

**INVESTMENT IN FIDELITY TREND FUND  
FOR PERIOD June 16, 1958\* - July 31, 1966**

INVESTMENT PER PAY PERIOD	DOLLARS PUT IN	VALUE JULY 31, 1966
\$ 5	\$ 1,061.00	\$ 3,700.00
10	2,124.00	7,403.00
25	5,309.00	18,509.00
50	10,617.00	37,015.00

\*Date fund was started.

ILLUSTRATIONS OF  
ASSUMED INVESTMENTS  
IN THE  
**TAKESTOCK  
PLAN**

**INVESTMENT IN PURITAN FUND  
FOR PERIOD January 1, 1956 - July 31, 1966**

INVESTMENT PER PAY PERIOD	DOLLARS PUT IN	VALUE JULY 31, 1966
\$ 5	\$ 1,375.00	\$ 2,672.00
10	2,752.00	5,345.00
25	6,879.00	13,363.00
50	13,758.00	26,724.00

**BASED ON 1% SALES CHARGES**  
All dividends reinvested and capital  
gains accepted in shares.

Period covered by above studies was one of generally rising common stock prices. Investment programs of the types illustrated above do not assume a profit or protect against depreciation in declining markets.



**FIDELITY TREND FUND, INC. ILLUSTRATION OF AN ASSUMED TAKE-STOCK PLAN**

Approved For Release 2005/11/21 : CIA-RDP73B00296R000500230001-1

in terms of continuous investments of \$5 each bi-weekly pay period with Dividends Reinvested and Capital Gains Distributions Accepted in Shares. Based on 1% Sales Charge.

The table below covers the period from June 16, 1958 to July 31, 1966, a period of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the Fund today. A program of the type illustrated does not assure a profit or protect against depreciation in declining markets.

**COST OF SHARES PURCHASED**

**VALUE OF SHARES**

YEAR ENDED DEC. 31	AMOUNT OF DIVIDENDS REINVESTED ANNUALLY	CUMULATIVE DIVIDENDS REINVESTED	TOTAL OF INITIAL AND PERIODIC INVESTMENTS	TOTAL COST INCLUDING REINVESTED DIVIDENDS
1958*	\$ —	\$ —	\$ 76	\$ 76
1959	1	1	206	207
1960	4	5	336	341
1961	5	10	466	476
1962	15	25	596	621
1963	19	44	726	770
1964	27	71	856	927
1965	32	103	986	1,089
1966**	—	103	1,061	1,164

FROM INITIAL AND PERIODIC INVESTMENTS	ACCEPTED AS CAPITAL GAINS	SUB-TOTAL	FROM DIVIDENDS REINVESTED	TOTAL VALUE OF INVESTMENT
\$ 94	\$ —	\$ 94	\$ —	\$ 94
292	16	308	2	310
535	42	577	7	584
1,030	80	1,110	18	1,128
944	64	1,008	29	1,037
1,522	92	1,614	61	1,675
1,859	104	1,963	96	2,059
2,960	271	3,231	176	3,407
3,086	435	3,521	179	3,700

\*June 16 to December 31 only. \*\*January 1 to July 31 only.

Dollar amounts of capital gains distributions accepted in shares were: 1958—none; 1959—\$15; 1960—\$18; 1961—\$7; 1962—none; 1963—none; 1964—none; 1965—\$74; 1966—\$150; Total — \$264.

**PURITAN FUND, INC. / ILLUSTRATION OF AN ASSUMED TAKE-STOCK PLAN**

in terms of continuous investments of \$5 each bi-weekly pay period with Dividends Reinvested and Capital Gains Distributions Accepted in Shares. Based on 1% Sales Charge.

The table below covers the period from January 1, 1956 to July 31, 1966, a period of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the Fund today. A program of the type illustrated does not assure a profit or protect against depreciation in declining markets.

**COST OF SHARES PURCHASED**

**VALUE OF SHARES**

YEAR ENDED DEC. 31	AMOUNT OF DIVIDENDS REINVESTED ANNUALLY	CUMULATIVE DIVIDENDS REINVESTED	TOTAL OF INITIAL AND PERIODIC INVESTMENTS	TOTAL COST INCLUDING REINVESTED DIVIDENDS
1956	\$ 3	\$ 3	\$ 130	\$ 133
1957	12	15	260	275
1958	20	35	390	425
1959	27	62	520	582
1960	36	98	650	748
1961	44	142	780	922
1962	53	195	910	1,105
1963	62	257	1,040	1,297
1964	76	333	1,170	1,503
1965	86	419	1,300	1,719
1966*	78	497	1,375	1,872

FROM INITIAL AND PERIODIC INVESTMENTS	ACCEPTED AS CAPITAL GAINS	SUB-TOTAL	FROM DIVIDENDS REINVESTED	TOTAL VALUE OF INVESTMENT
\$ 128	\$ 1	\$ 129	\$ 3	\$ 132
213	3	216	13	229
455	4	459	42	501
632	13	645	74	719
712	34	746	104	850
937	68	1,005	163	1,168
978	88	1,066	201	1,267
1,245	131	1,376	293	1,669
1,482	207	1,689	394	2,083
1,884	289	2,173	558	2,731
1,817	268	2,085	587	2,672

\*January 1 to July 31 only.

