



State Farm Investment Management Corp.

Wrap Fee Program Brochure

Form ADV, Part 2A Appendix 1, Wrap Fee Program Brochure

November 11, 2024

This wrap fee program brochure provides information about the qualifications and business practices of State Farm Investment Management Corp., a wholly owned subsidiary of State Farm Life Insurance Company. Contact us at (833) 919-1059 if you have any questions about the content of this brochure. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority.

Additional information about State Farm Investment Management Corp. is available on the SEC's website at www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

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This section is not applicable.

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State Farm Investment Management Corp. (“Adviser” or “SFIMC” or “we” or “our” or “us”) is a registered investment adviser. This brochure (“Brochure”) provides each customer (“customer,” “you” or “your”) with information about Adviser, the wrap fee advisory program* (“Program”), the fees charged for our services and our business practices. You should read this Brochure carefully and consult with your tax professional before you decide to participate in the Program.

State Farm VP Management Corp. (“SFVPMC”) is a wholly owned subsidiary of SFIMC and acts as the introducing broker dealer in connection with the Program. Accordingly, you will have a brokerage relationship with SFVPMC and open a brokerage account with SFVPMC (“Account”)¹, which will be held at Pershing LLC (“Custodian”). Custodian will hold the assets (“Assets”) in your Account, and you will be required to enter into a separate agreement with Custodian.

The decision to participate in the Program is yours. Before making this decision, you and your investment adviser representative (“IAR”) should discuss whether other services or investments may be more appropriate for your investment goals and needs. If you decide to participate in the Program, we will not begin providing you advisory services until (a) our acceptance and approval of a written investment management agreement (“IMA”) between you and SFIMC, and (b) funding of the Account at or above a minimum threshold (currently \$15,000) as determined by SFIMC (See Item 5 below).

Before participating in the Program, you should decide if you are comfortable delegating the day-to-day investment management of your Account to us. Customers selecting the Program typically:

- Are at ease with a team of financial professionals making day-to-day investment decisions to buy and sell securities for the customers.
- Are willing to follow a disciplined investment strategy.
- Are comfortable paying quarterly, asset-based (percentage) fees for investment advice and the costs of purchasing and selling securities rather than paying separately for such advice and buying and selling securities or paying transaction-based commissions or sales charges to buy securities and receiving advice that is solely incidental to such transactions.

In evaluating the Program, you should consider a number of factors. You may be able to obtain similar discretionary advisory and execution services available under the Program through other wrap fee advisory programs sponsored by other investment advisers. The Program may cost you more than obtaining a similar bundled set of advisory and brokerage services through a different wrap fee program available from another company. In addition, you can separately purchase investment advisory and brokerage services. The Program may cost more or less than separately purchasing such services. An important factor in whether the Program would be more or less expensive than separately obtaining investment advisory and brokerage services is the amount of expected trading activity in your Account and the corresponding transaction-based brokerage commissions that would be charged if you bought and sold securities via a brokerage account that did not also receive investment advisory services. Another factor is the amount you intend to contribute to, and have managed under, the Program. You may experience different performance results or tax consequences from what you would under the Program if you were to purchase investment advisory and brokerage services separately or through another investment adviser and broker-dealer.

Advisory Program Overview

The Program is a wrap fee program offered by Adviser through its IARs in which your Assets will be managed on a discretionary basis based on information you provide and in accordance with model portfolios that Adviser makes available through the Program (each, a “Portfolio”) to you. Each Portfolio is designed by Adviser and uses an investment management methodology that seeks to achieve a return with a corresponding risk by utilizing a unique target asset allocation that aligns with a stated investment strategy. For each Portfolio, Adviser selects among exchange traded funds (“ETFs”) and/or mutual

¹ “Account” in this document refers only to the SFVPMC brokerage account opened to support the investment advisory services provided by SFIMC and does not include any other brokerage account you may have with SFVPMC prior, during or after you participate in the Program.

funds that represent different asset classes (“Asset Classes”) in accordance with that Portfolio’s target asset allocation. Certain Portfolios are only available in taxable Accounts.

Adviser selects the underlying ETFs and mutual funds that comprise the Portfolios through a manager research and selection process. Adviser categorizes these ETFs and mutual funds by Asset Class . Based on your expressed investment objective, risk tolerance, time horizon, investment preference and tax treatment of your Account, your IAR will recommend an appropriate Portfolio to you. Once you agree to the recommended Portfolio, we will allocate a percentage of your investments to each of the Asset Classes within the Portfolio. Asset allocation cannot eliminate risk associated with investing, but certain features of the Program are designed to keep your Account within your stated risk tolerance.

At any time we can change, in our sole discretion, the investment management methodology, any investment strategy, any target asset allocation, the number of Portfolios available through the Program, the ETFs and mutual funds that Adviser selects for the Portfolios, and the relative weightings of the ETFs and mutual funds in connection with each of the Portfolios. These changes could result in the purchase or sale of an ETF and/or mutual fund in your Account. Liquidations and redemption fees paid from your Account may cause a taxable event for which you are responsible.

There is no guarantee that your Account will perform in any particular manner. It is important that you read the prospectus of each ETF and/or mutual fund purchased for your Account. Further details about an ETF and/or mutual fund can be found in its statement of additional information (“SAI”) and shareholder reports.

Investment Objective

In order to participate in the Program, as a part of the customer discovery process, with the help of your IAR you will provide important information about you, including your goal or purpose for investing and your time horizon, risk tolerance, and other financial information.

Your time horizon will reflect the time frame over which you will be accumulating and/or distributing your investments.

Portfolio Recommendation

Your IAR will recommend a Portfolio to you that aligns with your investment objective, time horizon, risk tolerance, investment preferences and tax treatment of the Account.

