STATE FARM MUTUAL FUND TRUST

Supplement dated October 1, 2013 to the Prospectus dated May 1, 2013 (and as supplemented July 1, 2013) of State Farm Mutual Fund Trust for Institutional Shares (the "Prospectus").

On page 12 of the Prospectus, which relates to the State Farm Small Cap Index Fund, the table labeled "Annual Fund Operating Expenses" is deleted and replaced with the following:

[Small Cap Index Fund]
Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.33%
Distribution [and/or Service] (12b-1 fees) Fees	0.00%
Other Expenses	0.38%
Acquired Fund Fees & Expenses	0.08%
Total Annual Fund Operating Expenses	0.79%
Less: Fee Waiver	−0.03%
Total Annual Fund Operating Expenses After Fee Waiver[(1)]	0.76%

(1) The expense information in the table above has been restated to reflect current fees.

State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to waive its management fees in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified amount for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

On page 12 of the Prospectus, the expense example table for the Small Cap Index Fund is deleted and replaced with the following:

	After 1 year	**After 3 years**	**After 5 years**	**After 10 years**
Institutional	$ 78	$ 249	$ 436	$ 975

On page 14 of the Prospectus, which relates to the State Farm International Index Fund, the table labeled "Annual Fund Operating Expenses" is deleted and replaced with the following:

[International Index Fund]
Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.48%
Distribution [and/or Service] (12b-1 fees) Fees	0.00%
Other Expenses	0.51%
Acquired Fund Fees & Expenses	0.00%
Total Annual Fund Operating Expenses	0.99%
Less: Fee Waiver	−0.06%
Total Annual Fund Operating Expenses After Fee Waiver[(1)]	0.93%

(1) The expense information in the table above has been restated to reflect current fees.

State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to waive its management fees in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified amount for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

On page 14 of the Prospectus, the expense example table for the International Index Fund is deleted and replaced with the following:

	After 1 year	**After 3 years**	**After 5 years**	**After 10 years**
Institutional	$ 95	$ 309	$ 541	$ 1,208

The expense reimbursement thresholds for the Small Cap Index Fund and the International Index Fund described on page 58 of the Prospectus are deleted and replaced with the following:

	Expense Reimbursement Threshold
Small Cap Index Fund	0.76%
International Index Fund	0.93%

The management fees that the Small Cap Index Fund and the International Index Fund pay to the Manager set forth on page 58 of the Prospectus are deleted and replaced with the following:

Fund	***Rate of Advisory Fee***
Small Cap Index Fund	0.33% of average daily net assets
International Index Fund	0.48% of average daily net assets

The sentence and corresponding table on page 59 of the Prospectus under the heading, "Compensating Northern Trust Investments, Inc. for its Services," are deleted and replaced with the following:

Compensating Northern Trust Investments, Inc. for its Services

The Manager pays Northern Trust Investments, Inc. for its services to the Small Cap Index Fund and the International Index Fund at the rates shown in the table below:

Small Cap Index Fund and International Index Fund

On the first $100 million	0.12% of average daily net assets
Over $100 million	0.08% of average daily net assets

This supplement provides new and additional information beyond that contained in the Prospectus and should be retained and read in conjunction with the Prospectus. Please keep it for future reference.

STATE FARM MUTUAL FUND TRUST

Supplement dated July 1, 2013 to the Prospectus dated May 1, 2013 of State Farm Mutual Fund Trust for Institutional Shares (the "Prospectus").

On page 3 of the Prospectus, there is a list of the Portfolio Managers for the State Farm Equity Fund, including Mr. Rasool Shaik, Investment Team Member at Bridgeway. Mr. Rasool Shaik no longer serves as a Portfolio Manager for the Equity Fund, so his name, title and length of service are deleted from page 3 of the Prospectus.

On page 6 of the Prospectus, there is a list of the Portfolio Managers for the State Farm Small/Mid Cap Equity Fund, including Mr. Rasool Shaik, Investment Team Member at Bridgeway. Mr. Rasool Shaik no longer serves as a Portfolio Manager for the Small/Mid Cap Equity Fund, so his name, title and length of service are deleted from page 6 of the Prospectus.

On page 19 of the Prospectus, there is a list of the Portfolio Managers for the State Farm Equity and Bond Fund, including Mr. Rasool Shaik, Investment Team Member at Bridgeway. Mr. Rasool Shaik no longer serves as a Portfolio Manager for the Equity and Bond Fund, so his name, title and length of service are deleted from page 19 of the Prospectus.

On page 60 of the Prospectus, there is a list of the Bridgeway Portfolio Managers for the State Farm Equity Fund, including Mr. Rasool Shaik, Investment Team Member. Mr. Rasool Shaik no longer serves as a Bridgeway Portfolio Manager for the Equity Fund, so his name, title, length of service and business experience during the past five years are deleted from page 60 of the Prospectus.

On page 60 of the Prospectus, there is a list of the Bridgeway Portfolio Managers for the State Farm Small/Mid Cap Equity Fund, including Mr. Rasool Shaik, Investment Team Member. Mr. Rasool Shaik no longer serves as a Bridgeway Portfolio Manager for the State Farm Small/Mid Cap Equity Fund, so his name, title, length of service and business experience during the past five years are deleted from page 60 of the Prospectus.

This supplement provides new and additional information beyond that contained in the Prospectus and should be retained and read in conjunction with the Prospectus. Please keep it for future reference.

May 1, 2013

State Farm Mutual Fund Trust

PROSPECTUS

Institutional Shares

State Farm Equity Fund

State Farm Small/Mid Cap Equity Fund

State Farm International Equity Fund

State Farm S&P 500 Index Fund

State Farm Small Cap Index Fund

State Farm International Index Fund

State Farm Equity and Bond Fund

State Farm Bond Fund

State Farm Money Market Fund

State Farm LifePath® Retirement Fund

State Farm LifePath 2020® Fund

State Farm LifePath 2030® Fund

State Farm LifePath 2040® Fund

To enroll in electronic delivery of mutual funds documents, go to **statefarm.com®**, log into your account, scroll down to *State Farm Mutual Funds*, and then click on *Go Paperless.*

State Farm Mutual Fund Trust
Institutional Shares

- **State Farm Equity Fund (SLEIX)**
- **State Farm Small/Mid Cap Equity Fund (SFEIX)**
- **State Farm International Equity Fund (SFIIX)**
- **State Farm S&P 500 Index Fund (SFXIX)**
- **State Farm Small Cap Index Fund (SMIIX)**
- **State Farm International Index Fund (SFFFX)**
- **State Farm Equity and Bond Fund (SEBIX)**
- **State Farm Bond Fund (SFBIX)**
- **State Farm Money Market Fund (SAIXX)**
- **State Farm LifePath® Retirement Fund (SLRIX)**
- **State Farm LifePath 2020® Fund (SAWIX)**
- **State Farm LifePath 2030® Fund (SAYIX)**
- **State Farm LifePath 2040® Fund (SAUIX)**

The Securities and Exchange Commission has not approved or disapproved these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

PROSPECTUS—MAY 1, 2013

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STATE FARM EQUITY FUND
(SLEIX)

Investment Objective: The State Farm Equity Fund (the "Fund" or the "Equity Fund") seeks long term growth of capital.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.60%
Distribution [and/or Service] (12b-1fees) fees	0.00%
Other Expenses	0.33%
Acquired Fund Fees & Expenses	0.00%
Total Annual Fund Operating Expenses	0.93%

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$95	$296	$515	$1,143

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 56% of the average value of its portfolio.

Principal Investment Strategies

Two different investment sub-advisers, Bridgeway Capital Management, Inc. ("Bridgeway") and Westwood Management Corp. ("Westwood"), select investments for the Equity Fund. Bridgeway and Westwood each manage approximately one-half of the Equity Fund's portfolio. State Farm Investment Management Corp. (the "Manager" or "SFIMC") monitors the performance of the sub-advisers and the split of the portfolio between the sub-advisers. The principal investment strategies employed by the two sub-advisers for their respective portions of the Fund's portfolio are discussed separately below.

Bridgeway

Bridgeway primarily invests its portion of the Equity Fund in a diversified portfolio of large growth stocks. Bridgeway defines "large stocks" as those whose market capitalization (stock market worth) falls within the range of the Russell 1000 Index, an unmanaged, market value weighted index, which measures performance of approximately 1,000 of the largest companies in the U.S. market with dividends reinvested. The Russell 1000 Index is reconstituted from time to time. The market capitalization of companies in which Bridgeway may invest may vary with market conditions. Growth stocks are those that Bridgeway believes have above average prospects for economic growth. Bridgeway selects stocks within the large-cap growth category for the Equity Fund using a statistically driven approach. At least 80% of Bridgeway's portion of the Equity Fund's net assets (plus borrowings for investment purposes) are invested in stocks from among those in the large-cap growth category at the time of purchase.

Westwood

Under normal market conditions, Westwood invests at least 80% of its portion of the Equity Fund (which includes, for purposes of this test, the amount of any borrowings for investment purposes) primarily in common stocks of large capitalization companies, including foreign companies. Westwood may invest its portion of the Equity Fund in securities of companies economically tied to emerging markets. Westwood invests in a portfolio of seasoned companies utilizing a value style of investing in which it chooses those stocks that Westwood believes have earnings prospects that are currently undervalued by the market relative to some financial measure of worth, such as the ratio of price to earnings, price to sales or price to cash flow. Westwood defines large capitalization companies as those

companies with market capitalizations greater than $5 billion at the time of purchase, while seasoned companies generally have been operating for at least three years.

In selecting securities, Westwood maintains a list of approved securities of issuers which it believes have proven records and potential for above-average earnings growth. Westwood considers purchasing a security on such list if Westwood's forecast for growth rates and earnings for that issuer exceeds Wall Street expectations. Other key metrics for evaluating the risk/return profile of an investment include an improving return on equity, a declining debt to equity ratio and, in the case of common equities, positive earnings surprises without a corresponding increase in Wall Street estimates. Westwood has disciplines in place that serve as sell signals, such as a security reaching a pre-determined price target, and/or a fundamental change that negatively impacts the outlook and original investment thesis. The investment team will also review a stock if the price of the stock declines 15% or more in the first 45 days held. The risk characteristics of Westwood's portion of the Equity Fund, such as beta (a measure of volatility), are generally expected to be less than those of the S&P 500 Index, the Fund's benchmark.

Both Bridgeway and Westwood may sell individual securities for several reasons including: price target of the security has been achieved, fundamental deterioration of company prospects, or better alternatives exist. Securities may also be sold based upon tax considerations, liquidity needs or other portfolio management considerations.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Equity Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the Federal Deposit Insurance Corporation (the "FDIC") or another government agency. An investor in the Fund is subject to the following types of risks:

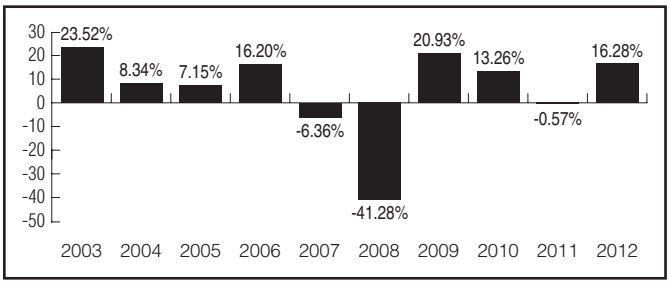
- ***Market Risk.*** Stock prices may fluctuate widely over short or even extended periods in response to company, market, or economic news. Stock markets also tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- ***Foreign Investing Risk.*** Investing in foreign securities involves higher trading and custody costs than investing in U.S. companies. Accounting, legal and reporting practices are different than in the U.S. and regulation is often less stringent. Potential political or economic instability presents risks, as does the fluctuation in currency exchange rates, as well as the possible imposition of exchange control regulation or currency restrictions that could prevent the conversion of local currencies into U.S. dollars. Some foreign markets are considered to be emerging market countries. Investments in these countries subject the Fund to a greater risk of loss than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down and more governmental limitations on foreign investment policy than those typically found in a developed market.
- ***Management Risk.*** The assessment by the Fund's investment adviser or sub-adviser of the securities to be purchased or sold by the Fund may prove incorrect, resulting in losses or poor performance, even in a rising market.

An investment in the Fund may be appropriate for you if you intend to maintain your investment for many years and through multiple stock market cycles. Because of stock market volatility, the Fund may not be a suitable investment if you have a short-term investment horizon or if you are unwilling to accept fluctuations in share price, including significant declines over a given period.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to a measure of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 13.13%,
during the first quarter of 2012.

Worst quarter: −24.05%
during the fourth quarter of 2008.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

Equity Fund	1-Year	5-Year	10-Year
Return Before Taxes—Institutional	16.28%	−1.44%	3.79%
Return After Taxes on Distributions—Institutional	16.07%	−1.64%	3.22%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	10.87%	−1.26%	3.24%
S&P 500 Index (reflects no deduction for fees, expenses, and taxes)	16.00%	1.66%	7.10%

Fund Management

Investment Adviser—The investment adviser for the Fund is SFIMC.

Sub-Adviser—The Fund is sub-advised by Bridgeway and Westwood.

Portfolio Managers

	Name	Title	Length of Service (Years)
Bridgeway	John Montgomery	Chief Investment Officer	19
	Elena Khoziaeva	Investment Team Member	13
	Michael Whipple	Investment Team Member	10
	Rasool Shaik	Investment Team Member	6
Westwood	Mark R. Freeman	Executive Vice President and Chief Investment Officer	14
	Lisa Dong	Senior Vice President and Product Director	13
	Matt Lockridge	Vice President, Portfolio Manager and Research Analyst	3
	Scott Lawson	Vice President, Portfolio Manager and Senior Research Analyst	10
	Varun Singh	Vice President and Research Analyst	1

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM SMALL/MID CAP EQUITY FUND
(SFEIX)

Investment Objective: The State Farm Small/Mid Cap Equity Fund (the "Small/Mid Cap Equity Fund" or the "Fund") seeks long-term growth of capital.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.80%
Distribution [and/or Service] (12b-1 fees) Fees	0.00%
Other Expenses	0.37%
Acquired Fund Fees & Expenses	0.02%
Total Annual Fund Operating Expenses	1.19%
Less: Fee Waiver	– 0.02%
Total Annual Fund Operating Expenses After Fee Waiver	1.17%

State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to waive its management fees in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified amount for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$119	$376	$652	$1,441

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 91% of the average value of its portfolio.

Principal Investment Strategies

Two different investment sub-advisers, Bridgeway Capital Management, Inc. ("Bridgeway") and Rainier Investment Management, Inc. ("Rainier"), select investments for the Small/Mid Cap Equity Fund. Bridgeway and Rainier each manage approximately one-half of the Small/Mid Cap Equity Fund's portfolio. The Manager monitors the performance of the sub-advisers and the split of the portfolio between the sub-advisers. The principal investment strategies employed by the two sub-advisers for their respective portions of the Fund's portfolio are discussed separately below.

Bridgeway

Bridgeway primarily invests its segment of the Fund in a diversified portfolio of small and mid-capitalization stocks. Bridgeway defines "small stocks" as those whose market capitalization (stock market value) falls within the range of the Russell 2000 Index, an unmanaged, market value weighted index, which measures performance of the 2,000 companies that are between the 1,000th and 3,000th largest in the U.S. market with dividends reinvested. The Russell 2000 Index is reconstituted from time to time. The market capitalization of companies in which Bridgeway may invest may vary with market conditions. Bridgeway selects stocks using a statistically driven approach.

Bridgeway invests in small and mid-capitalization stocks in the "value" category, which it defines as those stocks that Bridgeway believes are priced cheaply relative to some financial measures of worth, such as the ratio of price to earnings, price to sales or price to cash flow. Under normal market conditions, at least 80% of Bridgeway's portion of the Fund's net assets (plus borrowings for investment purposes) is invested in stocks from among those in the small cap value category at the time of purchase. However, Bridgeway will not necessarily sell a stock if it "migrates" to a different category after purchase.

Bridgeway may invest up to 10% of its segment of the Fund's portfolio in primarily common stocks of foreign companies.

Bridgeway may sell individual securities for several reasons including: the investment purpose for purchasing the security has been achieved, fundamental deterioration of company prospects, or better alternatives exist. Securities may also be sold based upon tax considerations, liquidity needs or other portfolio management considerations.

Rainier

Rainier invests its segment of the Fund primarily (at least 80%) in the common stock of mid-capitalization companies traded in the U.S. with prospects of strong earnings growth and attractive overall business fundamentals, selling at reasonable valuations. Rainier considers a mid-capitalization company as one with market capitalization, at the time of purchase, within the range of companies included in the Russell Midcap® Index, an index that includes the smallest 800 securities in the Russell 1000® Index.

The portfolio managed by Rainier will invest in a blend of stocks with both growth and value characteristics. In selecting common stocks for purchase by the Small/Mid Cap Equity Fund, Rainier emphasizes companies that it believes are likely to demonstrate superior business growth relative to their peers and whose equities are selling at attractive relative valuations.

Rainier may invest up to 20% of its segment of the Fund's assets in primarily common stocks and depositary receipts of foreign companies.

Rainier considers the sale of specific common stock when fundamentals deteriorate; when a stock reaches or surpasses its price target; or when better opportunities are perceived in alternative stocks.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or another government agency. An investor in the Fund is subject to the following types of risks:

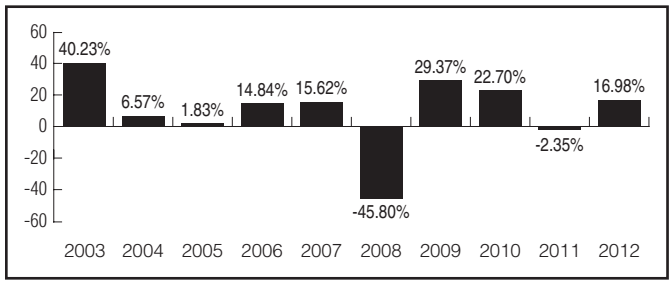
- ***Market Risk.*** Stock prices may fluctuate widely over short or even extended periods in response to company, market, or economic news. Stock markets also tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- ***Foreign Investing Risk.*** Investing in foreign securities involves higher trading and custody costs than investing in U.S. companies. Accounting, legal and reporting practices are different than in the U.S. and regulation is often less stringent. Potential political or economic instability presents risks, as does the fluctuation in currency exchange rates, as well as the possible imposition of exchange control regulation or currency restrictions that could prevent the conversion of local currencies into U.S. dollars. Some foreign markets are considered to be emerging market countries. Investments in these countries subject the Fund to a greater risk of loss than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down and more governmental limitations on foreign investment policy than those typically found in a developed market.
- ***Management Risk.*** The assessment by the Fund's investment adviser or sub-adviser of the securities to be purchased or sold by the Fund may prove incorrect, resulting in losses or poor performance, even in a rising market.
- ***Smaller Company Size Risk.*** The securities of smaller capitalization companies are often more difficult to value or dispose of, more difficult to obtain information about, and more volatile than stocks of larger, more established companies. In addition, the markets for the Fund's investments may not be actively traded, which increases the risk that the Fund's investment adviser or sub-adviser may have difficulty selling securities the Fund holds.

An investment in the Fund may be appropriate for you if you intend to maintain your investment for many years and through multiple stock market cycles. Because of stock market volatility, the Fund may not be a suitable investment if you have a short-term investment horizon or if you are unwilling to accept fluctuations in share price, including significant declines over a given period.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to a measure of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 22.86%,
during the second quarter of 2003.

Worst quarter: −29.64%
during the fourth quarter of 2008.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

Small/Mid Cap Equity Fund	1-Year	5-Year	10-Year
Return Before Taxes—Institutional	16.98%	−0.35%	7.10%
Return After Taxes on Distributions—Institutional	16.98%	−0.38%	6.54%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	11.04%	−0.31%	6.09%
Russell 2500 Index (reflects no deduction for fees, expenses, and taxes)	17.88%	4.34%	10.49%

Fund Management

Investment Adviser—The investment adviser for the Fund is SFIMC.

Sub-Adviser—The Fund is sub-advised by Bridgeway and Rainier.

Portfolio Managers

	Name	Title	Length of Service (Years)
Bridgeway	John Montgomery	Chief Investment Officer	19
	Elena Khoziaeva	Investment Team Member	13
	Michael Whipple	Investment Team Member	10
	Rasool Shaik	Investment Team Member	6
Rainier	Mark W. Broughton	Senior Portfolio Manager	More than 5
	James R. Margard	Chief Investment Officer	More than 5
	Peter M. Musser	Senior Portfolio Manager	More than 5

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM INTERNATIONAL EQUITY FUND
(SFIIX)

Investment Objective: The State Farm International Equity Fund (the "International Equity Fund" or the "Fund") seeks long term growth of capital.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.80%
Distribution [and/or Service] (12b-1 fees) Fees	0.00%
Other Expenses	0.50%
Acquired Fund Fees & Expenses	0.00%
Total Annual Fund Operating Expenses	1.30%
Less: Fee Waiver	– 0.05%
Total Annual Fund Operating Expenses After Fee Waiver	1.25%

State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to waive its management fees in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified amount for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$127	$407	$708	$1,563

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 47% of the average value of its portfolio.

Principal Investment Strategies

Two different investment sub-advisers, Marsico Capital Management, LLC ("Marsico") and Northern Cross, LLC ("Northern Cross"), select investments for the International Equity Fund. Marsico and Northern Cross each manage approximately one-half of the International Equity Fund's portfolio. The Manager monitors the performance of the sub-advisers and the split of the portfolio between the sub-advisers. The principal investment strategies employed by the two sub-advisers for their respective portions of the Fund's portfolio are discussed separately below.

Marsico

Marsico invests its portion of the International Equity Fund primarily in common stocks of foreign companies that it selects for their long-term growth potential. Marsico may invest its portion of the International Equity Fund in an unlimited number of companies of any size throughout the world, and normally invests in the securities of issuers that are economically tied to at least four different foreign countries. The Fund may invest in securities of companies economically tied to emerging markets. Some issuers or securities in the Fund's portfolio may be based in or economically tied to the U.S. In selecting investments for the Fund, Marsico uses an approach that combines 'top-down' macro-economic analysis that focuses on broad financial and economic indicators with 'bottom-up' stock selection that initially focuses on individual stocks.

Marsico may sell individual securities for several reasons including: price target of the security has been achieved, fundamental deterioration of company prospects, or better alternatives exist. Securities may also be sold based upon tax considerations, liquidity needs or other portfolio management considerations.

Northern Cross

Northern Cross invests its portion of the International Equity Fund in securities issued by foreign companies, which it believes

have the potential for long term margin expansion. Northern Cross primarily focuses on common stocks priced cheaply relative to some financial measure of worth, such as ratios of price to earnings, price to sales or price to cash flow. Under normal market conditions, Northern Cross will invest its portion of the International Equity Fund in 60-80 companies with a diversified representation of sectors. In selecting securities for the International Equity Fund, Northern Cross gives careful consideration to currency, political stability and other effects of international investing.

Northern Cross may sell individual securities for several reasons including: full valuation of the security has been achieved, fundamental deterioration of company prospects, or better alternatives exist. Securities may also be sold based upon tax considerations, liquidity needs or other portfolio management considerations.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the FDIC or another government agency. An investor in the Fund is subject to the following types of risks:

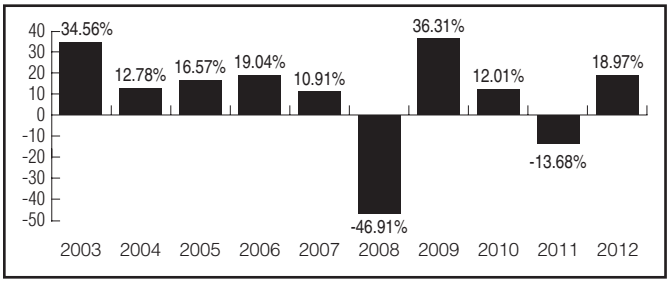
- ***Market Risk.*** Stock prices may fluctuate widely over short or even extended periods in response to company, market, or economic news. Stock markets also tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- ***Foreign Investing Risk.*** Investing in foreign securities involves higher trading and custody costs than investing in U.S. companies. Accounting, legal and reporting practices are different than in the U.S. and regulation is often less stringent. Potential political or economic instability presents risks, as does the fluctuation in currency exchange rates, as well as the possible imposition of exchange control regulation or currency restrictions that could prevent the conversion of local currencies into U.S. dollars. Some foreign markets are considered to be emerging market countries. Investments in these countries subject the Fund to a greater risk of loss than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down and more governmental limitations on foreign investment policy than those typically found in a developed market.
- ***Management Risk.*** The assessment by the Fund's investment adviser or sub-adviser of the securities to be purchased or sold by the Fund may prove incorrect, resulting in losses or poor performance, even in a rising market.

An investment in the Fund may be appropriate for you if you intend to maintain your investment for many years and through multiple stock market cycles. Because of stock market volatility, the Fund may not be a suitable investment if you have a short-term investment horizon or if you are unwilling to accept fluctuations in share price, including significant declines over a given period.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to a measure of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 25.39%,
during the second quarter of 2009.

Worst quarter: −23.58%
during the fourth quarter of 2008.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

International Equity Fund	1-Year	5-Year	10-Year
Return Before Taxes—Institutional	18.97%	−3.60%	6.88%
Return After Taxes on Distributions—Institutional	18.97%	−3.71%	6.61%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	12.33%	−2.97%	6.12%
MSCI ACWI ex.U.S. Index (reflects no deduction for fees, expenses, and taxes)	16.83%	−2.89%	9.74%

Fund Management

Investment Adviser—The investment adviser for the Fund is SFIMC.

Sub-Adviser—The Fund is sub-advised by Marsico and Northern Cross.

Portfolio Managers

	Name	Title	Length of Service (Years)
Marsico	James G. Gendelman	Portfolio Manager, Senior Analyst	13
	Munish Malhotra	Portfolio Manager, Senior Analyst	10
Northern Cross	Howard Appleby	Principal	9
	James LaTorre	Principal	9
	Edward E. Wendell, Jr.	Principal	9
	Jean-Francois Ducrest	Principal	9

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM S&P 500 INDEX FUND
(SFXIX)

Investment Objective: The State Farm S&P 500 Index Fund (the "S&P 500 Index Fund" or the "Fund") seeks to provide investment results that correspond to the total return of publicly traded common stocks in the aggregate, as represented by the S&P 500 Index.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.18%
Distribution [and/or Service] (12b-1 fees) fees	0.00%
Other Expenses	0.34%
Total Annual Fund Operating Expenses	0.52%

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$53	$167	$291	$653

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 2% of the average value of its portfolio.

Principal Investment Strategies

The S&P 500 Index Fund seeks to achieve investment performance that is similar to the S&P 500 Index (the Fund's target benchmark). The S&P 500 Index is a widely used measure of large U.S. company stock performance. Standard & Poor's ("S&P") selects stocks for the S&P 500 Index based upon the following factors:

- market value
- industry group classification (so that the S&P 500 Index represents a broad range of industry segments within the U.S. economy)
- trading activity, to ensure ample liquidity and efficient share pricing
- fundamental analysis, to ensure that companies in the S&P 500 Index are stable

The S&P 500 Index Fund pursues its investment objective by:

- investing in substantially all of the securities that make up the S&P 500 Index
- investing in these securities in proportions that match, approximately, the weightings of the S&P 500 Index

Under normal operating conditions, the S&P 500 Index Fund seeks to invest at least 90% of its total assets in stocks that are represented in the S&P 500 Index.

BlackRock Fund Advisors ("BFA"), the sub-adviser to the Fund, may sell securities to reflect security changes within the index or to balance the portfolio to the index. Securities may also be sold based upon tax considerations, liquidity needs or other portfolio management considerations.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or another government agency. An investor in the Fund is subject to the following types of risks:

- ***Market Risk.*** Stock prices may fluctuate widely over short or even extended periods in response to company, market, or economic news. move in cycles, with periods of rising stock prices and periods of falling stock prices.
- ***Management Risk.*** The assessment by the Fund's investment adviser or sub-adviser of the securities to be purchased or sold by the Fund may prove incorrect, resulting in losses or poor performance, even in a rising market.

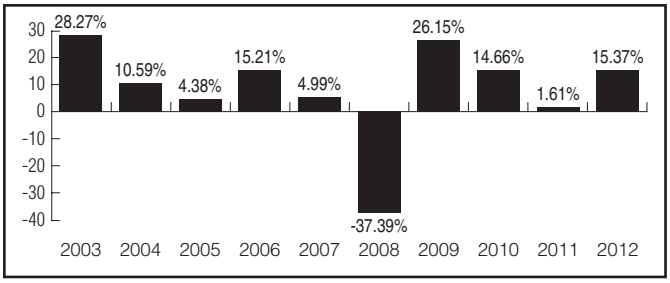
- ***Indexing Risk.*** This Fund attempts to match the performance of a securities market index, but there is no guarantee that this Fund will succeed in its attempt to match such performance.
- ***Security Selection Risk.*** Because securities market indices are developed by persons unrelated to the Fund, State Farm Investment Management Corp. ("SFIMC" or the "Manager") or to the Fund's sub-adviser, the Fund may hold stocks in companies that present risks that the Manager or the Fund's sub-adviser researching individual stocks might avoid.

An investment in the Fund may be appropriate for you if you intend to maintain your investment for many years and through multiple stock market cycles. Because of stock market volatility, the Fund may not be a suitable investment if you have a short-term investment horizon or if you are unwilling to accept fluctuations in share price, including significant declines over a given period.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to a measure of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 15.78%,
during the second quarter of 2009.

Worst quarter: −22.04%,
during the fourth quarter of 2008.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

S&P 500 Index Fund	1-Year	5-Year	10-Year
Return Before Taxes—Institutional	15.37%	1.20%	6.64%
Return After Taxes on Distributions—Institutional	15.08%	0.93%	6.39%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	10.36%	0.97%	5.81%
S&P 500 Index (reflects no deduction for fees, expenses, and taxes)	16.00%	1.66%	7.10%

Fund Management

Investment Adviser—The investment adviser for the Fund is State Farm Investment Management Corp.

Sub-Adviser—The Fund is sub-advised by BFA.

Portfolio Managers—

Name	Title	Length of Service (Years)
Greg Savage	Managing Director	Since May 2012
Edward Corallo	Managing Director	Since May 2012
Christopher Bliss	Managing Director	Since May 2012

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM SMALL CAP INDEX FUND
(SMIIX)

Investment Objective: The State Farm Small Cap Index Fund (the "Small Cap Index Fund" or the "Fund") seeks to match as closely as practicable, before fees and expenses, the performance of the Russell 2000 Small Stock Index.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.35%
Distribution [and/or Service] (12b-1 fees) Fees	0.00%
Other Expenses	0.38%
Acquired Fund Fees & Expenses	0.08%
Total Annual Fund Operating Expenses	0.81%
Less: Fee Waiver	– 0.03%
Total Annual Fund Operating Expenses After Fee Waiver	0.78%

State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to waive its management fees in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified amount for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$80	$256	$447	$999

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 14% of the average value of its portfolio.

Principal Investment Strategies

Northern Trust Investments, Inc. ("NTI"), sub-adviser to the Small Cap Index Fund, seeks to achieve investment performance for the Small Cap Index Fund that is similar to the Russell 2000 Index.

The Russell 2000 Index is an index of 2,000 small companies that is created by taking the largest 3,000 companies traded in the U.S. and eliminating the largest 1,000 of those companies.

NTI pursues its investment objective by investing in companies contained in the Russell 2000 Index based upon replication and optimization modeling techniques.

Under normal operating conditions, NTI seeks to invest at least 80% of the Fund's total assets primarily in the common stocks of companies included in the Russell 2000 Index, in weights that approximate the relative composition of the securities contained in the index.

NTI may sell securities to reflect security changes within the index or to balance the portfolio to the index. Securities may also be sold based upon tax considerations, liquidity needs or other portfolio management considerations.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the FDIC or another government agency. An investor in the Fund is subject to the following types of risks:

- ***Market Risk.*** Stock prices may fluctuate widely over short or even extended periods in response to company, market, or economic news. Stock markets also tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- ***Management Risk.*** The assessment by the Fund's investment adviser or sub-adviser of the securities to be purchased or sold by

the Fund may prove incorrect, resulting in losses or poor performance, even in a rising market.

