

March 4, 2009

State Farm® to Temporarily Waive Money Market Fund Fees

As a result of the current low investment yield environment for short-term money market securities, State Farm Investment Management Corp. (SFIMC) and State Farm VP Management Corp. (SFVPMC) are waiving all or a portion of their fees due from the State Farm Variable Product Trust (VP) Money Market Fund. These companies are waiving all or a portion of their fees to prevent the Fund's net yield¹ from decreasing below zero. This fee waiver, which is voluntary, may be discontinued by SFIMC and/or SFVPMC at any time.

What is causing the drop in the Money Market Fund's investment yield?

The Federal Reserve has aggressively cut its Federal Funds rate in response to the credit crisis and weakening economy. The Federal Reserve's Federal Funds rate, which was 4.25% at the beginning of 2008, is now targeted in a range of 0% to 0.25%, a historic low. The Federal Reserve has made several statements that it will keep this rate low for some time. As a result of these rate cuts, interest rates (yields) on short-term Treasury and federal agency securities along with other short-term commercial paper securities have declined as well. For example, the yield on the 3-month Treasury bill, an important benchmark for the short-term credit market, was 0.27% as of March 3, 2009, down from 1.7% on March 3, 2008, and down from over 5.0% in March 2007.

Since money market funds are required to maintain an average maturity of 90 days or less, their yields respond rather quickly to changes in short-term interest rates as the proceeds from securities that are maturing are reinvested at what are today, lower prevailing interest rates.

Should you have any further questions regarding the State Farm VP Money Market Fund, please contact your registered State Farm agent or call 1-888-702-2307.

¹ Net yield equals the weighted average gross yield on the portfolio, less the underlying Fund expenses, which differ by share class.

State Farm Variable Products are serviced by registered *representatives of State Farm VP Management Corp., One State Farm Plaza, Bloomington, Illinois 61710, 1-888-702-2307. Please read the prospectus and consider the investment objectives, risks, charges, expenses and other information it contains about State Farm Variable Products carefully before investing. AP2009/03/2377*

Investing in a variable annuity is generally suitable for long-term investing such as retirement savings. You should consider your financial situation before investing.

Variable Annuities carry fees and charges for the benefits they offer. The following fees are associated with a variable annuity: Annual Administration Fee; Surrender Charge; Transfer Processing Fee; Mortality and Expense risk charge; fund expenses; and Additional Deposit Rider Charge. Federal income tax and a 10% tax penalty may apply to distributions.

An investment in the State Farm VP Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the State Farm Money Market Fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the Fund. Notwithstanding the preceding statements, the Fund is participating in the U.S. Treasury's Temporary Guarantee Program for Money Market Funds. The Program generally does not guarantee any new investments in the funds made after September 19, 2008, and is scheduled to expire on April 30, 2009.

U.S. government backing of Treasury securities applies only to the underlying securities and does not prevent share-price fluctuations.

Past performance is not a guarantee of future results.