



GOVERNMENT OF THE DISTRICT OF COLUMBIA

401(a) & 457(b) Retirement Plans

ANNUAL REPORT - FISCAL YEAR 2025

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Executive Summary

Fiscal year 2025 was an up year for investors as both equity and fixed income markets produced positive results. U.S. equities, as measured by the S&P 500 Index, returned 17.6%. The technology sector remained the key driver of results in 2025, helped by artificial intelligence optimism. Within international equity markets, emerging markets outpaced developing markets returning 17.3% and 15.0%, respectively. The Bloomberg Aggregate Bond Index rose 2.9% and global fixed income was up 2.4% as measured by the Bloomberg Global Aggregate Index.

Assets in the 401(a) Defined Contribution Plan (“401(a) Plan”) increased by 12.8% from \$1.789 billion to \$2.017 billion. The plan had 35,093 participants and the average account balance was \$57,477. The District contributed \$100.6 million in fiscal year 2025 compared to \$97.0 million for the prior year.

Assets in the 457(b) Deferred Compensation Plan (“457(b) Plan”) increased 14.2% from \$1.622 billion to \$1.852 billion. The plan had 40,024 participants and the average account balance was \$46,272. Participants contributed \$162.8 million in fiscal year 2025 compared to \$156.5 million for the prior year. The employee participation rate for the 457(b) Plan in 2025 was 76% vs. 75% in 2024, representing an increase of 1 percentage point. We encourage and educate employees about the benefits of saving for retirement with a goal of 100% participation in the program.

We continued a robust educational program for participants that included monthly financial literacy seminars and individual account reviews. During the fiscal year 6,735 employees attended 834 seminars held by MissionSquare (recordkeeper) and 6,515 employees met one-on-one (in person or virtually) with a MissionSquare representative. There were a few key campaigns to engage employees in their retirement plans: DC Financial Wellness Campaign, CFP Seminar Series, Simplify Your Retirement, Smart Money Moves, Turning Your 457(b) Plan Savings into Income, Start Your Journey, and Financially Fit DC at Work.

This report also provides more detailed information regarding the plans’ investment funds and investment performance; reviews of our financial educational programs; lists relevant plan statistics; and outlines the administrative work performed by our partners in the District government and at MissionSquare.

The Office of Finance and Treasury regularly reviews the performance of the funds with our independent investment management consulting firm, Segal Marco Advisors. The operations of the plans and their assets are examined each year by an independent accounting firm. The plans received an unqualified (clean) opinion from the auditor, F.S. Taylor & Associates, P.C. The audited financial statements are included in this report as an appendix.

We hope you find the information in this report helps you gain a better understanding of the District’s retirement plans, as well as the oversight performed on an ongoing basis by the Office of Finance and Treasury and the DC Department of Human Resources.

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MissionSquare Retirement Fund Information and Benchmark Descriptions

The following is a summary of the investment options in the 401(a) and 457(b) Retirement Plans, organized by asset class. There are 29 investment options, ranging from conservative funds that focus on stability of principal to more aggressive funds such as a global/international fund and a brokerage option. This summary includes a description of the benchmark for each fund. More detailed information on each investment option, including fund fact sheets, can be found online at DCRetire.com. On an ongoing basis, the District monitors all investment options, evaluating investment performance, fund manager performance and other factors.



Stable Value/Cash Management

MISSIONSQUARE PLUS FUND R11

MissionSquare Investments employs a structured, multi-product, multi-manager approach in managing this fund. The fund invests primarily in a diversified and tiered portfolio of stable value investment contracts and fixed income securities, fixed income mutual funds and fixed income commingled trust funds (“fixed income assets”) that back certain stable value investment contracts. In addition, the fund invests in money market mutual funds, as well as cash and cash equivalents. The fund’s portfolio may include different types of investments with a wide variety of negotiated terms and maturities and is diversified across sectors and issuers. The composition of the fund’s portfolio and its allocations to various stable value investments and fixed income investment sectors, across the fund’s multiple tiers, is determined based on prevailing economic and capital market conditions, relative value analysis, liquidity needs and other factors.

The fund invests in stable value investment contracts to seek to achieve, over the long run, returns higher than those of money market funds and short-term bank rates and relatively stable returns compared to short-to-intermediate term fixed income funds. The fund generally will not track shorter-term interest rates as closely as money market mutual funds because of its longer maturity, potential adverse market changes and provisions in stable value contracts held by the fund. In addition, while the fund’s returns are generally

expected to follow interest rate trends over time, they typically will do so on a lagged basis.

BENCHMARK: *The ICE BofA US 1-3 Year Treasury Index is an unmanaged index consisting of all public U.S. Treasury securities with remaining terms to maturity of 1-3 years. Returns are annualized for all periods.*

VANGUARD FEDERAL MONEY MARKET FUND

The investment seeks to provide current income while maintaining liquidity and a stable share price of \$1. The fund invests primarily in high quality, short-term money market instruments. Under normal circumstances, at least 80% of the fund’s assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. It maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. The fund generally invests 100% of its assets in U.S. government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

BENCHMARK: *The ICE BofA US 1-Month Treasury Bill Index is comprised of a single U.S. Treasury Bill issue purchased at the beginning of each month and held for a full month, at which time that issue is sold and rolled into a newly selected issue. The issue selected each month is that having a maturity date closest to, but not beyond, one month from the rebalance date.*

Bond

DC PLUS FIXED INCOME FUND

The portfolio invests 50% of its assets in the Vanguard® Total Bond Market Index Fund and 50% of its assets in the Touchstone Impact Bond Y Fund and derives its objectives and strategies from these underlying mutual funds. The Vanguard fund seeks to track the performance of a broad, market weighted bond index by employing an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. Investments are selected using a sampling process and at least 80% of its assets will be invested in bonds held by that index. The Touchstone fund seeks current income; capital appreciation is a secondary goal. It invests at least 80% of its assets in investment grade fixed income securities. It may invest up to 20% of its total assets in non investment-grade debt securities (“junk bonds”).

BENCHMARK: *The Bloomberg U.S. Aggregate Bond Index consists of investment-grade U.S. fixed income securities.*

PIMCO REAL RETURN COLLECTIVE TRUST II

The objective of the PIMCO Real Return Fund is to seek maximum real return (total return less inflation). The fund's investment strategy is to invest for both current income (bond coupons and dividends) and capital appreciation (bond price movements), consistent with preservation of capital and prudent investment management.

BENCHMARK: *The Bloomberg U.S. Treasury Inflation-Linked Bond Index (Series-L) consists of all U.S. Treasury inflation protected securities rated investment grade or better, having at least one year to final maturity and at least \$250 million par amount outstanding.*

Guaranteed Lifetime Income

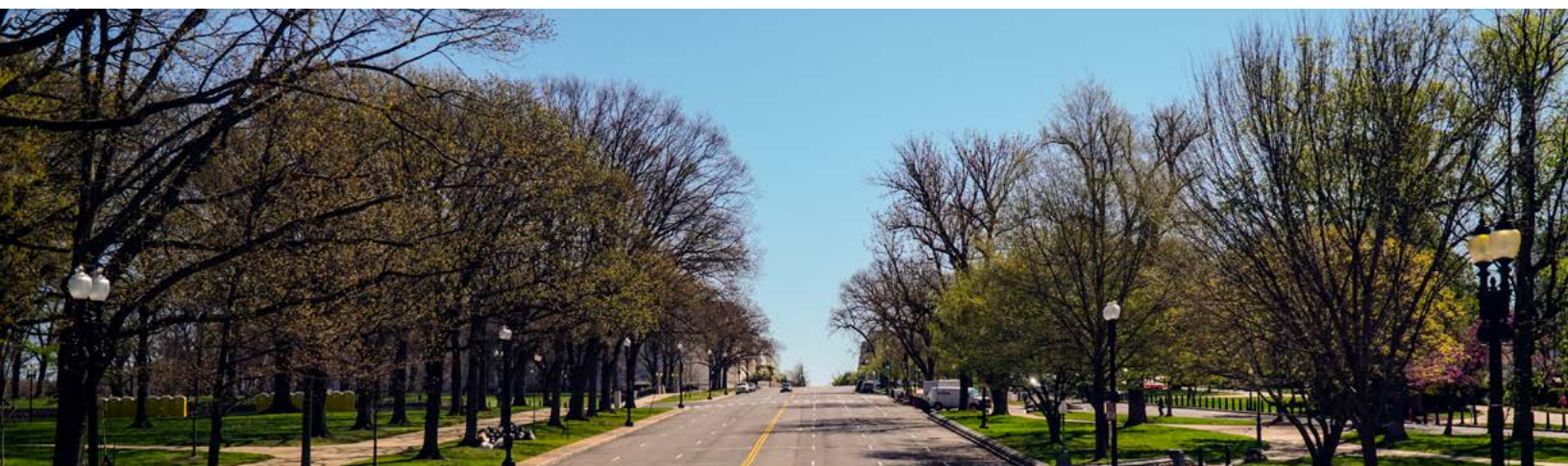
MISSIONSQUARE RETIREMENT INCOMEADVANTAGE FUND

The objective of the fund is to seek both moderate capital growth and current income while providing a guaranteed lifetime income feature that protects retirement income against market downturns. The fund invests in a Separate Account under a group variable annuity issued by Empower Annuity Insurance Company (EAIC).

The Separate Account, in turn, invests in collective trust funds with an asset allocation of approximately 60% equities (both domestic and foreign) and 40% fixed income. MissionSquare is responsible for managing the assets of the Separate Account. The Separate Account's target allocation to each collective trust fund is as follows:

- **Equity Funds** – MissionSquare Broad Market Index Fund: 25%; MissionSquare Growth & Income Fund: 20%; MissionSquare International Fund: 15%
- **Fixed Income Funds** – Prudential Core Conservative Intermediate Bond Fund: 30%; MissionSquare Inflation Focused Fund: 10%

BENCHMARK: *The MissionSquare Retirement IncomeAdvantage Fund's custom benchmark is comprised of the market indexes of the funds in which the MissionSquare Retirement IncomeAdvantage Fund invests, in weighted percentages that correspond to the historical target allocation to those funds and the historical market indexes. Should the target allocations for the MissionSquare Retirement IncomeAdvantage Fund or the market indexes of the funds change, the percentage allocations to the corresponding indexes or the market indexes will also change.*



Target Date/Lifecycle/Allocation

The trusts seek to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund Institutional Plus Shares, Total Bond Market II Index Fund Institutional Shares, Total International Bond II Index Fund Institutional Shares, Short-Term Inflation-Protected Securities Index Fund Institutional Shares and Total International Stock Index Fund Institutional Shares.

VANGUARD TARGET RETIREMENT INCOME TRUST I

Vanguard Target Retirement Income Trust uses an asset allocation strategy designed for investors currently in retirement. As of 9/30/2025, the fund's top holdings are as follows: 36.16% in the Total Bond Market II Index Fund, 18.51% in Total Stock Market Index Fund Institutional Plus Shares, 16.14% in Short-Term Inflation-Protected Securities Index Fund Institutional Shares, 15.08% in Total International Bond II Index Fund Institutional Shares, 12.64% in Total International Stock Index Fund Institutional Shares and 1.47% in Cash Currency.

BENCHMARK: *Target Income Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

VANGUARD TARGET RETIREMENT 2020 TRUST I

Vanguard Target Retirement 2020 Trust uses an asset-allocation strategy designed for investors with planned retirements between 2018 and 2022. As of 9/30/2025, the fund's top holdings are as follows: 34.32% in the Total Bond Market II Index Fund, 21.59% in Total Stock Market Index Fund Institutional Plus Shares, 14.90% in Total International Stock Index Fund Institutional Shares, 14.41% in Total International Bond II Index Fund Institutional Shares, 13.95% in Short-Term Inflation-Protected Securities Index Fund Institutional Shares and 0.83% in Cash Currency.

BENCHMARK: *Target 2020 Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

VANGUARD TARGET RETIREMENT 2025 TRUST I

Vanguard Target Retirement 2025 Trust uses an asset-allocation strategy designed for investors with planned retirements between 2023 and 2027. As of 9/30/2025, the fund's top holdings are as follows: 30.20% in Total Stock Market Index Fund Institutional Plus Shares, 28.69% in the Total Bond Market II Index Fund, 20.52% in Institutional Total International Stock Market Index Fund Institutional Shares, 12.01% in Total International Bond II Index Fund Institutional Shares, 7.63% in Short-Term Inflation-Protected Securities Index Fund Institutional Shares and 0.95% in Cash Currency.

BENCHMARK: *Target 2025 Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

VANGUARD TARGET RETIREMENT 2030 TRUST I

Vanguard Target Retirement 2030 Trust uses an asset-allocation strategy designed for investors with planned retirements between 2028 and 2032. As of 9/30/2025, the fund's top holdings are as follows: 36.28% in Total Stock Market Index Fund Institutional Plus Shares, 27.10% in the Total Bond Market II Index Fund, 24.52% in Institutional Total International Stock Market Index Fund Institutional Shares, 11.24% in Total International Bond II Index Fund Institutional Shares and 0.86% in Cash Currency.

BENCHMARK: *Target 2030 Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

VANGUARD TARGET RETIREMENT 2035 TRUST I

Vanguard Target Retirement 2035 Trust uses an asset-allocation strategy designed for investors with planned retirements between 2033 and 2037. As of 9/30/2025, the fund's top holdings are as follows: 40.89% in Total Stock Market Index Fund Institutional Plus Shares, 27.40% in Institutional Total International Stock Market Index Fund Institutional Shares, 21.77% in the Total Bond Market II Index Fund, 8.94% in Total International Bond II Index Fund Institutional Shares and 1.0% in Cash Currency.

BENCHMARK: *Target 2035 Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

VANGUARD TARGET RETIREMENT 2040 TRUST I

Vanguard Target Retirement 2040 Trust uses an asset-allocation strategy designed for investors with planned retirements between 2038 and 2042. As of 9/30/2025, the fund's top holdings are as follows: 45.63% in Total Stock Market Index Fund Institutional Plus Shares, 30.53% in Institutional Total International Stock Market Index Fund Institutional Shares, 16.35% in the Total Bond Market II Index Fund, 6.71% in Total International Bond II Index Fund Institutional Shares and 0.78% in Cash Currency.

BENCHMARK: *Target 2040 Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

VANGUARD TARGET RETIREMENT 2045 TRUST I

Vanguard Target Retirement 2045 Trust uses an asset-allocation strategy designed for investors with planned retirements between 2043 and 2047. As of 9/30/2025, the fund's top holdings are as follows: 49.88% in Total Stock Market Index Fund Institutional Plus Shares, 33.58% in Institutional Total International Stock Market Index Fund Institutional Shares, 11.04% in the Total Bond Market II Index Fund, 4.54% in Total International Bond II Index Fund Institutional Shares and 0.96% in Cash Currency.

BENCHMARK: *Target 2045 Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

VANGUARD TARGET RETIREMENT 2050 TRUST I

Vanguard Target Retirement 2050 Trust uses an asset-allocation strategy designed for investors with planned retirements between 2048 and 2052. As of 9/30/2025, the fund's top holdings are as follows: 54.24% in Total Stock Market Index Fund Institutional Plus Shares, 36.82% in Institutional Total International Stock Market Index Fund Institutional Shares, 5.62% in the Total Bond Market II Index Fund, 2.49% in Total International Bond II Index Fund Institutional Shares and 0.83% in Cash Currency.

BENCHMARK: *Target 2050 Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

VANGUARD TARGET RETIREMENT 2055 TRUST I

Vanguard Target Retirement 2055 Trust uses an asset-allocation strategy designed for investors with planned retirements between 2053 and 2057. As of 9/30/2025, the fund's top holdings are as follows: 54.13% in Total Stock Market Index Fund Institutional Plus Shares, 36.76% in Institutional Total International Stock Market Index Fund Institutional Shares, 5.63% in the Total Bond Market II Index Fund, 2.49% in Total International Bond II Index Fund Institutional Shares and 0.99% in Cash Currency.

BENCHMARK: *Target 2055 Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

VANGUARD TARGET RETIREMENT 2060 TRUST I

Vanguard Target Retirement 2060 Trust uses an asset-allocation strategy designed for investors with planned retirements between 2058 and 2062. As of 9/30/2025, the fund's top holdings are as follows: 54.12% in Total Stock Market Index Fund Institutional Plus Shares, 36.77% in Institutional Total International Stock Market Index Fund Institutional Shares, 5.61% in the Total Bond Market II Index Fund, 2.49% in Total International Bond II Index Fund Institutional Shares and 1.01% in Cash Currency.

BENCHMARK: *Target 2060 Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

VANGUARD TARGET RETIREMENT 2065 TRUST I

Vanguard Target Retirement 2065 Trust uses an asset-allocation strategy designed for investors with planned retirements between 2063 and 2067. As of 9/30/2025, the fund's top holdings are as follows: 54.09% in Total Stock Market Index Fund Institutional Plus Shares, 36.73% in Institutional Total International Stock Market Index Fund Institutional Shares, 5.60% in the Total Bond Market II Index Fund, 2.49% in Total International Bond II Index Fund Institutional Shares and 1.09% in Cash Currency.

BENCHMARK: *Target 2065 Composite Index: The Target Date Composite Indexes represent the performance of the target date fund's asset class benchmarks according to their respective weightings in each fund. Please visit [DCRetire.com](https://www.dcretire.com) to view the underlying composite index compositions.*

PIMCO ALL ASSET FUND

This investment seeks maximum real return, consistent with preservation of real capital and prudent investment management. The fund is a “fund of funds,” which is a term used to describe mutual funds that pursue their investment objective by investing in other funds.

It seeks to achieve its investment objective by investing substantially all of its assets in the least expensive class of shares of any actively managed or smart beta funds (including mutual funds or exchange-traded funds) of the Trust, or PIMCO ETF Trust or PIMCO Equity Series, each of which is an affiliated open-end investment company, except other funds of funds. It is non-diversified.

BENCHMARK: *The Bloomberg U.S. 1-10 Year Treasury Inflation Notes Index is the 1-10 Year maturity component of the unmanaged U.S. Treasury Inflation Notes Index and consists of Inflation-Protection securities issued by the U.S. Treasury.*

U.S. Stock

DC PLUS LARGE CAP VALUE

The portfolio invests 85% of its assets in the T. Rowe Price Equity Income Portfolio, collective investment fund, and 15% of its assets in the Edgar Lomax Value Fund, and derives its objectives and strategies from these underlying investments. The T. Rowe Price Equity Income Portfolio seeks a high level of dividend income and long-term growth of capital primarily through investments in stocks. Under normal market conditions, it invests at least 80% of its net assets (plus borrowings for investment purposes) in common stocks, with an emphasis on large-cap stocks that have a strong track record of paying dividends or that are believed to be undervalued. The Edgar Lomax Value Fund seeks long-term capital growth while providing some income by investing primarily in large, well-recognized companies which the fund’s adviser believes are undervalued. It invests at least 85% of its total assets in equity securities.

BENCHMARK: *The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values.*

AMERICAN FUNDS FUNDAMENTAL INVESTORS

The investment seeks long-term growth of capital and income. The fund invests primarily in common stocks of companies that appear to offer superior opportunities for capital growth and most of which have a history of paying dividends. It may invest significantly in securities of issuers domiciled outside the United States. The investment adviser uses a system of multiple portfolio managers in managing the fund’s assets.

BENCHMARK: *The S&P 500 Index consists of 500 companies representing larger capitalization stocks traded in the U.S.*

VANGUARD INSTITUTIONAL INDEX INSTITUTIONAL PLUS

The investment seeks to track the performance of the S&P 500 Index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the S&P 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

BENCHMARK: *The S&P 500 Index consists of 500 companies representing larger capitalization stocks traded in the U.S.*

DFA U.S. CORE EQUITY I PORTFOLIO

The investment seeks to achieve long-term capital appreciation. The fund purchases a broad and diverse group of securities of U.S. companies. It invests in companies of all sizes, with increased exposure to smaller capitalization, lower relative price and higher profitability companies as compared to their representation in the U.S. universe. The Advisor generally defines the U.S. universe as a market capitalization weighted set of U.S. operating companies listed on a securities exchange in the U.S. that is deemed appropriate by the Advisor.

BENCHMARK: *The Russell 3000® Index includes and measures the performance of the largest 3,000 U.S. publicly traded companies based on market capitalization, representing a substantial portion of the investable U.S. equity market.*



DC PLUS LARGE CAP GROWTH

The portfolio invests 70% of its assets in the American Funds The Growth Fund of America® and 30% of its assets in the Vanguard Growth Index Fund and derives its objectives and strategies from these underlying mutual funds. The Growth Fund of America® seeks growth of capital by primarily investing in common stocks and seeks to invest in companies that appear to offer superior opportunities for growth of capital. It may invest up to 25% of its assets in securities of issuers domiciled outside the U.S. The Vanguard Growth Index Fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Growth Index, a broadly diversified index predominantly made up of growth stocks of large U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

BENCHMARK: *The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values.*

ARIEL INSTITUTIONAL

The investment seeks long-term capital appreciation. The fund invests in small/mid-cap undervalued companies that show strong potential for growth. It invests primarily in equity securities of U.S. companies that have market capitalizations within the range of the companies in the Russell 2500™ Index, measured at the time of initial purchase.

BENCHMARK: *The Russell 2500® Value Index measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.*

VANGUARD SMALL-CAP INDEX INSTITUTIONAL

The investment seeks to track the performance of the CRSP US Small Cap Index that measures the investment return of small-cap stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

BENCHMARK: *The MSCI US Broad Market Index represents the universe of companies in the U.S. equity market, including large, mid, small and micro cap companies. This index targets for inclusion 99.5% of the capitalization of the U.S. equity market.*

BROWN CAPITAL MANAGEMENT SMALL COMPANY INSTITUTIONAL

The investment seeks long-term capital appreciation. The fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in the equity securities of those companies with total operating revenues of \$500 million or less at the time of the initial investment. It typically invests in common stocks. The advisor seeks to build a portfolio of exceptional small companies with the wherewithal to become exceptional large companies. The fund typically holds a portfolio of between 40–65 securities which the advisor believes have the potential for growth.

BENCHMARK: *The S&P 500 Index, which consists of 500 companies representing larger capitalization stocks traded in the U.S.*

International/Global Stock

AMERICAN FUNDS NEW PERSPECTIVE FUND®

The investment seeks long-term growth of capital. The fund seeks to take advantage of investment opportunities generated by changes in international trade patterns and economic and political relationships by investing in common stocks of companies located around the world. In pursuing its investment objective, it invests primarily in common stocks that the investment adviser believes have the potential for growth.

BENCHMARK: *The MSCI All Country World Index (Net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of large and mid-cap segments of developed and emerging markets. The net version of this index reinvests dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.*

HARBOR INTERNATIONAL INSTITUTIONAL

The investment seeks long-term total return, principally from growth of capital. The fund invests primarily (no less than 65% of its total assets under normal market conditions) in common and preferred stocks of foreign companies located principally in developed markets across Europe, Japan and Asia Pacific ex. Japan.

The Subadviser's investment strategy focuses on identifying attractive long-term investment opportunities that can arise as a result of certain capital cycle, or supply-side, conditions.

BENCHMARK: *The MSCI Europe Australasia Far East (EAFE) Index (Net) is a free float-adjusted market capitalization index of equity securities that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. The net version of this index reinvests dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.*

VIRTUS SGA EMERGING MARKETS EQUITY FUND

The investment seeks capital appreciation. The fund offers investors exposure to emerging economies through well-established companies. Under normal circumstances, it invests at least 80% of its assets in equity securities or equity-linked instruments of issuers located in emerging markets countries; such issuers may be of any capitalization. Emerging markets countries generally include every nation in the world except the U.S., Canada, Japan, Australia, New Zealand and most nations in Western Europe.

BENCHMARK: *The MSCI Emerging Markets Index (Net) is a free float-adjusted market capitalization index of equity securities that is designed to measure the equity market performance of emerging markets. The net version of this index reinvests dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.*

Specialty

NUVEEN REAL ESTATE SECURITIES FUND

The investment seeks to provide above average current income and long-term capital appreciation. The fund normally invests at least 80% of the sum of its net assets and the amount of any borrowings for investment purposes in income-producing common stocks of publicly traded companies engaged in the real estate industry.

The advisor expects to emphasize investments in equity REITs, although it may invest in all three kinds of REITs. It may invest up to 15% of its total assets in non-dollar denominated equity securities of non-U.S. issuers. Up to 15% of the fund's total assets may be invested in equity securities of emerging market issuers.

BENCHMARK: *The MSCI US REIT Index reflects the aggregate common stock performance of REITs (Real Estate Investment Trusts) that own, develop and manage properties.*

MissionSquare Retirement Fund Performance Summary

(as of September 30, 2025)

Mutual funds and collective investment trusts are long-term investment vehicles designed for retirement purposes. They allow you to allocate contributions among a variety of investment options that have the potential to grow tax-deferred until withdrawal upon retirement. Early withdrawals from your 401(a) Defined Contribution Plan will reduce your account value and if taken prior to age 59 ½, a 10% IRS penalty may apply.

The performance data quoted represents past performance. Past performance does not guarantee future results. For month-end performance, which may be lower or higher than the performance data shown, call 833-252-1682 or click on the "Investing" tab of DCRetire.com. The value of an investment will fluctuate so that, when sold, an investment may be worth more or less than the original cost.

There is a plan administration fee of 2 to 22 basis points (0.02 percent to 0.22 percent), which is assessed to participant accounts. The investment expense ratio and revenue sharing component of the calculation are subject to change at the discretion of each mutual fund's manager.

The administration fee of 2 to 22 basis points is based on the contract between the District of Columbia and MissionSquare.

You should consider the investment objectives, risks, charges and expenses of the variable product and its underlying fund options carefully before investing. The disclosure booklet contains this and other information.

Before investing, please read the applicable Fund Fact Sheet(s), the Fund's Disclosure Memorandum and/or the fund prospectus carefully for a complete summary of all fees, expenses, investment objectives and strategies and risks.

This information is available when you log in at DCRetire.com, or upon request by calling 833-252-1682.

Returns for less than one year are not annualized. The fund inception date is the date used in calculating the periodic returns. This date may also precede the portfolio's inclusion in the product.

The chart on pages 12 and 13 shows the performance of each fund over short-term (1 year), mid-term (3 and 5 years) and long-term (10 years) periods, or for as long as the fund has been in operation ("Since Fund Inception").

