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January 2014

Re: **Changes to the TVA 401(k) Plan Investment Options**

The TVA Retirement System (TVARS) Board of Directors periodically reviews the investment options available through the 401(k) Plan to make sure they continue to help you meet your financial goals and investment objectives. Among the things considered are consistency of investing style, fund performance, whether the funds offer you the best value, and whether the Plan gives you access to services that complement your account.

As a result of a recent review, the TVARS Board of Directors has decided to make changes to the Plan's investment lineup.

The share class changes described on the following pages will take place without any action required on your part. However, if you are not satisfied with how your current investment elections will be modified, you will have the opportunity to make different elections. Go to the "What Do I Need to Do?" section to learn more.

Sincerely,

Fidelity Investments

CHANGES TO TVA 401(k) PLAN

Share Class Changes

When the market closes (generally 4:00 p.m. Eastern time) on February 5, 2014, the share class of 18 investment options offered through the TVA 401(k) Plan will change. As a result, the fund codes, ticker symbols, and expense ratios will change. The new share class will offer you the same investment strategy and risk, but the overall expenses will be lower. See the following chart for details. The transfer of balances will appear as an exchange on your account history and quarterly statement. You may also receive a prospectus as a result of this transaction.

The fees and expenses of the investments you select have an impact on the overall returns of your investment portfolio. Because of this, the TVARS Board of Directors takes time to carefully review the Plan to ensure that you have the lowest-cost share classes offered by the investment options available to you.

Old Share Class		New Share Class
Artisan Mid Cap Fund Investor Class Fund Code: OMVM Ticker Symbol: ARTMX Expense Ratio: 1.33%	➔	Artisan Mid Cap Fund Class Institutional Fund Code: OYNQ Ticker Symbol: APHMX Expense Ratio: 1.08%
Baron Asset Fund Retail Class Fund Code: OFBO Ticker Symbol: BARAX Expense Ratio: 1.33%	➔	Baron Asset Fund Institutional Class Fund Code: OUEN Ticker Symbol: BARIX Expense Ratio: 1.06%
Baron Growth Fund Retail Shares Fund Code: OFBK Ticker Symbol: BGRFX Expense Ratio: 1.32%	➔	Baron Growth Fund Institutional Shares Fund Code: OUFG Ticker Symbol: BGRIX Expense Ratio: 1.06%
Invesco Comstock Fund Class A Fund Code: OMEH Ticker Symbol: ACSTX Expense Ratio: 0.86%	➔	Invesco Comstock Fund Class R6 Fund Code: OKM4 Ticker Symbol: ICSFX Expense Ratio: 0.41%
Janus Overseas Fund Class S Fund Code: OUDM Ticker Symbol: JIGRX Expense Ratio: 1.01%	➔	Janus Overseas Fund Class N Fund Code: OUO6 Ticker Symbol: JDINX Expense Ratio: 0.49%
Morgan Stanley Institutional Fund, Inc. Emerging Markets Portfolio Class A[1] Fund Code: OFM9 Ticker Symbol: MMKBX Expense Ratio: 1.74%	➔	Morgan Stanley Institutional Emerging Markets Fund Class I[1] Fund Code: OFAM Ticker Symbol: MGEMX Expense Ratio: 1.49%
Mutual Global Discovery Fund Class A Fund Code: OFBJ Ticker Symbol: TEDIX Expense Ratio: 1.32%	➔	Mutual Global Discovery Fund Class R6 Fund Code: OK0I Ticker Symbol: NA Expense Ratio: 0.86%
Mutual Shares Fund Class A Fund Code: OFMC	➔	Mutual Shares Fund Class Z Fund Code: OFMU