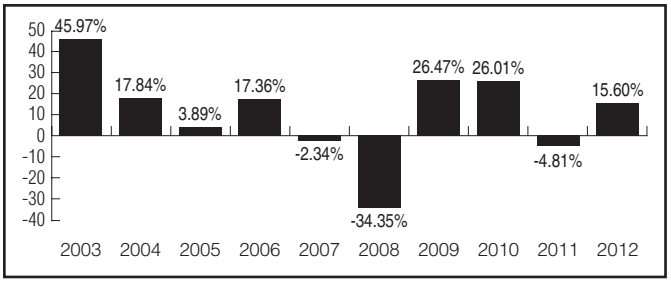
- ***Smaller Company Size Risk.*** The securities of small capitalization companies are often more difficult to value or dispose of, more difficult to obtain information about, and more volatile than stocks of larger, more established companies. In addition, the markets for the Fund's investments may not be actively traded, which increases the risk that the Fund's investment adviser or sub-adviser may have difficulty selling securities the Fund holds.
- ***Indexing Risk.*** This Fund attempts to match the performance of a securities market index, but there is no guarantee that this Fund will succeed in its attempt to match such performance.
- ***Security Selection Risk.*** Because securities market indices are developed by persons unrelated to the Fund, the Manager or to the Fund's sub-adviser, the Fund may hold stocks in companies that present risks that the Manager or the Fund's sub-adviser researching individual stocks might avoid.

An investment in the Fund may be appropriate for you if you intend to maintain your investment for many years and through multiple stock market cycles. Because of stock market volatility, the Fund may not be a suitable investment if you have a short-term investment horizon or if you are unwilling to accept fluctuations in share price, including significant declines over a given period.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to a measure of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 22.82%,
during the second quarter of 2003.

Worst quarter: −26.15%
during the fourth quarter of 2008.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

Small Cap Index Fund	1-Year	5-Year	10-Year
Return Before Taxes—Institutional	15.60%	2.86%	8.96%
Return After Taxes on Distributions—Institutional	15.00%	2.36%	8.30%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	10.92%	2.31%	7.84%
Russell 2000 Index (reflects no deduction for fees, expenses, and taxes)	16.35%	3.56%	9.72%

Fund Management

Investment Adviser—The investment adviser for the Fund is State Farm Investment Management Corp.

Sub-Adviser—The Fund is sub-advised by NTI.

Portfolio Managers—Brent Reeder is the portfolio manager primarily responsible for the day to day management of the Fund. Mr. Reeder is a Senior Vice president and has been with NTI since 1993.

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

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Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM INTERNATIONAL INDEX FUND
(SFFFX)

Investment Objective: The State Farm International Index Fund (the "International Index Fund" or the "Fund") seeks to match as closely as practicable, before fees and expenses, the performance of an international portfolio of common stocks represented by the Morgan Stanley International Europe, Australasia, and Far East Free Index ("EAFE Free Index").

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.50%
Distribution [and/or Service] (12b-1 fees) Fees	0.00%
Other Expenses	0.51%
Acquired Fund Fees & Expenses	0.00%
Total Annual Fund Operating Expenses	1.01%
Less: Fee Waiver	– 0.06%
Total Annual Fund Operating Expenses After Fee Waiver	0.95%

State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to waive its management fees in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified amount for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$97	$316	$552	$1,231

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 4% of the average value of its portfolio.

Principal Investment Strategies

Northern Trust Investments, Inc. (NTI), sub-adviser to the International Index Fund, seeks to achieve investment performance for the International Index Fund that is similar to the EAFE Free Index. The EAFE Free Index is a capitalization-weighted index that currently includes stocks of companies located in 16 European countries, Australia, Israel, New Zealand, Hong Kong, Japan and Singapore. NTI selects the securities contained in the EAFE Free Index based upon replication and optimization modeling techniques. Under normal operating conditions, NTI seeks to invest at least 80% of its total assets primarily in the common stock of companies included in the EAFE Free Index, in weights that approximate the relative composition of the securities contained in the index.

NTI may sell securities to reflect security changes within the index or to balance the portfolio to the index. Securities may also be sold based upon tax considerations, liquidity needs or other portfolio management considerations.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the FDIC or another government agency. An investor in the Fund is subject to the following types of risks:

- ***Market Risk.*** Stock prices may fluctuate widely over short or even extended periods in response to company, market, or economic news. Stock markets also tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- ***Foreign Investing Risk.*** Investing in foreign securities involves higher trading and custody costs than investing in U.S. companies. Accounting, legal and reporting practices are different than in the

U.S. and regulation is often less stringent. Potential political or economic instability presents risks, as does the fluctuation in currency exchange rates, as well as the possible imposition of exchange control regulation or currency restrictions that could prevent the conversion of local currencies into U.S. dollars. Some foreign markets are considered to be emerging market countries. Investments in these countries subject the Fund to a greater risk of loss than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down and more governmental limitations on foreign investment policy than those typically found in a developed market.

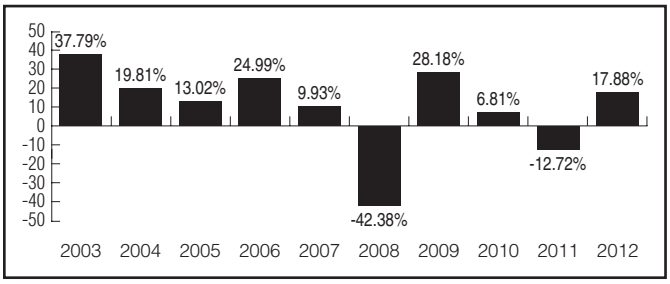
- ***Management Risk.*** The assessment by the Fund's investment adviser or sub-adviser of the securities to be purchased or sold by the Fund may prove incorrect, resulting in losses or poor performance, even in a rising market.
- ***Indexing Risk.*** This Fund attempts to match the performance of a securities market index, but there is no guarantee that this Fund will succeed in its attempt to match such performance.
- ***Security Selection Risk.*** Because securities market indices are developed by persons unrelated to the Fund, the Manager or to the Fund's sub-adviser, the Fund may hold stocks in companies that present risks that the Manager or the Fund's sub-adviser researching individual stocks might avoid.

An investment in the Fund may be appropriate for you if you intend to maintain your investment for many years and through multiple stock market cycles. Because of stock market volatility, the Fund may not be a suitable investment if you have a short-term investment horizon or if you are unwilling to accept fluctuations in share price, including significant declines over a given period.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to a measure of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 25.32%,
during the second quarter of 2009.

Worst quarter: −20.25%,
during the third quarter of 2011.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

International Index Fund	1-Year	5-Year	10-Year
Return Before Taxes—Institutional	17.88%	−4.09%	7.60%
Return After Taxes on Distributions—Institutional	17.64%	−4.25%	7.35%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	12.38%	−3.29%	6.85%
EAFE Free Index (reflects no deduction for fees, expenses, and taxes)	17.32%	−3.69%	8.21%

Fund Management

Investment Adviser—The investment adviser for the Fund is State Farm Investment Management Corp.

Sub-Adviser—The Fund is sub-advised by NTI.

Portfolio Managers—Shaun Murphy is the portfolio manager primarily responsible for the day to day management of the Fund. Shaun Murphy is a Senior Vice President and has been with NTI since 2004.

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM EQUITY AND BOND FUND
(SEBIX)

Investment Objective: The State Farm Equity and Bond Fund (the "Equity and Bond Fund" or the "Fund") seeks long term growth of principal while providing some current income.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.00%
Distribution [and/or Service] (12b-1 fees) Fees	0.00%
Other Expenses	0.10%
Acquired Fund Fees & Expenses	0.72%
Total Annual Fund Operating Expenses	0.82%
Less: Fee Waiver	– 0.10%
Total Annual Fund Operating Expenses After Fee Waiver	0.72%

State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to reimburse the Fund for expenses the Fund pays. The reimbursement is in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified level for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$74	$252	$445	$1,004

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 1% of the average value of its portfolio.

Principal Investment Strategies

The Equity and Bond Fund invests all of its assets in shares of the State Farm Equity Fund and the State Farm Bond Fund. Generally, the Equity and Bond Fund attempts to maintain approximately 60% of its net assets in shares of the State Farm Equity Fund and approximately 40% of its net assets in shares of the State Farm Bond Fund. The Equity and Bond Fund never invests more than 75% of its net assets in either underlying Fund.

Two different investment sub-advisers, Bridgeway Capital Management, Inc. ("Bridgeway") and Westwood Management Corp. ("Westwood"), select investments for the Equity Fund. Bridgeway and Westwood each manage approximately one-half of the Equity Fund's portfolio.

Bridgeway primarily invests its portion of the Equity Fund in a diversified portfolio of large growth stocks. Bridgeway selects stocks within the large-cap growth category for the Equity Fund using a statistically driven approach.

Westwood primarily invests in a portfolio of seasoned companies utilizing a value style of investing in which it chooses those stocks that Westwood believes have earnings prospects that are currently undervalued by the market relative to some financial measure of worth, such as the ratio of price to earnings, price to sales or price to cash flow.

The Manager selects investments for the Bond Fund. The Bond Fund is invested primarily in investment grade bonds issued by U.S. companies, U.S. government and agency obligations, and mortgage backed securities. Under normal circumstances, the Bond Fund invests at least 80% of its net assets plus any borrowings in investment grade bonds or in bonds that are not rated, but that the Manager has determined to be of comparable quality. A bond is investment grade if Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's ("S&P") has rated the bond in one of their respective four highest rating categories. Non-investment grade bonds are commonly referred to as "junk bonds."

The Manager, Bridgeway, and Westwood may sell individual securities in the underlying funds for several reasons including: price target of the security has been achieved, fundamental deterioration of company prospects, or better alternatives exist. Securities may also be sold based upon tax considerations, liquidity needs or other portfolio management considerations.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or another government agency. An investor in the Fund is subject to the following types of risks:

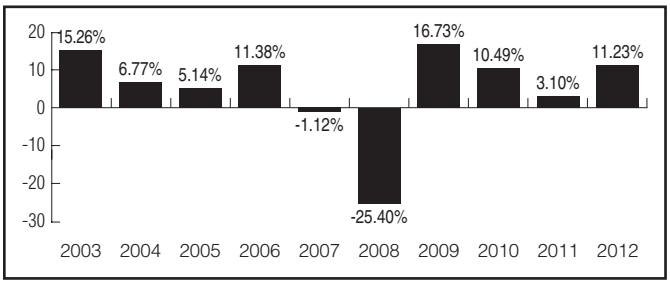
- ***Market Risk.*** Stock prices may fluctuate widely over short or even extended periods in response to company, market, or economic news. Stock markets also tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- ***Foreign Investing Risk.*** Investing in foreign securities involves higher trading and custody costs than investing in U.S. companies. Accounting, legal and reporting practices are different than in the U.S. and regulation is often less stringent. Potential political or economic instability presents risks, as does the fluctuation in currency exchange rates, as well as the possible imposition of exchange control regulation or currency restrictions that could prevent the conversion of local currencies into U.S. dollars. Some foreign markets are considered to be emerging market countries. Investments in these countries subject a fund to a greater risk of loss than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down and more governmental limitations on foreign investment policy than those typically found in a developed market.
- ***Management Risk.*** The assessment by a fund's investment adviser or sub-adviser of the securities to be purchased or sold by a fund may prove incorrect, resulting in losses or poor performance, even in a rising market.
- ***Interest Rate Risk and Call Risk.*** The risk that the bonds a fund holds may decline in value due to an increase in interest rates. All bonds, including those issued by the U.S. Government, are subject to interest rate risk. Bonds with longer maturities are affected more by interest rate movements than bonds with shorter maturities. Another risk associated with interest rate changes is call risk. Call risk is the risk that during periods of falling interest rates, a bond issuer will "call" or repay a higher yielding bond before the maturity date of the bond. Under these circumstances, the fund may have to reinvest the proceeds in an investment that provides a lower yield than the called bond.
- ***Prepayment and Extension Risk.*** The risk that homeowners or consumers may alter the pace of repayment on their mortgage or consumer loans, which may affect the yield of mortgage-or asset-backed securities that are backed by such loans.
- ***Credit Risk.*** The risk that a bond issuer fails to make principal or interest payments when due to a fund, or that the credit quality of the issuer falls. Corporate bonds are subject to greater risk than U.S. Government bonds.
- ***High Yield, High Risk Securities.*** Bonds that are in low or below investment-grade categories, or are unrated at the time of purchase (sometimes referred to as "junk bonds" or high yield securities) have a greater risk of default and are more volatile than higher-rated securities of similar maturity. The value of these securities is affected by overall economic conditions, interest rates, and the creditworthiness of the individual issuers. Additionally, these lower-rated or unrated bonds may be less liquid and more difficult to value than higher-rated securities.
- ***Liquidity Risk.*** The investment adviser or sub-adviser to a fund may have difficulty selling securities a fund holds at the time it would like to sell, and at the value a fund has placed on those securities.
- ***Income Risk.*** The risk that the income from the bonds a fund holds will decline in value due to falling interest rates.

An investment in this Fund may be appropriate for you if you are seeking long term growth potential and some current income, or if you are seeking the convenience of a balanced portfolio of stocks and bonds in a single investment. You may not want to invest in this Fund if you have a short term investment horizon, want the greater growth potential of an investment entirely in equity securities or are unwilling to accept share price fluctuation.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to measures of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 8.59%,
during the second quarter of 2009.

Worst quarter: − 13.75%,
during the fourth quarter of 2008.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

Equity and Bond Fund	1-Year	5-Year	10-Year
Return Before Taxes—Institutional	11.23%	1.99%	4.63%
Return After Taxes on Distributions—Institutional	10.71%	1.13%	3.65%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	7.49%	1.26%	3.55%
S&P 500 Index (reflects no deduction for fees, expenses, and taxes)	16.00%	1.66%	7.10%
Barclays U.S. Aggregate Bond Index (reflects no deduction for fees, expenses, and taxes)	4.22%	5.95%	5.18%
Blended Benchmark (reflects no deduction for fees, expenses, and taxes)	11.31%	3.82%	6.63%

SFIMC computes the Blended Benchmark using 60% S&P 500 Index and 40% Barclays U.S. Aggregate Bond Index.

Fund Management

Investment Adviser—The investment adviser for the Fund is State Farm Investment Management Corp.

Sub-Adviser—The equity portion of the Fund is sub-advised by Bridgeway and Westwood.

Portfolio Managers—

	Name	Title	Length of Service (Years)
Bridgeway	John Montgomery	Chief Investment Officer	19
	Elena Khoziaeva	Investment Team Member	13
	Michael Whipple	Investment Team Member	10
	Rasool Shaik	Investment Team Member	6
Westwood	Mark R. Freeman	Executive Vice President and Chief Investment Officer	14
	Lisa Dong	Senior Vice President and Product Director	13
	Matt Lockridge	Vice President, Portfolio Manager and Research Analyst	3
	Scott Lawson	Vice President, Portfolio Manager and Senior Research Analyst	10
	Varun Singh	Vice President and Research Analyst	1
SFIMC	Joe Young	Vice President—State Farm Investment Management Corp.; Vice President—Fixed Income, State Farm Mutual Automobile Insurance Company	Since June 2011
	Duncan Funk	Assistant Vice President—State Farm Investment Management Corp.; Senior Investment Office—Fixed Income, State Farm Mutual Automobile Insurance Company	15 Years

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM BOND FUND
(SFBIX)

Investment Objective: The State Farm Bond Fund (the "Bond Fund" or the "Fund") seeks to realize over a period of years the highest yield consistent with investing in investment grade bonds.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.10%
Distribution [and/or Service] (12b-1 fees) fees	0.00%
Other Expenses	0.31%
Acquired Fund Fees & Expenses	0.01%
Total Annual Fund Operating Expenses	0.42%

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$43	$135	$235	$530

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 8% of the average value of its portfolio.

Principal Investment Strategies

The Bond Fund invests primarily in investment grade bonds issued by U.S. companies, U.S. government and agency obligations, and mortgage backed securities. Under normal circumstances, the Bond Fund invests at least 80% of its net assets plus any borrowings in investment grade bonds or in bonds that are not rated, but that State Farm Investment Management Corp. ("SFIMC" or the "Manager") has determined to be of comparable quality. A bond is investment grade if Moody's Investors Service, Inc. ("Moody's") or S&P has rated the bond in one of their respective four highest rating categories. Non-investment grade bonds are commonly referred to as "junk bonds." The Bond Fund may invest in any of the following instruments:

- ***Corporate Debt Securities:*** investment grade securities issued by corporations and to a limited extent (up to 20% of its assets), in lower rated securities
- ***U.S. Government Debt Securities:*** securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities
- ***Foreign Government Debt Securities:*** investment grade securities issued or guaranteed by a foreign government or its agencies or instrumentalities, payable in U.S. dollars
- ***Asset Backed and Mortgage Backed Securities:*** investment grade securities backed by mortgages, consumer loans and other assets
- ***Other Issuer Debt Securities:*** the Fund may invest up to 20% of its assets in non-investment grade debt securities and preferred stocks that are convertible into common stocks as well as nonconvertible preferred stocks or securities.

The Manager may sell individual securities for several reasons including: price target of the security has been achieved, fundamental deterioration of company prospects, or better alternatives exist. Securities may also be sold based upon tax considerations, liquidity needs or other portfolio management considerations.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the FDIC or another government agency. An investor in the Fund is subject to the following types of risks:

- ***Management Risk.*** The assessment by the Fund's investment adviser of the securities to be purchased or sold by the Fund may prove incorrect, resulting in losses or poor performance, even in a rising market.

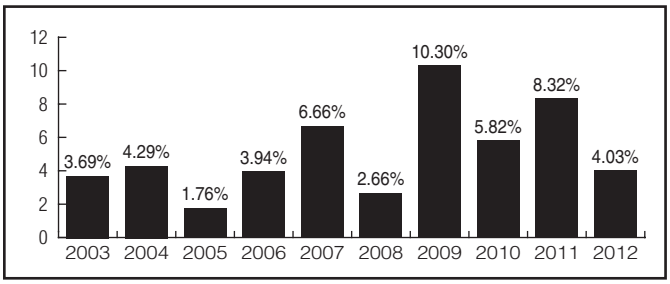
- ***Interest Rate Risk and Call Risk.*** The risk that the bonds the Fund holds may decline in value due to an increase in interest rates. All bonds, including those issued by the U.S. Government, are subject to interest rate risk. Bonds with longer maturities are affected more by interest rate movements than bonds with shorter maturities. Another risk associated with interest rate changes is call risk. Call risk is the risk that during periods of falling interest rates, a bond issuer will "call" or repay a higher yielding bond before the maturity date of the bond. Under these circumstances, the Fund may have to reinvest the proceeds in an investment that provides a lower yield than the called bond.
- ***Prepayment and Extension Risk.*** The risk that homeowners or consumers may alter the pace of repayment on their mortgage or consumer loans, which may affect the yield of mortgage-or asset-backed securities that are backed by such loans.
- ***Credit Risk.*** The risk that a bond issuer fails to make principal or interest payments when due to the Fund, or that the credit quality of the issuer falls. Corporate bonds are subject to greater credit risk than U.S. Government bonds.
- ***High Yield, High Risk Securities.*** Bonds that are in low or below investment-grade categories, or are unrated at the time of purchase (sometimes referred to as "junk bonds" or high yield securities) have a greater risk of default and are more volatile than higher-rated securities of similar maturity. The value of these securities is affected by overall economic conditions, interest rates, and the creditworthiness of the individual issuers. Additionally, these lower-rated or unrated bonds may be less liquid and more difficult to value than higher-rated securities.
- ***Liquidity Risk.*** The investment adviser to the Fund may have difficulty selling securities the Fund holds at the time it would like to sell, and at the value the Fund has placed on those securities.
- ***Income Risk.*** The risk that the income from the bonds the Fund holds will decline in value due to falling interest rates.

You may want to invest in the Fund if you are seeking higher potential returns than money market funds and are willing to accept the price volatility of bonds with longer maturities, want to diversify your investments, are seeking an income mutual fund for an asset allocation program or are retired or nearing retirement. You may not want to invest in the Fund if you are investing for maximum return over a long time horizon, want the greater growth potential of an investment in equity securities or require stability of your principal.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to a measure of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 4.21%,
during the third quarter of 2011.

Worst quarter: −2.67%,
during the second quarter of 2004.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

Bond Fund	1-Year	5-Year	10-Year
Return Before Taxes—Institutional	4.03%	6.19%	5.12%
Return After Taxes on Distributions—Institutional	3.00%	4.82%	3.64%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	2.61%	4.49%	3.50%
Barclays U.S. Aggregate Bond Index (reflects no deduction for fees, expenses, and taxes)	4.22%	5.95%	5.18%

Fund Management

Investment Adviser—The investment adviser for the Fund is State Farm Investment Management Corp.

Portfolio Managers—

Name	Title	Length of Service (Years)
Joe Young	Vice President—State Farm Investment Management Corp.; Vice President—Fixed Income, State Farm Mutual Automobile Insurance Company	Since June 2011
Duncan Funk	Assistant Vice President—State Farm Investment Management Corp.; Senior Investment Officer—Fixed Income, State Farm Mutual Automobile Insurance Company	15 Years

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM MONEY MARKET FUND
(SAIXX)

Investment Objective: The State Farm Money Market Fund (the "Money Market Fund" or the "Fund") seeks to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	0.10%
Distribution [and/or Service] (12b-1 fees) fees	0.00%
Other Expenses	0.34%
Acquired Fund Fees & Expenses	0.00%
Total Annual Fund Operating Expenses	0.44%

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$45	$141	$246	$555

Principal Investment Strategies

Unlike the other Funds, the Money Market Fund seeks to maintain a stable net asset value ("NAV") of $1.00 per share. The Fund invests exclusively in short-term, U.S. dollar-denominated money market securities, including those issued by U.S. and foreign financial institutions, corporate issuers, the U.S. Government and its agencies and instrumentalities, municipalities, foreign governments, and multi-national organizations, such as the World Bank.

Among the securities that the Money Market Fund may invest in are the following:

- Securities issued or guaranteed by the U.S. Government or its agencies, including Treasury Bills, notes, and securities issued by U.S. government agencies such as the Federal National Mortgage Association.
- Commercial paper issued or guaranteed by U.S. corporations and certain other entities that are rated in the two highest rating categories of a NRSRO.
- Repurchase agreements with certain parties.
- Certain obligations of large (more than $1 billion in total assets) U.S. banks and their subsidiaries (including, certain Canadian affiliates), including, but not limited to, bank notes, commercial paper, and certificates of deposit.
- Other short-term obligations issued by or guaranteed by U.S. corporations, state and municipal governments, or other entities.
- Securities backed by mortgages, consumer loans and other assets.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment by maintaining a stable NAV of $1.00 per share, the Fund may not succeed and you may lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or another government agency. An investor in the Fund is subject to the following types of risks:

- ***Management Risk.*** The assessment by the Fund's investment adviser or sub-adviser of the securities to be purchased or sold by the Fund may prove incorrect, resulting in losses or poor performance, even in a rising market.
- ***Interest Rate Risk and Call Risk.*** The risk that the bonds the Fund holds may decline in value due to an increase in interest rates. All bonds, including those issued by the U.S. Government, are subject to interest rate risk. Bonds with longer maturities are affected more by interest rate movements than bonds with shorter maturities. Another risk associated with interest rate changes is call risk. Call risk is the risk that during periods of falling interest rates, a bond issuer will "call" or repay a higher yielding bond before the maturity date of the bond. Under these circumstances, the Fund may have to reinvest the proceeds in an investment that provides a lower yield than the called bond.

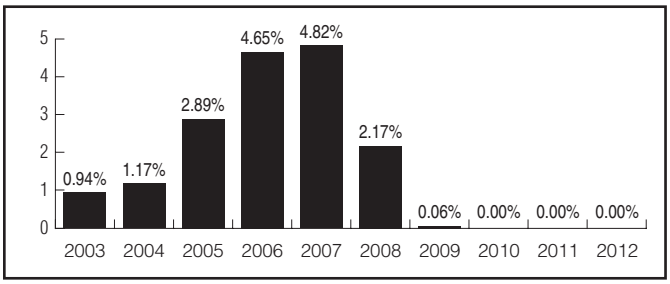
- ***Credit Risk.*** The risk that a bond issuer fails to make principal or interest payments when due to the Fund, or that the credit quality of the issuer falls. Corporate bonds are subject to greater credit risk than U.S. Government bonds.
- ***Income Risk.*** The risk that the income from the bonds the Fund holds will decline in value due to falling interest rates.
- ***Inflation Risk.*** The risk that the value of the assets or income from an investment will be worth less in the future as inflation decreases the value of money.

An investment in the Fund may be appropriate for you if you seek stability of principal, an investment for the cash portion of an asset allocation plan or are looking for an investment with a lower degree of risk. The Fund may not be suitable for you if you are seeking an investment that is likely to significantly outpace inflation, are investing for retirement or other longer term goals or are investing for growth or maximum current income.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to a measure of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 1.24%,
during the fourth quarter of 2006.

Worst quarter: 0.00%,
during the fourth quarter of 2012.

Average Annual Total Returns
(For the periods ended December 31, 2012)

Money Market Fund	1-Year	5-Year	10-Year
Return Before Taxes—Institutional	0.00%	0.44%	1.66%

The Money Market Fund's current seven-day yield on December 31, 2012 was 0.0023% for Class I shares.

Fund Management

Investment Adviser—The investment adviser to the Fund is State Farm Investment Management Corp.

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM LIFEPATH RETIREMENT FUND
(SLRIX)

Investment Objective: The State Farm LifePath Retirement Fund (the "LifePath Retirement Fund" or "Fund") is managed for investors seeking income and moderate long-term growth of capital.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	1.01%
Distribution [and/or Service] (12b-1 fees) fees	0.00%
Other Expenses	0.29%
Total Annual Fund Operating Expenses	1.30%
Less: Fee Waivers	– 0.37%
Total Annual Fund Operating Expenses After Fee Waiver(1)(2)	0.93%

(1) Total Annual Operating Expenses in the table above and the following example reflect the expenses of both the Fund and the Master Portfolio in which the Fund invests.
(2) The expense information in the table above has been restated to reflect current fees.

The Fund invests all of its assets in a corresponding series of the LifePath Master Portfolios with a substantially similar investment objective. BlackRock Fund Advisors ("BFA"), the investment adviser to the LifePath Master Portfolios, has contractually agreed to waive its management fees at the Master Portfolio level in an amount equal to advisory fees and administration fees, if any, charged to the investment companies in which the LifePath Master Portfolio invests (the "Underlying Funds") through April 30, 2014 (the "contractual waiver"). BFA may not discontinue or modify this contractual waiver without the approval of the Board of Trustees of the Master Portfolios.

BFA contractually agreed to provide an offsetting credit against the investment advisory fees received from the LifePath Master Portfolios in an amount equal to the fees and expenses of the Master Investment Portfolio independent trustees, counsel to such trustees, and independent registered public accounting firm ("independent expenses") that are paid by these Master Portfolios through April 30, 2023. Also, BlackRock Advisors, LLC ("BAL"), an affiliate of BFA and administrator of certain of the Underlying Funds, contractually agreed to provide an offsetting credit against the administration fees paid by the Active Stock and CoreAlpha Bond Master Portfolios to BAL in an amount equal to the independent expenses that are paid by these two Underlying Funds through April 30, 2014. BFA and BAL may not discontinue or modify this contractual waiver or these offsetting credits without the approval of the Board of Trustees of the Master Portfolios.

In addition to the BFA and BAL fee waivers, State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to waive its management fees in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified amount for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$95	$373	$673	$1,525

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 4% of the average value of its portfolio.

Principal Investment Strategies

The LifePath Retirement Fund invests all of its assets in a corresponding series of the LifePath Master Portfolios, which allocates and reallocates its assets among the Underlying Funds. Certain Underlying Funds may invest in real estate investment trusts ("REITs"), foreign securities, emerging markets, below investment-grade bonds,

commodities, and derivative securities or instruments, such as options and futures, the value of which is derived from another security, a commodity, a currency or an index when seeking to match the performance of a particular market index.

The LifePath Retirement Fund is designed for investors seeking current income and moderate long-term growth of capital. As of March 31, 2013, the LifePath Retirement Fund held approximately 39% of its assets in Underlying Funds that invest primarily in equity securities, 61% of its assets in Underlying Funds that invest primarily in bonds and the remainder of its assets in Underlying Funds that invest primarily in money market instruments. Because the LifePath Retirement Fund is in its most conservative phase, its allocation generally does not become more conservative over time, although its allocation may change to maintain the LifePath Retirement Fund's risk profile.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the FDIC or another government agency. An investor in the Fund is subject to the following types of risk. Reference to the Fund in the description of risk below includes reference to the LifePath Master Portfolio in which the Fund invests and refers to the Underlying Funds in which the LifePath Master Portfolio invests.

- ***Allocation Risk.*** The Fund's ability to achieve its investment objective depends upon BFA's skill in determining the LifePath Master Portfolio's strategic asset class allocation and in selecting the best mix of Underlying Funds. There is a risk that BFA's evaluations and assumptions regarding asset classes or Underlying Funds may be incorrect in view of actual market conditions.
- ***Concentration Risk.*** To the extent that an underlying index of an Underlying Fund is concentrated in the securities of companies, a particular market, industry, group of industries, sector or asset class, country region or group of countries, that Underlying Fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector or asset class, country region or group of countries.
- ***Debt Securities Risk.*** Debt securities, such as bonds, involve credit risk. Credit risk is the risk that the borrower will not make timely payments of principal and interest. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities. Debt securities are also subject to interest rate risk. Interest rate risk is the risk that the value of a debt security may fall when interest rates rise. In general, the market price of debt securities with longer maturities will go up or down more in response to changes in interest rates than the market price of shorter term securities.
- ***Derivatives Risk.*** The LifePath Master Portfolio's use of derivatives may reduce the Fund's returns and/or increase volatility. Volatility is defined as the characteristic of a security, an index or a market to fluctuate significantly in price within a short time period. A risk of the LifePath Master Portfolio's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.
- ***Emerging Markets Risk.*** Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative. Emerging markets are more likely to experience hyper-inflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging securities markets have far lower trading volumes and less liquidity than developed markets.
- ***Extension Risk.*** When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these securities to fall.
- ***Equity Securities Risk.*** Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.
- ***Foreign Securities Risk.*** Foreign investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. These risks include:
  - The LifePath Master Portfolio generally holds its foreign securities and cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight.
  - Changes in foreign currency exchange rates can affect the value of the LifePath Master Portfolio's portfolio.
  - The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position.
  - The governments of certain countries may prohibit or impose substantial restrictions on foreign investments in their capital markets or in certain industries.
  - Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as does the United States and may not have laws to protect investors that are comparable to U.S. securities laws.
  - Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.
- ***Investments in Mutual Funds and Exchange Traded Funds Risk.*** The LifePath Master Portfolio will invest substantially all of its assets in underlying BlackRock funds, so the Fund's investment performance is directly related to the performance of the Underlying Funds. The LifePath Master Portfolio may also directly invest in exchange traded funds ("ETFs"). The Fund's net asset value ("NAV") will change with changes in the value of the mutual funds, ETFs and other securities in which it invests. An investment

in the Fund will entail more direct and indirect costs and expenses than a direct investment in the Underlying Funds and ETFs.

- ***Junk Bonds Risk.*** Although junk bonds, also known as high-yield bonds, generally pay higher rates of interest than investment grade bonds, junk bonds are high risk investments that may cause income and principal losses for the Fund.
- ***Leverage Risk.*** Some transactions may give rise to a form of economic leverage. These transactions may include, among others, derivatives, and may expose the Fund to greater risk and increase its costs. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet any required asset segregation requirements. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage.
- ***Market Risk and Selection Risk.*** Market risk is the risk that one or more markets in which the Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the securities selected by Fund management will underperform the markets, the relevant indexes or the securities selected by other funds with similar investment objectives and investment strategies. This means you may lose money.
- ***Mortgage-Backed and Asset-Backed Securities Risk.*** Mortgage-backed and asset-backed securities represent interests in "pools" of mortgages or other assets, including consumer loans or receivables held in trust. Mortgage- and asset-backed securities are subject to credit, interest rate, prepayment and extension risks. These securities also are subject to risk of default on the underlying mortgage or asset, particularly during periods of economic downturn. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities.
- ***Passive Investment Risk.*** Because BFA does not select individual companies in the underlying indexes for certain Underlying Funds, those Underlying Funds may hold stocks in companies that present risks that an adviser researching individual stocks might seek to avoid.
- ***Prepayment Risk.*** When interest rates fall, certain obligations will be paid off by the obligor more quickly than originally anticipated, and the Fund may have to invest the proceeds in securities with lower yields.
- ***REIT Investment Risk.*** Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume and may be more volatile than other securities.
- ***Retirement Income Risk.*** The Fund does not provide a guarantee that sufficient capital appreciation will be achieved to provide adequate income at and through retirement. The Fund also does not ensure that you will have assets in your account sufficient to cover your retirement expenses; this will depend on the amount of money you have invested in the Fund, the length of time you have held your investment, the returns of the markets over time, the amount you spend in retirement and your other assets and income sources.
- ***Securities Lending Risk.*** Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Fund may lose money and there may be a delay in recovering the loaned securities. The Fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. These events could trigger adverse tax consequences for the Fund.
- ***U.S. Government Obligations Risk.*** Certain securities in which the Fund may invest, including securities issued by certain U.S. government agencies and U.S. government sponsored enterprises, are not guaranteed by the U.S. government or supported by the full faith and credit of the United States.

