

State Farm VP Management Corp.

Customer Relationship Summary – June 12, 2020

State Farm VP Management Corp. (State Farm®) is a broker-dealer registered with the Securities and Exchange Commission (SEC). It's important to us that we help you understand that broker-dealer and investment advisory firms offer different services, and how fees for those services may differ. Free and simple tools are available to assist your research of firms and their financial professionals on the SEC's investor education website: Investor.gov/CRS. This site also provides educational materials about broker-dealers, investment advisers and investing.

What investment services and advice can you provide me?

State Farm offers brokerage services to retail investors. The services we offer include buying and selling securities and offering investment recommendations to you. Through the relationship you have with your State Farm registered agent, we'll get to know who you are as an investor, such as your investment objectives and risk tolerance. And from that conversation, we'll provide a personalized approach to investing to help you achieve your goals. We offer multiple ways for customers to invest: a brokerage account to purchase and hold mutual funds shares, variable insurance products, and a 529 savings plan account. In addition, we offer small business retirement plans, through which we offer education about the available mutual funds but not recommendations. For State Farm employees, agents, and certain of their family members, we also offer mutual funds within the State Farm Associates' Funds Trust, but we don't offer recommendations to buy, sell or exchange these mutual funds. All the ways we offer securities involve investment minimums.

It's important to note we don't provide investment advisory services, monitor your investments nor do we have discretionary authority to trade in your securities account(s). While we may offer recommendations, the ultimate decision on your investment strategy and the purchase and sale of securities is yours.

Conversation Starters

- Given my financial situation, should I choose a brokerage service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

You'll pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you're paying. We've listed some examples below.

- *Brokerage account holding mutual fund shares and small business retirement plans:* As you purchase shares of mutual funds, the funds assess upfront sales charges which are deducted from your initial purchase. In addition, over time these mutual funds deduct operating expenses and distribution fees. These sales charges, expenses and fees will vary by fund, share class and amount invested. You will also pay a fee for some transactional requests such as wire transfers, and there is an annual fee for certain tax-qualified accounts.
- *Variable annuity contracts and variable universal life policies:* Contract and policy fees include mortality fees, administration fees, fees for optional contract riders and contract surrender fees. The underlying investments of the variable product also deduct operating expenses which vary by fund.
- *529 savings plan account:* When you invest in the State Farm 529 Savings Plan, you'll incur upfront sales charges which reduce the value of your initial purchase. The funds in which you invest deduct fees, which vary by fund and amount invested. You will also pay a program management fee, a state administration fee, a distribution and marketing fee on your Class A investments, a fee for some transactional requests and, depending on the size of your account, an annual account fee.
- *Associates' Funds Trust:* These funds have operating expenses, which vary by fund. You will pay a fee for some transactional requests and you may be charged a fee for maintaining a low balance.

Conversation Starter

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When we give you a recommendation, we will act in your best interest and not put our interest ahead of yours. At the same time, the way we make money can create some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we give you. Here are some examples: For brokerage accounts, 529 savings plan accounts, small business retirement plans and variable products, State Farm receives revenue from product issuers when you invest in these products. We earn more revenue when you invest additional funds and as the value of your investments increases over time. We may also earn more revenue when you exchange one investment for another. In addition, State Farm receives what is known as “revenue sharing” payments from the investment advisers for certain mutual funds based on the value of your investments over time.

Conversation Starter

How might your conflicts of interest affect me, and how will you address them?

For Additional Information: You can ask your State Farm agent or visit www.statefarm.com/finances/mutual-funds/resources/disclosures, while those who qualify to purchase mutual funds in the Associates' Funds Trust can visit www.statefarm.com/finances/mutual-funds/resources/associate-funds-prospectus.

How do your financial professionals make money?

For brokerage accounts, 529 savings plan accounts, small business retirement plans and variable products, our registered agents receive commissions based upon the purchase amount and based upon the total value of the investment over time. In addition, our agents may also be eligible for cash or non-cash compensation for meeting certain overall production levels during the year. While State Farm's compensation differs by product issuer and investment type, our agents earn the same compensation (subject to applicable sales charge breakpoints) regardless of the investment you purchase. Neither we nor our agents earn any money based on investments in the Associates' Funds Trust.

Do you or your financial professionals have legal or disciplinary history?

Yes, State Farm and some of our registered agents have reportable disciplinary history. Additional information about disciplinary history and other matters is available at the SEC's website: Investor.gov/CRS.

Conversation Starter

As a financial professional, do you have any disciplinary history? For what type of conduct?

Visit www.statefarm.com/finances/mutual-funds/resources/disclosures where you may view a copy of this Customer Relationship Summary and get up-to-date information or by calling **833-919-1059**.

Conversation Starters

- Who is my primary contact person?
- Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?