
Investment Challenge Program

2026 Annual Conference

April 9 - 10, 2026

Nashville, TN

WELCOME

Ben Duby, CPA
Manager, Corporate Investments, TVA



Agenda

Day 1

12:30 pm – Welcome Session: TVA Overview and ICP – History & Performance

1:15 pm – Break (Group Photo)

1:30 pm – Student Presentation Breakout Session

3:00 pm – Break

3:30 pm – Economic Outlook and Portfolio Construction

4:45 pm – Student Networking and Professor Breakout Session

6:30 pm – Dinner and Awards Ceremony

Agenda

Day 2

7:45 am – Breakfast Opens

8:30 am – Public Markets Investment Manager Panel

9:40 am – Break

9:50 am – Presentation of CY25 Top Performing Universities

11:15 am – Private Markets Investment Manager Panel

12:30 pm – Lunch and Wrap Up

*Conference material available on tva.com/investment-challenge/conference
QR code on name badge*

TVA OVERVIEW

Lori Stenger

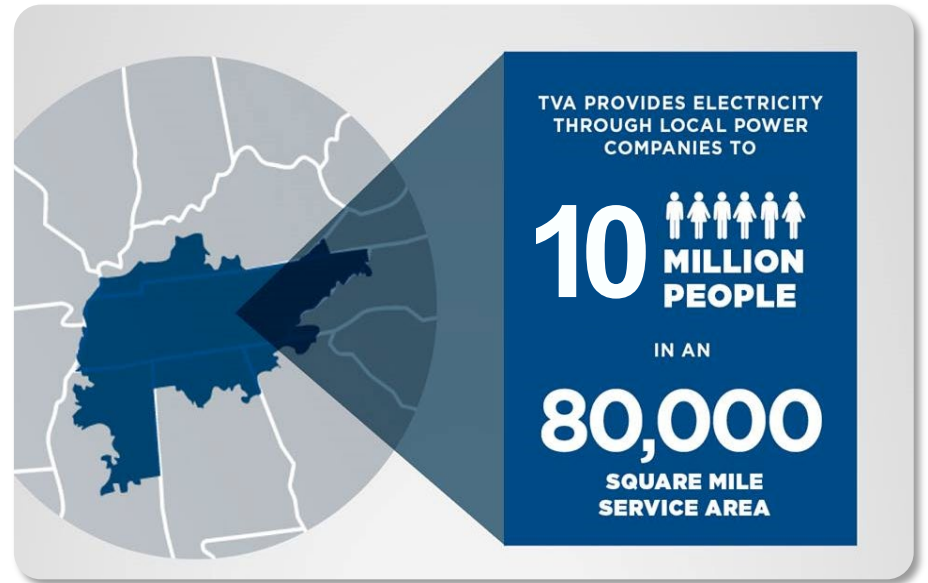
Director, Investor Relations & Enterprise Forecasting
TVA



Mission To Serve

TVA was established by the U.S. Congress in 1933 to address a wide range of environmental, economic, and technological issues in the TN Valley region of the United States, including the need for low-cost electricity and navigation and flood control along the TN River system.

- Profit-neutral, self-funded
- AAA/Aaa/AA+ credit ratings
- \$10+ billion annual revenue
- \$50+ billion total assets
- 153 Local Power Companies and various directly-served customers
- 35,000+ MW power capacity
- 9 Member Board of Directors
- 10,000 employees



The TVA Mission

Energy



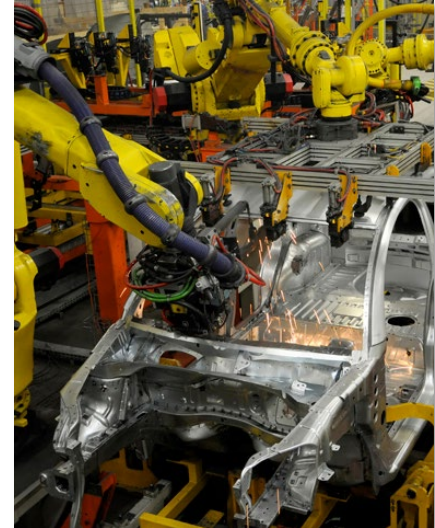
Provide affordable electric power throughout the Tennessee Valley

Environment



Act as a steward of the Valley's natural resources

Economic Development



Serve as a catalyst for sustainable economic development

Executing Today, Powering Tomorrow

TVA is executing a strategy to meet growing demand, strengthen existing assets, and innovate for the future, all while delivering reliable, affordable power.

FINANCIAL STRENGTH & STRATEGIC GROWTH



- Financial flexibility supports new nuclear development and grid modernization
- Increased financing to support investment in America's energy future
- Attractive for public-private partnerships

ECONOMIC DEVELOPMENT & JOB CREATION



- \$6.6B+ in capital investment supported across the Valley in FY25
- 9,000+ jobs created in FY25
- 43,000+ jobs retained in FY25

RELIABLE, AFFORDABLE ENERGY



- FY25 record-setting peaks: 35,430 MW (winter); 32,318 MW (summer)
- 99.999% power system reliability
- Investing in 6,200 MW of new generation

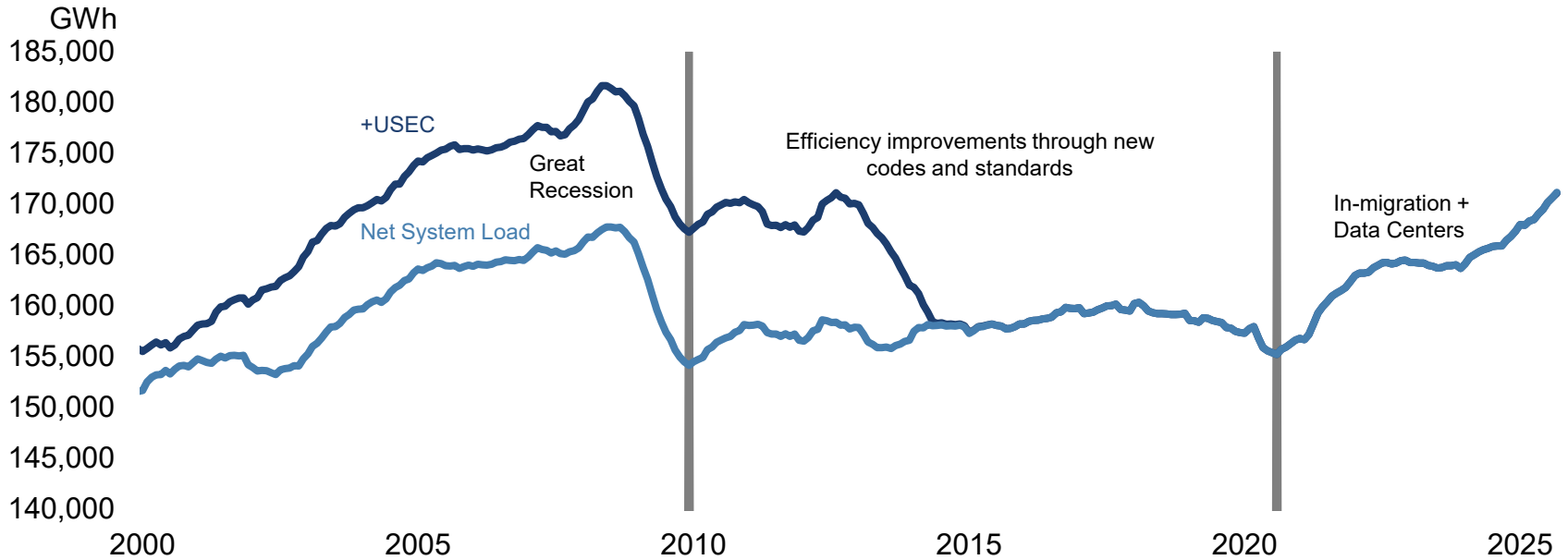
NATIONAL LEADER IN INNOVATION



- Advancing national leadership in advanced nuclear
- Partnering to accelerate advanced nuclear without financial risk
- \$350M Board-approved New Nuclear Program

