J C PENNEY CO INC
Form 11-K
June 26, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

x	ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 2014

OR

o	TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from to ________

Commission File Number 001-15274

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

J. C. Penney Corporation, Inc.
Savings, Profit Sharing and Stock Ownership Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

J. C. Penney Company, Inc.
6501 Legacy Drive
Plano, Texas 75024 3698

REQUIRED INFORMATION

Form 11-K Annual Report

This form provides the annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934, as amended, with respect to the J. C. Penney Corporation, Inc. Savings, Profit Sharing and Stock Ownership Plan, a plan subject to the Employee Retirement Income Security Act of 1974.

J. C. PENNEY CORPORATION, INC.
SAVINGS, PROFIT-SHARING AND
STOCK OWNERSHIP PLAN

Financial Statements and Supplemental Schedule
December 31, 2014 and 2013
(With Reports of Independent Registered Public Accounting Firms Thereon)

J. C. PENNEY CORPORATION, INC.
SAVINGS, PROFIT-SHARING AND
STOCK OWNERSHIP PLAN

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Montgomery Coscia Greilich LLP
Certified Public Accountants
972.748.0300 p
972.748.0700 f

Report of Independent Registered Public Accounting Firm

To the Benefit Plan Investment Committee,
Benefits Administration Committee, and
Human Resources Committee of
J.C. Penney Corporation, Inc. Savings,
Profit-Sharing and Stock Ownership Plan:

We have audited the accompanying statement of net assets available for benefits of the J.C. Penney Corporation, Inc. Savings, Profit-Sharing and Stock Ownership Plan (the “Plan”) as of December 31, 2014, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Plan as of December 31, 2013, were audited by other auditors whose report, dated June 27, 2014, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying schedule of Form 5500, Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2014, has been subjected to audit procedures performed in conjunction with the audit of the Plan’s financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but includes supplemental information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan’s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Montgomery Coscia Greilich LLP

Montgomery Coscia Greilich LLP
Plano, Texas
June 26, 2015

2500 Dallas Parkway, Suite 300 Plano, Texas 75093	300 Throckmorton Street, Suite 520 Fort Worth, Texas 76102	600 Congress Avenue, Suite 300 Austin, Texas 78701

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Report of Independent Registered Public Accounting Firm
J. C. Penney Corporation, Inc.
Benefit Plan Investment Committee,
Benefits Administration Committee, and
Human Resources Committee:

We have audited the accompanying statement of net assets available for benefits of the J. C. Penney Corporation, Inc. Savings, Profit-Sharing and Stock Ownership Plan (the Plan) as of December 31, 2013, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.
We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2013, and the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.
/s/ KPMG LLP
Dallas, Texas
June 27, 2014

J. C. PENNEY CORPORATION, INC.
SAVINGS, PROFIT-SHARING AND STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2014 and 2013

($ in thousands)	2014	2013
Assets:		
Investments at fair value:		
J. C. Penney Company, Inc. common stock	$88,998	$114,927
Common and collective trusts	1,839,952	1,801,708
Mutual funds	21,077	23,159
Common stock	23,771	25,463
Other	633	722
Fully benefit responsive contracts	842,576	944,354
Total investments	2,817,007	2,910,333
Receivables:		
J. C. Penney Company, Inc. contribution	13,639	11,949
Notes receivable from participants	66,248	67,832
Participant contributions	1,571	1,593
Due from broker for securities sold	415	640
Interest and dividends	99	67
Other	576	125
Total receivables	82,548	82,206
Total assets	2,899,555	2,992,539
Liabilities:		
Accounts payable and accrued liabilities	622	1,064
Due to broker for securities purchased	360	952
Total liabilities	982	2,016
Net assets reflecting investments at fair value	2,898,573	2,990,523
Adjustments from fair value to contract value for fully benefit responsive investment contracts	(23,918)	(32,620)
Net assets available for benefits	$2,874,655	$2,957,903

See the accompanying notes to the financial statements.

J. C. PENNEY CORPORATION, INC.
SAVINGS, PROFIT-SHARING AND STOCK OWNERSHIP PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2014 and 2013

($ in thousands)	2014	2013
Investment income:		
Net appreciation in the fair value of investments	$72,781	$187,793
Interest	26,614	33,440
Dividends	1,487	1,316
	100,882	222,549
Less investment expenses	(936)	(983)
Net investment income	99,946	221,566
Interest income on notes receivable from participants	2,685	2,724
Contributions:		
J. C. Penney Company, Inc., net of forfeitures	49,581	48,838
Participants	100,105	102,870
	149,686	151,708
Total additions	252,317	375,998
Deductions from net assets attributed to:		
Benefit payments	(329,102)	(491,892)
Administrative expenses	(6,463)	(6,777)
Total deductions	(335,565)	(498,669)
Decrease in net assets available for benefits	(83,248)	(122,671)
Beginning net assets available for benefits	2,957,903	3,080,574
Ending net assets available for benefits	$2,874,655	$2,957,903

See the accompanying notes to the financial statements.

J. C. PENNEY CORPORATION, INC.
SAVINGS, PROFIT-SHARING AND STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

1. Description of Plan

The following description of the J. C. Penney Corporation, Inc. Savings, Profit Sharing and Stock Ownership Plan (the Plan) provides only general information. For more complete information, Participants should refer to the Summary Plan Description for the Plan. If these Notes to Financial Statements or the Summary Plan Description result in any misunderstanding or inconsistency with the Plan document, the Plan document will govern.

(a) General

The Plan is a defined contribution plan available to all eligible employees (Associates) of J. C. Penney Corporation, Inc. (the Company) and certain subsidiaries. Associates who have attained age 21 are immediately eligible to participate in the Plan upon their hire date or rehire date. Eligible Associates, after completion of 1,000 hours of service in an eligibility period (generally a period of 12 consecutive months), are automatically enrolled at a 4% pre-tax contribution, unless they elect otherwise. An eligible Associate must be enrolled in the Plan to be a participant in the Plan (Participant). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The financial statements include all of the funds that comprise the Plan.