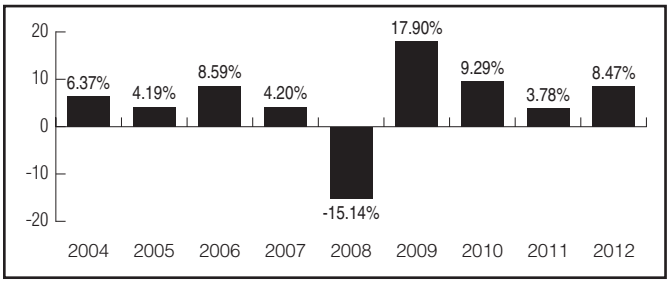
The LifePath Retirement Fund must maintain cash balances to meet redemption requests which may lower overall fund performance.

An investment in the Fund may be appropriate for you if you intend to maintain your investment for many years and through multiple stock market cycles. Because of stock market volatility, the Fund may not be a suitable investment if you have a short-term investment horizon or if you are unwilling to accept fluctuations in share price, including significant declines over a given period.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to measures of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 9.77%,
during the third quarter of 2009.

Worst quarter: −7.79%
during the fourth quarter of 2008.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

LifePath Retirement Fund	1-Year	5-Year	05/09/2003 to 12/31/2012
Return Before Taxes—Institutional	8.47%	4.24%	5.50%
Return After Taxes on Distributions—Institutional	7.52%	3.43%	4.58%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	5.99%	3.22%	4.30%
Blended Benchmark (reflects no deduction for fees, expenses, and taxes)	8.92%	4.64%	6.28%
S&P 500 Index (reflects no deduction for fees, expenses, and taxes)	16.00%	1.66%	6.64%
Barclays U.S. Aggregate Bond Index (reflects no deduction for fees, expenses, and taxes)	4.22%	5.95%	5.06%

The blended benchmark is a hypothetical representation of the performance of the LifePath Retirement Fund's asset classes according to their weightings as of the most recent quarter end. The weightings of the various indexes that are included in the LifePath Retirement Fund's custom benchmark are adjusted quarterly to reflect the LifePath Retirement Fund's changing asset allocations over time. As of December 31, 2012, the following indexes are used to calculate the LifePath Retirement Fund's custom benchmark: Barclays U.S. Aggregate Bond Index, Russell 3000 Index, MSCI ACWI ex-U.S. IMI Index, FTSE EPRA/NAREIT Developed Real Estate Index, Dow Jones-UBS Commodity Index and Barclays U.S. TIPS Index.

Fund Management

Investment Adviser—The investment adviser for the Fund is State Farm Investment Management Corp.

Portfolio Managers—

Name	Title	Length of Service (Years)
Leslie Gambon	Director	Since 2007
Alan Mason	Managing Director	Since 2009
Amy Whitelaw	Director	Since 2010

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM LIFEPATH 2020
(SAWIX)

Investment Objective: The State Farm LifePath 2020 Fund (the "LifePath 2020 Fund" or the "Fund") is managed for investors planning to retire (or begin to withdraw substantial portions of their investment) approximately in the year 2020.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	1.03%
Distribution [and/or Service] (12b-1 fees) fees	0.00%
Other Expenses	0.29%
Total Annual Fund Operating Expenses	1.32%
Less: Fee Waivers	– 0.39%
Total Annual Fund Operating Expenses After Fee Waiver(1)(2)	0.93%

(1) Total Annual Operating Expenses in the table above and the following example reflect the expenses of both the Fund and the Master Portfolio in which the Fund invests.
(2) The expense information in the table has been restated to reflect current fees.

The Fund invests all of its assets in a corresponding series of the LifePath Master Portfolios with a substantially similar investment objective. BlackRock Fund Advisors ("BFA"), the investment adviser to the LifePath Master Portfolios, has contractually agreed to waive its management fees at the Master Portfolio level in an amount equal to advisory fees and administration fees, if any, charged to the investment companies in which the LifePath Master Portfolio invests (the "Underlying Funds") through April 30, 2014 (the "contractual waiver"). BFA may not discontinue or modify this contractual waiver without the approval of the Board of Trustees of the Master Portfolios.

BFA contractually agreed to provide an offsetting credit against the investment advisory fees received from the LifePath Master Portfolios in an amount equal to the fees and expenses of the Master Investment Portfolio independent trustees, counsel to such trustees, and independent registered public accounting firm ("independent expenses") that are paid by these Master Portfolios through April 30, 2023. Also, BlackRock Advisors, LLC ("BAL"), an affiliate of BFA and administrator of certain of the Underlying Funds, contractually agreed to provide an offsetting credit against the administration fees paid by the Active Stock and CoreAlpha Bond Master Portfolios to BAL in an amount equal to the independent expenses that are paid by these two Underlying Funds through April 30, 2014. BFA and BAL may not discontinue or modify this contractual waiver or these offsetting credits without the approval of the Board of Trustees of the Master Portfolios.

In addition to the BFA and BAL fee waivers, State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to waive its management fees in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified amount for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$95	$378	$682	$1,546

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 5% of the average value of its portfolio.

Principal Investment Strategies

The LifePath 2020 Fund invests all of its assets in a corresponding series of the LifePath Master Portfolios, which allocates and reallocates its assets among the Underlying Funds. Certain Underlying Funds may invest in real estate investment trusts ("REITs"), foreign securities, emerging markets, below investment-grade bonds,

commodities, and derivative securities or instruments, such as options and futures, the value of which is derived from another security, a commodity, a currency or an index when seeking to match the performance of a particular market index.

The LifePath 2020 Portfolio is designed for investors expecting to retire or to begin withdrawing assets around the year 2020. As of March 31, 2013, the LifePath 2020 Portfolio held approximately 54% of its assets in Underlying Funds that invest primarily in equity securities, 46% of its assets in Underlying Funds that invest primarily in bonds and the remainder of its assets in Underlying Funds that invest primarily in money market instruments. As the stated time horizon approaches, the allocation gradually shifts from a greater concentration of higher-risk investments (namely, equity securities funds) to a greater concentration of lower-risk investments (namely, bond funds), thereby making the Fund increasingly conservative with lower expected return.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the FDIC or another government agency. An investor in the Fund is subject to the following types of risk. Reference to the Fund in the description of risk below includes reference to the LifePath Master Portfolio in which the Fund invests and refers to the Underlying Funds in which the LifePath Master Portfolio invests.

- ***Allocation Risk.*** The Fund's ability to achieve its investment objective depends upon BFA's skill in determining the LifePath Master Portfolio's strategic asset class allocation and in selecting the best mix of Underlying Funds. There is a risk that BFA's evaluations and assumptions regarding asset classes or Underlying Funds may be incorrect in view of actual market conditions.
- ***Concentration Risk.*** To the extent that an underlying index of an Underlying Fund is concentrated in the securities of companies, a particular market, industry, group of industries, sector or asset class, country region or group of countries, that Underlying Fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector or asset class, country region or group of countries.
- ***Debt Securities Risk.*** Debt securities, such as bonds, involve credit risk. Credit risk is the risk that the borrower will not make timely payments of principal and interest. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities. Debt securities are also subject to interest rate risk. Interest rate risk is the risk that the value of a debt security may fall when interest rates rise. In general, the market price of debt securities with longer maturities will go up or down more in response to changes in interest rates than the market price of shorter term securities.
- ***Derivatives Risk.*** The LifePath Master Portfolio's use of derivatives may reduce the Fund's returns and/or increase volatility. Volatility is defined as the characteristic of a security, an index or a market to fluctuate significantly in price within a short time period. A risk of the LifePath Master Portfolio's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.
- ***Emerging Markets Risk.*** Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative. Emerging markets are more likely to experience hyper-inflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging securities markets have far lower trading volumes and less liquidity than developed markets.
- ***Extension Risk.*** When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these securities to fall.
- ***Equity Securities Risk.*** Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.
- ***Foreign Securities Risk.*** Foreign investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. These risks include:
  - The LifePath Master Portfolio generally holds its foreign securities and cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight.
  - Changes in foreign currency exchange rates can affect the value of the LifePath Master Portfolio's portfolio.
  - The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position.
  - The governments of certain countries may prohibit or impose substantial restrictions on foreign investments in their capital markets or in certain industries.
  - Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as does the United States and may not have laws to protect investors that are comparable to U.S. securities laws.
  - Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.
- ***Investments in Mutual Funds and Exchange Traded Funds Risk.*** The LifePath Master Portfolio will invest substantially all of its assets in underlying BlackRock funds, so the Fund's investment performance is directly related to the performance of the Underlying Funds. The LifePath Master Portfolio may also directly invest in exchange traded funds ("ETFs"). The Fund's net asset

value ("NAV") will change with changes in the value of the mutual funds, ETFs and other securities in which it invests. An investment in the Fund will entail more direct and indirect costs and expenses than a direct investment in the Underlying Funds and ETFs.

- ***Junk Bonds Risk.*** Although junk bonds, also known as high-yield bonds, generally pay higher rates of interest than investment grade bonds, junk bonds are high risk investments that may cause income and principal losses for the Fund.
- ***Leverage Risk.*** Some transactions may give rise to a form of economic leverage. These transactions may include, among others, derivatives, and may expose the Fund to greater risk and increase its costs. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet any required asset segregation requirements. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage.
- ***Market Risk and Selection Risk.*** Market risk is the risk that one or more markets in which the Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the securities selected by Fund management will underperform the markets, the relevant indexes or the securities selected by other funds with similar investment objectives and investment strategies. This means you may lose money.
- ***Mortgage-Backed and Asset-Backed Securities Risk.*** Mortgage-backed and asset-backed securities represent interests in "pools" of mortgages or other assets, including consumer loans or receivables held in trust. Mortgage- and asset-backed securities are subject to credit, interest rate, prepayment and extension risks. These securities also are subject to risk of default on the underlying mortgage or asset, particularly during periods of economic downturn. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities.
- ***Passive Investment Risk.*** Because BFA does not select individual companies in the underlying indexes for certain Underlying Funds, those Underlying Funds may hold stocks in companies that present risks that an adviser researching individual stocks might seek to avoid.
- ***Prepayment Risk.*** When interest rates fall, certain obligations will be paid off by the obligor more quickly than originally anticipated, and the Fund may have to invest the proceeds in securities with lower yields.
- ***REIT Investment Risk.*** Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume and may be more volatile than other securities.
- ***Retirement Income Risk.*** The Fund does not provide a guarantee that sufficient capital appreciation will be achieved to provide adequate income at and through retirement. The Fund also does not ensure that you will have assets in your account sufficient to cover your retirement expenses; this will depend on the amount of money you have invested in the Fund, the length of time you have held your investment, the returns of the markets over time, the amount you spend in retirement and your other assets and income sources.
- ***Securities Lending Risk.*** Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Fund may lose money and there may be a delay in recovering the loaned securities. The Fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. These events could trigger adverse tax consequences for the Fund.
- ***U.S. Government Obligations Risk.*** Certain securities in which the Fund may invest, including securities issued by certain U.S. government agencies and U.S. government sponsored enterprises, are not guaranteed by the U.S. government or supported by the full faith and credit of the United States.

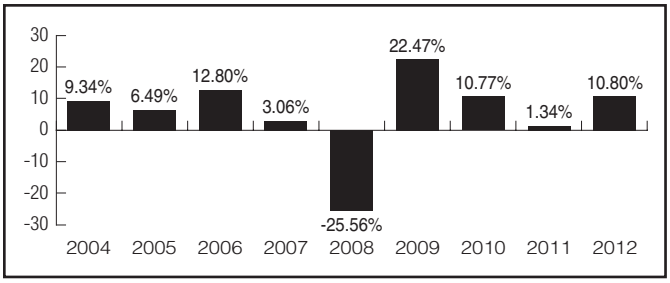
The LifePath 2020 Fund must maintain cash balances to meet redemption requests, which may lower overall fund performance.

An investment in the Fund may be appropriate for you if you intend to maintain your investment for many years and through multiple stock market cycles. Because of stock market volatility, the Fund may not be a suitable investment if you have a short-term investment horizon or if you are unwilling to accept fluctuations in share price, including significant declines over a given period.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to measures of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 13.82%,
during the second quarter of 2009.

Worst quarter: − 14.26%,
during the fourth quarter of 2008.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

LifePath 2020 Fund	1-Year	5-Year	05/09/2003 to 12/31/2012
Return Before Taxes—Institutional	10.80%	2.54%	6.09%
Return After Taxes on Distributions—Institutional	10.33%	2.02%	5.47%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	7.27%	1.93%	5.06%
Blended Benchmark (reflects no deduction for fees, expenses, and taxes)	11.31%	3.17%	6.94%
S&P 500 Index (reflects no deduction for fees, expenses, and taxes)	16.00%	1.66%	6.64%
Barclays U.S. Aggregate Bond Index (reflects no deduction for fees, expenses, and taxes)	4.22%	5.95%	5.06%

The blended benchmark is a hypothetical representation of the performance of the LifePath 2020 Fund's asset classes according to their weightings as of the most recent quarter end. The weightings of the various indexes that are included in the LifePath 2020 Fund's custom benchmark are adjusted quarterly to reflect the LifePath 2020 Fund's changing asset allocations over time. As of December 31, 2012, the following indexes are used to calculate the LifePath 2020 Fund's custom benchmark: Barclays U.S. Aggregate Bond Index, Russell 3000 Index, MSCI ACWI ex-U.S. IMI Index, FTSE EPRA/NAREIT Developed Real Estate Index, Dow Jones-UBS Commodity Index and Barclays U.S. TIPS Index.

Fund Management

Investment Adviser—The investment adviser for the Fund is State Farm Investment Management Corp.

Portfolio Managers—

Name	Title	Length of Service (Years)
Leslie Gambon	Director	Since 2007
Alan Mason	Managing Director	Since 2009
Amy Whitelaw	Director	Since 2010

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM LIFEPATH 2030
(SAYIX)

Investment Objective: The State Farm LifePath 2030 Fund (the "LifePath 2030 Fund" or the "Fund") is managed for investors planning to retire (or begin to withdraw substantial portions of their investment) approximately in the year 2030.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	1.05%
Distribution [and/or Service] (12b-1 fees) fees	0.00%
Other Expenses	0.29%
Total Annual Fund Operating Expenses	1.34%
Less: Fee Waivers	– 0.40%
Total Annual Fund Operating Expenses After Fee Waiver(1)(2)	0.94%

(1) Total Annual Operating Expenses in the table above and the following example reflect the expenses of both the Fund and the Master Portfolio in which the Fund invests.
(2) The expense information in the table above has been restated to reflect current fees.

The Fund invests all of its assets in a corresponding series of the LifePath Master Portfolios with a substantially similar investment objective. BlackRock Fund Advisors ("BFA"), the investment adviser to the LifePath Master Portfolios, has contractually agreed to waive its management fees at the Master Portfolio level in an amount equal to advisory fees and administration fees, if any, charged to the investment companies in which the LifePath Master Portfolio invests (the "Underlying Funds") through April 30, 2014 (the "contractual waiver"). BFA may not discontinue or modify this contractual waiver without the approval of the Board of Trustees of the Master Portfolios.

BFA contractually agreed to provide an offsetting credit against the investment advisory fees received from the LifePath Master Portfolios in an amount equal to the fees and expenses of the Master Investment Portfolio independent trustees, counsel to such trustees, and independent registered public accounting firm ("independent expenses") that are paid by these Master Portfolios through April 30, 2023. Also, BlackRock Advisors, LLC ("BAL"), an affiliate of BFA and administrator of certain of the Underlying Funds, contractually agreed to provide an offsetting credit against the administration fees paid by the Active Stock and CoreAlpha Bond Master Portfolios to BAL in an amount equal to the independent expenses that are paid by these two Underlying Funds through April 30, 2014. BFA and BAL may not discontinue or modify this contractual waiver or these offsetting credits without the approval of the Board of Trustees of the Master Portfolios.

In addition to the BFA and BAL fee waivers, State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to waive its management fees in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified amount for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$96	$385	$696	$1,578

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 5% of the average value of its portfolio.

Principal Investment Strategies

The LifePath 2030 Fund invests all of its assets in a corresponding series of the LifePath Master Portfolios, which allocates and reallocates its assets among the Underlying Funds. Certain Underlying Funds may invest in real estate investment trusts ("REITs"), foreign securities, emerging markets, below

investment-grade bonds, commodities, and derivative securities or instruments, such as options and futures, the value of which is derived from another security, a commodity, a currency or an index when seeking to match the performance of a particular market index.

The LifePath 2030 Portfolio is designed for investors expecting to retire or to begin withdrawing assets around the year 2030. As of March 31, 2013, the LifePath 2030 Portfolio held approximately 70% of its assets in Underlying Funds that invest primarily in equity securities, 30% of its assets in Underlying Funds that invest primarily in bonds and the remainder of its assets in Underlying Funds that invest primarily in money market instruments. As the stated time horizon approaches, the allocation gradually shifts from a greater concentration of higher-risk investments (namely, equity securities funds) to a greater concentration of lower-risk investments (namely, bond funds), thereby making the Fund increasingly conservative with lower expected return.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the FDIC or another government agency. An investor in the Fund is subject to the following types of risk. Reference to the Fund in the description of risk below includes reference to the LifePath Master Portfolio in which the Fund invests and refers to the Underlying Funds in which the LifePath Master Portfolio invests.

- ***Allocation Risk.*** The Fund's ability to achieve its investment objective depends upon BFA's skill in determining the LifePath Master Portfolio's strategic asset class allocation and in selecting the best mix of Underlying Funds. There is a risk that BFA's evaluations and assumptions regarding asset classes or Underlying Funds may be incorrect in view of actual market conditions.
- ***Concentration Risk.*** To the extent that an underlying index of an Underlying Fund is concentrated in the securities of companies, a particular market, industry, group of industries, sector or asset class, country region or group of countries, that Underlying Fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector or asset class, country region or group of countries.
- ***Debt Securities Risk.*** Debt securities, such as bonds, involve credit risk. Credit risk is the risk that the borrower will not make timely payments of principal and interest. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities. Debt securities are also subject to interest rate risk. Interest rate risk is the risk that the value of a debt security may fall when interest rates rise. In general, the market price of debt securities with longer maturities will go up or down more in response to changes in interest rates than the market price of shorter term securities.
- ***Derivatives Risk.*** The LifePath Master Portfolio's use of derivatives may reduce the Fund's returns and/or increase volatility. Volatility is defined as the characteristic of a security, an index or a market to fluctuate significantly in price within a short time period. A risk of the LifePath Master Portfolio's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.
- ***Emerging Markets Risk.*** Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative. Emerging markets are more likely to experience hyper-inflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging securities markets have far lower trading volumes and less liquidity than developed markets.
- ***Extension Risk.*** When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these securities to fall.
- ***Equity Securities Risk.*** Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.
- ***Foreign Securities Risk.*** Foreign investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. These risks include:
  - The LifePath Master Portfolio generally holds its foreign securities and cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight.
  - Changes in foreign currency exchange rates can affect the value of the LifePath Master Portfolio's portfolio.
  - The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position.
  - The governments of certain countries may prohibit or impose substantial restrictions on foreign investments in their capital markets or in certain industries.
  - Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as does the United States and may not have laws to protect investors that are comparable to U.S. securities laws.
  - Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.
- ***Investments in Mutual Funds and Exchange Traded Funds Risk.*** The LifePath Master Portfolio will invest substantially all of its assets in underlying BlackRock funds, so the Fund's investment performance is directly related to the performance of the Underlying Funds. The LifePath Master Portfolio may also directly invest in exchange traded funds ("ETFs"). The Fund's net asset

value ("NAV") will change with changes in the value of the mutual funds, ETFs and other securities in which it invests. An investment in the Fund will entail more direct and indirect costs and expenses than a direct investment in the Underlying Funds and ETFs.

- ***Junk Bonds Risk.*** Although junk bonds, also known as high-yield bonds, generally pay higher rates of interest than investment grade bonds, junk bonds are high risk investments that may cause income and principal losses for the Fund.
- ***Leverage Risk.*** Some transactions may give rise to a form of economic leverage. These transactions may include, among others, derivatives, and may expose the Fund to greater risk and increase its costs. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet any required asset segregation requirements. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage.
- ***Market Risk and Selection Risk.*** Market risk is the risk that one or more markets in which the Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the securities selected by Fund management will underperform the markets, the relevant indexes or the securities selected by other funds with similar investment objectives and investment strategies. This means you may lose money.
- ***Mortgage-Backed and Asset-Backed Securities Risk.*** Mortgage-backed and asset-backed securities represent interests in "pools" of mortgages or other assets, including consumer loans or receivables held in trust. Mortgage- and asset-backed securities are subject to credit, interest rate, prepayment and extension risks. These securities also are subject to risk of default on the underlying mortgage or asset, particularly during periods of economic downturn. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities.
- ***Passive Investment Risk.*** Because BFA does not select individual companies in the underlying indexes for certain Underlying Funds, those Underlying Funds may hold stocks in companies that present risks that an adviser researching individual stocks might seek to avoid.
- ***Prepayment Risk.*** When interest rates fall, certain obligations will be paid off by the obligor more quickly than originally anticipated, and the Fund may have to invest the proceeds in securities with lower yields.
- ***REIT Investment Risk.*** Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume and may be more volatile than other securities.
- ***Retirement Income Risk.*** The Fund does not provide a guarantee that sufficient capital appreciation will be achieved to provide adequate income at and through retirement. The Fund also does not ensure that you will have assets in your account sufficient to cover your retirement expenses; this will depend on the amount of money you have invested in the Fund, the length of time you have held your investment, the returns of the markets over time, the amount you spend in retirement and your other assets and income sources.
- ***Securities Lending Risk.*** Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Fund may lose money and there may be a delay in recovering the loaned securities. The Fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. These events could trigger adverse tax consequences for the Fund.
- ***U.S. Government Obligations Risk.*** Certain securities in which the Fund may invest, including securities issued by certain U.S. government agencies and U.S. government sponsored enterprises, are not guaranteed by the U.S. government or supported by the full faith and credit of the United States.

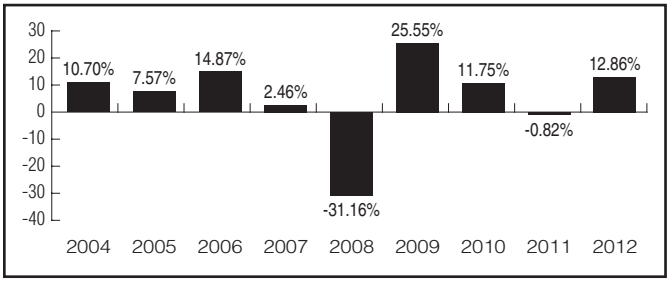
The LifePath 2030 Fund must maintain cash balances to meet redemption requests, which may lower overall fund performance.

An investment in the Fund may be appropriate for you if you intend to maintain your investment for many years and through multiple stock market cycles. Because of stock market volatility, the Fund may not be a suitable investment if you have a short-term investment horizon or if you are unwilling to accept fluctuations in share price, including significant declines over a given period.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to measures of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 16.70%,
during the second quarter of 2009.

Worst quarter: − 17.93%
during the fourth quarter of 2008.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

LifePath 2030 Fund	1-Year	5-Year	05/09/2003 to 12/31/2012
Return Before Taxes—Institutional	12.86%	1.57%	6.16%
Return After Taxes on Distributions—Institutional	12.51%	1.18%	5.69%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	8.68%	1.19%	5.26%
Blended Benchmark (reflects no deduction for fees, expenses, and taxes)	13.51%	2.37%	7.16%
S&P 500 Index (reflects no deduction for fees, expenses, and taxes)	16.00%	1.66%	6.64%
Barclays U.S. Aggregate Bond Index (reflects no deduction for fees, expenses, and taxes)	4.22%	5.95%	5.06%

The blended benchmark is a hypothetical representation of the performance of the LifePath 2030 Fund's asset classes according to their weightings as of the most recent quarter end. The weightings of the various indexes that are included in the LifePath 2030 Fund's custom benchmark are adjusted quarterly to reflect the LifePath 2030 Fund's changing asset allocations over time. As of December 31, 2012, the following indexes are used to calculate the LifePath 2030 Fund's custom benchmark: Barclays U.S. Aggregate Bond Index, Russell 3000 Index, MSCI ACWI ex-U.S. IMI Index, FTSE EPRA/NAREIT Developed Real Estate Index, Dow Jones-UBS Commodity Index and Barclays U.S. TIPS Index.

Fund Management

Investment Adviser—The investment adviser for the Fund is State Farm Investment Management Corp.

Portfolio Managers

Name	Title	Length of Service (Years)
Leslie Gambon	Director	Since 2007
Alan Mason	Managing Director	Since 2009
Amy Whitelaw	Director	Since 2010

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

STATE FARM LIFEPATH 2040
(SAUIX)

Investment Objective: The State Farm LifePath 2040 Fund (the "LifePath 2040 Fund" or the "Fund") is managed for investors planning to retire (or begin to withdraw substantial portions of their investment) approximately in the year 2040.

What are the costs of investing in the Fund?

The following table describes the fees and expenses you would pay if you buy and hold shares of the Fund.

Shareholder Fees
(fees paid directly from your investment)

	Institutional
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load)	None
Maximum account fee	None*

* For certain types of accounts, if your account balance falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e. the second business day of March, June, September and December), the account will be charged an Account Fee of $10.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Institutional
Management fees	1.07%
Distribution [and/or Service] (12b-1 fees) fees	0.00%
Other Expenses	0.31%
Total Annual Fund Operating Expenses	1.38%
Less: Fee Waivers	– 0.43%
Total Annual Fund Operating Expenses After Fee Waiver(1)(2)	0.95%

(1) Total Annual Operating Expenses in the table above and the following example reflect the expenses of both the Fund and the Master Portfolio in which the Fund invests.
(2) The expense information in the table above has been restated to reflect current fees.

The Fund invests all of its assets in a corresponding series of the LifePath Master Portfolios with a substantially similar investment objective. BlackRock Fund Advisors ("BFA"), the investment adviser to the LifePath Master Portfolios, has contractually agreed to waive its management fees at the Master Portfolio level in an amount equal to advisory fees and administration fees, if any, charged to the investment companies in which the LifePath Master Portfolio invests (the "Underlying Funds") through April 30, 2014 (the "contractual waiver"). BFA may not discontinue or modify this contractual waiver without the approval of the Board of Trustees of the Master Portfolios.

BFA contractually agreed to provide an offsetting credit against the investment advisory fees received from the LifePath Master Portfolios in an amount equal to the fees and expenses of the Master Investment Portfolio independent trustees, counsel to such trustees, and independent registered public accounting firm ("independent expenses") that are paid by these Master Portfolios through April 30, 2023. Also, BlackRock Advisors, LLC ("BAL"), an affiliate of BFA and administrator of certain of the Underlying Funds, contractually agreed to provide an offsetting credit against the administration fees paid by the Active Stock and CoreAlpha Bond Master Portfolios to BAL in an amount equal to the independent expenses that are paid by these two Underlying Funds through April 30, 2014. BFA and BAL may not discontinue or modify this contractual waiver or these offsetting credits without the approval of the Board of Trustees of the Master Portfolios.

In addition to the BFA and BAL fee waivers, State Farm Investment Management Corp. (the "Manager" or "SFIMC"), the investment adviser to the Fund, has contractually agreed to waive its management fees in an amount required to keep the Fund's Total Annual Fund Operating Expenses at or below a specified amount for each share class. This fee waiver applies through April 30, 2014, and the Manager may not discontinue or modify this waiver without the approval of the Board of Trustees of State Farm Mutual Fund Trust.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	After 1 Year	After 3 Years	After 5 Years	After 10 Years
Institutional	$97	$392	$710	$1,610

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 4% of the average value of its portfolio.

Principal Investment Strategies

The LifePath 2040 Fund invests all of its assets in a corresponding series of the LifePath Master Portfolios, which allocates and reallocates its assets among the Underlying Funds. Certain Underlying Funds may invest in real estate investment trusts ("REITs"), foreign securities, emerging markets, below investment-grade bonds,

commodities, and derivative securities or instruments, such as options and futures, the value of which is derived from another security, a commodity, a currency or an index when seeking to match the performance of a particular market index.

The LifePath 2040 Portfolio is designed for investors expecting to retire or to begin withdrawing assets around the year 2040. As of March 31, 2013, the LifePath 2040 Portfolio held approximately 82% of its assets in Underlying Funds that invest primarily in equity securities, 18% of its assets in Underlying Funds that invest primarily in bonds and the remainder of its assets in Underlying Funds that invest primarily in money market instruments. As the stated time horizon approaches, the allocation gradually shifts from a greater concentration of higher-risk investments (namely, equity securities funds) to a greater concentration of lower-risk investments (namely, bond funds), thereby making the Fund increasingly conservative with lower expected return.

Principal Risks of Investing in the Fund

Investors who purchase shares of the Fund are subject to various risks, and it is possible for you to lose money by investing in the Fund. An investment in this Fund is not a deposit of any bank or other insured depository institution and is not insured or guaranteed by the FDIC or another government agency. An investor in the Fund is subject to the following types of risk. Reference to the Fund in the description of risk below includes reference to the LifePath Master Portfolio in which the Fund invests and refers to the Underlying Funds in which the LifePath Master Portfolio invests.

- ***Allocation Risk.*** the Fund's ability to achieve its investment objective depends upon BFA's skill in determining the LifePath Master Portfolio's strategic asset class allocation and in selecting the best mix of Underlying Funds. There is a risk that BFA's evaluations and assumptions regarding asset classes or Underlying Funds may be incorrect in view of actual market conditions.
- ***Concentration Risk.*** To the extent that an underlying index of an Underlying Fund is concentrated in the securities of companies, a particular market, industry, group of industries, sector or asset class, country region or group of countries, that Underlying Fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector or asset class, country region or group of countries.
- ***Debt Securities Risk.*** Debt securities, such as bonds, involve credit risk. Credit risk is the risk that the borrower will not make timely payments of principal and interest. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities. Debt securities are also subject to interest rate risk. Interest rate risk is the risk that the value of a debt security may fall when interest rates rise. In general, the market price of debt securities with longer maturities will go up or down more in response to changes in interest rates than the market price of shorter term securities.
- ***Derivatives Risk.*** The LifePath Master Portfolio's use of derivatives may reduce the Fund's returns and/or increase volatility. Volatility is defined as the characteristic of a security, an index or a market to fluctuate significantly in price within a short time period. A risk of the LifePath Master Portfolio's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.
- ***Emerging Markets Risk.*** Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative. Emerging markets are more likely to experience hyper-inflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging securities markets have far lower trading volumes and less liquidity than developed markets.
- ***Extension Risk.*** When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these securities to fall.
- ***Equity Securities Risk.*** Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.
- ***Foreign Securities Risk.*** Foreign investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. These risks include:
  - The LifePath Master Portfolio generally holds its foreign securities and cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight.
  - Changes in foreign currency exchange rates can affect the value of the LifePath Master Portfolio's portfolio.
  - The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position.
  - The governments of certain countries may prohibit or impose substantial restrictions on foreign investments in their capital markets or in certain industries.
  - Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as does the United States and may not have laws to protect investors that are comparable to U.S. securities laws.
  - Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.
- ***Investments in Mutual Funds and Exchange Traded Funds Risk.*** The LifePath Master Portfolio will invest substantially all of its assets in underlying BlackRock funds, so the Fund's investment performance is directly related to the performance of the Underlying Funds. The LifePath Master Portfolio may also directly invest in exchange traded funds ("ETFs"). The Fund's net asset

value ("NAV") will change with changes in the value of the mutual funds, ETFs and other securities in which it invests. An investment in the Fund will entail more direct and indirect costs and expenses than a direct investment in the Underlying Funds and ETFs.

