

January 2024

TVA 401(k) Plan – New Investment Offerings and Lower Fees

Dear Plan Participant:

The TVA Retirement System (TVARS) is pleased to announce several upcoming changes for the TVA Savings and Deferral Retirement Plan (401(k) Plan) that will help you prepare for retirement: lower fees for a fund on the 401(k) Plan’s investment menu, lower advisory fees for the managed account service provided by Fidelity, and a retirement income option within the 401(k) Plan.

Lower Cost Fund Option

When the market closes (generally 4 p.m. Eastern time) on **January 30, 2024**, the share class of the **Loomis Sayles Core Plus Fixed Income Trust** offered through the 401(k) Plan will change and the management fees for this investment option will be lowered. As a result, the fund code and net expense information will change. The new share class will offer the same investment strategy and risk, but the overall expenses will be lower. See the following chart for details. If you have 401(k) funds and contributions invested in the Loomis Sayles Core Plus Fixed Income Trust, the transfer of balances and investment elections will process automatically without any action on your part and appear as an exchange on your account history and quarterly statement.

Old Share Class	>	New Share Class
Loomis Sayles Core Plus Fixed Income Trust Class C Ticker: N/A Net Expense Information: 0.35%	>	Loomis Sayles Core Plus Fixed Income Class F Ticker: N/A Net Expense Information: 0.18%

Lower Advisory Fees for Fidelity® Personalized Planning & Advice

For participants who prefer a personalized management approach, Fidelity Personalized Planning & Advice is a managed account service available in the 401(k) Plan where participants may elect to delegate ongoing discretionary management of their accounts for a fee to Strategic Advisers LLC, whose professional managers assign a model portfolio containing various investment options in the 401(k) Plan. Beginning **March 25, 2024**, the managed account fees will decrease by 5 basis points (0.05%) for the first two asset threshold levels. Following this reduction, the new target range of the annual net advisory fee for Fidelity’s managed account service will be as follows:

Average daily account balance	Target Range of Annual Net Advisory Fee
For the first \$100,000, or portion thereof	0.38%-0.32%
For assets between \$100,000 and \$250,000, or portion thereof	0.28%-0.22%
All additional assets over \$250,000	0.23%-0.17%

These lower fees will be automatically applied to the accounts of 401(k) Plan participants enrolled in Fidelity Personalized Planning & Advice.

Paycheck Retirement Income Option Coming to the 401(k) Plan

An exciting new retirement income option is coming to the Target Retirement Portfolios in the 401(k) Plan. For participants who prefer a single, professionally managed investment approach, the 401(k) Plan provides the Target Retirement Portfolios managed by BlackRock, the nation's largest investment management firm and long-time trusted partner with TVARS. The Target Retirement Portfolios are designed for participants expecting to retire around the year indicated in each Portfolio's name and include a diversified allocation of equities, bonds, and inflation-sensitive investments that are managed to gradually become more conservative over time.

Over the last few years, TVARS has worked closely with Mercer, its 401(k) Plan consultant, to evaluate potential options to provide lifetime retirement income for participants in the 401(k) Plan with a focus on those participants who may not have access to a pension or annuity. After extensive evaluation with Mercer and work behind the scenes, TVARS will be implementing BlackRock's LifePath Paycheck solution in the 401(k) Plan. Beginning in **Summer 2024**, the Target Retirement Portfolios designed for participants between age 55 and 72 will be investing in a new series of innovative target-date products offered by BlackRock that will provide the opportunity to elect to receive a guaranteed lifetime income stream from selected insurers at the time of or following separation of employment.

For the majority of participants under age 55 who are invested in the Target Retirement Portfolios, there will be no change or impact – the Portfolios designed for these ages will not change and will continue to primarily invest in a mix of stocks and bonds, identical to how the Portfolios invest today. In the calendar year you turn age 55, a new series of Target Retirement Paycheck Portfolios will begin allocating a portion of its investment portfolio to a new asset class called lifetime income, which provides you the option to use up to approximately 30% of your balance in the Portfolio to purchase a lifetime income stream from insurers selected by BlackRock. If you decide to choose the annuity option at the time of or following separation of employment, the lifetime income stream will be guaranteed by the selected insurers for the rest of your life, and if elected, the lifetime of your spouse.

As the time draws closer to the implementation of the new Target Retirement Paycheck Portfolios, TVARS will provide participants with more detailed information about the Portfolios and the lifetime income options within the Portfolios. Please note that no action is required at this time.

Questions?

If you have any questions about these new 401(k) Plan investment offerings and fees, please feel free to contact TVARS by email (tvars@tva.gov) or by phone 800-824-3870. If you would like more information on the 401(k) Plan features and investment options or if you would like to request changes to your account, log on to Fidelity NetBenefits® at [NetBenefits.com/TVA](https://www.fidelity.com/NetBenefits.com/TVA) or call 800-354-7121, Monday through Friday, between 8:30 a.m. and 8 p.m. Eastern time.

The information contained herein has been provided by TVARS.