Portfolios in the Program are designed and managed by Adviser’s home office team of investment professionals and currently include:

- **Strategic Core ETF:** The Strategic Core ETF suite of Portfolios seeks total return through a diversified strategic asset allocation framework across global equity and fixed income markets. Through a passive investment strategy, each Portfolio is designed to provide exposure to broad market benchmarks by investing in low-cost, index tracking ETFs.
- **Strategic Core Tax-Aware ETF:** The Strategic Core Tax-Aware ETF suite of Portfolios seeks total return through a diversified strategic asset allocation framework across global equity and fixed income markets. Each Portfolio is designed to provide exposure to broad market benchmarks (passive) by investing in low-cost index ETFs. Within fixed income, each Portfolio invests in ETFs focusing on municipal bonds for tax efficiency.
- **Strategic Core MF/ETF:** The Strategic Core MF/ETF suite of Portfolios seeks total return through a diversified strategic asset allocation framework across global equity and fixed income markets. Each Portfolio is designed to utilize both passive and active investment styles by investing in low-cost, index tracking ETFs and actively managed mutual funds.
- **Strategic Income & Preservation ETF:** The Strategic Income & Preservation ETF suite of Portfolios seeks to generate income through a diversified strategic asset allocation framework across global fixed income markets. Each Portfolio is designed to be a core income holding by investing in a broad range of income-producing, low-cost ETFs.
- **Strategic Income & Growth ETF:** The Strategic Income & Growth ETF suite of Portfolios seeks to generate income and long-term capital appreciation through a diversified strategic asset allocation framework across global equity and fixed income markets. Each Portfolio is designed to be a core income holding by investing in a broad range of yield-oriented, low-cost ETFs.

Adviser constructs the asset allocation for each Portfolio using different target weightings of Asset Classes, considering risk tolerance, time horizon and the Portfolio's investment strategy. Adviser is solely responsible for determining, and periodically reviewing, the asset allocations for each Portfolio. Due to various influences, such as changing market conditions, we may change the asset allocation or target weighting of a Portfolio(s). If we change the asset allocation or target weighting, we may automatically rebalance your Account to align with the new asset allocation or target weighting.

Investment Restrictions. You may request to impose reasonable investment restrictions on the management of your Account by working with your IAR to submit a written request to Adviser. The decision as to whether an investment restriction is reasonable is made solely by Adviser. If we deem a proposed restriction as not reasonable, we will notify you that, unless the request is modified, we will terminate your existing IMA, or choose to not establish an investment advisory relationship with you. No requested restriction will be implemented until we determine it is reasonable in writing to you. If we agree not to purchase a security for your Account in response to your request, we may, in our discretion, hold the amount that ordinarily would be invested in such security in cash, invest it in substitute securities, or invest it on a pro rata basis across the other securities comprising the recommended Portfolio. You understand that the performance of an account with restrictions will differ from, and may be lower than, the performance of accounts without restrictions.

The selection and relative weighting of the ETFs and mutual funds in each of the Portfolios has been designed to meet specific investment objectives, including diversification. You are not able to remove the ETFs and mutual funds comprising a Portfolio, except by requesting an investment restriction on the management of your Account, which will be implemented only if Adviser determines in its sole discretion that such restriction is reasonable. Not including or removing from your Account any ETF or mutual fund that is part of the Portfolio used to manage your Account will change the investment characteristics of your Account in a way that deviates from our investment advice and may adversely impact the performance of your Account.

Brokerage Services. By participating in the Program, and signing the IMA, you will direct order execution for your Account to Custodian, via SFVPMC, and have all transactions for your Account submitted through SFVPMC and executed, cleared and settled by Custodian.

Trading and Trade Allocation

Adviser has a contract with Intelliflo Advisers, Inc. ("Intelliflo") to provide certain services for which Adviser pays a fee. Intelliflo's services include billing, reporting, trading, rebalancing, cash generation and other middle- and back-office services. Adviser and Intelliflo, or another third party of our choosing, will place orders through SFVPMC with Custodian on your behalf to buy ETFs and mutual funds for your Account at the time(s) and in amounts calculated by us, such that the resulting holdings in your Account after settlement of the purchases will approximate your recommended Portfolio.

Adviser may, but is not required to, aggregate orders for the purchase or sale of securities for the Account with orders for the accounts of other customers of Adviser. When orders are aggregated the actual prices applicable to aggregated ETF transactions will be averaged and the Account and each other account participating in the aggregated transaction shall be treated as having purchased or sold its portion of the securities at such average price. You recognize that in some cases this procedure may adversely affect the price or size of the position obtainable for the Account. Trade aggregation is done to increase operational efficiencies and allows us to keep trading costs down. If we did not aggregate trades, the Advisory Fee (defined below) could potentially be higher.

To permit sufficient time to ensure any transfer of Assets to your Account has been successfully completed, we will wait at least one business day after the day Custodian credits the applicable deposit or transfer to your Account to generate and place orders for those purchases. As a result, each deposit or transfer you make will generally not be invested in accordance with your recommended Portfolio for at least one business day after the day Custodian credits the applicable deposit or transfer to your Account, and the uninvested cash will not be subject to financial gains or losses resulting from movement in market prices during that time. These orders generally will be placed at any time within five (5) business days after your request to withdraw funds. If you request to withdraw funds from your Account, market movements between the time you

initiate the withdrawal request and the time it is completed may impact the value of your Account's balance, such that it may be lower than when you initiated such request.

From time to time, the volume and/or number of trades that must be executed for accounts may exceed Intelliflo's operational and technological capacities if these trades are made on a single day. This may occur if Adviser is removing an ETF and/or mutual fund from a Portfolio, if a large number of accounts need to be rebalanced, or by request of an ETF and/or mutual fund. In order to maintain the orderly processing of trades and to minimize the incidence of errors, Intelliflo may decide to allocate trades over an extended period of time. This may result in customers receiving different prices during such events. However, Intelliflo's allocation process is designed to be fair and equitable over time through the use of a pro rata allocation process.