The Benefit Plans Investment Committee (BPIC) is the named fiduciary for the control and management of the assets of the Plan except for the J. C. Penney Common Stock Fund (Penney Stock Fund). Effective December 17, 2009, Evercore Trust Company, N.A. became the named fiduciary with respect to the management and disposition of the Penney Stock Fund. The BPIC also has the responsibility for selecting investment funds, other than the Penney Stock Fund, to be offered under the Plan. The Benefits Administration Committee (BAC) is the named fiduciary for the review of denied benefit claims and has overall responsibility for the day-to-day administration of the Plan. The Human Resources Committee (HRC) approves the Company’s overall benefit strategy for the Plan and any modifications or amendments to the Plan and is responsible for appointing members of the BAC and the BPIC and appoints the trustee. The HRC has named State Street Bank & Trust Company (State Street Bank) as the trustee for the Plan and Aon Hewitt Associates as the third party administrator/record keeper for the Plan.

(b) Payment of Benefits

Generally, Participants who have separated from service with account balances over $5,000 remain in the Plan until the Participant elects payment. The normal form of payment is a lump sum settlement (cash and/or J. C. Penney Company, Inc. common stock). A Participant will receive an involuntary lump sum distribution if the total vested account balance is $5,000 or less at the time of distribution. Certain Participants who have separated from service and who are 100% vested in the Company contributions may request periodic withdrawals, fixed monthly payments of at least $100, or a complete distribution. Minimum required distributions will begin by April 1 of the year following the year of separation for a Participant who has attained age 70½ and will continue each year thereafter to comply with federal law.

(c) Contributions

Participants who are classified as highly compensated in 2014 and 2013 (earning more than $115,000 in 2013 for 2014 and in 2012 for 2013) are permitted to contribute from 1% to 8% (6% before-tax, 2% after-tax) of their earnings (up to a maximum of $260,000 for 2014 and $255,000 for 2013) with a maximum of 6% in pre-tax deposits (subject to an annual maximum of $17,500 in 2014 and 2013). Participants earning $115,000 or less in the previous year are permitted to contribute from 1% to 50% of their earnings (subject to an annual maximum of $17,500 in 2014 and 2013). Associates, who are at least age 21, did not enroll in the plan, and did not decline enrollment, will be automatically enrolled in the Plan after completing 1,000 hours of service in an eligibility period.

The Plan allows Participants who have attained the age of 50 by the end of the year to make an additional tax-deferred deposit (catch-up contribution) up to a maximum of $5,500 during 2014 and 2013. These catch-up contributions are not eligible for the Company’s matching contribution.

The Plan allows Participants who participated in another employer’s qualified retirement plan before coming to work for the Company to rollover a portion or all of their distributions from the prior employer’s plan. The Participant cannot rollover a loan or a Roth 401(k) from another plan. The Plan accepts eligible cash rollovers directly from another qualified retirement plan that meets certain legal requirements within 60 days after receipt of an eligible distribution. The associate is immediately vested in these contributions to the Plan.

Participants age 21 or older become eligible for the Company matching contributions after completing 1,000 hours of service in an eligibility period. The Company matching contribution is a per pay period Company match of $0.50 per dollar up to the first 6% of Participant contributions. Associates hired or rehired on or after January 1, 2007, that are over 21 years of age, have 1,000 hours of service in an eligibility period and are active associates on December 31 receive a Company retirement account contribution equal to 2% of the associate’s annual compensation (up to a maximum of $260,000 for 2014 and $255,000 for 2013).

During 2014, the Company matching contribution totaled approximately $36.6 million and the Company retirement account contribution totaled approximately $13.0 million. During 2013, the Company matching contribution totaled approximately $37.5 million and the Company retirement account contribution totaled approximately $11.3 million.

(d) Participants’ Investment Funds

All Participant contributions, Company matching contributions and Company retirement account contributions are invested in the Plan’s investment funds in accordance with the Participant’s investment elections. Participants direct their investments amongst three tiers of funds as follows: Tier 1 funds consist of target date retirement funds managed by Vanguard Fiduciary Trust Company. Tier 2 funds consist of eight index funds, including the Penney Stock Fund. Tier 3 funds consist of the Participant directed brokerage window. The funds are maintained on a unit-value basis and, accordingly, the actual earnings and appreciation or depreciation in the underlying securities are reflected in the daily unit value.

(e) Participant Accounts

Each Participant’s account is credited with the Participant’s contributions, the Company’s contributions, Plan earnings and appreciation or depreciation in underlying securities, and is charged with an allocation of administrative expenses. Allocations are based on Participant account balances, as defined. The benefit to which a Participant is entitled is the benefit that can be provided from the Participant’s vested account.

(f) Participants’ Loans

A Participant who has not separated from service may request a loan. The minimum loan amount is $500. The maximum loan amount is the lesser of: the value of a Participant’s before-tax, rollover and after-tax deposits on the valuation date, 50% of a Participant’s total vested account value on the valuation date, or $50,000 minus the highest aggregate balance of any other loans owed to the Plan during the previous 12 months. All loans must be adequately secured and bear interest at the prime rate plus 1%. Interest rates on the loans outstanding as of December 31, 2014 ranged from 4.25% to 10.50% and maturities ranged from 2015 through 2019. Interest rates on the loans outstanding as of December 31, 2013 ranged from 4.25% to 10.50% and maturities ranged from 2014 through 2018. Loan amounts and the terms of repayment are limited in accordance with Plan provisions.

(g) Vesting

Participants are immediately vested in the value of their deposits and earnings thereon. Company contributions and earnings thereon for Plan years 2007 and later will be 100% cliff vested after three years of service. Participants will also be 100% vested if they separate from service at normal retirement age, death, total disability, or a reduction in force or unit closing. Participants who separate from service prior to full vesting of their rights forfeit the unvested balance of their Company contributions and any related earnings when their employment ends.

(h) Forfeited Accounts

Forfeitures are available to restore forfeited amounts of rehired Participants, offset Company contributions, or pay Plan expenses. Forfeitures utilized to offset company contributions during 2014 and 2013 were approximately $2.8 million and $3.3 million respectively.

(i) Expenses

Participants’ accounts share in the expenses to administer the Plan. These expenses include trustee, investment management, audit, administrative service provider fees, and other expenses. Administrative expenses not paid by the Plan are paid by the Company.

2. Related Party Transactions

Certain trust investment options are investment products managed by State Street Global Advisors (SSgA), which is the investment management division of State Street Bank and Trust Company, a wholly owned subsidiary of State Street Corporation. State Street Bank and Trust Company is the trustee, as defined by the Plan, and the disbursement agent. The trustee and investment manager fees are paid by the Plan.