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Dollar amounts of capital gains distributions accepted in shares were: 1956—\$1; 1957—\$2; 1958—none; 1959—\$9; 1960—\$21; 1961—\$29; 1962—\$24; 1963—\$30; 1964—\$63; 1965—\$39; 1966—none; Total — \$218.

other than death or retirement, the value of his equity in the Savings Plan will be paid to him. Payment shall be in a lump sum, unless the participant elects within such time as the Board shall prescribe to have such payment made (a) in installments in such amount and over such period as may be requested by the participant and as can be conveniently arranged by the Board at the participant's expense through the investment company or a custodian of such funds, or (b) by transfer to him of shares of equivalent value in an investment company or companies in which any of the assets of the Savings Plan are currently invested, subject to investment policies and practices then in effect.

6. In addition to the other times for distribution of a participant's equity as provided in this article 5, a participant whose current period of participation in the Savings Plan is as much as three years, may, with the Board's approval, withdraw in a lump-sum one-half or all of his equity in the Savings Plan. If the participant withdraws one-half of his equity in the Plan, he shall not be permitted to make further contributions thereto until two years after such withdrawal; if he withdraws his entire equity, his participation in the Plan shall cease and he shall not be entitled again to participate earlier than three years following such withdrawal.

7. The liquidation in whole or in part of a participant's equity in the Savings Plan in order to make a lump-sum payment or transfer as provided in the preceding paragraphs of this article shall be made on the basis of the net asset value of the respective investment company shares as of the close of business on Friday (or the last business day of the New York Stock Exchange for that week if Friday is not a business day) of the week in which the Board receives the participant's (or beneficiary's) election of a lump-sum payment or transfer, provided it is received by noon of such day; otherwise, such liquidation shall be made on the basis of the net asset value at the close of the last business day of the succeeding week. Arrangements for payment of the participant's equity in installments through a custodian or by transfer of shares in an investment company shall be completed by the Board as soon as practicable and on the basis of values at the time such arrangements

are effected. Any portion of a participant's contributions Approved For Release 2005/11/21 : CIA-RDP73B00296R000500230001-1 liquidation of his equity therein is not reflected in his equity account shall be refunded to the participant or his beneficiary, as the case may be.

#### Article 6

##### Termination of the Savings Plan

TVA may terminate the Savings Plan at any time, and in that event, the Board will liquidate the assets in the various funds of the plan and will distribute the proceeds thereof among the participants in proportion to their respective equities in the funds. Payment may be made in one of the forms specified in paragraph 5 of article 5 of these Terms and Conditions, or the participant may at his election have part or all of his equity transferred to the Retirement System as a lump sum contribution thereto, subject to the limitations of section 9A, paragraph 5, of the Rules and Regulations.

#### Article 7

##### Amendments to Terms and Conditions

These Terms and Conditions may be amended by the Board from time to time, provided the Board gives at least 30 days' notice of the proposed amendment to TVA and to the participants. TVA may, by notice in writing addressed to the Board within said 30 days, disapprove any such proposed amendment and, in that event it shall not become effective. No such amendment may diminish the equity which a participant has theretofore acquired in a savings fund.

#### Article 8

##### General Provisions

1. Neither the Board, the Retirement System, the Tennessee Valley Authority, nor any officer, employee, or agent thereof, shall incur any liability on account of any loss or decrease in the value of the assets of any of the funds in the Savings Plan, or in the amount of any member's equity therein, resulting from depreciation in the value of or earnings on the investment company shares purchased.
2. In all matters of administration of the Savings Plan which require the Board's approval or otherwise involve its discretion, the Board

shall act in a manner which will achieve, as regards the efficacy of the Board's determinations in administration of the plan;

3. Insofar as not inconsistent with these "Terms and Conditions," the Rules and Regulations and Bylaws of the Retirement System shall be applicable to the administration of the Savings Plan. In application of the foregoing and not in limitation thereof, the following provisions of the Rules and Regulations are made applicable to the Savings Plan:

- a. The provisions of section 3, paragraph 7, as regards the efficacy of the Board's determinations in administration of the plan;
- b. The provisions of section 6D1 as regards the right of set-off by TVA against a member's contributions to satisfy a debt owed it by the member;
- c. The provisions of section 11, paragraphs 7, 8, and 9, as regards, respectively, (1) extensions of time for filing applications for benefits or other instruments, (2) the use of prescribed forms in applying for benefits or designating or changing beneficiaries, and (3) the efficacy of beneficiary designations;
- d. The provisions of section 12 prohibiting the assignment or encumbrance of benefits.

