

## Note 8. Investments

| <b>Investments as of September 30, 2025</b>                         |                |                |                |              |              |
|---------------------------------------------------------------------|----------------|----------------|----------------|--------------|--------------|
| (In billions of dollars)                                            | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Other</b> | <b>Total</b> |
| <b>Pension Benefit Guaranty Corporation:</b>                        |                |                |                |              |              |
| Equity securities                                                   | 5.1            | 12.5           | -              | -            | 17.6         |
| Corporate bonds and other                                           | -              | 14.2           | -              | -            | 14.2         |
| Asset backed/mortgage-backed securities                             | -              | 11.0           | -              | -            | 11.0         |
| Securities lending collateral                                       | -              | 9.0            | -              | -            | 9.0          |
| International fixed maturity securities                             | -              | 6.7            | -              | -            | 6.7          |
| Other securities                                                    | 1.6            | 4.9            | 0.5            | 2.3          | 9.3          |
| Total Pension Benefit Guaranty Corporation                          | 6.7            | 58.3           | 0.5            | 2.3          | 67.8         |
| <b>National Railroad Retirement Investment Trust:</b>               |                |                |                |              |              |
| U.S. equity                                                         | 8.1            | -              | -              | -            | 8.1          |
| Non-U.S. equity                                                     | 5.9            | -              | -              | -            | 5.9          |
| Global fixed income                                                 | 0.1            | 3.9            | -              | 0.6          | 4.6          |
| Private equity                                                      | -              | -              | -              | 3.8          | 3.8          |
| Global real assets                                                  | 0.3            | -              | -              | 2.6          | 2.9          |
| Other securities                                                    | 0.1            | -              | -              | 1.7          | 1.8          |
| Total National Railroad Retirement Investment Trust                 | 14.5           | 3.9            | -              | 8.7          | 27.1         |
| <b>Tennessee Valley Authority:</b>                                  |                |                |                |              |              |
| Private equity, real assets, and credit measured at net asset value | -              | -              | -              | 5.3          | 5.3          |
| Commingled funds measured at net asset value                        | -              | -              | -              | 3.7          | 3.7          |
| Debt and equity securities                                          | 1.6            | 1.2            | -              | -            | 2.8          |
| Other securities                                                    | 0.4            | 1.1            | -              | 1.5          | 3.0          |
| Total Tennessee Valley Authority                                    | 2.0            | 2.3            | -              | 10.5         | 14.8         |
| Department of Defense                                               | -              | -              | -              | 10.6         | 10.6         |
| Department of the Treasury                                          | 5.4            | -              | 4.0            | -            | 9.4          |
| Department of Commerce                                              | 9.2            | -              | -              | -            | 9.2          |
| All other                                                           | 0.5            | -              | 0.2            | 3.3          | 4.0          |
| Total investments                                                   | 38.3           | 64.5           | 4.7            | 35.4         | 142.9        |

| <b>Investments as of September 30, 2024</b>                         |                |                |                |              |              |
|---------------------------------------------------------------------|----------------|----------------|----------------|--------------|--------------|
| (In billions of dollars)                                            | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Other</b> | <b>Total</b> |
| <b>Pension Benefit Guaranty Corporation:</b>                        |                |                |                |              |              |
| Equity securities                                                   | 4.4            | 0.3            | -              | 11.9         | 16.6         |
| Corporate bonds and other                                           | -              | 16.2           | -              | -            | 16.2         |
| Asset backed/mortgage-backed securities                             | -              | 11.6           | -              | -            | 11.6         |
| International fixed maturity securities                             | -              | 8.2            | -              | -            | 8.2          |
| Securities lending collateral                                       | -              | 7.4            | -              | -            | 7.4          |
| Other securities                                                    | 1.5            | 1.2            | 0.2            | 5.5          | 8.4          |
| Total Pension Benefit Guaranty Corporation                          | 5.9            | 44.9           | 0.2            | 17.4         | 68.4         |
| <b>National Railroad Retirement Investment Trust:</b>               |                |                |                |              |              |
| U.S. equity                                                         | 7.6            | -              | -              | -            | 7.6          |
| Non-U.S. equity                                                     | 5.7            | -              | -              | -            | 5.7          |
| Global fixed income                                                 | 0.2            | 3.2            | -              | 0.6          | 4.0          |
| Private equity                                                      | -              | -              | -              | 3.8          | 3.8          |
| Global real assets                                                  | 0.3            | -              | -              | 2.6          | 2.9          |
| Other securities                                                    | -              | -              | -              | 1.5          | 1.5          |
| Total Nation Railroad Retirement Investment Trust                   | 13.8           | 3.2            | -              | 8.5          | 25.5         |
| <b>Tennessee Valley Authority:</b>                                  |                |                |                |              |              |
| Private equity, real assets, and credit measured at net asset value | -              | -              | -              | 5.2          | 5.2          |
| Debt and equity securities                                          | 1.4            | 1.5            | -              | -            | 2.9          |
| Commingled funds measured at net asset value                        | -              | -              | -              | 2.8          | 2.8          |
| Other securities                                                    | 0.5            | 1.3            | 0.1            | 0.5          | 2.4          |
| Total Tennessee Valley Authority                                    | 1.9            | 2.8            | 0.1            | 8.5          | 13.3         |
| Department of Defense                                               | -              | -              | -              | 9.6          | 9.6          |
| Department of the Treasury                                          | 3.1            | -              | 8.9            | -            | 12.0         |
| All other                                                           | 0.5            | -              | 0.1            | 3.0          | 3.6          |
| Total investments                                                   | 25.2           | 50.9           | 9.3            | 47.0         | 132.4        |