MissionSquare Retirement Fund Performance (as of September 30, 2025)

Fund Name	3 Mos.	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Stable Value/Cash Management								
MissionSquare PLUS Fund R11	0.80%	2.36%	3.16%	2.95%	2.56%	2.40%	N/A	10/19/18
<i>ICE BofA US 1-3 YR Treasury Index</i>	1.12%	3.93%	3.87%	4.35%	1.57%	1.69%	N/A	
Vanguard Federal Money Market	1.06%	3.20%	4.41%	4.81%	3.00%	2.04%	3.94%	7/13/81
<i>ICE BofA US 3 Month Treasury Bill Index</i>	1.08%	3.17%	4.38%	4.77%	2.98%	2.08%	N/A	
Bond								
PIMCO Real Return CIT II	2.19%	7.65%	4.21%	5.22%	1.62%	3.10%	2.07%	3/30/12
<i>Bloomberg U.S. Treasury Inflation-Linked Bond Index</i>	2.10%	6.87%	3.79%	4.88%	1.42%	3.01%	N/A	
DC Plus Fixed Income	1.89%	5.99%	2.77%	4.85%	(0.42%)	1.80%	N/A	5/5/09
<i>Bloomberg U.S. Aggregate Bond Index</i>	2.03%	6.13%	2.88%	4.93%	(0.45%)	1.84%	N/A	
Guaranteed Lifetime Income								
MissionSquare Retirement IncomeAdvantage	4.44%	11.18%	9.82%	14.32%	7.42%	7.34%	N/A	8/23/10
<i>Custom Benchmark</i>	5.13%	13.23%	12.11%	16.41%	9.45%	9.20%	N/A	
Target Date/Lifecycle/Allocation								
Vanguard Target Retire Inc Tr	3.48%	9.67%	7.95%	10.35%	4.58%	5.34%	5.11%	6/22/07
<i>Target Income Composite Index</i>	3.53%	9.61%	7.93%	10.45%	4.72%	5.51%	N/A	
Vanguard Target Retire 2020 Tr	3.79%	10.38%	8.63%	12.02%	6.07%	7.04%	5.76%	6/22/07
<i>Target 2020 Composite Index</i>	3.86%	10.29%	8.59%	12.12%	6.23%	7.26%	N/A	
Vanguard Target Retire 2025 Tr	4.68%	12.39%	10.56%	14.34%	7.46%	8.08%	6.21%	6/28/07
<i>Target 2025 Composite Index</i>	4.73%	12.26%	10.47%	14.45%	7.65%	8.31%	N/A	
Vanguard Target Retire 2030 Tr	5.32%	13.68%	11.75%	15.95%	8.57%	8.86%	6.56%	6/28/07
<i>Target 2030 Composite Index</i>	5.37%	13.52%	11.63%	16.07%	8.77%	9.11%	N/A	
Vanguard Target Retire 2035 Tr	5.79%	14.72%	12.85%	17.34%	9.64%	9.63%	6.96%	6/28/07
<i>Target 2035 Composite Index</i>	5.84%	14.54%	12.68%	17.42%	9.83%	9.87%	N/A	
Vanguard Target Retire 2040 Tr	6.25%	15.74%	13.93%	18.70%	10.68%	10.37%	7.42%	6/28/07
<i>Target 2040 Composite Index</i>	6.30%	15.53%	13.70%	18.77%	10.88%	10.61%	N/A	
Vanguard Target Retire 2045 Tr	6.72%	16.72%	14.96%	20.05%	11.72%	10.95%	7.71%	6/28/07
<i>Target 2045 Composite Index</i>	6.77%	16.50%	14.71%	20.12%	11.93%	11.21%	N/A	
Vanguard Target Retire 2050 Tr	7.18%	17.89%	16.14%	21.09%	12.27%	11.23%	7.89%	6/28/07
<i>Target 2050 Composite Index</i>	7.23%	17.71%	15.94%	21.18%	12.50%	11.50%	N/A	
Vanguard Target Retire 2055 Tr	7.18%	17.90%	16.13%	21.09%	12.27%	11.24%	10.49%	10/5/10
<i>Target 2055 Composite Index</i>	7.23%	17.72%	15.95%	21.18%	12.50%	11.50%	N/A	
Vanguard Target Retire 2060 Tr	7.19%	17.91%	16.15%	21.10%	12.27%	11.25%	10.43%	3/1/12
<i>Target 2060 Composite Index</i>	7.23%	17.72%	15.95%	21.18%	12.50%	11.50%	N/A	
Vanguard Target Retire 2065 Tr	7.18%	17.88%	16.09%	21.09%	12.27%	N/A	11.06%	7/21/17
<i>Target 2065 Composite Index</i>	7.23%	17.72%	15.95%	21.18%	12.50%	N/A	N/A	
PIMCO All Asset Instl	4.45%	11.52%	7.69%	10.59%	7.65%	6.76%	6.62%	7/31/02
<i>Bloomberg U.S. 1-10 Year Treasury Inflation Notes Index</i>	1.97%	7.14%	5.27%	5.42%	2.78%	3.22%	N/A	

MissionSquare Retirement Fund Performance *(as of September 30, 2025)*

Fund Name	3 Mos.	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
U.S. Large-Cap Stock								
DC Plus Large Cap Value	4.03%	10.61%	7.26%	15.16%	14.67%	10.93%	N/A	5/5/09
<i>Russell 1000 Value Index</i>	5.33%	11.65%	9.44%	16.96%	13.88%	10.72%	N/A	
American Funds Fundamental Inv	6.67%	19.34%	21.41%	27.30%	16.86%	14.85%	14.67%	5/1/09
<i>S&P 500 Index</i>	8.12%	14.83%	17.60%	24.94%	16.47%	15.30%	N/A	
Vanguard Institutional Index Inst'l Plus	8.12%	14.81%	17.57%	24.91%	16.45%	15.29%	9.31%	7/7/97
<i>S&P 500 Index 18,28</i>	8.12%	14.83%	17.60%	24.94%	16.47%	15.30%	N/A	
DFA US Core Equity I	7.53%	13.01%	14.53%	22.59%	16.31%	14.03%	10.49%	9/15/05
<i>Russell 3000 Index</i>	8.18%	14.40%	17.41%	24.12%	15.74%	14.71%	N/A	
DC Plus Large Cap Growth	7.77%	17.93%	24.23%	29.81%	15.66%	16.53%	N/A	5/5/09
<i>Russell 1000 Growth Index</i>	10.51%	17.24%	25.53%	31.61%	17.58%	18.83%	N/A	
U.S. Mid-Cap Stock								
Ariel Institutional	12.49%	10.84%	10.21%	17.47%	15.15%	10.32%	11.81%	12/30/11
<i>Russell 2500 Value Index</i>	8.17%	9.29%	9.00%	15.39%	14.96%	9.68%	N/A	
U.S. Small-Cap Stock								
Vanguard Small-Cap Index Instl	7.56%	6.90%	8.67%	15.95%	12.22%	10.58%	9.08%	7/7/97
<i>Spliced Small Cap Index</i>	7.55%	6.88%	8.66%	15.88%	12.18%	10.54%	N/A	
Brown Cap Mgmt Small Co Instl	(1.40%)	(9.99%)	(3.40%)	4.49%	(3.46%)	7.25%	9.87%	12/15/11
<i>Russell 2000 Growth Index</i>	12.19%	11.65%	13.56%	16.68%	8.41%	9.91%	N/A	
International/Global Stock								
American Funds New Perspective	5.46%	18.66%	17.64%	23.54%	12.34%	13.52%	13.45%	5/1/09
<i>MSCI ACWI Index (Net)</i>	7.62%	18.44%	17.27%	23.12%	13.54%	11.91%	N/A	
Harbor International Retirement	4.73%	25.70%	15.38%	22.09%	11.28%	N/A	7.88%	3/1/16
<i>MSCI EAFE Index (Net)</i>	4.77%	25.14%	14.99%	21.70%	11.15%	N/A	N/A	
Virtus SGA Emerging Markets Equity Fund	3.31%	21.25%	8.45%	5.43%	(1.04%)	2.84%	1.22%	11/12/14
<i>MSCI Emerging Markets Index (Net)</i>	10.64%	27.53%	17.32%	18.21%	7.02%	7.99%	N/A	
Specialty								
Nuveen Real Estate Securities	3.20%	3.41%	(3.43%)	8.55%	7.12%	5.97%	5.79%	4/30/13
<i>MSCI US REIT Index</i>	4.81%	4.72%	(1.69%)	10.87%	9.30%	6.61%	N/A	

Education Summary

The education strategy for the District of Columbia (“District”) employees incorporated a wide range of communications to ensure that plan messages would reach participants regardless of their individual learning styles and preferences. These outreach methods included in-person one-on-one sessions; virtual group educational seminars and individual meetings with dedicated, local MissionSquare Retirement Plans Specialists; messages and information shared on the DCRetire.com website; monthly e-blasts and quarterly newsletters available via email.

The MissionSquare local team continues to support District’s employees. We continue to reach more employees at their preferred times and methods. Extended local office service hours on Thursdays provide a non-traditional time option for discussing retirement plans. High demand for Certified Financial Planner (CFP) consultations continues and have been supported by the addition of a second CFP to the District’s retirement team. We continue to strengthen our relationships with HR advisors and key stakeholders by developing deeper partnerships.

The availability for non-traditional office hours on Thursdays, where we extended local office service hours from 9:00 AM to 7:00 PM, allowed first-shift employees to receive services after their shifts and second-shift employees to interact with a Retirement Plan Specialist (RPS) in person in a welcoming and private setting.

Finally, we fostered deeper partnerships with HR advisors and key stakeholders by creating a circular interaction. At the beginning of each year, the RPS creates a report for each agency regarding their penetration rate, provided by the Department of Human Resources (DCHR). We continue providing quarterly reports and success stories to demonstrate the effectiveness and impact of this partnership on their employees.

Local Team Education Topic

In 2025, the local team collaborated with District partners to offer a wide range of financial education topics to District employees. These virtual and onsite meetings allowed employees to conveniently meet with their RPS in the most efficient setting for them. By leveraging Microsoft Teams and Zoom, we provided the following seminars to enhance financial literacy:

- Estate Planning
- Secure Act 2.0
- Medicare Puzzle: Understanding Your Medicare Options
- Social Security Income Maximization
- Bridging Your Income Gap in Retirement
- Reading/Understanding Your Quarterly Statement
- Women and Financial Planning
- Understanding and Using the MissionSquare Retirement App
- Get to Know Your Roth Option
- Get to Know Your 401(a)
- Get to Know Your 457(b)
- Investing in Retirement Basics
- Investing in Volatile Markets
- Juggling Financial Goals
- Questions to Guide Your Retirement
- Retirement Income Solutions
- 10 Question Retiree Guide
- Your Savings and Investing Goals
- Your Retirement Plans Work Together
- Why Start Now?

These sessions were designed to increase financial literacy and provide valuable insights into various aspects of financial planning and retirement.

Virtual and On Site Services: Individual Meetings

In 2025, eligible employees, participants, and retirees could visit the DC Retirement Service Center at 777 North Capitol Street, NE, Washington, DC. They could meet with a RPS from Monday to Friday by scheduling an appointment or simply walking into the local office. These individual meetings provided a comfortable and private environment for employees to discuss all aspects of retirement readiness, from being automatically enrolled in the 401(a) Defined Contribution Plan or 457(b) Deferred Compensation Plan to planning their retirement.

We also continued offering virtual one-on-one interactions, which, like in-person visits, allowed participants to receive the direct attention they needed while discussing their financial well-being. Throughout 2025, MissionSquare Retirement Plans Specialists had 5,891 individual touch points with District employees.

Virtual and On-Site Services: Agency Meetings

As business returned to normal for most District employees, the number of agencies visited by RPS's increased significantly. In 2025, RPS's visited 90 unique agencies, including Courts, Water and Sewer Authority, and the University of the District of Columbia. They conducted seminars, orientations, and special events to enhance retirement readiness. Examples of these agencies include:

- Office of the Chief Financial Officer (1101 4th Street, SW)
- Department of Human Resources (1015 Half Street, SE)
- Department of Employment Services (4058 Minnesota Avenue, NE)
- Department of Disability Rights (1125 15th Street, NW)
- Department of Behavioral Health (64 New York Avenue, NE)
- Department of Human Services (64 New York Avenue, NE)
- DC Metropolitan Police Department (All 7 districts and substations)
- Reeves Center (2000 14th Street, NW)
- Department of Insurance, Securities and Banking (1050 First Street, NE)
- DC Public Schools (1200 First Street, NE)
- Office of United Communications (2720 MLK Ave, SE)
- United Medical Center (1310 Southern Ave, SE)
- DC Housing Authority (1133 North Capitol Street, NE)
- Department of Public Works (1725 West Virginia Avenue, NE)
- Department of Child and Family Services (200 I Street, SW)
- Department of Transportation (250 M Street, SE)
- DC Fire and Emergency Medical Services (All 45 locations)

The local service team continues to thrive to provide world class service to the District and its great employees.

Campaigns and Mailings

Multiple communication campaigns were developed throughout the year to address goals of the District and the financial education needs of employees. Campaigns are designed to motivate employees to enroll in the 457(b) Deferred Compensation Plan, as well as to save more for retirement, manage their investments, and take steps to improve their financial wellness.



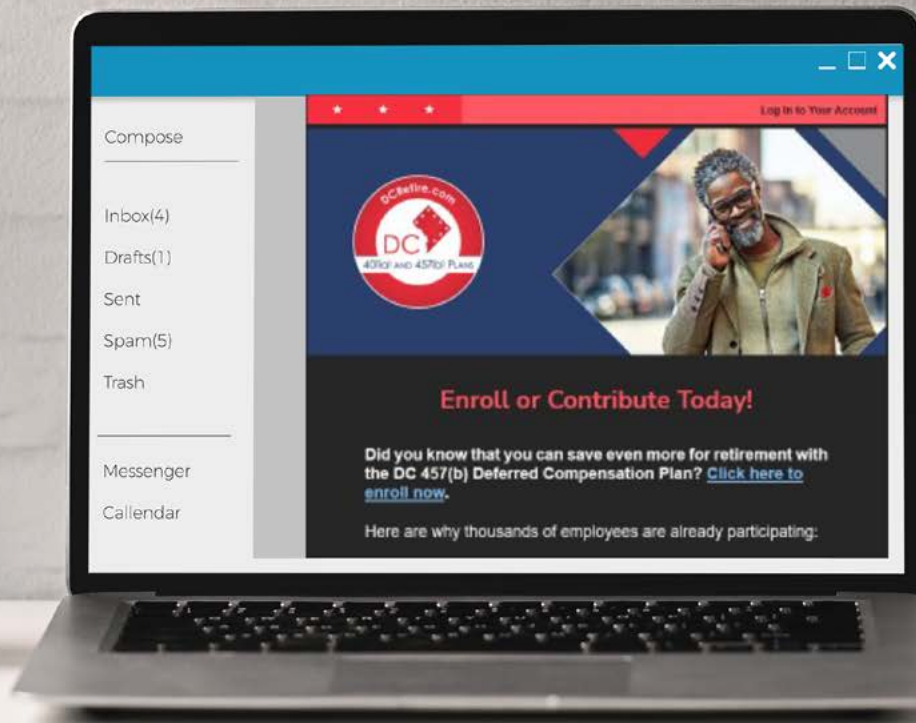
DC INSIGHTS MONTHLY EMAIL

A primary objective for the District is to ensure all employees are aware and engaged in their retirement savings plans. The DC Insights monthly email campaign encourages employees to stay focused on their retirement savings by understanding and managing their 401(a) Defined Contribution Plan account, while actively enrolling and contributing to the 457(b) Deferred Compensation Plan.

Email campaigns give insights on the necessity of saving early and saving more, investing wisely, practicing effective money management habits, and overall financial wellness. Emails provide quick messages with calls-to-action encouraging the use of resources such as calculators, videos, articles, and other educational tools. The emails highlight many key features of the plans and employees are encouraged to take the next step in their financial wellness by enrolling in the plan or scheduling a meeting with a retirement representative.

News you can use.

Monthly *DC Insights* emails covered topics about saving and investing.





DCRETIRE.COM

The DCRetire.com website continues to serve as a resource for eligible employees and participants who need information about retirement planning. The website is updated continuously and includes the addition of new dynamic banners and sliders relevant to enrollment and education campaigns. The DC Insights Newsletter is also posted to the website for ongoing and updated access to articles and financial wellness education. Participants can visit the website to view their accounts and investments, conduct transactions, and access educational resources. In addition, participants can register online for one-on-one appointments and group education seminars with local retirement representatives and webinars with CFP® professionals. Visit www.dcretire.com for more information.

TEXTACCESS TEXTING FEATURE

MissionSquare offers TextAccess, a feature that allows participants to send a text to MissionSquare and have certain account information sent directly to their mobile phones.

There were 6,282 District participants using TextAccess. The top three requests or actions among District users of TextAccess were BAL to find out their account balance, ROR to find out their investments' rate of return and LOAN to find out their most recent loan amount.

- 86,982 times for code BAL
- 8,591 times for code ROR
- 3,826 times for code LOAN

PARTICIPANT SERVICES AND VOICE RESPONSE UNIT (VRU)

Participants can reach plan representatives by dialing into the VRU. Participants may use the system to obtain account information 24 hours a day in addition to using the plan's dedicated website. During the past fiscal year, 31,953 District participants called into the toll-free phone line to obtain account information. Of those calls, 23,722 were answered by Participant Services.



401(a) Defined Contribution Plan

401(a) Defined Contribution Plan

The 401(a) Defined Contribution Plan is a retirement program created in 1987 as the basic retirement plan for general employees of the District, hired for the first time on or after October 1, 1987.

Performance Summary

Fiscal year 2025 was a positive year for investment markets and plan participants. We had positive returns as of September 30, 2025, for 28 of 29 funds. Vanguard Target Retirement Trusts provided returns in line with their respective benchmarks:

- Vanguard Target Retire Income Trust gained 7.95%
- Vanguard Target Retire 2020 Trust gained 8.63%
- Vanguard Target Retire 2025 Trust gained 10.56%
- Vanguard Target Retire 2030 Trust gained 11.75%
- Vanguard Target Retire 2035 Trust gained 12.85%
- Vanguard Target Retire 2040 Trust gained 13.93%
- Vanguard Target Retire 2045 Trust gained 14.96%
- Vanguard Target Retire 2050 Trust gained 16.14%
- Vanguard Target Retire 2055 Trust gained 16.13%
- Vanguard Target Retire 2060 Trust gained 16.15%
- Vanguard Target Retire 2065 Trust gained 16.09%

For comparison purposes, the S&P 500 Index gained 17.60% and the Bloomberg Barclays U.S. Aggregate Bond Index was up 2.88% as of September 30, 2025.

Plan assets increased from \$1.789 billion to \$2.017 billion or 12.7%. The Plan had 35,093 participants with an average account balance of \$57,477.

Eligibility

District government employees (except for police officers, firefighters, teachers and civil service employees) serving in covered employment and hired for the first time on or after October 1, 1987, are eligible for participation in the 401(a) Plan. Eligible employees automatically become participants in the Plan in the first pay period following completion of one year of creditable service.

Contributions

The District contributes an annual amount equal to 5% of base salary (5.5% for detention officers) to an account in the employee's name. Contributions are made each pay period based on the employee's pre-tax base salary (excluding overtime, holiday and Sunday compensation). Employee contributions under the Plan are not permitted.

Benefits

Participants' benefits are determined by the value of their account balances, specifically, District contributions plus (or minus) investment earnings (or losses). Each calendar quarter, participants will receive a detailed statement showing the District's contributions made during the quarter, any interest and investment gains or losses and the current account balance.

Participants become fully vested (entitled to the full value of their account) upon:

- Attainment of normal retirement age (age 65)
- Prior to December 8, 2009, completion of five years of creditable service in covered employment
- Effective December 8, 2009, graded vesting is based on the following schedule:

Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 or more years	100%

- Permanent disability
- Death

Distributions

Benefits under the Plan can be distributed at termination of employment (if vested), death or permanent disability. The employee may choose from various payment options:

- Lump-sum cash payment
- Installment payments
- Rollovers
- Annuity payments

All payments distributed (excluding rollover amounts) are subject to federal and state taxes. In addition, participants will incur a 10% federal tax penalty on distributions received prior to age 59 ½.



401(a) Plan Statistics

The charts in this section illustrate the allocation of assets and deferrals by asset class and investment option. In addition, this section includes charts that display total distributions.

Asset Allocation by Asset Class/Fund *(as of September 30, 2025)*

Asset Class/Fund Name	Assets as of September 30, 2025	Percentage of Total Assets	Number of Participants Invested
Stable Value/Cash Management			
MissionSquare PLUS Fund R11	\$ 108,715,608	5.39	2,147
Vanguard Federal Money Market	15,661,484	0.78	452
	\$ 124,377,092	6.17	2,599
Bond			
DC Plus Fixed Income	\$ 18,283,958	0.91	1,156
PIMCO Real Return CIT II	5,259,406	0.26	404
	\$ 23,543,364	1.17	1,560
Guaranteed Lifetime Income			
MissionSquare Retirement IncomeAdvantage	\$ 5,381,417	0.27	161
	\$ 5,381,417	0.27	161
Balanced/Asset Allocation			
Vanguard Target Retirement Income Trust	\$ 48,811,143	2.42	1,047
Vanguard Target Retirement 2020 Trust	86,809,640	4.30	1,334
Vanguard Target Retirement 2025 Trust	178,740,203	8.86	2,414
Vanguard Target Retirement 2030 Trust	271,286,949	13.45	3,394
Vanguard Target Retirement 2035 Trust	294,310,159	14.59	4,092
Vanguard Target Retirement 2040 Trust	236,553,409	11.73	3,898
Vanguard Target Retirement 2045 Trust	212,757,408	10.55	4,590
Vanguard Target Retirement 2050 Trust	153,297,482	7.60	4,898
Vanguard Target Retirement 2055 Trust	92,161,631	4.57	4,714
Vanguard Target Retirement 2060 Trust	28,494,106	1.41	2,752
Vanguard Target Retirement 2065 Trust	8,283,731	0.41	1,492
PIMCO All Asset Instl	998,831	0.05	69
	\$ 1,612,504,692	79.94	34,694
U.S. Stock			
American Funds Fundamental Inv	\$ 16,946,554	0.84	1,060
Ariel Institutional	11,123,975	0.55	551
Brown Cap Mgmt Small Co Instl	6,865,105	0.34	477
DC Plus Large Cap Growth	10,384,634	0.51	892
DC Plus Large Cap Value	35,131,390	1.74	1,153
DFA US Core Equity 1	7,899,745	0.39	858
Vanguard Institutional Index	104,056,294	5.16	2,143
Vanguard Small-Cap Index Instl	19,756,013	0.98	1,241
	\$ 212,163,710	10.51	8,375

Asset Class/Fund Name	Assets as of September 30, 2025	Percentage of Total Assets	Number of Participants Invested
International/Global Stock			
American Funds New Perspective	\$ 15,571,448	0.77	1,189
Harbor International Instl	15,638,343	0.78	1,290
Virtus SGA Emerging Markets Equity Fund	3,291,347	0.16	913
	\$ 34,501,138	1.71	3,392
Specialty			
Nuveen Real Estate Securities	\$ 4,583,996	0.23	1,062
	4,583,996	0.23	1,062
401(a) PLAN ASSETS	\$ 2,017,055,409	100.00	51,843

Contributions by Investment Option *(as of September 30, 2025)*

MissionSquare Retirement Fund Name	October 1, 2024 through September 30, 2025	Percent of Total Contributions
Stable Value/Cash Management		
MissionSquare PLUS Fund R11	\$ 3,665,538	3.63
Vanguard Federal Money Market	515,848	0.51
	\$ 4,181,386	4.14
Bond		
DC Plus Fixed Income	\$ 492,393	0.49
PIMCO Real Return CIT II	201,285	0.20
	\$ 693,678	0.69
Guaranteed Lifetime Income		
MissionSquare Retirement IncomeAdvantage	\$ 0	0.00
	\$ 0	0.00
Balanced/Asset Allocation		
Vanguard Target Retirement Income Trust	\$ 1,420,014	1.40
Vanguard Target Retirement 2020 Trust	2,563,966	2.54
Vanguard Target Retirement 2025 Trust	6,070,249	6.01
Vanguard Target Retirement 2030 Trust	9,920,098	9.81
Vanguard Target Retirement 2035 Trust	11,944,085	11.82
Vanguard Target Retirement 2040 Trust	11,328,327	11.21
Vanguard Target Retirement 2045 Trust	12,469,224	12.34
Vanguard Target Retirement 2050 Trust	12,601,854	12.47
Vanguard Target Retirement 2055 Trust	11,614,319	11.49
Vanguard Target Retirement 2060 Trust	6,009,775	5.95
Vanguard Target Retirement 2065 Trust	2,362,040	2.34
PIMCO All Asset Instl	37,290	0.04
	\$ 88,341,241	87.42

MissionSquare Retirement Fund Name	October 1, 2024 through September 30, 2025	Percent of Total Contributions
U.S. Stock		
American Funds Fundamental Inv	\$ 500,134	0.49
Ariel Institutional	344,918	0.34
Brown Cap Mgmt Small Co Instl	361,627	0.36
DC Plus Large Cap Growth	950,619	0.94
DC Plus Large Cap Value	367,768	0.36
DFA US Core Equity 1	316,843	0.31
Vanguard Institutional Index	2,701,936	2.67
Vanguard Small-Cap Index Instl	744,995	0.74
	\$ 6,288,840	6.21
International/Global Stock		
American Funds New Perspective	\$ 588,289	0.58
Harbor International Instl	587,757	0.58
Virtus SGA Emerging Markets Equity Fund	203,465	0.20
	\$ 1,379,511	1.36
Specialty		
Nuveen Real Estate Securities	\$ 199,642	0.20
	\$ 199,642	0.20
401(a) PLAN CONTRIBUTIONS	\$ 101,084,298	100.00

Contributions by Asset Class

MissionSquare Retirement Asset Class	October 1, 2024 through September 30, 2025	Percent of Total Contributions
Stable Value/Cash Management	\$ 4,181,386	4.16
Bond	693,678	0.69
Guaranteed Lifetime Income	-	0.00
Balanced/Asset Allocation	88,341,241	87.85
U.S. Stock	6,288,840	6.25
International/Global Stock	1,379,511	1.37
Specialty	199,642	0.20
Contributions Subtotal	\$ 101,084,298	100.52
401(a) Plan Rollover Contributions	\$ 326,302	0.32
Subtotal	\$ 101,410,600	100.85
Net Change in Employer Contribution Receivable*	\$ (2,019,540)	-2.01
Activity Adjustment	\$ 1,165,433	1.16
Total Contributions	\$ 100,556,493	100.00

* See page 5 of 401(a) Plan Audit Report

FIGURE 1 Investment Assets

Reporting Period	Fixed Assets	Variable Assets	Total Assets
As of 9/30/2021	\$ 91,977,198	\$ 1,390,012,931	\$ 1,481,990,129
As of 9/30/2022	99,756,442	1,141,462,676	1,241,219,118
As of 9/30/2023	106,410,588	1,323,313,732	1,429,724,320
As of 9/30/2024	110,970,668	1,677,892,798	1,788,863,466
As of 9/30/2025	124,377,091	1,892,678,318	2,017,055,409

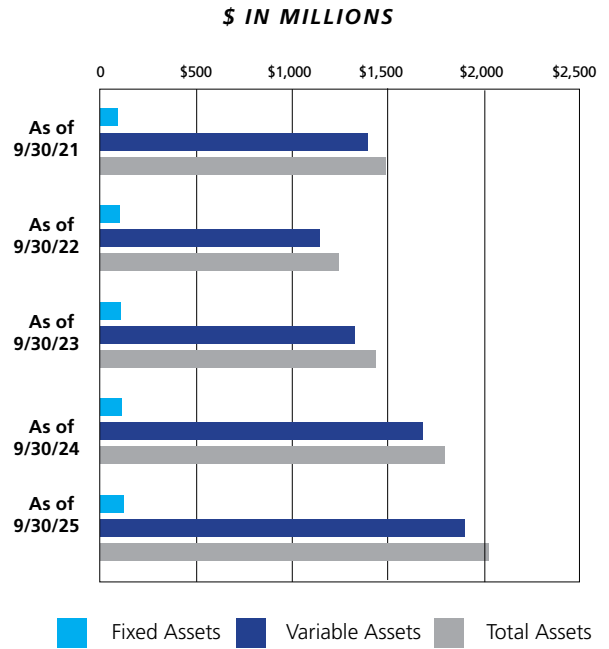


FIGURE 2 Historical Contributions

Reporting Period	Total Contributions*
As of 9/30/2021	\$ 86,235,768
As of 9/30/2022	83,808,223
As of 9/30/2023	91,271,696
As of 9/30/2024	96,956,996
As of 9/30/2025	100,556,493

*Includes incoming rollovers and changes in receivables/activity adjustments.