## TERMS AND CONDITIONS

### OF THE

### VOLUNTARY RETIREMENT SAVINGS AND INVESTMENT PLAN

### FOR MEMBERS OF THE

### TVA RETIREMENT SYSTEM

#### Article 1

##### Definitions

1. "Savings Plan" shall mean the Voluntary Retirement Savings and Investment Plan as herein established for members of the TVA Retirement System.
2. "Retirement System" shall mean the retirement system established as of November 1, 1939, for TVA Annual Employees.
3. "Member" shall mean a member of the Retirement System.
4. "Participant" shall mean a member of the Retirement System who has elected to participate in the Savings Plan.
5. "Rules and Regulations" shall mean the Rules and Regulations, as amended from time to time, under which the Retirement System operates.
6. "Terms and Conditions" shall mean the terms and conditions set out in this document, or as the same may be amended, under which the Savings Plan operates.
7. "Board" shall mean the Board of Directors of the Retirement System.
8. The masculine pronoun wherever used shall include the feminine pronoun.
9. Other terms used herein shall, unless a contrary meaning is clearly indicated, have the same meaning as provided in the Rules and Regulations.

Article 2

Participation

1. Any Retirement System member who is currently enrolled for the purchase of United States Savings Bonds through payroll deductions may elect to participate in the Savings Plan or modify his participation, within the limitations prescribed in or pursuant to paragraphs 1 and 2 of article 4 hereof, by filing with the Board the prescribed election form. Such participation or modification shall become effective as soon as practicable after the Board's receipt of the form.
2. Except as provided in paragraph 6 of article 5, a member's participation in the Savings Plan shall continue so long as he remains a member of the System but he may discontinue his contributions at any time through a modification notice in accordance with paragraph 1 and his contributions shall be discontinued for him at any time he ceases to be enrolled for the purchase of United States Savings Bonds through payroll deductions.

Article 3

Savings Funds

1. As part of the Savings Plan the Board shall establish initially two savings funds to which the contributions made by the participants as provided in article 4 shall be credited in accordance with their respective designations, together with all income earned or other gains realized on the assets held in the respective funds. The assets of one such fund will be invested in the shares of Fidelity Trend Fund, Inc. under its Single Payment Plan, and the assets of the other fund will be invested in the shares of Puritan Fund, Inc. under its Single Payment Plan. The Board may, at its election, establish other such savings funds and designate the regulated investment company in whose shares the assets of the respective fund shall be invested; provided, however, that the Board shall notify TVA of its intention to establish another such fund not less than 30 days prior to the effective date thereof and such fund shall not be established if TVA disapproves the same within 30 days after receipt of such notice. Upon establishment of any additional fund, the members shall be given an opportunity to participate therein in ac-

cordance with the provisions of article 4. The investment in Approved For Release 2005/11/21 : CIA-RDP73B00296R000500230001-1 to the fund company shall be made in each case in accordance with and subject to the options, privileges, and terms and conditions of the applicable investment plan of the company.

2. Each of the funds of the Savings Plan shall constitute a separate trust which shall be administered and maintained by the Board entirely separate and apart from all other funds and accounts of the Retirement System. The assets of each such fund shall be invested by the Board exclusively in the shares of the investment company designated by or pursuant to the provisions of paragraph 1 and shall be used exclusively in payment of benefits to the participants in the fund, or their beneficiaries, as such benefits become due and payable under these Terms and Conditions.

Article 4

Contributions

1. Each participant in the Savings Plan may contribute to one or two of the established savings funds, as he elects, through payroll deductions; provided that such contribution shall be in whole dollars and not less than \$5 per biweekly payroll period for each fund in which he participates; provided, further, that such payroll deductions for contributions by the participant to the Savings Plan may not, when added to his contributions to the Retirement System, exceed a total of 16 percent of his earnable compensation for the pay period.
2. A participant may from time to time and within the limits set out above modify his rate of contribution to the Savings Plan, or change his current contribution from one established savings fund to another, subject to such limitation on frequency of change as the Board may prescribe. Subject to such conditions as the Board may impose, a participant may also be permitted to transfer his previously acquired equity in one savings fund to another.
3. The equity which a participant acquires in the assets of any savings fund shall be expressed in units, each of which shall be the equivalent of one share of the investment company in which the fund is invested. The Board will determine on a periodic basis the equity which a participant acquires by his contributions to

the savings fund by application to the par-  
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 during such period of the average cost of all the investment company shares purchased for the fund in the same period, provided that such period will not be more than a month. Any distribution of cash or stock dividends or capital gains by the investment company will be prorated among the participants' accounts on the basis of their respective equities in the fund. The Board will maintain appropriate accounts showing the equity of each participant in the respective savings funds.

