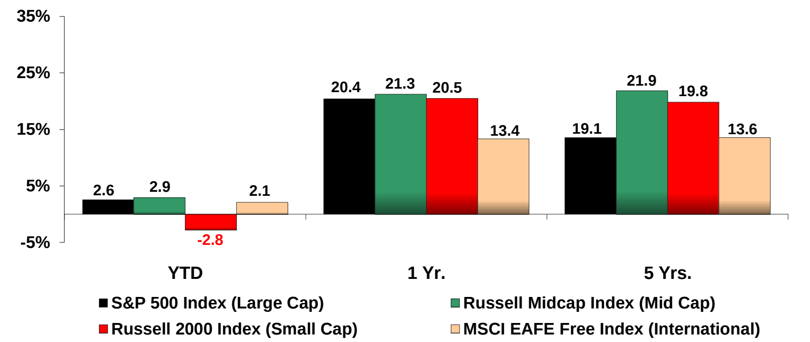
State Farm® Market Recap

As of April 30, 2014

Equities Recap

- Global equities markets moved modestly higher in April as improvements in economic data in the U.S. and Europe help overcome rising tensions between Russia and Ukraine.
- In the U.S., large cap stocks, as measured by the Standard & Poor's 500 Index®, managed to end the month in positive territory, while small- and mid-cap stocks suffered modest set-backs. At month end, the S&P 500 Index posted a 0.7% total return. Small-cap stocks, as measured by the Russell 2000 Index®, and mid-cap stocks, as measured by the Russell MidCap Index®, lost ground for the month, declining -3.9% and -0.6%, respectively
- Outside the U.S., international equity markets posted modest gains as signs of improving economic conditions in the eurozone were tempered by deflationary pressures and rising tensions amongst Russia and Ukraine. For the month, the EAFE Free® Index of developed countries gained 1.5%, while the MSCI Emerging Markets Index (not shown) advanced 0.3%.

Equities Market Performance - Total Returns for Periods Ended April 30, 2014

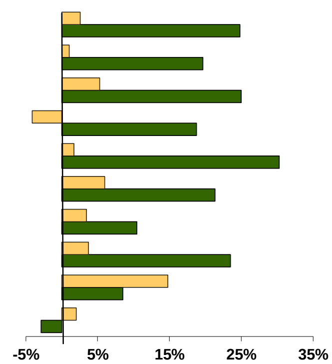


U.S. Stocks

- In the U.S, stocks started the month with the S&P 500 Index setting a new all-time high of 1,890 on April 2, and a new intraday high of 1,899 on April 4, just short of 1,900. The index, however, remained flat or negative throughout the month until a late rally the last two trading days turned a loss into a 0.7% positive gain. Year-to-date through April, the S&P 500 Index has posted a 2.6% total return. In comparison, the first four months of 2013 the index was up 12.7%.
- The U.S. economy showed signs of improvement after a sluggish first-quarter. First quarter gross domestic product estimates showed the economy expanded at an annual growth rate of 0.1% compared to 2.6% in the final three months of 2013. Home building and renovation declined in the January-March quarter, slowing economic growth for a second straight quarter. More recently, auto sales jumped 8.5% in April compared with the same month a year ago, the best April sales increase in the past nine years.
- Seven of the ten sectors within the S&P 500 Index posted positive returns for the month, led by energy which gained 5.2% helped by concerns of an oil and gas shortage if the Ukraine crisis worsens. Utilities was a close second, up 4.3%, and retained its postion as the strongest performer year-to-date. Financials led the declining sectors lower falling -1.5%, pulled down by Bank of America shares which declined 12% for the month.

Performance of S&P 500 Index - Total Returns for Periods Ended April 30, 2014

SECTOR	WEIGHTINGS	YTD	1 YR
Information Technology	18.5%	2.6%	24.8%
Financials	16.1%	1.0%	19.7%
Health Care	13.2%	5.3%	25.0%
Consumer Discretionary	11.8%	-4.1%	18.8%
Industrials	10.7%	1.7%	30.3%
Energy	10.6%	6.0%	21.3%
Consumer Staples	9.9%	3.4%	10.5%
Materials	3.5%	3.7%	23.5%
Utilities	3.2%	14.8%	8.5%
Telecommunication Services	2.4%	2.0%	-2.9%



Ranked by highest to lowest index weighting.