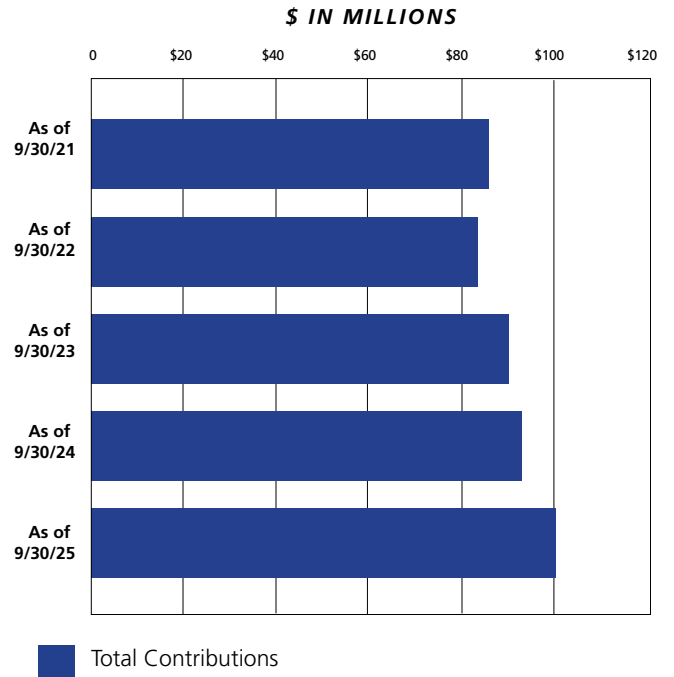


FIGURE 3 Historical Distributions

Reporting Period	Total Distributions
As of 9/30/2021	\$ 50,376,513
As of 9/30/2022	61,481,262
As of 9/30/2023	67,896,586
As of 9/30/2024	74,507,756
As of 9/30/2025	92,040,421

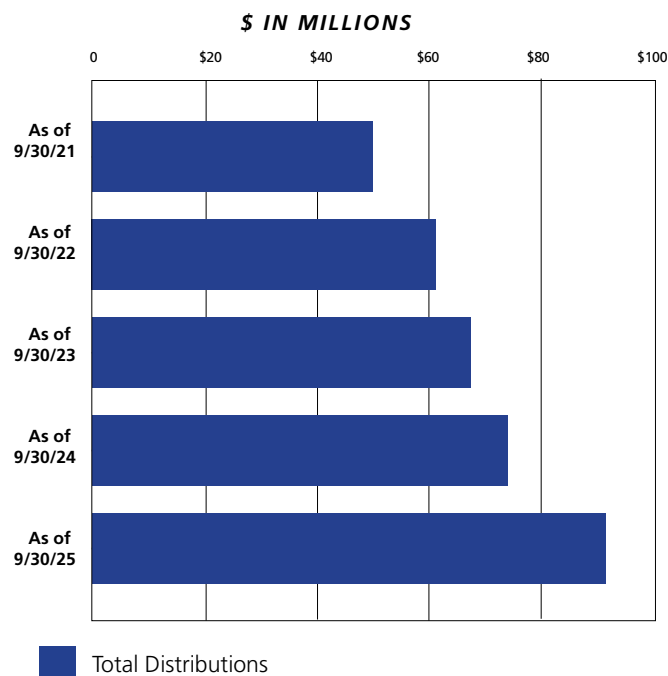


FIGURE 4 Dividends/Appreciation/Depreciation of Total Assets

Reporting Period	Dividends	Appreciation/Depreciation	Total Earnings
As of 9/30/2021	\$ 4,820,449	\$ 228,039,842	\$ 232,860,291
As of 9/30/2022	9,198,309	(272,200,033)	(263,001,724)
As of 9/30/2023	6,643,599	158,941,642	165,585,241
As of 9/30/2024	6,635,778	330,278,875	336,914,653
As of 9/30/2025	9,942,037	213,220,172	223,162,208

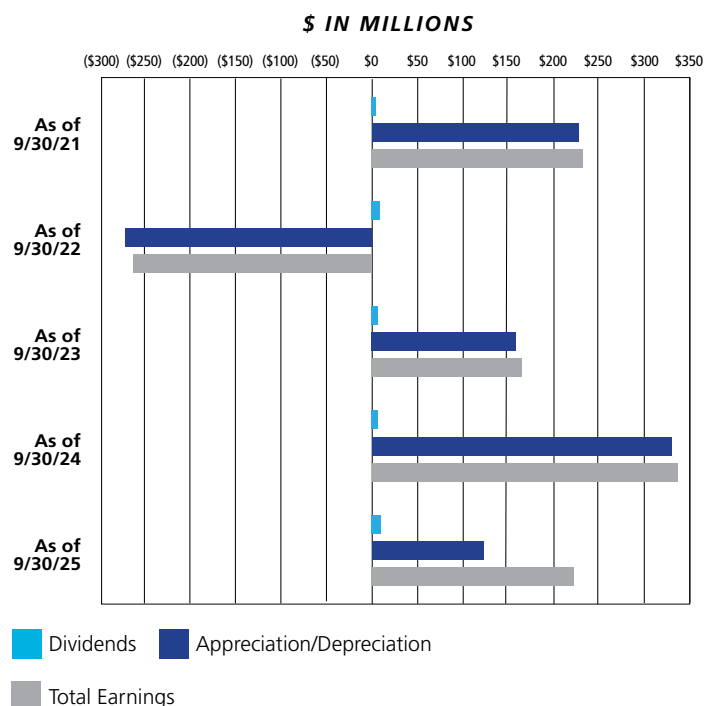
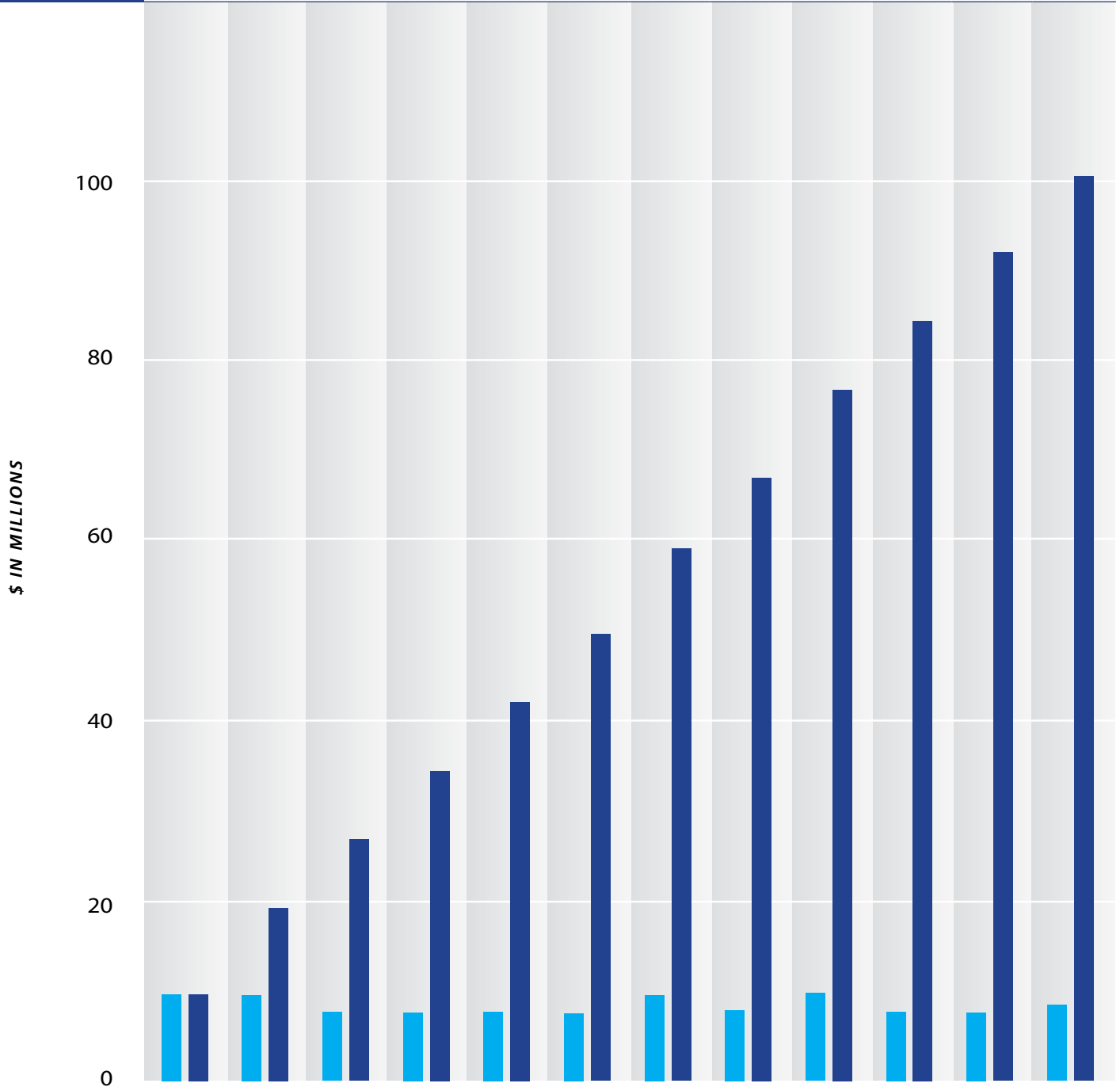


FIGURE 5 Monthly Contributions (Reporting Period October 1, 2024 through September 30, 2025)

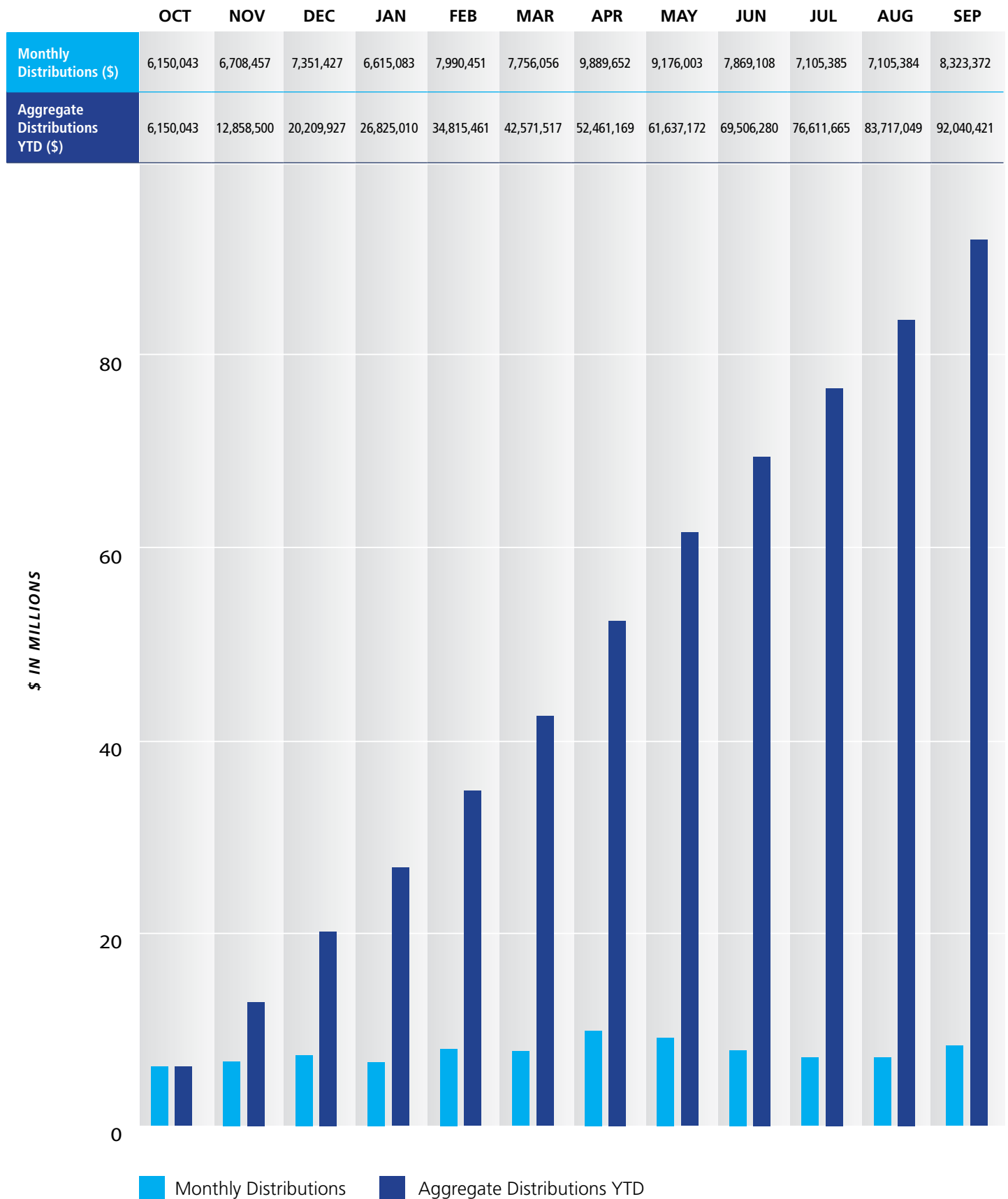
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Monthly Contributions (\$)	9,647,281	9,565,934	7,641,231	7,590,058	7,677,904	7,537,564	9,525,270	7,867,688	9,759,768	7,704,532	7,598,235	8,441,028
Aggregate Contributions YTD (\$)	9,647,281	19,213,215	26,854,446	34,444,504	42,122,408	49,659,972	59,185,242	67,052,930	76,812,698	84,517,230	92,115,465	100,556,493



*This chart includes rollovers, receivables and activity adjustments to the plan.

■ Monthly Contributions
 ■ Aggregate Contributions YTD

FIGURE 6 Monthly Distributions (Reporting Period October 1, 2024 through September 30, 2025)



Participant Demographics

The charts included in this section highlight participation by age group and new and terminated participants.

FIGURE 7 Age Stratification

This table illustrates participation and asset levels by age group as of September 30, 2025.

Age Ranges	Number of Participants	Total Investments	Average Balance
Under 30	2,060	\$ 12,662,520	\$ 6,147
30–39	8,267	170,420,095	20,615
40–49	9,209	460,958,661	50,055
50–59	7,923	681,883,408	86,064
60–69	5,588	538,250,675	96,323
Over 69	2,046	152,880,050	74,721
Total	35,093	\$ 2,017,055,409	\$ 57,477

FIGURE 8 New vs. Terminated Plan Participants (Reporting Period October 1, 2024 through September 30, 2025)

This graph shows the number of new and terminated participants by month.

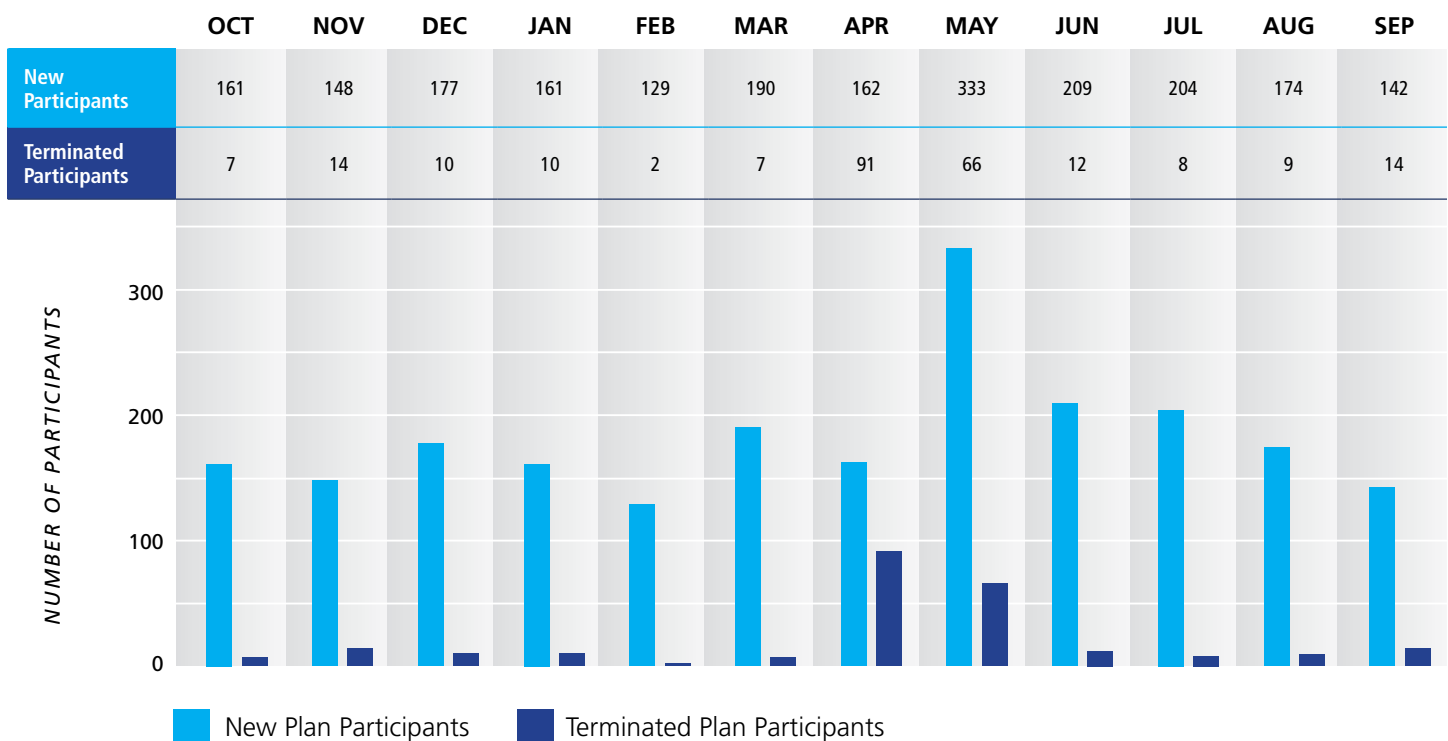
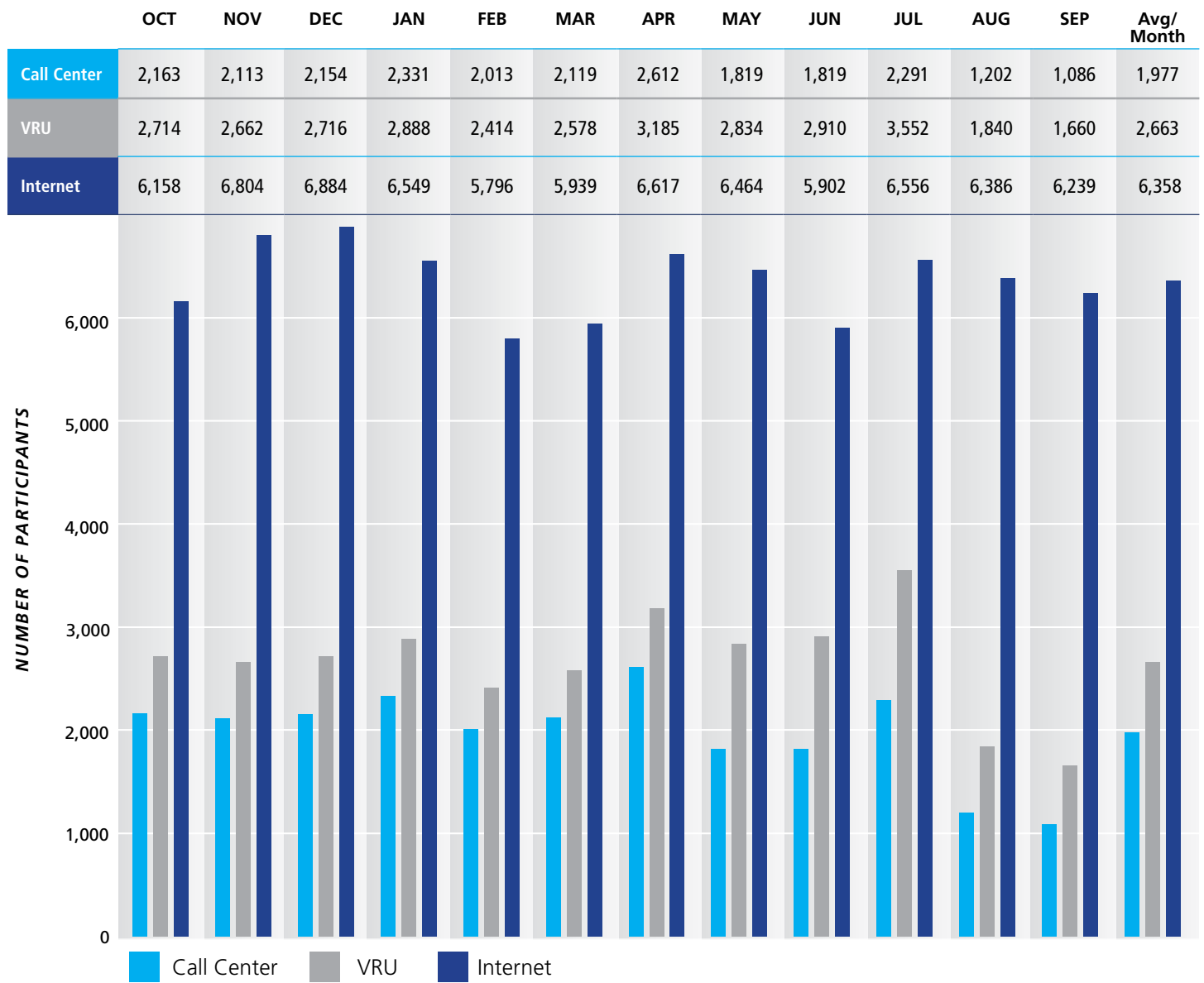


FIGURE 9 Participant Service Utilization (Reporting Period October 1, 2024 through September 30, 2025)



Participant Phone Calls



* Statistics are for all District of Columbia (401(a) and 457(b)) Retirement Plans combined.



457(b) Deferred Compensation Plan

457(b) Defined Contribution Plan

As of July 7, 2019, all eligible new District government employees are automatically enrolled into the 457(b) Deferred Compensation Plan. The retirement program allows all eligible District government employees to make tax-deferred and after-tax contributions (Roth) into investment options offered under the Plan. Taxes are due upon withdrawal for tax-deferred contributions only.

Performance Summary

Fiscal year 2025 was a positive year for investment markets and plan participants. We had positive returns as of September 30, 2025, for 28 of 29 funds. Vanguard Target Retirement Trusts provided returns in line with their respective benchmarks:

- Vanguard Target Retire Income Trust gained 7.95%
- Vanguard Target Retire 2020 Trust gained 8.63%
- Vanguard Target Retire 2025 Trust gained 10.56%
- Vanguard Target Retire 2030 Trust gained 11.75%
- Vanguard Target Retire 2035 Trust gained 12.85%
- Vanguard Target Retire 2040 Trust gained 13.93%
- Vanguard Target Retire 2045 Trust gained 14.96%
- Vanguard Target Retire 2050 Trust gained 16.14%
- Vanguard Target Retire 2055 Trust gained 16.13%
- Vanguard Target Retire 2060 Trust gained 16.15%
- Vanguard Target Retire 2065 Trust gained 16.09%

For comparison purposes, the S&P 500 Index gained 17.60% and the Bloomberg Barclays U.S. Aggregate Bond Index was up 2.88% as of September 30, 2025.

Plan assets increased from \$1.622 billion to \$1.852 billion or 14.12%. The Plan had 40,024 participants with an average account balance of \$46,272.

Eligibility

Employees eligible to participate in the Plan are employees of:

- An agency under the personnel authority of the mayor
- A subordinate agency as defined in the Comprehensive Merit Personnel Act of 1978
- If approved by the mayor, an agency not under the personnel authority of the mayor or an independent agency

Contributions

The District does not make contributions into the 457(b) Plan for employees; contributions are made solely by employees on a pre-tax and/or after-tax basis. The automatic deferral rate is 5% of employee's compensation as Pre-Tax Deferrals for newly enrolled employees. Within the first 30 days of employment an employee may elect to opt-out and request a withdraw of any default deferral (adjusted for gains and losses to the date of distribution). Employees who elect to remain in the plan may also elect to increase or decrease their contribution as well as employees enrolled in the plan prior to automatic enrollment. District employees employed prior to July 7, 2019, are required to contribute a minimum of \$20 per biweekly payroll period or \$43 per monthly payroll period, if they elect to participate in the Plan.

The maximum amount an employee could contribute for the 2025 calendar year was \$23,500, unless a higher amount was available under IRS catch-up provisions.

The 2025 calendar year age 50+ catch-up contribution limit was \$31,000, while the 457(b) Plan special catch-up contribution limit was a maximum of \$47,000, subject to certain limitations.

There are no age or length of service requirements to participate in the Plan and participants are immediately 100% vested (the participants' right to receive the account balance) upon enrollment.

Roth Contributions

Roth contributions can be made to the 457(b) Plan on an after-tax basis. Participants pay taxes on contributions now, rather than later. (Participants may make Roth and pre-tax contributions for a combined total of no more than \$23,500 for calendar year 2025.)

Roth contributions may be most appropriate for participants who expect to be in a higher tax bracket in retirement. (If income is higher when a participant retires and they wait to pay taxes – they could wind up paying more in taxes.)

Roth contributions are tax-free withdrawals. Qualified withdrawal of Roth assets are not subject to taxes.

Withdrawals of Roth assets (contributions and associated earnings) are qualified if:

- A period of five years has passed since January 1 of the year in which the first contribution (including rollovers) was made to the Roth account; and
- The participant is at least 59 ½ years old (or disabled or deceased).

If the requirements for a qualified distribution are not met and the assets are not rolled-over to another eligible plan, the earnings portion of the distribution will be taxable.

Having pre-tax and Roth options allows employees to choose the option that best fits their lifestyle.

Compared to Roth IRAs, 457(b) Plan participants have higher contribution limits; all income levels are eligible.

Benefits

Participants' benefits are determined by the value of their account balances; specifically, their contributions, plus (or minus) investment earnings (or losses). Each calendar quarter, participants will receive a detailed statement showing the timing of the deferrals made during the quarter, the share/unit price, the number of shares or units purchased, any interest and investment gains or losses and the current account balance. Statements are mailed within 15 business days after the end of each calendar quarter.

Loans

The Plan offers two types of loans: a personal loan or a residential loan. Participants can borrow up to 50 percent of their account balance or \$50,000, whichever is lower. Employees are only allowed to have one outstanding loan at a time.

Distributions

Benefits under the Plan can be distributed upon severance from employment, attainment of age 70 ½, death, or incurring of an unforeseeable emergency. The employee may choose from various payment options: lump sum, installment, annuity and direct rollover to another employer-sponsored eligible retirement plan or traditional IRA. All of the payments that a participant receives are subject to federal and state income taxes when distributed. Plan benefits must be applied for in writing.

The IRS requires that participants under a 457(b) Plan begin receiving payments by April 1st of the calendar year following the calendar year the employee reaches age 73, or retires, whichever is later. Failure to receive the Required Minimum Distribution (RMD) for any tax year will result in a 25% excise tax being imposed on the participant for the amount required that was not distributed.

457(b) Plan Statistics

The charts in this section illustrate the allocation of assets and deferrals by asset class and investment option. In addition, this section includes charts that display total distributions.

