QUESTIONS & ANSWERS

We recommend that you read the complete Combined Prospectus/Proxy Statement. For your convenience, we have provided a brief overview of the proposals to be voted on.

Q: Why is a shareholder meeting being held?

A: You are a shareholder of the State Farm Equity and Bond Fund (the “Target Fund”), a series of State Farm Mutual Fund Trust (the “Target Trust”), a Delaware statutory trust, as of the close of business on May 25, 2018. As a shareholder of the Target Fund, you are being asked to approve an Agreement and Plan of Reorganization (the “Reorganization Agreement”) between the Target Trust, on behalf of the Target Fund, and BlackRock Funds II (the “Acquiring Trust”), on behalf of the BlackRock 60/40 Target Allocation Fund (the “Acquiring Fund” and together with the Target Fund, the “Funds” and each, a “Fund”) (“Proposal 1”).

Proposal 1 seeks your approval of the Reorganization Agreement, which provides for a series of transactions that will result in you becoming a shareholder of the Acquiring Fund, a mutual fund advised by BlackRock Advisors, LLC (“BAL”). The proposed transactions include the reorganization of the Target Fund into the Acquiring Fund (the “Reorganization”). Each Fund pursues substantially similar investment objectives. Each Fund, however, employs different investment strategies to achieve its respective investment objective.

Subject to approval by the shareholders of the Target Fund, the Reorganization Agreement provides for:

Step 1: The transfer and delivery of all of the assets of the Target Fund to the Acquiring Fund in exchange for the assumption by the Acquiring Fund of certain stated liabilities of the Target Fund and newly-issued shares of the Acquiring Fund (the “Acquiring Fund Shares”).

Step 2: The distribution of the Acquiring Fund Shares (including fractional Acquiring Fund Shares) by the Target Fund to its shareholders.

Step 3: The termination, dissolution and liquidation of the Target Fund as a series of the Target Trust.

In addition, you will be asked to approve the elimination of the Target Fund’s fundamental investment restriction on investments (“Proposal 2”), which provides that the Target Fund will not invest in securities other than securities of other registered investment companies or registered unit investment trusts that are part of the State Farm group of investment companies, U.S. Government securities, or short-term paper (the “Investment Restriction”). The elimination of the Investment Restriction is necessary to permit the Target Fund to invest in mutual funds and exchange traded funds advised by BAL or its affiliates or in other securities in connection with the proposed realignment of the Target Fund’s portfolio with that of the Acquiring Fund prior to the closing of the proposed Reorganization. In addition, the Investment Restriction is not required by the Investment Company Act of 1940, as amended (the “1940 Act”), and it limits the ability of the Target Fund to invest in a broader range of securities. As such, the elimination of the Investment Restriction is intended to benefit the Target Fund and its shareholders by providing the Target Fund with greater investment flexibility. In particular, the holdings of the Target Fund consist of the shares of the State Farm Equity Fund and the State Farm Bond Fund, each of which (along with all the other series of the Target Trust) State Farm Investment Management Corp., the Target Fund’s investment adviser (“SFIMC”), separately is proposing to reorganize into other mutual funds advised by BAL or its affiliates. Accordingly, if each reorganization of the other series of the Target Trust is approved and completed and the Target Fund’s Investment Restriction is not eliminated, there will be no underlying State Farm mutual funds in which the Target Fund may invest. The Reorganization will not occur unless shareholders also approve the elimination of the Investment Restriction. If shareholders approve the elimination of the Investment Restriction, such change will take effect, regardless of whether shareholders approve the Reorganization, and the Board of Trustees of the Target Trust (the “Target Board” or “Trustees”) will consider what actions to take, if any, with respect to the Target Fund, including, but not limited to, liquidation.

Lastly, you will be asked to transact such other business as permitted by applicable law and as may properly come before the Special Meeting (as defined below) (“Proposal 3”). Proposals 1, 2 and 3 are collectively described herein and throughout the Combined Prospectus/Proxy Statement as the Proposals and each as a Proposal.