- ***Junk Bonds Risk.*** Although junk bonds, also known as high-yield bond, generally pay higher rates of interest than investment grade bonds, junk bonds are high risk investments that may cause income and principal losses for the Fund.
- ***Leverage Risk.*** Some transactions may give rise to a form of economic leverage. These transactions may include, among others, derivatives, and may expose the Fund to greater risk and increase its costs. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet any required asset segregation requirements. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage.
- ***Market Risk and Selection Risk.*** Market risk is the risk that one or more markets in which the Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the securities selected by Fund management will underperform the markets, the relevant indexes or the securities selected by other funds with similar investment objectives and investment strategies. This means you may lose money.
- ***Mortgage-Backed and Asset-Backed Securities Risk.*** Mortgage-backed and asset-backed securities represent interests in "pools" of mortgages or other assets, including consumer loans or receivables held in trust. Mortgage- and asset-backed securities are subject to credit, interest rate, prepayment and extension risks. These securities also are subject to risk of default on the underlying mortgage or asset, particularly during periods of economic downturn. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities.
- ***Passive Investment Risk.*** Because BFA does not select individual companies in the underlying indexes for certain Underlying Funds, those Underlying Funds may hold stocks in companies that present risks that an adviser researching individual stocks might seek to avoid.
- ***Prepayment Risk.*** When interest rates fall, certain obligations will be paid off by the obligor more quickly than originally anticipated, and the Fund may have to invest the proceeds in securities with lower yields.
- ***REIT Investment Risk.*** Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume and may be more volatile than other securities.
- ***Retirement Income Risk.*** The Fund does not provide a guarantee that sufficient capital appreciation will be achieved to provide adequate income at and through retirement. The Fund also does not ensure that you will have assets in your account sufficient to cover your retirement expenses; this will depend on the amount of money you have invested in the Fund, the length of time you have held your investment, the returns of the markets over time, the amount you spend in retirement and your other assets and income sources.
- ***Securities Lending Risk.*** Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Fund may lose money and there may be a delay in recovering the loaned securities. The Fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. These events could trigger adverse tax consequences for the Fund.
- ***U.S. Government Obligations Risk.*** Certain securities in which the Fund may invest, including securities issued by certain U.S. government agencies and U.S. government sponsored enterprises, are not guaranteed by the U.S. government or supported by the full faith and credit of the United States.

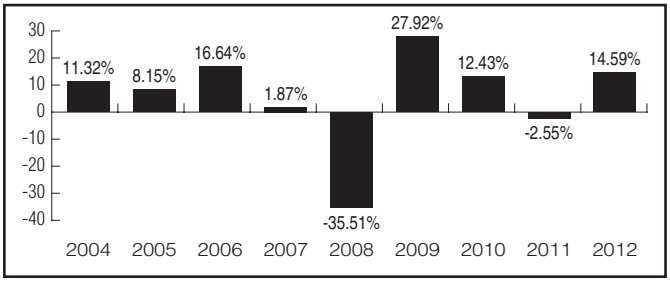
The LifePath 2040 Fund must maintain cash balances to meet redemption requests, which may lower overall fund performance.

An investment in the Fund may be appropriate for you if you intend to maintain your investment for many years and through multiple stock market cycles. Because of stock market volatility, the Fund may not be a suitable investment if you have a short-term investment horizon or if you are unwilling to accept fluctuations in share price, including significant declines over a given period.

Investment Results

The following bar chart and table illustrate the risks of investing in the Fund. The bar chart shows changes in the Fund's returns year to year. The table compares the Fund's average annual total returns for the periods listed to measures of market performance. This information is intended to help you assess the variability of Fund returns over the periods listed. The Fund's past performance (before and after taxes) does not necessarily indicate how it will perform in the future. Updated performance information for the Fund is available at http://www.statefarm.com/mutual-funds/resources-tools/fund-performance/fund-performance.asp or by calling 1-800-447-4930.

Annual Total Returns for Calendar Years



The Fund's best and worst quarters during the periods indicated in the bar chart were:

Best quarter: 19.04%,
during the second quarter of 2009.

Worst quarter: −20.85%,
during the fourth quarter of 2008.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Return After Taxes on Distributions and Sale of Fund Shares may exceed Return Before Taxes due to the tax benefits of realizing a capital loss on the sale of Fund shares, which is factored into the result.

Average Annual Total Returns
(For the periods ended December 31, 2012)

LifePath 2040 Fund	1-Year	5-Year	05/09/2003 to 12/31/2012
Return Before Taxes—Institutional	14.59%	0.71%	6.17%
Return After Taxes on Distributions—Institutional	14.29%	0.42%	5.78%
Return After Taxes on Distributions and Sale of Fund Shares—Institutional	9.88%	0.54%	5.34%
Blended Benchmark (reflects no deduction for fees, expenses, and taxes)	15.28%	1.63%	7.27%
S&P 500 Index (reflects no deduction for fees, expenses, and taxes)	16.00%	1.66%	6.64%
Barclays U.S. Aggregate Bond Index (reflects no deduction for fees, expenses, and taxes)	4.22%	5.95%	5.06%

The blended benchmark is a hypothetical representation of the performance of the LifePath 2040 Fund's asset classes according to their weightings as of the most recent quarter end. The weightings of the various indexes that are included in the LifePath 2040 Fund's custom benchmark are adjusted quarterly to reflect the LifePath 2040 Fund's changing asset allocations over time. As of December 31, 2012, the following indexes are used to calculate the LifePath 2040 Fund's custom benchmark: Barclays U.S. Aggregate Bond Index, Russell 3000 Index, MSCI ACWI ex-U.S. IMI Index, FTSE EPRA/NAREIT Developed Real Estate Index, Dow Jones-UBS Commodity Index and Barclays U.S. TIPS Index.

Fund Management

Investment Adviser—The investment adviser for the Fund is State Farm Investment Management Corp.

Portfolio Managers

Name	Title	Length of Service (Years)
Leslie Gambon	Director	Since 2007
Alan Mason	Managing Director	Since 2009
Amy Whitelaw	Director	Since 2010

Purchase and Sale of Fund Shares

Minimum Investments

Initial Investment—To open an account by check or ACH without an automatic investment plan ("AIP")	$250 (per fund)
Initial Investment—To open an account by check or ACH with an AIP	$50 (per fund)
Subsequent investments by check, ACH, or AIP	$50 (per fund)

On any day the New York Stock Exchange is open for regular trading, you may sell (redeem) your shares by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548; telephoning 1-800-447-4930, if you have telephone redemption privileges; faxing your request to (816) 471-4832; or by visiting www.statefarm.com, clicking on the "Mutual Funds" link, and following the instructions presented on the screen.

Tax Information

The Fund intends to make distributions that may be taxed for federal income tax purposes as ordinary income or capital gains.

The Equity Fund, Small/Mid Cap Equity Fund, International Equity Fund, S&P 500 Index Fund, Small Cap Index Fund, and the International Index Fund each invests a significant portion of its assets in equity securities, which represent an ownership interest in a business and the value of which fluctuates widely over short or even extended periods in response to company, market or economic news. These Funds are designed for investors with long-term investment objectives similar to those expressed by the applicable Fund.

You may want to invest in these Funds if you can tolerate the price fluctuations and volatility that are inherent in investing in a mutual fund that primarily invests in equity securities, want to diversify your investments, are seeking a growth investment as part of an asset allocation program or are investing for retirement or other goals that are many years in the future. You may not want to invest in these Funds if you are investing with a shorter investment time horizon in mind, are seeking income rather than capital appreciation or are uncomfortable with an investment whose value is likely to vary substantially.

You may want to invest in the Equity and Bond Fund and/or one or more LifePath Funds if you are seeking long-term growth potential and some current income, or if you are seeking the convenience of a balanced portfolio of stocks and bonds in a single investment. You may not want to invest in these Funds if you have a short-term investment horizon, want the greater growth potential of an investment entirely in equity securities or are unwilling to accept share price fluctuations.

You may want to invest in the Bond Fund if you are seeking higher potential returns than money market funds and are willing to accept the price volatility of bonds with longer maturities, want to diversify your investments, are seeking an income mutual fund for an asset allocation program or are retired or nearing retirement. You may not want to invest in the Bond Fund if you are investing for maximum return over a long time horizon, want the greater growth potential of an investment in equity securities or require stability of your principal.

The person should consider investing in the Money Market Fund if he or she is seeking stability of principal, is seeking an investment for the cash portion of an asset allocation plan or is looking for an investment with a lower degree of risk. A person may not want to invest in the Money Market Fund if he or she is seeking an investment that is likely to significantly outpace inflation, is investing for retirement or other longer-term goals, or is investing for growth or maximum current income.

Each Fund has its own investment objective. The Trust's Board of Trustees may change these investment objectives without a vote of the Trust's shareholders. A Fund will provide shareholders with at least 60 days prior notice of any change in an investment objective.

The following discussion provides additional information about how certain Funds invest. The first part of this discussion relates to how the Funds, other than the State Farm LifePath Funds, invest. The second part of the discussion relates to how the State Farm LifePath Funds invest.

How the State Farm non-LifePath Funds Invest

Under ordinary circumstances, each Fund is substantially fully invested. Except for the S&P 500 Index Fund, the Small Cap Index Fund and the International Index Fund (each an "Equity Index Fund" and together the "Equity Index Funds") and the Money Market Fund, each Fund may take a temporary defensive position in attempting to respond to adverse market, economic, political or other conditions. If the Manager or sub-adviser to a Fund determines that market or economic conditions warrant a temporary defensive position, the Funds each manage (or the applicable portion of such Fund) may hold up to 100% of their assets in cash, cash equivalents or other temporary investments such as short-term government or corporate obligations. During those periods, a Fund's assets may not be invested in accordance with its strategy and the Fund may not achieve its investment objective.

Each Fund may also:

- Lend securities to financial institutions, enter into repurchase agreements and purchase securities on a when-issued or forward commitment basis; and
- Invest in U.S. dollar-denominated foreign money market securities, although no more than 25% of a Fund's assets may be invested in foreign money market securities unless such securities are backed by a U.S. parent financial institution.

Except for the Equity Index Funds, each Fund may, from time to time, borrow money in amounts up to 33⅓% of its total assets (including the amount borrowed) for temporary purposes to pay for redemptions. A Fund may not purchase additional securities when borrowings exceed 5% of its total assets (including the amount borrowed).

Except for the segment of the Small/Mid Cap Equity Fund sub-advised by Rainier, the Funds do not generally anticipate engaging in active and frequent trading of portfolio securities as a principal investment strategy.

Due to a sell discipline based in part on price targets, Rainier's segment of the Small/Mid Cap Equity Fund may be actively traded. This is particularly true in a market environment where securities prices are rising rapidly. Generally, the rate of portfolio turnover will not be a deciding factor in Rainier's determining whether to sell or hold securities for its segment of the Small/Mid Cap Equity Fund. A high portfolio turnover rate (100% or more) in that portion of the Small/Mid Cap Equity Fund has the potential to result in the realization and distribution to shareholders of higher capital gains. This may mean that you would be likely to have a higher tax liability. A high portfolio turnover rate also leads to higher transaction costs, which would negatively affect overall performance of the Small/Mid Cap Equity Fund. Active trading, however, can also be defensive and actually add to the Small/Mid Cap Equity Fund's performance if, for example, a fully valued investment is sold before a price decline or in favor of an investment with better appreciation potential.

S&P 500 Index Fund

The S&P 500 Index Fund invests mostly in stocks, although it may invest in stock index futures contracts and options on futures contracts. By investing in substantially all of the stocks within its benchmark index, the S&P 500 Index Fund avoids the risk of individual stock selection and, instead, tries to match the performance of its benchmark index, whether the index goes up or down.

The S&P 500 Index Fund attempts to remain as fully invested as practicable in the stocks that are represented in its benchmark index. Under normal market conditions, the S&P 500 Index Fund seeks to invest at least 90% of its total assets in stocks that are represented in its benchmark index.

BFA does not manage the S&P 500 Index Fund according to traditional methods of "active" investment management, which involves buying and selling securities based on economic, financial and market analysis and investment judgment. Instead, BFA utilizes a "passive" or indexing investment approach for the S&P 500 Index Fund, attempting to approximate the investment performance of the S&P 500 Index. BFA selects stocks for the S&P 500 Index Fund so that the overall investment characteristics of the S&P 500 Index Fund (based on market capitalization and industry weightings), fundamental characteristics (such as return variability, earnings valuation and yield) and liquidity measures are similar to those of the S&P 500 Index.

The S&P 500 Index Fund may invest any assets not invested in stocks that are represented in the S&P 500 Index in:

- the same type of short-term high quality debt securities in which the Money Market Fund invests (described below);
- other equity securities that are similar to the stocks in the S&P 500 Index or that are awaiting disposition after a change in composition of the benchmark index or a rebalancing of the portfolio;
- stock index futures contracts, options on such futures contracts; and/or
- cash.

The S&P 500 Index Fund may invest in those financial instruments to find a short-term investment for uninvested cash balances or to provide liquid assets for anticipated redemptions by shareholders.

From time to time, the portfolio composition of the S&P 500 Index Fund may be altered (or "rebalanced") to reflect changes in the characteristics of the S&P 500 Index, with a view to bringing the

performance and characteristics of the S&P 500 Index Fund more closely in line with that of the S&P 500 Index.

BFA attempts to track the performance of the S&P 500 Index Fund's benchmark index, but there is no assurance that BFA will be successful. The degree to which the S&P 500 Index Fund fails to track the performance of its benchmark index is referred to as the "tracking error." BFA expects that, over time, the tracking error of the S&P 500 Index Fund will be less than 5%. BFA monitors the tracking error of the S&P 500 Index Fund on an ongoing basis and seeks to minimize tracking error to the extent possible. There can be no assurance that the S&P 500 Index Fund will achieve any particular level of tracking error. For more information on this subject, see the discussion of "tracking error" in the Trust's Statement of Additional Information ("SAI").

Another reason why the performance of the S&P 500 Index Fund may not always equal the performance of its benchmark index is because the performance of its benchmark index does not take into account operating expenses of the S&P 500 Index Fund.

The S&P 500 Index Fund may purchase stock index futures contracts on its benchmark index or a comparable stock index to simulate investment in its benchmark index. This may be done to rapidly gain exposure to the securities comprising its benchmark index in anticipation of purchasing such securities over time, to reduce transaction costs, or to gain exposure to such securities at a lower cost than by making direct investments in the cash market. If the S&P 500 Index Fund cannot sell a futures contract that it holds, it may write call and buy put options on the contract to effectively close out or offset the contract. The S&P 500 Index Fund will not use futures contracts or options on futures contracts for speculation.

Small Cap Index Fund and International Index Fund

NTI serves as investment sub-adviser to the Small Cap Index Fund and the International Index Fund. These Funds invest mostly in stocks, although each may invest in stock index futures contracts and options on futures contracts. By investing in stocks within each Fund's benchmark index, the Small Cap Index Fund and the International Index Fund avoid the risk of individual stock selection and, instead, try to match the performance of each Fund's benchmark index, whether the index goes up or down.

The Small Cap Index Fund and the International Index Fund attempt to remain as fully invested as practicable in the stocks that are represented in each Fund's benchmark index. Under normal market conditions, the Small Cap Index Fund and the International Index Fund seek to invest at least 80% of each Fund's net assets in stocks that are represented in the Fund's benchmark index and in stock index futures contracts on each Fund's benchmark index.

NTI does not manage the Small Cap Index Fund and the International Index Fund according to traditional methods of "active" investment management, which involves buying and selling securities based on economic, financial and market analysis and investment judgment. Instead, NTI utilizes a "passive" or indexing investment approach for the Small Cap Index Fund and the International Index Fund, attempting to approximate the investment performance of each Fund's benchmark index. NTI will buy and sell securities for the Small Cap Index Fund and the International Index Fund in response to changes in each Fund's benchmark index. NTI selects stocks for the Small Cap Index Fund and the International Index Fund so that the overall investment characteristics of each Fund (based on market capitalization and industry weightings), fundamental characteristics (such as return variability, earnings valuation and yield) and liquidity measures are similar to those of each Fund's benchmark index.

The Small Cap Index Fund and the International Index Fund may invest any assets not invested in stocks that are represented in the Fund's benchmark index in:

- the same type of short-term high quality debt securities in which the Money Market Fund invests (described below);
- other equity securities that are similar to the stocks in the Fund's benchmark index or that are awaiting disposition after a change in composition of the benchmark index or a rebalancing of the portfolio;
- stock index futures contracts, options on such futures contracts; and/or
- cash.

The Small Cap Index Fund and the International Index Fund may invest in those financial instruments to find a short-term investment for uninvested cash balances or to provide liquid assets for anticipated redemptions by shareholders.

Neither the Small Cap Index Fund nor the International Index Fund generally hold all of the issues that comprise their respective benchmark index, due in part to the costs involved and, in certain instances, the potential illiquidity of certain securities. Instead, both the Small Cap Index Fund and the International Index Fund attempt to hold a representative sample of the securities in the appropriate benchmark index, which NTI will select utilizing certain replication and optimization modeling techniques. These replication and optimization modeling techniques may not be successful, and may result in the Small Cap Index Fund and the International Index Fund not tracking their respective indices with the same degree of accuracy that complete replication of the index would provide. As a result of these replication and optimization modeling techniques, the Small Cap Index Fund and the International Index Fund may not have the identical capitalization, industry and fundamental characteristics as their benchmark indices. Please refer to the Trust's SAI for a more detailed discussion of the techniques that NTI employs in selecting the portfolio securities for these Funds.

From time to time, the portfolio composition of the Small Cap Index Fund and the International Index Fund may be altered (or "rebalanced") to reflect changes in the characteristics of the applicable benchmark index, with a view to bringing the performance and characteristics of these Funds more closely in line with that of each Fund's applicable benchmark index.

NTI attempts to track the performance of the Small Cap Index Fund's and the International Index Fund's respective benchmark indices, but there is no assurance that NTI will be successful. The degree to which these Funds fail to track the performance of their benchmark indices is referred to as the "tracking error." NTI expects

that, over time and under normal circumstances, the quarterly performance of the Small Cap Index Fund and the International Index Fund, before expenses, will track the performance of the applicable benchmark index within a 0.95 correlation coefficient.

The correlation coefficient, a concept from statistics, is a measure of how well trends in predicted values, such as the actual performance of the Small Cap Index Fund, follow trends in actual values, such as the performance of the Russell 2000 Index. The correlation coefficient is a measure of how well the predicted values "fit" with the actual values. The correlation coefficient is a number between −1 and 1. If there is no relationship between the predicted values and the actual values, the correlation coefficient is 0 or very low (the predicted values are no better than random numbers). As the strength of the relationship between the predicted values and actual values increases, so does the correlation coefficient. A perfect fit gives a coefficient of 1.0. Thus, when tracking an index, the higher the correlation coefficient, the better.

There can be no assurance that the Small Cap Index Fund and the International Index Fund will achieve any particular level of tracking error or correlation coefficient. For more information on this subject, see the discussion of "tracking error" in the Trust's SAI.

Another reason why the performance of the Small Cap Index Fund and the International Index Fund may not always equal the performance of its benchmark index is because the performance of the benchmark index does not include operating expenses incurred by each Fund.

The Small Cap Index Fund and the International Index Fund may purchase stock index futures contracts on their benchmark indices or a comparable stock index to simulate investment in their benchmark indices. This may be done to rapidly gain exposure to the securities comprising a Fund's benchmark index in anticipation of purchasing such securities over time, to reduce transaction costs, or to gain exposure to such securities at a lower cost than by making direct investments in the cash market. If the Small Cap Index Fund or the International Index Fund cannot sell a futures contract that it holds, it may write call and buy put options on the contract to effectively close out or offset the contract. The Small Cap Index Fund and the International Index Fund will not use futures contracts or options on futures contracts for speculation.

Equity and Bond Fund

The Equity and Bond Fund invests in shares of the Equity Fund and the Bond Fund. The Equity and Bond Fund may hold a portion of its assets in U.S. Government securities, short-term paper, or may invest in the Money Market Fund to provide flexibility in meeting redemptions, expenses, and the timing of new investments, and to serve as a short-term defense during periods of unusual volatility.

Bond Fund

The Bond Fund invests primarily in investment grade bonds (e.g., those bonds that S&P or Moody's have rated within their respective four highest rating categories), and in the same types of securities as the Money Market Fund. Under normal circumstances, at least 80% of the Fund's total assets will be invested in investment grade bonds or unrated debt securities that the Manager determines to be of equivalent quality. The Bond Fund may also invest in investment grade mortgage-backed and asset-backed securities, including those representing pools of mortgage, commercial or consumer loans originated by financial institutions.

The Bond Fund usually maintains a duration target of less than 7 years based on expectations about the direction of interest rates and other economic factors. Duration is a measure of sensitivity of bond prices to interest rate movements. The longer the duration of a debt obligation, the more sensitive its value is to changes in interest rates.

In selecting bonds for the Fund, the Manager seeks to maximize current income while minimizing risk and volatility through prudent investment management. Accordingly, the Fund seeks to limit its exposure to very risky or speculative investments by investing primarily in investment grade bonds that offer the potential for attractive returns.

The Fund may also invest up to 20% of its assets in the following securities:

- Debt securities that S&P or Moody's have rated lower than the four highest rating categories or comparable unrated debt securities. Bonds that are rated lower than BBB by S&P or Baa by Moody's are often referred to as "junk bonds." Rating agencies consider junk bonds to have varying degrees of speculative characteristics. Consequently, although they can be expected to provide higher yields, such securities may be subject to greater market value fluctuations and greater risk of loss of income and principal than lower-yielding, higher-rated fixed-income securities. For more information, see "Description of Bond Ratings" in the SAI.
- Convertible debt securities, convertible preferred stocks and nonconvertible preferred stocks. Convertible securities are fixed income securities that are convertible into common stock at a specified price or conversion ratio.
- Bond futures contracts, options, credit swaps, interest rate swaps, and other types of derivatives. Losses (or gains) involving futures contracts can sometimes be substantial—in part because a relatively small price movement in a futures contact may result in an immediate and substantial loss (or gain) for the Fund. Similar risks exist for other types of derivatives. For this reason, the Fund will not use futures, options, or other derivatives for speculative purposes or as leveraged investments that magnify the gains or losses of an investment. The Fund will invest in futures and options to (i) keep cash on hand to meet shareholder redemptions or other needs, while simulating full investment in bonds and/or (ii) reduce the Fund's transaction costs, for hedging purposes or to add value when these instruments are favorably priced.

Money Market Fund

In selecting securities for the Money Market Fund, the Manager seeks highly liquid investments that present minimal credit risk. The Fund primarily invests in high quality short-term money market instruments. At the time of investment at least 97% of the Fund's assets must be rated in the highest short-term category by at least two nationally recognized statistical rating organizations ("NRSROs") (or

one NRSRO, if only one has issued a rating), and 100% of the Fund's assets must be invested in securities rated in the two highest rating categories at the time of investment. An NRSRO, such as Moody's or S&P, assigns ratings to securities based on its assessment of the creditworthiness of the securities' issuer. The SAI has a detailed description of the various rating categories.

Among the securities that the Money Market Fund may invest in are the following:

- Securities issued or guaranteed by the U.S. Government or its agencies, including Treasury Bills, notes, and securities issued by U.S. government agencies such as the Federal National Mortgage Association.
- Commercial paper issued or guaranteed by U.S. corporations and certain other entities that are rated in the two highest rating categories of a NRSRO.
- Repurchase agreements with certain parties.
- Certain obligations of large (more than $1 billion in total assets) U.S. banks and their subsidiaries (including, certain Canadian affiliates), including, but not limited to, bank notes, commercial paper, and certificates of deposit.
- Other short-term obligations issued by or guaranteed by U.S. corporations, state and municipal governments, or other entities.
- Securities backed by mortgages, consumer loans and other assets.

Given the types of securities that the Fund invests in, the level of risk associated with the Fund is lower than most other types of mutual funds. However every investment involves some kind of risk. To the extent that the Fund invests in certain securities (for example, repurchase agreements, when-issued securities or foreign money market securities), the Fund may be affected by additional risks.

More Information on Risk

Risk is inherent in all investing. Investing in a mutual fund—even the most conservative—involves risk, including the risk that you may receive little or no return on your investment or even that you may lose some or all of the money you invested. Before you invest, you should carefully consider the risks that you assume when you invest in the Funds. There may be other risks that are not listed herein that could cause the value of your investment in a Fund to decline and that could prevent a Fund from achieving its stated investment objective. This Prospectus does not describe all of the risks of every technique, investment strategy or temporary defensive position that a Fund may use. For additional information regarding the risks of investing in a Fund, please refer to the SAI. The discussion below provides additional information about the risks of investing in foreign securities and then provides information about other risks of the investing in the Funds.

Foreign Securities

Investments in foreign securities, including those of foreign governments, involve additional risks not normally present when investing in comparable domestic securities.

Some securities of foreign companies and governments may be traded in the U.S., such as American Depository Receipts ("ADRs"), but most are traded primarily in foreign markets. The risks of investing in foreign securities include:

Currency Risk. For securities that are based in value on foreign currencies (including ADRs), a Fund must buy the local currency to buy a foreign security and sell the same local currency after it sells the security. Therefore, the value of that security to a Fund is affected by the value of the local currency relative to the U.S. currency. As a result, if the value of the local currency falls relative to U.S. currency, the value of that security falls, even if the security has not decreased in value in its home country.

Political and Economic Risk. Foreign investments can be subject to greater political and economic risks. In some countries, there is the risk that the government may take over assets or operations of the company or impose taxes or place limits on the removal of assets that would adversely affect the value of the security. The possibility of default in foreign government securities, political or social instability or diplomatic developments generally are more of a concern in developing countries, where the possibility of political instability (including revolution) and dependence on foreign economic assistance may be greater than in developed countries.

Regulatory Risk. In many countries there is less publicly available information about issuers than is available for companies in the U.S. Foreign companies may not be subject to uniform accounting, auditing and financial reporting standards, and auditing practices and requirements may not be comparable to those applicable to the U.S. companies. In many foreign countries there is less government supervision and regulation of business and industry practices, and it may be more difficult to obtain or enforce judgments against foreign entities.

Market Risks. Foreign securities often trade with less frequency and volume than domestic securities and are therefore less liquid and more volatile than securities of comparable domestic issuers. Further, the settlement period of securities transactions in foreign markets may be longer than in domestic markets.

Transaction Costs. Commission rates in foreign countries, which are generally fixed rather than subject to negotiation as in the U.S., are likely to be higher. In addition, other costs, such as tax and custody costs, are generally higher than for domestic transactions.

Particular Risks for Developing Countries. In general, the risks noted above are heightened for developing countries. In addition, certain developing countries have experienced substantial, and in some cases, rapidly fluctuating rates of inflation for a number of years. Inflation has, and may continue to have, a debilitating effect on the underlying economies of these countries. Many developing countries are heavily dependent on international trade and can be adversely affected by trade barriers and protectionist measures, as well as the depreciation or devaluation of their currencies.

Other Risks

Investment Company Securities Risk. The Funds may invest in securities of other investment companies, including exchange traded

funds ("ETFs"), open-end funds and closed-end funds. The risks of investment in other investment companies typically reflect the risks of the types of securities in which the funds invest. Investments in ETFs and closed-end funds are subject to the additional risk that shares of the fund may trade at a premium or discount to their net asset value per share. When a Fund invests in another investment company, shareholders of the Fund bear their proportionate share of the other investment company's fees and expenses as well as their share of the Fund's fees and expenses.

Large Company Risk. The Equity Fund, International Equity Fund, S&P 500 Index Fund, International Index Fund, Equity and Bond Fund, the Bond Fund and the Money Market Fund may invest in securities of large capitalization companies. Large capitalization companies may go in and out of favor based on market and economic conditions. Large capitalization companies may be unable to respond quickly to new competitive challenges, such as changes in technology, and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion, which may affect share price. Although larger companies tend to be less volatile than companies with smaller market capitalizations, returns on investments in securities of large capitalization companies could trail the returns on investments in securities of smaller companies. Typically, large-cap companies are established, well-known companies; some may be multinationals, which may have significant exposure to foreign markets as a result of the company's products or services in those foreign markets. Such securities would be subject to some of the same risks as an investment in foreign securities, including the risk that political and economic events unique to a country or region will adversely affect those markets in which the company's products or services are sold.

Liquidity Risk. The Manager may have difficulty selling securities a Fund holds at the time it would like to sell, and at the value the Fund has placed on those securities.

Securities Issued by U.S. Government Sponsored Entities. The Bond Fund, and indirectly the Equity and Bond Fund, may invest in U.S. government and agency obligations. A fund's investments in securities issued by U.S. Government sponsored entities, such as the Federal Home Loan Mortgage Corporation ("Freddie Mac") and Federal National Mortgage Association ("Fannie Mae"), are neither issued nor guaranteed by the United States Treasury. On September 7, 2008, the Federal Housing Finance Agency ("FHFA"), an agency of the U.S. government, placed Fannie Mae and Freddie Mac into conservatorship, a statutory process with the objective of returning the entities to normal business operations. Since that time, Fannie Mae and Freddie Mac have received significant capital support through Treasury preferred stock purchases as well as Treasury and Federal Reserve purchases of their mortgage backed securities. While the purchase programs for mortgage-backed securities ended in 2010, the Treasury announced in December 2009 that it would continue its support for the entities' capital as necessary to prevent a negative net worth at least through 2012. While the Treasury is committed to offset negative equity at Fannie Mae and Freddie Mac through its preferred stock purchases through 2012, no assurance can be given that the Federal Reserve, Treasury, or FHFA initiatives discussed above will ensure that Fannie Mae and Freddie Mac will remain successful in meeting their obligations with respect to the debt and mortgage-backed securities they issue beyond that date. In addition, Fannie Mae and Freddie Mac also are the subject of several continuing class action lawsuits and investigations by federal regulators over certain accounting, disclosure or corporate governance matters, which (along with any resulting financial restatements) may adversely affect the guaranteeing entities. Importantly, the future of the entities is in serious question as the U.S. government reportedly is considering multiple options, ranging from nationalization, privatization, consolidation, or abolishment of the entities. Corporate bonds are subject to greater credit risk than U.S. Government bonds.

High Yield/High Risk Securities (Junk Bonds). These securities tend to offer higher yields than higher-rated securities of comparable maturities because the historical financial condition of the issuers of these securities is usually not as strong as that of other issuers.

High yield fixed-income securities usually present greater risk of loss of income and principal than higher-rated securities. For example, because investors generally perceive that there are greater risks associated with investing in medium- or lower-rated securities, the yields and price of such securities may tend to fluctuate more than those of higher-rated securities. Moreover, in the lower-quality segments of the fixed income securities market, changes in perception of the creditworthiness of individual issuers tend to occur more frequently and in a more pronounced manner than do changes in higher-quality segments of the fixed-income securities market. The yield and price of medium-to lower-rated securities therefore may experience greater volatility than is the case with higher-rated securities.

Under adverse market or economic conditions, the secondary market for high yield/high risk securities could contract further, independent of any specific adverse changes in the condition of a particular issuer. As a result, the Funds could find it more difficult to sell such securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Prices realized upon the sale of such lower-rated securities therefore may be less than the prices used in calculating the Fund's NAV.

Mortgage-Backed and Asset-Backed Securities Risk. Mortgage-backed and asset-backed securities are subject to prepayment risk, when interest rates decline, unscheduled prepayments can be expected to accelerate, and a Fund holding such securities would be required to reinvest the proceeds of the prepayments at the lower interest rates then available. Unscheduled prepayments would also limit the potential for capital appreciation on mortgage-backed and asset-backed securities. Conversely, when interest rates rise, the value of mortgage-backed and asset backed securities generally fall. Since rising interest rates typically result in decreased prepayments, this could lengthen the average lives of such securities, and cause their value to decline more than traditional fixed-income securities. See "Mortgage-Backed Securities" and "Asset-Backed Securities" in the Trust's SAI.

Additionally, certain types of mortgage-backed and asset backed securities may experience significant valuation uncertainties, greater volatility, and significantly less liquidity due to the sharp rise

of foreclosures on home loans secured by subprime mortgages. Subprime mortgages have a higher credit risk than prime mortgages, as the credit criteria for obtaining a subprime mortgage is more flexible than that used with prime borrowers. To the extent that a Fund invests in securities that are backed by pools of mortgage loans, the risk to the Fund may be significant. Additionally, if a Fund purchases mortgage-backed or asset-backed securities that are "subordinated" to other interests in the same mortgage pool, the Fund as a holder of those securities may only receive payments after the pool's obligations to other investors have been satisfied. For example, an unexpectedly high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool's ability to make payments of principal or interest to the Fund as a holder of such subordinated securities, reducing the values of those securities or in some cases rendering them worthless; the risk of such defaults is generally higher in the case of mortgage pools that include subprime mortgages.

How the State Farm LifePath Funds Invest

The LifePath Funds seek to maximize assets for retirement or other purposes consistent with the quantitatively measured risk that investors, on average, may be willing to accept given their investment time horizons. The LifePath Funds (other than the State Farm LifePath Retirement Fund) attempt to manage the investment risk in each strategy for investors whose time horizons correspond to the decade in the Fund's name. For example, the State Farm LifePath 2020 Fund is designed for investors who plan to begin withdrawing a substantial portion of their investment in the decade beginning in the year 2020. Similarly, the State Farm LifePath 2040 Fund is designed for investors who plan to begin withdrawing a substantial portion of their investment in the decade beginning in the year 2040. The State Farm LifePath Retirement Fund is designed for investors who are currently withdrawing, or who plan to begin withdrawing, a substantial portion of their investment in the near future.

Under ordinary circumstances, each LifePath Fund, through its investment in its corresponding Master Portfolio, is substantially fully invested. Neither the Manager on behalf of the LifePath Funds nor BFA on behalf of the LifePath Master Portfolios holds cash, cash equivalents, or money market instruments as temporary defensive positions.