In addition, if the volume or size of redemptions required to be effected as a result of the removal of an ETF and/or mutual fund from a Portfolio or the rebalancing of a large number of accounts exceeds the limits set forth in the trading policies and procedures, the ETF and/or mutual fund may exceed the standard settlement period to process redemptions. In such circumstances, customer assets may not be fully invested and may be subject to market risk between the redemption date and the reinvestment of the Assets.

Intelliflo applies its trading policies to implement trading in the Program pursuant to parameters determined by Adviser. Within these parameters, Intelliflo is able to determine the time and price at which trades are made.

Trade Errors. In certain circumstances, trade errors may occur with respect to your Account. When a trade error occurs that is caused by the actions of Adviser or Intelliflo, we will work to promptly correct the error in accordance with the following principles:

- If the process of resolving a trade error made with respect to your Account results in a gain, then you will receive the economic benefit of such process.
- If the process of resolving a trade error made with respect to your Account results in a loss, then we will ensure your Account is not disadvantaged thereby.

Custody. Assets in your Account are held at Custodian. Custodian is responsible for:

- Safekeeping your funds and securities;
- Collecting dividends, interest and proceeds from any sales of securities; and
- Disbursing funds from your Account.

SFVPMC serves as the introducing broker-dealer in connection with the Program, which means that SFVPMC assists with the opening of the brokerage account in which your Assets will be held and introduces trades to Custodian for clearance and settlement. Those Assets will be managed by Adviser in accordance with the selected Portfolio. Custodian will provide you with written trade confirmations of securities transactions and account statements for each month there is activity in the Account. Custodian will also provide you with mutual fund prospectuses and reports.

Please review your confirmations and account statements carefully and notify us immediately if you detect an error or a discrepancy.

Investment Discretion. When you decide to participate in the Program, you will sign an IMA indicating that you agree to all of its terms and conditions. By signing the IMA, you give Adviser full discretionary investment and trading authority over your Account. You do not authorize us to change your Portfolio to another Portfolio.

The discretionary investment and trading authority you give to Adviser means Adviser can do the following:

- Selecting ETFs and/or mutual funds for your Portfolio and for your Account;
- Removing ETFs and/or mutual funds from the your Portfolio and from your Account;
- Replacing an ETF and/or mutual fund in your Account with another ETF and/or mutual fund;
- Determining the asset allocations within the Portfolio and your Account and changing an asset allocation at any time;

- Adding and removing Asset Classes, which could result in the purchase or sale of ETFs and/or mutual funds in your Account;
- Aggregating (or not aggregating) trades;
- Investing funds and reinvesting all dividends and proceeds earned by your Account into ETFs and/or mutual funds;
- Automatically buying and selling ETFs and/or mutual funds to rebalance your Account to your Portfolio's target asset allocation;
- Conducting tax loss harvesting, which applies when a position in your Account is sold at a loss. It is immediately replaced with an alternative security in order to maintain the same or similar exposure and risk/return profile.
- Deducting cash from your Account to pay Adviser's Advisory Fees;
- Exchanging mutual fund shares into another mutual fund share class;
- Liquidating the ETFs and/or mutual funds in your Account if your IMA is terminated, as set out below;
- and
- Implementing any reasonable restrictions that we agree to.

The discretionary investment and trading authority you give to Adviser can be exercised by us at any time and without prior notice to you.

Termination of Participation in the Program.

You or Adviser may terminate your participation in the Program at any time without any advisory termination fee. Adviser requires written notice in order to terminate our advisory services for your Account.

Except for certain limited powers we have upon termination discussed below, upon termination of the IMA, Adviser will no longer act as your investment adviser and will not manage your Account or recommend any action with regard to the Assets in your Account. However, you may instruct us to sell the securities in your Account or to transfer the securities in your Account to another SFVPMC account or to a third-party account.

If you terminate the IMA and do not provide Adviser with valid instructions regarding the transfer or distribution of Assets from your Account within 7 business days, Adviser will liquidate all your Account Assets and transfer the funds to a new SFVPMC brokerage account (that does not receive the advisory services provided under the Program). Your Account will be closed immediately after the completion of any transfer or distribution.

If you send a request containing all required authorization(s), information, and instructions to transfer all Assets out of your Account, the request will be completed within 5 business days and your Account will be closed immediately after completion of such transfer.

If we terminate the IMA, we will promptly liquidate all your Account Assets, distribute the funds to you, and close your Account, subject to compliance with applicable laws or regulations. Amounts distributed may be eligible for indirect rollover, subject to applicable rules and limits on indirect rollovers. Distributions may be subject to tax penalties and tax withholding.

If your Account value is below the Minimum Balance (as defined in Item 5 below), your Account will terminate effective on the last day of the month in which written notice is sent to you by Adviser. If we do not receive valid instructions from you regarding the transfer or distribution of all Assets from your Account before the effective termination date, we will liquidate all your Account Assets, transfer the funds to a new SFVPMC brokerage account (that does not receive the advisory services provided under the Program), and your Account will be closed immediately after completion of such transfer.

Redemption fees may be assessed by mutual fund if shares were held for only a short time, and taxable gains or losses may be realized upon the liquidation or redemption of securities in your Account. Any fees will negatively impact your investment performance.

Fees

Every Account pays asset-based investment advisory fees (your "Advisory Fee").

In addition to your Advisory Fee, ETFs and mutual funds in your Account have internal fees and expenses that are described in the prospectus of each fund. These internal fees and expenses, which vary depending on the particular ETF or mutual fund, will reduce the overall returns generated in your Account.

The following section explains:

- The fees and expenses;
- How the fees and expenses are calculated and paid; and
- Potential fee reductions you may receive.

The Advisory Fee

Every Account is charged an Advisory Fee for investment advisory services and custody and transaction execution services, including: initial and ongoing analysis of your investment needs and objectives; periodic consultations; ongoing evaluation and selection of investments for your Account; Adviser ongoing oversight and services to keep your Account aligned with your Portfolio; periodic performance reporting; and other related services as described in this Brochure.

