

Investment Advisor Brochure

(Form ADV Part 2)

1. Cover Page

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This brochure provides information about the qualifications and business practices of 3M Investment Management Corporation ("3M IMC"). If you have any questions about the contents of this brochure, please contact us at (651) 733-5308. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about 3M IMC is also available on the SEC's website at www.adviserinfo.sec.gov.

2. Material Changes

The only material change from the last annual update of our brochure is in item 5, which now makes it clear that several of the employee benefit plan clients of 3M IMC reimburse 3M IMC's owner, 3M Company, for a portion of the compensation that 3M Company pays to the employees of 3M IMC.

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4. Advisory Business

3M Investment Management Corporation is a registered investment adviser located in St. Paul, Minnesota. Please note that this registration does not imply any particular level of skill or training. 3M IMC is a wholly owned subsidiary of 3M Company, a Delaware corporation with its principal place of business in St. Paul, Minnesota. 3M IMC has been in business since 1999.

3M IMC was created for the purpose of providing investment advisory services for certain of the employee benefit plans of 3M Company and its subsidiaries or affiliates. 3M IMC serves as a named fiduciary for certain of these employee benefit plans. 3M IMC does not provide or offer to provide any investment advisory services to any entities other than 3M Company and its subsidiaries and affiliates (and their employee benefit plans).

3M IMC's responsibilities as a named fiduciary of these employee benefit plans include the authority to determine asset allocation ranges and investment strategies for plan assets; the appointment and removal of trustees holding the plans' assets; the appointment and removal of external investment managers and other investment-related service providers; the implementation of investment strategies for plan assets; where appropriate, negotiating and executing documents by which such investment strategies are to be implemented (such as ISDA documentation); and all other activities related to the investment and oversight of the assets of such employee benefit plans.

3M IMC does tailor its advisory services for the individual needs of each of the employee benefit plans for which it provides services. It does this by selecting asset allocations, selecting investment managers and funds, and implementing investment strategies that are designed to accomplish the unique investment objectives and funding policies of each of these benefit plans.

3M IMC does not participate in wrap fee programs.

As of December 31, 2014, 3M IMC's assets under management were \$30.3 billion. Of this amount, approximately \$27.9 billion was being managed on a discretionary basis and \$2.4 billion was being managed on a nondiscretionary basis.

5. Fees and Compensation

3M IMC receives no fees or other compensation for the services it provides. However, the employee benefit plans for which it provides services or their sponsors may either pay or reimburse 3M IMC (or 3M Company, with respect to the compensation of the employees of 3M IMC which has been paid by 3M Company) for the expenses it incurs on their behalf.

6. Performance-Based Fees and Side-By-Side Management

3M IMC does not accept performance-based fees, and side-by-side management does not apply.

7. Types of Clients

3M IMC provides investment advisory services only to or with respect to employee benefit plans of 3M Company and its subsidiaries and affiliates.

8. Methods of Analysis, Investment Strategies and Risk of Loss

3M IMC uses a variety of methods of analysis and investment strategies in managing client portfolios. Generally, 3M IMC takes a long-term investment perspective and invests client assets with a multi-year investment horizon in mind. The investment process begins with a combination of fundamental economic research and top-down fundamental analysis of asset classes and market conditions. Significant resources are devoted to qualitative and quantitative analysis of appropriate strategies, external investment managers and specific investment strategies. A detailed understanding of client liabilities is an important part of determining the appropriate asset allocation. Derivative strategies are employed to manage risks and achieve desired market exposures. Overall performance of the portfolios, specific strategies, external investment managers and investment funds are all routinely monitored for performance versus objectives. Portfolios are constructed or modified only after considerable analysis of client risk tolerance. Investment markets are inherently risky and most investment strategies and assets utilized in portfolios are not pure “risk-free” assets. Therefore, there is the possibility that client portfolios may decline in value in more extreme environments or fail to meet client performance objectives.

There are many inherent risks in managing investment portfolios. When conducting fundamental research and analysis, reliance on historical data and previous asset performance are no guarantee that assets will behave in a similar fashion, under similar conditions in the future. Divergence from fundamental value can persist for long periods of time, potentially creating a loss in market value in client portfolios. When performing quantitative modeling, many assumptions are necessary to perform the analysis, which may not hold true in the future. When analyzing future liabilities, projections are based on certain actuarial assumptions of future rates of compensation, retirement, employee turnover or mortality, which may not hold true in the future. When qualitative judgments are made about external investment managers or funds, 3M IMC relies on the experience of its investment professionals to make prudent decisions. Clients may experience investment losses, despite the seasoned expertise of those making the decisions, due to future market

conditions. Portfolios can be adversely impacted by unforeseen government policy, political change, foreign exchange devaluation, war or terrorism, or natural disasters. The use of derivatives involves counterparty risk that could result in a loss of value in the client portfolio if the counterparty fails to deliver on its obligation under the contract.

