STATE FARM VARIABLE PRODUCT TRUST
Bond Fund
International Equity Index Fund
Large Cap Equity Index Fund
Money Market Fund
Small Cap Equity Index Fund
Stock and Bond Balanced Fund

One State Farm Plaza
Bloomington, Illinois 61710-0001
(888) 702-2307

August 14, 2018

Dear Contract Owner:

You are receiving the enclosed joint proxy statement because you owned interests in Bond Fund, International Equity Index Fund, Large Cap Equity Index Fund, Money Market Fund, Small Cap Equity Index Fund and/or Stock and Bond Balanced Fund (each, a "Target Fund" and collectively, the "Target Funds"), each a series of State Farm Variable Product Trust (the "Target Trust"), a Delaware statutory trust, as of the close of business on May 25, 2018. Although you are not directly a shareholder of any Target Fund, as the owner of a variable annuity contract or variable life insurance contract (a "Variable Contract") issued by State Farm Life Insurance Company or State Farm Life & Accident Assurance Company (each, a "State Farm Insurance Company" and together, the "State Farm Insurance Companies"), you have the right to instruct your State Farm Insurance Company, as a shareholder of each Target Fund, how to vote shares of the Target Fund(s) that are attributable to your Variable Contract at the joint special meeting of shareholders of the Target Funds (the "Special Meeting") to be held on Friday, September 14, 2018. The Special Meeting will be held at 8:00 a.m. (Central time), at the offices of State Farm Investment Management Corp. ("SFIMC") at One State Farm Plaza, Bloomington, Illinois 61710-0001, to vote on the proposals described in the joint proxy statement. Before the Special Meeting, by way of this letter, I would like to provide you with additional background and ask for your voting instructions on important proposal(s) affecting your Target Fund(s).

SFIMC, the investment adviser to each of the Target Funds, after a review of the nature and goals of its mutual fund advisory business, has determined to reduce the extent of its mutual fund advisory business activities. Accordingly, on May 23, 2018, SFIMC recommended and the Board of Trustees of the Target Trust (the "Target Board") approved an Agreement and Plan of Reorganization with respect to each Target Fund pursuant to which the Target Fund would be reorganized (each, a "Reorganization" and collectively, the "Reorganizations") into a corresponding mutual fund advised by BlackRock Advisors, LLC ("BAL") as set out in the following table under the heading "Acquiring Funds" (each, an "Acquiring Fund" and collectively, the "Acquiring Funds"), each of which is a series of BlackRock Variable Series Funds, Inc. or BlackRock Variable Series Funds II, Inc., each a Maryland corporation. BAL is an investment adviser to certain BlackRock mutual funds and an indirect, wholly owned subsidiary of BlackRock, Inc.; BAL or its affiliates currently serve as sub-adviser to several of the Target Funds and certain other mutual funds advised by SFIMC. Upon completion of each Target Fund's Reorganization, the State Farm Insurance Company that issued your Variable Contract will be the record holder of the Acquiring Fund shares attributable to your Variable Contract. The aggregate net asset value of the Acquiring Fund shares attributable to your Variable Contract immediately after the applicable Reorganization will be the same as the aggregate net asset value of the Target Fund shares attributable to your Variable Contract immediately prior to the Reorganization.

Target Funds	Acquiring Funds
Bond Fund	BlackRock Total Return V.I. Fund, a series of BlackRock Variable Series Funds II, Inc.
International Equity Index Fund	BlackRock International Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.

Target Funds	Acquiring Funds
Large Cap Equity Index Fund	BlackRock S&P 500 Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Money Market Fund	BlackRock Government Money Market V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Small Cap Equity Index Fund	BlackRock Small Cap Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Stock and Bond Balanced Fund	BlackRock iShares® Dynamic Allocation V.I. Fund, a series of BlackRock Variable Series Funds, Inc.

