,500 | 76,523 | 81,100 |
| Non-Employer contributions | - | - | - | - | - | - | - | - | 145,000 | 70,000 |
| Member contributions | 32 | 45 | 50 | 51 | 73 | 140 | 249 | 333 | 760 | 884 |
| Net investment income | 80,051 | 57,552 | 58,303 | (51,214) | 95,247 | 4,024 | 116,092 | (31,098) | 112,614 | 58,239 |
| Benefit payments and withdrawals | (128,790) | (133,794) | (138,824) | (143,764) | (148,630) | (152,046) | (157,254) | (159,565) | (159,717) | (158,593) |
| Administrative expenses | (715) | (915) | (546) | (761) | (610) | (612) | (718) | (1,180) | (1,070) | (611) |
| Net change in plan fiduciary net position | (48,033) | (2,155) | 59,383 | (124,925) | 16,633 | (79,771) | 21,143 | (132,010) | 174,110 | 51,019 |
| Plan fiduciary net position—beginning (*) | 709,626 | 711,781 | 652,398 | 777,323 | 760,690 | 840,460 | 819,317 | 951,327 | 777,217 | 726,198 |
| Plan fiduciary net position—ending (b) | 661,593 | 709,626 | 711,781 | 652,398 | 777,323 | 760,690 | 840,460 | 819,317 | 951,327 | 777,217 |
| Employer's net pension liability—ending (a)-(b) | $ 425,507 | $ 433,374 | $ 489,106 | $ 606,479 | $ 545,148 | $ 596,633 | $ 571,110 | $ 591,827 | $ 520,501 | $ 749,087 |
| Plan fiduciary net position as a percentage of the total pension liability | 60.86 % | 62.08 % | 59.27 % | 51.82 % | 58.78 % | 56.04 % | 59.54 % | 58.06 % | 64.64 % | 50.92 % |
| Covered-employee payroll | $ 1,344 | $ 1,802 | $ 1,972 | $ 2,043 | $ 1,995 | $ 3,509 | $ 5,210 | $ 7,894 | $ 11,046 | $ 18,216 |
| Employer's net pension liability as a percentage of covered-employee payroll | 31,660.33 % | 24,050.45 % | 24,799.92 % | 29,688.12 % | 27,330.09 % | 17,001.66 % | 10,961.80 % | 7,496.89 % | 4,711.97 % | 4,112.20 % |

* 2021 Plan fiduciary net position—beginning is adjusted for the Plan's 2020 Q4 Private Markets values

# THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

**SCHEDULE II**

## REQUIRED SUPPLEMENTARY INFORMATION
## SCHEDULE OF EMPLOYER CONTRIBUTIONS
## FOR THE YEARS ENDED DECEMBER 31
## (In thousands)

| Year Ending December 31, | Actuarially Determined Contribution | Actual Employer Contribution * | Contribution Deficiency (Excess) | Covered Payroll | Contribution as a % of Covered Payroll |
|---|---|---|---|---|---|
| 2016 | $ 83,183 | $ 151,100 | $ (67,917) | $ 18,216 | 829.48 % |
| 2017 | 76,523 | 221,523 | (145,000) | 11,046 | 2,005.39 |
| 2018 | 59,196 | 59,500 | (304) | 7,894 | 753.71 |
| 2019 | 62,774 | 62,774 | - | 5,210 | 1,204.87 |
| 2020 | 68,723 | 68,724 | (1) | 3,509 | 1,958.35 |
| 2021 | 70,553 | 70,553 | - | 1,995 | 3,537.06 |
| 2022 | 70,764 | 70,764 | - | 2,043 | 3,463.73 |
| 2023 | 72,666 | 140,400 | (67,734) | 1,972 | 7,119.68 |
| 2024 | 73,752 | 74,957 | (1,205) | 1,802 | 4,159.66 |
| 2025 | 77,067 | 1,389 | 75,678 | 1,344 | 103.34 |

* Employer contributions include amounts from both employer and non-employer contributing entities.

** For 2023, the MTA made contributions equal to the 2023 Actuarially Determined Contribution plus an estimated amount of the 2024 Actuarially Determined Contribution.

*** For 2024, MTA made contributions towards the 2025 actuarially determined contribution.

**** For 2025, MTA made remaining contributions towards the 2025 actuarially determined contribution that were not covered by contributions made in prior years.