Asset Allocation by Asset Class/Fund *(as of September 30, 2025)*

Asset Class/Fund Name	Assets as of September 30, 2025	Percentage of Total Assets	Number of Participants Invested
Stable Value/Cash Management			
MissionSquare PLUS Fund R11	\$ 282,139,244	15.23	8,208
Vanguard Federal Money Market	31,987,455	1.73	699
Insurance Premium	0	0.00	0
	\$ 314,126,699	16.96	8,907
Bond			
DC Plus Fixed Income	\$ 32,524,136	1.76	2,791
PIMCO Real Return CIT II	9,804,835	0.53	626
	\$ 42,328,971	2.29	3,417
Guaranteed Lifetime Income			
MissionSquare Retirement IncomeAdvantage	\$ 5,906,228	0.32	224
	\$ 5,906,228	0.32	224
Balanced/Asset Allocation			
Vanguard Target Retirement Income Trust	\$ 11,030,063	0.60	373
Vanguard Target Retirement 2020 Trust	15,796,490	0.85	546
Vanguard Target Retirement 2025 Trust	40,457,145	2.18	1,167
Vanguard Target Retirement 2030 Trust	69,677,579	3.76	1,965
Vanguard Target Retirement 2035 Trust	76,214,972	4.12	2,616
Vanguard Target Retirement 2040 Trust	78,387,917	4.23	2,885
Vanguard Target Retirement 2045 Trust	92,695,058	5.01	3,820
Vanguard Target Retirement 2050 Trust	100,478,343	5.43	4,575
Vanguard Target Retirement 2055 Trust	81,062,275	4.38	5,266
Vanguard Target Retirement 2060 Trust	43,561,956	2.35	4,522
Vanguard Target Retirement 2065 Trust	21,466,172	1.16	3,441
PIMCO All Asset Instl	2,025,841	0.11	128
	\$ 632,853,811	34.18	31,304
U.S. Stock			
American Funds Fundamental Inv	\$ 54,074,580	2.92	2,732
Ariel Institutional	89,497,299	4.83	3,722
Brown Cap Mgmt Small Co Instl	21,061,205	1.14	1,691
DC Plus Large Cap Growth	114,096,532	6.16	2,940
DC Plus Large Cap Value	97,690,855	5.27	4,316
DFA US Core Equity 1	12,087,293	0.65	1,450
Vanguard Institutional Index	282,190,150	15.24	5,089
Vanguard Small-Cap Index Instl	53,087,150	2.87	2,812
	\$ 723,785,064	39.08	24,752

Asset Class/Fund Name	Assets as of September 30, 2025	Percentage of Total Assets	Number of Participants Invested
International/Global Stock			
American Funds New Perspective	\$ 31,754,891	1.71	2,093
Harbor International Retirement	50,071,135	2.70	4,010
Virtus SGA Emerging Markets Equity Fund	5,988,912	0.32	1,447
	\$ 87,814,938	4.73	7,550
Specialty			
Nuveen Real Estate Securities	\$ 13,013,381	0.70	2,317
MissionSquare Brokerage	30,980,788	1.67	302
MissionSquare Roth Brokerage	1,184,070	0.06	47
	\$ 45,178,239	2.43	2,666
457(b) PLAN ASSETS	\$ 1,851,993,950	100.00	78,820

Contributions by Investment Option *(as of September 30, 2025)*

MissionSquare Retirement Fund Name	October 1, 2024 through September 30, 2025	Percent of Total Contributions
Stable Value/Cash Management		
MissionSquare PLUS Fund R11	\$ 17,268,117	10.83
Vanguard Federal Money Market	1,753,626	1.10
Insurance Premium	39,331	0.02
	\$ 19,061,074	11.95
Bond		
DC Plus Fixed Income	\$ 2,104,970	1.32
PIMCO Real Return CIT II	607,330	0.38
	\$ 2,712,300	1.70
Guaranteed Lifetime Income		
MissionSquare Retirement Income Advantage	\$ 0.00	0.00
	\$ 0.00	0.00
Balanced/Asset Allocation		
Vanguard Target Retirement Income Trust	\$ 869,611	0.55
Vanguard Target Retirement 2020 Trust	1,730,362	1.09
Vanguard Target Retirement 2025 Trust	4,074,239	2.56
Vanguard Target Retirement 2030 Trust	7,480,150	4.69
Vanguard Target Retirement 2035 Trust	9,607,837	6.03
Vanguard Target Retirement 2040 Trust	10,385,595	6.51
Vanguard Target Retirement 2045 Trust	13,256,290	8.31
Vanguard Target Retirement 2050 Trust	15,799,737	9.91
Vanguard Target Retirement 2055 Trust	15,605,374	9.79
Vanguard Target Retirement 2060 Trust	9,785,175	6.14
Vanguard Target Retirement 2065 Trust	6,495,675	4.07
PIMCO All Asset Instl	93,352	0.06
	\$ 95,183,397	59.71

MissionSquare Retirement Fund Name	October 1, 2024 through September 30, 2025	Percent of Total Contributions
U.S. Stock		
American Funds Fundamental Inv	\$ 2,589,158	1.62
Ariel Institutional	3,977,518	2.49
Brown Cap Mgmt Small Co Instl	1,711,769	1.07
DC Plus Large Cap Growth	4,674,466	2.93
DC Plus Large Cap Value	4,262,566	2.67
DFA US Core Equity 1	988,248	0.62
Vanguard Institutional Index	13,531,952	8.49
Vanguard Small-Cap Index Instl	3,602,696	2.26
	\$ 35,338,373	22.15
International/Global Stock		
American Funds New Perspective	\$ 1,955,225	1.23
Harbor International Retirement	3,219,552	2.02
Virtus SGA Emerging Markets Equity Fund	610,174	0.38
	\$ 5,784,951	3.63
Specialty		
Nuveen Real Estate Securities	\$ 1,092,913	0.69
MissionSquare Brokerage	250,587	0.16
MissionSquare Roth Brokerage	31,326	0.02
	\$ 1,374,826	0.87
457(b) PLAN CONTRIBUTIONS	\$ 159,454,921	100.00

Contributions by Asset Class

MissionSquare Retirement Asset Class	October 1, 2024 through September 30, 2025	Percent of Total Contributions
Stable Value/Cash Management	\$ 19,061,074	11.71
Bond	2,712,300	1.67
Guaranteed Lifetime Income	–	0.00
Balanced/Asset Allocation	95,183,397	58.48
U.S. Stock	35,338,373	21.71
International/Global Stock	5,784,951	3.55
Specialty	1,374,826	0.84
Contributions Subtotal	\$ 159,454,921	97.96
457(b) Plan Rollover Contributions	\$ 9,100,360	5.59
Subtotal	\$ 168,555,281	103.56
Net Change in Employee Contribution Receivable*	\$ 4,015,951	2.47
Activity Adjustment	\$ (9,810,353)	-6.03
Total Contributions	\$ 162,760,879	100.00

*See page 5 of 457(b) Plan Audit Report

FIGURE 1 Investment Assets

Reporting Period	Fixed Assets	Variable Assets	Total Assets
As of 9/30/2021	\$ 278,914,067	\$ 929,972,079	\$ 1,208,886,146
As of 9/30/2022	283,042,739	797,682,323	1,080,725,062
As of 9/30/2023	297,184,698	973,197,075	1,270,381,773
As of 9/30/2024	299,487,691	1,322,527,018	1,622,014,709
As of 9/30/2025	314,126,699	1,537,867,251	1,851,993,950

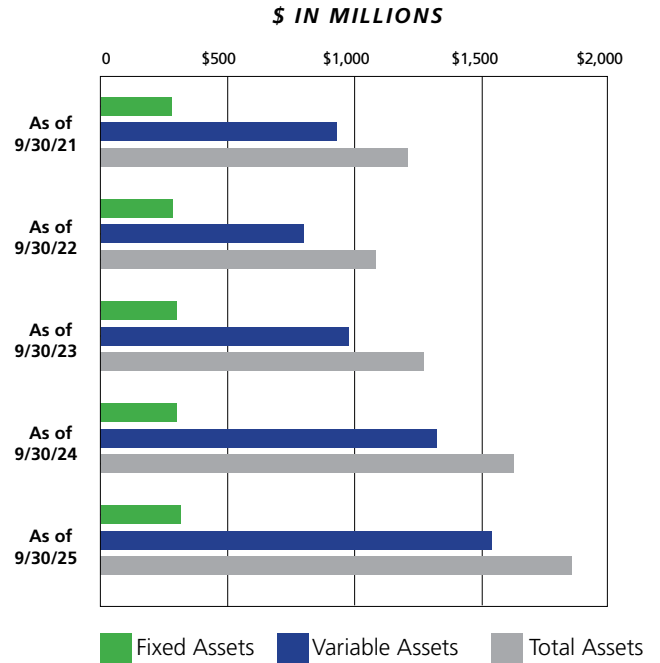


FIGURE 2 Historical Contributions

Reporting Period	Total Contributions*
As of 9/30/2021	\$ 117,258,123
As of 9/30/2022	126,565,807
As of 9/30/2023	134,875,972
As of 9/30/2024	156,514,553
As of 9/30/2025	162,760,879

*Includes incoming rollovers and changes in receivables/activity adjustments.

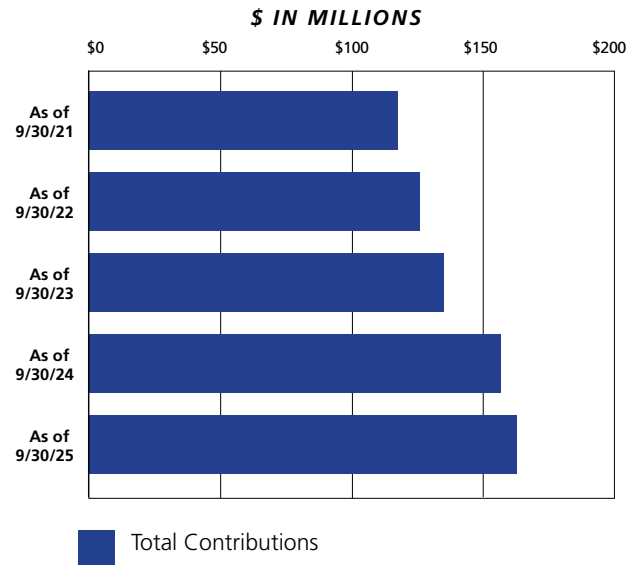


FIGURE 3 Historical Distributions

Reporting Period	Employee Distributions [†]	Deemed Distributions and Offset Loans	Total Distributions
As of 9/30/2021	\$ 61,474,449	\$ 2,049,573	\$ 63,524,022
As of 9/30/2022	67,870,817	2,456,257	70,327,074
As of 9/30/2023	72,514,715	2,283,567	74,798,282
As of 9/30/2024	89,895,307	2,006,226	91,901,533
As of 9/30/2025	122,774,535	1,554,101	124,328,636

[†] Includes Cash Surrenders from Life Insurance Policies that were applied to participants accounts and later distributed.

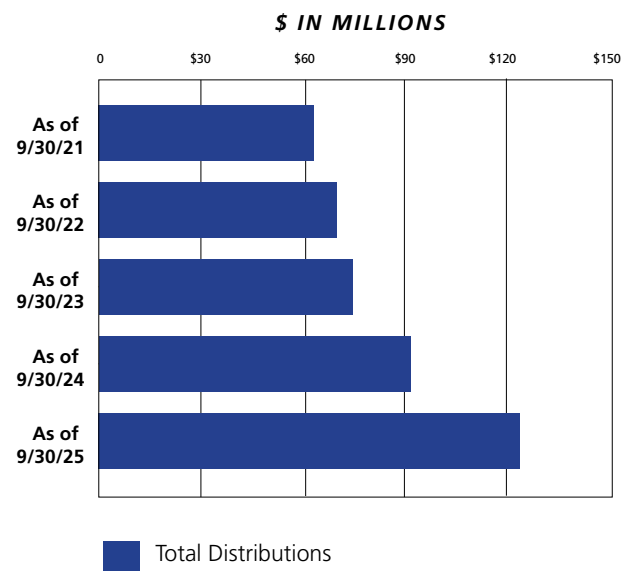


FIGURE 4 Dividends/Appreciation/Depreciation of Total Assets

Reporting Period	Dividends	Appreciation/Depreciation	Total Earnings
As of 9/30/2021	\$ 15,222,414	\$ 187,760,176	\$ 202,982,590
As of 9/30/2022	26,150,862	(209,573,629)	(183,422,767)
As of 9/30/2023	20,745,911	110,898,598	131,644,509
As of 9/30/2024	19,335,864	273,153,626	292,489,490
As of 9/30/2025	30,369,240	161,884,847	192,254,087

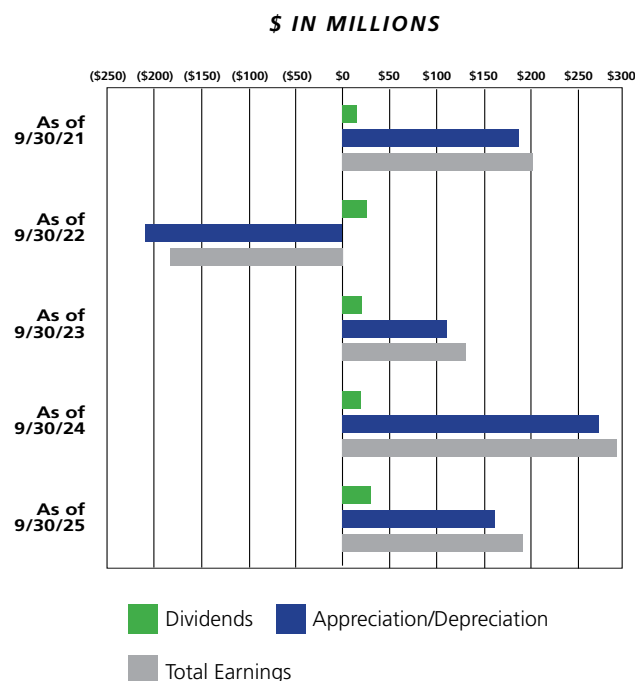
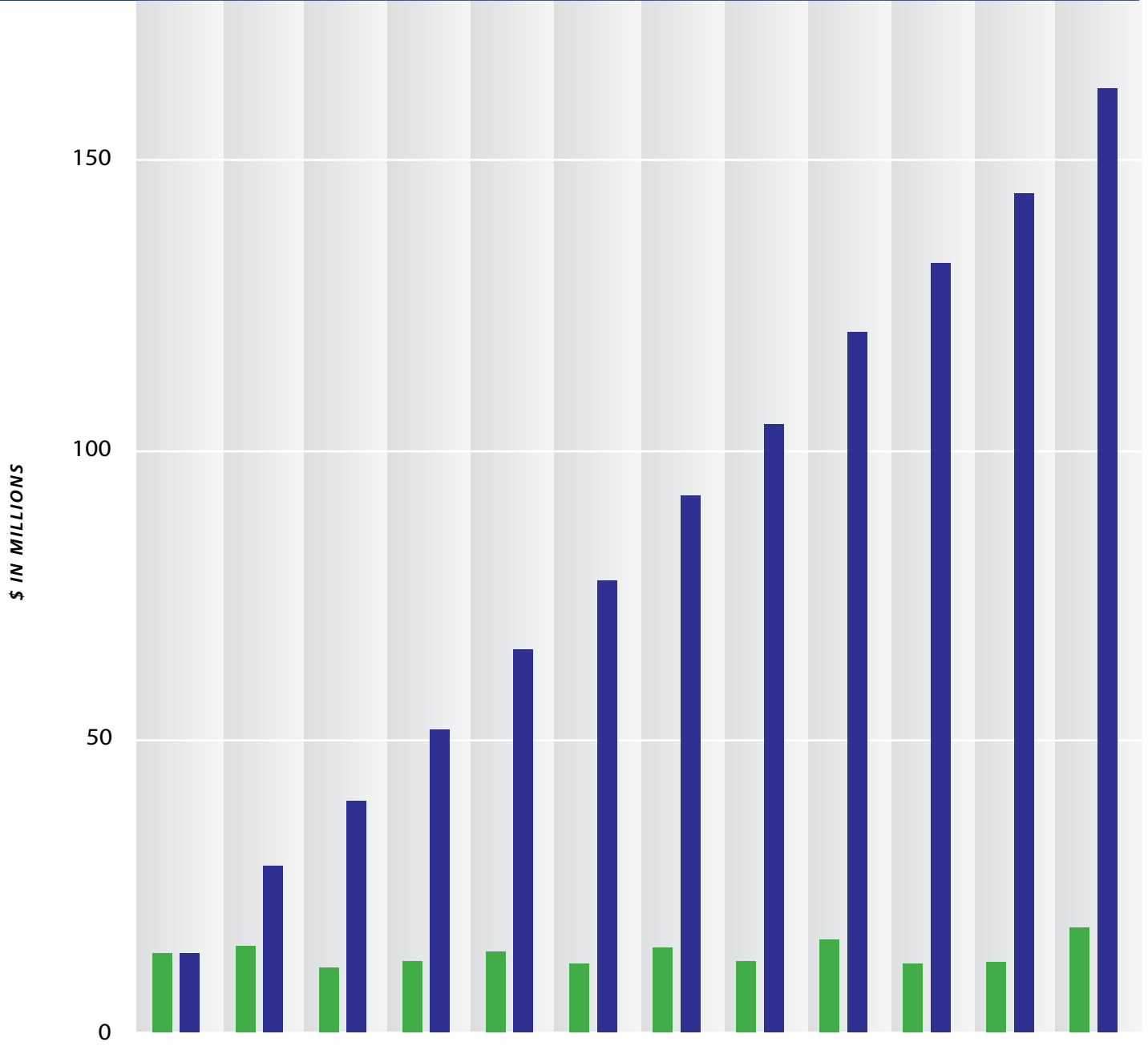


FIGURE 5 Monthly Contributions* (Reporting Period October 1, 2024 through September 30, 2025)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Monthly Contributions (\$)	13,865,885	14,860,169	11,137,861	12,291,092	13,835,619	11,860,351	14,643,032	12,288,604	15,963,232	11,856,176	12,104,173	18,054,685
Aggregate Contributions YTD (\$)	13,865,885	28,726,054	39,863,915	52,155,007	65,990,626	77,850,977	92,494,009	104,782,613	120,745,845	132,602,021	144,706,194	162,760,879

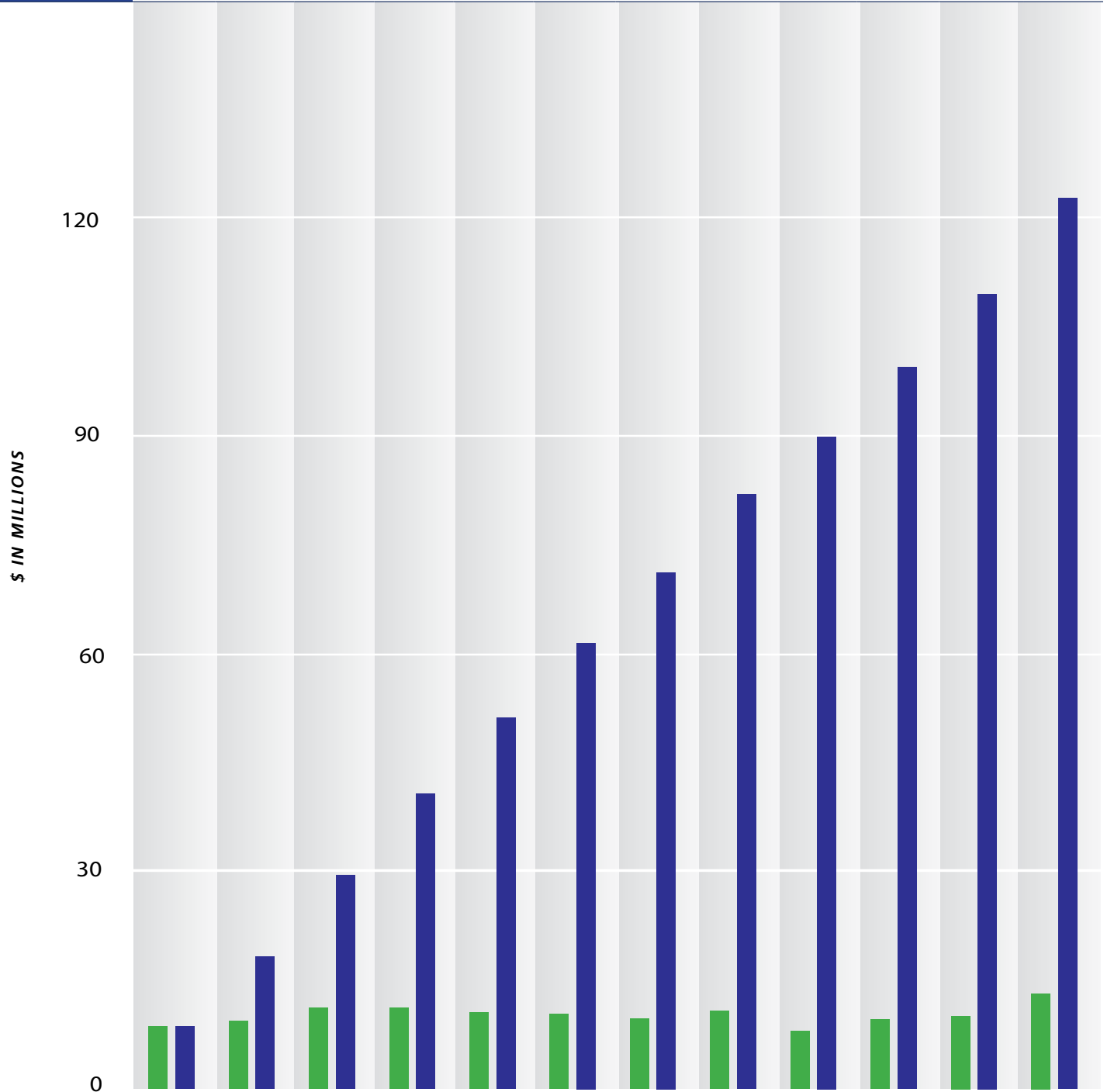


*This chart includes rollovers, receivables and activity adjustments to the plan.

■ Monthly Contributions
 ■ Aggregate Contributions YTD

FIGURE 6 Monthly Distributions* (Reporting Period October 1, 2024 through September 30, 2025)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Monthly Distributions (\$)	8,626,480	9,635,167	11,188,790	11,216,137	10,513,771	\$10,314,185	9,696,167	10,740,425	7,961,284	9,607,112	10,086,227	13,188,790
Aggregate Distributions YTD (\$)	8,626,480	18,261,647	29,450,437	40,666,574	51,180,345	61,494,530	71,190,697	81,931,122	89,892,406	99,499,518	109,585,745	122,774,535

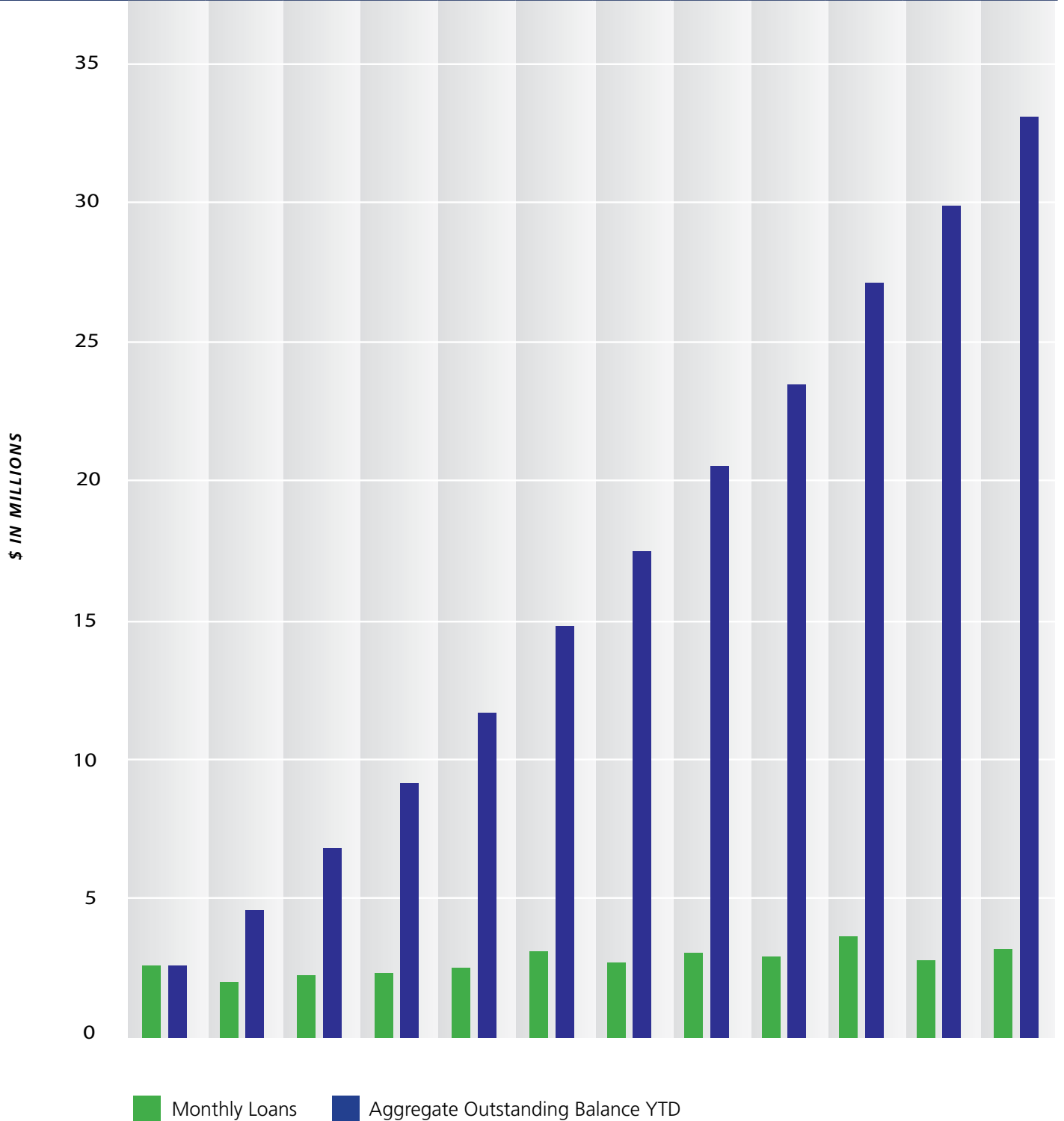


*Total includes deemed distributions and offset loans

■ Monthly Distributions
 ■ Aggregate Distributions YTD

FIGURE 7 New Loan Activity (Reporting Period October 1, 2024 through September 30, 2025)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Monthly Loans (\$)	2,580,504	1,993,511	2,239,849	2,338,008	2,510,028	3,113,048	2,692,868	3,063,184	2,924,897	3,650,052	2,773,574	3,183,555
Aggregate Outstanding Balance YTD (\$)	2,580,504	4,574,015	6,813,864	9,151,872	11,661,900	14,774,948	17,467,816	20,531,000	23,455,897	27,105,949	29,879,523	33,063,078



Participant Demographics

The charts included in this section highlight participation by age group and new and terminated participants.

FIGURE 8 Age Stratification

This table illustrates participation and asset levels by age group as of September 30, 2025.

Age Ranges	Number of Participants	Total Investments	Average Balance
Under 30	4,600	\$ 31,484,466	\$ 6,844
30–39	11,098	213,902,883	19,274
40–49	9,761	427,650,568	43,812
50–59	7,507	482,062,178	64,215
60–69	4,901	442,417,839	90,271
Over 69	2,157	254,476,016	117,977
Total*	40,024	\$ 1,851,993,950	\$ 46,272

*Excludes Beneficiary Plans and Outstanding Loan Balance

FIGURE 9 New vs. Terminated Plan Participants (Reporting Period October 1, 2024 through September 30, 2025)

This graph shows the number of new and terminated participants by month.