Article 5

Benefits

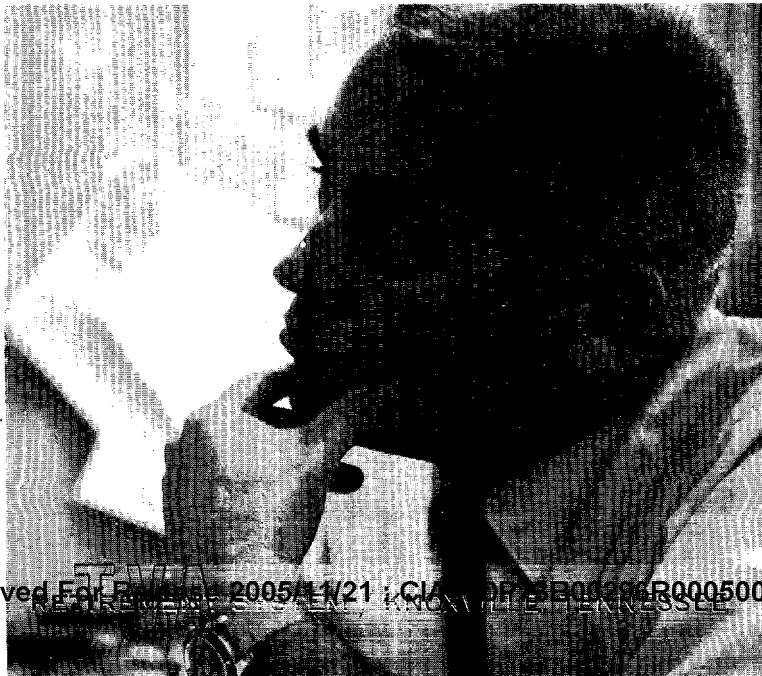
1. Benefits under the Savings Plan shall normally be distributable at the time of the participant's retirement or death, or termination of membership in the System for other cause, it being intended that the Plan will provide a flexible means of supplementing the benefits provided under section 6 of the Rules and Regulations.
2. The normal method of distribution of the participant's equity in the Savings Plan shall be by transfer of the value of such equity at the time of his retirement to the Retirement System's Accumulation Account for conversion to a fixed-dollar annuity which is the actuarial equivalent of the amount so transferred, or to the Variable Annuity Fund for conversion to a variable annuity. The participant may, at the time he makes application for retirement or designates the manner in which his retirement allowance will be paid and subject to the Board's approval, select an alternative method of distribution which may be (a) installment payments in such amount and over such period as may be requested by the member and as can be conveniently arranged by the Board at the member's expense through the investment company or a custodian of such funds, (b) transfer to the member of shares of equivalent value in an investment company or companies in which any of the assets of the Savings Plan are currently invested, subject to investment policies and practices then in effect, or (c) a lump sum payment. In the case of a deferred retirement, the participant's election as to the method of distribution of his equity may be made when his employment ceases or when his retirement allowance

begins, or he may select at any intervening time, subject to the Board's approval, one of the alternative methods of distribution described above.

3. On the death of a participant as a member in service of the Retirement System, his equity in the Savings Plan shall be paid in a lump sum to the beneficiary or beneficiaries designated to receive the death benefit provided for in section 6D2 of the Rules and Regulations, or to his estate, if no beneficiary has been designated; provided that the beneficiary, if only one person has been so designated, may elect to have the participant's equity in the Savings Plan transferred to the Retirement System's Accumulation Account for conversion along with the death benefit to one of the optional forms of settlement described in section 6F of the Rules and Regulations, or to the Variable Annuity Fund for conversion to a variable annuity. Such beneficiary may also elect, subject to the Board's approval, to receive the participant's equity in the Savings Plan (a) in installment payments in such amount and over such period as may be requested by the beneficiary and as can be conveniently arranged by the Board at the beneficiary's expense through the investment company or a custodian of such funds, or (b) by transfer of shares of equivalent value in an investment company or companies in which any of the assets of the Savings Plan are currently invested, subject to investment policies and practices then in effect. A participant may at his election make a separate designation of beneficiary or beneficiaries to receive his equity in the Savings Plan upon his death in service, and in that event such equity shall be payable only in a lump sum or as provided in items (a) and (b) above.
4. On the death of a participant under the circumstances described in section 6B3 or section 6D3 of the Rules and Regulations, his equity in the Savings Plan shall be paid in a lump sum to the beneficiary, or the participant's estate, entitled to receive the Retirement System benefits provided for under the respective sections, unless the participant shall have designated a separate beneficiary to receive his equity in the Savings Plan.
5. Upon termination of a participant's membership in the Retirement System for reasons