As of December 31, 2014 and 2013, the Plan held investments in J. C. Penney Company Inc. common stock totaling $89.0 million and $114.9 million respectively. During the year ended December 31, 2014, 6.2 million shares were acquired and 5.0 million were disposed. During the year ended December 31, 2013, 4.4 million shares were acquired and 3.5 million were disposed. All of these transactions are exempt from the prohibitions against party-in-interest transactions.

Eligible Participants may borrow from their individual account balance in the Plan as discussed in note 1(f), and these transactions qualify as exempt party-in-interest transactions.

Certain administrative functions and services necessary for the operation of the plan are performed by employees of the Company who may also be Participants in the Plan. The Plan pays reasonable compensation for those services.

3. Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount Participants would receive if they were to initiate permitted transactions under the terms of the plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

(b) Valuation of Investments and Income Recognition

The Plan’s investments are stated at fair value. Purchases and sales of investments are recorded on a trade date basis. The average cost method is used to calculate gains and losses on the sale of investments. Interest income is recorded on the accrual basis. Dividends are recorded on the ex dividend date. Net appreciation (depreciation) includes the Plan’s gains and losses on investments bought and sold as well as held during the year.

(c) Notes Receivable From Participants

Participant loans are recorded at amortized costs which represent the unpaid principal balance plus accrued interest.

(d) Payment of Benefits

Benefits are recorded when paid.

(e) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. In determining fair value, the accounting standards establish a three level hierarchy for inputs used in measuring fair value, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Significant observable inputs other than quoted prices in active markets for similar assets and liabilities, such as quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants.

The following tables present a summary of the Plan's investment assets measured at fair value as of December 31, 2014 and 2013):

($ in thousands)	Quoted Prices in Active Market (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2014:				
Common stock (a):				
J. C. Penney Company, Inc.	$88,998	$—	$—	$88,998
Common and collective trusts (b):				
Fixed income securities	—	152,840	—	152,840
Equity funds	—	1,040,133	—	1,040,133
Target date funds	—	646,979	—	646,979
Total common and collective trusts	—	1,839,952	—	1,839,952
Self-directed brokerage window (c):				
Mutual funds:				
Short-term investments	6,305	—	—	6,305
Municap bonds	27	—	—	27
Equity	11,937	—	—	11,937
Fixed income	2,808	—	—	2,808
Total mutual funds	21,077	—	—	21,077
Common stock:				
Basic materials	5	—	—	5
Communications	1,503	—	—	1,503
Consumer, cyclical	4,223	—	—	4,223
Consumer, noncyclical	3,195	—	—	3,195
Energy	2,023	—	—	2,023
Financial	3,948	—	—	3,948
Industrial	2,838	—	—	2,838
Technology	4,399	—	—	4,399
Utilities	1,637	—	—	1,637
Total common stock	23,771	—	—	23,771
Other:				
Cash and cash equivalents	352	—	—	352
Preferred stock	274	—	—	274
Partnerships	7	—	—	7
Total other	633	—	—	633
Total self-directed brokerage window	45,481	—	—	45,481
Fully benefit responsive contracts:				
Synthetic investment contract wrapper (d)	—	—	—	—
Fixed income securities (e)	—	842,576	—	842,576
Total fully benefit responsive contracts	—	842,576	—	842,576
Total investments at fair value	$134,479	$2,682,528	$—	$2,817,007

Actual risk depends on the individual investments which are selected by each applicable participant.

($ in thousands)	Quoted Prices in Active Market (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2013:				
Common stock (a):				
J. C. Penney Company, Inc.	$114,927	$—	$—	$114,927
Common and collective trusts (b):				
Fixed income securities	—	144,833	—	144,833
Equity funds	—	1,044,266	—	1,044,266
Target date funds	—	612,609	—	612,609
Total common and collective trusts	—	1,801,708	—	1,801,708
Self-directed brokerage window (c):				
Mutual funds:				
Short-term investments	7,652	—	—	7,652
Municap bonds	6	—	—	6
Equity	12,181	—	—	12,181
Fixed income	3,320	—	—	3,320
Total mutual funds	23,159	—	—	23,159
Common stock:				
Basic materials	1,468	—	—	1,468
Communications	3,340	—	—	3,340
Consumer, cyclical	3,468	—	—	3,468
Consumer, noncyclical	2,901	—	—	2,901
Energy	3,589	—	—	3,589
Financial	4,100	—	—	4,100
Industrial	2,528	—	—	2,528
Technology	3,473	—	—	3,473
Utilities	596	—	—	596
Total common stock	25,463	—	—	25,463
Other:				
Cash and cash equivalents	479	—	—	479
Preferred stock	233	—	—	233
Partnerships	10	—	—	10
Total other	722	—	—	722
Total self-directed brokerage window	49,344	—	—	49,344
Fully benefit responsive contracts:				
Synthetic investment contract wrapper (d)	—	—	503	503
Fixed income securities (e)	—	832,847	—	832,847
Separate account contracts (f)	—	110,943	—	110,943
Separate account contracts wrapper (g)	—	—	61	61
Total fully benefit responsive contracts	—	943,790	564	944,354
Total investments at fair value	$164,271	$2,745,498	$564	$2,910,333

Actual risk depends on the individual investments which are selected by each applicable participant.

As of December 31, 2014, the plan's investments have no future commitments and a daily redemption frequency with one days notice. In addition, the Plan's investments had no transfers between levels 1 to 3 from December 31, 2013 to December 31, 2014 or from December 31, 2012 to December 31, 2013.

Following is a description of the valuation methodologies used for assets measured at fair value. See also footnote 3(b) for more information.

(a) Common stock: Valued at the closing price reported in the active market in which the individual securities are traded.

(b) Common and collective trusts: Valued at the net asset value (NAV) of shares held by the plan at year end. The target date funds are comprised of eleven collective trusts, which manage risk and investment return over time. There are three general market risk levels: low to moderate, moderate, and moderate to high. Each fund is a different mix of investments – stocks, bonds and cash. The funds start out with more stock for growth opportunity and end with less stock. The equity funds are comprised of 3 large cap funds and 2 small cap funds with low to moderate and high risk levels, respectively. The fixed income securities have low general market risk.

There are no known commitments or restrictions on the common and collective trusts except for some withdrawal restrictions as related to liquidation by the Plan Sponsor of the equity funds. The Plan Sponsor has no plans to liquidate these funds.