In connection with the Reorganization of Stock and Bond Balanced Fund, the Target Board also approved the elimination of the Target Fund's fundamental investment restriction on investments, which provides that Stock and Bond Balanced Fund will not invest in securities other than securities of other registered investment companies or registered unit investment trusts that are part of the State Farm group of investment companies (as defined in the 1940 Act), U.S. Government securities, or short-term paper (the "Investment Restriction"). The elimination of the Investment Restriction is necessary to permit the Target Fund to invest in mutual funds and exchange traded funds advised by BAL or its affiliates or in other securities in connection with the proposed alignment of the Target Fund's portfolio with that of its corresponding Acquiring Fund prior to the closing of the proposed Reorganization. In addition, the Investment Restriction is not required by the 1940 Act, and it limits the ability of the Target Fund to invest in a broader range of securities. The Reorganization for Stock and Bond Balanced Fund will not occur unless shareholders also approve the elimination of the Investment Restriction. If shareholders approve the elimination of the Investment Restriction, such change will take effect, regardless of whether shareholders approve the Reorganization, and the Target Board will consider what actions to take, if any, with respect to Stock and Bond Balanced Fund, including, but not limited to, liquidation.

At the Special Meeting, the State Farm Insurance Companies, as shareholders of each Target Fund, will be asked to consider and act upon the proposed Reorganizations, to approve the elimination of the Investment Restriction with respect to Stock and Bond Balanced Fund and to transact such other business as permitted by applicable law and as may properly come before the Special Meeting (each, a "Proposal" and collectively, the "Proposals"). Owners of Variable Contracts are entitled to provide voting instructions to their respective State Farm Insurance Company with respect to the Proposals, and each State Farm Insurance Company agrees to vote Target Fund shares at the Special Meeting in accordance with such instructions. The enclosed materials relate to the Proposals.

After considering the fees and expenses, performance, investment objective and strategies of each Acquiring Fund and the terms and conditions of each Reorganization, including the tax consequences, the Target Board unanimously recommends that you provide voting instructions in favor of each Reorganization and the elimination of the Investment Restriction of Stock and Bond Balanced Fund, as applicable, because it believes that such Proposals are in the best interests of the applicable Target Fund.

Proposals 1a, 1b, 1c, 1d, 1e and 1f—Approval of Agreement and Plan of Reorganization

Proposal 1a: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Bond Fund to BlackRock Total Return V.I. Fund, a newly created series of BlackRock Variable Series Funds II, Inc., in exchange for the assumption by BlackRock Total Return V.I. Fund of certain stated liabilities of Bond Fund and newly-issued shares of BlackRock Total Return V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock Total Return V.I. Fund by Bond Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Bond Fund as a series of the Target Trust.

Proposal 1b: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of International Equity Index Fund to BlackRock International Index V.I. Fund, a newly created series of BlackRock Variable Series Funds, Inc., in exchange for the assumption by BlackRock

International Index V.I. Fund of certain stated liabilities of International Equity Index Fund and newly-issued shares of BlackRock International Index V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock International Index V.I. Fund by International Equity Index Fund to its shareholders; and (iii) the termination, dissolution and liquidation of International Equity Index Fund as a series of the Target Trust.

Proposal 1c: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Large Cap Equity Index Fund to BlackRock S&P 500 Index V.I. Fund in exchange for the assumption by BlackRock S&P 500 Index V.I. Fund of certain stated liabilities of Large Cap Equity Index Fund and newly-issued shares of BlackRock S&P 500 Index V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock S&P 500 Index V.I. Fund by Large Cap Equity Index Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Large Cap Equity Index Fund as a series of the Target Trust.

Proposal 1d: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Money Market Fund to BlackRock Government Money Market V.I. Fund in exchange for the assumption by BlackRock Government Money Market V.I. Fund of certain stated liabilities of Money Market Fund and newly-issued shares of BlackRock Government Money Market V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock Government Money Market V.I. Fund by Money Market Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Money Market Fund as a series of the Target Trust.

Proposal 1e: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Small Cap Equity Index Fund to BlackRock Small Cap Index V.I. Fund, a newly created series of BlackRock Variable Series Funds, Inc., in exchange for the assumption by BlackRock Small Cap Index V.I. Fund of certain stated liabilities of Small Cap Equity Index Fund and newly-issued shares of BlackRock Small Cap Index V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock Small Cap Index V.I. Fund by Small Cap Equity Index Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Small Cap Equity Index Fund as a series of the Target Trust.