The LifePath Investment Model

BFA serves as the Master Portfolios' investment adviser.

Each LifePath Fund seeks to achieve its objective through an investment strategy that relies on one of BlackRock's proprietary investment models. BlackRock employs a proprietary investment model that analyzes securities market data, including risk, asset class correlations, and expected returns, to provide portfolio allocations among the asset classes offered through the Underlying Funds. The allocations are constantly monitored and rebalanced in an effort to maximize expected return for a given level of risk. In managing the LifePath Funds, BlackRock focuses on long-term targets and objectives. The progression over time of a LifePath Fund's asset allocation to less risky asset classes is a relatively steady process resulting in only minor changes to the asset allocation from month to month. The LifePath Funds (through their investment in the Master Portfolios (that, in turn, invest in the Underlying Funds)) do not engage in active and frequent trading of portfolio securities as a principal investment strategy.

How It Works: Spending Your "Risk Budget" Wisely

One way to understand how the LifePath Funds adjust their asset allocation is to regard the statistically determined risk in each Fund as its "risk budget." BlackRock's analysis begins with a statistical determination of how much a hypothetical investor, with a given time horizon for investment, on average, can afford to lose. This tolerance for loss can be viewed as the Fund's risk budget. This risk budget reflects BlackRock's statistical determination of risk, and may not be appropriate to you in measuring the specific degree of risk you are willing to accept.

Different investment allocations can have the same risk of loss but with different expected returns. BlackRock seeks the Fund allocations that offer the highest expected return while keeping within a Fund's statistically determined risk of loss.

Expected returns are not guaranteed returns. They are average projections based on comprehensive research and accepted principles of market behavior. Likewise, statistically determined risk covers the most likely scenarios, but it does not cover all possible losses.

Principal Investments:

The LifePath Funds, through their investment in the Master Portfolios (that, in turn, invest in the Underlying Funds), may invest in the following investments:

- money market instruments
- bonds
- stocks, including:
  - stocks of the largest U.S. companies
  - stocks of all other publicly traded U.S. companies
  - stocks of issuers located outside the U.S., including those located in emerging markets
- real estate investment trusts ("REITs")

Within stocks and bonds are sub-categories of securities:

- U.S. stocks can be separated according to the value of their outstanding stock (or capitalization), into large-cap, mid-cap and small-cap groupings.
- Each of the stock capitalization categories can be separated according to their price-to-book ratios: the ratio of the value of a company's traded stock to the book value of its plant, equipment and other tangible assets. The companies with the higher price-to-book ratios are considered growth stocks, and the companies with the lower price-to-book ratios are considered value stocks.
- U.S. Government bonds, bonds issued by corporations, mortgage-backed securities, high yield bonds and foreign bonds form five separate sub-categories of bond investments. The first two sub-categories are further subdivided by maturity: long-term, intermediate-term and short-term.

- Commodities.
- Derivative securities or instruments, such as options and futures, the value of which is derived from another security, a commodity, a currency or an index when seeking to match the performance of a particular market index.

While the model does not allocate among each of these sub-categories and the Underlying Funds do not generally correspond to the sub-categories, all of these sub-categories are included within the various Underlying Funds.

Each Master Portfolio may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investment in Underlying Funds and unaffiliated exchange traded funds, which are designed to provide commodity exposure without direct investment in physical commodities or commodities futures contracts. Each Master Portfolio may gain such exposure by investing up to 5% of its total assets in a wholly owned subsidiary of the Master Portfolio (each a "Subsidiary") formed in the Cayman Islands, which invests primarily in commodity-related instruments. LifePath Retirement Master Portfolio may gain exposure to the commodity market by investing in LifePath Retirement Fund (Cayman), Ltd. LifePath 2020 Master Portfolio may gain exposure to the commodity market by investing in LifePath 2020 Fund (Cayman), Ltd. LifePath 2030 Master Portfolio may gain exposure to the commodity market by investing in LifePath 2030 Fund (Cayman), Ltd. LifePath 2040 Master Portfolio may gain exposure to the commodity market by investing in LifePath 2040 Fund (Cayman).

Each Subsidiary is managed pursuant to compliance policies and procedures that are the same, in all material respects, as the policies and procedures adopted by the applicable Master Portfolio. As a result, BFA, in managing a Subsidiary's portfolio, is subject to the same investment policies and restrictions that apply to the management of the applicable Master Portfolio, and, in particular, to the requirements relating to portfolio leverage, liquidity, brokerage, and the timing and method of the valuation of the Subsidiary's portfolio investments and shares of the Subsidiary. These policies and restrictions are described in detail in the SAI. The Master Fund's Chief Compliance Officer, on behalf of each Master Portfolio, oversees implementation of the applicable Subsidiary's policies and procedures. Each Master Portfolio and the applicable Subsidiary test for compliance with certain investment restrictions on a consolidated basis, except that with respect to its investments in certain securities that may involve leverage, the Subsidiary complies with asset segregation requirements to the same extent as the Master Portfolio.

BFA provides investment management and other services to each Subsidiary. BFA does not receive separate compensation from the Subsidiaries for providing them with investment management or administrative services. However, each Master Portfolio pays BFA based on the Master Portfolio's assets, including the assets invested in the applicable Subsidiary. Each Subsidiary will also enter into separate contracts for the provision of custody, transfer agency, and audit services with the same or with affiliates of the same service providers that provide those services to the applicable Master Portfolio.

By investing in a Subsidiary, each Master Portfolio is indirectly exposed to the risks associated with the Subsidiary's investments. The commodity-related instruments held by a Subsidiary are generally similar to those that are permitted to be held by the applicable Master Portfolio and are subject to the same risks that apply to similar investments if held directly by the Master Portfolio (see "Commodities Related Investment Risks" in the SAI). There can be no assurance that the investment objective of a Subsidiary will be achieved. The Subsidiaries are not registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and, unless otherwise noted in this prospectus, are not subject to all the investor protections of the Investment Company Act. However, each Master Portfolio wholly owns and controls the applicable Subsidiary, and the Master Portfolios and the Subsidiaries are managed by BFA, making it unlikely that a Subsidiary will take action contrary to the interests of the applicable Master Portfolio and its shareholders. The Board has oversight responsibility for the investment activities of each Master Portfolio, including its investment in the applicable Subsidiary, and the Master Portfolio's role as sole shareholder of the Subsidiary. Each Subsidiary will be subject to the same investment restrictions and limitations, and follow the same compliance policies and procedures, as the applicable Master Portfolio. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of a Master Portfolio and/or a Subsidiary to operate as described in this prospectus and the SAI and could adversely affect the Master Portfolio. For example, the Cayman Islands does not currently impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax on the Subsidiaries. If Cayman Islands law changes such that the Subsidiaries must pay Cayman Islands taxes, Master Portfolio shareholders would likely suffer decreased investment returns.

The following table lists the Underlying Funds and the approximate asset allocations for each Master Portfolio as of March 31, 2013. BFA allocates each Master Portfolio's assets among the Underlying Funds based on each Master Portfolio's investment objective and policies. The asset allocation for each Master Portfolio will vary over time, and BFA is not required to invest any Master Portfolio's assets in each of the Underlying Funds or in any particular percentage. BFA may add, eliminate or replace Underlying Funds at any time.

UNDERLYING FUNDS (As of March 31, 2013)

	LifePath Retirement	LifePath 2020	LifePath 2030	LifePath 2040
CAPITAL GROWTH				
Master Investment Portfolio Active Stock Master Portfolio	20%	29%	38%	46%
Master Investment Portfolio Small Cap Index Master Portfolio	5%	4%	3%	2%
BlackRock Commodity Strategies Fund	3%	3%	3%	4%
iShares MSCI EAFE Index Fund	5%	8%	10%	12%
iShares Cohen & Steers Realty Majors Index Fund	—	1%	3%	4%
iShares MSCI Emerging Markets Index Fund	2%	3%	4%	4%
iShares MSCI Canada Index Fund	1%	1%	1%	2%
iShares FTSE EPRA/NAREIT Developed Real Estate ex-U.S. Index Fund	—	2%	3%	4%
Master Investment Portfolio—ACWI ex U.S. Index Master Portfolio	2%	2%	2%	3%
iShares MSCI EAFE Small Cap Index Fund	1%	1%	2%	2%
CAPITAL GROWTH and INCOME				
Master Investment Portfolio CoreAlpha Bond Master Portfolio	52%	40%	26%	16%
iShares Barclays TIPS Bond Fund	9%	6%	4%	2%

Note: The allocation percentages may not add to 100% due to rounding

Description of Underlying Funds

Each LifePath Fund may invest in some or all of the Underlying Funds described below. Please refer to the chart above for each Master Portfolio's approximate target asset allocation for each Underlying Fund.

Each of the Underlying Funds that is an ETF seeks to reproduce index returns gross of management fees and other costs, and is not actively managed. Seven of the Underlying Funds in which the Master Portfolios may invest are actively managed funds that rely on portfolio managers for investment determinations.

In managing the ETFs, (with the exception of one ETF that is not advised by BlackRock), BFA uses an indexing strategy called representative sampling. Representative sampling is investing in a representative sample of securities in the underlying index, which have a similar investment profile as the index. Securities selected under a representative sampling strategy have aggregate investment characteristics (based on market capitalization and industry weightings), fundamental characteristics (such as return variability, earnings valuation and yield) and liquidity measures similar to those of the relative underlying index. Underlying Funds that use representative sampling generally do not hold all of the securities that are included in the relevant underlying index.

Master Investment Portfolio Active Stock Master Portfolio seeks to provide long-term appreciation of capital. The Active Stock Master Portfolio invests, under normal circumstances, at least 80% of its assets in common stocks. The Active Stock Master Portfolio uses an asset allocation strategy, investing varying percentages of its portfolio primarily in five major categories of equity securities: equity securities of large cap U.S. companies that BFA believes have good prospects for earnings growth, equity securities of mid to large cap U.S. companies that BFA believes have shown above-average growth rates in earnings over the long-term, equity securities of large cap U.S. companies that BFA believes have good prospects for capital appreciation and current income, equity securities of large cap U.S. companies that BFA believes are undervalued, and equity securities of U.S. companies with market capitalizations similar to the range of market capitalizations represented in the Russell 1000® Index that BFA selects using a proprietary quantitative model. Drawing on its analysis of financial trends and market conditions, BFA monitors and adjusts those allocations from time to time. The Active Stock Master Portfolio has wide flexibility in the relative weightings given to each category. The Active Stock Master Portfolio also may invest in securities of foreign issuers from any country and may invest in securities denominated in both U.S. dollars and non-U.S. dollar currencies.

Master Investment Portfolio CoreAlpha Bond Master Portfolio seeks to provide a combination of income and capital growth. BFA invests the CoreAlpha Bond Master Portfolio's assets pursuant to a systematic method that relies on proprietary quantitative models to allocate assets among various bond sectors by evaluating each sector's relative value and risk-adjusted return. BFA's models also allocate assets among bonds of different maturities based on yield characteristics and expectations. Specific investment selection decisions are made on the basis of evaluations of relative value, credit quality and other factors. The CoreAlpha Bond Master Portfolio invests, under normal circumstances, at least 80% of its assets in bonds. For the purposes of this strategy, "bonds" include the following: obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities; mortgage-backed securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, including U.S. agency mortgage pass-through securities; commercial mortgage-backed securities; debt obligations of U.S. issuers; debt obligations of issuers located in countries other than the U.S., including countries in emerging markets; municipal securities; asset-backed securities; and U.S. registered dollar-denominated debt

obligations of foreign issuers. The CoreAlpha Bond Master Portfolio invests a substantial portion of its assets in U.S.-registered, dollar-denominated bonds. The CoreAlpha Bond Master Portfolio may invest in bonds of any maturity or duration and in derivatives based on foreign currencies.

iShares Core S&P 500 ETF seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P 500® Index. The S&P 500 Index measures the performance of the large-capitalization sector of the U.S. equity market. As of March 31, 2012, the S&P 500 Index includes approximately 80% of the market capitalization of all publicly—traded U.S. equity securities. The component stocks are weighted according to the float-adjusted market values of their outstanding shares. The Fund uses a representative sampling strategy to try to track the S&P 500 Index.

BlackRock Commodity Strategies Fund seeks total return. BlackRock Commodity Strategies Fund utilizes two strategies and under normal circumstances expects to invest approximately 50% of its total assets in each strategy; provided, however, that from time to time, fund management may alter the weightings if it deems it prudent to do so based on market conditions, trends or movements or other similar factors. One strategy focuses on investments in commodity-linked derivatives. To meet coverage and collateral requirements associated with these derivative investments, and to invest excess cash, BlackRock Commodity Strategies Fund holds a portion of its portfolio in investment-grade short-term fixed income securities. The other strategy focuses on equity investments in commodity-related companies, including, but not limited to, companies operating in the mining, energy and agricultural sectors. BlackRock Commodity Strategies Fund invests in equity securities of such companies in order to complement the commodity exposures achieved through investments in commodity-linked derivatives. Taken together, these two strategies offer broad exposure to global commodities market trends across asset classes, industries, sectors, and regions.

iShares Core S&P Mid-Cap ETF seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P MidCap 400® Index. The S&P MidCap 400 Index measures the performance of the mid-capitalization sector of the U.S. equity market. The stocks in the Index have a market capitalization between $1 billion and $4.4 billion (which may fluctuate depending on the overall level of the equity markets) and are selected for liquidity and industry group representation. The Fund uses a representative sampling strategy to try to track the S&P MidCap 400 Index.

iShares Core S&P SmallCap 600 ETF seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P's SmallCap 600 Index. The S&P SmallCap 600 Index measures the performance of the small capitalization sector of the U.S. equity market.

iShares Russell MidCap Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Russell MidCap Index®. The Russell MidCap Index is a capitalization-weighted index consisting of the 800 smallest companies in the Russell 1000 Index. The Fund uses a representative sampling strategy to try to track the Russell MidCap Index.

iShares Russell 2000 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Russell 2000® Index. The Russell 2000 Index measures the performances of the small capitalization sector of the U.S. equity market. The Russell 2000 Index is a capitalization-weighted index of the approximately 2000 smallest companies in the Russell 3000® Index. The Fund uses a representative sampling strategy to try to track the Russell 2000® Index.

iShares Cohen & Steers Realty Majors Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Cohen & Steers Realty Majors Index (the "Cohen & Steers Index"). The Cohen & Steers Index® consists of selected U.S. REITs. The objective of the Cohen & Steers Index is to represent relatively large and liquid REITs that may benefit from future consolidation and securitization of the U.S. real estate industry. REITs are selected for inclusion in the Cohen & Steers Index based on a rigorous review of several factors, including management, portfolio quality, and sector and geographic diversification. The REITs selected for inclusion in the Cohen & Steers Index must meet minimum market capitalization and liquidity requirements. The Cohen & Steers Index is weighted according to the total market value of each REIT's outstanding shares and is adjusted quarterly so that no REIT represents more than 8% of the index. The Fund uses a representative sampling strategy to try to track the Cohen & Steers Index.

iShares MSCI Canada Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the Canadian market, as measured by the MSCI Canada Index. The MSCI Canada Index consists of stocks traded primarily on the Toronto Stock Exchange. The Fund uses a representative sampling strategy to try to track the MSCI Canada Index.

iShares MSCI EAFE Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses of the MSCI EAFE® Index. The MSCI EAFE Index has been developed by Morgan Stanley Capital International, Inc. ("MSCI") as an equity benchmark for international stock performance. The MSCI EAFE Index includes stocks from Europe, Australasia and the Far East. The Fund uses a representative sampling strategy to try to track the MSCI EAFE Index.

iShares MSCI Emerging Markets Index Fund seeks investment results that correspond to the price and yield performance before fees and expenses of the MSCI Emerging Markets Free Index® (the "Index"). The Fund's investment objective may be changed without shareholder approval. The Index was developed by MSCI as an equity benchmark for international stock performance. The Index is designed to measure equity market performance in the global emerging markets. The Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Columbia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. The Fund uses a

representative sampling strategy to try to track the Index. In order to improve its portfolio liquidity and its ability to track the Index, the Fund may invest up to 10% of its assets in shares of other iShares Funds that invest in securities in the Index. BFA does not charge portfolio management fees on that portion of the Fund's assets invested in shares of other iShares Funds.

iShares Barclays Aggregate Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the total United States investment grade bond market as defined by the Barclays U.S. Aggregate Index (the "Barclays Index"). The Barclays Index measures the performance of the U.S. investment grade bond market, which includes investment grade U.S. Treasury bonds, government-related bonds, investment grade corporate bonds, mortgage pass-through securities, commercial mortgage-backed securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the Barclays Index must have $250 million or more of outstanding face value and must have at least one year remaining to maturity. In addition, the securities must be denominated in U.S. dollars and must be fixed-rate and non-convertible. Certain types of securities, such as state and local government series bonds, structured notes with embedded swaps or other special features, private placements, floating-rate securities and Eurobonds are excluded from the Barclays Index. The Barclays Index is market capitalization-weighted and the securities in the Barclays Index are updated on the last calendar day of each month.

iShares Barclays TIPS Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the inflation-protected sector of the United States Treasury market as defined by the Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L). The Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L) measures the performance of the inflation-protected public obligations of the U.S. Treasury, commonly known as "TIPS."

iShares Barclays 1-3 Year Credit Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the investment grade credit sector of the United States bond market as defined by the Barclays 1-3 Year U.S Credit Index. The Barclays 1-3 Year U.S. Credit Index measures the performance of investment grade corporate debt and sovereign, supranational, local authority and non-U.S. agency bonds that are U.S. dollar denominated and have a remaining maturity of greater than or equal to one year and less than three years.

iShares Barclays 1-3 Year Treasury Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the short-term sector of the United States Treasury market as defined by the Barclays 1-3 Year U.S. Treasury Index. The Barclays 1-3 Year U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to one year and less than three years.

iShares Barclays 3-7 Year Treasury Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the intermediate-term sector of the United States Treasury market as defined by the Barclays 3-7 Year U.S. Treasury Index. The Barclays 3-7 Year U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to three years and less than seven years.

iShares Barclays 7-10 Year Treasury Bond Fund seeks results that correspond generally to the price and yield performance, before fees and expenses, of the intermediate-term sector of the United States Treasury market as defined by the Barclays 7-10 Year U.S. Treasury Index. The Barclays 7-10 Year U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to seven years and less than ten years.

iShares Barclays 10-20 Year Treasury Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the long-term sector of the United States Treasury market as defined by the Barclays 10-20 Year U.S. Treasury Index. The Barclays 10-20 Year U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to ten years and less than 20 years.

iShares Barclays 20+ Year Treasury Bond Fund seeks results that correspond generally to the price and yield performance, before fees and expenses, of the long-term sector of the United States Treasury market as defined by the Barclays 20+ Year U.S. Treasury Index. The Barclays 20+ Year U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of 20 or more years.

iShares Barclays Credit Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the investment grade credit sector of the United States bond market as defined by the Barclays U.S. Credit Index. The Barclays U.S. Credit Index measures the performance of investment grade corporate debt and sovereign, supranational, local authority and non-U.S. agency bonds that are U.S. dollar-denominated and have a remaining maturity of greater than or equal to one year.

iShares Barclays Government/Credit Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the U.S. government and investment grade U.S. corporate securities of the U.S. bond market as defined by the Barclays U.S. Government/Credit Index. The Barclays U.S. Government/Credit Index measures the performance of U.S. dollar denominated U.S. Treasuries, government-related (*i.e.*, U.S. and foreign agencies, sovereign, supranational and local authority debt), and investment grade U.S. corporate securities that have a remaining maturity of greater than or equal to one year.

iShares Barclays Intermediate Credit Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the investment grade credit sector of the United States bond market as defined by the Barclays Intermediate U.S. Credit Index. The Barclays Intermediate U.S. Credit Index measures the performance of investment grade

corporate debt and sovereign, supranational, local authority and non-U.S. agency bonds that are U.S. dollar denominated and have a remaining maturity of greater than or equal to one year.

iShares Barclays Intermediate Government/Credit Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the investment grade credit sector of the United States bond market and the total United States Treasury market as defined by the Barclays Intermediate U.S. Government/Credit Index. The Barclays Intermediate U.S. Government/Credit Index measures the performance of U.S. dollar denominated U.S. Treasuries, government-related (*i.e.*, U.S. and foreign agencies, sovereign, supranational and local authority debt), and investment grade U.S. corporate securities that have a remaining maturity of greater than or equal to one year and less than ten years.

iShares Barclays MBS Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the investment grade agency mortgage-backed securities sector of the United States as defined by the Barclays U.S. MBS Index. The Barclays U.S. MBS Index measures the performance of investment grade fixed-rate mortgage-backed pass-through securities of Government National Mortgage Association ("GNMA"), FNMA and Freddie Mac of the FHLMC.

iShares Barclays Short Treasury Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the short-term sector of the United States Treasury market as defined by the Barclays Short U.S. Treasury Index. The Barclays Short U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of between one and 12 months.

BlackRock Cash Funds: Institutional—SL Agency Shares seeks a high level of income consistent with liquidity and the preservation of capital. The Fund invests in high-quality, short-term money market instruments that include fixed rate, floating rate and variable rate debt securities. The Fund also may invest in high-quality, short-term U.S. and foreign government debt, including the debt of agencies and instrumentalities, such as Fannie Mae and the Student Loan Marketing Association, U.S. and foreign bank obligations, corporate obligations, repurchase agreements, and asset-backed securities. Repurchase agreements obligate a person selling U.S. government or other high-quality securities to buy them back within a specified period of time (usually one week or less) at an agreed-upon price.

iShares S&P National AMT—Free Municipal Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the municipal bond sector of the U.S. as defined by the S&P National AMT-Free Municipal Bond Index. The S&P National AMT-Free Municipal Bond Index measures the performance of the investment-grade segment of the U.S. municipal bond market. As of April 30, 2012, there were 9,018 issues in the S&P National AMT-Free Municipal Bond Index. The Fund may invest up to 10% of its assets in shares of other Funds that invest in securities in the index. BFA does not charge portfolio management fees on that portion of the Fund's assets invested in shares of other iShares Funds.

iShares S&P North American Natural Resources Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P North American Natural Resources Index. The S&P North American Natural Resources Index is designed to measure the performance of U.S.-traded natural resource-related stocks and includes companies in the following categories: producers of oil, gas and consumable fuels, energy equipment and services, metals and mining, manufacturers of paper and forest products, and producers of construction materials, containers and packaging.

iShares FTSE EPRA/NAREIT Developed Real Estate ex-U.S. Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the FTSE EPRA/NAREIT Developed Real Estate ex-U.S. Index. The FTSE EPRA/NAREIT Developed Real Estate ex-U.S. Index measures the stock performance of companies engaged in the ownership and development of the Canadian, European, Middle East and Asian real estate markets. As of March 31, 2012, the FTSE EPRA/NAREIT Developed Real Estate ex-U.S. Index was comprised of stocks of companies in the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Italy, Japan, the Netherlands, New Zealand, Norway, Poland, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

iShares MSCI EAFE Small Cap Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI EAFE Small Cap Index. The MSCI EAFE Small Cap Index targets 40% of the eligible small cap universe in each industry group of each country represented by the MSCI EAFE Index. The MSCI EAFE Index includes securities from Europe, Australasia and the Far East. Under MSCI's Global Investable Market Index methodology, the small cap universe consists of the securities of those companies whose securities are not included in the large cap or mid cap segments of a particular market, which together comprise approximately 85% of each market's free float-adjusted market capitalization. The small cap segment covers the 85%-99% range of each market's free float-adjusted market capitalization.

iShares J.P. Morgan USD Emerging Markets Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the J.P. Morgan EMBI Global Core Index. The J.P. Morgan EMBI Global Core Index is a broad, diverse U.S. dollar denominated emerging markets debt benchmark that tracks the total return of actively traded external debt instruments in emerging market countries.

iShares iBoxx $ High Yield Corporate Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the U.S. dollar high yield corporate bond market as defined by the iBoxx $ Liquid High Yield Index. The iBoxx $ Liquid High Yield Index is a rules-based index consisting of the most liquid U.S. dollar-denominated, high yield corporate bonds for sale in the United States, as determined by the International Index Company Limited. The iBoxx $ Liquid High Yield Index is designed to provide a broad representation of the U.S.

dollar-denominated high yield corporate bond market. There is no limit to the number of issues in the iBoxx $ Liquid High Yield Index.

ACWI ex-US Index Master Portfolio seeks to match the performance of the MSCI All Country World ex-US Index (the "MSCI ACWI ex-US Index") in U.S. dollars with net dividends as closely as possible before the deduction of ACWI ex-US Index Master Portfolio expenses. ACWI ex-US Index Master Portfolio will be substantially invested in securities in the MSCI ACWI ex-US Index, and will invest, under normal circumstances, at least 80% of its assets in securities or other financial instruments that are components of or have economic characteristics similar to the securities included in the MSCI ACWI ex-US Index (or portions thereof). ACWI ex-US Index Master Portfolio will not attempt to buy or sell securities based on BFA's economic, financial or market analysis, but will instead employ a "passive" investment approach. This means that BFA will attempt to invest in a portfolio of assets whose performance is expected to match approximately the performance of the MSCI ACWI ex-US Index before deduction of ACWI ex-US Index Master Portfolio expenses. ACWI ex-US Index Master Portfolio will buy or sell securities only when BFA believes it is necessary to do so in order to match the performance of the MSCI ACWI ex-US Index.

PowerShares DB Commodity Index Tracking Fund (DBC) seeks to track changes, whether positive or negative, in the level of the DBIQ Optimum Yield Diversified Commodity Index Excess Return™ over time, plus the excess, if any, of the PowerShares DB Commodity Index Tracking Fund's interest income from its holdings of United States Treasury and other high credit quality short-term fixed income securities over the expenses of PowerShares DB Commodity Index Tracking Fund.

iShares S&P GSCI Commodity-Indexed Trust Fund seeks investment results that correspond generally to the performance of the S&P GSCI Total Return Index. The S&P GSCI Total Return Index is intended to reflect the performance of a diversified group of commodities.

Russell 1000 Index Master Portfolio seeks to match the performance of the Russell 1000 Index (the "Russell 1000") as closely as possible before the deduction of fund expenses. Russell 1000 Index Master Portfolio employs a "passive" management approach, attempting to invest in a portfolio of assets whose performance is expected to match approximately the performance of the Russell 1000. The Fund will be substantially invested in equity securities in the Russell 1000, and will invest, under normal circumstances, at least 80% of its assets in securities or other financial instruments that are components of or have economic characteristics similar to the securities included in the Russell 1000 (or portions thereof). Russell 1000 Index Master Portfolio will invest in the common stocks represented in the Russell 1000 in roughly the same proportions as their weightings in the Russell 1000. It may also engage in futures and options transactions and other derivative securities transactions. At times, Russell 1000 Index Master Portfolio may not invest in all of the common stocks in the Russell 1000, or in the same weightings as in the Russell 1000 and may instead choose investments so that the market capitalizations, industry weightings and other fundamental characteristics of the stocks and derivative instruments chosen are similar to the Russell 1000 as a whole. Russell 1000 Index Master Portfolio may lend securities with a value up to 33⅓% of its total assets to financial institutions that provide cash or securities issued or guaranteed by the U.S. Government as collateral. Russell 1000 Index Master Portfolio will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Russell 1000 is concentrated.

Bond Index Master Portfolio seeks to provide investment results that correspond to the total return performance of fixed-income securities in the aggregate, as represented by the Barclays U.S. Aggregate Bond Index (the "Barclays U.S. Aggregate Index"). Securities are selected for investment by the Bond Index Master Portfolio in accordance with their relative proportion within the Barclays U.S. Aggregate Index as well as based on credit quality, issuer sector, maturity structure, coupon rates and callability, among other factors. BFA considers investments that provide substantially similar exposure to securities in the Barclays U.S. Aggregate Index to be investments comprising Bond Index Master Portfolio's benchmark index. Bond Index Master Portfolio is managed by determining which securities are to be purchased or sold to reflect, to the extent feasible, the investment characteristics of its benchmark index. Under normal circumstances, at least 90% of the value of the Bond Index Master Portfolio's assets, plus the amount of any borrowing for investment purposes, is invested in securities comprising the Barclays U.S. Aggregate Index, which, for Bond Index Master Portfolio, are considered bonds.

Master Small Cap Index Series seeks to match the performance of the Russell 2000 Index (the "Russell 2000") as closely as possible before the deduction of fund expenses. Master Small Cap Index Series employs a "passive" management approach, attempting to invest in a portfolio of assets whose performance is expected to match approximately the performance of the Russell 2000. Master Small Cap Index Series will be substantially invested in securities in the Russell 2000, and will invest, under normal circumstances, at least 80% of its assets in securities or other financial instruments that are components of or have economic characteristics similar to the securities included in the Russell 2000 (or portions thereof). The Russell 2000 is generally considered broadly representative of the performance of publicly traded U.S. smaller capitalization stocks. Master Small Cap Index Series will not invest in all of the common stocks in the Russell 2000, or in the same weightings as in the Russell 2000. Instead, Master Small Cap Index Series may invest in a statistically selected sample of the stocks included in the Russell 2000. Master Small Cap Index Series will choose investments so that the market capitalizations, industry weightings and other fundamental characteristics of the stocks and derivative instruments in its portfolio are similar to the Russell 2000 as a whole. Master Small Cap Index Series may lend securities with a value of up to 33 1/3% of its total assets to financial institutions that provide cash or securities issued or guaranteed by the U.S. Government as collateral.

Master International Index Series seeks to match the performance of the MSCI EAFE Index in U.S. dollars with net dividends as closely as possible before the deduction of fund expenses. Master International Index Series employs a "passive"

management approach, attempting to invest in a portfolio of assets whose performance is expected to match approximately the performance of the MSCI EAFE Index. Master International Index Series will be substantially invested in securities in the MSCI EAFE Index, and will invest, under normal circumstances, at least 80% of its assets in securities or other financial instruments that are components of or have economic characteristics similar to the securities included in the MSCI EAFE Index (or portions thereof). The MSCI EAFE Index is generally considered broadly representative of the performance of stocks traded in the developed international markets. The countries currently included in the MSCI EAFE Index are Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The weighting of the MSCI EAFE Index among these countries is based upon each country's relative market capitalization and not its gross domestic product, which means that the index contains more companies from countries with larger capital markets (like Japan and the United Kingdom) and these countries have the most effect on the index's performance. Master International Index Series will, under normal circumstances, invest in all of the countries represented in the MSCI EAFE Index, but may not, however, invest in all of the companies within a country represented in the MSCI EAFE Index, or in the same weightings as in the MSCI EAFE Index. Instead, Master International Index Series may invest in a statistically selected sample of equity securities included in the MSCI EAFE Index and in derivative instruments correlated with components of the MSCI EAFE Index as a whole.

iShares MSCI Canada Small Cap Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Canada Small Cap Index, which seeks to measure the performance of equity securities of small-capitalization companies, whose market capitalization, as calculated by the index provider, represents the bottom 14% of the Canadian securities market.

iShares MSCI Emerging Markets Small Cap Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Small Cap Index, which measures the performance of equity securities of small-capitalization companies, whose market capitalization represents the bottom 14% of companies in emerging market countries, as measured by market capitalization. As of June 30, 2012, the MSCI Emerging Markets Small Cap Index consisted of issuers in the following 21 emerging market countries: Brazil, Chile, China, Colombia, the Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, the Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. As of September 30, 2011, the MSCI Emerging Markets Small Cap Index was comprised of 1,961 constituents.

Notes:

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Investment Adviser

The Manager is the investment adviser, transfer agent and dividend disbursing agent for the Funds and for other mutual funds in the State Farm family of mutual funds. Subject to the supervision of the Board of Trustees of the Trust, the Manager is responsible for providing investment advisory and administrative services to the Funds, overseeing the day-to-day operations and business affairs of the Trust, and monitoring the performance of the sub-advisers to the Funds and of each Master Portfolio in which a Fund invests. The Manager's principal office is located at One State Farm Plaza, Bloomington, Illinois 61710-0001. The Manager is wholly-owned by State Farm Mutual Automobile Insurance Company.

The Manager also provides all executive, administrative, clerical and other personnel necessary to operate the Trust and pays the salaries and other costs of employing all these persons. The Manager furnishes the Trust with office space, facilities, and equipment and pays the day-to-day expenses related to the operating and maintenance of such office space, facilities and equipment. Except for those expenses the Manager expressly assumes, including those noted above, each Fund otherwise pays for all of its own expenses.

Bridgeway and Westwood are the co-investment sub-advisers to the Equity Fund. As investment sub-advisers, Bridgeway and Westwood make investment decisions for the Equity Fund, subject to the oversight of the Manager and the Board of Trustees. The Manager pays Bridgeway and Westwood for their services with the investment advisory and management fees the Manager receives from the Equity Fund.