Investing to Power a Growing Region

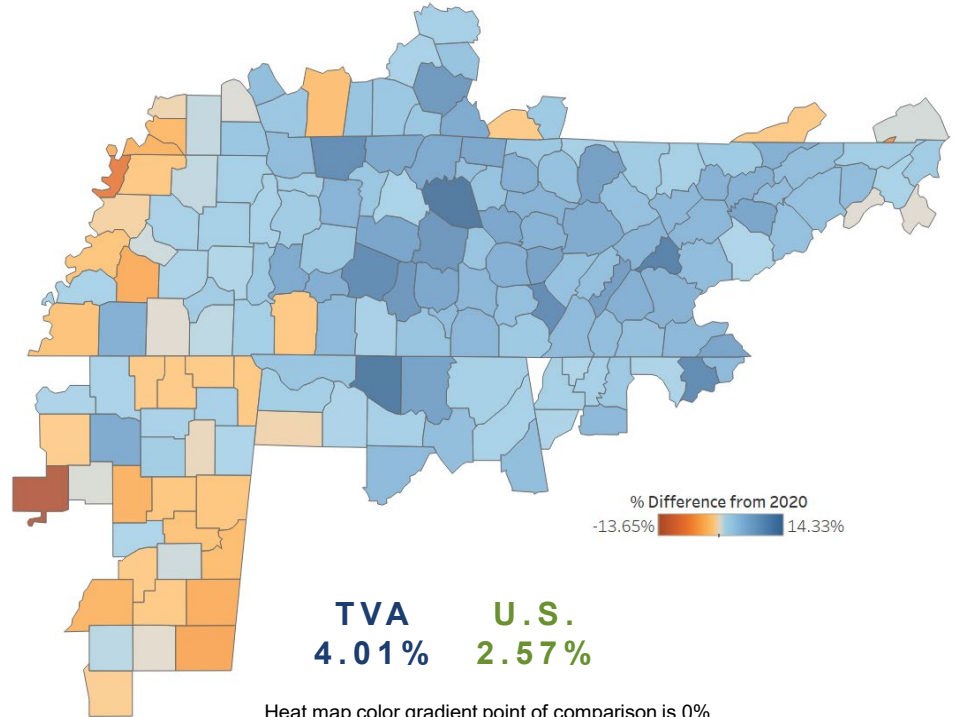
Following a decade of flat demand, TVA's post-pandemic load growth now requires significant investment in infrastructure and capacity to meet the region's accelerating energy needs.



*Load has been adjusted for weather.

Regional Population Shifts Driving Load Growth

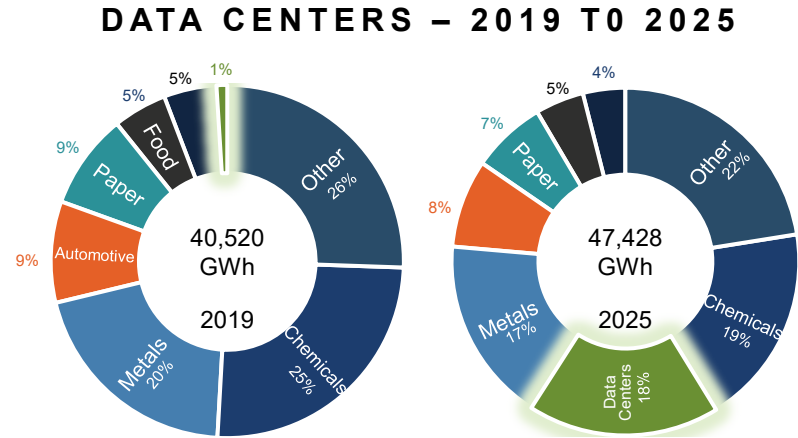
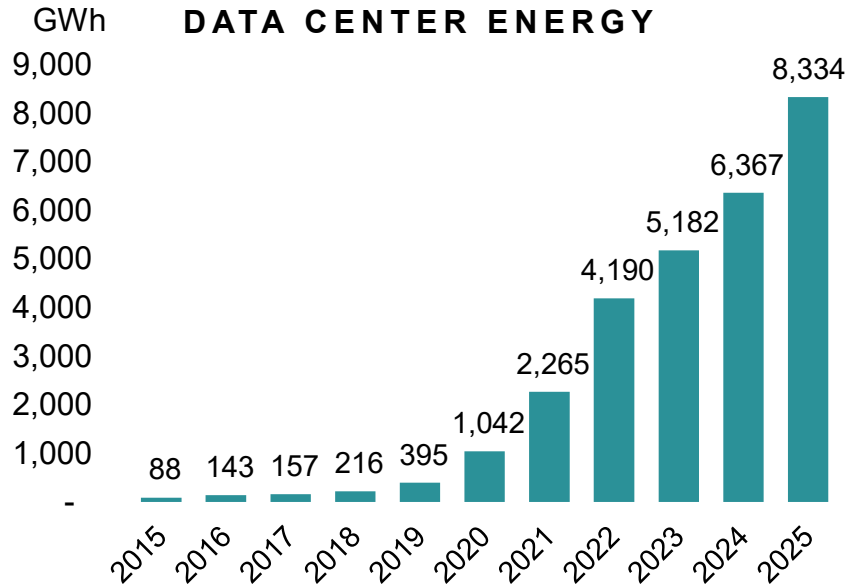
- Population growth has been strongest in the central corridor of the Valley – middle Tennessee and northern Alabama.
- The eastern portion of the Valley – northeast and southeast Tennessee – has also experienced healthy population growth.
- The western portion of the Valley, Mississippi and West Tennessee, has seen significant population declines from 2020-2024. Mississippi population has stabilized over the last two years, however.



Heat map color gradient point of comparison is 0%
Source: U.S. Census Bureau

Data Center Growth Reshaping TVA's Energy Landscape

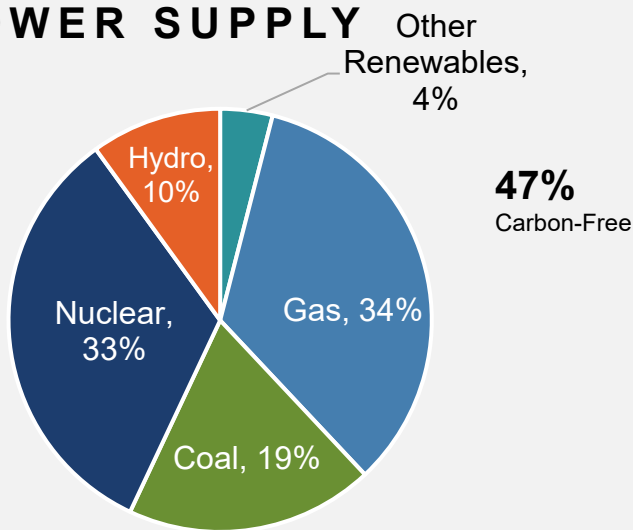
With over 8,000 GWh of usage and 1,200 MW of demand, data centers have become one of TVA's largest industrial sectors and a key driver of sustained load growth.