Proposal 1f: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Stock and Bond Balanced Fund to BlackRock iShares® Dynamic Allocation V.I. Fund in exchange for the assumption by BlackRock iShares® Dynamic Allocation V.I. Fund of certain stated liabilities of Stock and Bond Balanced Fund and newly-issued shares of BlackRock iShares® Dynamic Allocation V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock iShares® Dynamic Allocation V.I. Fund by Stock and Bond Balanced Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Stock and Bond Balanced Fund as a series of the Target Trust.

Proposal 2—Approval to Eliminate Investment Restriction (Stock and Bond Balanced Fund only)

To approve the elimination of Stock and Bond Balanced Fund's fundamental investment restriction on investments that provides that Stock and Bond Balanced Fund will not invest in securities other than securities of other registered investment companies or registered unit investment trusts that are part of the State Farm group of investment companies (as defined in the 1940 Act), U.S. Government securities, or short-term paper.

Proposal 3—Other Business

To transact such other business as permitted by applicable law and as may properly be presented at the Special Meeting or any adjournment(s) or postponement(s) thereof.

Please note that the Target Board believes that each Reorganization and the elimination of the Investment Restriction of Stock and Bond Balanced Fund, as applicable, are in the best interests of each Target Fund, and unanimously recommends that you provide voting instructions "FOR" each such Proposal, as applicable.

I encourage you to carefully review the enclosed materials, which explain the Proposals in more detail. Your voting instructions are important, and we hope that you will respond today. You may provide voting instructions using one of the methods below by following the instructions on your voting instruction form(s):

- By touch-tone telephone;
- By Internet;
- By marking, signing, dating and returning the enclosed voting instruction form(s) in the postage-paid envelope; or
- In person at the Special Meeting.

If you do not provide voting instructions using one of these methods, you may be called by Computershare Fund Services, our proxy solicitor, to provide voting instructions.

If you plan to attend in person, in order to gain admission you must show valid photographic identification, such as your driver's license or passport. Even if you plan to attend the Special Meeting in person, please promptly follow the enclosed instructions to submit voting instructions by telephone or via the Internet. Alternatively, you may submit voting instructions by marking, signing and dating each voting instruction form(s) you receive, and if received by mail, returning it in the accompanying postage-paid return envelope.

As always, we appreciate your support.

Sincerely,

Joe R. Monk, Jr.
President, Trustee and Chairperson of the Board

State Farm Variable Product Trust, on behalf of Bond Fund, International Equity Index Fund, Large Cap Equity Index Fund, Money Market Fund, Small Cap Equity Index Fund and Stock and Bond Balanced Fund

One State Farm Plaza
Bloomington, Illinois 61710-0001
(888) 702-2307

QUESTIONS & ANSWERS

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

Q: Why is a shareholder meeting being held?

A: You owned interests in Bond Fund, International Equity Index Fund, Large Cap Equity Index Fund, Money Market Fund, Small Cap Equity Index Fund and/or Stock and Bond Balanced Fund (each, a "Target Fund" and collectively, the "Target Funds"), each a series of State Farm Variable Product Trust (the "Target Trust"), as of the close of business on May 25, 2018. Although you are not directly a shareholder of any Target Fund, as the owner of a variable annuity contract or variable life insurance contract (a "Variable Contract," the owners of which are referred to as "Contract Owners") issued by State Farm Life Insurance Company or State Farm Life & Accident Assurance Company (each, a "State Farm Insurance Company" and together, the "State Farm Insurance Companies"), you have the right to instruct your State Farm Insurance Company how to vote shares of the Target Fund(s) that are attributable to your Variable Contract at the joint special meeting of shareholders of the Target Funds (the "Special Meeting") to be held on Friday, September 14, 2018 at 8:00 a.m. (Central time). For convenience, we refer to Contract Owners as "shareholders" in certain instances.

At the Special Meeting, the State Farm Insurance Companies, as shareholders of each Target Fund, will be asked to approve an Agreement and Plan of Reorganization (each, a "Reorganization Agreement") between the Target Trust, on behalf of the Target Fund, and BlackRock Variable Series Funds, Inc. or BlackRock Variable Series Funds II, Inc. (each, an "Acquiring Corporation"), as applicable, on behalf of a corresponding series advised by BlackRock Advisors, LLC ("BAL"), as set out in the following table under the heading "Acquiring Funds" (each, an "Acquiring Fund" and collectively, the "Acquiring Funds" and together with the Target Funds, the "Funds"):

Target Funds	Acquiring Funds
Bond Fund	BlackRock Total Return V.I. Fund, a series of BlackRock Variable Series Funds II, Inc.
International Equity Index Fund	BlackRock International Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Large Cap Equity Index Fund	BlackRock S&P 500 Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Money Market Fund	BlackRock Government Money Market V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Small Cap Equity Index Fund	BlackRock Small Cap Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Stock and Bond Balanced Fund	BlackRock iShares® Dynamic Allocation V.I. Fund, a series of BlackRock Variable Series Funds, Inc.