If Proposals 1 and 2 are approved and the Reorganization is completed, you will become a shareholder of the Acquiring Fund, and the Target Fund will be terminated, dissolved and liquidated as a series of the Target Trust. Please refer to the Combined Prospectus/Proxy Statement for a detailed explanation of the Proposals and for a more complete description of the Acquiring Fund. The Acquiring Fund, following completion of the Reorganization, may be referred to as the "Combined Fund."

Q: How does the Board of the Target Trust suggest that I vote?

A: After considering the fees and expenses, performance, investment objective and strategies of the Acquiring Fund and the terms and conditions of the Reorganization, including the tax consequences, the Target Board, including all of the Trustees who are not "interested persons" (as defined in the 1940 Act) of the Target Trust, has determined that the proposed Reorganization and the elimination of the Investment Restriction are in the best interests of the Target Fund and, therefore, unanimously recommends that you cast your vote "**FOR**" each of Proposal 1 and Proposal 2.

Q: In the Reorganization, what class of Acquiring Fund Shares will I receive?

A: You will receive Acquiring Fund Shares, including fractional Acquiring Fund Shares, if any, as follows:

If you own the following Target Fund Shares	*You will receive the following Acquiring Fund Shares*
Class A Shares	Investor A Shares
Class B Shares	Investor A Shares
Premier Shares	Investor A Shares
Legacy Class B Shares	Investor A Shares
Class R-1 Shares	Investor A Shares
Class R-2 Shares	Investor A Shares
Class R-3 Shares	Institutional Shares
Institutional Shares	Institutional Shares

The Acquiring Fund also offers Investor C Shares, Class R Shares and Class K Shares. These share classes will not be issued in the Reorganization. Share class selection was primarily based on shareholder eligibility requirements of each share class of both the Target Fund and the Acquiring Fund and on the similarities in the distribution fees for each share class. In addition, similarities in shareholder privileges, shareholder services, expenses and sales loads were considered.

Q: Will I own the same number of shares of the Acquiring Fund as I currently own of the Target Fund?

A: No. You will receive Acquiring Fund Shares, including fractional Acquiring Fund Shares, if any, with the same aggregate net asset value as the shares of the Target Fund you own immediately prior to the Reorganization. However, the number of Acquiring Fund Shares you receive will depend on the relative net asset value of the corresponding share class of the Target Fund and the Acquiring Fund computed as of the close of regular trading on the New York Stock Exchange on the business day immediately prior to the closing of the Reorganization ("Valuation Time"), after the declaration and payment of dividends and/or other distributions. Thus, if as of the Valuation Time the net asset value of an Acquiring Fund Share is lower than the net asset value of the corresponding share class of the Target Fund, you will receive a greater number of Acquiring Fund Shares in the Reorganization than you held in the Target Fund immediately prior to the Reorganization. Conversely, if the net asset value of an Acquiring Fund Share is higher than the net asset value of the corresponding share class of the Target Fund, you will receive fewer Acquiring Fund Shares in the Reorganization than you held in the Target Fund immediately prior to the Reorganization. The aggregate net asset value immediately after the Reorganization of your Combined Fund shares will be the same as the aggregate net asset value of your Target Fund shares immediately prior to the Reorganization. The net asset value per share of each class of the Target Fund will be computed as of the Valuation Time in accordance with the Acquiring Fund's valuation policies and procedures. See the subsection entitled "Comparison of the Funds—Purchase, Redemption, Exchange and Valuation of Shares" in the Combined Prospectus/Proxy Statement for information regarding such policies and procedures.

Q: Who will advise the Combined Fund once the Reorganization is completed?

A: The Acquiring Fund is advised by BAL, and the Combined Fund will continue to be advised by BAL once the Reorganization is completed. BAL is an investment adviser to certain BlackRock mutual funds and is an indirect, wholly owned subsidiary of BlackRock, Inc.

Q: How will the Reorganization affect Fund fees and expenses?