Bridgeway and Rainier are the co-investment sub-advisers to the Small/Mid Cap Equity Fund. As investment sub-advisers, Bridgeway and Rainier make investment decisions for the Small/Mid Cap Equity Fund, subject to the oversight of the Manager and the Board of Trustees. The Manager pays Bridgeway and Rainier for their services with the investment advisory and management fees the Manager receives from the Small/Mid Cap Equity Fund.

Marsico and Northern Cross are the co-investment sub-advisers to the International Equity Fund. As investment sub-advisers, Marsico and Northern Cross make investment decisions for the International Equity Fund, subject to the oversight of the Manager and the Board of Trustees. The Manager pays Marsico and Northern Cross for their services with the investment advisory and management fees the Manager receives from the International Equity Fund.

BFA is the investment sub-adviser to the S&P 500 Index Fund, and as such makes investment decisions for the S&P 500 Index Fund, subject to the oversight of the Manager and the Board of the Trust. The Manager pays BFA for its services with the investment advisory and management services fee the Manager receives from the S&P 500 Index Fund.

NTI is the investment sub-adviser to the Small Cap Index Fund and the International Index Fund. As investment sub-adviser, NTI makes investment decisions for the Small Cap Index Fund and the International Index Fund, subject to the oversight of the Manager and the Board of the Trust. The Manager pays NTI for its services with the investment advisory and management services fee the Manager receives from these Funds.

The Equity and Bond Fund, Bond Fund, and the Money Market Fund are each managed by a team of the Manager's employees (each an "Advisory Team"). Each Advisory Team makes the investment decisions for these Funds, subject to the oversight of the Board of Trustees.

Investment Management of the LifePath Funds

Each LifePath Fund invests all of its assets into a separate Master Portfolio, each of which has substantially similar investment objectives, strategies, policies and risks. The Master Portfolios in which the LifePath Funds invest, in turn, invest in a combination of the Underlying Funds. BFA serves as the investment adviser to each of the Master Portfolios. BFA or its affiliates generally serve as the investment adviser to each of the Underlying Funds in which the LifePath Master Portfolios invest. BFA manages the Master Portfolios' assets and provides the Master Portfolios with investment guidance and policy direction in connection with daily portfolio management, subject to the supervision of the Master Fund's Board of Trustees.

BFA uses teams of portfolio managers, investment strategists and other investment specialists (each a "Portfolio Management Team") to manage each Master Portfolio. BFA employs a combination of proprietary investment management systems and procedures to validate the consistent application of its investment methods. This team approach to portfolio management brings together many disciplines and leverages BFA's extensive resources. The members of the Portfolio Management Team for each Master Portfolio that have the most significant responsibility for the day-to-day management are listed below. The team members listed below act collaboratively with the other members of their Portfolio Management Team on all aspects concerning their Master Portfolio. Each member of a Portfolio Management Team, including the below-listed members, is responsible for various functions related to portfolio management, including, but not limited to, investing cash inflows, coordinating with members of his or her team to focus on certain asset classes, implementing investment strategies, researching and reviewing investment strategies, and overseeing members of his or her Portfolio Management Team with more limited responsibilities. Each member of each Portfolio Management Team has appropriate limitations on his or her authority for risk management and compliance purposes.

BFA is located at 400 Howard Street, San Francisco, California 94105. It is an indirect wholly owned subsidiary of BlackRock, Inc. As of March 31, 2013, BFA and its affiliates provided investment advisory services for assets in excess of $3.93 trillion. BFA and its affiliates deal, trade and invest for their own accounts in the types of securities in which the Master Portfolios invest.

Oversight of Sub-Advisers

The Trust and the Manager have obtained an exemptive order from the Securities and Exchange Commission that permits the Trust and the Manager to retain and remove sub-advisers and modify sub-advisory arrangements without shareholder approval. Under the exemptive order, the Manager may act as a "manager of managers" for the Equity Fund, Small/Mid Cap Equity Fund, International Equity Fund, S&P 500 Index Fund, Small Cap Index Fund, International Index Fund, Bond Fund, Money Market Fund and LifePath Retirement Fund. The Manager supervises sub-advisers to each Fund that has retained a sub-adviser and has ultimate responsibility (subject to oversight by the Trust's Board of Trustees) to recommend their hiring, termination and replacement.

Investment Sub-Advisers for the Equity Fund

The Manager has engaged Bridgeway and Westwood as the investment sub-advisers to provide day-to-day portfolio management for the Equity Fund.

Bridgeway is located at 20 Greenway Plaza, Suite 450, Houston, Texas 77046. Bridgeway is an investment management firm that uses a statistically driven approach to create investment portfolios for its institutional and mutual fund clients.

Westwood is located at 200 Crescent Court, Suite 1200, Dallas, Texas 75201. Westwood is a fundamental investment management firm that employs a bottom-up, value-based stock selection strategy to construct portfolios designed to generate superior risk-adjusted returns for its institutional and mutual fund clients.

For more information regarding Bridgeway and Westwood, please read the sections entitled "Investment Advisory Agreements—Between the Manager and Bridgeway" and "Investment Advisory Agreement—Between the Manager and Westwood" in the Trust's SAI.

Investment Sub-Advisers for the Small/Mid Cap Equity Fund

The Manager engaged Bridgeway and Rainier as the investment sub-advisers to provide day-to-day portfolio management for the Small/Mid Cap Equity Fund.

Bridgeway is located at 20 Greenway Plaza, Suite 450, Houston, Texas 77046.

Rainier, which is located at 601 Union Street, Suite 2801, Seattle, Washington 98101, manages discretionary assets for various clients, including institutional clients, public and corporate pensions, foundations and charitable endowments, collective trusts, and mutual funds. Rainer is owned by employees.

For more information regarding Bridgeway and Rainier, please read the sections entitled "Investment Advisory Agreements—Between the Manager and Bridgeway" and "Investment Advisory Agreements—Between the Manager and Rainier" in the Trust's SAI.

Investment Sub-Advisers for the International Equity Fund

The Manager has engaged Marsico and Northern Cross as the investment sub-advisers to provide day-to-day portfolio management for the International Equity Fund.

Marsico is located at 1200 17th Street, Suite 1600, Denver, Colorado 80202. In addition to sub-advising a segment of the International Equity Fund, Marsico provides investment management services to other mutual funds and private accounts.

Northern Cross is located at 125 Summer Street, 14th Floor, Suite 1410, Boston, Massachusetts 02110. Northern Cross is an investment management firm specializing in international equity mandates.

For more information regarding Marsico and Northern Cross, please read the sections entitled "Investment Advisory Agreements—Between the Manager and Marsico" and "Investment Advisory Agreement—Between the Manager and Northern Cross" in the Trust's SAI.

Investment Sub-Adviser for the S&P 500 Index Fund

The Manager has engaged BFA as the investment sub-adviser to provide day-to-day portfolio management for the S&P 500 Index Fund.

BFA is located at 400 Howard Street, San Francisco, California 94105. It is an indirectly wholly owned subsidiary of BlackRock, Inc.

For more information regarding BFA, please read the sections entitled "Investment Advisory Agreements—Between the Manager and BFA" in the Trust's SAI.

Investment Sub-Adviser for the Small Cap Index Fund and the International Index Fund

The Manager has engaged NTI as the investment sub-adviser to provide day-to-day portfolio management for the Small Cap Index Fund and the International Index Fund. Northern Trust Investments, Inc., 50. South LaSalle Street, Chicago, Illinois 60603, formerly known and conducting business as Northern Trust Investments, N.A., an indirect subsidiary of Northern Trust Corporation is an Illinois State Banking Corporation and an investment adviser registered under the Investment Advisers Act of 1940, as amended. It primarily manages assets for institutional and individual separately managed accounts, investment companies and bank common and collective funds.

Northern Trust Corporation is regulated by the Board of Governors of the Federal Reserve System as a financial holding company under the U.S. Bank Holding Company Act of 1956, as amended.

As of December 31, 2012, Northern Trust Corporation, through its subsidiaries, had assets under custody of $4.8 trillion and assets under investment management of $758.9 billion.

Additional Expense Information

For all Funds other than the LifePath Funds, the Manager has agreed to reimburse each Fund if, and to the extent, the Fund's total annual operating expenses exceed the percentage of each Fund's average net assets indicated in the table below. With any increase or decrease in the percentage rate of the 12b-1 fee assessed for a share class of a Fund, the expense reimbursement threshold for that share class of the Fund will increase or decrease by a corresponding

percentage rate amount. For instance, if the percentage rate of the 12b-1 fee assessed for a share class of a Fund increases 0.05%, the expense reimbursement threshold for that share class of the Fund similarly will increase by 0.05%. The Manager has agreed to reimburse each LifePath Fund if, and to the extent the LifePath Fund's total annual operating expenses, including net expenses incurred at the Master Portfolio and Underlying Fund levels, exceed the percentages of each LifePath Fund's average net assets shown in the table below:

The Manager may not discontinue this agreement to reimburse the Funds before April 30, 2014, without the consent of the Trust's Board of Trustees.

Fund	Expense Reimbursement Threshold
Equity Fund	0.95%
Small/Mid Cap Equity Fund	1.17%
International Equity Fund	1.25%
S&P 500 Index Fund	0.53%
Small Cap Index Fund	0.78%
International Index Fund	0.95%
Equity and Bond Fund(1)	0.72%
Bond Fund	0.46%
Money Market Fund(2)	0.45%
State Farm LifePath Retirement Fund	0.98%
State Farm LifePath 2020 Fund	0.98%
State Farm LifePath 2030 Fund	0.98%
State Farm LifePath 2040 Fund	0.98%

(1) The Manager has agreed not to be paid an investment advisory and shareholder services fee for performing services for the Equity and Bond Fund. Nevertheless, the Manager receives investment advisory and shareholder service fees for performing these services for the Funds in which the Equity and Bond Fund invest. The Manager has agreed to reimburse the Equity and Bond Fund for all expenses directly incurred by the Fund except acquired fund fees and expenses. The Manager may not discontinue this agreement to reimburse the Equity and Bond Fund before April 30, 2014, without the consent of the Trust's Board of Trustees.

(2) The Manager and State Farm VP Management Corp. have agreed to waive all or a portion of their fees due from the Money Market Fund to prevent the Fund's net yield from falling below zero. This expense reimbursement agreement is voluntary and may be eliminated by the Manager at any time.

Compensating the Manager for its Services

Each Fund pays the Manager an investment advisory and management services fee based upon that Fund's average daily net assets. The fee is accrued daily and paid to the Manager quarterly at the following annual rates:

Fund	Rate of Advisory Fee
Equity Fund	0.60% of average daily net assets
Small/Mid Cap Equity Fund	0.80% of average daily net assets
International Equity Fund	0.80% of average daily net assets
S&P 500 Index Fund	0.18% of average daily net assets
Small Cap Index Fund	0.35% of average daily net assets
International Index Fund	0.50% of average daily net assets
Equity and Bond Fund	None
Bond Fund	0.10% of average daily net assets
Money Market Fund	0.10% of average daily net assets
State Farm LifePath Retirement Fund	0.70% of average daily net assets
State Farm LifePath 2020 Fund	0.70% of average daily net assets
State Farm LifePath 2030 Fund	0.70% of average daily net assets
State Farm LifePath 2040 Fund	0.70% of average daily net assets

The Investment Advisory and Management Services Fee for the LifePath Funds include the management fees of their corresponding Master Portfolios.

Compensating Bridgeway for its Services

The Manager pays Bridgeway for its services to the portion of the Equity Fund and the Small/Mid Cap Equity Fund that it manages at the rates shown in the tables below:

Equity Fund

On the first $50 million	0.50% of average daily net assets
$50 million to $100 million	0.45% of average daily net assets
$100 million to $200 million	0.40% of average daily net assets
Over $200 million	0.35% of average daily net assets

Small/Mid Cap Equity Fund

On the first $100 million	0.60% of average daily net assets
$100 million to $250 million	0.55% of average daily net assets
Over $250 million	0.50% of average daily net assets

Compensating Westwood for its Services

The Manager pays Westwood for its services to the portion of the Equity Fund that it manages at the rates shown in the table below:

Equity Fund

On the first $25 million	0.55% of average daily net assets
$25 million to $50 million	0.45% of average daily net assets
Over $50 million	0.30% of average daily net assets

Compensating Rainier for its Services

The Manager pays Rainier for its services to the portion of the Small/Mid Cap Equity Fund that it manages at the rates shown in the table below:

Small/Mid Cap Equity Fund

On the first $100 million	0.60% of average daily net assets
$100 million to $250 million	0.55% of average daily net assets
Over $250 million	0.50% of average daily net assets

Compensating Marsico for its Services

The Manager pays Marsico for its services to the portion of the International Equity Fund that it manages at the rates shown in the table below:

International Equity Fund

On the first $300 million	0.50% of average daily net assets
$300 million to $400 million	0.45% of average daily net assets
Over $400 million	0.40% of average daily net assets

Compensating Northern Cross for its Services

The Manager pays Northern Cross for its services to the portion of the International Equity Fund it manages at the rates shown in the table below:

International Equity Fund

On the first $500 million	0.60% of average daily net assets
Over $500 million	0.55% of average daily net assets

Compensating BFA for its Services

The Manager pays BFA for its services to the S&P 500 Index Fund at the rates shown in the table below:

S&P 500 Index Fund

On the first $500 million	0.03% of average daily net assets
$500 million to $750 million	0.02% of average daily net assets
Over $750 million	0.01% of average daily net assets

In determining the application of these breakpoints, the assets of the S&P 500 Index Fund are combined with the assets of the Large Cap Equity Index Fund of State Farm Variable Product Trust, so long as BFA remains the sub-adviser to that Fund and to the S&P 500 Index Fund. If the fee for the S&P 500 Index Fund calculated for a fiscal quarter is less than $25,000, the Manager pays BFA a sub-advisory fee of $25,000 for that fiscal quarter.

Compensating Northern Trust Investments, Inc for its Services

The Manager pays Northern Trust, Inc for its services to the Small Cap Index Fund and the International Index Fund at the rates shown in the table below:

Small Cap Index Fund and International Index Fund

On the first $150 million	0.13% of average daily net assets
Over $150 million	0.10% of average daily net assets

For purposes of calculating the fees under the above schedules, other assets managed in a similar style by the sub-adviser for other investment companies advised by the Manager or other companies affiliated with the Manager are included in determining the fee to be paid to the respective sub-adviser.

LifePath Funds—Compensation in the Master/Feeder Mutual Fund Structure

The LifePath Funds are feeder funds that invest all of their assets in Master Portfolios with substantially similar investment objectives, strategies and risks. BFA manages each Master Portfolio. For its services to the Master Portfolios, BFA receives annual fees based on the following annual rates:

Fund	Annual Management Fee
LifePath Retirement Master Portfolio	0.35% of average daily net assets
LifePath 2020 Master Portfolio	0.35% of average daily net assets
LifePath 2030 Master Portfolio	0.35% of average daily net assets
LifePath 2040 Master Portfolio	0.35% of average daily net assets

For its services to the Underlying Funds in which the LifePath Master Portfolios invest, BFA receives fees that differ from the fees described for the LifePath Funds in this prospectus. BFA has agreed to waive the investment advisory fees charged to the Master Portfolios in an amount equal to the investment advisory fees charged to the Underlying Funds in order to avoid duplication of such fees. In addition, BTC may receive fees as administrator of certain of the Underlying Funds; however, BFA has agreed to waive from the investment advisory fees charged to the Master Portfolios an amount equal to the administration and other fees paid to BTC by those Underlying Funds.

Feeder Fund Expenses. Each LifePath Fund bears its corresponding Master Portfolio's expenses in proportion to the amount of assets it invests in the corresponding Master Portfolio. Each feeder fund can set its own transaction minimums, fund-specific expenses and conditions.

Feeder Fund Rights. Under the master/feeder structure, the Board of Trustees retains the right to withdraw the assets of a LifePath Fund from a Master Portfolio if it believes doing so is in the best interests of the Fund and its shareholders. If the Board withdraws assets of any such Fund from a Master Portfolio, it would then consider whether that Fund should invest in another master portfolio or take other action.

Approval of Investment Advisory and Investment Sub-Advisory Agreements

For information regarding the basis for the Board of Trustees approving the continuation of the investment advisory and investment sub-advisory agreements, please see the Trust's semi-annual report for the six-month period ended June 30, 2012.

Portfolio Managers

The Funds are managed by portfolio management teams as described below. Each team makes advisory decisions for the applicable Fund, subject to the oversight of the Board of Trustees of the Trust.

Equity Fund

The chart below indicates the name, title, and length of service of the persons associated with Bridgeway and Westwood who are primarily responsible for the day-to-day management for each respective sub-adviser's segment of the Equity Fund's portfolio, and each person's business experience during the past five years:

Bridgeway Portfolio Managers		
Portfolio Manager and Title with Bridgeway	***Length of Service with Bridgeway***	***Business Experience During the past 5 years***
John Montgomery, Chief Investment Officer	19 years	Investment management, research and analysis
Elena Khoziaeva, CFA Investment Team Member	13 years	Investment management, research and analysis
Michael Whipple, CFA Investment Team Member	10 years	Investment management, research and analysis
Rasool Shaik, CFA Investment Team Member	6 years	Investment management, research and analysis

Westwood Portfolio Managers		
Portfolio Manager and Title with Westwood	***Length of Service with Westwood***	***Business Experience During the past 5 years***
Mark R. Freeman, CFA Executive Vice President and Chief Investment Officer	14 years	Portfolio manager of equity and fixed income securities
Matt Lockridge, CFA, Vice President and Research Analyst	3 years	Portfolio manager of equity securities
Scott Lawson, CFA, Vice President and Senior Research Analyst	10 years	Portfolio manager of equity securities
Varun Singh, CFA, Vice President and Research Analyst	1 year	Portfolio manager of equity securities
Lisa Dong, CFA Senior Vice President and Product Director	13 years	Portfolio manager of equity securities

Small/Mid Cap Equity Fund

The chart below indicates the name, title, and length of service of the persons associated with Bridgeway and Rainier who are primarily responsible for the day-to-day management for each respective sub-adviser's segment of the Small/Mid Cap Equity Fund's portfolio, and each person's business experience during the past five years:

Bridgeway Portfolio Managers		
Portfolio Manager and Title with Bridgeway	***Length of Service with Bridgeway***	***Business Experience During the past 5 years***
John Montgomery, Chief Investment Officer	19 years	Investment management, research and analysis
Elena Khoziaeva, CFA Investment Team Member	13 years	Investment management, research and analysis
Michael Whipple, CFA Investment Team Member	10 years	Investment management, research and analysis
Rasool Shaik, CFA Investment Team Member	6 years	Investment management, research and analysis

Rainier Portfolio Managers		
Portfolio Manager and Title with Rainier	***Length of Service with Rainier***	***Business Experience During the past 5 years***
Mark W. Broughton, CFA, Senior Portfolio Manager	More than 5 years	Portfolio manager of equity securities
James R. Margard, CFA, Chief Investment Officer	More than 5 years	Portfolio manager of equity securities
Peter M. Musser, CFA, Senior Portfolio Manager	More than 5 years	Portfolio manager of equity securities

Rainier's segment of the Fund is team managed, with all members of Rainier's U.S. Equity Portfolio Management team providing investment insight and analysis. James Margard is the lead portfolio strategist for Rainier's segment of the Fund, and Mark Broughton and Peter Musser are also primarily responsible for the day-to-day management of the Rainier's segment of the Fund's portfolio.

International Equity Fund

The chart below indicates the name, title, and length of service of the persons associated with Marsico and Northern Cross who are primarily responsible for the day-to-day management for each respective sub-adviser's segment of the International Equity Fund's portfolio, and each person's business experience during the past five years:

Marsico Portfolio Managers		
Portfolio Manager and Title with Marsico	***Length of Service with Marsico***	***Business Experience During the past 5 years***
James G. Gendelman, Portfolio Manager, Senior Analyst	13 years	Portfolio manager of equity securities, research and analysis
Munish Malhotra, Portfolio Manager, Senior Analyst	10 years	Portfolio manager of equity securities, research and analysis

Northern Cross Portfolio Managers		
Portfolio Manager and Title with Northern Cross	***Length of Service with Northern Cross***	***Business Experience During the past 5 years***
Howard Appleby, CFA, Principal	9 years	Portfolio manager of equity securities
James LaTorre, CFA, Principal	9 years	Portfolio manager of equity securities
Edward E. Wendell, Jr., Principal	9 years	Portfolio manager of equity securities
Jean-Francois Ducrest, Principal	9 years	Portfolio manager of equity securities

S&P 500 Index Fund

The three members of BFA that have the most significant day-to-day management responsibility are: Greg Savage, Edward Corallo and Christopher Bliss.

Greg Savage, CFA, has been employed as a portfolio manager at BFA and BlackRock Institutional Trust Company, N.A. ("BTC") since 2009. Mr. Savage was previously a senior portfolio manager for Barclays Global Fund Advisors and Barclays Global Investors, N.A. from 2006 to 2009 and a portfolio manager for Barclays Global Fund Advisors and Barclays Global Investors, N.A. from 2001 to 2006. Mr. Savage has been one of the S&P 500 Stock Master Portfolio Managers primarily responsible for the day-to-day management of the S&P 500 Stock Master Portfolio since January 2008.

Edward Corallo has been employed as the head of portfolio management in the Index Equity Group at BFA and BTC since 2009. Previously, Mr. Corallo was the head of portfolio management in the Index Equity Group at Barclays Global Investors, N.A. and Barclays Global Fund Advisors from 2007 to 2009. Prior to that time, he was a senior portfolio manager for Barclays Global Fund Advisors and Barclays Global Investors, N.A. from 2001 to 2007. Mr. Corallo has been one of the S&P 500 Stock Master Portfolio Managers primarily responsible for the day-to-day management of the S&P 500 Stock Master Portfolio since May 2009.

Christopher Bliss, CFA, has been employed as a portfolio manager at BFA and BTC since 2009. Mr. Bliss previously was a senior portfolio manager for Barclays Global Investors, N.A. from 2005 to 2009 and a portfolio manager for Barclays Global Investors, N.A. from 2004 to 2005. Mr. Bliss has been one of the S&P 500 Stock Master Portfolio Managers primarily responsible for the day-to-day management of the S&P 500 Stock Master Portfolio since May 2009.

Small Cap Index Fund

Northern Trust Investments, Inc. serves as the sub-adviser to the Small Cap Index Fund. The portfolio manager for the Small Cap Index Fund is Brent Reeder, Senior Vice President of NTI. Mr. Reeder, joined NTI in 1993, is a Portfolio Manager in the Quantitative Management Group and is responsible for the management of index portfolios. Mr. Reeder received a B.A. degree in Economics from DePauw University and an M.B.A. degree in Finance from DePaul University. Mr. Reeder is an Associated Person with the National Futures Association. For the past five years, he has managed quantitative equity portfolios.

International Index Fund

NTI serves as the sub-adviser to the International Index Fund. The portfolio manager for the International Index Fund is Shaun Murphy, Senior Vice President of NTI. Mr. Murphy is a Portfolio Manager in the U.S. Equities Division within the Quantitative Management Group. He joined NTI in June 2004 and for the past five years has managed equity portfolios. Mr. Murphy received a degree in Business Studies from the University of Sunderland in the United Kingdom. He is a CFA charterholder and a member of the CFA Institute.

Equity and Bond Fund

The Equity and Bond Fund invests in shares of the Equity Fund and the Bond Fund, and these underlying funds invest in either common stocks or bonds. Consequently, the Equity and Bond Fund has the same portfolio managers as the Equity Fund and as the Bond Fund. For a description of the portfolio managers of the Equity Fund and the portfolio managers of the Bond Fund, please see the separate descriptions for those Funds included in this prospectus.

Bond Fund

Joe Young and Duncan Funk are the portfolio managers responsible for the day-to-day management of the Bond Fund. Mr. Young, Vice President—Fixed Income at State Farm Mutual Automobile Insurance Company, has been associated with the Bond Fund since June 2011. Since that time, Mr. Young has been involved in all aspects of managing fixed income portfolios for State Farm Mutual Automobile Insurance Company and its affiliated entities. Mr. Young was involved in all aspects of managing fixed income portfolios for Nationwide Insurance and its affiliated entities during his tenure from March 1998 through May 2011, most recently serving in the capacity of Vice President. Mr. Funk, Senior Investment Officer—Fixed Income at State Farm Mutual Automobile Insurance Company, has been associated with the Bond Fund since 1998, and over the past five years Mr. Funk has been involved in all aspects of managing fixed income portfolios for State Farm Mutual Automobile Insurance Company and its affiliated entities.

Messrs. Young and Funk generally have different roles on the Bond Fund management team. Mr. Young's role includes overseeing the process for buying and selling fixed income securities and maintaining investment policies. Mr. Funk's role includes selecting fixed income securities for purchase and sale, conducting fixed income research, and reviewing financial data and research reports.

LifePath Funds

Leslie Gambon, Alan Mason and Amy Whitelaw (the "LifePath Portfolio Managers") are primarily responsible for the day-to-day management of the LifePath Master Portfolios and act collaboratively on all aspects concerning these Master Portfolios. Each LifePath Portfolio Manager is responsible for various functions related to portfolio management, including, but not limited to, investing cash inflows, coordinating with members of their team to focus on certain asset classes, implementing investment strategy, researching and reviewing investment strategy, and overseeing members of his or her portfolio management team with more limited responsibilities.

Ms. Gambon has been employed as a member of the asset allocation portfolio management team at BFA and BTC since December 2009. From April 2007 to November 2009, Ms. Gambon was a member of the asset allocation portfolio management team at Barclays Global Fund Advisors and Barclays Global Investors, N.A. Prior to becoming a member of the asset allocation portfolio management team, Ms. Gambon was an Active Equity Product Manager with Barclays Global Investors, N.A. from 2001 to 2004, and in October 2004 became Head of Defined Contribution Portfolio Management at Barclays Global Investors, N.A. Ms. Gambon has been one of the LifePath Portfolio Managers primarily responsible for the day-to-day management of the LifePath Master Portfolios since May 2007.

Mr. Mason has been employed by BFA and BTC since December 2009. Mr. Mason is responsible for multi-asset class solutions for institutional clients. From 1991 to 2009, Mr. Mason served a variety of roles at Barclays Global Fund Advisors and Barclays Global Investors, N.A., including eight years devoted to the development of transition management products. Mr. Mason has been one of the LifePath Portfolio Managers primarily responsible for the day-to-day management of the LifePath Master Portfolios since September 2009.

Ms. Whitelaw has been employed as Head of Defined Contributions Portfolio Management at BFA and BTC since December 2009. From October 2009 to November 2009, Ms. Whitelaw was Head of Defined Contributions Portfolio Management at BGFA and BGI. Ms. Whitelaw had been employed as a member of the portfolio management team at BGFA and BGI since July 2006. From April 2002 to April 2005, Ms. Whitelaw worked as a transition manager and strategist in the Transition Services group at BGFA and BGI.

The SAI provides additional information about portfolio managers' compensation, other accounts managed by the portfolio managers and portfolio managers' ownership of securities in the Fund.

Who Can Purchase Shares?

Shares currently are offered to institutional investors, including certain insurance companies, defined contribution plans, defined benefit plans, and may be used as a funding vehicle for certain tax-qualified accounts.

For the purpose of funding their Traditional IRA, Roth IRA, Archer Medical Savings Accounts, Tax Sheltered Accounts under section 403(b)(7) of the Internal Revenue Code and Coverdell Education Savings Accounts, current insurance agents of the State Farm Insurance Companies who are also registered representatives of State Farm VP Management Corp. ("Registered State Farm Agents"), Agency Sales Leaders ("SLs"), State Farm's Field Sales Associates ("FSAs"), Zone Sales Associate Managers ("ZSAMs") and the family members of such persons may purchase shares to fund any of these tax-qualified accounts.

"Family member" is defined as:

- Spouse, which means the person to whom you legally are married under the laws of the state in which you reside.
- Lineal ascendants including:
  - parents
  - grandparents
  - step-parents
  - step-grandparents
  - great grandparents
  - step-great grandparents
- Lineal descendants including:
  - children
  - grandchildren
  - great grandchildren
  - step children
  - court appointed foster children
  - legally adopted children
  - step-grandchildren
  - step-great grandchildren
- Lineal descendant's spouse
- Siblings
  - brother
  - sister
  - step-brother
  - step-sister
- Sibling's spouse

If you are eligible to purchase Institutional shares as a "family member" of a Registered State Farm Agent, SL, FSA or ZSAM and that person dies, you may no longer establish new registrations with Institutional shares.

If you are a Fund Shareowner who is unable to establish new registrations with Institutional shares, you may nevertheless maintain and add to your existing registration(s).

If you acquired your Fund shares because another shareowner transferred those shares to you and if you are otherwise ineligible to invest in Institutional shares, you will be allowed to maintain your account. However, in these circumstances, you may not add to your account and you may not establish new registrations with Institutional shares.

Registered State Farm Agents, SLs, FSAs, ZSAMs, and family members (defined above) who are plan sponsors, administrators, trustees, or fiduciaries of a qualified retirement plan and the participants of that plan qualify to purchase shares for that plan. Registered State Farm Agents, SLs, FSAs, and ZSAMs who own (greater than 10%) or participate as an officer, director, or partner in a business which sponsors a qualified retirement plan and the participants of that plan qualify to purchase shares for that plan. Family members (as defined above) of Registered State Farm Agents, SLs, FSAs, and ZSAMs who own a sole proprietorship which sponsors a qualified retirement plan and the participants of that plan may purchase shares for that plan. Registered State Farm Agents, SLs, FSAs, ZSAMs and family members of such persons who are participants in a qualified retirement plan investing in the Funds may purchase shares to fund their individual accounts under that plan, even if the entire plan does not qualify to purchase shares as described above

If you are a Fund Shareowner who is not eligible to invest in the Funds, you may maintain and add to your established registration(s), but you may not open any new registrations.

General Policies for Purchasing Shares and the Use of Telephone and the Internet to Initiate Transactions in Shares

If eligible, you may buy shares of any of the Funds by submitting a written order directly to State Farm VP Management Corp. at the address listed below, by contacting a State Farm VP Management Corp. Customer Service Representative at 1-800-447-4930 from 8:00 a.m. through 6:00 p.m. (Central Time) Monday through Friday (except holidays) or via the Internet. An interactive voice response (IVR) system provides access to most information and many transactions, 24 hours per day.

We will employ reasonable procedures to confirm that telephone and internet instructions are genuine. These procedures include recording telephone calls, requiring the use of a personal identification number for internet transactions, and sending you transaction confirmation statements. If the Manager and the Funds fail to comply with such procedures, they may be liable for any losses

due to unauthorized or fraudulent instructions. However, the Funds, the Manager and their respective officers, directors, employees and agents will not be liable for acting upon instructions given, when reasonably believed to be genuine.

During periods of volatile economic and market conditions, you may have difficulty initiating a transaction by telephone or by the internet, in which case you should consider sending in your request by letter.

Telephone Transaction Privileges are automatically established for you unless you decline these privileges on the Application. If you currently do not have the Telephone Transaction Privileges but would like to sign up for these privileges, you may complete an Investor Account Services Form. Your signature on the Investor Account Services Form must be witnessed by a notary public.

Although the Application or the Investor Account Services Form authorize the Funds and the Manager to record all telephone instructions, the Funds may not honor telephone instructions unless permission to record is confirmed by the caller. Each Fund reserves the right at any time to suspend, limit, modify or terminate Telephone Transaction Privileges, but will not do so without giving you at least 30 days' prior written notice.

Minimum Investments

Your initial and subsequent investment in each of the Funds has to meet these minimum requirements.

Minimum Investments

Initial Investment—To open an account by check or ACH (without an AIP*)	$250 per Fund
Initial Investment—To open an account by check or ACH (with an AIP)**	$50 per Fund
Subsequent investments by check, ACH, or AIP	$50 per Fund

* AIP stands for Automatic Investment Plan.

** To open an account with the $50 minimum per Fund, an AIP of at least $50 per month you must establish and maintain until the $250 Fund minimum is met.

The above minimum investment amounts do not apply to SEP IRAs, SIMPLE IRAs or accounts held under other employer-sponsored qualified retirement plans.

Distribution Payments to State Farm

State Farm VP Management Corp., the principal underwriter and distributor of the shares of State Farm Mutual Fund Trust, may enter into Distribution & Marketing Support Agreements pursuant to which State Farm VP Management Corp. receives compensation from mutual fund sponsors or investment advisers for providing distribution services. For further details regarding Distribution & Marketing Support Agreements to which State Farm VP Management Corp. is a party, please see the Trust's SAI.

Shareholder Servicing Fees

Institutional Shares of each Fund pay a shareholder servicing fee of 0.25% per year of the average daily net assets to the Manager for providing ongoing account services to shareholders. Shareholder services include establishing and maintaining shareholder accounts, answering shareholder inquiries and providing other personal services to shareholders.