Advisory Fee Schedule

For the services provided by Adviser under this Agreement, SFVPMC's brokerage services, and clearing and custodial services provided by Custodian (except for certain Account fees and expenses specified in the Customer Fee Listing you receive), you agree to pay the annual Advisory Fee, in basis points, set forth in the chart below based on the entire value of your Account Assets. Customers are not allowed to negotiate or change the fees listed in the chart. Adviser may amend this chart by 30 days' written notice to you.

Advisory AUM Based Fee	
Pricing Tier (\$)	Advisory Fee
15,000* – 99,999	1.25%
100,000 – 499,999	1.00%
500,000 – 999,999	0.75%
1,000,000 and above	0.50%

* Accounts advised for a full quarter that have an average daily market value below \$15,000 are charged a minimum quarterly Advisory Fee of \$45. For Accounts that qualify for a reduced Advisory Fee, such Accounts advised for a full quarter that have an average daily market value below \$15,000 are charged a minimum quarterly Advisory Fee of \$18.75.

How the Advisory Fee Is Calculated

The Advisory Fee is based on the market value of all Assets held in your Account, including cash. The Advisory Fee is comprised of fees assessed at annual fee rates (shown above), payable quarterly in arrears.

The fees assessed by Adviser will reduce your Account's overall return and performance.

If your Account is open for part of a quarter, then your Advisory Fee will be prorated based on the number of days your Account was open and invested in the market. The amount you pay is determined by the average daily market value of the Assets held in your Account for the previous quarter. However, Accounts in which the average daily market value is less than \$15,000 will instead generally pay a \$45 Advisory Fee. Adviser uses a "cliff" approach, whereby the entire balance for the quarter is subject to a single wrap fee as determined by the Advisory Fee Schedule.

Changing the Advisory Fee is at the sole discretion of Adviser.

Instead of hiring third party portfolio managers to manage your Assets in the Program, your Account is managed by a home office team of investment professionals who are paid a salary.

Potential Fee Reductions to the Advisory Fee

Depending on certain factors, you may be eligible to receive fee reductions to your Advisory Fee, as described below.

Fee Reductions

If the Assets deposited into your Account consist of at least \$15,000 from a previously established SFVPMC brokerage account that was subject to a sales charge payable to SFVPMC, the Advisory Fee will be reduced to the lowest Advisory Fee set forth in the chart above (regardless of your Account value) for twenty-four (24) full months following the opening of your Account or for the period after Account opening that your Account is active in the Program, whichever is less. **If you are selling securities to invest in the Program but did not purchase them through SFVPMC, you will not receive a fee reduction.**

If you are an employee of Adviser or one or more of its affiliates, an IAR, or an eligible family member of such employee or IAR, the Advisory Fee will be reduced to the lowest Advisory Fee set forth in the chart above (regardless of your Account value) for the period after Account opening that your Account is active in the Program.

Ask your IAR for additional information about potential fee reductions. Any fee reductions will be applied in accordance with policies established by Adviser, which may be amended from time to time by Adviser.

How the Advisory Fee Is Paid

The Advisory Fee is deducted directly from your Account and paid using the cash portion. If there is not sufficient cash to pay the Advisory Fee, we will sell a sufficient amount of Assets within the Account to pay the Advisory Fee. If Adviser sells Assets, this may trigger a rebalance of your Account and adverse tax consequences. Such transactions will be effected without regard to tax consequences. In addition, you may have to pay redemption fees to a fund company if those shares were held only for a short time. (See below for more information on redemption fees.) Trades in a taxable Account may result in a taxable event.

Internal Fees and Expenses of Mutual Funds and ETFs and Redemption Fees

Each ETF and/or mutual fund has internal management fees and ongoing operating expenses that are deducted from the ETF or mutual fund assets, which has the effect of reducing the fund's net asset value ("NAV") and are thus borne by shareholders of the ETFs and mutual funds. ETFs and mutual funds used in the Program have different fees and expenses. The prospectus for each ETF or mutual fund describes the internal operating fees and expenses..

The internal fees and expenses of the ETFs and mutual funds purchased for your Account that you bear as a shareholder thereof are in addition to the Advisory Fee you pay that is described above and varies depending on the particular ETF or mutual fund.

Certain mutual funds may also impose redemption fees if shares of the mutual fund are held for only a short time (typically anywhere from less than thirty (30) days to twelve (12) months). The prospectus and SAI describe whether a mutual fund has a redemption fee and whether there are instances when the redemption fees will be waived.

Any internal fees and expenses charged by an ETF and/or mutual fund to its shareholders will reduce your Account's overall return and investment performance. The same is true of the Advisory Fee and every other fee or charge you pay.

Other Fees and Expenses Not Included in the Advisory Fee

In addition to the Advisory Fee described above, customers will be responsible for brokerage or custodial related Account fees and expenses, if incurred, as disclosed on the Customer Fee Listing including, but not limited to, an annual fee for retirement accounts and/or an Account termination fee. You will receive the Customer Fee Listing as part of opening your Account.

IAR Compensation and Conflicts of Interest

Your IAR receives a portion of the Advisory Fee as determined by Adviser. Your IAR thus will earn their compensation over time if you participate in the Program. The fee rate paid to your IAR will be the same regardless of the Portfolio you select. As a result, your IAR does not have a financial incentive to recommend one Portfolio over another. Your IAR does not receive any brokerage related compensation in connection with the purchase or sale of securities through your Account.

The amount of your IAR's compensation may be more or less than what they would receive as a registered representative of SFVPMC if you only had a brokerage account holding securities with SFVPMC and did not also have an investment advisory relationship with Adviser. In situations when your IAR would receive more compensation for participating in the Program than they would earn if you just had a brokerage relationship with SFVPMC the IAR would have a financial incentive to recommend the Program over just a brokerage relationship with SFVPMC.

IAR agents, who are independent contractors, may also be eligible for cash and non-cash compensation under incentive programs for meeting certain overall production levels (including, among other things, contributions made under the Program). These programs create an incentive for the IAR to recommend that you participate in and make additional contributions to the Program.