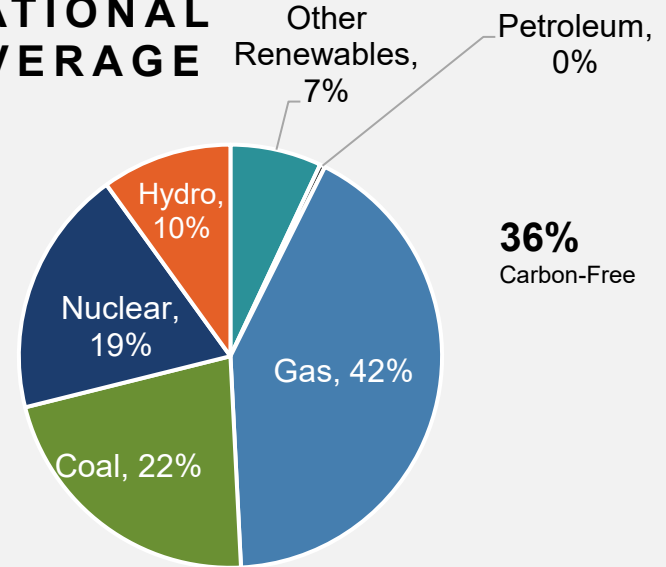
Computing/data centers are now TVA's second largest industrial segment.

Delivering a Balanced, Reliable Power System

TVA TOTAL POWER SUPPLY



NATIONAL AVERAGE



TVA's power system is cleaner than the U.S. Average

Chart depicts both generated and purchased power for FY25 within respective resource types. For additional information, please see Total Power Supply by Generating Source in TVA's Annual Report on Form 10-K. National average data from U.S. EIA Electricity Data Browser (2025).

TVA Restricted Information - Deliberative and Pre-Decisional Privileged

Building America's Energy Future



NEW GENERATION SINCE 2023

Paradise, Kentucky 681 MW, frame combustion turbine

Colbert, Alabama 681 MW, frame combustion turbine

Johnsonville, Tennessee 530 MW, aeroderivative combustion turbine

NEW GENERATION UNDER CONSTRUCTION

Kingston, Tennessee 1,500 MW, natural gas generation (energy complex)

Cumberland, Tennessee 1,450 MW, combined cycle

Steens, Mississippi (New Caledonia) 500 MW, frame combustion turbine

Memphis, Tennessee (Allen) 200 MW, aeroderivative combustion turbine

Shawnee, Kentucky 100 MW solar

Vonore, Tennessee 20 MW / 40 MWh battery storage

POTENTIAL NEW GENERATION

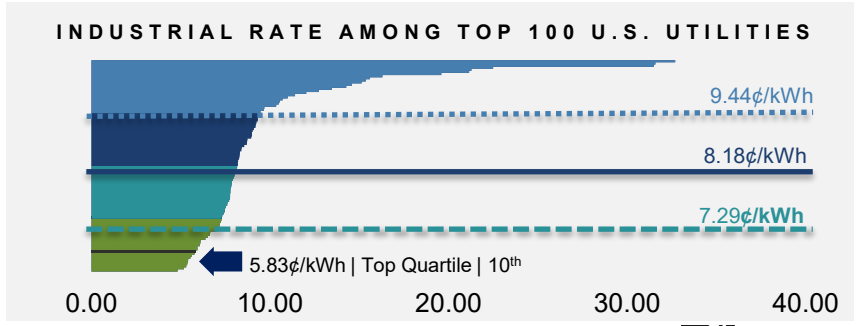
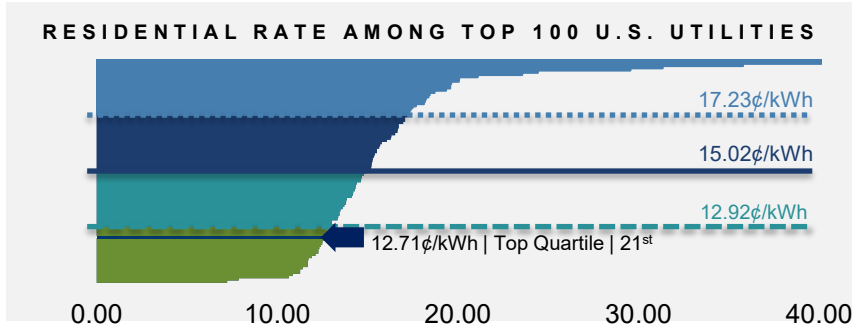
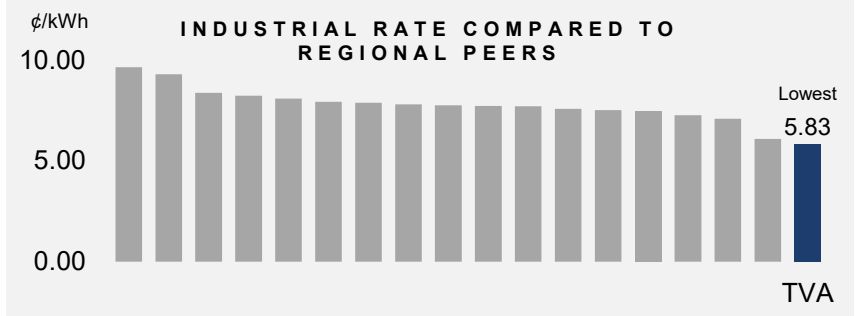
North Alabama 1,200 MW hydro pumped storage

Middle Tennessee 900 MW, proposed gas generation

Brownsville, Tennessee (Lagoon Creek) 350 MW energy complex

Top Quartile Power Rates Across Customer Classes

TVA's rates are consistently among the lowest in the U.S. for both residential and industrial customers.



Investment Challenge

Eric Davis, CFA
Director, Corporate Investments, TVA



Sources of Funding

Debt

Debt is primarily issued to fund large capital projects (e.g., new generating assets). Repayment through rates over time.

- **Statutory debt limit of \$30 billion**

Revenues (Rates)

Primarily used to fund day-to-day operations (e.g., operating and maintenance expenses) – keeping in mind intergenerational fairness

- **Required by TVA Act to keep rates as low as feasible**

Investments

Allocated portion of rates invested to offset future obligations that would otherwise be collected through rates or debt – keeping in mind intergenerational fairness

