



State Farm® 529 Savings Plan: Annual Review

Nebraska Investment Council
December 13, 2018

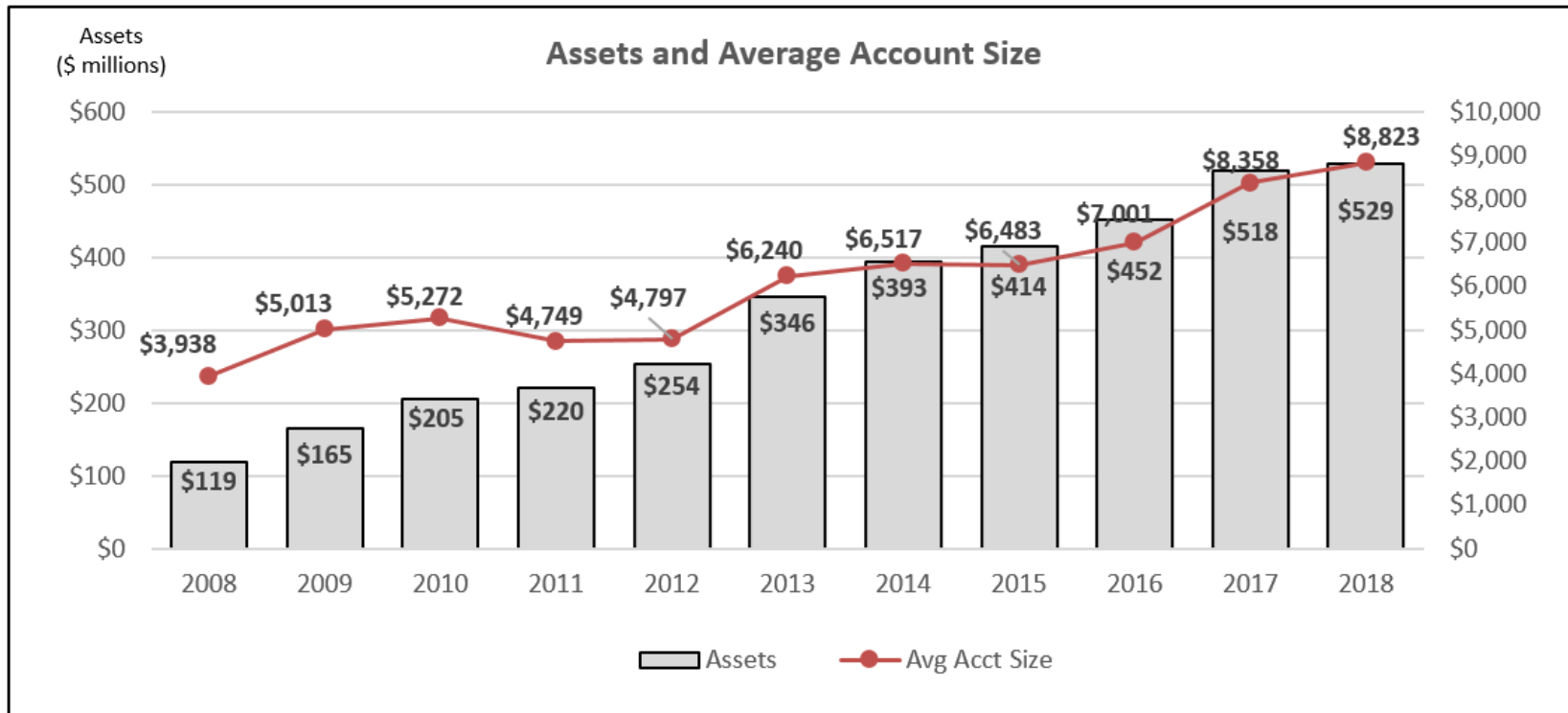
- Deanna Hamilton – 529 Plan Relationship Manager, State Farm Investment Planning Services