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# TAKESTOCK PLAN



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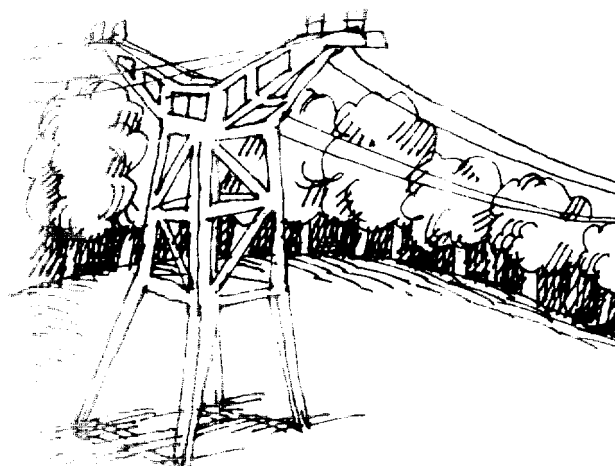
**YOUR RETIREMENT PROGRAM EXPANDS**

The Tennessee Valley Authority since 1939 has provided its annual employees with a retirement program that ranks among the best in the country.

But in these days of rising costs of living, longer life expectancy, earlier and more active retirement years, you may want still more money at retirement. Or even sooner, for meeting money emergencies or other special needs. And you'd like this new benefit to be flexible...giving you an opportunity to grow financially with our growing U.S. economy.

You may now supplement your retirement benefits by enrolling in a voluntary mutual fund savings and investment program designed by your TVA Retirement System.

The official name of the plan is Voluntary Retirement Savings and Investment Plan. For purposes of simplicity, the Board has decided to call it the TAKE STOCK Plan.



The TAKE STOCK Plan provides . . . through regular payroll deductions . . . a simple, convenient means of buying many well-selected stocks in American industry in one economical "package" of **mutual fund shares**. Spreading your money this way reduces your investment risk. Professional management also increases your opportunity for gain in value. For, as times and conditions change, the mutual funds' professional investment managers sell some stocks and buy others, in an effort to attain your investment objectives.

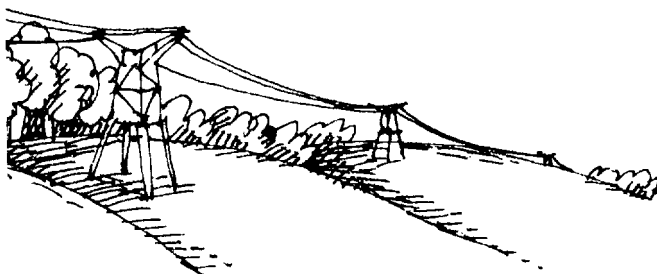
#### **HOW YOUR INVESTMENTS ARE MANAGED**

In the TAKE STOCK Plan, the Board has set up two accounts. The assets of one will be invested in shares of **Fidelity Trend Fund Inc.** Assets of the other will be invested in shares of **Puritan Fund Inc.** Your money will be invested in either or both of these mutual funds, as you choose. Income and capital gains distributions paid by the funds will be reinvested in additional shares.

Both mutual funds are under the management of Fidelity Management and Research Company, Boston, Massachusetts, established in 1943. It serves as adviser to ten mutual funds representing more than 435,000 investors and having combined assets of over \$2½ billion.

#### **WHY TWO MUTUAL FUNDS?**

The TAKE STOCK Plan gives you a choice of the two objectives that most investors seek: **Capital appreciation and income.**



#### **FIDELITY TREND FUND INC.**

The primary objective of Fidelity Trend Fund is capital appreciation. It involves a higher risk but offers the possibility of greater capital growth.

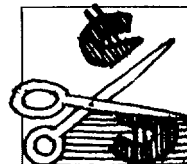
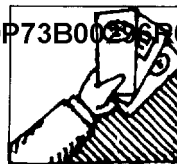
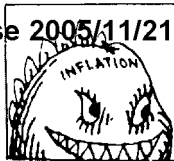
#### **PURITAN FUND INC.**

The investment objective of Puritan Fund is to obtain the maximum income possible, consistent with the preservation and conservation of capital.

#### **INVESTORS' FAVORITES**

These two mutual funds are established favorites with many thousands of U.S. investors. One reason: Their unusual record of accomplishment for shareholders. **Fidelity Trend Fund**, ever since its founding in 1958, has been an outstanding performer among growth funds. Of course, there is no guarantee that future performance will be the same as in the past—it may not be as good; it may be better. **Puritan Fund** likewise has been an outstanding fund of the income type. Since its founding in 1946, it has grown to over one-half billion dollars in assets, with shares owned by more than 55,000 investors all over the free world. Certainly, there are no absolutes or guarantees concerning investment results or income from mutual fund shares. But with past performance as the measure, you can have confidence in the proven management of the two funds selected. In the long run, if present economic trends continue, **it is not unreasonable to hope that your investment will grow in value.** However, you should understand that mutual fund shares can decrease, as well as increase in value.