Each Reorganization Agreement provides for (i) the transfer and delivery of all of the assets of a Target Fund to the corresponding Acquiring Fund in exchange for the assumption by the Acquiring Fund of certain stated liabilities of the Target Fund and newly-issued shares of the Acquiring Fund (the "Acquiring Fund Shares"); (ii) the distribution of the Acquiring Fund Shares (including fractional Acquiring Fund Shares) by the Target Fund to its shareholders; and (iii) the termination, dissolution and liquidation of the Target Fund as a series of the Target Trust (a "Reorganization"). Each Acquiring Fund, following completion of the applicable Reorganization, may be referred to as a "Combined Fund." The Reorganizations are described herein and throughout the Combined Prospectus/Proxy Statement as Proposal 1a, 1b, 1c, 1d, 1e and 1f.

Each Target Fund and its corresponding Acquiring Fund pursue similar investment objectives, although there are some differences. Each Target Fund and its corresponding Acquiring Fund also employ similar investment strategies to achieve their respective investment objectives, although there are some differences.

Each Reorganization is not contingent upon the approval of any other Reorganization. If any Reorganization is not consummated, then the Target Fund for which such Reorganization was not consummated would continue to exist and the Board of Trustees of the Target Trust (the "Target Board") will consider what action, if any, to take, which may include seeking a merger with a different fund, the liquidation of the applicable Target Fund or continuing current operations of such Target Fund. It is currently anticipated that, if approved by shareholders, the closing date for each Reorganization may vary, but all closings are expected to be completed by the fourth quarter of 2018.

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

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

If the shareholders of each Target Fund approve Proposal 1 and Proposal 2, as applicable, and its Reorganization is completed, the Target Fund's shareholders will become shareholders of the corresponding Acquiring Fund, and the Target Fund will be terminated, dissolved and liquidated as a series of the Target Trust. Please refer to the Combined Prospectus/Proxy Statement for a detailed explanation of the Proposals and for a more complete description of each Acquiring Fund.

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

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

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

A: Shareholders of each Target Fund will receive Class I shares, including fractional Acquiring Fund Shares, if any, of the corresponding Acquiring Fund. Certain Acquiring Funds also offer Class II and/or Class III shares, which will not be issued in the Reorganizations. Share class selection was primarily based on shareholder eligibility requirements of each share class of both the Target Funds and the Acquiring Funds and on the lack of a distribution fee for each share class. In addition, similarities in shareholder services and expenses were considered.

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

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

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

A: Assuming the Reorganizations had each occurred on December 31, 2017, a Combined Fund would have, as set forth in the table below: (i) a gross total annual fund operating expense ratio for its Class I shares that is the same as, or higher or lower than, that of its respective Target Fund prior to the applicable Reorganization, and (ii) a net annual fund operating expense ratio (*i.e.*, the annual fund operating expense ratio after waivers and reimbursements under a contractual expense limitation agreement) for its Class I shares that is the same as, or lower than, that of its respective Target Fund prior to the applicable Reorganization, except that the net annual fund operating expense ratio for BlackRock Government Money Market V.I. Fund would be higher than that of its respective Target Fund after taking into account the Target Fund's voluntary expense limitation.

Target Fund Name	Combined Fund Gross Total Annual Fund Operating Ratio Expected to be Same/Lower/Higher than the Target Fund	Combined Fund Net Annual Fund Operating Expense Ratio Expected to be Same/Lower/Higher than the Target Fund
Bond Fund	Higher	Same
International Equity Index Fund	Lower	Lower
Large Cap Equity Index Fund	Same	Same
Money Market Fund	Higher	Higher*
Small Cap Equity Index Fund	Lower	Lower
Stock and Bond Balanced Fund	Higher	Higher**

* After giving effect to contractual and voluntary expense limitations of Money Market Fund. Excluding the effect of the voluntary expense limitation, the Combined Fund is expected to have a net annual fund operating expense ratio that is lower than that of the current expense ratio for Money Market Fund.