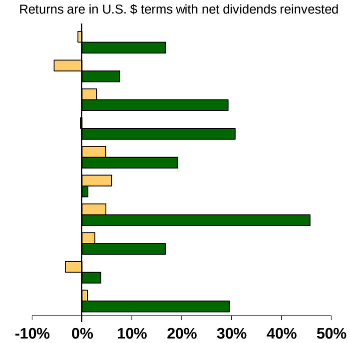
Global Equities

- European equity markets posted modest gains in April as reports of improving economic activity in the United Kingdom, Germany, and Spain raised hopes that the 18-member eurozone is continuing their economic recovery following three years of a crippling sovereign debt crisis. However, slow growth in consumer prices has recently raised deflation fears prompting the European Central Bank to signal that it may cut interest rates again and launch a new asset purchase program. Meanwhile, emerging market stocks held on to post modest gains for the month despite ongoing concerns about China's slowing economic growth.
- Japanese stocks declined -2.6% (in U.S. dollar terms) during April, as the country dealt with the impacts of the recent sales tax increase that took effect April 1. During the month, Japanese manufacturing firms saw a decline in output for the first time in fourteen months. New orders were also down for the month, as Japanese auto makers reported a 5.5 percent decline in new car sales. In both cases, firms linked the reductions to the recent rise in the sales tax.

Performance of MSCI EAFE Index - Total Returns for Periods Ended April 30, 2014

Returns are in U.S. $ terms with net dividends reinvested

COUNTRY	WEIGHTINGS	YTD	1 YR
United Kingdom	21.1%	3.7%	18.4%
Japan	19.7%	-8.0%	-3.7%
France	10.4%	5.8%	25.5%
Germany	9.5%	0.5%	26.9%
Switzerland	9.3%	6.4%	16.1%
Australia	7.8%	7.9%	-1.5%
Spain	3.6%	7.9%	36.0%
Sweden	3.3%	2.8%	14.9%
Hong Kong	2.8%	-0.8%	3.8%
Netherlands	2.7%	-0.6%	23.1%

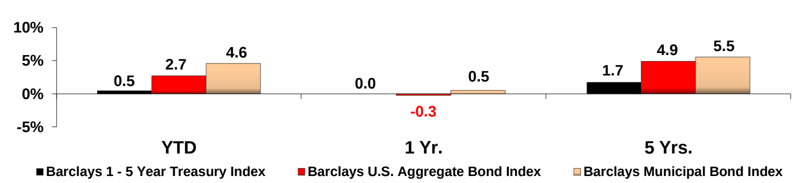


Ranked by highest to lowest index weighting.
Country weightings as of March 31, 2014

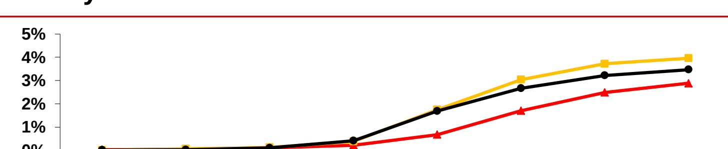
Fixed Income Recap

- In the U.S. fixed income markets, investment grade bonds advanced for the month as mixed economic data and the Ukraine crisis raised investor demand for safe-haven assets. For the month, the Barclays U.S. Aggregate Index gained 0.8% and increased its year-to-date total return to 2.7%. Meanwhile, high-yield bonds, as represented by the Barclays U.S. High Yield Index (not shown) climbed 0.6% for the month. Over the longer 1- and 5-year time periods, the Barclays Aggregate Bond Index has recorded a -0.3% and 4.9% annualized total return, respectively.
- The municipal bond market continued its upward momentum in April amid strong investor demand for tax-exempt investments. For the month, the Barclays Municipal Bond Index® gained 1.2% and advanced its year-to-date total return to 4.6%. Over the longer 1- and 5-year time periods, municipal bonds have posted annualized returns 0.5% and 5.5%, respectively.
- U.S. Treasury yields fell during the month despite the Federal Reserve's announcement to continue paring its monthly bond purchases, signaling confidence in the U.S. economic recovery. At month end, the benchmark 10-Year Treasury note fell 6 basis points (a basis point is 1/100th of 1%) to close at 2.67%, down from March's 2.73%, and substantially down from the start of the year when it stood above 3%. Meanwhile, the yield on the 30-Year Treasury Bond closed the month at 3.47%, down 9 basis points from March's month ending 3.56%.

