



December 2015

*New 401(k) Plan Investment Lineup*

Dear Plan Participant:

The overall goal of the TVA Retirement System (TVARS) Board, which administers the TVA 401(k) Plan, is to provide you with an industry-best 401(k) Plan to help meet your retirement income goals. Over the past year, the TVARS Board has worked with Aon Hewitt, an independent defined contribution plan consultant, to review the current investment options. As a result of this review, a new investment lineup will be added to the 401(k) Plan in February 2016, with the conversion to the new lineup being completed in April 2016.

The new lineup will simplify and streamline the investment options and provide a range of diverse asset classes from which you can choose based on your investment style, risk preference, personal circumstances, and retirement goals. In addition, the 401(k) Plan will have lower recordkeeping costs and fund management fees. Fidelity Investments® will continue to serve as the 401(k) Plan provider of recordkeeping services, providing you with access to the same features currently offered through the Fidelity NetBenefits® website.

**The new lineup will offer a four-tier structure (see the reverse side for a complete listing):**

**TIER 1—Target Date Funds Managed by BlackRock**—for participants who prefer an easier, less involved approach by investing through a single fund and the added benefit of professional management.

**TIER 2—Passively Managed Funds**—a group of four index funds that will allow you to gain exposure to broad market indices at a low cost.

**TIER 3—Actively Managed Funds**—a carefully selected group of funds that are actively managed by top investment firms with the goal of outperforming an equivalent market index while providing you with broad market exposure at a low cost.

**TIER 4—Self-directed Brokerage Account**—continue to offer Fidelity BrokerageLink® for participants who want the flexibility to invest in mutual funds or individual stocks not offered in the regular investment lineup.

TVARS and Fidelity will provide the resources you need to understand the new 401(k) Plan investment options and your choices as a participant. We encourage you to familiarize yourself with the new lineup and prepare to make the investment decisions that are right for you.

**This letter is just informational—you do not need to do anything at this time.** You will receive more detailed information about the changes in January 2016.

Sincerely,

Pat Brackett  
Executive Secretary  
TVA Retirement System

Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

BrokerageLink includes investments beyond those in your plan's lineup. The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance. See the fact sheet and commission schedule for applicable fees and risks.

## New Investment Lineup

A ticker symbol is included for any mutual fund vehicle. All other funds are available in a collective investment vehicle and do not have a ticker symbol. However, information on all funds shown will be available in January on NetBenefits under *Plan Information and Documents* in the *Quick Links* drop-down menu.

TIER 1—Target Date Funds Managed by BlackRock	
Target Retirement Income Portfolio	
2020 Target Retirement Portfolio	
2025 Target Retirement Portfolio	
2030 Target Retirement Portfolio	
2035 Target Retirement Portfolio	
2040 Target Retirement Portfolio	
2045 Target Retirement Portfolio	
2050 Target Retirement Portfolio	
2055 Target Retirement Portfolio	
2060 Target Retirement Portfolio	
TIER 2—Passively Managed Funds	
Asset Class	Name of Fund
Fixed Income	BlackRock U.S. Debt Index Fund M
Large Cap Equity	BlackRock Equity Index Fund M
Small/Mid Cap Equity	BlackRock Russell® 2500 Index Fund M
International Equity	BlackRock MSCI ACWI ex-U.S. IMI Index Fund M
TIER 3—Actively Managed Funds	
Asset Class	Name of Fund
Money Market	Vanguard Prime Money Market Fund Admiral Shares—VMRXX
Stable Value	Managed Income Portfolio II CI3
Fixed Income	Loomis Sayles Core Plus Fixed Income Fund
Real Asset	BlackRock Strategic Completion Non-Lendable Fund M
Large Cap Value	T. Rowe Price Institutional Large Cap Value Fund—TILCX
Large Cap Growth	Fidelity® Growth Company CIT
Small/Mid Cap Value	DFA U.S. Targeted Value Portfolio Institutional Class—DFFVX
Small/Mid Cap Growth	William Blair Small-Mid Cap Growth Collective Investment Fund
International Equity	Harding Loevner International Equity Collective Investment Fund
TIER 4—Fidelity BrokerageLink®	

**Before investing in any mutual fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a mutual fund prospectus or, if available, a summary prospectus containing this information. Read it carefully.**

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