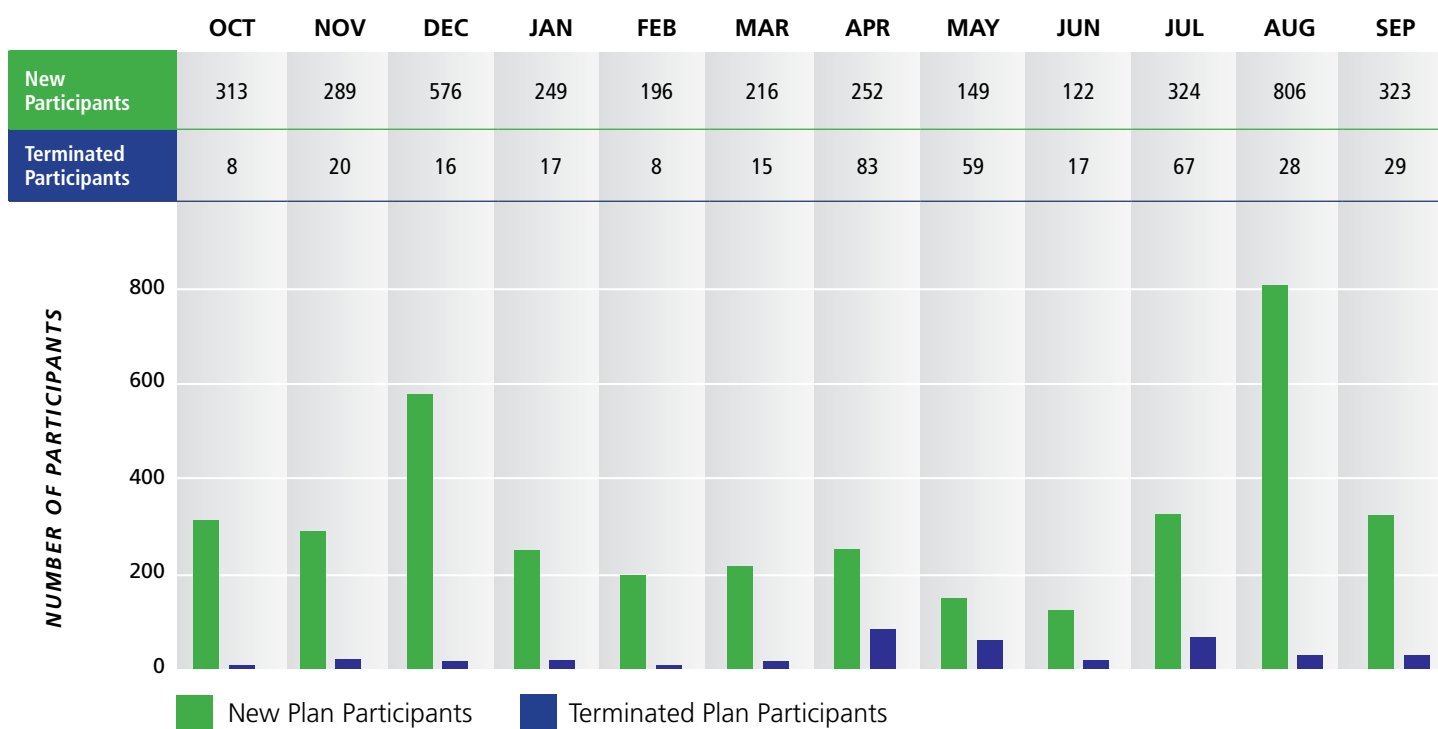


FIGURE 10 Monthly Meeting Attendance

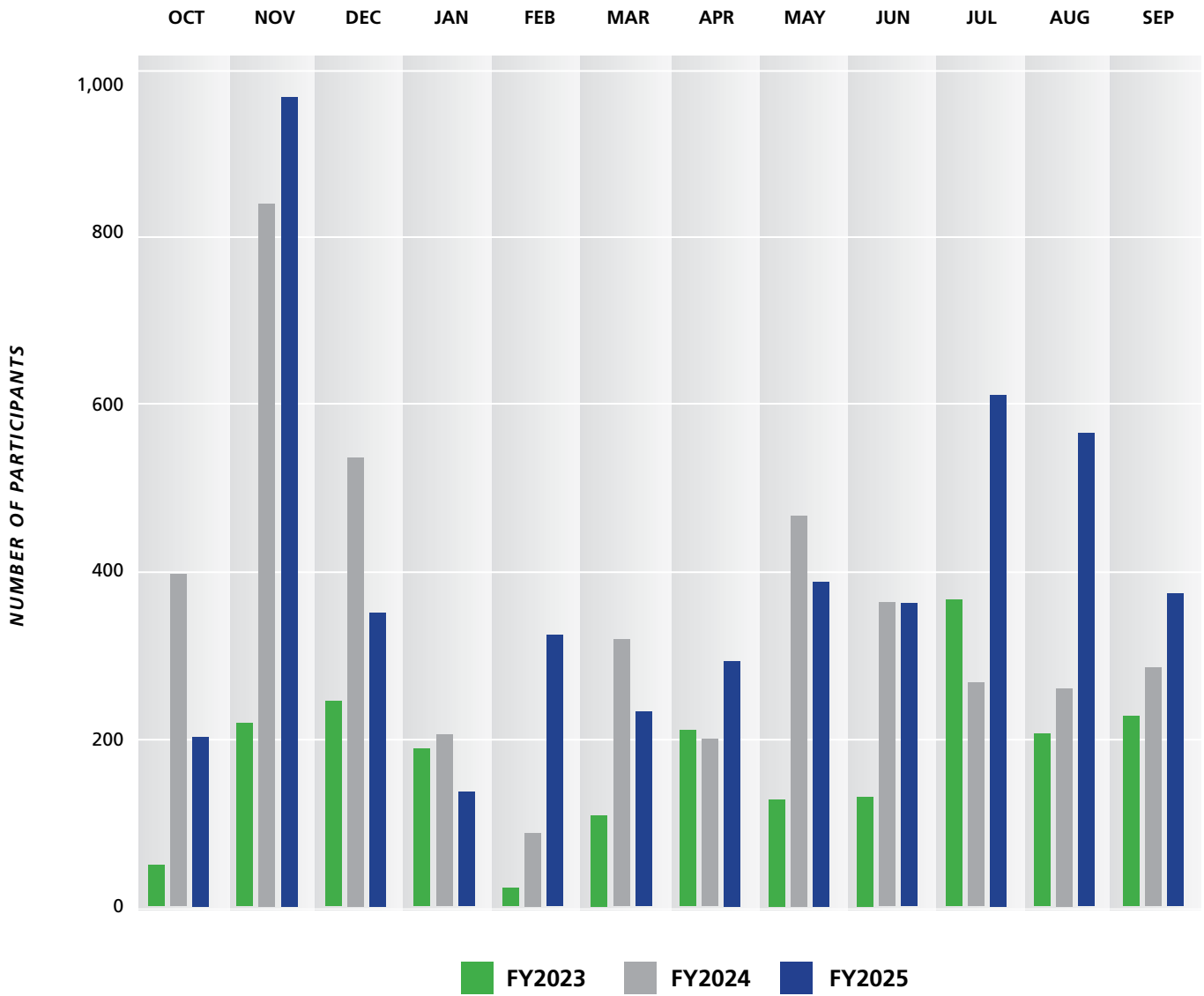


FIGURE 11 Overall Attendance by Meeting Type

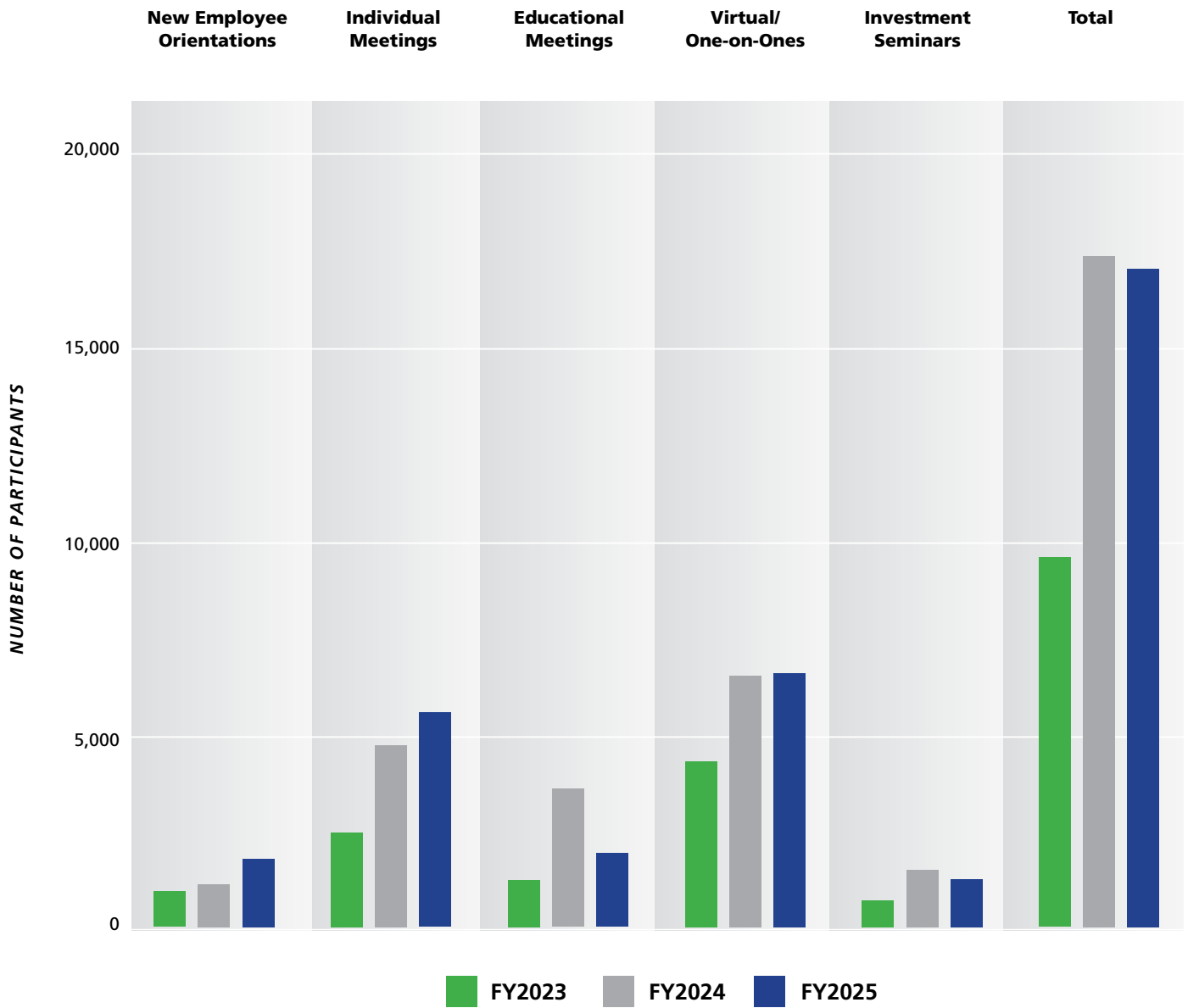
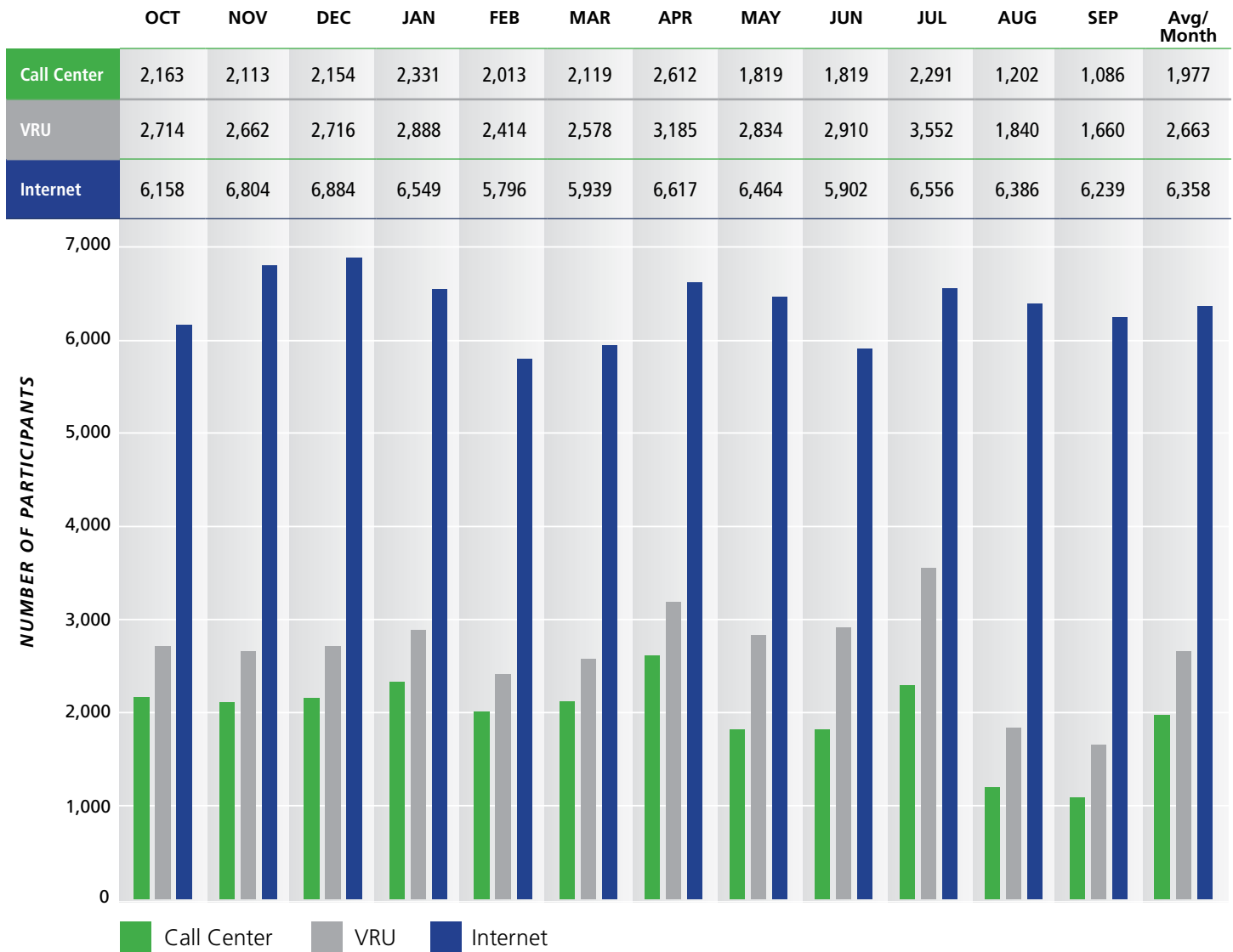


FIGURE 12 Participant Service Utilization (Reporting Period October 1, 2024 through September 30, 2025)



Participant Phone Calls



* Statistics are for all District of Columbia (401(a) and 457(b)) Retirement Plans combined.

Life Insurance

The 457(b) Deferred Compensation Plan allows participants who had existing life insurance policies (under the Plan as of March 15, 2002) to continue to have their policies maintained under the Plan. These Universal Life Insurance policies are maintained by TransAmerica and Shenandoah Life Insurance Company. Purchasing life insurance is no longer an option for participants who did not have life insurance as of March 15, 2002.

FIGURE 13 Premium Payments

	Shenandoah	TransAmerica	Total
9/30/2021	\$ 312	\$ 75,921	\$ 76,233
9/30/2022	312	63,268	63,580
9/30/2023	132	14,726	14,858
9/30/2024	498	86,260	86,758
9/30/2025	324	39,008	39,332

FIGURE 14 Number of Plan Participants with Insurance Policies

	Shenandoah	TransAmerica	Total
9/30/2021	18	595	613
9/30/2022	18	543	561
9/30/2023	8	515	523
9/30/2024	8	505	513
9/30/2025	8	428	436

FIGURE 15 Cash Surrender Value^{1,2}

	Shenandoah	TransAmerica	Total
9/30/2021	\$ 38,928	\$ 3,346,042	\$ 3,384,970
9/30/2022	28,071	3,052,367	3,080,438
9/30/2023	25,649	2,847,185	2,872,834
9/30/2024	22,168	2,716,501	2,738,669
9/30/2025	17,689	2,451,491	2,469,180

¹ Statistical information based on data provided by each respective insurance carrier.

² Cash Surrender Value – The amount you would receive if you surrendered your life insurance policy after any applicable surrender charges were assessed.



Retirement Plan Administration

District of Columbia Administration Teams

Office of Finance and Treasury

The Office of Finance and Treasury (“OFT”) manages the assets and liabilities of the District government. In addition to overseeing the day-to-day administration of the 401(a) and 457(b) Plans, OFT manages the District’s cash and liquid assets, all cash disbursements, banking relationships, the DC College Savings Program, the Other Post-Employment Benefits Fund (“OPEB”), DC ABLE program and several other Trusts.

Carmen Pigler is Deputy Chief Financial Officer and Treasurer. Ms. Pigler manages the District’s treasury programs associated with its annual operating and capital budget. This includes management of the District’s banking and investment activities, check and electronic receipts and disbursements and its debt issuance and repayment activities. She also oversees the District’s 401(a) and 457(b) retirement plans, 529 college savings plan and the Unclaimed Property program.

Benedict Richardson, CFA, is the Associate Treasurer for asset management in the Office of Finance and Treasury (OFT). Mr. Richardson is charged with overseeing all of the District’s investment programs, including the general fund, the District’s 401(a) and 457(b) retirement programs, the 529 College Savings program and the District’s OPEB Fund program. Mr. Richardson also has responsibility for cash forecasting, OFT accounting and the Unclaimed Property Division within OFT.

Rodney Dickerson, the Program Director for the 401(a) Defined Contribution Plan and 457(b) Deferred Compensation Plan, is responsible for monitoring the Plan’s operations, including all communications and facilitates quarterly meetings with the program manager. Besides assessing and coordinating all 401(a) and 457(b) Plans education meetings and various other Plan events, as Program Director, he reconciles all Plan assets.

Mr. Dickerson serves as the liaison between the Office of Pay and Retirement Services (OPRS) and the DC Department of Human Resources (DCHR). He also manages the District’s OPEB Fund, 529 College Savings program and DC ABLE program and several other Trusts.

Ken Alozie, CFA, CAIA, is the Program Manager responsible for managing operations and relationships with investment managers, record keepers, plan administrators and contractors for the District’s 401(a) Defined Contribution Retirement Plan, the 457(b) Deferred Compensation Plan, the DC 529 College Savings Plan and OPEB Fund. Mr. Alozie is also responsible for developing goals, objectives and assigning responsibilities among programs, formulating improvement strategies and reporting on performance.

Merzie Davis is the Financial Manager for the 457(b) Deferred Compensation Plan, monitors the Plan’s operations, including participant communications, facilitation of quarterly meetings with the program manager and monthly reconciles of all Plan assets. Mr. Davis also serves as the liaison between the OPRS and DCHR.

Joseph Nzioki, Financial Analyst, works closely with Rodney Dickerson, Program Director, on the 401(a) Defined Contribution Plan and OPEB Fund. He assists with the monthly asset reconciliation for the 401(a) Plan and OPEB Fund. He updates the OPEB billing system with changes to participants’ data and research discrepancies of various records.



Office of Finance and Treasury (OFT): Merzie Davis, Financial Manager; Rodney Dickerson, Program Director; Ken Alozie, Program Manager; Carmen Pigler, Deputy Chief Financial Officer and Treasurer; Benedict Richardson, Associate Treasurer; and Joseph Nzioki, Financial Analyst

DC Department of Human Resources

The Office of Finance and Treasury (OFT) and the DC Department of Human Resources (DCHR) formed a joint partnership to manage the 401(a) Defined Contribution Plan and the 457(b) Deferred Compensation Plan. DCHR hosts new employee orientation meetings where MissionSquare Retirement educates new employees of the benefits on the District's Retirement Plans. When an employee requests a distribution after separation of employment, DCHR advisors must validate the employee's distribution eligibility and vesting percentages in the 401(a) Plan for their respective agencies.

HR meetings and agency site visits are conducted monthly to keep agency HR Advisors apprised of plan and personnel processing changes, to answer any questions regarding the Retirement Plans and related pension issues and to receive feedback on how to best serve the District's workforce.

Charles Hall, Jr. is appointed Director of the Department of Human Resources (DCHR). Director Charles Hall, Jr. has more than 15 years of leadership and focus on a vision-driven approach to decision making, strategic



Charles Hall, Jr., Director Human Resources

planning, and tactical implementation. In 2008, Director Hall began his human resources career as HR Administrator at Under Armour in Baltimore, MD. From 2012 to 2013, he served in the Baltimore City Department of Public Works, conducting a range of administrative actions to support continuity of operations and achievement of core mission. From 2013 to 2022, Director Hall served at the Baltimore City Schools, holding several leadership roles, including Human Capital Specialist, Manager of School Based Staffing, and Director of Employee Engagement. In 2022, Director Hall joined Baltimore City Community College as Assistant Vice President of Human Resources and Payroll, a cabinet-level role with oversight of personnel, federal and state employment laws, and employee relations, including labor management.

Paul Shaw, is the Associate Director of the Benefits and Retirement Administration and provides executive direction and oversight to the Plan for DCHR. He coordinates the delivery of Plan services through various District agencies and reviews Plan benefits to ensure that they meet the needs of our employees.

Chad Clayton, Human Resources Benefits Specialist; ShaDonna Epps, Human Resources Benefits Specialist; Demetrius Patillo, Human Benefits Resources Specialist; Pelumi Oyewole, Human Resources Specialist; and Maria Prescott, Supervisory Human Resources Specialist; coordinate the day-to-day service activity in the Plan. They work closely with District employees, MissionSquare Retirement, OFT and the Office of Pay and Retirement Services to ensure that participant issues and questions are resolved promptly.



Chad Clayton, Human Resources Benefits Specialist, Paul Shaw, Associate Director of the Benefits and Retirement Administration, Maria Prescott, Supervisory Human Resources Specialist; Melvin Burrell Human Resources Specialist and Demetrius Patillo, Human Resources Benefits Specialist*

**Melvin Burrell resigned effective 7/11/2024.*

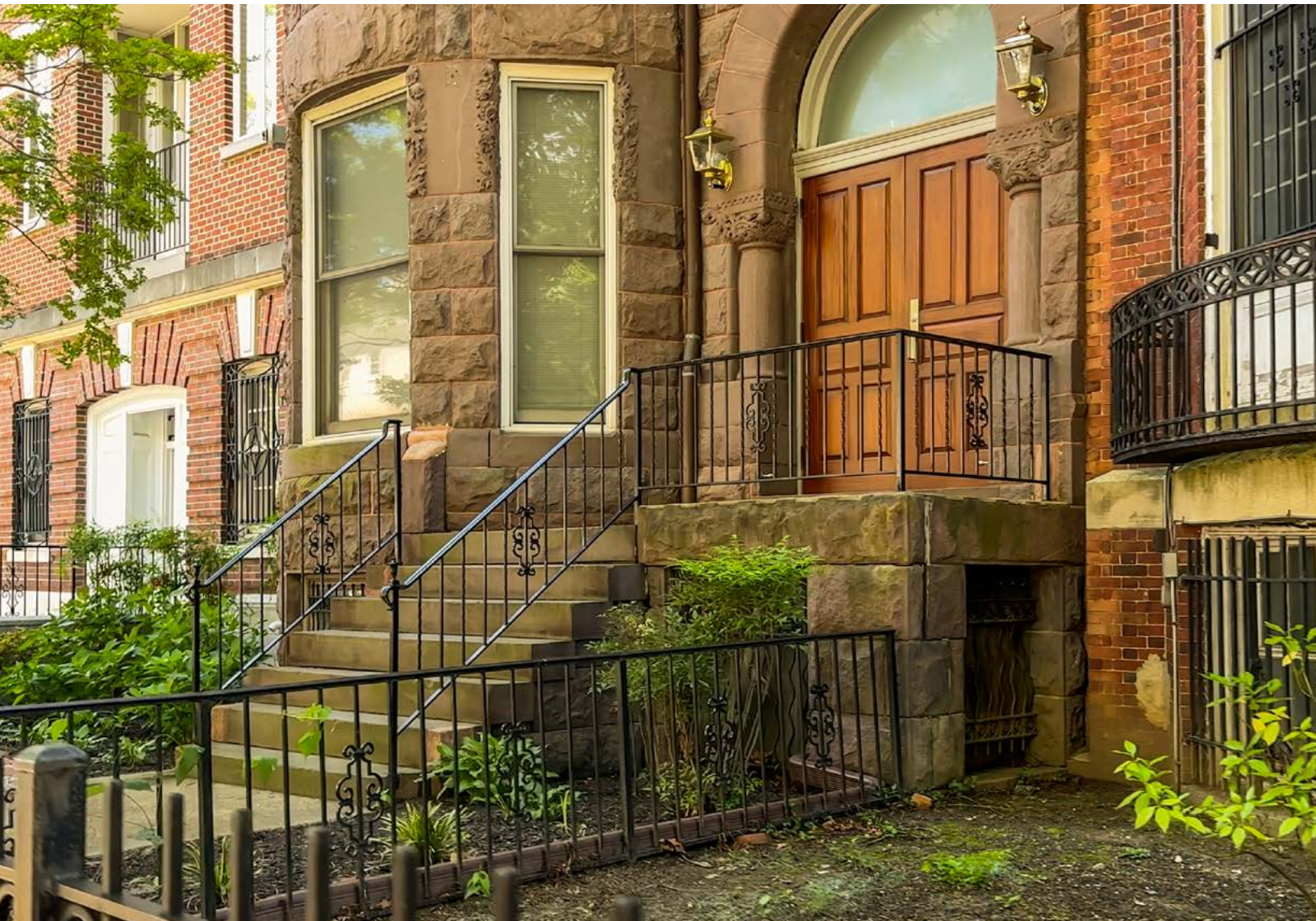
Office of the Chief Financial Officer/Office of Pay and Retirement Services

The Office of Pay and Retirement Services (OPRS) transmits participant payroll data to MissionSquare at least two days prior to the payroll date and researches payroll contribution file rejections. Funds are sent via wire transfer on the pay date plus one business day. Excess deferrals are processed by OPRS and the funds are returned to the individual participant.

District of Columbia Housing Authority

The District of Columbia Housing Authority (DCHA) is an independent agency of the District of Columbia Government. DCHA enrolls new employee participants and communicate the benefits of the Plan to its employees.

The office works closely with DCHA employees to resolve any issues their employees have about the plan, work in conjunction with the District of Columbia Department of Human Resources to process distributions on behalf of DCHA employees, research any contribution that is rejected and other issues related to the transfer of contribution.



The MissionSquare Retirement Teams

MissionSquare is committed to delivering outstanding service and education for employees of the District of Columbia Government.

Local On-site Team

The local DC team of MissionSquare, led by Regional Sales Director Donnell Williams, operates from the DC Service Center at 777 North Capitol Street NE, 4th Floor, Washington, DC 20002. The team maintains close relationships with key entities such as the Office of Finance and Treasury (OFT), DC Department of Human Resources (DCHR), DC Housing Authority (DCHA), United Medical Center (UMC), and DC Courts.

Each member of the local team is a seasoned financial professional, staying abreast of industry developments and holding various professional designations and certifications, including FINRA Series exams and insurance licenses. Here is a summary of their credentials:

- Donnell Williams: FINRA Series 6, 63, 65, and 26, Life and Health Certification
- Angela Macon: FINRA Series 6, 63, and 65, CRS (Certified Retirement Specialist)
- Andrew McFalls: FINRA Series 6, 63, 65, Life and Health Certification
- Ryan Myers: FINRA Series 7, 26, 66, Life and Health Certification, and CFP (Certified Financial Planner)
- Harold Michaels: FINRA Series 6, 63, and 65 Life and Health Certification
- Pilar Henderson: Field Sales Assistant

The responsibilities of MissionSquare's local team include:

- Managing enrollment in the Plan
- Scheduling and conducting education and investment meetings at various agencies
- Conducting orientation and retirement plan seminars
- Holding individual meetings with Plan participants
- Conducting on-site One-on-Ones and Seminars at local agencies locations
- Collaborating with the Department of Insurance, Securities and Banking (DISB) to enhance financial literacy throughout the District of Columbia
- Responding to employee and participant requests
- Facilitating retirement with dignity and respect for employees

District employees can access a range of services, including:

- On-site, individual appointments at 777 North Capitol Street, NE, 4th Floor and 1015 Half Street
- Orientation sessions held at various locations throughout the District
- Online access to Plan and participant account information via the custom website at www.DCRetire.com



Local on-site MissionSquare team members Andrew McFalls, Ryan Myers, Angela Macon, Pilar Henderson, Donnell Williams, and Harold Michael

Client Services Team

MissionSquare's Key Client Account Team is composed of Rod Alcazar, Senior Director, Key Client Relations; Michelle Russell, Client Account Manager, Key Client Relations, and Daniel Bronstein, Communications Consultant. They are responsible for the overall relationship and day-to-day administration of the 401(a) Defined Contribution Plan and 457(b) Deferred Compensation Plan, including:

- Plan Strategy
- Project Management
- Support Marketing and Communications efforts
- Providing quarterly participant statements and newsletters
- Developing and delivering monthly reports to the OFT
- Carrying out Plan audits and compliance assurance
- Instituting new Plan features with the approval of the OFT that may be made available based on legislative changes
- Monthly balancing of Plan assets
- Assembling monthly Plan reports
- Tracking and reporting Plan contributions
- Assisting with Plan level fund changes
- Maintaining and updating the Plan's website
- Coordinating the delivery of quarterly participant statements
- Processing participant adjustments/corrections based on OFT and DCHR direction.



Rod Alcazar
Senior Director
Key Client Relations



Michelle Russell
Client Account Manager



Dan Bronstein
Communications Consultant

In addition, the MissionSquare Contact Center handles toll-free telephone support to Plan participants Monday through Friday 8:00 a.m. to 9:00 p.m. Eastern Time.

Participant Services Representatives can educate, and answer questions relating to investment options and distribution options or assist in processing changes to investment options within the participant's account.

The MissionSquare Plan Services team is responsible for the processing functions which include:

- Processing of participant deferrals
- Processing of rollover contributions into the Plans
- Processing distributions from the Plans
- Processing enrollments
- Providing ad-hoc reports as requested

MissionSquare Retirement: Invest in a Shared Sense of Service

For over 50 years, MissionSquare Retirement has partnered with public service employers to deliver on the financial wellness of their employees. We are proud of our mission and the opportunity to help these exceptional individuals every day — those who invest their time and energy in a shared sense of service.

Who We Are

MissionSquare Retirement is dedicated to helping public service employees — those who help others — realize a stronger and more confident financial future. We deliver retirement plans, education, investment options, and personalized advice to more than 1.3 million participant accounts in 9,000 plans across the U.S.

Our unique priority is to serve those who serve their communities, including the public, healthcare, education, and not-for-profit sectors. We are also the largest organization of its kind in the U.S. focused on the government market. Learn more at www.missionsq.org.