(c) Self-directed brokerage window includes cash and cash equivalents, common stock, corporate bonds, mutual funds, notes, preferred stock, publicly traded partnerships: Certain U.S. Treasury notes and corporate bonds are valued at the closing price reported in the active market in which the security is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Other investments listed are valued at the closing price reported in the active market in which the individual securities are traded. Actual risk depends on the individual investments which are selected by each applicable participant.

(d) Synthetic investment contract (SIC) wrapper: These are investment contracts that limit potential losses, if any, in the fixed income securities portfolio. Termed a "wrap" since the contract is based on the fair value of underlying fixed income securities. The wrap agreements are stated at fair value based on rebid or replacement cost based upon fluctuations in the fair value of the underlying fixed income securities. As of December 31, 2014, the rate used to calculate the SIC wrappers' fair value was 1.33%. As of December 31, 2013, the rate used to calculate the SIC wrappers' fair value was 1.11%.

(e) Fixed income securities: Assets underlying synthetic investment contracts include cash, U.S. Treasury and agency securities, corporate bonds, and collateralized mortgage backed and asset backed securities, which are held at fair value. Fixed income securities such as corporate bonds, government securities, mortgage backed and asset backed securities and other debt instruments are valued using quotes from independent pricing vendors based on recent trading activity and other relevant market information, including market interest rate curves, referenced credit spreads and estimated prepayment and credit default rates where applicable.

(f) Separate Account Contract (SAC): Valued at fair value of the underlying assets legally owned by the contract issuer, which are maintained in an account that is segregated from the issuer's general account assets.

(g) Separate Account Contract Wrapper: Termed a "wrap" since the contract is based on the fair value of underlying fixed income securities. The wrap agreements are stated at fair value based on rebid or replacement cost based upon fluctuations in the fair value of the underlying fixed income securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement as of the reporting date.

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investment assets for the years ended December 31, 2014 and 2013 ($ in thousands).

($ in thousands)	SIC/SAC Wrapper	Total
Year ended December 31, 2014:		
Balance beginning of year	$564	$564
Realized losses	—	—
Unrealized gain/(loss) relating to instruments still held at the reporting date	(144)	(144)
Purchases and issuances	—	—
Sales and maturities	(420)	(420)
Balance, end of year	$—	$—

($ in thousands)	GIC	SIC/SAC Wrapper	Total
Year ended December 31, 2013:			
Balance beginning of year	$36,168	$999	$37,167
Realized losses	(752)	—	(752)
Unrealized gain/(loss) relating to instruments still held at the reporting date	—	(283)	(283)
Purchases and issuances	386	—	386
Sales and maturities	(35,802)	(152)	(35,954)
Balance, end of year	$—	$564	$564

5. Synthetic Investment Contracts and Separate Account Contracts

The Plan also enters into synthetic investment contracts (SICs) with certain insurance companies and financial institutions (the Contract Issuers). Under these SICs, the Plan enters into a wrap agreement with a financial institution at a stated yield on fixed income securities purchased by the Plan. There are no reserves against contract values for credit risk of the Contract Issuer or otherwise.

The Plan also enters into separate account contracts (SAC) with certain insurance companies. The SAC market valuation is based on the market value of the assets legally owned by the contract issuer, which are maintained in an account that is segregated from the issuer's general account assets. During the year ended December 31, 2013, the average yield for the entire portfolio based on actual earnings and based on interest rate credited to Participants was approximately 2.05% and 2.83%, respectively. The Plan held no SAC investments as of December 31, 2014.

The relationship of future crediting rates and the adjustment to contract value reported on the statement of net assets available for benefits is provided through the mechanism of the crediting rate formula. The difference between the contract value and the fair market value of the investments of each contract is periodically amortized into each contract's crediting rate. The amortization factor is calculated by dividing the difference between the fair market value of the investments and the contract value by the duration of the bond portfolio covered by the investment contract.

Key factors that could influence future average interest crediting rates include, but are not limited to: Plan cash flows, changes in interest rates, total return performance of the fair market value bond strategies underlying each SIC contract, default or credit failures of any of the securities, investment contracts, or other investments held in the fund, the initiation of an extended termination (immunization) of one or more SIC contracts by the manager or the Contract Issuers.

Specific coverage provided by each traditional SIC may be different for each issuer, and can be found in the individual traditional SIC contracts held by the Plan. Contract Issuers are not allowed to terminate any of the above SICs and settle at an amount different from contract value unless there is a breach of the contract, which is not corrected within the applicable cure period. Actions that will result in a breach (after any relevant cure period) include, but are not limited to: material misrepresentation; failure to pay SIC fees, or any other payment due under the contract; and failure to adhere to investment guidelines.

The following tables present the fair value, contract value adjustments to contract value, and major credit ratings for each of the SACs, SICs, and wrapper contracts held by the Plan as of December 31, 2014 and 2013 ($ in thousands):

December 31, 2014	Major Credit Ratings	Investments at Fair Value	Wrapper Contracts at Fair Value	Adjustment to Contract Value	Investments at Contract Value
Synthetic investment contracts:					
American General Life Insurance Company	A2	280,942	—	(8,167)	272,775
The Prudential Insurance Company of America	A1	280,931	—	(8,023)	272,908
State Street Bank & Trust Co.	Aa3	280,703	—	(7,728)	272,975
Total		842,576	—	(23,918)	818,658

December 31, 2013	Major Credit Ratings	Investments at Fair Value	Wrapper Contracts at Fair Value	Adjustment to Contract Value	Investments at Contract Value
Synthetic investment contracts:					
Bank of America, NA	A2	$277,635	$359	$(9,532)	$268,462
Natixis Financial Products Inc.	A2	277,577	—	(9,171)	268,406
State Street Bank & Trust Co.	Aa3	277,635	144	(9,316)	268,463
Total		$832,847	$503	$(28,019)	$805,331
Separate Account Contracts:					
Metropolitan Life Insurance Company	Aa3	110,943	61	(4,601)	106,403
Total		$110,943	$61	$(4,601)	$106,403

Credit ratings are sourced from www.standardandpoors.com.