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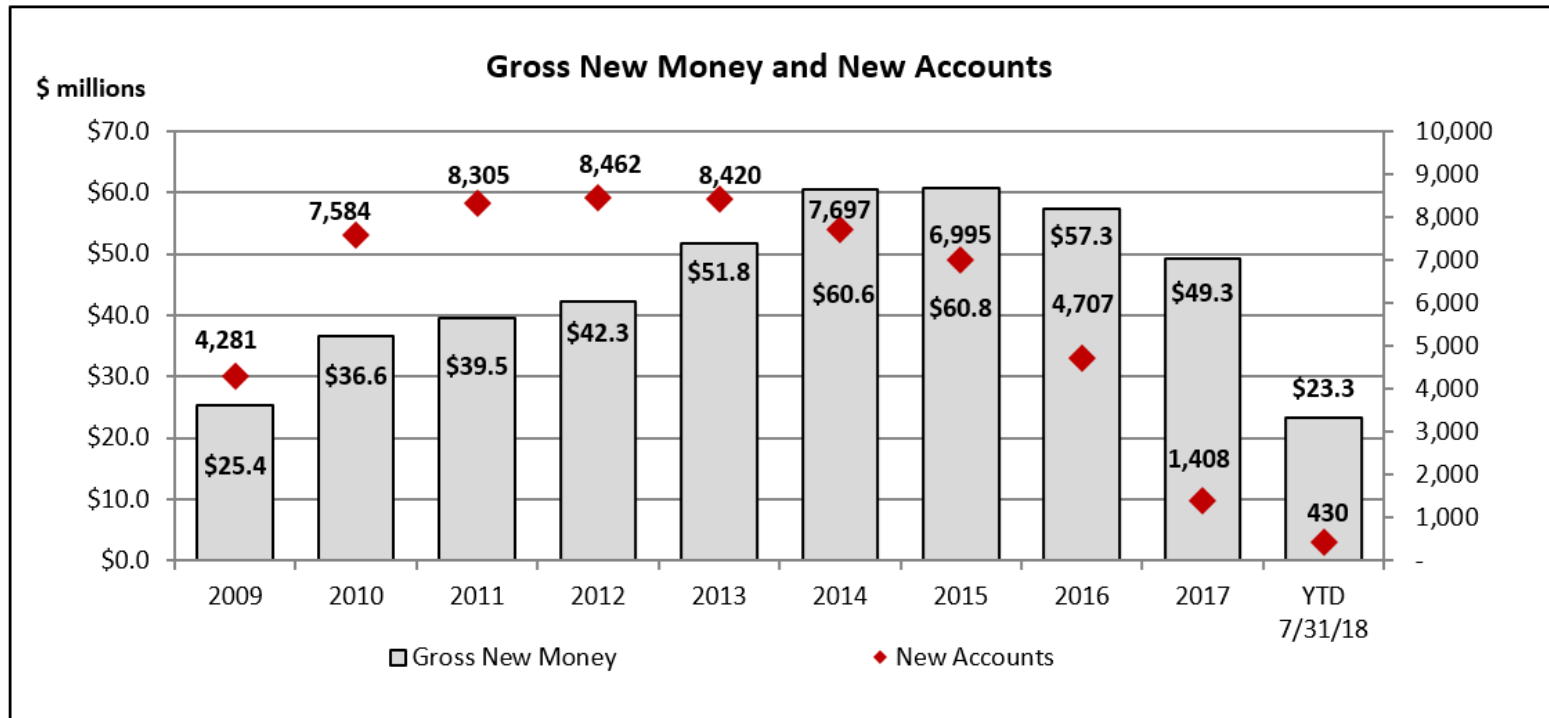
State Farm 529 Savings Plan – Historical AUM and Average Account Size

The table below shows that the State Farm 529 Savings Plan has achieved solid growth in assets under management from 2008 (\$119 million) to July 31, 2018 (\$529 million). The average account size has also increased over the same period, from \$3,938 in 2008 to \$8,823 as of July 2018, aided by both contributions and market appreciation.



State Farm 529 Savings Plan – Historical Gross New Money & Accounts

The table below shows that the State Farm 529 Savings Plan had achieved improving results in annual gross new money, from \$25 million in 2008 to \$61 million in 2015. Gross new money and new accounts in 2016 through July of 2018 were impacted, in part, by the State Farm business model change that was announced in May 2016 and implemented in July 2017. Recall that effective July 1, 2017, State Farm transitioned to a self-directed business model for 529 Plans. In August of 2018, the business model was updated to once again include the Registered Representative Agent in the sale of the State Farm 529 Savings Plan product.



Status Update & Future Direction of State Farm 529 Savings Plan

As discussed with the Council in November 2017 and through status update memorandums in 2018, State Farm transitioned the Investment and Transfer Agent responsibilities for the 529 Savings Plan from Oppenheimer to First National Bank of Omaha on August 6, 2018. State Farm agents were re-engaged into the distribution of the 529 Plans at this same time.

Benefits to customers from this change include:

- Lower sales charges and expenses
- Increased investment options

Future Direction:

State Farm is looking forward to working with the Nebraska Treasurer's Office and First National Bank of Omaha to increase sales of the 529 Plan product through the agent distribution model, while helping our customers to meet their education savings needs.

State Farm – Speaker biography



Deanna Hamilton is the 529 Plan Relationship Manager, within Mutual Funds/Investment Planning Services at State Farm Insurance Companies in Bloomington IL.

Deanna joined State Farm in 1992, working in Underwriting, Accounting, and Technical Services prior to joining the Mutual Funds/Investment Planning Services in 2000. She then provided assistance with communications, suitability, transfers/rollovers, and compliance reviews. Since 2010, Deanna has been specifically working with the 529 Plan product as an Operations Liaison and Relationship Manager assisting agents and customers with the selling and servicing of the 529 Plan product.

A native of central Illinois, Deanna received a BS in Speech Communication from Illinois State University in 1997. Deanna maintains the Series 6 Representative, Series 26 Limited Principal, and Series 51 Municipal Fund Securities licenses.

There are several different types of risk involved with investment strategies and investing in the State Farm 529 Savings Plan, including the potential for loss of principal. Past performance is no guarantee of future results. Utilize the 529 Plan Program Disclosure Statement for more in depth information about the tax consequences, risks, objectives, and expenses associated with the State Farm 529 Savings Plan.