U.S. Bond Market Performance - Total Returns for Periods Ended April 30, 2014



U.S. Treasury Yield Curves



	1 Mo.	3 Mo.	1 Yr.	2 Yrs.	5 Yrs.	10 Yrs.	20 Yrs.	30 Yrs.
4/30/2013	0.03%	0.05%	0.11%	0.22%	0.68%	1.70%	2.49%	2.88%
12/31/2013	0.01%	0.07%	0.13%	0.38%	1.75%	3.04%	3.72%	3.96%
4/30/2014	0.02%	0.03%	0.11%	0.42%	1.69%	2.67%	3.22%	3.47%

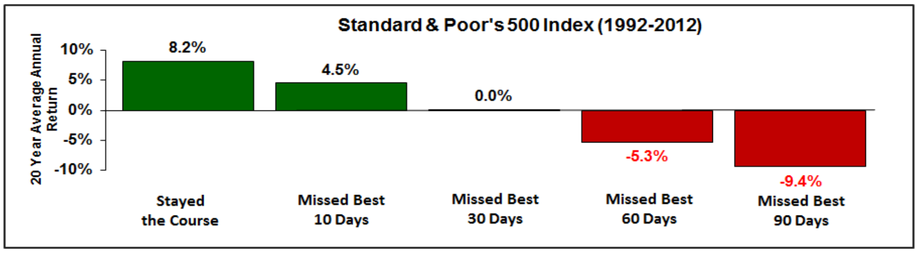
Market Commentary - Spring 2014

Stay Focused on Long-Term Goals

Since the financial crisis of 2008, the stock market has been on a five-year rally that has more than doubled the value of the S&P 500 Index®. With the strong run of the market, many investors might be thinking now is a good time to jump back in while others may be thinking just the opposite, stating the market is overdue for a correction and now is the right time to get out. While no one can predict the future, we do know that markets will remain volatile and trying to time the ups and downs of the market is comparable to a roll of the dice. Market timing, to some degree involves just that. It's an investment strategy that attempts to identify the best times to be in the market, and when to get out, in an attempt to reap the greatest rewards. But to successfully time the market, you'd have to be able to anticipate trends and factors that contribute to investment performance, not simply react to current market conditions. Investment professionals are much more qualified to make such decisions but even they can't guarantee success and will be the first to tell you that market timing is a risky proposition.

One of the risks of market timing is missing out on the markets best performance cycles. For example, an investor believing the market will go down takes his money out of stocks. But while his money is out of stocks, the market may have it's best performing days, weeks, or even months. It's not timing the market that's key, but rather the amount of time you are in the market. As the chart below shows, over the past 20 years from 1993-2012, an investment in the S&P 500 Index achieved a compound annual return of 8.2%. That same investment would have returned 4.5% had it missed the 10 best days of stock returns and a loss of -5.3% had it missed its 60 best days.

Instead of attempting to guess if and when the market will move up or down, we suggest investors stay focused on their long-term goals and take a disciplined, patient, unemotional approach when making decisions that will impact their long-term success. As always, your registered State Farm agent is there to help you assess your needs.



Securities, insurance and annuity products are not FDIC insured, are not bank guaranteed and are subject to investment risk, including possible loss of principal.

Past performance is no guarantee of future results.

It is not possible to invest directly in an index.

Diversification and Asset Allocation do not assure a profit or protect against loss.

Investing involves risk, including potential for loss. Current and future portfolio holdings are also subject to risk.

Bonds are subject to interest rate risk and may decline in value due to an increase in interest rates.

The stocks of small companies are more volatile than the stocks of larger, more established companies.

Foreign investments involve greater risks than U.S. investments, including political and economic risks and the risk of currency fluctuations.

Emerging markets involve greater risks than U.S. investments due to lower trading volume, political and economic instability, and other governmental limitations on foreign investment policy.

The Dow Jones Industrial Average is a price-weighted average of 30 U.S. companies traded on the New York Stock Exchange (NYSE) and NASDAQ.

The S&P 500® Index tracks the common stock performance of 500 large U.S. companies.

The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index.

The Russell 2000 Index tracks the common stock performance of the 2,000 smallest U.S. companies in the Russell 3000 Index.

The Morgan Stanley Capital International Europe, Australasia and Far East Free (MSCI EAFE® Free) Index currently measures the performance of stock markets of Europe, Australia, New Zealand, and the Far East.

The MSCI Emerging Markets Index is a capitalization-weighted index of stocks from 26 emerging markets that only includes issues that may be traded by foreign investors.

The MSCI Japan Index is designed to measure the performance of the large and mid-cap segments of the Japan market.

The Barclays U.S. Corporate High Yield Bond Index is a market value-weighted index which covers the U.S. non-investment grade fixed-rate debt market.

The Barclays 1-5 Year U.S. Treasury Index measures the performance of short-term U.S. Treasury Securities maturing within one to five years.

The Barclays U.S. Aggregate Bond Index represents debt securities in the U.S. investment grade fixed rate bond market.

The Barclays Municipal Bond Index is an unmanaged index representative of the tax-exempt bond market .

Nikkei Average is a price-weighted average of Japan's top 225 blue-chip companies on the Tokyo Stock Exchange.

Neither State Farm nor its agents provide investment, tax, or legal advice.

An investment in the Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.

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