6. Investments

Investments that represent 5% or more of the Plan's net assets at December 31, 2014 and 2013 are separately identified ($ in thousands):

Description of Investment	2014	2013
State Street Bank S&P 500 Flagship Fund Series	$310,157	$297,096
State Street Bank Daily EAFE Fund	198,918	221,155
State Street Bank Passive Intermediate Bond Index Fund	186,551	179,960
State Street Bank Short Term Investment Fund	152,840	*
State Street Russell 2000 Index Securities Lending Fund	145,777	*
J.C. Penney Company, Inc. common stock	*	165,770

* Fair value is less than 5% for period presented.

During 2014 and 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year), appreciated (depreciated) in value, as follows ($ in thousands):

Description of Investment	2014	2013
J.C. Penney Company. Inc. Common Stock	$(33,771)	$(116,699)
Mutual funds	123	1,462
Common stock	246	4,434
Other	(383)	(636)
Common and collective trusts	106,566	299,232
Net change in fair value	$72,781	$187,793

7. Tax Status

The Internal Revenue Service (IRS) has determined and informed the Company by a letter (determination letter) dated April 22, 2014 that the Plan and the related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since the reliance period specified in the determination letter. The Company will file an application for a new determination letter in accordance with standard IRS filing procedures. The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

The Plan evaluates the uncertainties of tax positions taken or expected to be taken on a return based on the probability of whether the position taken will be sustained upon examination by tax authorities. The Plan uses a more likely than not threshold for recognition and derecognition of tax positions taken or to be taken in a return. The Plan concluded that it has no material uncertain tax liabilities to be recognized as of December 31, 2014. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

8. Form 5500 Reconciliation

Differences between the financial statements and the Form 5500 include the following:

- Amounts allocated to withdrawing Participants are recorded on the Form 5500 for benefits that have been processed and approved for payment prior to December 31, but that have not yet been paid as of that date.
- Fully benefit-responsive investment contracts are recorded on the Form 5500 at fair value but are adjusted to contract value for financial statement presentation.

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2014 and 2013 to the Plan’s Form 5500 ($ in thousands):

	2014	2013
Net assets available for benefits per the financial statements	$2,874,655	$2,957,903
Amounts allocated to withdrawing participants	—	(2,000)
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	23,918	32,620
Net assets available for benefits per Form 5500	$2,898,573	$2,988,523

The following is a reconciliation of benefits paid to Participants per the financial statements at December 31, 2014 and 2013 to Form 5500 ($ in thousands):

	2014	2013
Benefits paid to participants per the financial statements	$329,102	$491,892
Amounts allocated to withdrawing participants, current year	—	2,000
Amounts allocated to withdrawing participants, prior year	(2,000)	(2,613)
Deemed distributions	—	1,153
Benefits paid to participants per Form 5500	$327,102	$492,432

The following is a reconciliation of the net increase (decrease) in net assets available for benefits per the financial statements to net income (loss) in the Form 5500 ($ in thousands):

	2014	2013
Increase (decrease) in net assets available for benefits	$(83,248)	$(122,671)
Add adjustment from fair value to contract value for fully benefit-responsive investment contracts	23,918	32,620
Less adjustment from fair value to contract value for fully benefit-responsive investment contracts	(32,620)	(69,644)
Amounts allocated to withdrawing participants, current year	—	(2,000)
Amounts allocated to withdrawing participants, prior year	2,000	2,613
Net income (loss) per Form 5500	$(89,950)	$(159,082)

9. Plan Termination

Although the Company has not expressed any intent to do so, the Company has the right to terminate the Plan and the related Trust at any time subject to the provisions of ERISA. In the event of Plan termination, affected Participants will become fully vested in amounts allocated to their accounts as of the date of the termination.

10. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

The Plan invests in common and collective trusts with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial mortgage backed securities, including securities backed by subprime mortgage loans. The value, liquidity and related income of those securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

Market conditions can result in a high degree of volatility and increase the risks and short-term liquidity associated with certain investments held by the Plan, which could impact the value of investments after the date of these financial statements. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

J. C. PENNEY CORPORATION, INC.
SAVINGS, PROFIT-SHARING AND STOCK OWNERSHIP PLAN
EIN: 13-5583779 Plan #003
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2014
($ in thousands)

	(A) Identity of issue, borrower, lessor, or similar party, description of investment	(B) Description of Investment			Cost	Current Value
		Shares/Par	Rate of Interest	Maturity		
	Common stock:					
*	J. C. Penney Company, Inc. common stock				(a)	88,998
	Common and collective trusts:					
*	State Street Bank Short Term Investment Fund				(a)	152,840
*	State Street Bank Daily EAFE (Europe, Australia and Far East) Fund				(a)	198,918
*	State Street Bank S&P 500 Flagship Fund Series				(a)	310,157
*	State Street Bank Russell 1000 Growth Index Fund				(a)	103,815
*	State Street Bank Russell 1000 Value Index Fund				(a)	94,915
*	State Street Bank Russell 2000 Index Securities Lending Fund				(a)	145,777
*	State Street Bank Passive Intermediate Bond Index Fund				(a)	186,551
	Vanguard Target Retirement Income Fund				(a)	68,116
	Vanguard 2010 Target Retirement Fund				(a)	40,083
	Vanguard 2015 Target Retirement Fund				(a)	62,282
	Vanguard 2020 Target Retirement Fund				(a)	94,537
	Vanguard 2025 Target Retirement Fund				(a)	101,395
	Vanguard 2030 Target Retirement Fund				(a)	80,686
	Vanguard 2035 Target Retirement Fund				(a)	56,139
	Vanguard 2040 Target Retirement Fund				(a)	41,856
	Vanguard 2045 Target Retirement Fund				(a)	36,985
	Vanguard 2050 Target Retirement Fund				(a)	54,495
	Vanguard 2055 Target Retirement Fund				(a)	10,405
	Total common and collective trusts					1,839,952
	Self directed brokerage window				(a)	45,481
	Fully benefit responsive contracts:					
	Fixed income securities:					
	ABBEY NATL TREASURY SERV	1,035	2.35 %	9/10/2019	(a)	1,043
	ABBVIE INC	810	2.90 %	11/6/2022	(a)	800
	ABBVIE INC	1,845	1.20 %	11/6/2015	(a)	1,853
	ACE INA HOLDINGS	605	5.90 %	6/15/2019	(a)	698
	ACE INA HOLDINGS	800	2.60 %	11/23/2015	(a)	815
	AETNA INC	1,280	1.50 %	11/15/2017	(a)	1,276
	AETNA INC	1,780	2.75 %	11/15/2022	(a)	1,738
	AFIN 2013-1 A3	790	0.79 %	6/20/2017	(a)	791
	AFIN 2013-1 A4	585	0.97 %	1/22/2018	(a)	585
	AFIN 2013-3 A2	770	1.04 %	11/21/2016	(a)	772
	AFIN 2013-4 A3	630	1.09 %	3/20/2018	(a)	630