Our History

MissionSquare Retirement was founded in 1972 as ICMA-RC with the support of a Ford Foundation grant provided to the International City/County Management Association (ICMA) to help public workers build retirement security and improve their long-term financial wellbeing.

While the ICMA and MissionSquare Retirement have partnered on marketing activities from time to time, MissionSquare Retirement is a stand-alone organization that continues to have a singular focus and deep, abiding commitment to better serve our public service participants in securing the retirement they so richly deserve.

New Name, Same Mission

In 2021, we changed our name to MissionSquare Retirement to reduce the confusion with ICMA and to better communicate our exclusive focus on retirement planning and our alignment with the mission and values of our clients who dedicate their lives to serving the public. And as we expand our reach to support the retirement planning needs of the employees of healthcare, education, and not-for-profit organizations, we believe the MissionSquare Retirement brand will better reflect the array of mission-focused workers and sectors we serve.

A Different Kind of Financial Services Company

The financial wellness of individuals who serve their communities — and their families — is at the core of MissionSquare Retirement. We are a mission-based financial services company committed to offering the highest level of service to those who serve their communities. We actively listen to our clients and their retirement and financial planning priorities.

In addition, MissionSquare Retirement has an advocacy focus, which centers around retirement policy to improve our clients' experience with us, as well as protections and access to retirement savings and income.

Contact Information

Long-standing Commitment to Diversity

It is important to us that our organization reflects the diverse individuals who serve our communities. Diversity, equity, and inclusion are long-standing core values at MissionSquare Retirement — and we are an organization that leads by example. As of 2025, women and people of color represent:

- 50% of our Executive Team
- 66% of all of our Employees
- 70% of our Board of Directors

Support for Our Customers and Communities

MissionSquare Retirement values investing in a shared sense of service. As a mission-driven business, we focus on reinvesting into our offerings to provide a better experience and help our plan participants improve their financial wellness. Like other retirement industry recordkeepers, we support a diverse number of organizations at the local, state, and national levels. We are also proud to have raised funds to provide support to the children and families of fallen police officers and firefighters for nearly 20 years through the MissionSquare Retirement Memorial Scholarship Fund (www.missionsq.org/scholarship).

As MissionSquare Retirement grows, we continue to expand our reinvestment in our offerings and into support for our communities and the people who serve them.

DC OFFICE OF FINANCE AND TREASURY

1101 4th Street, SW 8th Floor
Washington, DC 20024
(202) 727-6055

Carmen Pigler, Deputy Chief Financial Officer and Treasurer
Benedict Richardson, CFA, Associate Treasurer
Rodney Dickerson, Program Director
Ken Alozie, CFA, CAIA, Program Manager
Merzie Davis, Financial Manager
Joseph Nzioki, Financial Analyst

DC DEPARTMENT OF HUMAN RESOURCES

1015 Half Street, SE 9th Floor
Washington, DC 20003
(202) 442-9655

Paul Shaw, Associate Director, Benefits
Maria Prescott, Supervisory Human Resources Specialist

DC RETIREMENT SERVICE CENTER

777 North Capitol Street, NE 4th Floor
Washington, DC 20002
(202) 759-7190

1015 Half Street, SE 9th Floor
Washington, DC 20003
(202) 442-9749
(202) 442-9640

Donnell Williams, Regional Director
Pilar Henderson, Field Sales Assistant
Andrew McFalls, Retirement Plans Specialist
Angela Macon, Retirement Plans Specialist
Ryan Myers, Retirement Plans Specialist
Harold Michaels, Retirement Plans Specialist
Stephen Taylor, Certified Financial Planner™ Professional

MISSIONSQUARE RETIREMENT

777 North Capitol Street, NE
Washington, DC 20002
(800) 669-7400



Appendix

Financial Statements, Notes and Report of Independent Certified Public Accountants

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR’S REPORT**

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

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F.S. TAYLOR & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

1420 N Street, N.W., Suite 100 / Washington, D.C. 20005 / 202/898-0008 Fax 202/898-0208

INDEPENDENT AUDITOR’S REPORT

Office of Finance and Treasury
Office of the Chief Financial Officer
Government of the District of Columbia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statements of fiduciary net position of the Government of the District of Columbia 401(a) Defined Contribution Plan (the “Plan”) as of September 30, 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 Plan’s basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of September 30, 2025 and 2024, and the changes in the fiduciary net position for the years 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 audit. 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 on pages 4 through 10 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

J. S. Taylor & Associates, P.C.

Washington, D.C.
December 15, 2025

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

The following presents our discussion and analysis of the financial performance of the Government of District of Columbia 401(a) Defined Contribution Plan (the "Plan") for the fiscal years ended September 30, 2025 and 2024. This discussion and analysis should be read in conjunction with the financial statements and note disclosures.

The Plan was established under Government of the District of Columbia (the "District" or D.C.) Code 1-626.05(3). All District employees who were first hired on or after October 1, 1987 and have been employed a minimum of one-year creditable service are eligible to participate in the Plan. The District contributes 5% of eligible employees' base salaries, except for detention officers, who receive a 5.5% contribution. Employees do not make any contributions to the Plan. The District's Office of the Chief Financial Officer, Office of Finance and Treasury and the D.C. Department of Human Resources jointly perform the duties of the Plan Administrator.

Overview of Financial Statements

The Plan's financial statements consist of two basic financial statements: (a) Statement of Fiduciary Net Position and (b) Statement of Changes in Fiduciary Net Position. In addition to the basic financial statements are the notes to the financial statements.

- Statement of Fiduciary Net Position presents the Plan's assets, liabilities, and net position available for participant benefits.
- Statement of Changes in Fiduciary Net Position presents the additions to and deductions from the Plan's net position.
- The notes to the financial statements provide a detailed discussion of key accounting policies and activities that occurred during the year. The notes provide additional information that is essential to a full understanding of the information provided in the financial statements.

2025 Financial Highlights

- Investments increased by \$228,191,943 or 12.76%
- Due to District Government decreased by \$586,830 or (11.07%)
- Net investment income was \$220,029,434, a decrease in net investment income of \$116,885,219 or (34.69%)
- District contributions increased by \$3,599,497 or 3.71%
- Benefits paid to participants increased by \$17,532,665 or 23.53%

2024 Financial Highlights

- Investments increased by \$359,139,146 or 25.12%
- Due to District Government increased by \$2,352,486 or 79.75%
- Net investment income was \$336,914,653, an increase in net investment income of \$171,329,412 or 103.47%
- District contributions increased by \$5,685,300 or 6.23%
- Benefits paid to participants increased by \$6,611,170 or 9.74%

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Financial Analysis – Fiduciary Net Position

Table 1 – Condensed Statements of Fiduciary Net Position as of September 30, 2025, 2024 and 2023

	2025	2024	2023	2025-2024		2024-2023	
				\$ Variance	% Variance	\$ Variance	% Variance
ASSETS							
Investments	\$ 2,017,055,409	\$ 1,788,863,466	\$ 1,429,724,320	\$ 228,191,943	12.76%	\$ 359,139,146	25.12%
Employer Contributions Receivable	1,785,754	3,805,294	3,519,754	(2,019,540)	(53.07%)	285,540	8.11%
Due from Program Manager	114,404	81,652	70,030	32,752	40.11%	11,622	16.60%
Other Receivables	58,400	-	-	58,400	100.00%	-	-
Total Assets	<u>2,019,013,967</u>	<u>1,792,750,412</u>	<u>1,433,314,104</u>	<u>226,263,555</u>	12.62%	<u>359,436,308</u>	25.08%
LIABILITIES							
Due to District Government	<u>4,715,460</u>	<u>5,302,290</u>	<u>2,949,804</u>	<u>(586,830)</u>	(11.07%)	<u>2,352,486</u>	79.75%
Total Liabilities	<u>4,715,460</u>	<u>5,302,290</u>	<u>2,949,804</u>	<u>(586,830)</u>	(11.07%)	<u>2,352,486</u>	79.75%
Fiduciary Net Position Available for Plan Benefits	<u>\$ 2,014,298,507</u>	<u>\$ 1,787,448,122</u>	<u>\$ 1,430,364,300</u>	<u>\$ 226,850,385</u>	12.69%	<u>\$ 357,083,822</u>	24.96%

Fiscal Year 2025

In fiscal year 2025, the Plan’s investments increased by \$228,191,943 or 12.76%, compared to the prior fiscal year balance; in addition, net investment income decreased by \$116,885,219 or (34.69%). Market conditions continued to be favorable during fiscal year 2025 although not as favorable as fiscal year 2024, resulting in 27 of 29 investment funds generating positive rates of return.

Employer contribution receivables decreased by \$2,019,540 or (53.07%) from the prior fiscal year due to the timing of payroll contribution collections near the end of the fiscal year.

The amount “Due to District Government” represents funds owed to the Plan Administrator to be used towards paying the Plan’s administrative expenses. The Program Manager provides revenue sharing funds to the Plan Administrator monthly. The funding is equal to 5.5 basis points (0.055%) of the Plan’s daily net asset value. The amount also includes payments owed the District for contributions made on behalf of erroneously enrolled participants. This portion of the liability decreases as funds owed are remitted to the District.

As shown in **Table 2a - Investment by Fund with Rates of Return as of September 30, 2025**, a significant portion of the Plan’s investments were in Vanguard Target Retirement 2035 (14.6%), Vanguard Target Retirement 2030 Fund (13.4%), Vanguard Target Retirement 2040 Fund (11.7%), Vanguard Target Retirement 2045 Fund (10.5%), Vanguard Target Retirement 2025 Fund (8.9%), Vanguard Target Retirement 2050 Fund (7.6%), MissionSquare PLUS Fund (5.4%), and Vanguard Institutional Index Fund (5.2%). The Vanguard Target Date funds are designed for investors planning to retire at set dates and seek to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of Vanguard funds.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Table 2a - Investment by Fund with 1-Year Rates of Returns as of September 30, 2025

	Investment Value	Percent of Total Investments	Rate of Return %
American Funds Fundamental Investors	\$ 16,946,554	0.8%	21.41%
American Funds New Perspective Fund	15,571,448	0.8%	17.64%
Ariel Institutional	11,123,975	0.6%	10.21%
Brown Capital Management Small	6,865,105	0.3%	(3.40%)
DCPLUS Fixed Income Portfolio	18,283,958	0.9%	2.77%
DCPLUS Large Cap Growth Portfolio	35,131,390	1.7%	24.23%
DCPLUS Large Cap Value Portfolio	10,384,634	0.5%	7.26%
DFA US Core Equity 1 Portfolio	7,899,745	0.4%	14.53%
Harbor International Fund	15,638,343	0.8%	15.38%
MissionSquare PLUS Fund	108,715,608	5.4%	3.16%
MissionSquare Retirement Income Advantage	5,381,417	0.3%	9.82%
Nuveen Real Estate Securities Fund	4,583,996	0.2%	(3.43%)
PIMCO All Asset Fund Institutional Class	998,831	0.0%	7.69%
PIMCO Real Return Collective Trust II	5,259,406	0.3%	4.21%
Vanguard Federal Money Market	15,661,484	0.8%	4.41%
Vanguard Institutional Index Fund	104,056,294	5.2%	17.57%
Vanguard Small Cap Index Fund	19,756,013	1.0%	8.67%
Vanguard Target Retirement 2020 Fund	86,809,640	4.3%	8.63%
Vanguard Target Retirement 2025 Fund	178,740,203	8.9%	10.56%
Vanguard Target Retirement 2030 Fund	271,286,949	13.4%	11.75%
Vanguard Target Retirement 2035 Fund	294,310,159	14.6%	12.85%
Vanguard Target Retirement 2040 Fund	236,553,409	11.7%	13.93%
Vanguard Target Retirement 2045 Fund	212,757,408	10.5%	14.96%
Vanguard Target Retirement 2050 Fund	153,297,482	7.6%	16.14%
Vanguard Target Retirement 2055 Fund	92,161,631	4.6%	16.13%
Vanguard Target Retirement 2060 Fund	28,494,106	1.4%	16.15%
Vanguard Target Retirement 2065 Fund	8,283,731	0.4%	16.09%
Vanguard Target Retirement Inc.	48,811,143	2.4%	7.95%
Virtus Emerging Markets Fund Class 1	3,291,347	0.2%	8.45%
	<u>\$ 2,017,055,409</u>	<u>100%</u>	

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Fiscal Year 2024

In fiscal year 2024, the Plan’s investments increased by \$359,139,146 or 25.12%, compared to the prior fiscal year balance; in addition, net investment income increased by \$171,329,412 or 103.47%. Market conditions continued to be favorable during fiscal year 2024 resulting in all 29 investment funds generating positive rates of return.

Employer contribution receivables increased by \$285,540 or 8.11% from the prior fiscal year due to the timing of payroll contribution collections near the end of the fiscal year.

The amount “Due to District Government” represents funds owed to the Plan Administrator to be used towards paying the Plan’s administrative expenses. The Program Manager provides revenue sharing funds to the Plan Administrator monthly. The funding is equal to 5.5 basis points (0.055%) of the Plan’s daily net asset value. The amount also includes payments owed by the District for contributions made on behalf of erroneously enrolled participants.

As shown in **Table 2b - Investment by Fund with Rates of Return as of September 30, 2024**, a significant portion of the Plan’s investments were in Vanguard Target Retirement 2035 (14.6%), Vanguard Target Retirement 2030 Fund (13.5%), Vanguard Target Retirement 2040 Fund (11.4%), Vanguard Target Retirement 2045 Fund (10.1%), Vanguard Target Retirement 2025 Fund (9.7%), Vanguard Target Retirement 2050 Fund (7.0%), MissionSquare PLUS Fund (5.7%), and Vanguard Institutional Index Fund (5.1%). The Vanguard Target Date funds are designed for investors planning to retire at set dates and seek to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of Vanguard funds.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Table 2b - Investment by Fund with 1-Year Rates of Returns as of September 30, 2024

	<u>Investment Value</u>	<u>Percent of Total Investments</u>	<u>Rate of Return %</u>
American Funds Fundamental Investors	\$ 10,138,791	0.6%	37.59%
American Funds New Perspective Fund	13,236,418	0.7%	31.71%
Ariel Institutional	12,242,814	0.7%	28.01%
Brown Capital Management Small	8,627,569	0.5%	10.94%
DCPLUS Fixed Income Portfolio	16,852,904	0.9%	11.71%
DCPLUS Large Cap Growth Portfolio	30,272,047	1.7%	41.24%
DCPLUS Large Cap Value Portfolio	10,759,806	0.6%	27.04%
DFA US Core Equity 1 Portfolio	9,608,605	0.5%	33.46%
Harbor International Fund	13,999,840	0.8%	24.62%
MissionSquare PLUS Fund	101,173,647	5.7%	3.04%
MissionSquare Retirement Income Advantage	6,246,499	0.3%	21.78%
Nuveen Real Estate Securities Fund	5,196,021	0.3%	31.76%
PIMCO All Asset Fund Institutional Class	641,335	0.0%	15.13%
PIMCO Real Return Collective Trust II	4,386,810	0.2%	10.20%
Vanguard Federal Money Market	9,797,021	0.5%	5.41%
Vanguard Institutional Index Fund	90,699,107	5.1%	36.32%
Vanguard Small Cap Index Fund	16,988,378	0.9%	27.45%
Vanguard Target Retirement 2020 Fund	90,701,576	5.1%	18.29%
Vanguard Target Retirement 2025 Fund	172,662,517	9.7%	21.19%
Vanguard Target Retirement 2030 Fund	241,635,509	13.5%	23.29%
Vanguard Target Retirement 2035 Fund	262,054,596	14.6%	24.82%
Vanguard Target Retirement 2040 Fund	204,123,336	11.4%	26.34%
Vanguard Target Retirement 2045 Fund	180,997,449	10.1%	27.81%
Vanguard Target Retirement 2050 Fund	125,183,965	7.0%	28.98%
Vanguard Target Retirement 2055 Fund	72,051,500	4.1%	28.98%
Vanguard Target Retirement 2060 Fund	19,517,739	1.1%	28.99%
Vanguard Target Retirement 2065 Fund	4,854,661	0.3%	28.98%
Vanguard Target Retirement Inc.	50,123,347	2.9%	16.27%
Virtus Emerging Markets Fund Class 1	4,089,659	0.2%	8.20%
	<u>\$ 1,788,863,466</u>	<u>100%</u>	

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Financial Analysis – Changes in Fiduciary Net Position

Table 3 – Condensed Statements of Changes in Fiduciary Net Position for the Years Ended September 30, 2025, 2024 and 2023

	2025	2024	2023	2025-2024		2024-2023	
				\$ Variance	% Variance	\$ Variance	% Variance
ADDITIONS							
District Government Contributions	\$ 100,556,493	\$ 96,956,996	\$ 91,271,696	\$ 3,599,497	3.71%	\$ 5,685,300	6.23%
Net Investment Income	220,029,434	336,914,653	165,585,241	(116,885,219)	(34.69%)	171,329,412	103.47%
Total Additions	320,585,927	433,871,649	256,856,937	(113,285,722)	(26.11%)	177,014,712	68.92%
DEDUCTIONS							
Benefits Paid to Participants	92,040,421	74,507,756	67,896,586	17,532,665	23.53%	6,611,170	9.74%
Administrative Expenses	1,054,352	926,635	827,243	127,717	13.78%	99,392	12.01%
Other Deductions	640,769	1,353,436	232,757	(712,667)	(52.66%)	1,120,679	481.48%
Total Deductions	93,735,542	76,787,827	68,956,586	16,947,715	22.07%	7,831,241	11.36%
Change in Net Position	226,850,385	357,083,822	187,900,351	(130,233,437)	(36.47%)	169,183,471	90.04%
Fiduciary Net Position Available for Plan Benefits, Beginning of Year	1,787,448,122	1,430,364,300	1,242,463,949	357,083,822	24.96%	187,900,351	15.12%
Fiduciary Net Position Available for Plan Benefits, End of Year	\$ 2,014,298,507	\$ 1,787,448,122	\$ 1,430,364,300	\$ 226,850,385	12.69%	\$ 357,083,822	24.96%

Fiscal Year 2025

The District contributed \$100,556,493 to the Plan in fiscal 2025, an increase of 3.71% over the \$96,956,996 contributed in fiscal 2024.

The Plan’s net investment income was \$220,029,434 in fiscal year 2025, compared to a net investment income of \$336,914,653 for fiscal year 2024. The decrease in net investment income was primarily due to market conditions which were less favorable during fiscal year 2025 as compared to fiscal year 2024. Overall, 27 of 29 funds of the Plan reflected positive rates of return, which contributed to a net appreciation in the fair value of investments. The Plan’s weighted average rate of return was 12.53% in fiscal year 2025 compared to a return of 16.69% for fiscal year 2024.

Benefits paid to participants increased by \$17,532,665 due to an increase in the average amount paid out per participant for fiscal year 2025 of \$13,476 from \$11,784 for fiscal year 2024, while the number of participants receiving distributions also increased. The total number of participants receiving distributions from the Plan for fiscal year 2025 was 6,830 compared to 6,334 in fiscal year 2024.

The administrative expenses for fiscal year 2025 were expenses incurred by the Program Manager and Plan Administrator for operations of the Plan. The Program Manager receives an administrative fee of 0.22% (22.0 basis points) of the Plan’s daily net asset value and reimburses the Plan Administrator at 0.055% (5.5 basis points) of the Plan’s daily net asset value or \$1,054,352 for the fiscal year.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Fiscal Year 2024

The District was required to contribute cash of \$96,685,252 to the Plan during the fiscal year, which was a 10.55% increase from \$87,456,451 in the prior fiscal year. The actual amount contributed by the District was \$96,956,996, an increase of 6.23% over the \$91,271,696 contributed in fiscal 2023.

The Plan's net investment income was \$336,914,653 in fiscal year 2024, compared to a net investment income of \$165,585,241 for fiscal year 2023. The increase in net investment income was primarily due to continuing favorable market conditions during fiscal year 2024. Overall, all 29 funds of the Plan reflected positive rates of return, which contributed to a net appreciation in the fair value of investments. The Plan's weighted average rate of return was 16.69% in fiscal year 2024 compared to a return of 13.61% for fiscal year 2023.

Benefits paid to participants increased by \$6,611,170 due to an increase in the average amount paid out per participant for fiscal 2024 of \$11,784 from \$11,127 for fiscal 2023, while the number of participants receiving distributions also increased. The total number of participants receiving distributions from the Plan for fiscal year 2024 was 6,334 compared to 6,102 in fiscal year 2023.

The administrative expenses for fiscal year 2024 were expenses incurred by the Program Manager and Plan Administrator for operations of the Plan. The Program Manager receives an administrative fee of 0.22% (22.0 basis points) of the Plan's daily asset value and reimburses the Plan Administrator at 0.055% (5.5 basis points) of the Plan's daily asset value or \$926,635 for the fiscal year.

Contact Information

The above discussion and analysis are presented to provide additional information regarding the activities of the Plan and to meet the disclosure requirements of the Government Accounting Standards Board. If you have any questions about the report or need additional financial information, contact Rodney Dickerson, Program Director, Government of the District of Columbia, Office of the Chief Financial Officer, Office of Finance and Treasury, 1101 4th Street, SW, 8th floor, Washington, DC 20024, (Email: Rodney.Dickerson@dc.gov; Phone: (202) 727-0107).

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<i>ASSETS</i>		
Investments:		
Registered Investment Companies	\$ 1,908,339,801	\$ 1,687,689,819
Stable Value Fund	108,715,608	101,173,647
Total Investments	2,017,055,409	1,788,863,466
Receivables:		
Employer Contributions	1,785,754	3,805,294
Due from Program Manager	114,404	81,652
Other Receivables	58,400	-
Total Receivables	1,958,558	3,886,946
Total Assets	2,019,013,967	1,792,750,412
<i>LIABILITIES</i>		
Due to District Government	4,715,460	5,302,290
Total Liabilities	4,715,460	5,302,290
Fiduciary Net Position Available for Plan Benefits	\$ 2,014,298,507	\$ 1,787,448,122

The accompanying notes are an integral part of these financial statements.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<i>ADDITIONS</i>		
District Government Contribution	\$ 100,556,493	\$ 96,956,996
Investment Income:		
Net Appreciation in Fair Value of Investments	215,217,889	334,903,287
Interest and Dividends	9,942,037	6,635,778
Less: Investment Management Fees	(2,382,462)	(2,298,529)
Program Manager Fees	(2,748,030)	(2,325,883)
Net Investment Income	<u>220,029,434</u>	<u>336,914,653</u>
Total Additions	320,585,927	433,871,649
<i>DEDUCTIONS</i>		
Benefits Paid to Participants	92,040,421	74,507,756
Administrative Expenses	1,054,352	926,635
Other Deductions	<u>640,769</u>	<u>1,353,436</u>
Total Deductions	<u>93,735,542</u>	<u>76,787,827</u>
Change in Net Position	226,850,385	357,083,822
Fiduciary Net Position Available for Plan Benefits, Beginning of Year	<u>1,787,448,122</u>	<u>1,430,364,300</u>
Fiduciary Net Position Available for Plan Benefits, End of Year	<u><u>\$ 2,014,298,507</u></u>	<u><u>\$ 1,787,448,122</u></u>

The accompanying notes are an integral part of these financial statements.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 - DESCRIPTION OF THE PLAN

The Government of the District of Columbia (the “District”) offers a 401(a) Defined Contribution Plan (the “Plan”) that was established under D.C. Code §1-626.05(3). All District employees who were first hired on or after October 1, 1987 and have been employed a minimum of one year are eligible to participate in the Plan. The District contributes 5% of eligible employees’ base salary for all employees, except detention officers. Detention officers receive a 5.5% contribution of their base salary. Participants do not make any contributions to the Plan.

The District’s Office of the Chief Financial Officer, Office of Finance and Treasury (“OCFO-OFT”) and D.C. Department of Human Resources are joint Plan Administrators. They are jointly responsible for adopting the Plan’s administration rules and regulations, investment policies and overseeing the duties of the Plan’s Program Manager. In 2015, the OCFO-OFT, contracted with MissionSquare (formerly ICMA Retirement Corporation (“ICMA-RC”)) to be the Plan’s Program Manager. The Program Manager performs the Plan’s investment management, marketing and enrollment duties and is also the Trustee of the Plan. As the Trustee, the Program Manager has custody of the Plan’s assets and is responsible for recordkeeping and reporting.

Effective October 1, 2017, under the Fiscal Year 2018 Budget Support Act of 2017 which amended the District of Columbia Government Comprehensive Merit Personnel Act of 1978, D.C. Code §1-626.09(e) establishes that the District, on behalf of employees of the Council, the Office of the District of Columbia Auditor and the Office of Advisory Neighborhood Commissions participating in the District's 457(b) deferred compensation plan as established by D.C. Code §1-626.05(2) shall contribute to the District's 401(a) defined contribution plan. For these employees, the District shall contribute each pay period an amount equal to that employee’s contribution made to the 457(b) deferred compensation plan for that pay period provided that the District’s contribution on behalf of an employee in any pay period shall not exceed 3% of the employee’s base salary during that pay period. Matching contributions vest immediately.

The Plan’s Program Manager maintains an account for each participant that is adjusted for contributions, withdrawals, investment earnings and losses and Plan fees. Prior to December 8, 2009, a participant is 100% vested once the participant (1) attains five years of creditable service, (2) becomes disabled, or (3) dies. After that date, a participant is vested at certain percentages based on the years of creditable service, which are as follows:

Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 or more years	100%

Upon separation from service, death, or disability, a vested participant or the participant’s beneficiary can receive cash payment, installment payments, annuity payments or rollover to another eligible retirement plan or traditional IRA. The installment payments can be monthly or annually for designated periods of three, five, or ten years, but may not exceed the life expectancy of the participant or beneficiary.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

Effective January 1, 2023, the SECURE Act 2.0 increased the threshold age that determines when participants must begin taking a required minimum distribution (RMD) from the plan from age 72 to 73. However, persons who turned 72 in calendar year 2022 must continue to make RMD payments no later than April 1, 2023. Persons who turn 72 in calendar year 2023, do not have to begin taking a RMD until they attain age 73 in 2024, which must be distributed by April 1, 2025. Any person born on June 30, 1949 or earlier, must take a RMD (1) at age 70 ½, or (2) the calendar year in which the participant retires, the participant must annually take a required minimum distribution (RMD).

Plan Membership

The Plan’s membership consisted of the following at September 30, 2025 and 2024.

	2025	2024
Active Members	22,138	21,465
Inactive Members	12,955	12,429
Total Members	35,093	33,894

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Plan’s financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America, as prescribed by the Governmental Accounting Standards Board (“GASB”) which requires two basic financial statements: statement of fiduciary net position and statement of changes in fiduciary net position. For financial reporting purposes, the Plan is considered a pension trust fund.

Basis of Accounting

The Plan’s financial statements are prepared under the accrual basis of accounting. District contributions are recognized by the Plan when the payments become due from the District government. Investment income is recognized when earned. Deductions are recognized when due in accordance with the terms of the Plan.

Investment Valuation

At September 30, 2025 and 2024, the Plan’s investments were in mutual funds and a stable value fund. Shares in mutual funds and the brokerage accounts are reported at fair value based on quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Investments in the stable value fund are presented at contract value, which approximates fair value.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation and depreciation include the Plan's gains and losses on investments bought and sold as well as held during the year.

Fair Value Measurement

The Plan categorizes fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The valuation technique uses a three level hierarchy of inputs to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These classifications are summarized as follows:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a reporting entity can access at the measurement date.

Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 Inputs: Unobservable inputs for an asset or liability.

In the event that inputs used to measure the fair value of an asset or liability fall into different levels in the fair value hierarchy, the overall level of the fair value hierarchy in its entirety is determined based on the lowest level input that is significant to the entire valuation. These levels are not necessarily an indication of risk but are based upon the pricing transparency of the investment.

The fair value of certain investments that do not have a readily determinable fair value is established using net asset value (or its equivalent) as a practical expedient. These investments are not categorized according to the fair value hierarchy.

Payment of Benefits

Benefit payments are recorded as deductions when due for payment.

District Contributions

Contributions are recognized as revenue to the Plan when payments become due from the District government on its specified payroll pay dates.