Some IARs are employees of IAR agents, are compensated by the IAR agents that employ them, and may share in the cash and non-cash compensation received by the IAR agents. The amount of compensation an IAR agent pays to the agent's IAR employee(s) aligns with but can never be greater than the amount paid to the IAR agent. As with the IAR agent, this cash and non-cash compensation creates an incentive for the agent's IAR employee to recommend that you participate in and make additional contributions to the Program.

In addition to being an IAR of Adviser, the IAR also serves as a registered representative of SFVPMC and in that capacity may offer and sell securities and provides corresponding brokerage services to customers of SFVPMC. In consideration of providing these brokerage services on behalf of SFVPMC the IAR (as a registered representative of SFVPMC) receives a portion of the commissions, fees and charges earned by SFVPMC in its brokerage business.

If you purchased mutual funds through SFVPMC but not in connection with the Program, you may pay sales charges and the issuer would pay a commission to SFVPMC, a portion of which would be paid to your registered representative. Customers who paid sales charges on mutual fund assets held in a previously established SFVPMC brokerage account, and then use those assets to participate in the Program, will pay a reduced Advisory Fee for 24 months as describe above. After 24 months, the reduced Advisory Fee will no longer apply, nor be available for additional contributions. The IAR (as a registered representative of SFVPMC) received a portion of the sales charges and/or other fees customers paid for those mutual fund assets. After those assets are contributed to the Program, the IAR will also receive a portion of the reduced Advisory Fee, and after 24 months, a portion of the applicable unreduced Advisory Fee. This additional compensation creates an incentive for the IAR to recommend that you use assets from your previously established SFVPMC brokerage account to participate in and make additional contributions to the Program.

The IAR also serves as an insurance agent or agent's insurance licensed team member and in that capacity may offer and sell insurance products to customers. In consideration of providing these insurance services the IAR (as an insurance agent or agent's insurance licensed team member) receives a portion of the commissions, fees and charges earned by the insurance business.

The IAR may, depending on the market value of the Assets held in your Account and the period of time your Account is open, receive more revenue from the services IAR provides under the Program than what the IAR receives while acting as a registered representative of SFVPMC or as an insurance agent or agent's insurance licensed team member. This creates a conflict of interest for Adviser and the IAR because the IAR may have a financial incentive to recommend the Program to customer over (just) brokerage and/or insurance products or services that may be available to you.

In addition, some IARs are home office employees who receive cash bonuses based on overall new production (including the Program) of IAR agents, which creates an incentive for these IAR employees to encourage IAR agents to recommend you participate in and make additional contributions to the Program.

Other Conflicts of Interest

Since SFVPMC serves as the introducing broker-dealer in connection with the Program, Adviser has a conflict of interest. This conflict results from the affiliation between Adviser and SFVPMC, as SFVPMC is a wholly owned subsidiary of the Adviser. A customer receiving the investment advisory services under the Program must enter into a separate agreement with, and form a separate brokerage relationship with, SFVPMC. The creation of such a relationship results in a benefit to SFVPMC, which may seek to expand the brokerage relationship with the customer beyond the Account and receive compensation for any such expansion in the relationship. In addition, while SFVPMC will not receive any execution-related or other transaction-based compensation as a result of Accounts that are opened with SFVPMC and for SFVPMC serving as an introducing broker-dealer on the securities transactions that occur in the Account, SFVPMC may receive additional revenue tied to the Account. For instance, SFVPMC will receive revenue from the annual account fee for retirement accounts, as well as a portion of the fee for full outgoing transfers from non-retirement accounts. Each of the foregoing revenue streams creates a conflict of interest for Adviser and your IAR because multiple revenue streams will be paid by customer and received by Adviser and SFVPMC, which in turn creates an incentive for Adviser and IAR to recommend the Program to customers.

SFVPMC also receives a benefit from increased assets in SFVPMC brokerage accounts. SFVPMC pays Custodian a fee based on the assets custodied with Custodian by SFVPMC across all SFVPMC customer accounts. As the level of assets custodied at Custodian increases, the rate charged to SFVPMC by Custodian will decrease. Adviser also reimburses SFVPMC for any fees paid to Custodian by SFVPMC that relate to Adviser's customers. The foregoing creates a conflict of interest for Adviser and the IAR because SFVPMC will be charged fees at a lower rate for all SFVPMC brokerage accounts custodied at Custodian, including those that are not related to Adviser's customers, as the level of such accounts increases, which in turn creates an incentive for Adviser and the IAR to recommend the Program to you in order to increase assets custodied with Custodian.

Comparing Costs, Expenses and Services

Your Advisory Fee is a combined fee for investment advisory, brokerage and custody services as described above under "The Advisory Fee." The Program may cost you more or less than purchasing these services separately, depending on the costs of the services if provided separately, the size of your Account, the amount of cash in your Account, and the trading activity in your Account and the corresponding brokerage commissions that would be charged if you bought and sold securities in a brokerage account without also having an investment advisory relationship.

Item 5: Account Requirements and Types of Customers

You must maintain a minimum balance in your Account of \$15,000 or as otherwise specified to you in writing by Adviser (the "Minimum Balance"). Adviser monitors the total value of your Account. If the balance in your Account falls below \$13,500 and then remains below the Minimum Balance for a period of time determined by Adviser, Adviser may terminate your participation in the Program. Adviser may waive the Minimum Balance requirement in its sole discretion. If your Account goes below the Minimum Balance, the asset allocation of your Account may vary from the target asset allocation.

You can fund your Account with cash and/or securities. If you transfer securities into your Account and those securities are ETFs and/or mutual funds otherwise included within your Portfolio, the securities may or may not be liquidated, in Adviser's discretion. As a result of such liquidations, you may incur significant tax liabilities (or other charges, such as commissions, mark-ups/mark-downs and penalties) for which you will be solely responsible. The costs and expenses associated with transferring securities to Custodian in connection with funding an Account and any subsequent liquidation of such securities (including execution related expenses such as commissions and other transaction related fees and charges) are not included in the Advisory Fee. You should consider such ramifications before deciding to transfer securities

to fund the Account. The proceeds of any liquidations, along with any other incoming cash, will be invested in accordance with your Portfolio.

