

## SFIMC Customer Relationship Summary

State Farm Investment Management Corp. (SFIMC) is an investment adviser registered with the Securities and Exchange Commission. It's important you understand the differences in brokerage and investment advisory services and fees. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers and investing.

### What investment services and advice can you provide me?

We offer discretionary investment advisory services to retail investors through the Wrap Fee Program (Program) we sponsor, which provides both advisory and execution services. We provide ongoing advisory services through our home office investment management team (SFIM team) and through our investment adviser representatives (IARs). We only offer investment advice related to our Program. An IAR may recommend the Program and a model portfolio to you. Each model portfolio has a target asset allocation that aligns with a stated investment strategy developed by the SFIM team. You will open a brokerage account with our affiliated broker-dealer, State Farm VP Management Corp. (SFVPMC), for your securities managed under the Program (a Program Account). Form CRS for SFVPMC can be found here: [www.statefarm.com/bdcrs](https://www.statefarm.com/bdcrs). You will grant authority to the SFIM team to manage securities they select in accordance with the model portfolio recommended to and accepted by you, without asking for your consent to individual trades. We will monitor your investments on an ongoing basis in accordance with your model portfolio as part of our standard services.

The securities we buy and sell on your behalf under the Program are limited to exchange-traded funds (ETFs) and mutual funds. We require a minimum of \$15,000 to participate in the Program.

For Additional Information about our services see: the SFIMC Wrap Fee Program Brochure at [www.statefarm.com/wrapfee](https://www.statefarm.com/wrapfee)

#### Conversation Starters

- Given my financial situation, should I choose an investment advisory 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 will incur an annual advisory fee based on the value of your assets managed under the Program, using a tiered percentage rate schedule, and paid quarterly. Our asset-based advisory fee associated with the Program will include most transaction costs and fees for brokerage and custodial services, and therefore is higher than a typical asset-based advisory fee. The mutual funds and ETFs also have internal operating expenses that vary by fund. You will also pay account fees to SFVPMC or the custodian for some transactional requests such as wire transfers and, depending on the value of your account, an annual fee for certain tax-qualified accounts.

*Additional Information: You will 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 are paying. For more detailed information about fees and costs related to the Program see: the SFIMC Wrap Fee Program Brochure at [www.statefarm.com/wrapfee](https://www.statefarm.com/wrapfee)*

#### Conversation Starter

*Help me understand how these fees and costs might affect my investments. If I give you \$15,000 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 acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide to you. Here are some examples to help you understand what this means. As

the value of your assets in the Program increases, we earn more money and so does your IAR. This creates an incentive for us and the IAR to recommend that you participate in and increase your contributions to the Program. In addition, since the advisory fee pays for

*Conversation Starter*

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

most transaction costs and fees and is based on the value of your assets managed under the Program, we have a financial incentive not to trade within your Program Account frequently (because such trading would increase the amount of transaction costs and fees we pay for execution and clearance services and thereby reduce the profitability of the advisory fee you pay to us).

For Additional Information about our conflicts of interest see: the SFIMC Wrap Fee Program Brochure at [www.statefarm.com/wrapfee](http://www.statefarm.com/wrapfee)

### **How do your financial professionals make money?**

IAR agents, who are independent contractors, receive, on an ongoing basis, part of the annual advisory fee you pay to us. IAR agents 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). Some IARs are employees of IAR agents, are compensated by the IAR agents, and may share in the cash and non-cash compensation received by the IAR agents. The cash and non-cash compensation paid to any IAR creates an incentive for the IAR to recommend that you participate in and increase your contributions to the Program.

An IAR of SFIMC also provides services as a registered representative (RR) of SFVPMC and receives compensation from SFVPMC for providing those services. Some IARs may have received compensation as an RR from SFVPMC on mutual funds purchased through a previously established SFVPMC brokerage account. If those same mutual funds are used to fund a Program Account, the IAR will also receive compensation from us. This additional compensation creates an incentive for the IAR to recommend that you use assets from your previously established SFVPMC account to participate in and increase your contributions to the Program. In some cases, IARs will earn more from providing advisory services compared to acting as an RR and providing brokerage services, which creates an incentive for the IAR to recommend you participate in and increase your contributions to the Program. Your IAR will never serve as a RR or be compensated as an RR with respect to your Program Account.

Some IAR home office employees 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 contributions to the Program.

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

Yes, SFIMC and some of our IARs have reportable disciplinary history. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple tool to research SFIMC and our IARs.

*Conversation Starter*

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

Visit [www.statefarm.com/iacrs](http://www.statefarm.com/iacrs) where you may view a copy of this Customer Relationship Summary and visit the SFIMC Wrap Fee Program Brochure at [www.statefarm.com/wrapfee](http://www.statefarm.com/wrapfee) to find additional information about our investment advisory services. In addition, you can call (833) 919-1059 to get up-to-date information and to request a copy of this Customer Relationship Summary.

*Conversation Starter*

*Who is my primary contact person? Are they 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?*