**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

| | | | | | |
|---|---|---|---|---|---|
| Valuation Dates | January 1, 2025 | January 1, 2024 | January 1, 2023 | January 1, 2022 | January 1, 2021 |
| Actuarial cost method | Entry Age Cost Method | Entry Age Cost Method | Entry Age Cost Method | Entry Age Cost Method | Entry Age Cost Method |
| Amortization method | Period specified in current valuation report (closed 8-year period from January 1, 2025) with level dollar payments. | Period specified in current valuation report (closed 9-year period from January 1, 2024) with level dollar payments. | Period specified in current valuation report (closed 10-year period from January 1, 2023) with level dollar payments. | Period specified in current valuation report (closed 11-year period from January 1, 2022) with level dollar payments. | Period specified in current valuation report (closed 12-year period from January 1, 2021) with level dollar payments. |
| Actuarial asset valuation method | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. |
| Interest rate | Net rate of 6.5% for 2025, per annum, net of investment expenses | Net rate of 6.5% for 2024, per annum, net of investment expenses | Net rate of 6.5% for 2023, per annum, net of investment expenses | Net rate of 6.5% for 2022, per annum, net of investment expenses | Net rate of 6.5% for 2021, per annum, net of investment expenses |
| Inflation | 2.25% per annum | 2.25% per annum | 2.25% per annum | 2.25% per annum | 2.25% per annum |
| Railroad retirement wage base | 3.25% per year | 3.25% per year | 3.25% per year | 3.25% per year | 3.25% per year |
| Mortality | Based on experience of all MTA-sponsored pension plan members from January 1, 2018 - December 31, 2023 reflecting mortality improvement on a generational basis using Scale MP-2021. | Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021. | Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021. | Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021. | Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021. |
| Separations other than for normal retirement | Tables based on recent experience | Tables based on recent experience | Tables based on recent experience | Tables based on recent experience | Tables based on recent experience |
| Rates of normal retirement | Tables based on recent experience. Rates vary by age, years of service at retirement. | Tables based on recent experience. Rates vary by age, years of service at retirement. | Tables based on recent experience. Rates vary by age, years of service at retirement. | Tables based on recent experience. Rates vary by age, years of service at retirement. | Tables based on recent experience. Rates vary by age, years of service at retirement. |
| Salary increases | 3.0% per year | 3.0% per year | 3.0% per year | 3.0% per year | 3.0% per year |
| Overtime | Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay. | Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay. | Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay. | Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay. | Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay. |
| Provision for expenses | Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year. | Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year. | Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year. | Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year. | Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year. |

## THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

**SCHEDULE II (concluded)**

### REQUIRED SUPPLEMENTARY INFORMATION
### SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

| | | | | | |
|---|---|---|---|---|---|
| Valuation Dates | January 1, 2020 | January 1, 2019 | January 1, 2018 | January 1, 2017 | January 1, 2016 |
| Actuarial cost method | Entry Age Cost Method | Entry Age Cost Method | Entry Age Cost Method | Entry Age Cost Method | Entry Age Cost Method |
| Amortization method | Period specified in current valuation report (closed 13-year period from January 1, 2020) with level dollar payments. | Period specified in current valuation report (closed 14-year period from January 1, 2019) with level dollar payments. | Period specified in current valuation report (closed 15-year period from January 1, 2018) with level dollar payments. | Period specified in current valuation report (closed 16-year period from January 1, 2017) with level dollar payments. | Period specified in current valuation report (closed 17-year period from January 1, 2016) with level dollar payments. |
| Actuarial asset valuation method | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. | Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets. |
| Interest rate | Net rate of 6.5% for 2020, per annum, net of investment expenses | Net rate of 6.5% for 2019, per annum, net of investment expenses | Net rate of 7.0% for 2018, per annum, net of investment expenses | Net rate of 7.0% for 2017, per annum, net of investment expenses | Net rate of 7.0% for 2016, per annum, net of investment expenses |
| Inflation | 2.25% per annum | 2.25% per annum | 2.5% per annum | 2.5% per annum | 2.5% per annum |
| Railroad retirement wage base | 3.25% per year | 3.25% per year | 3.5% per year | 3.5% per year | 3.5% per year |
| Mortality | Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA | Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA | Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA | Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA | Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA |
| Separations other than for normal retirement | Tables based on recent experience | Tables based on recent experience | Tables based on recent experience | Tables based on recent experience | Tables based on recent experience |
| Rates of normal retirement | Tables based on recent experience. Rates vary by age, years of service at retirement. | Tables based on recent experience. Rates vary by age, years of service at retirement. | Tables based on recent experience. Rates vary by age, years of service at retirement. | Tables based on recent experience. Rates vary by age, years of service at retirement. | Tables based on recent experience. Rates vary by age, years of service at retirement. |
| Salary increases | 3.0% per year | 3.0% per year | 3.0% per year | 3.0% per year | 3.0% per year |
| Overtime | Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay. | Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay. | Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay. | Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay. | Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay. |
| Provision for expenses | Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year. | The provision for administrative expenses was modified to equal an average of the prior three years. | The provision for administrative expenses was modified to equal an average of the prior three years. | The provision for administrative expenses was modified to equal an average of the prior three years. | The provision for administrative expenses was modified to equal an average of the prior three years. |

# THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

**SCHEDULE III**

## SCHEDULE OF INVESTMENT RETURNS
## FOR THE YEARS ENDED DECEMBER 31

The following table displays annual money-weighted rate of return, net of investment expense.

| Year Ended December 31 | Net Money-Weighted Rate of Return | |
|---|---|---|
| 2016 | 8.11 % | |
| 2017 | 13.38 | |
| 2018 | (3.49) | |
| 2019 | 15.23 | |
| 2020 | 0.51 | * |
| 2021 | 13.37 | |
| 2022 | (7.00) | |
| 2023 | 8.25 | |
| 2024 | 8.41 | |
| 2025 | 12.49 | |

* The Net Money-Weighted Rate of Return was revised form 0.39% to 0.51%, based on subsequent information received for the Plan’s Private Market investments fourth quarter, in the first year of the adoption of GASB 84.