PBGC, NRRIT, and TVA apply financial accounting and reporting standards issued by FASB and such entities, as permitted by SFFAS 47, *Reporting Entity* are consolidated into the U.S. government's consolidated financial statements without conversion to accounting and reporting standards issued by FASAB. PBGC, NRRIT, and TVA also hold investments in Treasury securities which are not included in the above tables, as such investments are eliminated in consolidation.

PBGC insures pension benefits of participants in covered single-employer and multiemployer defined benefit pension plans and values its financial assets at estimated FV consistent with the standards issued by FASB. PBGC's investments are used to pay future benefits of covered participants.

NRRIT on behalf of the RRB, manages and invests railroad retirement assets that are to be used to pay retirement benefits to the nation's railroad workers under the Railroad Retirement System. As an investment company, NRRIT is subject to accounting standards for investment companies issued by FASB.

TVA's investments consist of amounts held in the Nuclear Decommissioning Trust, Asset Retirement Trust, Supplemental Executive Retirement Plan, Deferred Compensation Plan, and Restoration Plan. TVA's qualified benefit pension plan is funded with qualified plan assets.

Certain other investments reported by DOD represent joint ventures with private developers constructing or improving military housing on behalf of the department. Refer to Note 28—Public-Private Partnerships for additional information.

Treasury's investments consist of: 1) investments in SPVs, which were established by Federal Reserve Bank of New York and the Federal Bank of Boston for the purpose of making loans, purchasing debt, and other commercial paper of

eligible entities affected by COVID-19; 2) foreign currency holdings which are typically invested in interest-bearing securities issued or held through foreign governments or monetary authorities; and 3) equity securities obtained through emergency relief programs in response to the COVID-19 pandemic.

DOC investments consist of Intel common stock acquired through a Warrant and Common Stock Agreement dated August 22, 2025. DOC received a five-year warrant to purchase up to 240.5 million shares of Intel common stock exercisable under certain conditions at \$20.00/share which is subject to adjustment. Due to the uncertainty of certain conditions being met, the warrant was not recorded as of September 30, 2025.

## Fair Value Measurement

Investments are recorded at FV and have been categorized based upon a FV hierarchy, in accordance with FASB Accounting Standards Codification (ASC) Topic 820. FV is a market-based measurement. For some assets, observable market transactions or market information might be available. For other assets, observable market transactions and market information might not be available. However, the objective of a FV measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions.

When a price for an identical asset is not observable, a reporting entity measures FV using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because FV is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset, including assumptions about risk. As a result, a reporting entity's intention to hold an asset is not relevant when measuring FV.

The measurement of FV of an asset is categorized with different levels of FV hierarchy as follows:

- Level 1—Unadjusted quoted prices in active markets for identical assets that the reporting entity can access at the measurement date.
- Level 2—Inputs other than quoted prices included with Level 1 that are based on observable market data (quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets), or that are either directly or indirectly observable for substantially the full term of the asset or liability.
- Level 3—Inputs that are both unobservable and significant to the overall FV measurement.
- Other—This category contains investments in certain commingled funds and partnerships that are measured at FV using NAV practical expedient that are not classified within the FV hierarchy and joint ventures. Refer to PBGC, NRRIT, and TVA's financial statements for additional information on investments priced by NAV per share (or its equivalent) practical expedient and DOD's financial statements for additional information about joint ventures.

Refer to PBGC, NRRIT, TVA, DOD, Treasury, and DOC's financial statements for additional information on these investments and FV measurement.