Portfolios typically utilize significant allocations to long duration assets that are designed to fluctuate in value similarly to the long term obligations of the client. The present value or fair market value of long duration assets is heavily dependent on current market interest rates used to value these assets. When interest rates rise, the value of these assets will fall. If rate movements are large, these assets could experience a significant decline in value. Private investments in equity and debt securities, typically through partnership structures, are commonly used. Investments of this nature are often illiquid and cannot readily be sold for cash value. Portfolios are structured to avoid excessive concentrations of illiquid investments that may create difficulties for the client to meet their trust obligations.

9. Disciplinary Information

Neither 3M IMC nor any of its employees, officers or directors have been involved in any reportable legal or disciplinary events.

10. Other Financial Industry Activities and Affiliations

Neither 3M IMC nor any of its management persons have any disclosable activities or affiliations.

11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

3M IMC is committed to serving the interests of its clients and doing so with integrity, adherence to the highest ethical standards, and in compliance with the law. Toward these ends, 3M IMC has established a Code of Ethics that sets forth the conduct 3M IMC requires of each officer, director and employee of 3M IMC. 3M IMC will provide a copy of this Code of Ethics to any client or prospective client upon request.

3M IMC's Code of Ethics prohibits each covered person from making or disposing of any investment for their personal benefit with the knowledge that a benefit plan client of 3M IMC or any investment manager managing a client's assets is making or planning to make investments in or take actions concerning securities of the same issuer. To monitor compliance with this prohibition, the Code requires all of 3M IMC's covered persons to submit quarterly and annual reports of their personal transactions in and holdings of

reportable securities. 3M IMC's Chief Compliance Officer reviews all of these reports of personal securities transactions and holdings for compliance with the Code of Ethics.

12. Brokerage Practices

Since 3M IMC generally relies upon discretionary external investment managers to manage the individual securities in its clients' portfolios, it does not normally select or recommend broker-dealers for its clients' individual security transactions and it relies upon such managers to determine the reasonableness of the compensation of the broker-dealers selected by them. For the same reason, 3M IMC does not aggregate the purchase or sale of securities for various client accounts.

None of 3M IMC's clients instruct 3M IMC to direct brokerage transactions to a particular broker-dealer. 3M IMC does, however, have a Commission Recapture Program where, subject to best execution, certain external investment managers are instructed to direct a target percentage of their transactions involving client assets to specified broker-dealers.

3M IMC, as a matter of policy and practice, does not utilize research, research-related products and other services obtained from broker-dealers or third parties on a soft dollar commission basis.

13. Review of Accounts

3M IMC reviews the accounts of all of its clients on at least a monthly basis. The President and Vice Presidents of 3M IMC are responsible for completing these reviews.

Following the end of each calendar quarter, 3M IMC provides comprehensive information about the current value of each employee benefit plan client's assets and performance results to its Board of Directors as well as the plan sponsor of such plan. This information is provided through access to an electronic database maintained by 3M IMC.

14. Client Referrals and Other Compensation

3M IMC does not receive any economic benefits from third parties for providing investment advisory or other services to its clients. 3M IMC does not provide compensation to anyone for client referrals.

15. Custody

While 3M IMC does not have custody of its clients' assets, these employee benefit plan clients and their plan sponsors do periodically receive account statements from the qualified custodians of the plans. 3M IMC urges its clients to carefully review such account statements and compare them to the reports of assets values and performance results provided by 3M IMC through access to the electronic database referred to in item 13 above.

16. Investment Discretion

3M IMC does have discretionary authority to manage securities accounts on behalf of most of its clients. This authority is ordinarily not limited by 3M IMC's clients. 3M IMC enters into formal agreements with the plan sponsors of each employee benefit plan client before assuming this authority.

17. Voting Client Securities

3M IMC and its employee benefit plan clients generally delegate the authority to vote proxies with respect to the clients' securities to the external investment managers retained to manage such securities. It is not envisioned that proxy voting authority will ever be exercised by 3M IMC. However, 3M IMC does review on an annual basis the proxy voting policies and practices of those external investment managers to whom it has delegated proxy voting authority, and it provides the results of these annual reviews to the plan sponsors of its employee benefit plan clients through access to the electronic database referred to in item 13 above.

18. Financial Information

3M IMC does not have a balance sheet, as it does not own any reportable assets.

3M IMC is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.

19. Requirements for State-Registered Advisers

This item does not apply to 3M IMC, since it is not registered with any state securities authorities.