The Program may not be appropriate for every customer or every Account type. Generally, the Program is available only to residents or entities of the United States with the following types of Accounts: individual; joint; traditional IRAs and Roth IRAs. Adviser can prohibit any person or entity from participating in or remaining in the Program for any reason, including if we do not believe it is an appropriate investment strategy for that person. You should not participate in the Program if you want to actively trade in mutual funds and/or ETFs.

You may add or withdraw funds from your Account by contacting your IAR. Additions and withdrawals from your Account may result in Adviser purchasing or selling Assets in your Account in accordance with your Portfolio and in a manner that attempts to minimize variations in the asset allocation within your Account. If you transfer shares of mutual funds to open an Account and those shares are part of your Portfolio but in a different share class from those held for the Program, you need to notify and work with your IAR to have Adviser convert those shares into a different share class in order to be held in your Account. Any share class conversion may result in higher fees and expenses and negatively affect investment performance.

We will try to make this a nontaxable event but cannot guarantee that you will not owe taxes as a result of the conversion. All such liquidations and any redemptions of securities will be made as promptly as practicable without regard to tax consequences or redemption fees that may be assessed on the liquidation or redemption of those securities. We will not provide advice and/or guidance regarding the securities being sold to fund the Account. As noted above, liquidating trades that occur in a taxable Account may result in a taxable event to you. Please consult with your tax professional.

Item 6: Portfolio Manager Selection and Evaluation

The Program is a wrap fee program sponsored by Adviser. We act as both the wrap fee program sponsor and portfolio manager for the Program described in this Brochure.

Adviser's home office team of investment professionals serve as portfolio managers for customers in the Program. These individuals design and maintain the Portfolios and manage Accounts of customers in accordance with the applicable Portfolios. There are no unaffiliated portfolio managers in the Program. There is no performance information created that is specific to the portfolio managers under the Program. See Item 4 above for a description of our advisory services.

Performance-Based Fees and Side-by-Side Management

Adviser does not charge performance-based fees.

Methods of Analysis, Investment Strategies and Risk of Loss

Adviser selects among ETFs and/or mutual funds that represent different asset classes in accordance with each Portfolio's target asset allocation. To determine the appropriate asset allocation for the Portfolios and ultimately select the ETFs and mutual funds for customers participating in the Program, Adviser begins with developing and updating on an annual basis forward-looking risk and return capital market assumptions ("CMAs") for the asset classes.

The generated CMAs then serve as a guide for Adviser in developing and updating its long-term strategic asset allocations ("SAAs") for the Portfolios, which results in Adviser identifying the asset classes to include in each of the Portfolios, as well as at what portion (i.e., target percentage) of each Portfolio each asset class should constitute.

Adviser gathers the information for this research through a variety of sources including but not limited to industry publications, third-party software, requests for information, regulatory filings, conference calls and on-site visits.

Adviser assembles these qualitative and quantitative findings into a scorecard in which the factors are given different weights to arrive at an overall score, which Adviser's team of investment professionals' reviews to determine the final selection of an ETF and/or mutual fund for a particular asset class position.

Adviser continually reviews Program ETFs and mutual funds to ensure they remain appropriate for customers. Adviser can place an ETF and/or mutual fund on "Review" status, indicating there is some type of important news or issue involving the fund that Adviser wants to monitor. Once the significance of the news or issue is assessed, we will remove the Review status and either: (1) keep the ETF and/or mutual fund in the Program, or (2) remove the ETF and/or mutual fund from the Program. A Program ETF and/or mutual fund can be removed from the Program (and customer accounts) for a variety of reasons.

Rebalancing. Depending on market volatility, the asset allocations for your Account will sometimes get out of balance. Different Asset Classes will perform better than others, resulting in an asset allocation that may have more or less risk than what was intended. Adviser will rebalance, from time to time, the Assets in your Account back to the target asset allocation if they vary from the target asset allocation. Rebalancing will occur if Asset Classes are out of balance by an amount determined by Adviser.

Rebalancing is achieved by buying, redeeming or selling shares of ETFs and/or mutual funds until the asset allocation in your Account is in alignment with the target asset allocation of your Portfolio. Adviser's portfolio management system will calculate the purchases and sales necessary to rebalance your Account based on an analysis of your Account holdings relative to the recommended Portfolio, which may involve the purchase or sale of any ETF or mutual fund. We may also rebalance your Account if an ETF and/or mutual fund is removed from a Portfolio(s) or if an ETF or mutual fund is added. As a result, your Account may be reallocated, in whole or in part. Rebalancing trades are subject to certain dollar minimums as determined by Adviser. You will not be notified before a rebalance occurs. Asset allocation and rebalancing strategies do not guarantee a profit or protect against loss. Rebalancing trades in a taxable Account may result in a taxable event to you. Consult with your tax professional before you participate in the Program.

Tax Loss Harvesting

Tax loss harvesting ("TLH") is the practice of selling an investment at a loss in order to offset or reduce the realized taxable gains from the sale of other investments, and thereby reduce overall tax liability. Within non-tax qualified accounts only, twice per year Adviser will determine whether to engage in TLH with respect to the securities in your Account. In order for TLH to occur within your Account, (A) a security must (i) have a minimum realizable loss in an amount determined by Adviser and (ii) have a minimum realizable loss as a percentage of the value of the security as determined by Adviser; and (B) Adviser must have selected an alternative security position. During this process, certain ETFs in the customer's Account will be sold at a loss to offset potential capital gains (although Adviser does not monitor the type and amount of capital gains). Adviser will also initiate a buy order to replace the ETFs sold for tax-loss harvesting purposes with ETFs that Adviser reasonably believes are not substantially similar.