Tax Status

The Plan is an eligible employer defined Contribution Plan under Section 401(a) of the Internal Revenue Code.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Use of 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Impact of New Accounting Standards

Statement No. 101 of the Governmental Accounting Standards Board, *Compensated Absences*, updates the accounting and financial reporting guidance for employee leave benefits such as vacation and sick leave. It replaces GASB Statement No. 16, *Accounting for Compensated Absences* and requires governments to recognize a liability for leave that is attributable to past service, can be carried forward, and is more likely than not to be used or paid. The liability should be measured based on the employee’s current pay rate, including related payroll costs. The new “more likely than not” threshold lowers the bar for recognition compared to the old “probable” standard, meaning some governments may record larger liabilities than before—especially for sick leave. The standard simplifies certain disclosures, removing the requirement to identify the funds used to liquidate the liability, and instead focuses on policies and balances. GASB 101 is effective for fiscal years beginning after December 15, 2023, with early adoption permitted. Management has assessed the impact of GASB Statement 101 and determined it is not applicable to the Plan’s standalone financial statements. Because the 401(a) Plan does not have employees, there are no compensated absences—such as vacation, sick, or other paid leave—to recognize or measure under GASB 101. All employer obligations for compensated absences are addressed at the District-wide government level, not within fiduciary fund reporting.

Statement No. 102 of the Governmental Accounting Standards Board, *Certain Risk Disclosures*, enhances transparency by requiring governments to disclose significant concentrations or constraints that make them vulnerable to substantial financial impacts. Concentration refers to reliance on limited revenue sources, employers, or suppliers, while constraints include statutory limits or externally imposed restrictions on resources. A disclosure is required only if the concentration or constraint is known, creates vulnerability to a substantial impact, and is associated with an event that has occurred or is more likely than not to occur within 12 months of the financial statement’s issuance. The disclosures must describe the nature of the risk and any mitigating actions taken but do not affect measurement or recognition of amounts in the statements. GASB 102 is effective for fiscal years beginning after June 15, 2024, and early implementation is encouraged. Management has assessed the impact of the implementation of GASB Statement No. 102 on the financial statements and determined that there are no identifiable vulnerabilities that exist that meet the disclosure criteria outlined in GASB 102. The 401(a) Plan’s investment portfolio is broadly diversified across multiple asset classes, reducing exposure to concentration risk. Employer contributions are fixed by law and not subject to funding volatility. Additionally, there are no significant contractual, regulatory, or operational constraints that threaten the Plan’s ability to meet its obligations.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 3 - INVESTMENTS

Investments of the Plan at September 30, 2025 and 2024 consist of the following:

	Investments	
	2025	2024
Stock and Bond Funds	\$ 1,908,339,801	\$ 1,687,689,819
Stable Value Fund	108,715,608	101,173,647
Total Investments	\$ 2,017,055,409	\$ 1,788,863,466

The Plan’s investments in Registered Investment Companies are stated at fair market value. The stable value fund is valued at contract value, which approximates fair value. The contract value is guaranteed through a related contract with a separate provider. The credited interest rates are reset periodically according to terms set forth in the contract and are actuarially determined.

The Plan’s investments are subject to the following risks common to investments:

- *Custodial credit risk* is the risk that the Plan will not be able to recover the value of its investments in the event of a failure by the counterparty to a transaction.

Investments are exposed if they are uninsured, are not registered in the name of the Plan and are held by either (a) the counterparty or (b) the counterparty’s trust department or agent, but not in the Plan’s name. The Plan’s investments for fiscal year 2025 and 2024 are partially insured and registered in the Plan’s name and are generally segregated by the counterparty in a manner to protect them from certain claims by creditors. The Plan also invests in mutual and commingled trust funds, which are not generally exposed to custodial credit risks. The Plan Administrator performs periodic qualitative assessments of the investment managers and investment strategy to minimize custodial credit risk.

- *Interest rate risk* is the risk that changes in interest rates will adversely affect the fair market value of an investment. The Plan manages its exposure to declines in fair market values by not offering investments that have excessive average maturities. The following discloses the weighted average maturity for certain mutual funds that include investments in bonds at September 30, 2025.

Investment	Average Maturity
MissionSquare PLUS Fund	3.71 years
DC PLUS Fixed Income Portfolio	8.10 years
PIMCO Real Return Collective Trust II	6.85 years

- *Foreign currency risk* is the risk that changes in exchange rates will adversely affect the fair market value of an investment in a foreign financial institution. The Plan mitigates this risk by limiting its investment in any one country to no more than the greater of either 25% of the equity portion of the investment account or by the country’s weight in the Europe, Australia, and Far East (EAFE) benchmark. In addition, a minimum of eight countries must be represented in each investment account. As a result, the Plan’s currency denomination varies.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 3 – INVESTMENTS (Continued)

At September 30, 2025 and 2024, the investment with the largest foreign currency risk was the Harbor International Fund. The major currency denomination for the Harbor International Fund is the Yen.

- *Credit risk* is the risk that an issuer to an investment will not fulfill its obligations. The Plan does not invest in securities that have an overall quality less than BBB as rated by Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global (“S&P”). There were 14 out of 29 investments that had credit ratings in fiscal year 2025 and in fiscal year 2024. At September 30, 2025 and 2024, those investments and their related credit ratings were as follows:

September 30, 2025	
Funds	Credit Ratings (Moody’s and S&P)
DCPLUS Fixed Income Portfolio	AAA/ AA/ A/ BBB
MissionSquare PLUS Fund	AAA/ AA/ A/ BBB
PIMCO Real Return Collective Trust II	AAA/ AA/ A/ BBB
Vanguard Target Retirement Income	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2020	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2025	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2030	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2035	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2040	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2045	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2050	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2055	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2060	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2065	AAA/ AA/ A/ BBB

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 3 - INVESTMENTS (Continued)

September 30, 2024

Funds	Credit Ratings (Moody's and S&P)
DCPLUS Fixed Income Portfolio	AAA/ AA/ A/ BBB
MissionSquare PLUS Fund	AAA/ AA/ A/ BBB
PIMCO Real Return Collective Trust II	AAA/ AA/ A/ BBB
Vanguard Target Retirement Income	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2020	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2025	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2030	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2035	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2040	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2045	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2050	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2055	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2060	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2065	AAA/ AA/ A/ BBB

Investment concentrations - In accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*, the Plan is required to disclose investments in any one organization that represents 5% or more of the Plan's fiduciary net position. Investments issued or explicitly guaranteed by the U.S. government are excluded from this requirement.

The funds that meet the 5% or more disclosure criteria at September 30, 2025, discussed above are: Vanguard Target Retirement 2035 Fund (14.6%), Vanguard Target Retirement 2030 Fund (13.4%), Vanguard Target Retirement 2040 Fund (11.7%), Vanguard Target Retirement 2045 Fund (10.5%), Vanguard Target Retirement 2025 Fund (8.9%), Vanguard Target Retirement 2050 Fund (7.6%), MissionSquare PLUS Fund (5.4%), and Vanguard Institutional Index Fund (5.2%).

The funds that meet the 5% or more disclosure criteria at September 30, 2024, discussed above are: Vanguard Target Retirement 2035 Fund (14.6%), Vanguard Target Retirement 2030 Fund (13.5%), Vanguard Target Retirement 2040 Fund (11.4%), Vanguard Target Retirement 2045 Fund (10.1%), Vanguard Target Retirement 2025 Fund (9.7%), Vanguard Target Retirement 2050 Fund (7.0%), MissionSquare PLUS Fund (5.7%), Vanguard Target Retirement 2020 Fund (5.1%) and Vanguard Institutional Index Fund (5.1%).

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 4 - FAIR VALUE MEASUREMENTS

The Plan categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan had the following fair value measurement as of September 30, 2025:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments measured at fair value:				
Equities				
Materials	\$ 74,615,272	\$ 74,615,272	\$ -	\$ -
Consumer, Cyclical and Defensive	312,687,614	312,687,614	-	-
Financial Services	292,731,858	292,731,858	-	-
Real Estate	58,502,903	58,502,903	-	-
Communication Services	139,509,131	139,509,131	-	-
Energy	72,057,128	72,057,128	-	-
Industrials	208,749,452	208,749,452	-	-
Technology	455,148,980	455,148,980	-	-
Healthcare	201,005,885	201,005,885	-	-
Utilities	49,732,209	49,732,209	-	-
Debt securities				
Government	10,605,462	10,605,462	-	-
Corporate	4,630,825	4,630,825	-	-
Securitized	7,319,068	7,319,068	-	-
Municipal	632,625	632,625	-	-
Other	3,246,990	3,246,990	-	-
Other funds	17,164,399	17,164,399	-	-
Total investments measured at fair value	1,908,339,801	<u>\$ 1,908,339,801</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at contract value:				
Stable Value Fund	<u>108,715,608</u>			
Total Investments	<u>\$ 2,017,055,409</u>			

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The Plan has the following fair value measurement as of September 30, 2024:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments measured at fair value:				
Equities				
Materials	\$ 67,182,940	\$ 67,182,940	\$ -	\$ -
Consumer, Cyclical and Defensive	274,237,256	274,237,256	-	-
Financial Services	255,609,704	255,609,704	-	-
Real Estate	52,089,919	52,089,919	-	-
Communication Services	121,283,157	121,283,157	-	-
Energy	66,452,209	66,452,209	-	-
Industrials	184,412,762	184,412,762	-	-
Technology	396,997,763	396,997,763	-	-
Healthcare	182,071,882	182,071,882	-	-
Utilities	45,220,792	45,220,792	-	-
Debt securities				
Government	8,914,185	8,914,185	-	-
Corporate	4,409,667	4,409,667	-	-
Securitized	6,823,741	6,823,741	-	-
Municipal	660,634	660,634	-	-
Other	2,005,960	2,005,960	-	-
Other funds	19,317,248	19,317,248	-	-
Total investments measured at fair value	1,687,689,819	<u>\$ 1,687,689,819</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at contract value:				
Stable Value Fund	101,173,647			
Total Investments	<u>\$ 1,788,863,466</u>			

NOTE 5 - FORFEITURE ACCOUNT

Participants' account balances are transferred to a forfeitures account within the Plan when a participant separates from service prior to being vested and is not re-employed by the District within one year of the date of separation. The District uses the forfeited funds to reduce its contributions and to pay administrative expenses. At September 30, 2025 and 2024, the Plan's forfeiture account balance was \$4,065,866 and \$2,750,880, respectively. The District used \$151,235 and \$363,892 of forfeiture funds to reduce its contributions during 2025 and 2024, respectively.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 5 - FORFEITURE ACCOUNT (Continued)

The transactions that occurred within the account during 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 2,750,880	\$ 1,973,348
Net Non-vested Transfers	1,259,150	829,739
Investment Income	207,071	311,685
District Payroll Contributions	<u>(151,235)</u>	<u>(363,892)</u>
Ending Balance	<u>\$4,065,866</u>	<u>\$ 2,750,880</u>

NOTE 6 - PLAN FEES

Fees are charged to participants' accounts for investment management services and administrative expenses of the Plan. Investment management fees vary by investment fund and are calculated based on the fund's daily asset value. For the years ended September 30, 2025 and 2024, investment management fees totaled \$2,382,462 and \$2,298,529, respectively. The Program Manager receives a net administrative fee of 0.165% (16.5 basis points) of the Plan's daily asset value. For the years ended September 30, 2025 and 2024, Program Manager administrative fees totaled \$2,748,030 and \$2,325,883, respectively.

NOTE 7 - DUE TO DISTRICT GOVERNMENT

According to the contract with the District, the Program Manager has a revenue sharing requirement whereby 5.5 basis points (0.055%) of the Plan's daily net asset value are paid to the Plan Administrator. The revenue sharing amount is deposited by the Program Manager into an administrative account maintained in the Plan. Additions to and deductions from the administrative account are not Plan transactions reflected in the Statements of Changes in Fiduciary Net Position.

The total amount of revenue sharing earned by the Plan Administrator for fiscal years 2025 and 2024 was \$1,054,352 and \$926,635, respectively. At September 30, 2025 and 2024, the amount Due from Program Manager was \$114,404 and \$81,652, respectively. As of September 30, 2025 and 2024, the Plan's revenue sharing fund balance was \$4,488,795 and \$3,913,282, respectively, and is reported as a portion of the amount Due to the District Government.

Additionally, certain District employees who were employed before September 30, 1987, were erroneously enrolled into the District's 401(a) Defined Contribution Plan in lieu of the Civil Service Retirement System for part of or the whole of their tenure with the District. As a result, the District erroneously made contributions to the 401(a) Defined Contribution Retirement Plan on the employees' behalf. Those erroneous contributions are due back to the District (See Note 9).

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 8 - ADMINISTRATIVE EXPENSES

The Plan Administrator incurs and pays administrative expenses that are not paid by the Plan or recorded as plan expenses in the Statements of Changes in Fiduciary Net Position. The administrative expenses incurred by the Plan Administrator are paid by the District through the administrative account (See Note 7). Payments from the administrative account were used for direct expenses, other administrative expenses and as contributions toward salaries incurred by the District. The expenses for the years ended September 30, 2025 and 2024 totaled \$350,437 and \$354,151, respectively, and were as follows:

	2025	2024
Administrative Salaries	\$ 197,640	\$198,528
Financial Statement Compilation & Audit	66,686	111,297
Investment Consulting Services	86,111	44,326
Total Administrative Account Expenses	\$ 350,437	\$ 354,151

The Plan also incurs and pays certain administrative expenses through the forfeiture account (see Note 5). These plan-paid administrative expenses are reflected in the Statements of Changes in Fiduciary Net Position. For fiscal years 2025 and 2024, there were no administrative expenses paid by the Plan from the forfeiture account.

NOTE 9 - OTHER DEDUCTIONS

The Plan received contributions for certain participants who were later determined to have been enrolled in the Plan in error. Accordingly, contributions totaling \$640,769 and \$1,353,436 for fiscal years 2025 and 2024, respectively, were returned to the District for allocation to the appropriate retirement plan. In addition, the Plan identified contributions of \$699,169 and \$1,389,008 as of September 30, 2025 and 2024, respectively, that are owed to the District for employees hired prior to September 30, 1987 who were subsequently determined to have been incorrectly enrolled in the Plan (See Note 7).

NOTE 10 - TERMINATED PARTICIPANTS

As of September 30, 2025 and 2024, the Plan had 10,937 and 9,610 terminated vested participants, respectively, who had account balances in the Plan. These participants are no longer receiving contributions to their accounts, but their account balances are adjusted for fees and investment earnings. The value of the account balances at fiscal year-end September 30, 2025 and 2024 were approximately \$327,594,523 and \$299,879,001, respectively.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
401(a) DEFINED CONTRIBUTION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 11 - PLAN TERMINATION

The District may amend or terminate this Plan provided that such amendment or termination shall not impair the rights of a vested participant or beneficiary to receive any contributions and income earned thereon, allocated to his or her active or inactive account, as the case may be, prior to the date of the termination or amendment of the Plan.

NOTE 12 - RISKS AND UNCERTAINTIES

The Plan invests in investment securities that are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the statement of fiduciary net position.

NOTE 13 - SUBSEQUENT EVENTS

The Plan evaluated subsequent events through December 15, 2025, the date the financial statements were available to be issued. Events or transactions occurring after September 30, 2025, but prior to December 15, 2025, that provided additional evidence about conditions that existed as of September 30, 2025, have been recognized in the financial statements for the year ended September 30, 2025. Events or transactions that provided evidence about conditions that did not exist as of September 30, 2025, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended September 30, 2025.

F.S. TAYLOR & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Office of Finance and Treasury
Office of the Chief Financial Officer
Government of the District of Columbia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Government of the District of Columbia 401(a) Defined Contribution Plan (the “Plan”) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Plan’s basic financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

F. S. Taylor & Associates, P.C.

Washington, D.C.
December 15, 2025

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

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F.S. TAYLOR & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

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INDEPENDENT AUDITOR’S REPORT

Office of Finance and Treasury
Office of the Chief Financial Officer
Government of the District of Columbia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statements of fiduciary net position of the Government of the District of Columbia 457(b) Deferred Compensation Plan (the “Plan”) as of September 30, 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 basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of September 30, 2025 and 2024, and the changes in the fiduciary net position for the years 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit. 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 on pages 4 through 10 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

J. S. Taylor & Associates, P.C.

Washington, D.C.
December 15, 2025

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

The following presents our discussion and analysis of the financial performance of the Government of the District of Columbia 457(b) Deferred Compensation Plan (the “Plan”) for the fiscal years ended September 30, 2025 and 2024. This discussion and analysis should be read in conjunction with the financial statements and notes disclosures.

Under the District’s Deferred Compensation Act of 1984, D.C. Law 5-118 and D.C. Code Section 47-3601, the Government of the District of Columbia (the “District”) offers for eligible employees a qualified employee deferred compensation plan. The Plan enables eligible employees to make tax deferred contributions towards their retirement. The duties of the Plan’s Administrator are performed jointly by the District’s Office of the Chief Financial Officer, Office of Finance and Treasury and the D.C. Department of Human Resources.

Overview of Financial Statements

The Plan financial statements consist of two basic financial statements: (a) Statement of Fiduciary Net Position and (b) Statement of Changes in Fiduciary Net Position. In addition to the basic financial statements, there are also notes to the financial statements.

- Statement of Fiduciary Net Position presents the Plan’s assets, liabilities and net position restricted for participant benefits.
- Statement of Changes in Fiduciary Net Position presents the additions to and deductions from the Plan’s net position.
- The notes to the financial statements provide a detailed discussion of key accounting policies and activities that occurred during the year. The notes provide additional information that is essential to a full understanding of the information provided in the financial statements.

2025 Financial Highlights

- Investments increased by \$229,979,241 or 14.18%
- Receivables increased by \$4,015,951 or 8.02%
- Net investment income was \$192,254,087, a decrease in net investment income of \$100,235,403 or (34.27%)
- Benefits paid to participants increased by \$30,873,002 or 33.59%

2024 Financial Highlights

- Investments increased by \$351,632,936 or 27.68%
- Receivables increased by \$8,172,250 or 19.51%
- Net investment income was \$292,489,490, an increase in net investment income of \$160,844,981 or 122.18%
- Benefits paid to participants increased by \$17,103,251 or 22.87%

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Financial Analysis – Fiduciary Net Position

Table 1 – Condensed Statements of Fiduciary Net Position as of September 30, 2025, 2024 and 2023

	2025	2024	2023	2025-2024		2024-2023	
				Variance	% Variance	Variance	% Variance
ASSETS							
Investments	\$1,851,993,950	\$1,622,014,709	\$1,270,381,773	\$ 229,979,241	14.18%	\$ 351,632,936	27.68%
Receivables	54,072,482	50,056,531	41,884,281	4,015,951	8.02%	8,172,250	19.51%
Total Assets	1,906,066,432	1,672,071,240	1,312,266,054	233,995,192	13.99%	359,805,186	27.42%
LIABILITIES							
Due to Program Manager	311,424	748,793	-	(437,369)	(58.41%)	748,793	100.00%
Due to District Government	1,742,790	1,840,964	1,285,167	(98,174)	(5.33%)	555,797	43.25%
Total Liabilities	2,054,214	2,589,757	1,285,167	(535,543)	(20.68%)	1,304,590	101.51%
Fiduciary Net Position Available for Plan Benefits	\$1,904,012,218	\$1,669,481,483	\$1,310,980,887	\$ 234,530,735	14.05%	\$ 358,500,596	27.35%

Fiscal Year 2025

The Plan's investments increased by \$229,979,241 or 14.18% from the prior fiscal year. The increase is primarily due to positive net investment income during the fiscal year, the excess of contributions over benefit payments offset by the increase in receivables due from participants. For fiscal year 2025, there was a net appreciation in the fair value of investments and an increase in dividends and interest income. Of the 29 managed investment funds 27 had a positive rate of return in fiscal year 2025.

As shown in **Table 2a - Investment by Fund with Rates of Returns as of September 30, 2025**, a significant portion of the Plan's investments remain in Vanguard Institutional Index Fund (15.2%), MissionSquare Plus Fund (15.1%), DCPLUS Large Cap Value Portfolio (6.2%), Vanguard Target Retirement 2050 Trust (5.4%) and DCPLUS Large Cap Growth Portfolio (5.3%). The Vanguard Institutional Index Fund invests primarily in equity securities of U.S. companies in the Standard & Poor's 500 Index. The MissionSquare Plus Fund invests primarily in a diversified portfolio of stable value insurance contracts and fixed income securities that back certain stable value investment contracts and seeks to provide preservation of principal and maximize current yield. The DCPLUS Large Cap Value Portfolio invests primarily in large capitalization common stocks and seeks growth in capital.

Receivables are mainly comprised of notes receivable from participants and contributions receivable. For the fiscal year 2025, receivables increased by \$4,015,951 or 8.02% due to an increase in participant loans and offset contributions receivable.

The amount "Due to District Government" represents funds owed to the District by the Plan Administrator, which is used towards paying the Plan's administrative expenses. The Program Manager provides revenue sharing funds to the Plan Administrator monthly. The funding is equal to 5.5 basis points (0.055%) of the Plan's daily asset value.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Table 2a - Investment by Fund with Rates of Returns as of September 30, 2025

	Investment Value	Percent of Total Investments	Rate of Return %
American Funds Fundamentals Investors	\$ 54,074,580	2.9%	21.41%
American Funds New Perspective Fund	31,754,891	1.7%	17.64%
Ariel Institutional	89,497,299	4.8%	10.21%
Brown Capital Management Small	21,061,205	1.1%	(3.40%)
DCPLUS Fixed Income Portfolio	32,524,136	1.8%	2.77%
DCPLUS Large Cap Growth Portfolio	97,690,855	5.3%	24.23%
DCPLUS Large Cap Value Portfolio	114,096,532	6.2%	7.27%
DFA US Core Equity 1 Portfolio	12,087,293	0.7%	14.53%
Harbor International Institutional	50,071,135	2.7%	15.38%
MissionSquare Broker	32,164,858	1.8%	N/A**
MissionSquare Income Advantage	5,906,228	0.3%	9.82%
MissionSquare Plus Fund	282,139,244	15.1%	3.16%
Nuveen Real Estate Securities Fund	13,013,381	0.7%	(3.43%)
PIMCO All Asset Fund Institutional Class	2,025,841	0.1%	7.69%
PIMCO Real Return Collective Trust II	9,804,835	0.5%	4.21%
Vanguard Federal Money Market	31,987,455	1.7%	4.41%
Vanguard Institutional Index Fund	282,190,150	15.2%	17.57%
Vanguard Small Cap Index Fund	53,087,150	2.9%	8.67%
Vanguard Target Retirement 2020 Fund	15,796,490	0.9%	8.63%
Vanguard Target Retirement 2025 Fund	40,457,145	2.2%	10.56%
Vanguard Target Retirement 2030 Fund	69,677,579	3.8%	11.75%
Vanguard Target Retirement 2035 Fund	76,214,972	4.1%	12.85%
Vanguard Target Retirement 2040 Fund	78,387,917	4.2%	13.93%
Vanguard Target Retirement 2045 Fund	92,695,058	5.0%	14.96%
Vanguard Target Retirement 2050 Fund	100,478,343	5.4%	16.14%
Vanguard Target Retirement 2055 Fund	81,062,275	4.4%	16.13%
Vanguard Target Retirement 2060 Fund	43,561,956	2.4%	16.15%
Vanguard Target Retirement 2065 Fund	21,466,172	1.2%	16.09%
Vanguard Target Retirement Inc.	11,030,063	0.6%	7.95%
Virtus Emerging Markets Fund Class 1	5,988,912	0.3%	8.45%
	<u>\$ 1,851,993,950</u>	<u>100%</u>	

**MissionSquare Broker are funds held in the "Self-Directed Brokerage Accounts."

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Fiscal Year 2024

The Plan’s investments increased by \$351,632,936 or 27.68% from the prior fiscal year. The increase is primarily due to favorable market conditions during the fiscal year and the excess of contributions over benefit payments. For fiscal year 2024, there was a net appreciation in the fair value of investments and an increase in dividends and interest income. Each of the 29 managed investment funds had a positive rate of return in fiscal year 2024.

As shown in **Table 2b - Investment by Fund with Rates of Returns as of September 30, 2024**, a significant portion of the Plan’s investments remain in MissionSquare Plus Fund (17.1%), Vanguard Institutional Index Fund (14.8%), DCPLUS Large Cap Value Portfolio (7.1%), the Ariel Institutional (5.6%) and DCPLUS Large Cap Growth Portfolio (5.1%). The MissionSquare Plus Fund invests primarily in a diversified portfolio of stable value insurance contracts and fixed income securities that back certain stable value investment contracts and seeks to provide preservation of principal and maximize current yield. The Vanguard Institutional Index Fund invests primarily in equity securities of U.S. companies in the Standard & Poor’s 500 Index. The DCPLUS Large Cap Value Portfolio invests primarily in large capitalization common stocks and seeks growth in capital.

Receivables are mainly comprised of notes receivable from participants and contributions receivable. For the fiscal year 2024, receivables increased by \$8,172,250 or 19.51% due to an increase in participant loans and contributions receivable.

The amount “Due to District Government” represents funds owed to the District by the Plan Administrator, which is used towards paying the Plan’s administrative expenses. The Program Manager provides revenue sharing funds to the Plan Administrator monthly. The funding is equal to 5.5 basis points (0.055%) of the Plan’s daily asset value.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Table 2b - Investment by Fund with Rates of Returns as of September 30, 2024

	<u>Investment Value</u>	<u>Percent of Total Investments</u>	<u>Rate of Return %</u>
American Funds Fundamentals Investors	\$ 41,533,698	2.6%	37.59%
American Funds New Perspective Fund	26,762,965	1.6%	31.71%
Ariel Institutional	90,023,727	5.6%	28.01%
Brown Capital Management Small	23,926,208	1.5%	10.94%
DCPLUS Fixed Income Portfolio	34,041,214	2.1%	11.71%
DCPLUS Large Cap Growth Portfolio	82,272,950	5.1%	41.25%
DCPLUS Large Cap Value Portfolio	115,323,894	7.1%	27.00%
DFA US Core Equity 1 Portfolio	12,791,615	0.8%	33.46%
Harbor International Institutional	45,567,995	2.8%	24.62%
MissionSquare Broker	22,817,703	1.4%	N/A**
MissionSquare Income Advantage	6,863,519	0.4%	21.78%
MissionSquare Plus Fund	278,762,702	17.1%	3.04%
Nuveen Real Estate Securities Fund	13,596,358	0.8%	31.76%
PIMCO All Asset Fund Institutional Class	1,067,587	0.1%	15.13%
PIMCO Real Return Collective Trust II	8,111,404	0.5%	10.20%
Vanguard Federal Money Market	20,724,989	1.3%	5.41%
Vanguard Institutional Index Fund	239,899,748	14.8%	36.32%
Vanguard Small Cap Index Fund	47,738,333	2.9%	27.45%
Vanguard Target Retirement 2020 Fund	14,813,717	0.9%	18.29%
Vanguard Target Retirement 2025 Fund	35,838,273	2.2%	21.19%
Vanguard Target Retirement 2030 Fund	57,959,434	3.6%	23.29%
Vanguard Target Retirement 2035 Fund	65,546,981	4.0%	24.82%
Vanguard Target Retirement 2040 Fund	62,459,186	3.9%	26.34%
Vanguard Target Retirement 2045 Fund	73,246,101	4.5%	27.81%
Vanguard Target Retirement 2050 Fund	78,283,852	4.8%	28.98%
Vanguard Target Retirement 2055 Fund	59,819,240	3.7%	28.98%
Vanguard Target Retirement 2060 Fund	30,584,742	1.9%	28.99%
Vanguard Target Retirement 2065 Fund	14,100,986	0.9%	28.98%
Vanguard Target Retirement Inc.	11,066,309	0.7%	16.27%
Virtus Emerging Markets Fund Class 1	6,469,279	0.4%	8.20%
	<u>\$ 1,622,014,709</u>	<u>100%</u>	

**MissionSquare Broker are funds held in the "Self-Directed Brokerage Accounts."

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Financial Analysis – Changes in Fiduciary Net Position

Table 3 – Condensed Statements of Changes in Fiduciary Net Position for the Years Ended September 30, 2025, 2024 and 2023

	2025	2024	2023	2025-2024		2024-2023	
				\$Variance	%Variance	\$Variance	%Variance
ADDITIONS							
Employee Contributions	\$162,760,879	\$ 156,514,553	\$ 134,875,972	\$ 6,246,326	3.99%	\$21,638,581	16.04%
Net Investment Income	192,254,087	292,489,490	131,644,509	(100,235,403)	(34.27%)	160,844,981	122.18%
Interest Income on Notes Receivable from Participants	3,614,157	2,592,957	1,556,700	1,021,200	39.38%	1,036,257	66.57%
Total Additions	358,629,123	451,597,000	268,077,181	(92,967,877)	(20.59%)	183,519,819	68.46%
DEDUCTIONS							
Benefits Paid to Participants	122,774,535	91,901,533	74,798,282	30,873,002	33.59%	17,103,251	22.87%
Administrative Expenses	524,798	494,974	458,209	29,824	6.03%	36,765	8.02%
Loan Fees	799,055	699,897	590,228	99,158	14.17%	109,669	18.58%
Total Deductions	124,098,388	93,096,404	75,846,719	31,001,984	33.30%	17,249,685	22.74%
Change in Net Position	234,530,735	358,500,596	192,230,462	(123,969,861)	(34.58%)	166,270,134	86.50%
Fiduciary Net Position Available for Plan Benefit, Beginning of Year	1,669,481,483	1,310,980,887	1,118,750,425	358,500,596	27.35%	192,230,462	17.18%
Fiduciary Net Position Available for Plan Benefit, End of Year	\$ 1,904,012,218	\$ 1,669,481,483	\$ 1,310,980,887	\$ 234,530,735	14.05%	\$358,500,596	27.35%

Fiscal Year 2025

Employee contributions increased by \$6,246,326 or 3.99% compared to the prior fiscal year. The number of active Plan participants who made contributions increased to 26,293 in fiscal year 2025 from 24,677 in fiscal year 2024. The average monthly contribution per participant in fiscal year 2025 was \$560.75 compared to a fiscal year 2024 monthly average of \$537.14.