## PRINCIPAL ADVANTAGES TO YOU

**1. Hedge Against Inflation.** The TAKE STOCK Plan provides a flexible supplement to your Retirement System benefits. The Plan is tied to our expanding U. S. economy. Thus it should help you keep pace with higher prices, and with resulting decreases in the buying power of the dollar.

**2. Top Convenience.** The TAKE STOCK Plan offers an easy, automatic way to invest in a portfolio of selected securities, on a fully voluntary basis, to be administered by the TVA Retirement System. It gives you an opportunity to provide more for your Tomorrows.

**3. Taxes Deferred.** By leaving your money in the Plan, you will not have to report dividends and capital gains as current income for tax purposes. Taxes are deferred until your funds are withdrawn. This saving could result in a sizeable increase in your investment returns.

**4. Big Reduction In Purchase Price.** Normally, it would cost you 7½% to 8½% in sales charges to buy mutual funds on your own. Because of the TAKE STOCK Plan's anticipated volume of group purchases, this cost will be substantially reduced and may go as low as 1%.

### WHAT IS A MUTUAL FUND?

Money set aside by thousands of individuals is combined into **one large investment fund**. For each individual, this makes it possible to own a simple, convenient package of many different securities.

Professional investment managers select diversified investments among companies in many industries, and keep the securities under continuous review. The cost of this service is allocated among all mutual fund shareholders. **This enables each to obtain the many investment advantages ordinarily enjoyed only by the very wealthiest investors.**

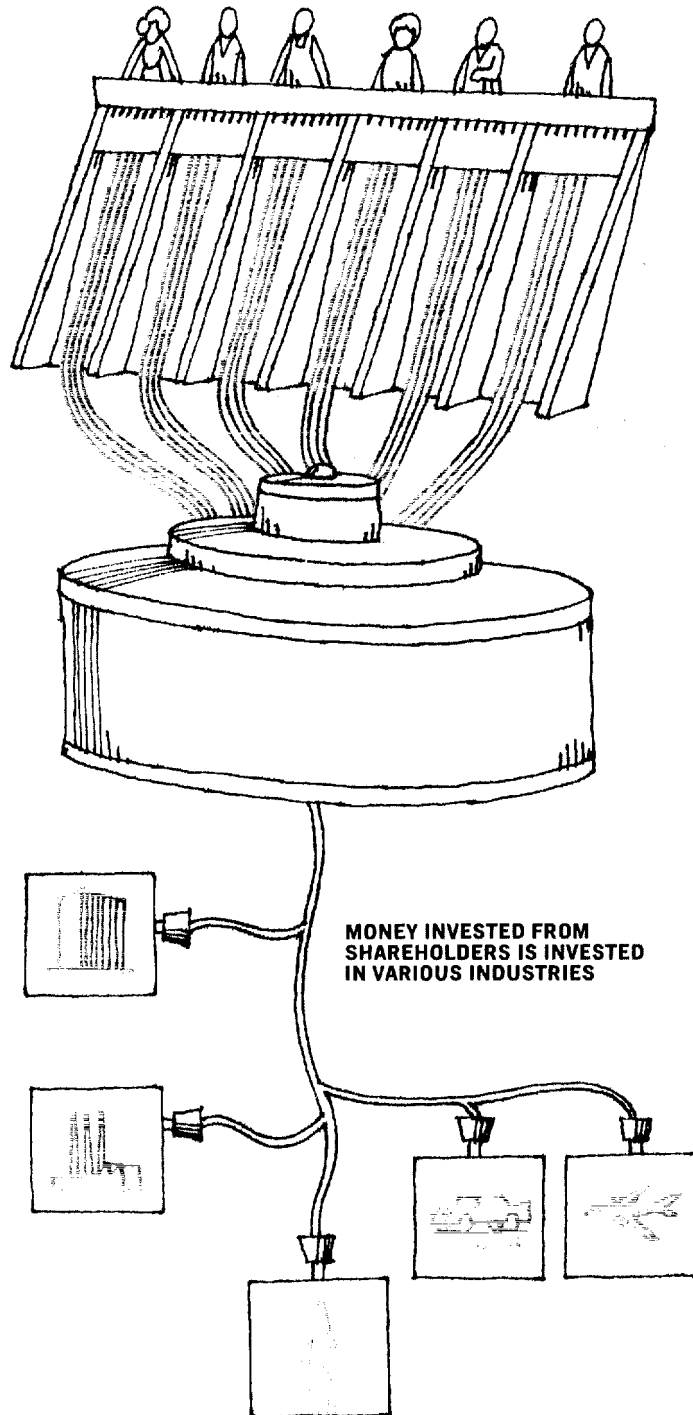
### HOW INCOME AND PROFITS ARE DISTRIBUTED

1. Periodically the fund distributes the varying **dividends and interest** received (less the modest management fee and other expenses) pro rata to shareholders as dividends from investment income. The "shareholder" in the TAKE STOCK Plan is the TVA Retirement System Board—it reinvests the dividends in the same mutual fund and credits the additional shares to your account.

