

TVA Savings and Deferral Retirement Plan

Investment Policy Statement

The TVA Savings and Deferral Retirement Plan is a qualified defined contribution plan designed in accordance with section 401(k) and other applicable sections of the Internal Revenue Code (the “401(k) Plan”). As a plan maintained for employees of the Tennessee Valley Authority, an agency of the Federal government, the 401(k) Plan is a governmental plan and not subject to the Employee Retirement Income Security Act of 1974. The 401(k) Plan is administered by the TVA Retirement System (“TVARS”) and its Board of Directors (the “TVARS Board”) in accordance with the Provisions of the TVA Savings and Deferral Retirement Plan (the “401(k) Plan Provisions”).

This investment policy statement sets forth a framework for how the TVARS Board approaches investment-related decisions with respect to assets of the 401(k) Plan.

401(k) Plan Purpose

The purpose of the 401(k) Plan is to provide participants with the opportunity to obtain long-term accumulation of retirement savings through employee contributions, employer contributions, and earnings. Participants are responsible for directing contributions and accumulated balances among a range of investment options in order to construct a diversified portfolio that meets their specific objectives. Participants alone bear the risk of investment results from the options and the asset mixes that they select in the 401(k) Plan and no other person, including the TVARS Board or TVARS staff, is responsible for the outcome of 401(k) Plan investments.

Investment Options

The TVARS Board intends that investment options offered under the 401(k) Plan provide a wide range of investment opportunities in various asset classes, so as to allow for diversification and cover a wide risk/return spectrum.

Investment vehicles may consist of mutual funds, collective trusts, separate accounts, or unitized accounts, after consideration of cost and availability based on amount of assets to be invested and any administrative or other legal factors.

Selection criteria may, but is not required, to include the following:

- The investment option’s volatility and performance relative to identified benchmarks and peer groups
- The investment option’s demonstrated adherence to stated investment objectives
- Competitiveness of fees and expense ratios compared to similar investments
- The investment vehicle’s size, structure, and history; management profile and investment philosophy; staff experience and depth; and/or technological commitment to research

Factors that may, but are not required to, contribute to additional monitoring include, but are not limited to, the following:

- Consistent underperformance relative to an appropriate benchmark index and peer group median
- Material increase in management fees or expense ratios
- Deviation from style for which the option was selected
- Turnover in the management team of the portfolio
- Change in the option's investment philosophy or process
- Significant increase or decrease of assets under management
- Organizational events such as changes in ownership, mergers, etc.

The guidelines and objectives set forth above and otherwise in this Investment Policy Statement are solely intended as potential factors that the TVARS Board might use in evaluating the initial and continued appropriateness of the investment options for the 401(k) Plan. The TVARS Board is not bound to any one factor and retains full and complete discretion to use or disregard any factor it deems appropriate in its sole discretion.

In addition to "core" investment funds, the TVARS Board, may, but it is not required to, offer participants the opportunity to invest through a self-directed brokerage option within the plan subject to limits, if any, imposed by the TVARS Board. The TVARS Board has no responsibility to evaluate or review any investment available in the self-directed brokerage option.

Amendment and Diversion

The TVARS Board reserves the right to amend this Investment Policy Statement at any time and from time to time as it deems necessary or appropriate by formal action or informal action, including via an action inconsistent with any provision of this Investment Policy Statement. If any term or condition of this Investment Policy Statement conflicts with any term or condition of the 401(k) Plan Provisions or 401(k) Trust Agreement, the 401(k) Plan Provisions and 401(k) Trust Agreement will control.

Appendix A: Investment Options and Performance Objectives

Tier	Investment Option	Primary Index ¹	Peer Group
Tier I – Asset Allocation	Target-Date	Custom Indices	Mixed Asset Target Date Funds
Tier II – Passive Core	U.S. Bond Index	Bloomberg U.S. Aggregate Index	
	Inflation Hedging	Custom Index	
	U.S. Large Cap Equity Index	S&P 500 Index	
	U.S. Extended Market Index	Russell 2500 Index	
	Non-U.S. Equity Index	MSCI ACWI-ex U.S. IMI Index	
Tier III – Active Core	Money Market	3 Month T-Bill	Money Market
	Stable Value	3 Month T-Bill	Stable Value
	Core Fixed Income	Bloomberg U.S. Aggregate Index	U.S. Broad Market Core Fixed Income
	Income Focused Fixed Income	Bloomberg U.S. Aggregate Index	U.S. Broad Market Core Fixed Income
	Large Cap Value Equity	Russell 1000 Value Index	U.S. Large Cap Value
	Large Cap Growth Equity	Russell 1000 Growth Index	U.S. Large Cap Growth
	SMID Cap Value Equity	Russell 2500 Value Index	U.S. SMID Cap Value
	SMID Cap Growth Equity	Russell 2500 Growth Index	U.S. SMID Cap Growth
	International Equity	MSCI ACWI-ex U.S. Index	International Equity Market
Tier IV – Self- Directed Account	Brokerage Window	N/A	N/A

¹ Secondary benchmarks can be used in performance reports to support additional comparisons for review and discussion, as needed.

Policy Review Record

Originally Adopted	3/3/2016
Reviewed (with Aon)	3/5/2020
Amended	3/5/2020
Reviewed (with Mercer)	6/11/2025
Amended	6/12/2025