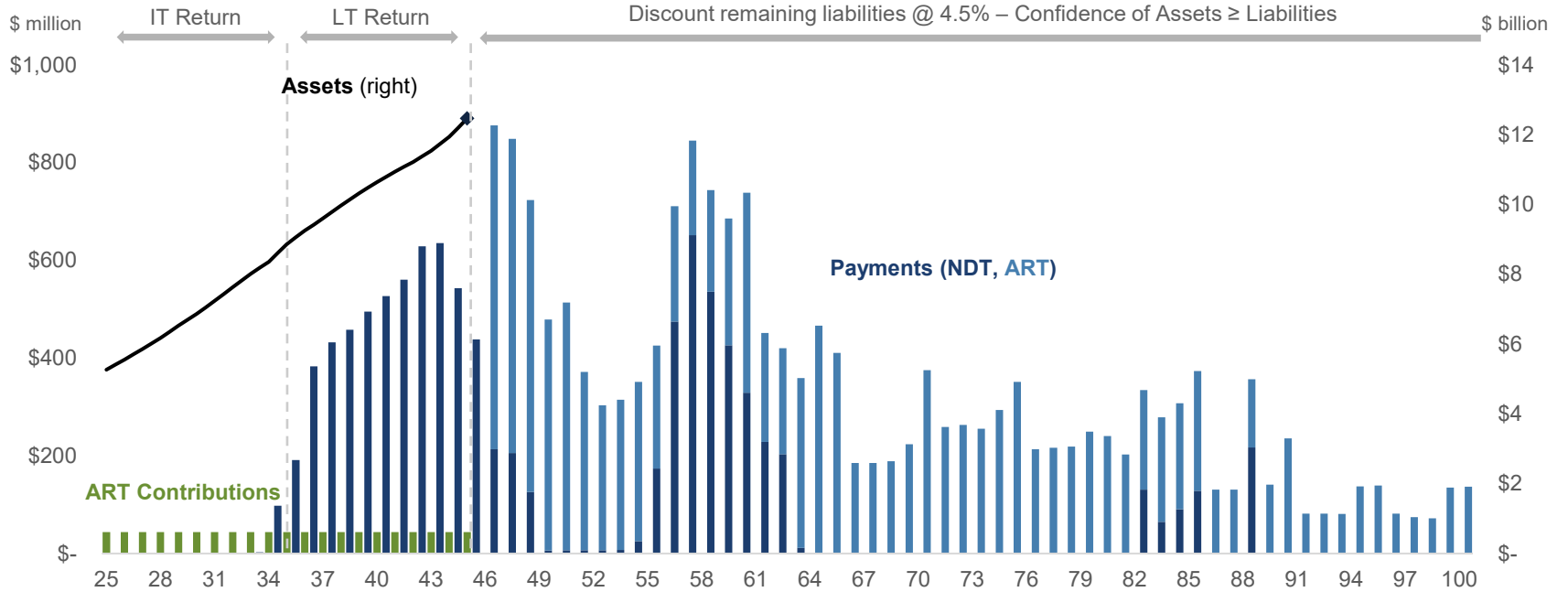
* Operating Parameters

Repayment

Reduction

Where Do You fit in?

The Investment Challenge Program is an allocation within the ART – real returns offsetting real obligations



Corporate Investments

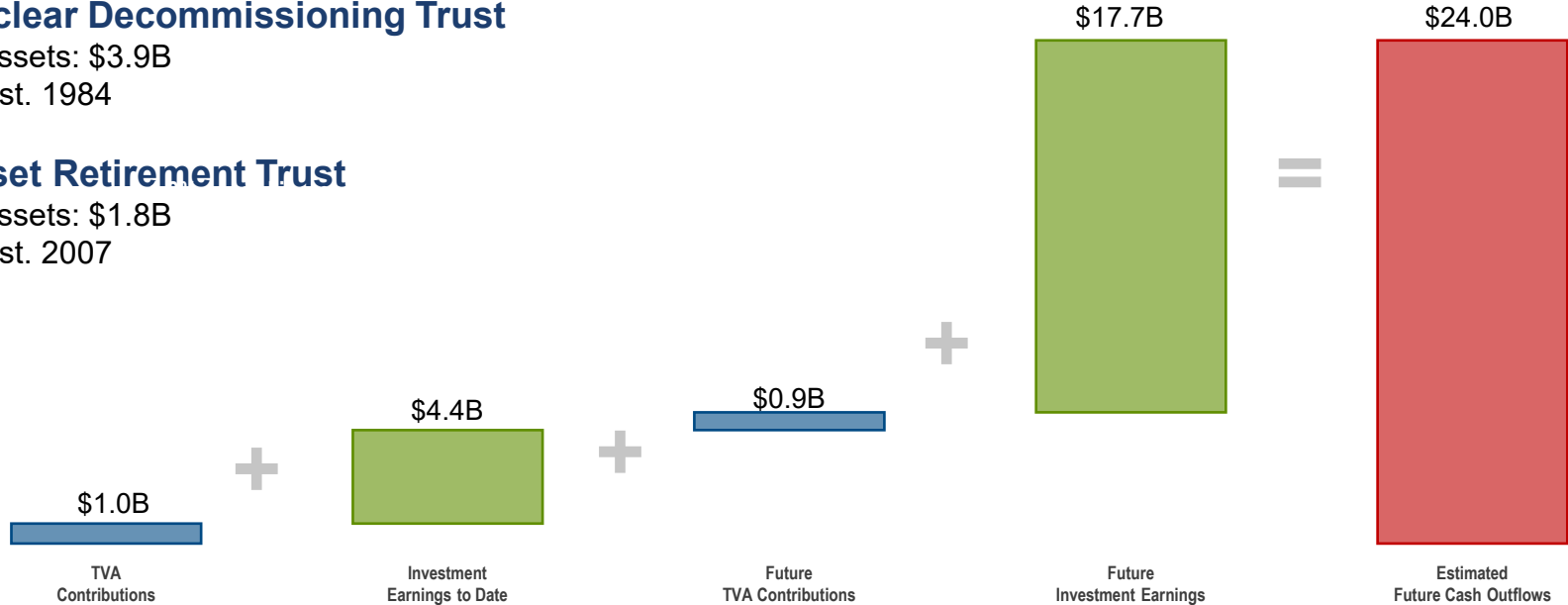
Preserving rates by managing \$5.7 billion of assets to mitigate over \$24 billion of future obligations