The performance of the new ETFs may be better or worse than the performance of the ETFs that are sold for tax-loss harvesting purposes. The utilization of losses harvested through the strategy will depend upon the recognition of capital gains in the same or a future tax period and may be subject to limitations under applicable tax laws. Losses harvested through the strategy that are not utilized in the tax period when recognized generally may be carried forward to offset future capital gains, if any. Customers should consult with their professional tax advisors or check the Internal Revenue Service website at www.irs.gov about the consequences of tax-loss harvesting in light of their particular circumstances and its impact on their tax return. Neither the tax-loss harvesting strategy for the Program, nor any discussion herein, is intended as tax advice, and Adviser does not represent that any particular tax consequences will be obtained.

Risk of Loss

All investment strategies and investments involve risk of loss, and the value of your Account will fluctuate. As a result, your Account may be worth more or less than the amount of money you invested.

Past performance does not guarantee future results, and there is no guarantee that your investment objective will be achieved.

Each ETF and/or mutual fund will also fluctuate in value and, when sold, may be worth more or less than the original cost to purchase. Diversification does not guarantee a profit or protect against loss.

Adviser's design and ongoing management of the Portfolios presents risks that may impact the performance of the customer's Account, including:

- The methodologies we follow, the information sources we use, and the third-party software we leverage to perform our calculations to derive our CMAs, SAAs and fund research may be flawed. For instance, we may receive bad data, we may make mistakes in performing calculations, or our approach to developing CMAs or SAAs may be incorrect.
- We may not be effective in selecting mutual funds and ETFs for each of the various Asset Classes. This could be due to various factors including, but not limited to, not uncovering or appreciating the importance of certain factors during our due diligence, weighing different factors poorly or making bad judgments around subjective factors.
- We may lose connectivity or access to data, information sources, portfolio management software or trading systems due to natural disasters, power outages or contractual disputes.

Redemptions of Program Funds. Adviser's customers may collectively own a large percentage of certain mutual funds that are Program funds. Due to the significant ownership, there may be adverse consequences in the event that Adviser, as the investment adviser, removes a mutual fund from the Program. If the volume or size of redemptions required to be effected as a result of the removal of a mutual fund from the Program exceeds the limits set forth in a mutual fund's prospectus, there will be a delay in effecting redemptions, which may result in Accounts experiencing increased risk of loss. A mutual fund company can also decide to redeem shares "in-kind" instead of in cash. In that event, you may receive the actual underlying securities of the fund. The underlying securities could lose value before they are sold. Brokerage and other transaction costs will apply to the sale of the underlying securities. We will work with the mutual fund company to reduce the likelihood of an in-kind redemption and will take steps to minimize potential adverse consequences to you, but there is no assurance that you will be able to avoid the risk of loss and other adverse consequences.

Cybersecurity Risk. The computer systems, networks and devices used by Adviser and our service providers employ a variety of protections designed to protect against damage or interruption from computer viruses, network and computer failures and cyberattacks. Despite such protections, systems, networks and devices potentially can be breached. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of corrupting data or causing operational disruption, as well as denial-of-service attacks on websites. Cyber incidents may cause disruptions and impact business operations, potentially resulting in financial losses, the inability of Adviser or service providers to trade, violations of privacy and other laws, regulatory fines, reputational damage, reimbursement costs and additional compliance costs, as well as the inadvertent release of confidential information.

Economic Conditions Risk. Economic, political and financial trends and developments may, from time to time, result in periods of volatility or other potentially adverse effects that could negatively impact your Account. Domestic and international markets, including sectors and companies within those markets, may respond in significant and unforeseen ways to matters such as public health issues, geopolitical events, natural disasters and social unrest.

Those matters, as well as others not listed here, may increase the risk to your Account's performance and cause losses.

Tailoring Advisory Services to Customers

See Item 4 above for a description of our advisory services and how you can seek to impose restrictions on our management of your Account. Adviser does not provide advisory services tailored to the individual needs of any one customer.

Voting Customer Securities

Adviser will not vote proxies on the securities in your Account.

You will receive proxies directly from the issuer of the security or Custodian and should direct all proxy questions to the issuer of the security. You are solely responsible for voting proxies on the securities in your Account. In addition, we will not take actions with respect to the securities in your Account, such as executing consents, requests, directions, approvals, waivers, objections, appointments or other instruments. You should not direct Custodian to forward proxy materials to us

as we will not take action on such materials should we receive them. We will not answer questions about particular proxy solicitations.

Item 7: Customer Information Provided to Portfolio Managers

Individual customer profile information is not provided to the Adviser's home office investment professionals that design and manage the Portfolios and your Account,

Item 8: Customer Contact with Portfolio Managers

You may contact your IAR during normal business hours with questions regarding the management of your Account. If your IAR cannot address your question, they will then contact other personnel within Adviser, which may include individuals on our home office team of investment professionals to address your question.

Item 9: Additional Information

A. Disciplinary Information and Other Financial Industry Activities and Affiliations

Disciplinary Information

Adviser does not have any legal or disciplinary events that are reportable.

Other Financial Industry Activities and Affiliations

Adviser is registered with the SEC as an investment adviser. In addition to the Program, Adviser provides investment supervisory services for, or arranges for such services to, certain mutual funds sponsored by Adviser's Investment Trust (the "State Farm Funds"). For the advisory services rendered to the State Farm Funds, each fund pays Adviser an asset-based fee at various rates.

The following describes the relationship or arrangement that Adviser has with its affiliates that may be material to its advisory business or to its customers.

Adviser is a subsidiary of State Farm Life Insurance Company ("SFLIC"). SFLIC is a subsidiary of State Farm Mutual Automobile Insurance Company ("SFMAIC"). Adviser's principal executive officers may serve as principal executive officers of SFLIC, SFMAIC or any of its insurance company subsidiaries, and those persons may devote part of their time and their efforts to fulfilling their roles as principal executive officers of SFMAIC and its subsidiaries. Therefore, the principal business activities of Adviser's principal executive officers involve a business activity other than providing investment advice.