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AFIN 2014-1 A3	1,410	1.32	%	6/20/2018	(a)	1,416
AFIN 2014-2 A2	1,760	0.91	%	4/20/2017	(a)	1,760
AFIN 2014-2 A3	1,260	1.26	%	5/21/2018	(a)	1,263
AFIN 2014-3 A3	1,190	1.48	%	11/20/2018	(a)	1,190
AFLAC INC	1,260	3.63	%	11/15/2024	(a)	1,284
AGILENT TECHNOLOGIES INC	173	6.50	%	11/1/2017	(a)	196
AGILENT TECHNOLOGIES INC	225	3.20	%	10/1/2022	(a)	222
AGILENT TECHNOLOGIES INC	225	3.88	%	7/15/2023	(a)	230
AGL CAPITAL CORP	880	5.25	%	8/15/2019	(a)	1,001
ALLYA 2011-2 A4	68	1.98	%	4/15/2016	(a)	68
ALLYA 2011-3 A4	52	1.61	%	5/16/2016	(a)	52
ALLYA 2012-1 A4	645	1.21	%	7/15/2016	(a)	646
ALLYA 2013-2 A3	890	0.79	%	1/15/2018	(a)	890
ALLYL 2014-SN1 A3	365	0.75	%	2/21/2017	(a)	364
ALLYL 2014-SN1 A4	600	0.95	%	6/20/2018	(a)	599
ALTRIA GROUP INC	970	4.75	%	5/5/2021	(a)	1,080
ALTRIA GROUP INC	415	2.85	%	8/9/2022	(a)	409
AMAZON.COM INC	2,205	2.60	%	12/5/2019	(a)	2,230
AMAZON.COM INC	1,590	3.30	%	12/5/2021	(a)	1,617
AMCAR 2012-3 A3	34	0.96	%	1/9/2017	(a)	34
AMCAR 2012-5 A3	201	0.62	%	6/8/2017	(a)	201
AMCAR 2013-2 A3	1,095	0.65	%	12/8/2017	(a)	1,096
AMCAR 2013-3 A3	1,375	0.92	%	4/9/2018	(a)	1,378
AMCAR 2013-4 A3	595	0.96	%	4/9/2018	(a)	596
AMCAR 2014-2 A3	290	0.94	%	2/8/2019	(a)	289
AMER AIRLN 14-1 A PTT	1,305	3.70	%	4/1/2028	(a)	1,329
AMERICA MOVIL SAB DE CV	755	3.63	%	3/30/2015	(a)	767
AMERICA MOVIL SAB DE CV	440	2.38	%	9/8/2016	(a)	450
AMERICAN EXPRESS CO	2,135	0.82	%	5/22/2018	(a)	2,137
AMERICAN HONDA FINANCE	1,845	1.20	%	7/14/2017	(a)	1,849
AMERICAN INTL GROUP	810	2.30	%	7/16/2019	(a)	819
AMERISOURCEBERGEN CORP	655	3.50	%	11/15/2021	(a)	678
AMOT 2012-1 A1	1,005	0.96	%	2/15/2017	(a)	1,006
AMOT 2012-5 A	1,185	1.54	%	9/15/2019	(a)	1,177
AMOT 2013-1 A-2	405	1.00	%	2/15/2018	(a)	406
AMXCA 2013-1 A	850	0.58	%	2/16/2021	(a)	854
AMXCA 2014-2 A	1,355	1.26	%	1/15/2020	(a)	1,353
AMXCA 2014-3 A	960	1.49	%	4/15/2020	(a)	962
ANADARKO PETROLEUM CORP	105	6.38	%	9/15/2017	(a)	119
APPLE INC	570	0.45	%	5/3/2016	(a)	570
ASIAN DEVELOPMENT BANK	1,035	1.13	%	3/15/2017	(a)	1,044
ATMOS ENERGY CORP	225	8.50	%	3/15/2019	(a)	285
ATMOS ENERGY CORP	1,305	6.35	%	6/15/2017	(a)	1,462
AUTOZONE INC	840	1.30	%	1/13/2017	(a)	843
AVALONBAY COMMUNITIES IN	420	3.63	%	10/1/2020	(a)	440
BAAT 2012-1 A4	920	1.03	%	12/15/2016	(a)	923
BACM 2005-1 A5	442	5.27	%	11/10/2042	(a)	444

