

jcp 401(k) Savings Plan Stable Value Fund changes

The jcp 401(k) Savings Plan is available to help team members save for retirement. Saving and investing for retirement can be challenging which is why the jcp 401(k) Savings Plan makes available to team members several different investment options to choose from as well as investment tools to help you plan for retirement.

One of the funds available in the jcp 401(k) is the Stable Value Fund (Interest Income Account). This fund has been a long standing option in the jcp 401(k) Savings Plan, and has provided a reliable and competitive rate of return over time.

Continuing to offer this reliable fund in the jcp 401(k) requires that we update trading rules related to transfers between the Stable Value Fund and the Self-Directed Brokerage Account (SDBA). Beginning April 1, 2013 transfers out of the Stable Value Fund must first be invested into another investment option within the 401(k) Savings Plan for at least 90 days before being moved into the SDBA. This 90 day requirement has become common industry practice and is intended both to protect team members that remain invested in the fund as well as help ensure that the Stable Value Fund will continue to be an option in the Plan going forward.

The reason for this change is based on the way a Stable Value Fund is managed. A Stable Value Fund invests in conservative high quality bonds with the value of your investments backed by various financial institutions. Given the current low interest rate environment, these financial institutions are requiring this change to mitigate risk associated with a sudden rise in interest rates. Therefore, this modification is necessary to ensure that the Stable Value Fund will continue to be an option in the future and perform as intended for participants.

There are no changes regarding transfers into the SDBA from any other fund provided that the funds being transferred into the SDBA did not originate from the Stable Value Fund within the previous 90 days.

This is the **ONLY** update being made to the trading rules at this time.

If you any questions about the changes or this notice, please call PowerLine at **1-888-980-8900**. Representatives are available Monday through Friday from 8 a.m. to 8 p.m, Central Time.