2. There are two ways in which **any increased value of the funds' investments** is passed on to the investors:

a. **INCREASED SHARE VALUES.** The value of each share (net asset value) is computed twice daily from the total market value of all of the securities held by the fund. Since funds under Fidelity Management will normally redeem their shares on any business day, the investor who sells when the value of his investment is more than its cost (it may be less) would receive his proportionate part of the funds' gains in cash as part of the redemption proceeds. Incidentally, Fidelity Trend and Puritan share values are reported daily in all leading newspapers throughout the country.

b. **CAPITAL GAINS DISTRIBUTIONS.** After the end of the mutual funds' business year, any profits realized from the sale of securities will be paid as capital gains distributions in additional shares of the fund. It should be noted that capital gains distributions are paid only if and when they are realized.





### MEMBER WITH MANY ADVANTAGES IN THE VA FUNDS

It's the way you make your investments for greater  
potential returns, reduce market risk and increasing  
opportunities for gain.

It's the benefit from the time professional manage-  
ment at a relatively low cost.

It's the freedom to see all details of individual stock  
investments.

### MEMBER PARTICIPATE

You must be a member of the VA Retirement Sys-  
tem and meet one other requirement. As a VA em-  
ployee you have the opportunity to buy U. S.  
Government Bonds in addition to other investment options.

It's easy to join many government agencies with  
1000 or more employees. Employee participation  
plans are available at many of these.

For more information contact the U. S. Government

Employees Retirement System, P. O. Box 1000, Wash-  
ington, D. C. 20540.



### HOW MUCH OR HOW LITTLE CAN I PUT IN THE TAKE STOCK PLAN?

You can invest as little as \$5 each biweekly payroll period. If you decide to participate in both investment funds, you can put in \$10 or more per pay period. However, participants in the TAKE STOCK Plan can have total deductions—in both the retirement and the TAKE STOCK plans—of no more than 16% of salary.

### CAN I CHANGE MY DEDUCTIONS AND WITHDRAW MY INVESTMENT?

You can change the amount placed in the Plan or stop deductions at any time. At the end of three years, you can withdraw half or all of your equity to meet special needs. But if you take half of it out, you can't put in any more money for two years; if you withdraw all, you have to wait three years.

Should you leave VA, your full equity would be returned to you in mutual fund shares or by lump-sum cash, which would be equal to the full current market value of the shares held for you which may be more

**HOW CAN I TELL HOW MUCH I  
HAVE IN THE PLAN?**

You will receive quarterly statements from your Retirement System showing the number of shares held for you. The current prices of mutual fund shares are carried daily on the financial pages of newspapers. So, knowing the number of shares in your account, and the "bid price" (net asset value) you can easily compute their current value.

**HOW DO I KNOW WHERE MY MONEY  
IS BEING INVESTED?**

You will receive regular reports from the mutual funds showing the securities presently held in the funds, as well as investment changes.

**HOW DO I COLLECT MY BENEFITS?**

At the time you apply for retirement, or when you decide how your retirement allowance is going to be paid, you will select the method by which you want to receive your equity. You may select one of four ways:

- a. Your TAKE STOCK investments can be transferred into the TVA retirement fund and you can choose either a fixed annuity or variable payments.
- b. You may take monthly installment payments of a specified dollar amount under the mutual fund withdrawal program, as described in the fund prospectus.
- c. Mutual fund shares equal in value to your equity can be transferred to you.
- d. You can take a lump-sum payment in cash.