Ticker Symbol: TESIX Expense Ratio: 1.12%		Ticker Symbol: MUTHX Expense Ratio: 0.82%
Neuberger Berman Genesis Fund Trust Class Fund Code: OFN3 Ticker Symbol: NBGEX Expense Ratio: 1.11%		Neuberger Berman Genesis Fund Class R6 Fund Code: OK5B Ticker Symbol: NRGSX Expense Ratio: 0.80%
Neuberger Berman Large Cap Value Fund Trust Class Fund Code: OFN5 Ticker Symbol: NBPTX Expense Ratio: 1.07%		Neuberger Berman Large Cap Value Fund Institutional Class Fund Code: OKUU Ticker Symbol: NBPIX Expense Ratio: 0.72%
Perkins Mid Cap Value Fund Class T Fund Code: OQJU Ticker Symbol: JMCVX Expense Ratio: 0.77%		Perkins Mid Cap Value Fund Class N Fund Code: OUN8 Ticker Symbol: JDPNX Expense Ratio: 0.52%
PIMCO Total Return Fund Administrative Class Fund Code: OFAP Ticker Symbol: PTRAX Expense Ratio: 0.71%		PIMCO Total Return Fund Institutional Class Fund Code: OF1P Ticker Symbol: PTTRX Expense Ratio: 0.46%
Royce Low-Priced Stock Fund Service Class Fund Code: OMWH Ticker Symbol: RYLPX Expense Ratio: 1.58%		Royce Low-Priced Stock Fund Investment Class Fund Code: OUTD Ticker Symbol: RLPHX Expense Ratio: 1.28%
Spartan® Emerging Markets Index Fund - Institutional Class[2] Fund Code: 2343 Ticker Symbol: FPMIX Expense Ratio: 0.28%		Spartan® Emerging Markets Index Fund - Fidelity Advantage Class[2] Fund Code: 2342 Ticker Symbol: FPMAX Expense Ratio:0.35%
Spartan® Global ex U.S. Index Fund - Institutional Class[3] Fund Code: 2347 Ticker Symbol: FSGSX Expense Ratio: 0.23%		Spartan® Global ex U.S. Index Fund - Fidelity Advantage Class[3] Fund Code: 2346 Ticker Symbol: FSGDX Expense Ratio: 0.28%
Templeton Foreign Fund Class A Fund Code: OFJT Ticker Symbol: TEMFX Expense Ratio: 1.21%		Templeton Foreign Fund Class R6 Fund Code: OK0H Ticker Symbol: FTFGX Expense Ratio: 0.76%
Templeton Global Bond Fund Class A Fund Code: OFTI Ticker Symbol: TPINX Expense Ratio: 0.91%		Templeton Global Bond Fund Class R6 Fund Code: OU52 Ticker Symbol: FBNRX Expense Ratio: 0.57%
Wells Fargo Advantage Small Cap Value Fund Investor Class Fund Code: OMYJ Ticker Symbol: SSMVX Expense Ratio: 1.42%		Wells Fargo Advantage Small Cap Value Fund Institutional Class Fund Code: OKWB Ticker Symbol: WFSVX Expense Ratio: 0.93%

Expense Ratio as of January 3, 2014

[1] There is a short-term trading fee of 2.00% for shares held less than 30 days.
[2] There is a short-term trading fee of 1.50% for shares held less than 90 days

[3] There is a short-term trading fee of 1.00% for shares held less than 90 days

A short-term trading fee will not be charged as part of this reallocation, but existing short-term trading fee periods (if any) will move from the transferring fund to the new fund. If you request a change either before or after the transition without satisfying the required holding period, you may incur a short-term trading fee.

What Do I Need to Do?

You do not need to do anything if you are satisfied with how your current investment elections will be modified. However, if you would like to request changes to your account, obtain additional information, or find answers to questions, log on to Fidelity NetBenefits® at www.fidelity.com/atwork or call 1-800-354-7121, Monday through Friday, between 8:00 a.m. and midnight Eastern Time Zone.

Important Note if You Use Auto Rebalance

If you are currently using the Automatic Rebalance feature offered through your Plan, you may need to update your rebalance elections given the changes to the Plan lineup on February 5, 2014. Fidelity is not able to adjust your rebalance elections to reflect the upcoming plan-directed fund reallocation changes. As a result, your Automatic Rebalance elections will not occur as scheduled if you have a current investment option that will no longer be offered.

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

For a mutual fund, the expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percentage of the fund's total net assets. Expense ratios change periodically and are drawn from the fund's prospectus. For more detailed fee information, see the fund prospectus or annual or semiannual reports.

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