Calculating Net Asset Value

The offering price of the shares of each Fund is its NAV. NAV is calculated by adding all of the assets of a Fund, subtracting the Fund's liabilities, then dividing by the number of outstanding shares. A separate NAV is calculated for each class of each Fund. We calculate the NAV of LifePath Funds based on the NAVs of each corresponding Master Portfolio. Each are calculated on the same day and determined as of 4:00 p.m. (Eastern Time) on each day the New York Stock Exchange ("NYSE") is open for business.

The NAV for each Fund is determined as of the time of the close of regular session trading on the NYSE (currently at 4:00 p.m., Eastern Time), on each day when the NYSE is open for business. Shares of the Funds will not be priced on days when the NYSE is closed. Each Fund values its assets at their current market value when market quotations are readily available. Securities for which readily available market quotations are not available, or for those quotations deemed not to be representative of market values, are valued by a method that the Board of Trustees believes will reflect a fair value. Fair value pricing typically is used when trading for a portfolio security is halted during the day and does not resume prior to the Fund's NAV calculation or when a portfolio security has limited liquidity resulting in no market derived price. Securities also may be fair valued as a result of significant events that occur after the close of trading in markets within which the securities trade, but before the time at which the securities are valued for NAV calculation. Examples of significant events may include government action and acts of terrorism.

The intended effect of fair value pricing is to take into consideration all significant events, including those that have occurred between the time a security last traded and the time of NAV calculation, so that the NAV of a Fund fairly and accurately represents the value of the Fund's holdings. Fair valuation may reduce the ability of a shareholder to take advantage of a lag between a significant change in the value of the Fund's holdings and the reflection of that change in the Fund's NAV.

Money market securities, other than U.S. Treasury securities, that mature within 60 days or less are valued using the amortized cost method, unless the Board of Trustees determines that this does not represent fair value.

All investments by the International Equity Fund and International Index Fund are valued in U.S. dollars based on the then prevailing exchange rate. Because each of these international funds invest in securities that are listed on foreign exchanges that trade on days when the Fund does not price its shares, the value of the foreign securities owned by these Funds may change on days when you will not be able to purchase or redeem the shares. The Trust's Board of Trustees has adopted procedures to value non-U.S. securities ("foreign securities") held by the International Equity Fund and the International Index Fund. The procedures require foreign securities held by these two Funds to be fair valued in certain

circumstances using prices provided by a third-party pricing service. The Manager fair values foreign securities held by these two Funds on valuation days when the closing prices for such securities are determined not to reflect the market value of such securities as of the time the Funds compute their NAVs. The Manager uses systematic and objective standards to determine when the closing prices of the foreign securities held by the International Equity Fund and the International Index Fund do not reflect the market value of such securities. Specific information about how the Funds value certain assets is set forth in the SAI.

Investments in a Master Portfolio are valued based on an interestholder's proportionate ownership interest in the Master Portfolio's aggregate net assets as next determined after an order is received in proper form. The aggregate NAV of each Master Portfolio (i.e., the value of its assets less liabilities) is determined as of 4:00 p.m. (Eastern time) on each day the NYSE is open for business. The Master Portfolio's investments are valued each business day, typically by using available market quotations or at fair value determined in good faith by the Master Fund's Board of Trustees. The prospectus of the Master Portfolios explains the circumstances under which the Master Portfolios will use fair value pricing and the effects of using fair value pricing.

How To Buy and Sell Shares

Persons Purchasing, Exchanging or Selling Shares Through Plan Sponsors or Administrators

Retirement plan participants should refer to materials provided by their plan sponsor or plan administrator for information on how to invest in, exchange and redeem shares of the Funds.

Plan sponsors or administrators who have made arrangements with the Trust may receive orders from their plan participants to purchase, exchange or redeem shares of the Funds, generally on each business day. That night, all orders received by that plan sponsor or plan administrator prior to 4:00 p.m. Eastern time on that day are aggregated, and the plan sponsor or plan administrator generally places a net purchase and/or redemption order(s) for shares of the Funds on the morning of the next business day. These orders are normally executed at the NAV that was computed for each Fund as of 4:00 p.m. Eastern time the previous day.

Plan sponsors and plan administrators who choose not to enter into arrangements of the type described above will need to transmit orders for receipt by the Trust prior to 4:00 p.m. Eastern time in order for those orders to be executed at the NAV computed for that day.

The Trust's Purchase Blocking Policy described under the heading "All Other Persons Purchasing, Exchanging or Selling Shares" applies to persons purchasing or exchanging shares through plan sponsors or plan administrators.

The Trust normally will wire redemption proceeds to the plan sponsor or plan administrator on the next business day after receipt of the redemption instructions by the Trust, but in no event later than seven days following receipt of such instructions. Redemptions of more than $500,000 of a Fund's assets during any 90-day period by one shareowner will normally be paid in cash, but may be paid wholly or partly by a distribution in-kind of securities. If a redemption is paid in-kind, the redeeming shareowner may incur brokerage fees in selling the securities received.

Each Fund may suspend the right of redemption or postpone a redemption payment more than seven days during any period when (a) the NYSE is closed for other than customary weekend and holiday closings, (b) trading on the NYSE is restricted, (c) there are emergency circumstances as determined by the Securities and Exchange Commission, or (d) the Securities and Exchange Commission has by order permitted such suspension for the protection of shareowners of the Fund; provided that applicable rules and regulations of the Securities and Exchange Commission shall govern as to whether any condition prescribed in (b) through (d) exists.

Anti-Money Laundering Compliance. The Funds are required to comply with various anti-money laundering laws and regulations. Consequently, the Funds may request additional required information from you to verify your identity. Your application will be rejected if you are not a U.S. resident or it does not contain your name, social security number, date of birth and permanent street address. This information may be compared to information obtained through third party sources where permitted by law. If we cannot verify this information your account may be restricted and/or closed. If at any time the Funds believe a shareholder may be involved in suspicious activity or if certain account information matches information on government lists of suspicious persons, the Funds may choose not to establish a new account or may be required to "freeze" a shareholder's account. The Funds also may be required to provide a governmental agency with information about transactions that have occurred in a shareholder's account or to transfer monies received to establish a new account, transfer an existing account or transfer the proceeds of an existing account to a governmental agency. In some circumstances, the law may not permit the Funds to inform the shareholder that it has taken the actions described above. The Manager and State Farm VP Management Corp., the Trust's distributor, implement the Funds' anti-money laundering program and have appointed an anti-money laundering compliance officer.

All Other Persons Purchasing, Exchanging or Selling Shares

The preceding discussion relates to how persons purchase, exchange and sell shares through plan sponsors and plan administrators. The following discussion relates to how all other persons purchase, exchange, and sell shares.

How To Buy Shares

In accordance with federal securities laws, orders are effected at the NAV per share next determined after receipt of the order in proper form by State Farm VP Management Corp. or its Registered Representatives. Receipt of an order in proper form means that State Farm VP Management Corp. or its Registered Representatives have received complete purchase instructions and payment for shares.

If State Farm VP Management Corp. or its Registered Representatives determine that the purchase instructions for your order are incomplete, State Farm VP Management Corp. or its

Registered Representative will contact you to obtain the missing information and/or the missing documents necessary to make your purchase instructions complete. Your purchase order will not be processed until after the purchase instructions have been made complete and payment for the shares has been received.

All checks should be made payable to State Farm Mutual Funds. Third-party checks will not be accepted. All payments must be in U.S. dollars and must be drawn only on U.S. banks. The Funds reserve the right to reject any purchase order.

Purchase Blocking Policy. The Funds reserve the right to reject any purchase order for any reason. The Funds are not designed to serve as a vehicle for frequent trading, including frequent trading in response to short-term fluctuations in the securities markets. Accordingly, purchases, **including those that are part of exchange activity,** that the Funds have determined could involve actual or potential harm to a Fund, may be rejected. Frequent trading of Fund shares may lead to increased costs to the Fund and less efficient management of the Fund's portfolio, resulting in dilution of the value of the shares held by long term shareholders.

The Trust's Board of Trustees has approved policies and procedures with respect to frequent purchases and redemptions of Fund shares. Under the Trust's "Purchase Blocking Policy," any shareholder redeeming shares **(including redemptions that are part of an exchange transaction)** having a value of $2,500 or more from a Fund (other than the Money Market Fund) will be precluded from investing in that Fund **(including investments that are part of an exchange transaction)** for 30 calendar days after the redemption transaction. The Funds will work with intermediaries to develop such procedures or other procedures that the Funds determine are reasonably designed to achieve the objective of the purchase blocking policy. At the time the intermediaries adopt these procedures, shareholders whose accounts are on the books of such intermediaries will be subject to this purchase blocking policy or one that achieves the objective of this policy.

Under the Funds' purchase blocking policy, certain purchases will not be prevented and certain redemptions will not trigger a purchase block, such as:

- Systematic redemptions and purchases where the entity maintaining the shareholder account is able to identify the transaction as a systematic redemption or purchase
- Employer sponsored retirement plan contributions, loans and distributions (including hardship withdrawals) identified as such on the retirement plan record keeper's system
- Purchase transactions involving external transfers of assets and external rollovers.
- Roth IRA conversions and IRA recharacterizations, where the entity maintaining the shareholder account is able to identify the transaction as one of these types of transactions.

Notwithstanding the Funds' purchase blocking policy, all transactions in Fund shares remain subject to the Funds' right to restrict potentially abusive trading generally (including the types of transaction described above that will not be prevented or trigger a purchase block under the policy). For instance, each Fund reserves the right, in its sole discretion, to reject purchases when, in the judgment of the Manager, the purchase would not be in the best interest of the Fund.

Anti-Money Laundering Compliance. The Funds are required to comply with various anti-money laundering laws and regulations. Consequently, the Funds may request additional required information from you to verify your identity. Your application will be rejected if you are not a U.S. resident or if it does not contain your name, social security number, date of birth and permanent street address. If at any time the Funds believe a shareholder may be involved in suspicious activity or if certain account information matches information on government lists of suspicious persons, the Funds may choose not to establish a new account or may be required to "freeze" a shareholder's account. The Funds also may be required to provide a governmental agency with information about transactions that have occurred in a shareholder's account or to transfer monies received to establish a new account, transfer an existing account or transfer the proceeds of an existing account to a governmental agency. In some circumstances, the law may not permit the Funds to inform the shareholder that it has taken the actions described above. The Manager and State Farm VP Management Corp., the Trust's distributor, implement the Funds' anti-money laundering program.

Opening and Adding to an Account

By Writing to the Manager. To open a new account in writing, complete and sign the Application and mail it to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548, together with a check made payable to "State Farm Mutual Funds" or a properly completed ACH authorization to debit the account for the minimum initial investment. Send Express Overnight mail to: State Farm Mutual Funds, 330 W. 9th Street, Kansas City, Missouri 64105. You may obtain an Application by calling the State Farm VP Management Corp. call center at 1-800-447-4930. You may make subsequent investments at any time by mailing a check to the Manager, payable to State Farm Mutual Funds, along with the detachable investment slip found at the top of your confirmation statement. You may also send a letter of instruction indicating your account registration, account number and the Fund name.

By Telephone. With the Telephone Investment Privilege, you can purchase additional Fund shares by having the Fund make an electronic withdrawal from your predesignated bank account. You can establish or change bank instructions on an existing account by mail or fax as long as the bank account and mutual fund account owner(s) are the same and a voided check is submitted. If the bank account owner and mutual fund account owner(s) are different, mail a written request signed by each shareholder and at least one bank account owner, with all signatures witnessed by a notary public along with a voided check to: State Farm Mutual Funds, PO Box 219548, Kansas City, MO 64121-9548.

Further documentation may be required for corporations, partnerships, trusts and other entities. To make a telephone investment, call 1-800-447-4930.

By the Internet. Visit our web site at www.statefarm.com™, and click on the "Mutual Funds" link. If you would like to open an account, print and complete the Application and mail it along with your personal check or an ACH authorization to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548. If you would like to add to your account that has already been established, follow the instructions presented on the screen.

By Automatic Investing. The automatic investment plan allows you to make recurring investments in a Fund through automatic transfers from your bank account. To sign up, complete the appropriate section of the Application or get an Investor Account Services Form by calling 1-800-447-4930. You can make periodic investments of $50 or more by authorizing a Fund to withdraw funds from your bank or credit union account. Until you meet the $250 initial investment minimum per fund, a monthly $50 per fund investment is required. There is no charge to participate in the automatic investment plan. You can stop the withdrawals at any time by notifying your State Farm VP Management Corp., by writing the Manager, or by contacting a Customer Service Representative at 1-800-447-4930.

General Policies On Buying Shares

- Your purchase order must be received by 4:00 p.m., Eastern Time to get that day's NAV.
- All checks must be payable in U.S. dollars, drawn on a U.S. bank and made payable to "State Farm Mutual Funds" (not State Farm VP Management Corp.). Cash, credit cards and debit cards are not acceptable forms of purchase. Forms of purchase such as second party checks, third party checks and Cyber-Chex generally are not acceptable.
- Unless you instruct otherwise, all of your income dividends and capital gain distributions will be reinvested in your account. For non tax-qualified accounts, you may at any time request to have your income dividends and capital gain distributions paid to you in cash. For tax-qualified accounts refer to the plan documents for dividend and capital gain distribution provisions. You cannot elect to receive a check for an income dividend and/or a capital gain distribution if the amount payable is less than $10.
- Stock certificates will not be issued.
- The Manager will send to you an immediate confirmation of each transaction with the exception of transactions pursuant to: the automatic investment plan, the systematic withdrawal program, and transactions within Employer Sponsored Retirement Plans. You will receive confirmation of these transactions promptly after the end of each calendar quarter.
- Persons who own Fund shares through a qualified retirement plan such as a 401(k) plan should refer to documents provided by their plan sponsor or administrator for any additional information related to buying shares.
- Each Fund reserves the right, in its sole discretion, to reject purchases when, in the judgment of the Manager, the purchase would not be in the best interest of the Fund. No order to purchase shares is binding on a Fund until it has been confirmed in writing and the Fund has received payment.
- You are required by federal regulations to certify your taxpayer identification or Social Security number when opening your account. Failure to provide an identification number could subject you to backup withholding on any distributions, redemptions, or disbursements from your account. Further, you must reside in a jurisdiction where Fund shares may lawfully be offered for sale.

Inquiring About Transactions

You should review your confirmation statements thoroughly when received. The Manager employs reasonable procedures to ensure the proper and accurate processing of all transactions. In the event a transaction occurs in your account in error, you must notify the Manager via telephone or in writing within 30 days of receipt of your quarterly account statement of such error.

How To Exchange Shares

You may exchange your shares for shares of another Fund as follows:

In Writing. A written exchange request must be signed by all of the owners of the account, must be sent to the Manager, and must clearly indicate your account number, account registration and the Fund names and the number of shares or the dollar amount you wish to exchange. Send your request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, Missouri 64121-9548.

By Telephone. With the Telephone Exchange Privilege, you may call the Manager and request an exchange. You must identify the existing account by giving the Fund's name, registration of the account and account number, and must specify the dollar amount or number of shares to be exchanged and the Fund to which the exchange should be made.

By the Internet. You can exchange shares of one Fund for another through our web site at www.statefarm.com™. Just click on the "Mutual Funds" link at that site and follow the instructions presented on the screen.

General Policies on Exchanging Shares

Exchange Limitations.

Because excessive exchanges can disrupt management of a Fund and increase the Fund's cost for all shareowners, the Trust places certain limits on the exchange privilege through the Purchase Blocking Policy. See the section of this prospectus on "How to Buy Shares."

- The Funds have the discretion to make inquiries or to take action against any shareholder whose trading appears inconsistent with exchange policies.
- The Manager reserves the right to revise or terminate the exchange privilege, limit the amount of any exchange, or reject an exchange, at any time, for any reason. An exchange request can be rejected because of the timing or amount of the investment or because of a history of excessive trading by the investor.

- An exchange will be effective on the day your request is received, if it is received by State Farm VP Management Corp. before the Funds calculate their NAVs on that day; a request received after the time the NAV is calculated will be effective at the next calculated NAV. All Funds calculate their NAVs as of the close of regular session trading on the NYSE (currently at 4:00 p.m., Eastern Time) each day the NYSE is open for business.
- You have to meet the minimum investment requirements of the Fund into which you are exchanging.
- There is no charge for exchanges provided you exchange your shares for the same class of another Fund.
- The Funds may refuse any exchange purchase if: (1) the Manager believes the Fund would be harmed or unable to invest effectively; or (2) the Fund receives or anticipates simultaneous orders that may significantly affect the Fund.
- An exchange is a sale of shares from one Fund and the purchase of shares of another Fund for federal income tax purposes, which may produce a taxable gain or loss in a taxable account.
- Before making an exchange please read the description of the Fund to be purchased.
- The Trust may terminate or modify the exchange program at any time, but the Trust will seek to give shareholders at least 60 days notice prior to such change.
- Persons who own Fund shares through a qualified retirement plan, such as a 401(k) plan, should refer to documents provided by their plan sponsor or administrator for any additional information related to exchanging shares.

How To Redeem Fund Shares

You may redeem shares of any of the Funds by contacting State Farm VP Management Corp., by sending a written request, by telephone, by using our systematic withdrawal program, or by exchanging into another Fund.

In Writing. You may redeem all or any portion of your shares by sending a written request to the Manager:

State Farm Mutual Funds
P.O. Box 219548
Kansas City, Missouri 64121-9548

Your redemption request must clearly identify the exact name in which your account is registered, your account number, the Fund name and the number of shares or dollar amount you wish to redeem.

The shareowner of record must sign the redemption request including each joint holder of a joint account. The Fund reserves the right to require further documentation in order to verify the authority of the person seeking to redeem. If you request a redemption of more than $100,000, your signature must be guaranteed as described under "Signature Guarantee."

Redemption proceeds you request in writing normally will be sent by check to your address of record. If you give specific instructions in your written redemption request, and your signature is guaranteed as described under "Signature Guarantee," you may have the proceeds sent to another payee or to an address other than the address of record.

By Telephone. With the Telephone Redemption Privilege, you can redeem shares by calling 1-800-447-4930. You may redeem shares by telephone up to and including $100,000 if the proceeds are to be sent to the address of record, or you may redeem up to the entire value of your account if the proceeds are to be electronically transferred to a predesignated bank account.

By The Internet. Visit our website at www.statefarm.com™, click on the "Mutual Funds" link, and follow the instructions presented on the screen.

Systematic Withdrawal Program. If you own $5,000 or more of a Fund's shares at NAV, you may have a specified dollar amount of $100 on greater withdrawn from your account, payable to you or to another designated payee on a monthly, quarterly, semiannual or annual basis. You designate the day during the chosen period that you would like the shares to be redeemed. If the day selected for your systematic withdrawal plan falls on a scheduled non-business day, such as a customary weekend or holiday closing of the NYSE, the transaction will be processed on the previous business day unless the day selected falls on the first day of the period. Under these circumstances it will be processed the following business day.

Example 1: If you choose to have your withdrawal on the tenth of each month and the tenth falls on a Saturday during a particular month, the transaction will be processed on the ninth.

Example 2: If you choose to have your withdrawal on the first of each month and the first falls on a Saturday during a particular month, the transaction will be processed on the third since this would be the first business day during that period.

If the day scheduled for your systematic withdrawal plan falls on a non-scheduled non-business day, such as the closing of the NYSE as a result of a weather event, the transaction will be processed on the next business day. To redeem shares through a systematic withdrawal plan, contact your State Farm VP Management Corp. Registered Representative for instruction or complete an Investor Account Services Form for shares held in a taxable account or a Distribution Request Form for shares held in a tax-qualified account. You can obtain copies of these forms by calling 1-800-447-4930. Once you have established a redemption program through a systematic withdrawal plan, you can change the amount, the frequency, or the payment date of the systematic withdrawal by calling 1-800-447-4930, if you have Telephone Redemption Privileges.

You should not purchase additional shares of a Fund at the same time you are participating in the systematic withdrawal plan because the withdrawal will be a taxable redemption and may produce taxable gain or loss. The Trust reserves the right to amend the systematic withdrawal program on 30 days' notice. The program may be terminated at any time by the Trust.

General Redemption Policies

- Each Fund will redeem shares at the Fund's NAV next determined after receipt by the Fund of an order in proper form by State Farm VP Management Corp. or its Registered Representatives. Receipt of an order in proper form means State Farm VP Management Corp. or its Registered Representatives have received complete redemption instructions from you.

- A Fund generally will redeem shares in cash (by check) or electronic transfers. Redemptions of more than $500,000 of a Fund's assets during any 90-day period by one shareowner will normally be paid in cash, but may be paid in whole or in part by a distribution in-kind of securities. A shareholder who receives securities in an in-kind distribution from a Fund will be subject to market risk while holding those securities and may incur income tax liability upon selling the securities received in the in-kind distribution. If a redemption is paid in-kind, the redeeming shareowner may incur brokerage fees in selling the securities received.
- Persons who own Fund shares through a qualified retirement plan such as a 401(k) plan should refer to documents provided by their plan sponsor or administrator for any additional information related to redeeming shares.
- Payment for shares redeemed will be mailed to the shareowner(s) address of record or electronically transferred to the shareowner's predesignated bank account within seven days after the Fund receives a redemption request, in writing, by the internet, or by telephone, in proper form.
- If you try to redeem shares paid for by check or electronic transfer soon after they have been purchased, the Fund may delay sending the redemption proceeds until it can verify that payment of the purchase price for the shares has been, or will be, collected. The Fund will employ reasonable verification measures. A Fund will not delay paying redemption proceeds under this policy beyond a period that ends fifteen days after you purchased the shares that are being redeemed.
- Each Fund may suspend the right of redemption or postpone a redemption payment more than seven days during any period when (a) the NYSE is closed for other than customary weekend and holiday closings, (b) trading on the NYSE is restricted as determined by the Securities and Exchange Commission, (c) there are emergency circumstances as determined by the Securities and Exchange Commission, or (d) the Securities and Exchange Commission has by order permitted such suspension for the protection of shareowners of the Fund; provided that applicable rules and regulations of the Securities and Exchange Commission shall govern as to whether any condition prescribed in (b) through (d) exists.
- Once the Manager has received and accepted your redemption request, you may not cancel or revoke it. We cannot accept a redemption request that specifies a particular date or price or any other conditions.
- Redemption proceeds you request in writing normally will be sent by check to your address of record. If you give specific instructions in your written redemption request, and your signature is guaranteed as described under "Signature Guarantee," you may have the redemption proceeds sent to another payee or to an address other than the address of record.
- In some circumstances, you may request expedited delivery or wire transfer of your redemption proceeds. A fee may be deducted from your redemption proceeds for this service. There currently is no charge for electronic transfers using the ACH method. Your bank may charge additional fees for electronic transfers you initiate.
- You may change your address of record by calling 1-800-447-4930, visiting your State Farm VP Management Corp. Registered Representative, or by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, MO 64121-9548. If you request an address change, redemption proceeds will be sent to the former address during the fifteen day period after the Manager receives your request unless the redemption request is in writing and accompanied by a signature guarantee for each registered owner.
- For IRA withdrawals a shareholder should complete the Distribution Request Form which can be obtained by calling 1-800-447-4930 or by visiting our website at www.statefarm.com™.
- If you request, redemption proceeds will be sent electronically to your predesignated bank account. The electronic transfer will be completed either through the ACH method or, under certain circumstances, the wire transfer method. With the ACH method the redemption proceeds will usually be deposited in your predesignated bank account within two or three business days after the processing of the redemption request. With the wire transfer method, the redemption proceeds will usually be deposited in your predesignated bank account on the next business day after the receipt of the redemption request. You can establish or change bank instructions on an existing account by mail or fax as long as the bank account and mutual fund account owner(s) are the same and a voided check is submitted. If the bank account owner and mutual fund account owner(s) are different, mail a written request signed by each shareholder and at least one bank account owner, with all signatures witnessed by a notary public along with a voided check to: State Farm Mutual Funds, PO Box 219548, Kansas City, MO 64121-9548.

Further documentation may be required for corporations, partnerships, trusts and other entities.

- Redemptions may be restricted in the event of bankruptcy proceedings or other legal proceedings involving the shareowner.

Account Closure and Account Fee

The following policies apply to any shareowner who meets the below conditions:

- If the balance in any of your accounts (other than a Traditional IRA, Roth IRA, Coverdell Education Savings Account, Archer Medical Savings Account, SEP IRA, SIMPLE IRA, Tax Sheltered Accounts under §403(b)(7) of the Internal Revenue Code or an account held under other employer-sponsored qualified retirement plans) falls below $250 at the close of business on the second business day of November, the Fund may redeem the shares in such account (with such redemption to occur on the same business day in November), send the proceeds to you at your address of record and close your account. This does not apply to accounts that as of the second business day of November have been open for less than 12 months. Accounts closed under this policy may be reopened with an initial investment of $250 per Fund. The Manager may waive redemption and closure of an account under this policy, in its discretion.

- Because servicing smaller accounts is very expensive, if the balance in any of your accounts falls below $5,000 at the close of business on the second business day of the last month in a calendar quarter (i.e., the second business day of March, June, September and December), through redemptions or any other reason, each of your accounts (other than SEP IRAs, SIMPLE IRAs, Archer Medical Savings Accounts, Tax Sheltered Accounts under §403(b)(7) of the Internal Revenue Code or accounts held under other employer-sponsored qualified retirement plans) with a balance below $5,000 will be charged an account fee of $10.00 for the quarter. We will deduct the account fee from the account on the second business day of the last month of the calendar quarter by redeeming shares from your account. Please note that you may incur tax Liability as a result of the redemption. The account fee will not apply to accounts that as of the second business day of the last month of the calendar quarter were open for less than 12 months. The Manager may waive this fee, in its discretion and, if not waived, the fee will be retained by the Manager.

Signature Guarantee

A signature guarantee is a written representation, signed by an officer or authorized employee of the guarantor, that the signature of the shareowner is genuine. The guarantor must be an institution authorized to guarantee signatures by applicable state law. Such institutions include banks, broker-dealers, savings and loan associations and credit unions. A notary public cannot provide a signature guarantee.

The signature guarantee is required:

- on the written request for redemption that exceeds $100,000, which clearly identifies the exact name in which the account is registered, the account number, the Fund name and the number of shares or the dollar amount to be redeemed
- on a separate "stock power," an instrument of assignment which should specify the total number of shares to be exchanged or redeemed (this stock power may be obtained from most banks and stock brokers)
- if you request that a redemption check be made payable to anyone other than the shareholder of record, that request must be signed and accompanied by a signature guarantee of the registered owner
- if you request to transfer Fund shares from an existing account to another account which does not have identical owners (i.e., transferring shares from an account owned by John & Mary Doe to an account owned by Mary Doe), that request must be signed and accompanied by a signature guarantee of each registered owner of the account from which shares are being transferred
- if you request that a redemption check be mailed to an address other than the address of record, that request must be signed and accompanied by a signature guarantee of the registered owner

The Funds will waive the requirement for a signature guarantee if:

- You are requesting to transfer assets held in a State Farm Traditional IRA, Roth IRA, or Coverdell Education Savings Account to another custodian that is a member of the National Securities Clearing Corporation ("NSCC") and subscribes to NSCC's transfer of retirement asset service
- A State Farm VP Management Corp. Registered Representative who sells Fund shares certifies that your signature is genuine
- You request to redeem shares in your account and reinvest the proceeds into a product sold by State Farm VP Management Corp. or into a product sponsored by a company that controls, is controlled by or is under common control with State Farm VP Management Corp. For this exception to apply, the product into which you are reinvesting redemption proceeds must have an account registration identical to the registration of your Fund account

Excessive Trading/Market Timing

The Manager believes that the Funds are appropriate for a long term investment by a shareholder who can accommodate short-term price volatility. The Funds may also be appropriate as a diversifier of other investments. **The Funds are not an appropriate investment for short-term investors who desire to trade the Funds frequently in anticipation of, or reaction to, short term market price movement.**

An investment strategy some investors follow is commonly referred to as market timing. The Trust defines market timing as transacting into or between mutual funds on a frequent, short term basis, in anticipation of short term movements of share prices within those mutual funds. This is not an investment strategy supported by the Trust. The Trust does not accommodate shareholders who want to engage in market timing. The Trust attempts to identify and discourage market timing. **Do not invest with the Trust if you desire to follow a market timing strategy.**

Certain Funds may be more attractive to investors seeking to engage in market timing activities. For example, to the extent that a Fund invests a significant portion of its assets in foreign securities, the Fund may be more susceptible to a time zone arbitrage strategy in which an investor seeks to take advantage of Fund share prices that may not reflect developments in foreign securities markets that occurred after the close of such market, but prior to the pricing of the Fund's shares. A Fund that invests in securities that are, among other things, thinly traded or traded infrequently is susceptible to the risk that the current market price for such securities may not accurately reflect current market values. An investor may seek to engage in short-term trading to take advantage of these pricing differences (commonly referred to engaging in a time zone arbitrage strategy).

The Trust attempts to identify and discourage market timing because of the possible risks frequent purchases and redemptions present to shareholders and the portfolio management of the Funds. Market timing risks include the dilution in value of Fund shares held by the Fund's other shareholders; interference with the efficient management of the Fund's portfolio; and increased administrative costs for all Fund shareholders. The Board of Trustees for the Trust has adopted the following policies and procedures to discourage market timing:

- Each Fund reserves the right to reject any purchase request, including exchanges from other Funds. A purchase request could be rejected due to its timing, amount or history of trading.

- All Funds except the Money Market Fund restrict certain purchases that follow share redemptions. For further details, see the "Purchase Blocking Policy" section of "How to Buy Shares" in this prospectus.

There is no guarantee that the Funds will be able to detect frequent trading activity or the shareholders engaged in such activity, or, if it is detected, to prevent its recurrence. We apply our market timing policies and procedures, including any and all restrictions, to all investors without special arrangement, waiver or exception. Because we cannot guarantee that our market timing policies and procedures will detect every market timer, investors bear the risk that frequent exchange or transfer activity may occur, resulting in dilution of the value of Fund shares, interference with efficient management of the Funds' portfolios, and increases in brokerage and administrative costs to the Funds.

Certain shares of the Trust are held in omnibus accounts. When held in omnibus accounts, Trust shares are held in the name of an intermediary, such as a qualified retirement plan, on behalf of multiple beneficial owners, such as plan participants. With respect to Trust shares held in some omnibus accounts, the Trust is not able to identify trading by particular beneficial owners, which makes it difficult or impossible for the Trust to determine if a particular beneficial owner is engaged in frequent trading. The techniques used by the Trust and its intermediaries are not anticipated to identify all frequent trading by beneficial owners of Trust shares held in omnibus accounts. Therefore, the Trust's market timing restrictions will not apply to all shares held in omnibus accounts.

Disclosure of Portfolio Holdings

A description of the Trust's policies and procedures regarding the disclosure of each Fund's portfolio securities is available in the SAI.

Arbitration Agreement

Your account application may include an arbitration agreement. If so, the following is the terms of that agreement.

This agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

1. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
2. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
3. The ability of the parties to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings.
4. The arbitrators do not have to explain the reason(s) for their award.
5. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
6. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
7. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated in this agreement.

Arbitration Agreement: I agree to arbitrate any dispute, claim or controversy that may arise between me and State Farm VP Management Corp., its parents and affiliates, and their officers, directors, employees, agents, independent contractor agents and independent contractor agents' employees relating to this account or in any way arising from my relationship with State Farm VP Management Corp. Such arbitration will be conducted before and according to the arbitration rules of the Financial Industry Regulatory Authority ("FINRA") or its successor. Any arbitration award shall be final and binding and judgment on it may be entered in any court having jurisdiction.

No person shall bring a putative or certified class action arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under the agreement except to the extent stated herein.

Shared Delivery of Prospectus and Fund Reports. The rules governing mutual funds require each of the Funds semiannually to furnish to its shareowners a report containing that Fund's financial statements and the Funds generally send each new prospectus to all shareowners. The Funds also send proxy statements to shareowners whenever there is a shareowners' meeting. Except in the case of certain employer- sponsored retirement plans, each Fund intends to send one copy of each report, prospectus and proxy statement to an address shared by more than one shareowner (commonly referred to as "householding" delivery). By signing the Account Application, you consent to the "householded" delivery of the reports, prospectuses and proxy statements unless and until you revoke your consent by notifying the Fund as set forth below.

Revocation of Shared Delivery. If you want to receive an individual copy (rather than a shared or "householded" copy) of a Fund's report, prospectus or proxy statement contact the Manager to request individual delivery by writing to State Farm Investment Management Corp., P.O. Box 219548, Kansas City, Missouri 64121-9548 or by telephone at 1-800-447-4930. You may revoke your consent at any time. The Fund will commence sending individual copies within 30 days after it receives notice that you have revoked your consent.

Each Fund intends to distribute substantially all of its net investment income and any net capital gain realized from sales of its portfolio securities.