BACM 2006-2 A4	1,585	5.73	%	5/10/2045	(a)	1,658
BACM 2006-4 A4	955	5.63	%	7/10/2046	(a)	1,003
BACM06-1 A4	1,730	5.37	%	9/10/2045	(a)	1,781
BAIDU INC	1,200	2.75	%	6/9/2019	(a)	1,199
BANK OF AMERICA CORP	115	6.50	%	8/1/2016	(a)	127
BANK OF AMERICA CORP	465	1.50	%	10/9/2015	(a)	468
BANK OF AMERICA CORP	700	1.25	%	1/11/2016	(a)	705
BANK OF AMERICA CORP	1,485	1.70	%	8/25/2017	(a)	1,494
BANK OF AMERICA NA	1,845	1.25	%	2/14/2017	(a)	1,850
BANK OF MONTREAL	2,190	1.30	%	7/14/2017	(a)	2,194
BANK OF NEW YORK MELLON	835	0.47	%	3/4/2016	(a)	835
BANK OF NEW YORK MELLON	1,480	2.10	%	8/1/2018	(a)	1,509
BANK OF NOVA SCOTIA	815	0.64	%	3/15/2016	(a)	817
BANK OF NOVA SCOTIA	1,215	1.30	%	7/21/2017	(a)	1,218
BANK OF NOVA SCOTIA	1,335	2.80	%	7/21/2021	(a)	1,351
BANQUE FED CRED MUTUEL 144A	2,860	2.50	%	10/29/2018	(a)	2,905
BANQUE FED CRED MUTUEL 144A	1,395	1.70	%	1/20/2017	(a)	1,409
BARCLAYS BANK PLC	660	5.00	%	9/22/2016	(a)	711
BARCLAYS BANK PLC	300	5.14	%	10/14/2020	(a)	329
BARCLAYS PLC	735	2.75	%	11/8/2019	(a)	735
BAT INTL FINANCE PLC 144A	395	1.40	%	6/5/2015	(a)	397
BAXTER INTERNATIONAL INC	420	0.95	%	6/1/2016	(a)	420
BAYER US FINANCE LLC 144A	1,245	1.50	%	10/6/2017	(a)	1,248
BAYER US FINANCE LLC 144A	915	2.38	%	10/8/2019	(a)	920
BB&T CORPORATION	1,170	2.05	%	6/19/2018	(a)	1,177
BB&T CORPORATION	1,665	1.10	%	6/15/2018	(a)	1,681
BB&T CORPORATION	1,060	1.05	%	12/1/2016	(a)	1,059
BERKSHIRE HATHAWAY FIN	1,110	1.60	%	5/15/2017	(a)	1,122
BERKSHIRE HATHAWAY INC	200	2.20	%	8/15/2016	(a)	206
BG ENERGY CAPITAL PLC 144A	360	2.50	%	12/9/2015	(a)	366
BG ENERGY CAPITAL PLC 144A	275	2.88	%	10/15/2016	(a)	284
BK TOKYO-MITSUBISHI UFJ 144A	1,315	4.10	%	9/9/2023	(a)	1,432
BK TOKYO-MITSUBISHI UFJ 144A	1,250	1.45	%	9/8/2017	(a)	1,245
BMWOT 2014-A A4	1,250	1.50	%	2/25/2021	(a)	1,246
BNP PARIBAS	1,215	2.70	%	8/20/2018	(a)	1,253
BOSTON PROPERTIES LP	750	3.13	%	9/1/2023	(a)	742
BPCE SA	2,005	2.50	%	12/10/2018	(a)	2,036
BPCE SA 144A	980	5.15	%	7/21/2024	(a)	1,034
BRITISH SKY BROADCASTING 144A	1,200	2.63	%	9/16/2019	(a)	1,207
BRITISH TELECOM PLC	390	1.63	%	6/28/2016	(a)	392
BRITISH TELECOM PLC	890	2.35	%	2/14/2019	(a)	893
BSCMS 2005-PWR7 A3	692	5.12	%	2/11/2041	(a)	695
BSCMS 2005-PWR8 A4	277	4.67	%	6/11/2041	(a)	279
BSCMS 2006 PW12 A4	1,354	5.70	%	9/11/2038	(a)	1,428
BSCMS 2006 PW13 A4	949	5.54	%	9/11/2041	(a)	1,003
BSCMS 2006-PW14 A4	295	5.20	%	12/11/2038	(a)	314
BSCMS 2006-T24 A4	918	5.54	%	10/12/2041	(a)	973

BSCMS 2007-PW17 AAB	148	5.70	%	6/11/2050	(a)	149
BSCMS 2007-T28 AAB	393	5.75	%	9/11/2042	(a)	397
BURLINGTN NORTH SANTA FE	610	3.05	%	9/1/2022	(a)	619
BURLINGTN NORTH SANTA FE	440	3.85	%	9/1/2023	(a)	468
BURLINGTON NORTH SANTA FE	110	5.75	%	3/15/2018	(a)	125
CABMT 2010-IA A 144A	305	1.61	%	1/16/2018	(a)	305
CABMT 2014-1 A	425	0.51	%	3/16/2020	(a)	425
CAMDEN PROPERTY TRUST	885	4.63	%	6/15/2021	(a)	965
CANADA	340	0.88	%	2/14/2017	(a)	341
CANADIAN IMPERIAL BANK	1,595	0.75	%	7/18/2016	(a)	1,606
CANADIAN NATL RESOURCES	635	5.70	%	5/15/2017	(a)	694
CAPITAL ONE BANK USA NA	385	1.15	%	11/21/2016	(a)	384
CAPITAL ONE BANK USA NA	1,095	2.95	%	7/23/2021	(a)	1,102
CAPITAL ONE FINANCIAL CO	610	2.15	%	3/23/2015	(a)	615
CARMX 2011-2 A4	1,094	1.35	%	2/15/2017	(a)	1,098
CARMX 2012-1 A4	510	1.25	%	6/15/2017	(a)	512
CARMX 2012-2 A3	125	0.84	%	3/15/2017	(a)	125
CARMX 2012-2 A4	190	1.16	%	12/15/2017	(a)	191
CARMX 2012-3 A3	358	0.52	%	7/17/2017	(a)	357
CARMX 2012-3 A4	785	0.79	%	4/16/2018	(a)	783
CARMX 2013-1 A3	413	0.60	%	10/16/2017	(a)	412
CARMX 2013-2 A3	675	0.64	%	1/16/2018	(a)	675
CARMX 2013-3 A3	690	0.97	%	4/16/2018	(a)	692
CARMX 2013-4 A3	815	0.80	%	7/16/2018	(a)	814
CARMX 2014-3 A3	1,775	1.16	%	6/17/2019	(a)	1,770
CARMX 2014-4 A3	260	1.25	%	11/15/2019	(a)	260
CARMX 2014-4 A4	155	1.81	%	7/15/2020	(a)	155
CATERPILLAR FIN SERV	210	5.50	%	3/15/2016	(a)	225
CATERPILLAR FINANCIAL SE	1,925	1.35	%	9/6/2016	(a)	1,950
CATERPILLAR FINANCIAL SE	840	2.75	%	8/20/2021	(a)	855
CATHOLIC HEALTH INITIATI	670	2.95	%	11/1/2022	(a)	661
CATHOLIC HEALTH INITIATI	90	1.60	%	11/1/2017	(a)	90
CATHOLIC HEALTH INITIATI	755	2.60	%	8/1/2018	(a)	778
CC HOLDINGS GS V LLC/CRO	760	2.38	%	12/15/2017	(a)	767
CCCIT 2013-A3 A3	575	1.11	%	7/23/2018	(a)	579
CCCIT 2013-A6 A6	280	1.32	%	9/7/2018	(a)	283
CCCIT 2014-A2 A2	2,240	1.02	%	2/22/2019	(a)	2,240
CCCIT 2014-A4 A4	1,645	1.23	%	4/24/2019	(a)	1,647
CELGENE CORP	1,110	4.00	%	8/15/2023	(a)	1,184
CGCMT 2013-GC15 A1	541	1.38	%	9/10/2046	(a)	542
CGCMT 2014-GC19 A1	245	1.20	%	3/10/2047	(a)	243
CGCMT 2014-GC21 A1	119	1.24	%	5/10/2047	(a)	119
CGCMT 2014-GC25 A1	284	1.49	%	10/10/2047	(a)	283
CHAIT 2013-A8 A8	2,710	1.01	%	10/15/2018	(a)	2,711
CHAIT 2014-A1 A	1,305	1.15	%	1/15/2019	(a)	1,305
CISCO SYSTEMS INC	855	1.10	%	3/3/2017	(a)	860
CITIGROUP INC	1,735	2.50	%	7/29/2019	(a)	1,753