Nuclear Decommissioning Trust

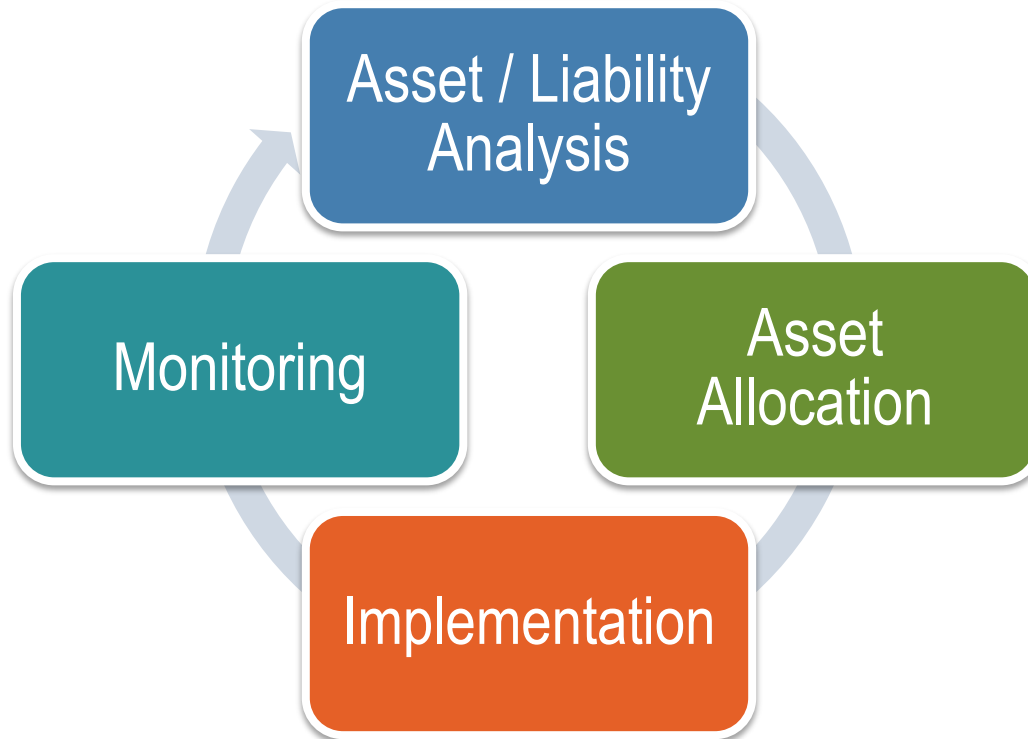
Assets: \$3.9B
Est. 1984

Asset Retirement Trust

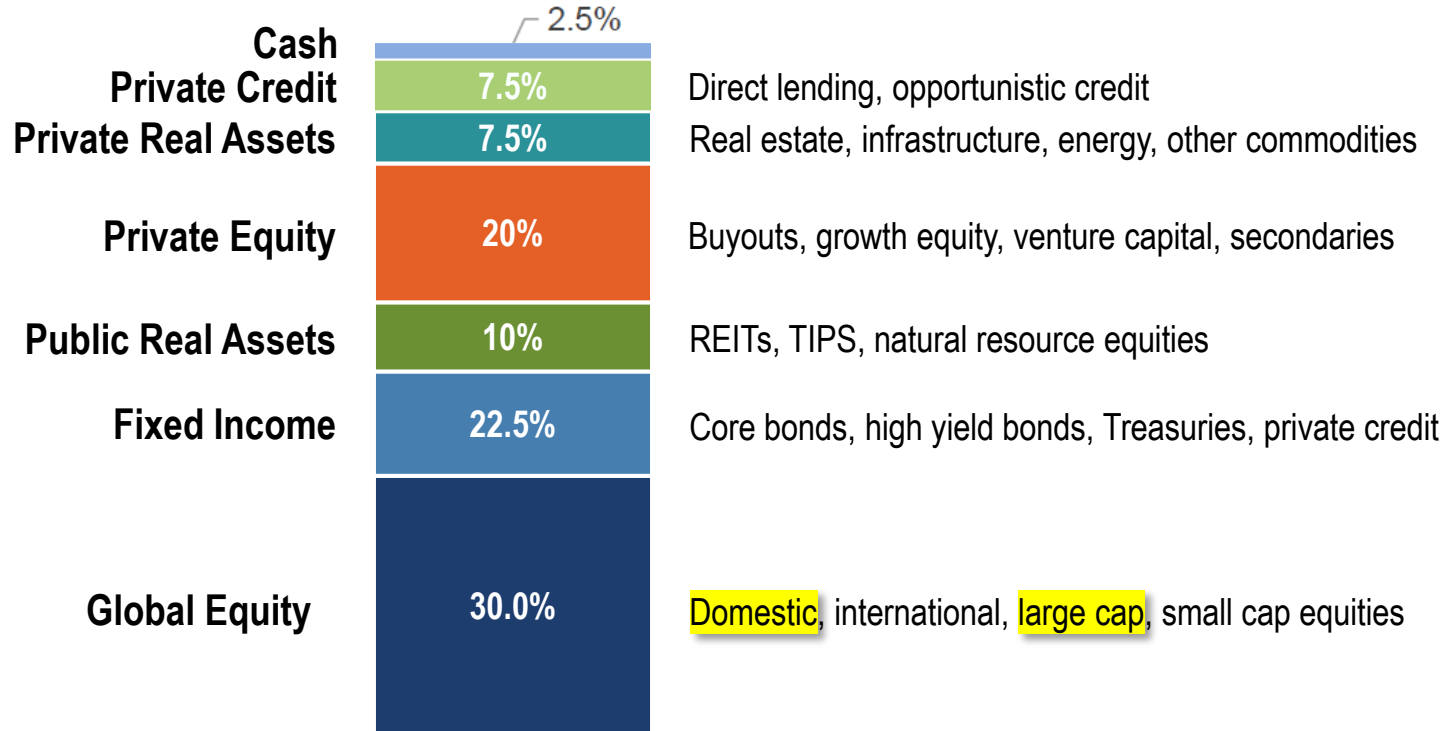
Assets: \$1.8B
Est. 2007



Investment Process



Asset Allocation



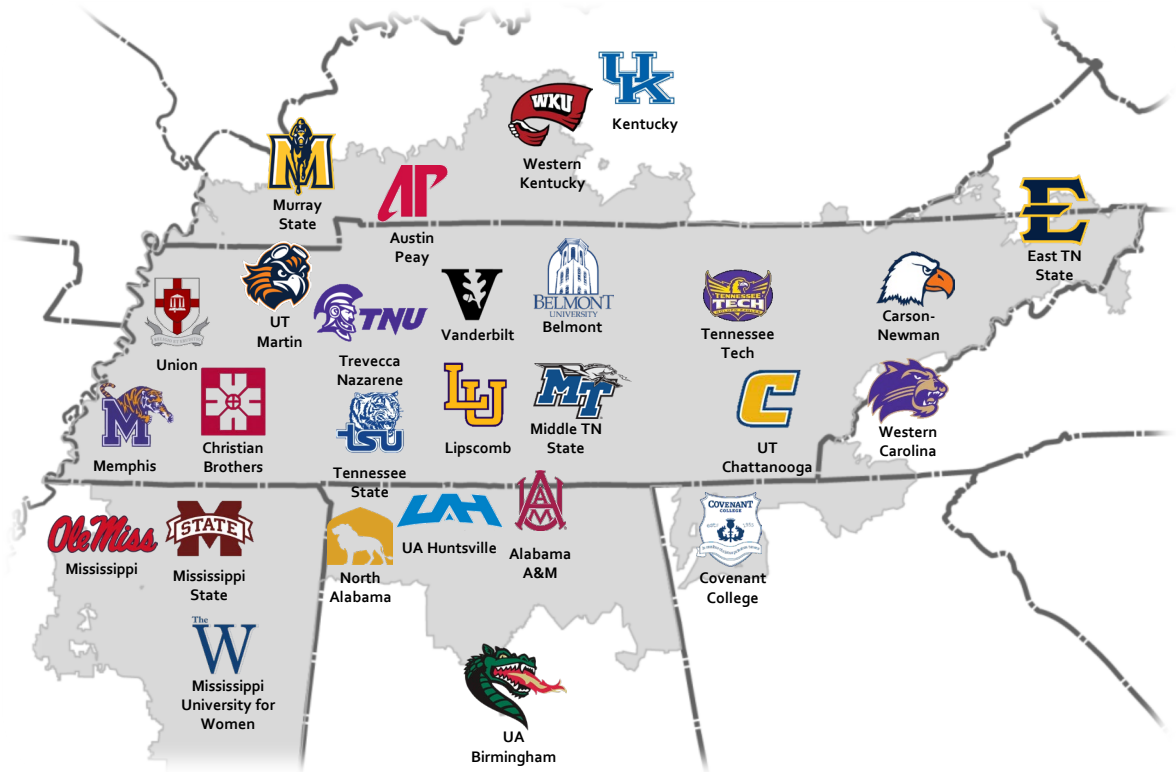
NDT / ART Asset Allocation

Investment Challenge Program

- Partnership with **27 universities** that provides students a **real-world experience**
- One of the **largest and longest running** student-managed investment programs in the United States
- Students manage **\$13.5 million** in a strategic **domestic equity** allocation as part of a \$1.5 billion trust
- More than **10,000 students** have participated in the program since it began in 1998
- Students have **exceeded** the return of the **S&P 500** since the program's inception

Investment Challenge Program

- This is where you...
live,
learn,
work,
and **play**
- Your work promotes **low rates** for everyone
- You are the **future leaders** of the communities that TVA serves