** After giving effect to contractual and voluntary expense limitations of Stock and Bond Balanced Fund. Excluding the effect of the voluntary expense limitation, the Combined Fund is expected to have a net annual fund operating expense ratio that is the same as that of the current expense ratio for Stock and Bond Balanced Fund.

BAL has agreed to continue each Combined Fund's contractual expense limitation agreement through April 30, 2021. With respect to each of BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund, this analysis is based on the estimated fees and expenses of such Acquiring Fund as of its commencement of operations, as each such Acquiring Fund is recently organized and had no outstanding shares as of the date of the Combined Prospectus/Proxy Statement. With respect to BlackRock Total Return V.I. Fund, this analysis is based on the fees and expenses of its Predecessor Fund (as defined in the Combined Prospectus/Proxy Statement), as the Acquiring Fund is recently organized and had no outstanding shares as of the date of the Combined Prospectus/Proxy Statement.

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

A: No, you will not have to pay any sales charge, commission or other similar fee in connection with the Reorganization.

Q: What happens to the shares attributable to my Variable Contract if the Reorganization of my Target Fund is approved? Will I have to take any action if such Reorganization is approved?

A: If the Reorganization of your Target Fund is approved, no action is required on your part. Following approval, the shares attributable to your Variable Contract will automatically be exchanged for Class I shares of the corresponding Acquiring Fund on the date of the completion of the Reorganization. With respect to the Reorganization of Stock and Bond Balanced Fund, the Reorganization of such Target Fund, if approved, will only occur if Proposal 2 is also approved. The aggregate NAV of the Acquiring Fund Shares you receive in the Reorganization will be equal to the aggregate NAV of the shares you own in the Target Fund immediately prior to the Reorganization. No certificates for shares will be issued in connection with the Reorganizations.

Q: What happens if shareholders of one or more Target Funds do not approve the Proposal(s) of their Target Fund(s)?

A: If the shareholders of a Target Fund do not approve their Target Fund's Proposal(s), the Reorganization of that Target Fund will not occur as contemplated in the Combined Prospectus/Proxy Statement, and the Target Board will consider other alternatives for the Target Fund in light of the best interests of shareholders, which may include seeking a reorganization with a different fund or the liquidation of the Target Fund. If a Reorganization does not occur, SFIMC will promptly notify shareholders of that Target Fund as to the status of the transaction. Those Reorganizations that are approved will occur as contemplated in the Combined Prospectus/Proxy Statement. Each Reorganization is not contingent upon the approval of any other Reorganization.

With respect to Stock and Bond Balanced Fund, if the Reorganization is not approved, but the Proposal to eliminate the Investment Restriction is approved, such Proposal will take effect, regardless of whether shareholders approve the Reorganization for such Target Fund.

Q: Will my Target Fund's Reorganization create a taxable event for me under U.S. Federal law?

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

International Equity Index Fund, Large Cap Equity Index Fund, Money Market Fund and Small Cap Equity Index Fund

The portfolio managers of each of BlackRock International Index V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock Small Cap Index V.I. Fund do not anticipate disposing of, or requesting the disposition of, more than 5% of the holdings of International Equity Index Fund, Large Cap Equity Index Fund, Money Market Fund and Small Cap Equity Index Fund, respectively, in preparation for, or as a result of, the Reorganizations, other than in connection with the ordinary course of business. Consequently, minimal transaction costs are anticipated to be incurred in restructuring the portfolio holdings of these Target Funds in connection with their Reorganizations.

Stock and Bond Balanced Fund

While the portfolio managers of BlackRock iShares® Dynamic Allocation V.I. Fund do not anticipate disposing of a material portion of Stock and Bond Balanced Fund's holdings following the closing of the Reorganization, if Proposal 2 is approved, they anticipate requesting the disposition of all of the holdings of the Target Fund in preparation for the Reorganization. The extent of these sales is primarily due to the fact that the holdings of Stock and Bond Balanced Fund consist of the shares of Large Cap Equity Index Fund and Bond Fund, each of which SFIMC separately is proposing to reorganize into other mutual funds advised by BAL or its affiliates as set forth in this Combined Prospectus/Proxy Statement. SFIMC anticipates that Stock and Bond Balanced Fund will utilize the proceeds from such sales to realign its portfolio with BlackRock iShares® Dynamic Allocation V.I. Fund prior to the closing of the Reorganization. During this period, Stock and Bond Balanced Fund may deviate from its principal investment strategies. SFIMC has estimated that the portfolio transaction costs relating to the realignment of the Target Fund's portfolio prior to the Reorganization will be minimal.