State Farm VP Management Corp.

SFVPMC is a registered broker-dealer and wholly owned subsidiary of Adviser. SFVPMC is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. As noted above, the IARs are also registered representatives ("RRs") of SFVPMC. RRs may recommend that a customer who participates in the Program also buy or sell securities, outside of the Program, in which SFVPMC and/or its officers, directors, employees and RRs have a financial interest or may themselves purchase or sell. Any such recommendation will be made in their capacity as RRs of SFVPMC and will be done outside of the Program and apart from the investment advisory services provided by SFVPMC. SFVPMC will compensate the registered representatives if the customer purchases the product. Your participation in the Program is beneficial to SFVPMC because you form a brokerage relationship with SFVPMC under the Program. This relationship may lead to a brokerage relationship with SFVPMC that extends beyond the Program. Accordingly, SFVPMC and your IAR have a conflict of interest created by the possibility of a broader relationship and the receipt of additional compensation.

When recommending securities or investment strategies as a registered representative of SFVPMC outside of the Program and apart from the investment advisory services provided by SFVPMC, the RR is required to ensure that the security or investment strategy is in the best interest of the customer. When selling a mutual fund, or a section 529 college savings plan, a principal of SFVPMC reviews the representative's recommendation to ensure that the product is in the best interest

of the customer. This process helps ensure that the financial incentive to sell securities to customers of SFVPMC does not result in sales that are not in the best interest of such customers. As such, the principal review process addresses the conflict of interest created by the receipt of compensation by SFVPMC and the RRs (and their supervisors) on the sale of securities through SFVPMC.

As discussed in the section entitled “Other Conflicts of Interest” SFVPMC serves as an introducing broker-dealer on the securities transactions that occur in the Account and may receive additional revenue tied to the Account.

State Farm Insurance Companies

Adviser is under common control with all State Farm insurance companies. As noted above, most of Adviser’s IARs are also insurance agents for one or more of the State Farm insurance companies. In that capacity, they may recommend that a customer for whom an Account is created purchase an insurance policy issued by one or more of the State Farm insurance companies. Any recommendation to purchase an insurance policy will be made in their capacity as an insurance agent of a State Farm insurance company and would occur outside of the Program and apart from the investment advisory services provided by SFIMC.. The State Farm insurance company will compensate the agent if the customer purchases the insurance policy. Your participation in the Program is beneficial to the State Farm insurance companies because your relationship with your IAR may lead to a broader relationship that extends to sale of insurance products issued by the State Farm insurance companies. Accordingly, the State Farm insurance companies and your IAR have a conflict of interest created by the possibility of a broader relationship and the receipt of additional compensation.

In addition to the foregoing, Adviser and the IAR have a conflict of interest to the extent the Program results in more compensation being paid than had you purchased (just) brokerage and/or insurance products or services that may be available to you.

B. Code of Ethics, Participation or Interest in Customer Transactions and Personal Trading; Review of Accounts; Customer Referrals and Other Compensation; and Financial Information

Code of Ethics, Participation or Interest in Customer Transactions and Personal Trading

Adviser has adopted a Code of Ethics (“Code”) that includes guidelines regarding personal securities transactions of its supervised persons who are considered access persons under SEC rules. Under the Code, supervised persons must adhere to standards of conduct aim to ensure ethical behavior, protect the interests of customers and are prohibited from engaging in deceptive, fraudulent, or manipulative practices. The Code emphasizes the importance of maintaining the confidentiality of customer information and exercising diligence and care in carrying out their professional responsibilities. All supervised persons must acknowledge the Code annually.

The Code permits Adviser’s access persons to invest for their own personal accounts in the same securities that are purchased for customers in the Program. This presents a conflict of interest because trading by an access person in a personal securities account in the same security at or about the same time as trading for a customer may disadvantage the customer. Adviser requires all access persons report all reportable personal securities transactions and holdings to Adviser. Adviser has processes in place to review personal trading accounts for such conflicts.. In addition, employees in Adviser’s home office team of investment professionals and all other access persons are required to obtain pre-clearance prior to purchasing certain securities held within personal security accounts. Access persons also are required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the Code of Ethics is available to customers upon request through your IAR.

Review of Accounts

At the time your Account is opened, Adviser will review your recommended Portfolio to confirm it is appropriate based on considerations such as your investment objective, risk tolerance, time horizon and tax treatment . The funding of your

Account will also be reviewed. If you have sold investments purchased through SFVPMC or otherwise in order to fund the Account, there may be tax consequences that should be discussed with your tax professional.

While you are participating in the Program, Adviser's home office team of investment professionals provide ongoing monitoring of the Portfolios in the Program. In addition, each customer has the opportunity to have an annual review of their Account with their IAR. The Asset Classes underlying your Account are monitored on an ongoing basis and customer Accounts are rebalanced according to Adviser's guidelines. (For more information, please refer to "Rebalancing" on page 13.)

You will receive an Account statement at least quarterly (monthly in months in which activity occurs in your Account) containing a description of all activity in your Account during the period, including all transactions, contributions, withdrawals, fees and the value of your Account at the beginning and end of the period. We will also periodically make available a performance report containing information about your Account's performance and market commentary.

Our supervision and monitoring do not substitute for your own continued review and monitoring of your Account and performance of your investments. You should review performance reports, trade confirmations, Account statements and other information we send to you. Current and timely information about your Account will be available in Adviser's online customer access system. If you have any questions, please discuss them with your IAR.

At least annually, you and your IAR should discuss any changes to your financial situation, investment objectives and/or risk tolerance, and whether you would like to impose any reasonable investment restrictions on the management of your Account. If your IAR recommends a different Portfolio, your Account may be rebalanced to match your new Portfolio.

Customer Referrals and Other Compensation

There are no arrangements for Adviser nor any of its IARs to compensate any non-supervised person for customer referrals.

Financial Information

This section does not apply to Adviser.

Item 10: Requirements for State-Registered Advisers

This section does not apply to Adviser.