Investment Challenge Program History & Performance

Eric Davis, CFA

Director, Corporate Investments, TVA

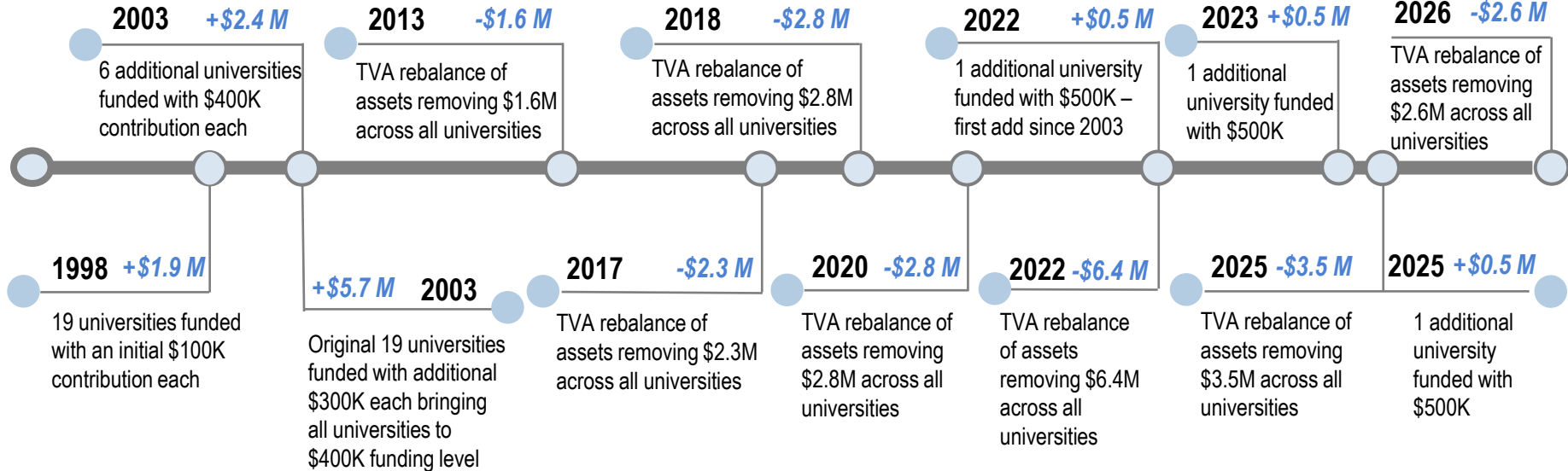
History and Growth of the Investment Challenge Program

Total TVA
Contributions
\$11.5 M

Total TVA
Withdrawals
\$22.0 M

Currently \$13.5 M
under Student
Management

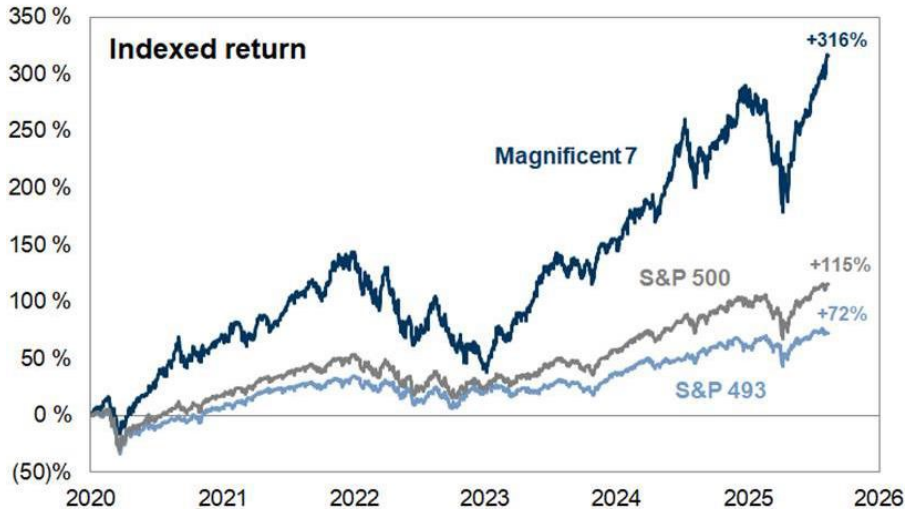
ICP Celebrates 25 Years



Mag 7

Mag 7 performance supported by fundamentals

S&P 500 Returns Since 2020



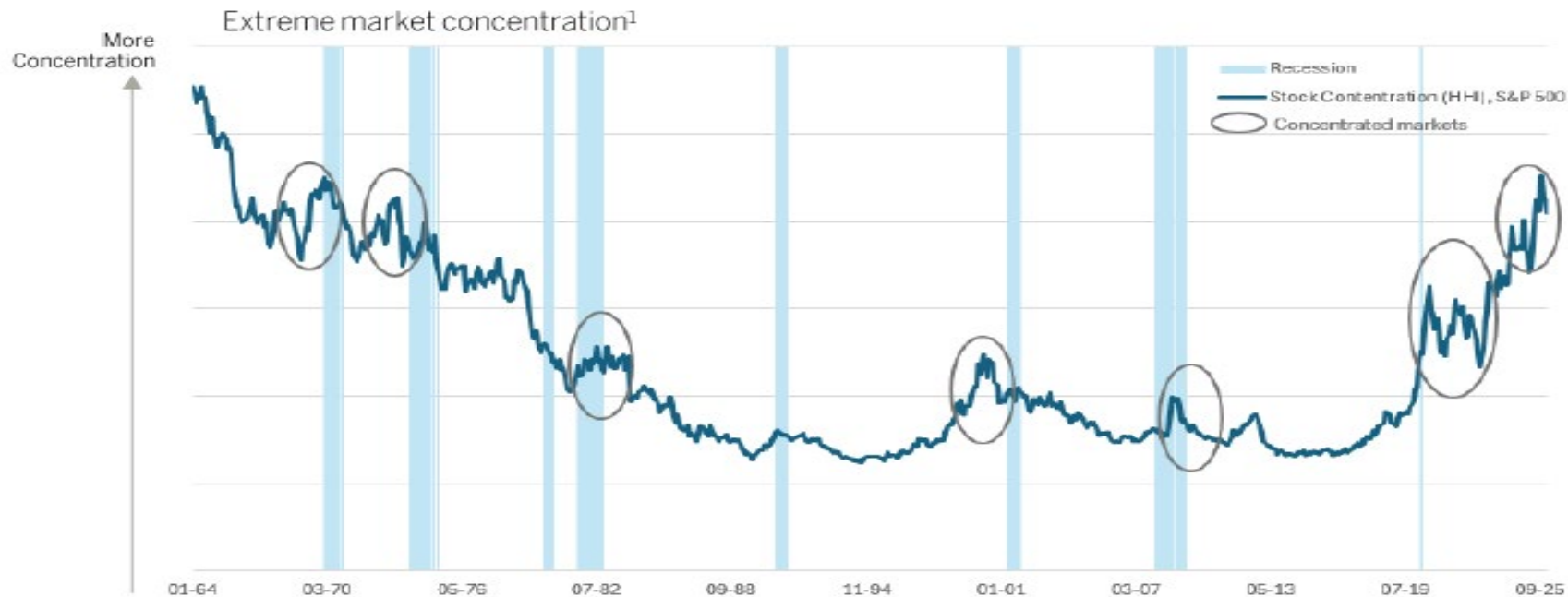
Earnings Reflect Consensus Forward 12-Month Estimates