A: Assuming the Reorganization had occurred on March 31, 2018, the Combined Fund would have (i) a gross total annual fund operating expense ratio for each of its share classes that is lower than that of each of the corresponding share classes of the Target Fund prior to the Reorganization, and (ii) a net annual fund operating expense ratio (*i.e.*, the annual fund operating expense ratio after waivers and reimbursements under a contractual expense limitation agreement) for each of its share classes that is lower than that of each of the corresponding share classes of the Target Fund prior to the Reorganization, except that the net annual fund operating expense ratio for each of the Acquiring Fund's share classes would be higher than that of each of the corresponding share classes of the Target Fund after taking into account the Target Fund's voluntary expense limitations. **BAL has agreed to continue the Combined Fund's contractual expense limitation agreement through January 31, 2021.**

Q: Will I have to pay any sales charge, commission or other similar fee in connection with the Reorganization?

A: No, you will not have to pay any sales charge, commission or other similar fee in connection with the Reorganization. However, if you purchase shares of the Combined Fund after the closing of the Reorganization, all applicable sales charges and/or contingent deferred sales charges ("CDSCs") will apply to such purchases and/or redemptions of such shares in the Combined Fund.

Q: Are there any differences in front-end sales charges or CDSCs?

A: Shareholders of each of Class A Shares, Class B Shares, Premier Shares, Legacy Class B Shares, Class R-1 Shares and Class R-2 Shares of the Target Fund will receive Investor A Shares of the Acquiring Fund and will be subject to different front-end sales charges and CDSCs following the Reorganization as detailed below. Although shareholders of each of Class R-1 Shares and Class R-2 Shares will receive Investor A Shares, which are subject to different front-end sales charges and CDSCs than Class R-1 Shares and Class R-2 Shares, following the Reorganization as detailed below, it is expected that such shareholders will be eligible to buy additional Investor A Shares without paying sales loads following the Reorganization pursuant to the Acquiring Fund's current sales charge waiver policy, which permits employer-sponsored retirement plans to buy Investor A Shares load-waived. Shareholders of Class R-3 Shares and/or Institutional Shares of the Target Fund will receive Institutional Shares of the Acquiring Fund and will not be subject to any front-end sales charges or CDSCs.

Target Fund		Acquiring Fund	
Class A	Front-End Sales Charge: 5.00% CDSCs: For an investment of $500,000 or more in Class A Shares, a CDSC will be charged if shares are redeemed within 12 months following their purchase at the rate of 0.5% on the lesser of the value of the shares redeemed (exclusive of reinvested dividends and capital gains distributions) or the cost of such shares.	Investor A	Front-End Sales Charge: 5.25% CDSCs: A CDSC of 1.00% is assessed on certain redemptions of Investor A Shares made within 18 months after purchase where no initial sales charge was paid at time of purchase as part of an investment of $1,000,000 or more.
Class B	Front-End Sales Charge: None CDSCs: 5.00%		

	Target Fund		Acquiring Fund
Premier	Front-End Sales Charge: 5.00% CDSCs: For an investment of $500,000 or more in Premier Shares, a CDSC will be charged if shares are redeemed within 12 months following their purchase at the rate of 0.5% on the lesser of the value of the shares redeemed (exclusive of reinvested dividends and capital gains distributions) or the cost of such shares.		
Legacy Class B	Front-End Sales Charge: None CDSCs: 3.00%		
Class R-2	Front-End Sales Charge: None CDSCs: None		
Class R-1	Front-End Sales Charge: None CDSCs: None		
Class R-3	Front-End Sales Charge: None CDSCs: None	Institutional	Front-End Sales Charge: None CDSCs: None
Institutional	Front-End Sales Charge: None CDSCs: None		

When redeeming shares of the Combined Fund received as a result of the Reorganization, the holding period for the Combined Fund shares will be calculated from the date the Target Fund shares were initially purchased by the shareholder.

Q: What happens to my shares if Proposals 1 and 2 are approved? Will I have to take any action if Proposals 1 and 2 are approved?

