

State Farm®

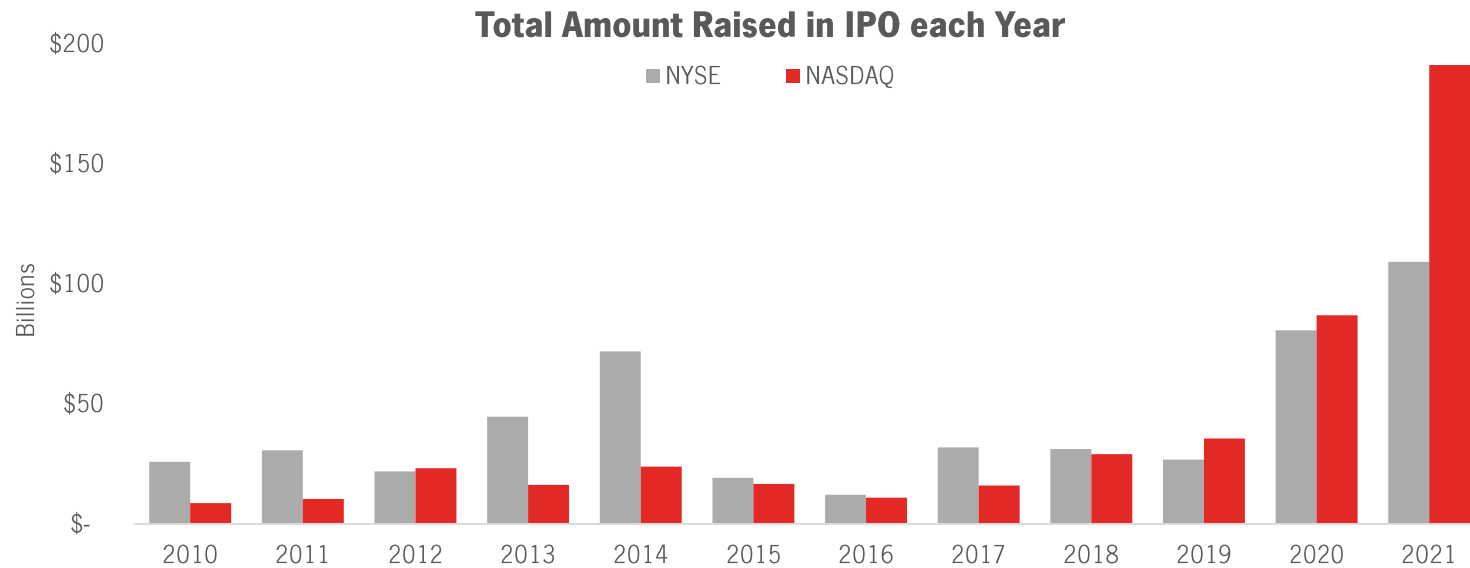
Investment Planning Services

Chart of the Week – December 13

State Farm Investment Management (SFIM)

Chart of the Week

IPO Market has Record Year



Company	Exchange	Amount (\$B)
Rivian	NASDAQ	13.7
Coupang	NYSE	4.6
DiDi	NYSE	4.4
GlobalFoundries	NASDAQ	2.9
Bumble	NASDAQ	2.5

- The initial public offering (IPO) market is poised to have another record year driven by a blank-check boom and companies cashing in on high valuations. NASDAQ is poised to beat the New York Stock Exchange (NYSE) in IPOs again this year, making it the third year in a row. One reason may be that NASDAQ focused on ESG (environmental, social and governance) criteria has attracted capital from those companies looking to be more socially conscience, while the NYSE trading floor was hurt by Covid-19 restrictions, making it harder for companies to host bell-ringing ceremonies.
- During the two decades leading up to 2019, there were only three years in which more money was raised at NASDAQ than at the NYSE. Two of those years were 1999 and 2000 as technology companies raced to go public. More recently, the NASDAQ vaulted ahead of the NYSE, thanks in part to the growing business of SPAC (special-purpose acquisition companies) listings, which are shell companies that go public to raise cash for mergers and acquisitions. The NASDAQ has won the majority of these listings (63%) so far in 2021 - up from 39% last year.
- Leading the pack of U.S. IPOs is electric-truck startup Rivian, which recently raised over \$13 billion. With the S&P 500 trading at more than twenty-one times projected earnings in the next year, well above its 10-year average, companies continue to take advantage of record-high valuations and investor appetite for growth. Individual investors should note that investing in IPOs can often be risky and may not be appropriate for every portfolio. Each individual investors risk tolerance and goal objectives should be reviewed prior to considering these types of investments.

Disclosures

Securities are not FDIC insured, are not bank guaranteed and are subject to investment risk, including possible loss of principal. Securities distributed by State Farm VP Management Corp. The State Farm Investment Management team and State Farm Investment Planning Services are a part of State Farm VP Management Corp. Past performance is no guarantee of future results. It is not possible to invest directly in an index. Diversification, Automatic Investment Plans and Asset Allocation do not assure a profit or protect against loss. Investing involves risk, including potential for loss. This recap has been prepared by State Farm VP Management Corp. for informational purposes. The information contained herein has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. Any opinions discussed herein reflect our judgment as of the date of publication and are subject to change without notice. This material should not be considered a recommendation to purchase or sell any security. Neither State Farm nor its agents provide tax or legal advice. AP2021/12/9914.50