Sources: Factset, Goldman Sachs Global Investment Research

Market Concentration

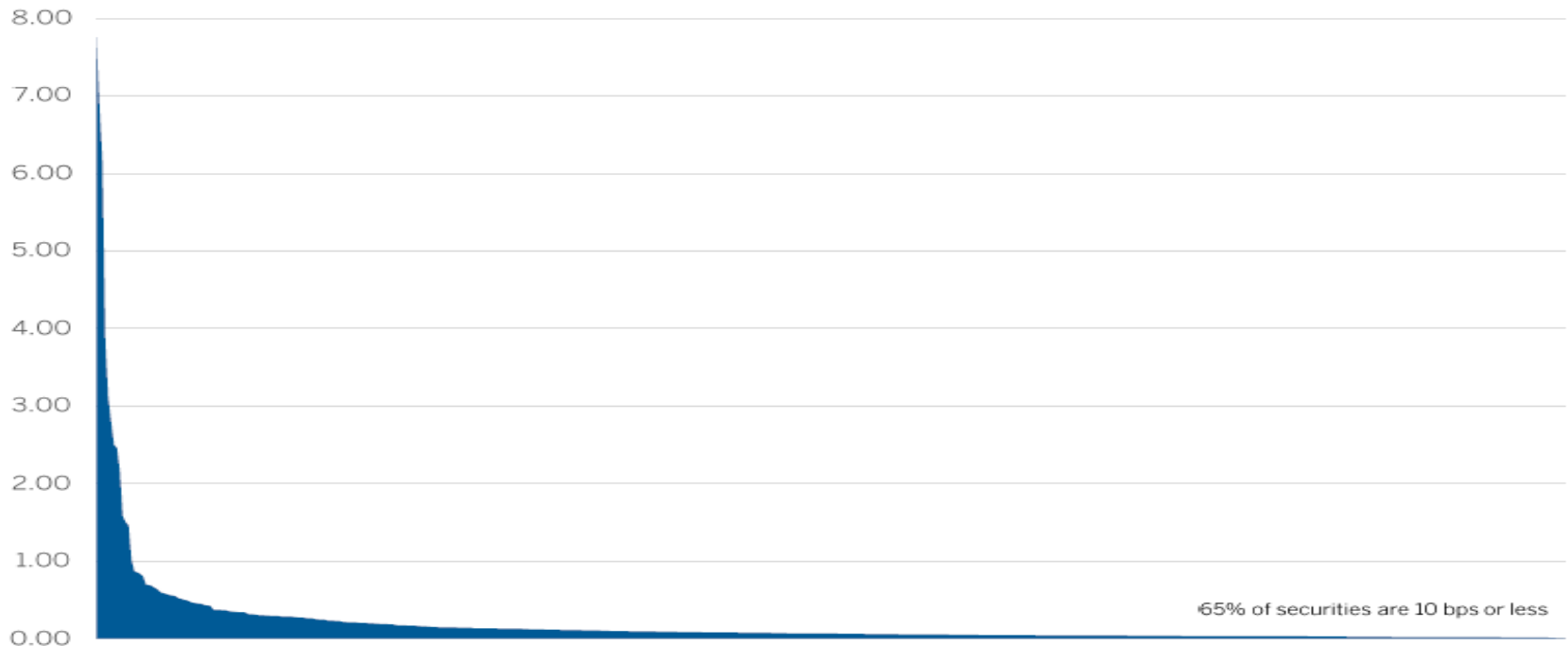
The implications of a narrow market



¹Chart data: January 1964 – 31 December 2025 HHI (Herfindahl-Hirschman index)

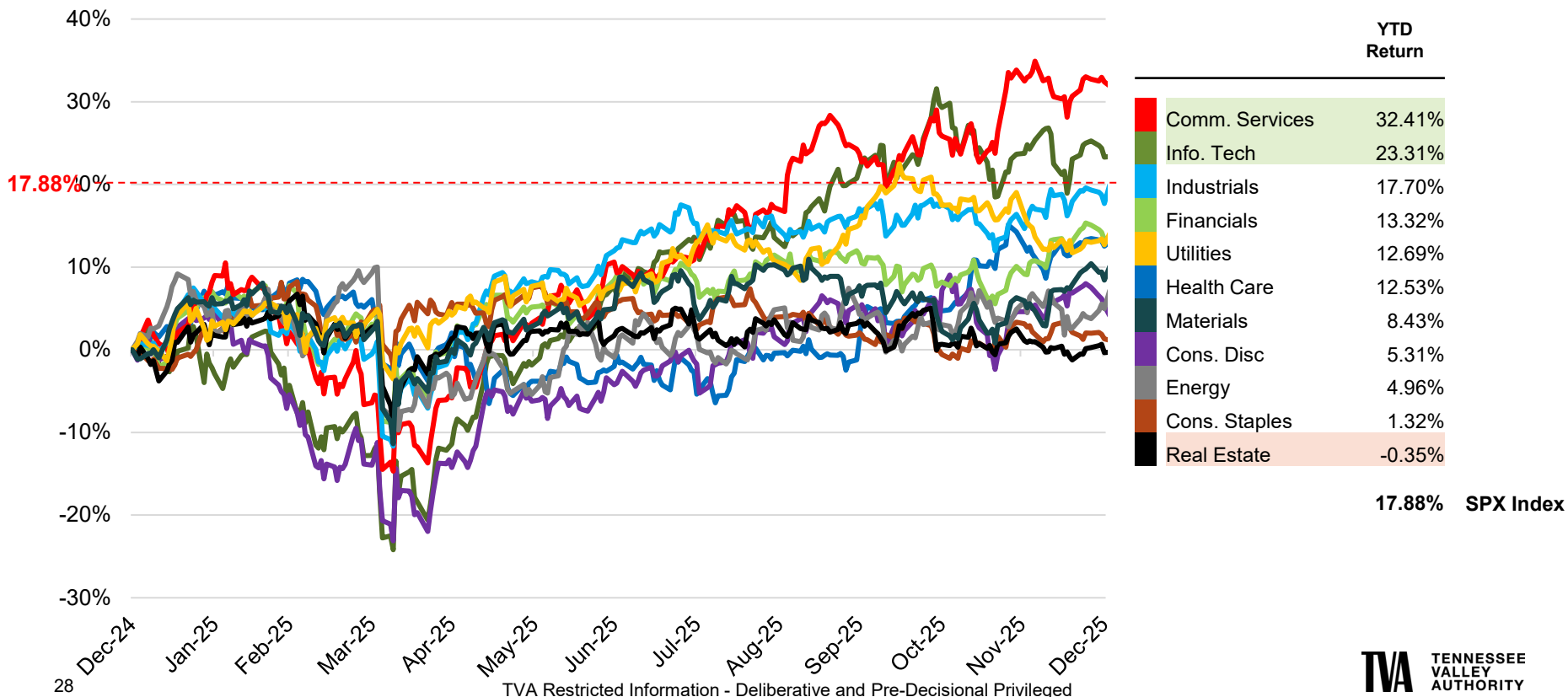
S&P 500 Diversification?