In fiscal year 2025, the Plan had net investment income of \$192,254,087 compared to net investment income of \$292,489,490 in fiscal year 2024. The decrease in net investment income was primarily due to less favorable market conditions during fiscal year 2025 than in the fiscal year 2024. Overall, 27 of the 29 managed funds in the Plan reflected positive rates of return. The Plan's investments collectively had a weighted average positive rate of return of 11.64% in fiscal year 2025 compared to a return of 21.62% in fiscal year 2024.

Benefits paid to participants increased by \$30,873,002 or 33.59%. The increase was due to more participants requesting payouts in fiscal year 2025 compared to fiscal year 2024.

The administrative expenses for fiscal year 2025 were expenses incurred by the Program Manager and Plan Administrator for operations of the Plan. The Program Manager receives an administrative fee of 0.22% (22 basis points) of the Plan's daily asset value and reimburses the Plan Administrator at 0.055% (5.5 basis points) of the Plan's daily asset value or \$524,798.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Fiscal Year 2024

Employee contributions increased by \$21,638,581 or 16.04% compared to the prior fiscal year. While the number of active Plan participants who made contributions decreased to 24,677 in fiscal year 2024 from 25,075 in fiscal year 2023; the average monthly contributions increased from \$518.66 in fiscal year 2023 to \$537.14 in fiscal year 2024.

In fiscal year 2024, the Plan had net investment income of \$292,489,490 compared to net investment income of \$131,644,509 in fiscal year 2023. The increase in net investment income was primarily due to continued favorable market conditions during fiscal year 2024. Overall, each of the 29 managed funds in the Plan reflected positive rates of return. The Plan's investments collectively had a weighted average positive rate of return of 21.62% in fiscal year 2024 compared to a return of 12.93% in fiscal year 2023.

Benefits paid to participants increased by \$17,103,251 or 22.87%. The increase was due to more participants requesting payouts in fiscal year 2024 compared to fiscal year 2023.

The administrative expenses for fiscal year 2024 were expenses incurred by the Program Manager and Plan Administrator for operations of the Plan. The Program Manager receives an administrative fee of 0.22% (22.0 basis points) of the Plan's daily asset value and reimburses the Plan Administrator at 0.055% (5.5 basis points) of the Plan's daily asset value or \$494,974.

Contact Information

The above discussion and analysis are presented to provide additional information regarding the activities of the Plan and to meet the disclosure requirements of the Government Accounting Standards Board. If you have any questions about the report or need additional financial information, contact Rodney Dickerson, Program Director, Government of the District of Columbia, the Office of the Chief Financial Officer, 1101 4th Street, SW, 8th floor, Washington, DC 20024, (email: Rodney.Dickerson@dc.gov; phone: (202)727-0107).

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<i>ASSETS</i>		
Investments:		
Registered Investment Companies	\$ 1,537,689,848	\$ 1,320,434,305
Stable Value Fund	282,139,244	278,762,702
Self-Directed Brokerage Accounts	32,164,858	22,817,702
Total Investments	1,851,993,950	1,622,014,709
Receivables:		
Due from Program Manager	47,686	42,207
Notes Receivable from Participants	51,645,664	43,763,357
Participant Contributions	2,379,132	6,250,967
Total Receivables	54,072,482	50,056,531
Total Assets	1,906,066,432	1,672,071,240
<i>LIABILITIES</i>		
Due to Program Manager	311,424	748,793
Due to District Government	1,742,790	1,840,964
Total Liabilities	2,054,214	2,589,757
Fiduciary Net Position Available for Plan Benefits	\$ 1,904,012,218	\$ 1,669,481,483

The notes to the financial statements are an integral part of this statement.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<i>ADDITIONS</i>		
Employee Contributions	\$ 162,760,879	\$ 156,514,553
Investment Income:		
Appreciation in Fair Value of Investments	168,719,009	279,437,868
Dividends and Interest Income	30,369,240	19,335,864
Less: Investment Management Expenses	(4,492,308)	(4,288,967)
Program Manager Fees	(2,341,854)	(1,995,275)
Net Investment Income	192,254,087	292,489,490
Interest Income on Notes Receivable from Participants	3,614,157	2,592,957
Total Additions	358,629,123	451,597,000
<i>DEDUCTIONS</i>		
Benefits Paid to Participants	122,774,535	91,901,533
Administrative Expenses	524,798	494,974
Loan Fees	799,055	699,897
Total Deductions	124,098,388	93,096,404
Change in Net Position	234,530,735	358,500,596
Fiduciary Net Position Available for Plan Benefits, Beginning of Year	1,669,481,483	1,310,980,887
Fiduciary Net Position Available for Plan Benefits, End of Year	\$ 1,904,012,218	\$ 1,669,481,483

GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 - DESCRIPTION OF PLAN

The Government of the District of Columbia (the “District”) offers for eligible employees a qualified employee Deferred Compensation Plan (“Plan”) that was established under the District’s 457(b) Deferred Compensation Act of 1984, D.C. Law 5-118 and D.C. Code Section 47-3601. The Plan enables eligible employees to make tax deferred contributions towards their retirement. The Plan’s assets are held in trust by the District for the exclusive benefit of Plan members and their beneficiaries. All District employees of an agency under the personnel authority of the District’s Mayor, a subordinate agency as defined in the Comprehensive Merit Personnel Act of 1978 and an agency not under the personnel authority of the Mayor or an independent agency, but approved by the Mayor, are eligible to participate in the Plan. There are no age and length of service requirements.

Effective January 1, 2009, the blind licensees of the District’s Randolph Sheppard Vending Facility Program became eligible to participate in the Plan. The blind licensees under the Randolph Sheppard Vending Facility Program shall not become eligible individuals until the later of the date (i) such as licensee has been a participant in the program for 13 months or (ii) a year and one month after their licensure date.

Effective October 1, 2017, the District Comprehensive Merit Personnel Act of 1978, Section 2609(b), made by the Fiscal Year 2018 Budget Support Act of 2017 was amended to include employees of the Council, the Office of the District Auditor and the Office of Advisory Neighborhood Commissions (collectively, “Agencies”). It provided for mandatory matching contributions for employees of those Agencies participating in the Deferred Compensation Plan (“Plan”) who make a pre-tax contribution or Roth contribution under the Plan for each pay period in an amount equal to one hundred percent (100%) of such employee’s Pre-Tax contributions and Roth contributions made during each such pay period, but not in excess of three percent (3%) of the employee’s base salary during such pay period. Matching contributions are made in the Government of the District of Columbia 401(a) Defined Contribution Plan.

Effective July 7, 2019, the District amended the Deferred Compensation Plan to provide automatic enrollment pursuant to the Deferred Compensation Program Enrollment Amendment Act of 2018. Automatic enrollment means any eligible employee hired on or after July 7, 2019 and any eligible employee rehired on or after July 7, 2019, after having a break in service of three (3) consecutive workdays or more, shall automatically be enrolled in the Deferred Compensation Plan. Contributions shall be no less than 5% of their pre-tax annual base salary upon hire until such automatically enrolled participant makes an affirmative election to defer a different amount or percentage amount (including zero).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 - DESCRIPTION OF PLAN (Continued)

The District's Office of the Chief Financial Officer, Office of Finance and Treasury ("OCFO-OFT") and the District of Columbia Department of Human Resources are joint Plan Administrators. They are jointly responsible for adopting the Plan's administration rules and regulations and investment policies and overseeing the duties of the Trustee of the Plan. The Program Manager is responsible for the Plan's record keeping, marketing and enrollment efforts. In 2015, the OCFO-OFT contracted with MissionSquare (formerly ICMA Retirement Corporation (ICMA-RC)) to be the Plan's Program Manager. The Program Manager maintains an account for each participant that is adjusted for contributions, distributions and investment earnings and losses. Participants can contribute to the Plan up to \$23,500 and \$23,000 for 2025 and 2024, respectively, or 100% of the participants' includible compensation. Participants who are at least age 50 can contribute up to \$31,000 and \$30,500 for 2025 and 2024, respectively, to the Plan. Participants who qualify for pre-retirement catch-up contributions can contribute up to \$47,000 for 2025 and \$46,000 for 2024 to the Plan. Participants are vested immediately. Participants between ages 60 and 63 who are within three years of the plan's normal retirement age may be eligible for the Special Pre-Retirement Catch-Up, allowing them to contribute up to \$47,000 in 2025 and \$46,000 in 2024, depending on prior unused deferral amounts.

Effective January 1, 2023, the SECURE Act 2.0 increased the threshold age that determines when participants must begin taking a required minimum distribution (RMD) from the plan from age 72 to 73. However, persons who turned 72 in calendar year 2022 must continue to make RMD payments no later than April 1, 2023. Persons who turn 72 in calendar year 2023, do not have to begin taking an RMD until they attain age 73 in 2024, which must be distributed by April 1, 2025. Any person born on June 30, 1949 or earlier, must take an RMD either (1) at age 70 ½, or (2) annual distributions beginning in the calendar year in which the participant retires.

Loans

Effective October 1, 2011, participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of (1) \$50,000 reduced by the excess (if any) of the highest outstanding balances of loans from the Plan to the participant during the one-year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan to the participant on the date on which such loan was made, or (2) 50% of the present value of the non-refundable accrued benefit of the participant under the Plan.

The loans are secured by the balance in the participant's account and must be repaid over a maximum period of 60 months for general purposes and 180 months for a home purchase. All loans, whether general purpose loans or home purchase loans, bear interest at a fixed rate equal to the U.S. prime rate at the time the loan was issued. The prime rate at September 30, 2025 and 2024 was 7.25% and 8.00%, respectively.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Plan Membership

At September 30, 2025 and 2024, the Plan’s membership consisted of the following:

	2025	2024
Active Members	26,293	24,677
Inactive Members	13,731	13,393
Total Members	40,024	38,070

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Plan’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), which requires two basic financial statements: statement of fiduciary net position and statement of changes in fiduciary net position. For financial reporting purposes, the Plan is considered a pension trust fund.

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting. Employee contributions are recognized by the Plan at the time compensation is earned by Plan members and the payments become due from the District government. Investment income is recognized when earned. Deductions are recognized when due and payable in accordance with the terms of the Plan.

Investment Valuation

At September 30, 2025 and 2024, the Plan’s investments were in mutual funds, a stable value fund and brokerage accounts. Shares in mutual funds and the brokerage accounts are reported at fair value based on quoted market prices, which represent the net asset value of shares held by the Plan at fiscal year-end. Investments in the stable value fund are presented at contract value, which approximates fair value. Contributions of participants who elect this investment option are combined and held in trust. The Plan has an undivided interest in the trust and its ownership is represented by its proportionate dollar interest.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan’s gains and losses on investments bought and sold as well as held during the year.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Plan categorizes fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*.

The valuation technique uses a three-level hierarchy of inputs to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These classifications are summarized as follows:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a reporting entity can access at the measurement date.

Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 Inputs: Unobservable inputs for an asset or liability.

In the event that inputs used to measure the fair value of an asset or liability fall into different levels in the fair value hierarchy, the overall level of the fair value hierarchy in its entirety is determined based on the lowest level input that is significant to the entire valuation. These levels are not necessarily an indication of risk but are based upon the pricing transparency of the investment.

The fair value of certain investments that do not have a readily determinable fair value is established using net asset value (or its equivalent) as a practical expedient. These investments are not categorized according to the fair value hierarchy.

Notes Receivable from Participants

Loans to participants are recorded at principal less repayments plus accrued interest. The loan balance reflected in the Statement of Fiduciary Net Position is also adjusted for defaulted loans. If a payment is missed for any reason, the loan is considered delinquent and in arrears. All missed payments should be made by the end of the next calendar quarter. A loan is considered in default and taxed as a “deemed distribution” if missed payments are not made during the applicable grace period. Even after a loan is deemed distributed, loan repayments will continue to be deducted from available compensation until the earlier of when the loan is paid in full, or the maturity date is reached. Employees who leave District employment may continue to repay the loan by making alternative payment arrangements. As of September 30, 2025 and 2024, the total of all defaulted loans was \$3,122,009 and \$2,006,227, respectively.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Contributions

Employee contributions are recognized as revenue at the time compensation is earned by Plan members on a specified payroll pay date or when received from other eligible plans.

Payment of Benefits

Benefit payments are recorded as deductions when due for payment.

Use of 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status

The Plan is an eligible employee deferred compensation plan under Section 457(b) of the Internal Revenue Code.

Impact of New Accounting Standards

Statement No. 101 of the Governmental Accounting Standards Board, *Compensated Absences*, updates the accounting and financial reporting guidance for employee leave benefits such as vacation and sick leave. It replaces GASB Statement No. 16, *Accounting for Compensated Absences* and requires governments to recognize a liability for leave that is attributable to past service, can be carried forward, and is more likely than not to be used or paid. The liability should be measured based on the employee's current pay rate, including related payroll costs. The new "more likely than not" threshold lowers the bar for recognition compared to the old "probable" standard, meaning some governments may record larger liabilities than before—especially for sick leave. The standard simplifies certain disclosures, removing the requirement to identify the funds used to liquidate the liability, and instead focuses on policies and balances. GASB 101 is effective for fiscal years beginning after December 15, 2023, with early adoption permitted. Management has assessed the impact of GASB Statement 101 and determined it is not applicable to the Plan's standalone financial statements. Because the 457(b) Plan is a fiduciary trust fund that records only employee deferrals, investment earnings, and participant withdrawals, it does not incur payroll-related obligations such as vacation, sick leave, or other compensated absences. All employee-related leave obligations are recorded and reported at the District-wide level.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement No. 102 of the Governmental Accounting Standards Board, *Certain Risk Disclosures*, enhances transparency by requiring governments to disclose significant concentrations or constraints that make them vulnerable to substantial financial impacts. Concentration refers to reliance on limited revenue sources, employers, or suppliers, while constraints include statutory limits or externally imposed restrictions on resources. A disclosure is required only if the concentration or constraint is known, creates vulnerability to a substantial impact, and is associated with an event that has occurred or is more likely than not to occur within 12 months of the financial statement’s issuance. The disclosures must describe the nature of the risk and any mitigating actions taken but do not affect measurement or recognition of amounts in the statements. GASB 102 is effective for fiscal years beginning after June 15, 2024, and early implementation is encouraged. Management has assessed the impact of the implementation of GASB Statement No. 102 on the financial statements and determined that there are no concentrations, constraints, or vulnerabilities that exist that would require disclosure under GASB 102 for fiscal year 2025. The Plan’s primary source of contributions is from District government employees, which represents a stable and predictable base. While this concentration links Plan inflows to District employment levels, there is no indication of volatility or significant risk of loss. The Plan operates under IRS deferral limitations applicable to all deferred compensation plans, but these constraints do not impede the Plan’s ability to function or meet participant obligations. Investments remain broadly diversified, mitigating exposure to individual issuer or sector risk.

NOTE 3 - INVESTMENTS

Investments of the Plan at September 30, 2025 and 2024 consist of the following:

	2025	2024
Stock and Bond Funds	\$ 1,537,689,848	\$ 1,320,434,305
Stable Value Fund	282,139,244	278,762,702
Self-Directed Brokerage Account	32,164,858	22,817,702
Total Investments	<u>\$ 1,851,993,950</u>	<u>\$ 1,622,014,709</u>

The Plan’s investments in Registered Investment Companies are stated at fair market value. The stable value fund is valued at contract value, which approximates fair value. The contract value is guaranteed through a related contract with a separate provider. The credited interest rates are reset periodically according to terms set forth in the contract and are actuarially determined.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 3 - INVESTMENTS (Continued)

The Plan’s investments are subject to the following risks common to investments:

- *Custodial credit risk* is the risk that the Plan will not be able to recover the value of its investments in the event of a failure by the counterparty to a transaction. Investments are exposed if they are uninsured, are not registered in the name of the Plan and are held by either (a) the counterparty or (b) the counterparty’s trust department or agent, but not in the Plan’s name. The Plan’s investments for fiscal years 2025 and 2024 are partially insured and registered in the Plan’s name and are generally segregated by the counterparty in a manner to protect them from certain claims by creditors. The Plan also invests in mutual and commingled trust funds which are not generally exposed to custodial credit risks. The Plan Sponsor performs periodic qualitative assessments of the investment managers and investment strategy to minimize custodial credit risk.
- *Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan manages its exposure to declines in fair values by not offering investments that have excessive average maturities. The following discloses the weighted average maturity for certain mutual funds that include investments in bonds at September 30, 2025.

Investment	Average Maturity
Vantage Trust Plus Fund	3.71 years
DCPLUS Fixed Income Portfolio	8.10 years
PIMCO Real Return Collective Trust II	6.85 years

- *Foreign currency risk* is the risk that changes in exchange rates will adversely affect the fair value of an investment in a foreign financial institution. The Plan mitigates this risk by limiting its investments in any one country to no more than the greater of either 25% of the equity portion of the investment account or by the country’s weight in the Europe, Australia and Far East (EAFE) benchmark. In addition, a minimum of eight countries must be represented in each investment account. As a result, the Plan’s currency denomination varies.

At September 30, 2025 and 2024, the investment with the largest foreign currency risk is the Harbor International Fund. The major currency denomination for the Harbor International Fund is the Yen.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 3 - INVESTMENTS (Continued)

- *Credit risk* is the risk that an issuer to an investment will not fulfill its obligations. The Plan does not invest in securities that have an overall quality less than BBB as rated by Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global (“S&P”). There were 14 out of 29 investments that had credit ratings in fiscal years 2025 and 2024. At September 30, 2025 and 2024, those investments and the related credit ratings were as follows:

September 30, 2025	
Funds	Credit Ratings (Moody’s and S&P)
DCPLUS Fixed Income Portfolio	AAA/AA/A/BBB/BB
MissionSquare PLUS Fund	AAA/ AA/ A/ BBB
PIMCO Real Return Collective Trust II	AAA/ AA/ A/ BBB
Vanguard Target Retirement Income	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2020	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2025	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2030	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2035	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2040	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2045	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2050	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2055	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2060	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2065	AAA/ AA/ A/ BBB

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 3 - INVESTMENTS (Continued)

September 30, 2024	
Funds	Credit Ratings (Moody's and S&P)
DCPLUS Fixed Income Portfolio	AAA/ AA/ A/ BBB
MissionSquare PLUS Fund	AAA/ AA/ A/ BBB
PIMCO Real Return Collective Trust II	AAA/ AA/ A/ BBB
Vanguard Target Retirement Income	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2020	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2025	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2030	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2035	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2040	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2045	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2050	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2055	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2060	AAA/ AA/ A/ BBB
Vanguard Target Retirement 2065	AAA/ AA/ A/ BBB

Investment concentrations - In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures – An amendment of GASB Statement No. 3*, the Plan is required to disclose the identification, by amount and issuer, of investments in any one issuer that represents 5% or more of the Plan’s net position. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement.

The funds that meet the 5% or more disclosure criteria at September 30, 2025, discussed above are: Vanguard Institutional Index Fund (15.2%), MissionSquare Plus Fund (15.1%), DCPLUS Large Cap Value Portfolio (6.2%), Vanguard Target Retirement 2050 (5.4%) DCPLUS Large Cap Growth (5.3%), and Vanguard Target Retirement 2045 Fund (5.0%).

The funds that meet the 5% or more disclosure criteria at September 30, 2024, discussed above are: MissionSquare Plus Fund (17.1%), Vanguard Institutional Index Fund (14.8%), DCPLUS Large Cap Value Portfolio (7.1%), the Ariel Institutional (5.6%) and DCPLUS Large Cap Growth (5.1%).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 4 - FAIR VALUE MEASUREMENTS

The Plan categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan had the following fair value measurement as of September 30, 2025:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Equities				
Materials	\$ 46,193,749	\$ 46,193,749	\$ -	\$ -
Consumer and Cyclical and Defensive	255,343,767	255,343,767	-	-
Financial Services	228,567,906	228,567,906	-	-
Real Estate	51,519,445	51,519,445	-	-
Communication Services	123,182,306	123,182,306	-	-
Energy	54,385,001	54,385,001	-	-
Industrials	162,138,688	162,138,688	-	-
Technology	356,209,649	356,209,649	-	-
Healthcare	161,533,411	161,533,411	-	-
Utilities	35,739,622	35,739,622	-	-
Debt securities				
Government	19,325,392	19,325,392	-	-
Corporate	8,237,742	8,237,742	-	-
Securitized	13,009,654	13,009,654	-	-
Municipal	6,963,733	6,963,733	-	-
Other	5,893,089	5,893,089	-	-
Other funds	41,611,552	41,611,552	-	-
Total investments measured at fair value	1,569,854,706	\$ 1,569,854,706	\$ -	\$ -
Investments measured at contract value:				
Stable Value Fund	282,139,244			
Total Investments	<u>\$ 1,851,993,950</u>			

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The Plan has the following fair value measurement as of September 30, 2024:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Equities				
Materials	\$ 42,280,200	\$ 42,280,200	\$ -	\$ -
Consumer and Cyclical and Defensive	218,646,337	218,646,337	-	-
Financial Services	188,336,543	188,336,543	-	-
Real Estate	44,730,939	44,730,939	-	-
Communication Services	99,586,905	99,586,905	-	-
Energy	54,798,749	54,798,749	-	-
Industrials	141,510,509	141,510,509	-	-
Technology	286,611,311	286,611,311	-	-
Healthcare	149,583,391	149,583,391	-	-
Utilities	33,770,552	33,770,552	-	-
Debt securities				
Government	17,319,910	17,319,910	-	-
Corporate	8,906,644	8,906,644	-	-
Securitized	13,773,075	13,773,075	-	-
Municipal	1,331,011	1,331,011	-	-
Other	6,055,095	6,055,095	-	-
Other funds	36,010,836	36,010,836	-	-
Total investments measured at fair value	1,343,252,007	\$ 1,343,252,007	\$ -	\$ -
Investments measured at contract value:				
Stable Value Fund	278,762,702			
Total Investments	\$ 1,622,014,709			

GOVERNMENT OF THE DISTRICT OF COLUMBIA
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 5 - LIFE INSURANCE POLICIES

Prior to fiscal year 2000, the Plan offered participants an investment option to purchase life insurance policies underwritten by life insurance companies. Although the life insurance policies are no longer available to participants as an investment option, participants with existing life insurance policies are permitted to continue their contribution to those policies. As of September 30, 2025 and 2024, the contract values of participants' life insurance policies have been excluded from the Plan's assets because the life insurance companies assume the obligations to pay the benefits under the policies. TransAmerica Life and Shenandoah Life Insurance Companies underwrite existing policies. Participants' life insurance contract values for the years ended September 30, 2025 and 2024, totaled \$2,469,179 and \$2,734,493, respectively.

NOTE 6 - PLAN FEES

Fees are charged to participants' accounts for investment management services and administrative expenses of the Plan. The investment management fees vary by investment fund and are calculated based on the fund's daily asset value. For the years ended September 30, 2025 and 2024, investment management fees totaled \$4,492,308 and \$4,288,967, respectively. The Program Manager receives a net administrative fee of 0.165% (16.5 basis points) of the Plan's daily asset value. For the years ended September 30, 2025 and 2024, Program Manager administrative fees totaled \$2,341,854 and \$1,995,275, respectively.

NOTE 7 - DUE TO DISTRICT GOVERNMENT

Per the contract agreement, the Program Manager annually reimburses the Plan Administrator 5.5 basis points. The reimbursement is accumulated in an administrative reimbursement account held by the Program Manager and is used annually by the District to pay for direct administrative expenses and salaries incurred by the District for the benefit of the Plan. Additions to and deductions from the administrative reimbursement account are not Plan transactions reflected in the Statements of Changes in Fiduciary Net Position.

After recognizing the basis point reimbursement, interest earnings and payments from the administrative reimbursement account, the balance in the administrative reimbursement account as of September 30, 2025 and 2024 was \$1,742,790 and \$1,840,964, respectively. This is recorded in the Statements of Fiduciary Net Position as "Due to District Government." The amount owed from the Program Manager as of September 30, 2025 and 2024 was \$47,686 and \$42,207, respectively.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 8 - ADMINISTRATIVE EXPENSES

The Plan does not directly incur administrative expenses. Administrative expenses are incurred by the Plan Administrator and the Program Manager for the operation of the Plan.

The amount recorded as administrative expenses in the Statement of Changes in Fiduciary Net Position of \$524,798 and \$494,974 for fiscal years 2025 and 2024, respectively, represents the Program Manager’s investment expenses allocation towards administrative expenses.

The administrative expenses incurred by the Plan Administrator and reimbursed from the administrative reimbursement account (see Note 7) for the years ended September 30, 2025 and 2024 totaled \$459,090 and \$442,556, respectively, and were as follows:

	2025	2024
Administrative Salaries	\$ 311,424	\$ 281,794
Audit and Compilation Services	108,338	116,436
Investment Consulting Services	39,328	44,326
Total Administrative Account Expenses	\$ 459,090	\$ 442,556

For fiscal years 2025 and 2024, the Plan assessed \$75 for each new participant loan processed and \$50 per participant for existing loans. Loan fees totaled \$799,055 and \$699,897 in fiscal years 2025 and 2024, respectively.

NOTE 9 - TERMINATED PARTICIPANTS

As of September 30, 2025 and 2024, the Plan had 10,847 and 9,394 terminated participants, respectively, who have account balances in the Plan. The participants are no longer able to contribute to the Plan, but their account balances are adjusted for fees and investment earnings. The value of the account balances as of September 30, 2025 and 2024 totaled \$403,418,631 and \$376,869,901, respectively.

NOTE 10 - PLAN TERMINATION

The District may amend or terminate this Plan provided that such amendment or termination shall not impair the rights of a vested participant or beneficiary to receive any contributions and income earned thereon, allocated to his or her active or inactive account, as the case may be, prior to the date of the termination or amendment of the Plan.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 11 - RISKS AND UNCERTAINTIES

The Plan invests in investment securities that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of fiduciary net position.

NOTE 12 - SUBSEQUENT EVENTS

The Plan evaluated subsequent events through December 15, 2025, the date the financial statements were available to be issued. Events or transactions occurring after September 30, 2025, but prior to December 15, 2025, that provided additional evidence about conditions that existed as of September 30, 2025, have been recognized in the financial statements for the year ended September 30, 2025. Events or transactions that provided evidence about conditions that did not exist as of September 30, 2025 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended September 30, 2025.

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Office of Finance and Treasury
Office of the Chief Financial Officer
Government of the District of Columbia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Government of the District of Columbia 457(b) Deferred Compensation Plan (the “Plan”) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Plan’s basic financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

F. S. Taylor & Associates, P.C.

Washington, D.C.
December 15, 2025

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
457(b) DEFERRED COMPENSATION PLAN
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