The Equity Fund, Equity Index Funds, Small/Mid Cap Equity Fund, Equity and Bond Fund, International Equity Fund and the LifePath Funds declare and pay dividends and capital gain distributions, if any, at least annually.

The Bond Fund and the Money Market Fund declare dividends daily and pay dividends monthly on the last business day of the month. Capital gain distributions on these Funds, if any, are generally paid annually.

If the Manager has not received payment for your purchase of shares of the Bond Fund and the Money Market Fund, you will not be credited with any declared daily dividend until the day on which the Manager receives the payment. The Manager receives payment for your purchase of shares upon receipt of your check or ACH authorization. If you purchased the Fund shares at the office of a State Farm VP Management Corp. Registered Representative, it may take several days for the Manager to receive your check or your ACH authorization.

All dividends and capital gain distributions from a Fund are automatically reinvested in shares of that Fund on the reinvestment date, unless you previously have elected to receive dividends and distributions in cash.

Dividends and distributions from any Fund may be automatically invested in an existing, identically registered account in any other Fund of the same share class at NAV. This service is only available for non-retirement accounts. You may elect this option on your account application or by contacting your State Farm VP Management Corp. Registered Representative.

Taxes On Distributions. Distributions from each Fund are generally subject to federal income tax, and may be subject to state or local taxes. If you are a U.S. citizen residing outside the United States, your distributions may also be taxed by the country in which you reside. Your distributions are taxable when they are paid, whether you take them in cash or reinvest them in additional shares.

For federal tax purposes, a Fund's income and short-term capital gain distributions are taxed as dividends; long-term capital gain distributions are taxed as long-term capital gains, no matter how long you have held your Fund shares.

Dividends declared in October, November, or December that are paid to you by the end of the following January are taxable to you as if they were received in the year they are declared.

If you are an individual and you meet certain holding period requirements with respect to your Fund shares, "qualified dividend income" distributed to you by a Fund may also be eligible for taxation at long-term capital gain rates.

Every January, the Funds will send you and the Internal Revenue Service ("IRS") a statement called Form 1099 showing the sources and amounts of taxable distributions you received in the previous calendar year.

Foreign Taxes. A Fund may receive income from sources in foreign countries, and that income may be subject to foreign taxes at its source. If your Fund pays non-refundable taxes to foreign governments during the year, those taxes will reduce that Fund's dividend. You may be able to claim a credit or deduction on your tax return for your share of foreign taxes paid by a Fund for a particular year if more than 50% of its total assets consists of stock or securities in foreign corporations and the Fund makes a special tax election for such year whereby each of its shareholders includes in his gross income and treats as paid by him his proportionate share of such foreign taxes. It is expected that only International Equity Fund and International Index Fund may qualify for this election. If a Fund makes this election, we will send you detailed information about the foreign tax credit or deduction for that year.

Taxes On Transactions. A redemption is a sale for federal income tax purposes. Your redemption proceeds may be more or less than your cost basis depending upon the NAV at the time of the redemption and, as a result, you may realize a capital gain or loss. Gain or loss is computed on the difference between the amount you receive in exchange for the shares redeemed and their basis.

An exchange of any Fund's shares for shares of another Fund will be treated as a sale of the Fund's shares at their fair market value and any gain on the transaction may be subject to federal income tax.

Whenever you sell shares of a Fund, you will receive a confirmation statement showing how many shares you sold and at what price. You also will receive a year-end statement every January. Also in January, the Funds will send you and the IRS a statement called Form 1099 showing the sources and gross proceeds of any taxable sales or exchanges from the previous year. This will help you or your tax preparer to determine the tax consequences of each redemption. However, be sure to keep your regular account statements; their information will be essential in calculating the amount of your capital gains or losses.

For shares acquired January 1, 2012 or later, cost basis will be reported to you and the IRS for any 1099-B reportable transactions (e.g., redemptions and exchanges). The cost basis accounting method you select will be used to report transactions. If you do not select a cost basis accounting method, the fund's default, Average Cost, method will be used. Also, shares acquired prior to January 1, 2012 will generally be depleted before those acquired after January 1, 2012.

Taxes for Tax-Qualified Accounts. Participants who own Fund shares in tax-qualified accounts will not be subject to federal income taxes on either dividends or capital gain distributions paid by the Funds to the accounts when reinvested. Instead, participants who own Fund shares in tax-qualified accounts may be taxed when they take distributions from their accounts. Depending on the type of tax-qualified account, there are various restrictions on eligibility, contributions and withdrawals. You should consult with a tax professional on the specific rules governing your own situation.

The above discussion reflects only legislation that is currently in effect. In addition, there have been proposals for other changes in

federal tax law. It is possible that future federal tax legislation could be enacted that will have an adverse impact of the Funds or shareholders.

This prospectus provides general tax information only. It is not intended as tax advice applicable to your own personal situation. You should consult your own tax advisor for information about a Fund's tax consequences that is specific to you.

The financial highlights table is intended to help you understand the financial performance of each Fund for the past five years. Certain information reflects financial results for a single Fund share. The total returns within each table represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). The 2011 and 2012 information has been audited by PricewaterhouseCoopers LLP, whose report, along with the Funds' financial statements, is included in the December 31, 2012 annual report. The annual report may be obtained from the Funds upon request without charge. The information for the periods 2010 and before was audited by another independent registered public accounting firm whose report dated February 28, 2011 expressed an unqualified opinion on those financial highlights.

(For a share outstanding throughout each period):

EQUITY FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$ 5.71	$ 5.80	$ 5.15	$ 4.29	$ 7.54
Income from Investment Operations					
Net investment income (loss)[(a)]	$ 0.08	$ 0.06	$ 0.03	$ 0.04	$ 0.13
Net gain (loss) on investments (both realized and unrealized)	$ 0.85	$ (0.09)	$ 0.65	$ 0.86	$ (3.24)
Total from investment operations	$ 0.93	$ (0.03)	$ 0.68	$ 0.90	$ (3.11)
Less Distributions					
Net investment income	$ (0.08)	$ (0.06)	$ (0.03)	$ (0.04)	$ (0.13)
Net realized gain	—	—	—	—	$ (0.01)
Total distributions	$ (0.08)	$ (0.06)	$ (0.03)	$ (0.04)	$ (0.14)
Net asset value, end of period	$ 6.56	$ 5.71	$ 5.80	$ 5.15	$ 4.29
Total Return	16.28%	(0.57%)	13.26%	20.93%	(41.28%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$153.4	$130.2	$132.2	$114.4	$ 91.2
Average Net Asset ratios assuming expense limitations					
Expenses[(c)]	0.93%	0.93%	0.95%	0.95%	0.94%
Net investment income (loss)	1.29%	0.95%	0.65%	0.97%	2.06%
Average Net Asset ratios absent expense limitations					
Expenses[(c)]	0.93%	0.93%	0.95%	0.96%	0.94%
Net investment income (loss)	1.29%	0.95%	0.65%	0.96%	2.06%
Portfolio turnover rate	56%	43%	54%	70%	143%

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(For a share outstanding throughout each period):

SMALL/MID CAP EQUITY FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$ 9.13	$ 9.35	$ 7.62	$ 5.89	$ 10.97
Income from Investment Operations					
Net investment income (loss)[(a)(b)]	$ 0.08	—	—	$ 0.01	$ (0.01)
Net gain (loss) on investments (both realized and unrealized)	$ 1.47	$(0.22)	$ 1.73	$ 1.72	$ (5.02)
Total from investment operations	$ 1.55	$(0.22)	$ 1.73	$ 1.73	$ (5.03)
Less Distributions					
Net investment income	—	—	—	—	—
Net realized gain	—	—	—	—	$ (0.05)
Total distributions	—	—	—	—	$ (0.05)
Net asset value, end of period	$10.68	$ 9.13	$ 9.35	$ 7.62	$ 5.89
Total Return	16.98%	(2.35%)	22.70%	29.37%	(45.80%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$ 32.4	$ 26.2	$ 25.9	$ 20.2	$ 14.0
Average Net Asset ratios assuming expense limitations					
Expenses	1.15%	1.15%	1.15%	1.15%	1.15%
Net investment income (loss)	0.79%	0.01%	0.05%	0.13%	(0.11%)
Average Net Asset ratios absent expense limitations					
Expenses	1.17%	1.18%	1.22%	1.25%	1.20%
Net investment income (loss)	0.77%	(0.02%)	(0.02%)	0.03%	(0.16%)
Portfolio turnover rate	91%	86%	107%	130%	99%

(a) Average shares outstanding for the period were used to calculate net investment income per share.
(b) Net investment income represents less than $0.01 per share for Institutional shares in 2010 and 2011.

(For a share outstanding throughout each period):

INTERNATIONAL EQUITY FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$ 8.33	$ 9.83	$ 8.92	$ 6.59	$ 12.81
Income from Investment Operations					
Net investment income (loss)[(a)]	$ 0.11	$ 0.10	$ 0.07	$ 0.07	$ 0.19
Net gain (loss) on investments (both realized and unrealized)	$ 1.47	$ (1.44)	$ 1.00	$ 2.32	$ (6.20)
Total from investment operations	$ 1.58	$ (1.34)	$ 1.07	$ 2.39	$ (6.01)
Less Distributions					
Net investment income	—	$ (0.16)	$ (0.16)	$ (0.06)	—
Net realized gain	—	—	—	—	$ (0.21)
Total distributions	—	$ (0.16)	$ (0.16)	$ (0.06)	$ (0.21)
Net asset value, end of period	$ 9.91	$ 8.33	$ 9.83	$ 8.92	$ 6.59
Total Return	18.97%	(13.68%)	12.01%	36.31%	(46.91%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$ 17.1	$ 13.6	$ 15.3	$ 12.8	$ 8.2
Average Net Asset ratios assuming expense limitations					
Expenses	1.25%	1.25%	1.25%	1.25%	1.25%
Net investment income (loss)	1.25%	1.03%	0.82%	0.93%	1.83%
Average Net Asset ratios absent expense limitations					
Expenses	1.30%	1.38%	1.43%	1.48%	1.42%
Net investment income (loss)	1.20%	0.90%	0.64%	0.70%	1.66%
Portfolio turnover rate	47%	57%	66%	62%	154%

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(For a share outstanding throughout each period):

S&P 500 INDEX FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$ 9.51	$ 9.51	$ 8.41	$ 6.76	$ 11.12
Income from Investment Operations					
Net investment income[(a)(b)]	$ 0.19	$ 0.15	$ 0.13	$ 0.13	$ 0.17
Net gain (loss) on investments (both realized and unrealized)[(c)]	$ 1.27	—	$ 1.10	$ 1.64	$ (4.34)
Total from investment operations	$ 1.46	$ 0.15	$ 1.23	$ 1.77	$ (4.17)
Less Distributions					
Net investment income	$ (0.18)	$(0.15)	$ (0.13)	$ (0.12)	$ (0.18)
Net realized gain	—	—	—	—	$ (0.01)
Total distributions	$ (0.18)	$(0.15)	$ (0.13)	$ (0.12)	$ (0.19)
Net asset value, end of period	$10.79	$ 9.51	$ 9.51	$ 8.41	$ 6.76
Total Return	15.37%	1.61%	14.66%	26.15%	(37.39%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$ 82.5	$ 68.3	$ 67.0	$ 57.2	$ 41.9
Average Net Asset ratios assuming expense limitations and expense waivers					
Expenses[(b)]	0.52%	0.55%	0.54%	0.55%	0.54%
Net investment income[(b)]	1.78%	1.58%	1.53%	1.86%	1.86%
Average Net Asset ratios absent expense limitations and expense waivers					
Expenses[(b)]	0.52%	0.56%	0.54%	0.55%	0.54%
Net investment income (loss)[(b)]	1.78%	1.57%	1.53%	1.86%	1.86%
Portfolio turnover rate[(d)]	2%	5%	9%	5%	8%

(a) Average shares outstanding for the period were used to calculate net investment income per share.
(b) Net amounts and ratios reflect the Fund's proportionate share of income and expenses of the Master Portfolio through May 11, 2012.
(c) Net gain (loss) on investments represents less than $0.01 per share for Institutional shares in 2011.
(d) For the years ending 2008, 2009, 2010 and 2011, the amount represents the portfolio rate of the Master Portfolio. The 2012 portfolio turnover rate reflects the period from May 12, 2012 to December 31, 2012 and excludes in-kind contribution of portfolio securities received on May 12, 2012. Prior to May 12, 2012, the S&P 500 Index Fund invested all of its assets in its corresponding Master Portfolio. The portfolio turnover rate of the Master Portfolio for the period January 1, 2012 through May 11, 2012 was 5%.

(For a share outstanding throughout each period):

SMALL CAP INDEX FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$11.39	$12.14	$ 9.68	$ 7.70	$ 13.06
Income from Investment Operations					
Net investment income[(a)]	$ 0.16	$ 0.06	$ 0.07	$ 0.06	$ 0.09
Net gain (loss) on investments (both realized and unrealized)	$ 1.60	$ (0.65)	$ 2.45	$ 1.98	$ (4.63)
Total from investment operations	$ 1.76	$ (0.59)	$ 2.52	$ 2.04	$ (4.54)
Less Distributions					
Net investment income	$ (0.13)	$ (0.05)	$ (0.06)	$ (0.06)	$ (0.07)
Net realized gain[(b)]	$ (0.31)	$ (0.11)	—	—	$ (0.75)
Total distributions	$ (0.44)	$ (0.16)	$ (0.06)	$ (0.06)	$ (0.82)
Net asset value, end of period	$12.71	$11.39	$12.14	$ 9.68	$ 7.70
Total Return	15.60%	(4.81%)	26.01%	26.47%	(34.35%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$ 54.1	$ 47.6	$ 50.3	$ 38.9	$ 28.9
Average Net Asset ratios assuming expense limitations					
Expenses	0.70%	0.70%	0.70%	0.70%	0.70%
Net investment income (loss)	1.27%	0.51%	0.64%	0.74%	0.81%
Average Net Asset ratios absent expense limitations					
Expenses	0.73%	0.73%	0.76%	0.78%	0.75%
Net investment income (loss)	1.24%	0.48%	0.58%	0.66%	0.76%
Portfolio turnover rate	14%	14%	15%	20%	20%

(a) Average shares outstanding for the period were used to calculate net investment income per share.
(b) Net realized gain distributions represent less than $0.01 per share in 2009.

(For a share outstanding throughout each period):

INTERNATIONAL INDEX FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$ 9.19	$ 10.84	$10.33	$ 8.24	$ 14.70
Income from Investment Operations					
Net investment income[(a)]	$ 0.25	$ 0.26	$ 0.19	$ 0.19	$ 0.33
Net gain (loss) on investments (both realized and unrealized)	$ 1.39	$ (1.64)	$ 0.52	$ 2.13	$ (6.57)
Total from investment operations	$ 1.64	$ (1.38)	$ 0.71	$ 2.32	$ (6.24)
Less Distributions					
Net investment income	$ (0.26)	$ (0.27)	$ (0.20)	$ (0.23)	$ (0.22)
Net realized gain	—	—	—	—	—
Total distributions	$ (0.26)	$ (0.27)	$ (0.20)	$ (0.23)	$ (0.22)
Net asset value, end of period	$10.57	$ 9.19	$10.84	$10.33	$ 8.24
Total Return	17.88%	(12.72%)	6.81%	28.18%	(42.38%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$ 35.0	$ 30.0	$ 35.2	$ 32.8	$ 24.9
Average Net Asset ratios assuming expense limitations					
Expenses	0.95%	0.95%	0.95%	0.94%	0.90%
Net investment income	2.50%	2.45%	1.89%	2.14%	2.75%
Average Net Asset ratios absent expense limitations					
Expenses	1.01%	0.98%	0.98%	1.05%	1.03%
Net investment income (loss)	2.44%	2.42%	1.86%	2.03%	2.62%
Portfolio turnover rate	4%	4%	4%	6%	8%

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(For a share outstanding throughout each period):

EQUITY AND BOND FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$ 7.95	$ 7.86	$ 7.24	$ 6.33	$ 9.33
Income from Investment Operations					
Net investment income[a]	$ 0.16	$ 0.15	$ 0.13	$ 0.15	$ 0.28
Net gain (loss) on investments (both realized and unrealized)	$ 0.73	$ 0.09	$ 0.62	$ 0.90	$ (2.64)
Total from investment operations	$ 0.89	$ 0.24	$ 0.75	$ 1.05	$ (2.36)
Less Distributions					
Net investment income	$ (0.16)	$(0.15)	$ (0.13)	$ (0.14)	$ (0.28)
Net realized gain[b]	—	—	—	—	$ (0.36)
Total distributions	$ (0.16)	$(0.15)	$ (0.13)	$ (0.14)	$ (0.64)
Net asset value, end of period	$ 8.68	$ 7.95	$ 7.86	$ 7.24	$ 6.33
Total Return	11.23%	3.10%	10.49%	16.73%	(25.40%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$ 19.7	$ 15.8	$ 14.6	$ 12.2	$ 9.0
Average Net Asset ratios assuming expense limitations					
Expenses[c]	0.00%	0.00%	0.00%	0.00%	0.00%
Net investment income	1.90%	1.86%	1.74%	2.28%	3.34%
Average Net Asset ratios absent expense limitations					
Expenses[b]	0.10%	0.11%	0.11%	0.12%	0.09%
Net investment income	1.80%	1.75%	1.63%	2.16%	3.25%
Portfolio turnover rate	1%	2%	1%	1%	16%

(a) Average shares outstanding for the period were used to calculate net investment income per share.
(b) Net realized gain distributions represent less than $0.01 per share in 2011.
(c) Expense ratios relate to the Equity and Bond Fund only and do not reflect the Fund's proportionate share of the expenses of the underlying funds.

(For a share outstanding throughout each period):

BOND FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$11.65	$11.11	$10.87	$10.29	$10.51
Income from Investment Operations					
Net investment income (loss)	$ 0.33	$ 0.37	$ 0.39	$ 0.46	$ 0.49
Net gain (loss) on investments (both realized and unrealized)	$ 0.13	$ 0.54	$ 0.24	$ 0.58	$ (0.22)
Total from investment operations	$ 0.46	$ 0.91	$ 0.63	$ 1.04	$ 0.27
Less Distributions					
Net investment income	$ (0.33)	$ (0.37)	$ (0.39)	$ (0.46)	$ (0.49)
Net realized gain	—	—	—	—	—
Total distributions	$ (0.33)	$ (0.37)	$ (0.39)	$ (0.46)	$ (0.49)
Net asset value, end of period	$11.78	$11.65	$11.11	$10.87	$10.29
Total Return	4.03%	8.32%	5.82%	10.30%	2.66%
Ratios/Supplemental Data					
Net assets, end of period (millions)	$175.9	$140.1%	$124.3	$105.7	$ 74.8
Average Net Asset ratios assuming expense limitations					
Expenses	0.41%	0.42%	0.43%	0.44%	0.45%
Net investment income (loss)	2.84%	3.25%	3.47%	4.30%	4.72%
Average Net Asset ratios absent expense limitations					
Expenses	0.41%	0.42%	0.43%	0.44%	0.45%
Net investment income (loss)	2.84%	3.25%	3.47%	4.30%	4.72%
Portfolio turnover rate	8%	8%	16%	11%	6%

(For a share outstanding throughout each period):

MONEY MARKET FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Income from Investment Operations					
Net investment income[(a)(b)]	—	—	—	—	$ 0.02
Total from investment operations	—	—	—	—	$ 0.02
Less Distributions					
Net investment income[(a)(b)]	—	—	—	—	$(0.02)
Total distributions	—	—	—	—	$(0.02)
Net asset value, end of period	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Total Return[(b)]	0.00%	0.00%	0.00%	0.06%	2.17%
Ratios/Supplemental Data					
Net assets, end of period (millions)	$ 59.5	$ 52.0	$ 40.8	$ 38.4	$ 32.9
Average Net Asset ratios assuming expense limitations					
Expenses[(c)]	0.11%	0.11%	0.17%	0.28%	0.45%
Net investment income[(b)]	0.00%	0.00%	0.00%	0.06%	2.07%
Average Net Asset ratios absent expense limitations					
Expenses	0.44%	0.45%	0.45%	0.46%	0.46%
Net investment income	(0.33%)	(0.34%)	(0.28%)	(0.12%)	2.06%

(a) Net investment income and distributions represent less than $0.01 per share in 2009, 2010, 2011 and 2012.
(b) Net investment income and total return represent less than 0.005% per share in 2010, 2011 and 2012.
(c) The expense ratios for 2009, 2010, 2011 and 2012 include the effect of the voluntary fee waivers by SFIMC and State Farm VP Management Corp.

(For a share outstanding throughout each period):

STATE FARM LIFEPATH RETIREMENT FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$11.92	$11.73	$10.96	$ 9.58	$ 11.63
Income from Investment Operations					
Net investment income[(a)(b)]	$ 0.20	$ 0.25	$ 0.22	$ 0.28	$ 0.34
Net gain (loss) on investments (both realized and unrealized)	$ 0.80	$ 0.19	$ 0.78	$ 1.41	$ (2.07)
Total from investment operations	$ 1.00	$ 0.44	$ 1.00	$ 1.69	$ (1.73)
Less Distributions					
Net investment income	$ (0.21)	$ (0.25)	$ (0.21)	$ (0.31)	$ (0.27)
Net realized gain	$ (0.27)	—	$ (0.02)	—	$ (0.05)
Total distributions	$ (0.48)	$ (0.25)	$ (0.23)	$ (0.31)	$ (0.32)
Net asset value, end of period	$12.44	$11.92	$11.73	$10.96	$ 9.58
Total Return	8.47%	3.78%	9.29%	17.90%	(15.14%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$ 78.5	$ 64.6	$ 57.1	$ 53.1	$ 11.2
Average Net Asset ratios assuming expense limitations and expense waivers					
Expenses[(b)]	0.89%	0.92%	0.92%	0.96%	0.95%
Net investment income[(b)]	1.62%	2.14%	1.94%	2.94%	3.16%
Average Net Asset ratios absent expense limitations and expense waivers					
Expenses[(c)]	1.20%	1.22%	1.26%	1.38%	1.29%
Net investment income[(c)]	1.31%	1.84%	1.60%	2.52%	2.82%
Portfolio turnover rate[(d)]	4%	4%	4%	6%	11%

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(b) Net amounts and ratios reflect the Fund's proportionate share of income and expenses of the Master Portfolio, indirect proportionate share of the expenses of the Underlying Master Portfolios, and applicable Expense Reduction Agreements; but do not reflect indirect proportionate share of the expenses of the BlackRock Cash Funds, BlackRock Commodity Strategies Fund and iShares exchange-traded funds. Expense and income ratios for the Master Portfolio, assuming applicable expense reductions, were 0.28% and 2.22%, respectively, for the year ended December 31, 2012.

(c) Ratios reflect the Fund's proportionate share of income and expenses of the Master Portfolio and indirect proportionate share of the expenses of the Underlying Master Portfolios; but do not reflect otherwise applicable Expense Reduction Agreements or indirect proportionate share of the expenses of the BlackRock Cash Funds, BlackRock Commodity Strategies Fund and iShares exchange-traded funds. Expense and income ratios for the Master Portfolio, excluding any otherwise applicable expense reductions, were 0.55% and 1.95%, respectively, for the year ended December 31, 2012.

(d) Amount represents the portfolio turnover rate of the Master Portfolio. For 2009, excludes in-kind contribution of portfolio securities received in a fund merger on November 20, 2009.

(For a share outstanding throughout each period):

STATE FARM LIFEPATH 2020 FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$12.81	$12.88	$11.81	$ 9.85	$ 13.65
Income from Investment Operations					
Net investment income[(a)(b)]	$ 0.23	$ 0.25	$ 0.22	$ 0.27	$ 0.32
Net gain (loss) on investments (both realized and unrealized)	$ 1.15	$ (0.08)	$ 1.05	$ 1.94	$ (3.81)
Total from investment operations	$ 1.38	$ 0.17	$ 1.27	$ 2.21	$ (3.49)
Less Distributions					
Net investment income	$ (0.24)	$ (0.24)	$ (0.20)	$ (0.25)	$ (0.26)
Net realized gain	$ (0.02)	—	—	—	$ (0.05)
Total distributions	$ (0.26)	$ (0.24)	$ (0.20)	$ (0.25)	$ (0.31)
Net asset value, end of period	$13.93	$12.81	$12.88	$11.81	$ 9.85
Total Return	10.80%	1.34%	10.77%	22.47%	(25.56%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$145.4	$125.4	$114.3	$ 91.1	$ 61.3
Average Net Asset ratios assuming expense limitations and expense waivers					
Expenses[(b)]	0.86%	0.88%	0.88%	0.88%	0.88%
Net investment income[(b)]	1.70%	1.94%	1.80%	2.53%	2.61%
Average Net Asset ratios absent expense limitations and expense waivers					
Expenses[(c)]	1.20%	1.20%	1.23%	1.23%	1.22%
Net investment income[(c)]	1.36%	1.62%	1.45%	2.18%	2.27%
Portfolio turnover rate[(d)]	5%	5%	4%	6%	13%

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(b) Net amounts and ratios reflect the Fund's proportionate share of income and expenses of the Master Portfolio, indirect proportionate share of the expenses of the Underlying Master Portfolios, and applicable *Expense Reduction Agreements*; but do not reflect indirect proportionate share of the expenses of the BlackRock Cash Funds, BlackRock Commodity Strategies Fund and iShares exchange-traded funds. Expense and income ratios for the Master Portfolio, assuming applicable expense reductions, were 0.25% and 2.30%, respectively, for the year ended December 31, 2012.

(c) Ratios reflect the Fund's proportionate share of income and expenses of the Master Portfolio and indirect proportionate share of the expenses of the Underlying Master Portfolios; but do not reflect otherwise applicable *Expense Reduction Agreements* or indirect proportionate share of the expenses of the BlackRock Cash Funds, BlackRock Commodity Strategies Fund and iShares exchange-traded funds. Expense and income ratios for the Master Portfolio, excluding any otherwise applicable expense reductions, were 0.53% and 2.02%, respectively, for the year ended December 31, 2012.

(d) Amount represents the portfolio turnover rate of the Master Portfolio.

(For a share outstanding throughout each period):

STATE FARM LIFEPATH 2030 FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$12.88	$13.21	$11.99	$ 9.73	$ 14.52
Income from Investment Operations					
Net investment income[(a)(b)]	$ 0.25	$ 0.23	$ 0.21	$ 0.25	$ 0.28
Net gain (loss) on investments (both realized and unrealized)	$ 1.41	$ (0.34)	$ 1.20	$ 2.24	$ (4.80)
Total from investment operations	$ 1.66	$ (0.11)	$ 1.41	$ 2.49	$ (4.52)
Less Distributions					
Net investment income	$ (0.25)	$ (0.22)	$ (0.19)	$ (0.23)	$ (0.23)
Net realized gain	—	—	—	—	$ (0.04)
Total distributions	$ (0.25)	$ (0.22)	$ (0.19)	$ (0.23)	$ (0.27)
Net asset value, end of period	$14.29	$12.88	$13.21	$11.99	$ 9.73
Total Return	12.86%	(0.82%)	11.75%	25.55%	(31.16%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$153.5	$125.4	$114.6	$ 92.1	$ 62.2
Average Net Asset ratios assuming expense limitations and expense waivers					
Expenses[(b)]	0.85%	0.87%	0.86%	0.86%	0.87%
Net investment income[(b)]	1.78%	1.76%	1.67%	2.34%	2.25%
Average Net Asset ratios absent expense limitations and expense waivers					
Expenses[(c)]	1.21%	1.20%	1.22%	1.22%	1.21%
Net investment income[(c)]	1.42%	1.43%	1.31%	1.98%	1.91%
Portfolio turnover rate[(d)]	5%	7%	3%	7%	13%

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(b) Net amounts and ratios reflect the Fund's proportionate share of income and expenses of the Master Portfolio, indirect proportionate share of the expenses of the Underlying Master Portfolios, and applicable *Expense Reduction Agreements*; but do not reflect indirect proportionate share of the expenses of the BlackRock Cash Funds, BlackRock Commodity Strategies Fund and iShares exchange-traded funds. Expense and income ratios for the Master Portfolio, assuming applicable expense reductions, were 0.23% and 2.37%, respectively, for the year ended December 31, 2012.

(c) Ratios reflect the Fund's proportionate share of income and expenses of the Master Portfolio and indirect proportionate share of the expenses of the Underlying Master Portfolios; but do not reflect otherwise applicable *Expense Reduction Agreements* or indirect proportionate share of the expenses of the BlackRock Cash Funds, BlackRock Commodity Strategies Fund and iShares exchange-traded funds. Expense and income ratios for the Master Portfolio, excluding any otherwise applicable expense reductions, were 0.53% and 2.07%, respectively, for the year ended December 31, 2012.

(d) Amount represents the portfolio turnover rate of the Master Portfolio.

(For a share outstanding throughout each period):

STATE FARM LIFEPATH 2040 FUND

	Years ended 12/31				
Institutional Shares	**2012**	**2011**	**2010**	**2009**	**2008**
Net asset value, beginning of period	$12.93	$13.48	$12.15	$ 9.66	$ 15.34
Income from Investment Operations					
Net investment income[(a)(b)]	$ 0.26	$ 0.22	$ 0.19	$ 0.23	$ 0.25
Net gain (loss) on investments (both realized and unrealized)	$ 1.63	$ (0.56)	$ 1.32	$ 2.47	$ (5.70)
Total from investment operations	$ 1.89	$ (0.34)	$ 1.51	$ 2.70	$ (5.45)
Less Distributions					
Net investment income	$ (0.26)	$ (0.21)	$ (0.18)	$ (0.21)	$ (0.21)
Net realized gain	—	—	—	—	$ (0.02)
Total distributions	$ (0.26)	$ (0.21)	$ (0.18)	$ (0.21)	$ (0.23)
Net asset value, end of period	$14.56	$12.93	$13.48	$12.15	$ 9.66
Total Return	14.59%	(2.55%)	12.43%	27.92%	(35.51%)
Ratios/Supplemental Data					
Net assets, end of period (millions)	$170.7	$136.2	$128.4	$ 98.9	$ 62.9
Average Net Asset ratios assuming expense limitations and expense waivers					
Expenses[(b)]	0.84%	0.85%	0.86%	0.86%	0.88%
Net investment income[(b)]	1.84%	1.60%	1.57%	2.17%	1.94%
Average Net Asset ratios absent expense limitations and expense waivers					
Expenses[(c)]	1.22%	1.21%	1.23%	1.22%	1.22%
Net investment income (loss)[(c)]	1.46%	1.24%	1.20%	1.81%	1.60%
Portfolio turnover rate[(d)]	4%	8%	4%	6%	14%

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(b) Net amounts and ratios reflect the Fund's proportionate share of income and expenses of the Master Portfolio, indirect proportionate share of the expenses of the Underlying Master Portfolios, and applicable *Expense Reduction Agreements*; but do not reflect indirect proportionate share of the expenses of the BlackRock Cash Funds, BlackRock Commodity Strategies Fund and iShares exchange-traded funds. Expense and income ratios for the Master Portfolio, assuming applicable expense reductions, were 0.21% and 2.44%, respectively, for the year ended December 31, 2012.

(c) Ratios reflect the Fund's proportionate share of income and expenses of the Master Portfolio and indirect proportionate share of the expenses of the Underlying Master Portfolios; but do not reflect otherwise applicable *Expense Reduction Agreements* or indirect proportionate share of the expenses of the BlackRock Cash Funds, BlackRock Commodity Strategies Fund and iShares exchange-traded funds. Expense and income ratios for the Master Portfolio, excluding any otherwise applicable expense reductions, were 0.52% and 2.13%, respectively, for the year ended December 31, 2012.

(d) Amount represents the portfolio turnover rate of the Master Portfolio.

You can obtain more information about the Trust's investments and performance in its semiannual and annual reports to shareowners. The Funds' annual report discusses the market conditions and investment strategies that significantly affected each Fund's performance during its last fiscal year. You may also wish to read the SAI for more information about the Funds. A current SAI has been filed with the Securities and Exchange Commission and is incorporated in this prospectus by reference.

You can obtain free copies of the Trust's semiannual and annual report and the SAI, request other information, and discuss your questions about the Funds by writing or calling:

State Farm Mutual Funds
P.O. Box 219548
Kansas City, MO 64121-9548
800-447-4930

The Trust also makes its SAI, semi-annual report and annual report available free of charge at its website, http://www.statefarm.com/mutual/sc/forms.asp.

Public Information. You can review and copy information about the Trust and each Fund, including the SAI, at the Securities and Exchange Commission's Public Reference Room in Washington D.C. You may obtain information on the operation of the public reference room by calling the Commission at 1-202-551-8090. Reports and other information about the Trust and the Funds also are available on the EDGAR Database on the Commission's Internet site at http://www.sec.gov. You may obtain copies of this information, upon payment of a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the Public Reference Section of the Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549-1520.

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