**WHAT HAPPENS IF I DIE  
BEFORE RETIREMENT?**

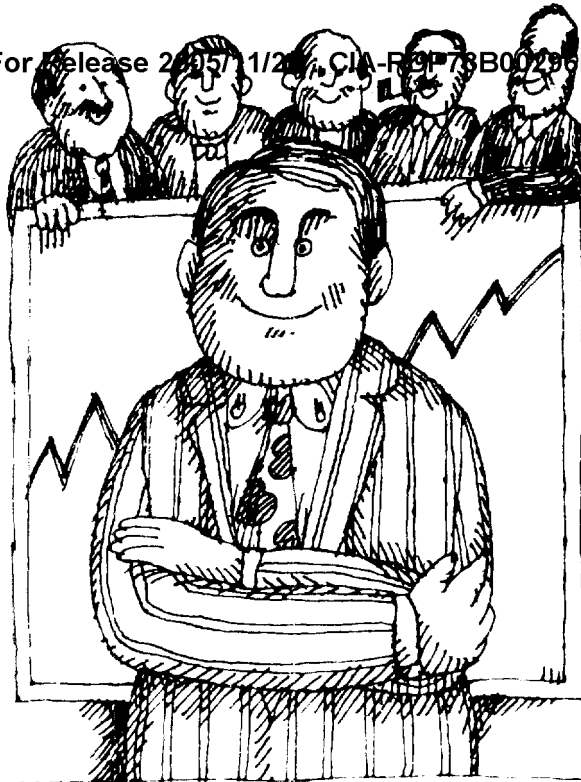
In the event of your death before retirement, your beneficiary would have the same choices that would have been available to you at retirement.

**WILL MY TAKE STOCK HOLDINGS REDUCE  
MY OTHER RETIREMENT BENEFITS?**

Not at all. Your sharing in the TAKE STOCK Plan gives you **supplemental** money to make your retirement more comfortable.

**IS MY EQUITY AVAILABLE ONLY  
AT RETIREMENT?**

No. Your equity in the TAKE STOCK Plan can be partially or totally cashed in—after three years—to meet special needs. This gives you somewhat more flexibility than you have with money you contribute to the retirement plan—toward either a fixed or variable annuity. Those contributions are available to you only if you quit or retire—or to your beneficiary, if you die before retirement.



### **WHO CONTROLS MY MONEY?**

1. The TVA Retirement System Board of Directors has administrative direction of the Plan.
2. The professional investment managers of the two mutual funds make the investment decisions.

### **HOW WILL MY HOLDINGS BE TAXED?**

Tax laws and the interpretation of them may change. On the basis of the present law and interpretations, the TAKE STOCK Plan gives an important twofold advantage:

**Deferred Tax Benefit:** You receive a deferment of taxes on all income and capital gains distributions paid by the mutual funds on your investment. If you leave your investment in the Plan, **these taxes are not due until after retirement**, when your tax bracket is likely to be lower. Besides, your profit (the value of your equity less the amount you have invested) will be taxed at the lower capital gains rate if it is received



**No Tax Return Bother:** Throughout the years when you are investing, you are relieved of the responsibility for making any income tax accounting for the dividend and capital gains distributions made by the mutual funds.

#### **WHAT RISKS DO I RUN?**

Like any stock investment, mutual fund shares entail a degree of market risk but, because of the mutual funds' diverse holdings of securities, coupled with their professional management, they may offer the investor less risk than individual purchases of a relatively small number of similar securities.

For most TVA employees, the TAKE STOCK Plan will be a **long-term** investment. And over the long pull, investors have found mutual funds to be an effective hedge against inflation.

Historically, prices of common stocks representing ownership in U. S. industry generally have grown in value. According to the Dow-Jones Index of industrial stock prices, the average value has increased by about 14 times since 1900, and by about 7½ times in the 25 years since 1940. Assuming this growth continues for the future as it has in the past, mutual fund investment offers a convenient and effective way to participate in it.

**Today, more than 3½ million people have some thirty-five billion dollars invested in mutual funds.**

A record that speaks for itself.

### THE PLAN'S ADVANTAGES: A SUMMARY

1. Top convenience in a wholly voluntary plan, with administrative costs paid by your Retirement System.
2. Your invested dollars stay within your personal reach, bearing in mind that the value of your equity may be **more** or **less** than its cost.
3. A flexible supplement to Retirement System benefits that gives you a valuable hedge against inflationary rises in living costs.
4. Taxes deferred on dividends and capital gains paid by your mutual funds while your money is in the TAKE STOCK Plan.
5. A big reduction in purchase price, because of a reduced mutual fund sales charge—made possible by economical group buying.
6. A large measure of diversification in your investments.
7. Full-time professional management of your investment holdings.
8. A choice of two mutual funds having **outstanding records** of performance for investors.

### HOW DO I SIGN UP FOR THE PLAN?

There's a TAKE STOCK enrollment card with this booklet. Fill in the number of dollars you want to put into one or both of the funds (not less than \$5 per fund). Send your card to TVA Retirement System, Knoxville. Your deductions will start as soon as possible after your enrollment card is received. The first payroll deductions will be made in the pay period that ends October 8, 1966 (Salary Policy) and October 15, 1966 (Trades and Labor).

### RECORDS AND STATEMENTS

The System will keep an individual account record for you and send you a quarterly statement. The Board does not, of course, incur any liability because of possible decrease in the value of the shares held for you.

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RETIREMENT SYSTEM

104 Old Post Office Bldg.  
Knoxville, Tennessee

TAKE STOCK TODAY  
INVEST FOR TOMORROW

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October 1, 1966