A: If Proposals 1 and 2 are approved, no action is required on your part. Following approval, your shares will automatically be exchanged for Acquiring Fund Shares on the date of the completion of the Reorganization. You will receive written confirmation that this change has taken place. No certificates for shares will be issued in connection with the Reorganization. The aggregate net asset value of the Acquiring Fund Shares you receive in the Reorganization will be equal to the aggregate net asset value of the shares you own in the Target Fund immediately prior to the Reorganization.

Q: What happens if Proposal 1 or Proposal 2 is not approved?

A: If Proposal 1 or Proposal 2 is not approved by shareholders of the Target Fund, the Reorganization will not occur as contemplated in the Combined Prospectus/Proxy Statement, and the Target Board will consider other alternatives for the Target Fund in light of the best interests of the Target Fund's shareholders, which may include seeking a reorganization with a different fund or the liquidation of the Target Fund. If the Reorganization does not occur, SFIMC will promptly notify shareholders of the Target Fund as to the status of the transaction.

If Proposal 1 is not approved, but Proposal 2 is approved, Proposal 2 will take effect, regardless of whether shareholders approve the Reorganization.

Q: Will the Reorganization create a taxable event for me?

A: The Reorganization is expected to qualify as a tax-free “reorganization” under Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”). In general, if the Reorganization so qualifies, the Target Fund and the Acquiring Fund will not recognize gain or loss for U.S. federal income tax purposes from the transactions contemplated by the Reorganization (except for any gain or loss that may be required to be recognized solely as a result of the close of the Target Fund’s taxable year due to the Reorganization or as a result of the transfer of certain assets). As a condition to the closing of the Reorganization, the Acquiring Trust, on behalf of the Acquiring Fund, and the Target Trust, on behalf of the Target Fund, will receive an opinion from Dechert LLP to the effect that the Reorganization will qualify as a tax-free reorganization under Section 368 of the Code. An opinion of counsel is not binding on the Internal Revenue Service (the “IRS”) or any court and thus does not preclude the IRS from asserting, or a court from rendering, a contrary position.

While the portfolio manager of the Acquiring Fund does not anticipate disposing of a material portion of the Target Fund’s holdings following the closing of the Reorganization, he does anticipate requesting the disposition of all of the holdings of the Target Fund in preparation for the Reorganization. The extent of these sales is primarily due to the fact that the holdings of the Target Fund consist of the shares of the State Farm Equity Fund and the State Farm Bond Fund, each of which SFIMC separately is proposing to reorganize into other mutual funds advised by BAL or its affiliates. SFIMC anticipates that the Target Fund will utilize the proceeds from such sales to realign its portfolio with that of the Acquiring Fund prior to the closing of the Reorganization. During this period, the Target Fund may deviate from its principal investment strategies. SFIMC has estimated that the portfolio transaction costs relating to the realignment of the Target Fund’s portfolio prior to the Reorganization will be minimal.

If all of the Target Fund’s portfolio holdings were sold on March 31, 2018, the sales would result in a net capital gain position of $85,523,288 or $2.69 per share, which includes a previously realized gain of $12,633,810 or $0.40 per share, and an unrealized gain of $72,899,478 or $2.29 per share, assuming all Target Fund shareholders as of March 31, 2018 elect to participate in the Reorganization (*i.e.*, do not redeem from the Target Fund). These amounts do not take into account any available capital loss carryforwards. Based on the net unrealized and realized capital gain position of the Target Fund as of March 31, 2018, including any available capital loss carryforwards, the anticipated sales of portfolio holdings prior to the closing of the Reorganization may result in the distribution of net capital gains to shareholders of the Target Fund. The actual amount of capital gains or losses resulting from the sale of the Target Fund’s portfolio holdings will differ from the amounts stated above due to changes in market conditions, portfolio composition and market values at the time of sale

The tax impact of any such sales will depend on the difference between the price at which such portfolio assets are sold and the Target Fund’s tax basis in such assets. Any capital gains recognized in these sales on a net basis prior to the closing of the Reorganization will be distributed, if required, to the shareholders of the Target Fund, as capital gain dividends (to the extent of net realized long-term capital gains) and/or ordinary dividends (to the extent of net realized short-term capital gains) during or with respect to the year of sale, and such distributions will be taxable to shareholders in non-tax qualified accounts. Any capital gains recognized in these sales on a net basis following the closing of the Reorganization will be distributed, if required, to the Combined Fund’s shareholders as capital gain dividends (to the extent of net realized long-term capital gains) and/or ordinary dividends (to the extent of net realized short-term capital gains) during or with respect to the year of sale, and such distributions will be taxable to shareholders in non-tax qualified accounts.