CITIGROUP INC	1,400	1.55	%	8/14/2017	(a)	1,405
CITIGROUP INC	860	1.85	%	11/24/2017	(a)	861
CME GROUP INC	1,015	3.00	%	9/15/2022	(a)	1,041
CNA FINANCIAL CORP	1,440	6.50	%	8/15/2016	(a)	1,592
CNH 2011-B A4	1,298	1.29	%	9/15/2017	(a)	1,301
CNH 2012-A A3	152	0.94	%	5/15/2017	(a)	152
CNH 2012-A A4	1,700	1.38	%	2/15/2018	(a)	1,711
CNH 2012-C A3	265	0.57	%	12/15/2017	(a)	265
CNH 2013-A A3	346	0.69	%	6/15/2018	(a)	346
CNH 2013-C A3	270	1.02	%	8/15/2018	(a)	271
CNH 2014-C A3	690	1.05	%	11/15/2019	(a)	687
CNH 2014-C A4	735	1.65	%	9/15/2021	(a)	730
CNP 2005-A A4	393	5.17	%	8/1/2019	(a)	421
COCA COLA CO	900	5.35	%	11/15/2017	(a)	1,005
COCA COLA FEMSA SAB CV	495	4.63	%	2/15/2020	(a)	551
COCA-COLA CO	410	4.88	%	3/15/2019	(a)	466
COMM 2006-C8 A4	1,814	5.31	%	12/10/2046	(a)	1,930
COMM 2012-CR3 A3	540	2.82	%	10/15/2045	(a)	542
COMM 2012-LC4 A1	48	1.16	%	12/10/2044	(a)	48
COMM 2014-CR17 A1	87	1.28	%	5/10/2047	(a)	87
COMM 2014-CR19 A1	636	1.42	%	8/10/2047	(a)	634
COMM 2014-CR20 A1	698	1.32	%	11/10/2047	(a)	694
COMM 2014-CR21 A1	156	1.49	%	12/10/2047	(a)	157
COMM 2014-LC17 A1	287	1.38	%	10/10/2047	(a)	287
COMM 2014-UBS4 A1	276	1.31	%	8/10/2047	(a)	275
COMM 2014-UBS6 A1	705	1.45	%	12/10/2047	(a)	703
COMMONWEALTH BANK AUST	1,990	1.90	%	9/18/2017	(a)	2,020
COMMONWEALTH BK AUSTR NY	1,135	1.13	%	3/13/2017	(a)	1,135
COMMONWEALTH EDISON	235	1.95	%	9/1/2016	(a)	240
CONTINENTAL AIRLINES INC	149	4.75	%	7/12/2022	(a)	163
CONTL AIRLINES 2012-1	1,422	4.15	%	10/11/2025	(a)	1,474
COSTCO WHOLESALE CORP	810	0.65	%	12/7/2015	(a)	812
CREDIT SUISSE NEW YORK	1,670	1.38	%	5/26/2017	(a)	1,667
CREDIT SUISSE NEW YORK	340	2.30	%	5/28/2019	(a)	340
CREDIT SUISSE NEW YORK	930	3.00	%	10/29/2021	(a)	928
CROWN CASTLE TOWERS LLC 144A	1,344	6.11	%	1/15/2040	(a)	1,539
CSMC 2006 C4 A3	742	5.47	%	9/15/2039	(a)	784
DAIMLER FINANCE NA LLC 144A	1,115	1.09	%	8/1/2018	(a)	1,127
DAIMLER FINANCE NA LLC 144A	1,480	2.88	%	3/10/2021	(a)	1,503
DAIMLER FINANCE NA LLC 144A	1,915	1.13	%	3/10/2017	(a)	1,911
DANAHER CORP	490	5.40	%	3/1/2019	(a)	561
DBUBS 2011-LC3A A1	106	2.24	%	8/10/2044	(a)	107
DBUBS 2011-LC3A A2	970	3.64	%	8/10/2044	(a)	1,004
DCENT 2014-A3 A3	1,505	1.22	%	10/15/2019	(a)	1,504
DCENT 2014-A5 A	2,385	1.39	%	4/15/2020	(a)	2,382
DCP MIDSTREAM OPERATING	1,360	2.50	%	12/1/2017	(a)	1,362
DCP MIDSTREAM OPERATING	40	2.70	%	4/1/2019	(a)	39

DDR CORP	960	3.50	%	1/15/2021	(a)	983
DELTA AIR LINES	237	7.75	%	6/17/2021	(a)	275
DELTA AIR LINES	458	4.95	%	5/23/2019	(a)	492
DELTA AIR LINES 2011-1	218	5.30	%	10/15/2020	(a)	239
DESF 2001 1 A6	730	6.62	%	3/1/2016	(a)	754
DIAMOND OFFSHORE DRILL	65	4.88	%	7/1/2015	(a)	68
DIAMOND OFFSHORE DRILL	520	5.88	%	5/1/2019	(a)	572
DIRECTV HLDG/FIN INC	970	3.50	%	3/1/2016	(a)	1,008
DIRECTV HOLDINGS LLC	1,080	3.55	%	3/15/2015	(a)	1,098
DIRECTV HOLDINGS/FING	515	1.75	%	1/15/2018	(a)	516
DNB BANK ASA 144A	3,350	3.20	%	4/3/2017	(a)	3,499
DOW CHEMICAL CO	895	4.25	%	11/15/2020	(a)	961
DROCK 2013-1 A	1,225	0.50	%	7/16/2018	(a)	1,226
EASTMAN CHEMICAL CO	525	2.40	%	6/1/2017	(a)	535
EATON VANCE CORP						