S&P 500 index: weight of securities in the index as of 12/31/25



S&P 500 Sector Returns

as of 12/31/2025



S&P 500 Breadth

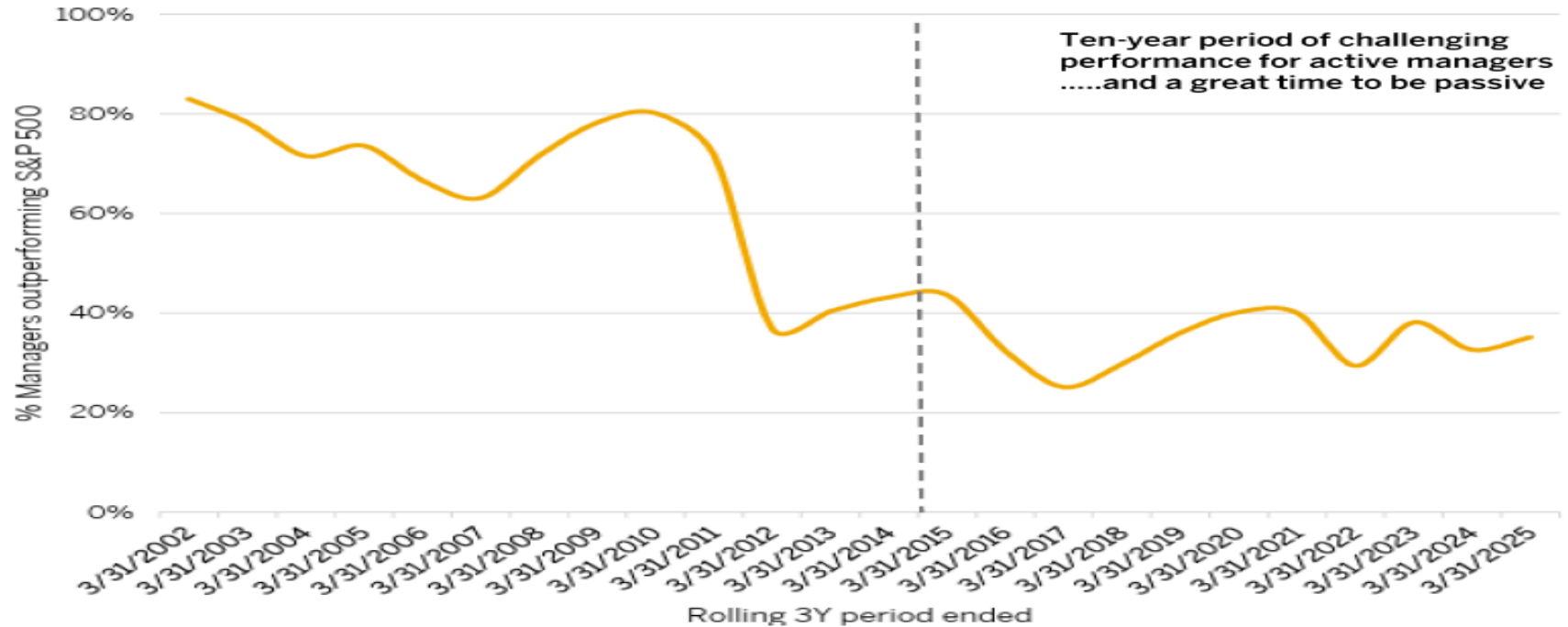
% of stocks outperforming index on a rolling 12-month basis



Source: Refinitiv – Wellington Management

Active Management

% S&P 500 benchmarked managers outperforming index



Source: eVestment – Wellington Management

ICP vs Active Manager Universe

Strategy		1-Year AACR	3-Year AACR	5-Year AACR	10-Year AACR	Since 1999
Peer Group ¹	# of Managers	526	525	523	490	112
ICP		27	26	24	24	18

Performance						
Peer Group		14.40	17.55	12.17	12.68	9.59
ICP		18.90	22.48	13.43	14.26	9.32
S&P 500 TR		17.88	23.01	14.42	14.82	8.93

ICP vs. Peer Group		4.50	4.93	1.26	1.58	(0.27)
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1) Peer Group includes Cambridge's US Equity ex SC active manager universe

ICP Performance Dashboard – ICP Composite

CY2025 Summary

Performance

Portfolio AUM		\$16.09 million	
	Portfolio	S&P 500	Excess
YTD	18.90%	17.88%	1.02%
1 Year	18.90%	17.88%	1.02%
3 Year	22.48%	23.01%	-0.53%
5 Year	13.43%	14.42%	-0.99%
ITD	9.32%	8.93%	0.39%
Portfolio Holdings		412 unique securities	

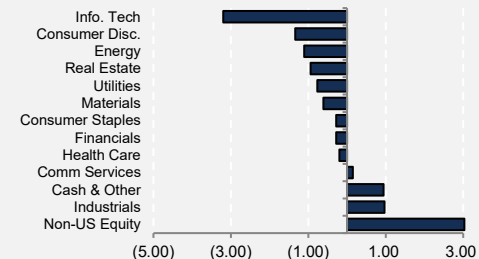
Remarks

- Security selection contribution: 54 bps FY25
- Sector allocation contribution: 48 bps FY25

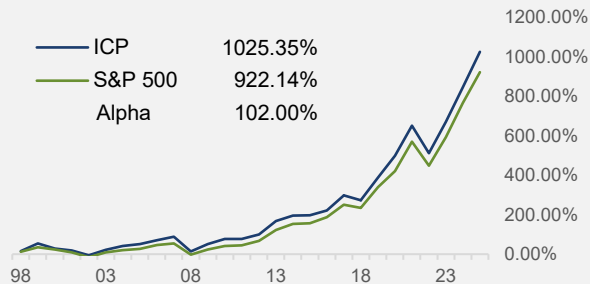
Top Contributors / Detractors

Nvidia	217 bps	Salesforce	- 32 bps
Alphabet A	157 bps	United Health	- 30 bps
Alphabet C	106 bps	Adobe	- 25 bps
Microsoft	84 bps	PayPal	- 12 bps
JP Morgan	81 bps	Crocs	- 10 bps

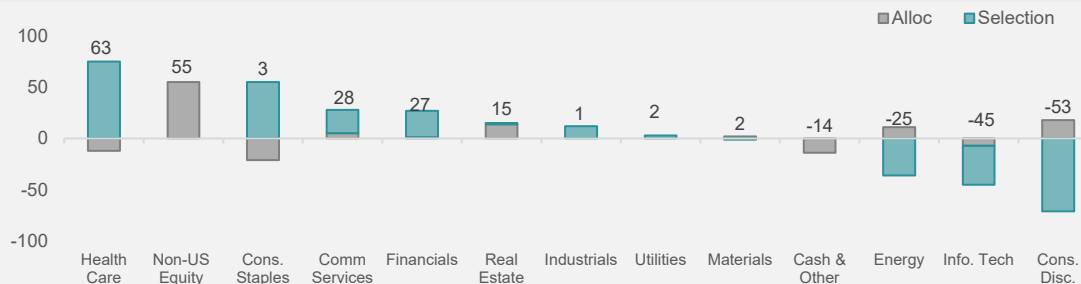
Portfolio Sector Weight v. Benchmark (%)



Cumulative Performance



Contribution to active return (bps)



Q&A

Submit a question here:



Next: Group Photo & Student Presentation Breakouts

Breakout Room Assignments

Room	Universities
McKissack 2	East TN State, Austin Peay State, Memphis
Ryman 2	Christian Brothers, TN Martin, AL Birmingham, Kentucky
Ryman 1	AL Huntsville, MS Univ. for Women, Vanderbilt
McKissack 1	Trevecca, Murray State, North AL
Armstrong 2	Western Carolina, Western KY, Covenant, Belmont
McKissack 3	TN Chattanooga, AL A&M, Middle TN State
Armstrong 1	TN Tech, MS State, Lipscomb, King Univ.
Ryman 3	Ole Miss, TN State, Carson-Newman, Union

Room assignments shown on name badge

TVA

**TENNESSEE
VALLEY
AUTHORITY**