At any time before the Reorganization takes place, a shareholder may redeem shares of the Target Fund. Generally, such redemptions would be taxable transactions. Shareholder should consult their own tax adviser concerning adverse state or local tax consequences.

Q: What if I redeem my shares before the Reorganization takes place?

A: If you choose to redeem your shares before the Reorganization takes place, then the redemption will be treated as a normal sale of shares and, generally, will be a taxable transaction and may be subject to any applicable CDSC.

Q: Who will pay for the Reorganization?

A: BAL or its affiliates will pay the Acquiring Fund's portion of the expenses incurred in connection with its Reorganization (including auditor and legal fees of the Acquiring Fund and the costs of preparing and filing the Combined Prospectus/Proxy Statement), other than legal fees associated with counsel to the directors who are not "interested persons" (as defined in the 1940 Act) ("Independent Trustee Counsel Fees") of the Acquiring Trust and any portfolio transaction costs relating to the realignment of the corresponding Target Fund's portfolio after the Reorganization. The Independent Trustee Counsel Fees are allocated based on the Acquiring Fund's net assets, are estimated to be $17,850 and will be borne indirectly by BAL or its affiliates due to the expense caps applicable to the Acquiring Fund. SFIMC or its affiliates will reimburse the Target Fund for its portion of the expenses incurred in connection with the Reorganization (including auditor and legal fees of the Target Fund, solicitation fees and the costs of printing and mailing the Combined Prospectus/Proxy Statement), which are estimated to be $178,000, other than any portfolio transaction costs relating to the realignment of the Target Fund's portfolio prior to the Reorganization. Portfolio transaction costs relating to the realignment of the Target Fund's portfolio prior to or after the Reorganization are estimated to be minimal. SFIMC or its affiliates will reimburse the Target Fund for expenses related to the Reorganization simultaneously with the accrual of such expense on the Target Fund's financial statements. The simultaneous timing of the expense accrual and the reimbursement accrual will prevent Target Fund shareholders from bearing these costs prior to reimbursement.

Q: How do I vote my shares?

A: Voting is quick and easy! You may cast your vote by mail, phone or Internet or in person at the special meeting of the Target Fund ("Special Meeting"). To vote by mail, please mark your vote on the enclosed proxy card and sign, date and return the card in the postage-paid envelope provided. Please note that if you sign and date the proxy card, but do not indicate how the shares should be voted, your shares will be voted "For" the approval of the Proposals. To vote by telephone or over the Internet, please have the proxy card in hand and call the telephone number listed on the form or go to the website address listed on the form and follow the instructions.

If you wish to vote in person at the Special Meeting, please complete the proxy card and bring it to the Special Meeting. Even if you plan to attend the Special Meeting in person, please promptly follow the enclosed instructions to submit voting instructions by marking, signing and dating the enclosed proxy card and returning it in the accompanying postage-paid return envelope.

Whichever voting method you choose, please take the time to read the full text of the enclosed Combined Prospectus/Proxy Statement before you vote.

Q: When will the Reorganization occur?

A: If Proposal 1 and Proposal 2 are approved by shareholders, and subject to certain other conditions, the Reorganization is expected to occur during the fourth quarter of 2018. The Reorganization will not take place if Proposal 1 and/or Proposal 2 are not approved by the Target Fund's shareholders.

Q: Whom do I contact if I have questions?

A: Direct shareholders may contact the Target Fund at (800) 447-4930. You may also call Computershare Fund Services, our proxy solicitation firm, toll-free at (866) 209-6472.