Bond Fund

No significant accounting policies will change as a result of the proposed Reorganization, specifically, policies regarding valuation and Subchapter M compliance. As of December 31, 2017, all the securities held by the Bond Fund comply with the compliance guidelines and/or investment restrictions of BlackRock Total Return V.I. Fund. The portfolio managers of BlackRock Total Return V.I. Fund anticipate disposing of a significant portion (approximately 50%) of the securities of Bond Fund acquired in the Reorganization in connection with realigning the Combined Fund's portfolio in a manner consistent with its investment process. The portfolio managers of BlackRock Total Return V.I. Fund anticipate that the portfolio securities of Bond Fund to be sold following the Reorganization will consist mainly of corporate bonds. The sale of these portfolio securities would increase the transaction costs incurred by the Combined Fund. In addition, if the Reorganization is completed, the Combined Fund may use the proceeds from the sales to invest in agency mortgages, other securitized investments and other securities that match the existing investment strategies and exposures of the Acquiring Fund. The transaction costs relating to the sale of portfolio securities acquired from Bond Fund and in connection with the Combined Fund's investing in agency mortgages, other securitized investments and other securities are estimated to be approximately 0.06% of the Combined Fund's net assets following the Reorganization.

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

At any time before the Reorganizations take place, a shareholder may redeem shares of the Target Funds. Generally, such redemptions would be taxable transactions. Contract Owners should consult their own tax adviser concerning adverse state or local tax consequences.

Q: Who will pay for the Reorganizations?

A: BAL or its affiliates will pay each Acquiring Fund's portion of the expenses incurred in connection with its respective Reorganization (including auditor and legal fees of the Acquiring Fund and the costs of preparing and filing the Combined Prospectus/Proxy Statement), other than legal fees associated with counsel to the directors who are not "interested persons" (as defined in the 1940 Act) (the "Independent Director Counsel Fees") of its respective Acquiring Corporation and any portfolio transaction costs relating to the realignment of the corresponding Target Fund's portfolio after its respective Reorganization. The Independent Director Counsel Fees, which are allocated based on each Acquiring Fund's net assets, are estimated to be $15,120 for Proposal 1a, $0 for Proposal 1b, $45,850 for Proposal 1c, $3,700 for Proposal 1d, $0 for Proposal 1e and $1,070 for Proposal 1f for the applicable Acquiring Fund and will be borne by BAL or its affiliates either directly for certain Acquiring Funds or indirectly for certain other Acquiring Funds due to expense caps applicable to such other Acquiring Funds. SFIMC or its affiliates will reimburse each Target Fund for the Target Fund's portion of the expenses incurred in connection with its respective Reorganization (including auditor and legal fees of the Target Fund, solicitation fees and the costs of printing and mailing the Combined Prospectus/Proxy Statement), which are estimated to be $194,000 for Proposal 1a, $289,000 for Proposal 1b, $388,000 for Proposal 1c, $348,000 for Proposal 1d, $287,000 for Proposal 1e and $70,000 for Proposal 1f and Proposal 2, other than any portfolio transaction costs relating to the realignment of the Target Fund's portfolio prior to its respective Reorganization. Portfolio transaction costs relating to the realignment of a Target Fund's portfolio with that of its corresponding Acquiring Fund, if any, prior to or after its respective Reorganization are estimated to be minimal. SFIMC or its affiliates will reimburse the Target Funds for expenses related to the Reorganizations simultaneously with the accrual of such expense on a Target Fund's financial statements. The simultaneous timing of the expense accrual and the reimbursement accrual will prevent Target Fund shareholders from bearing these costs prior to reimbursement.

Q: How do I provide voting instructions for Target Fund shares attributable to my Variable Contract?

A: Providing voting instructions is quick and easy! You can provide voting instructions for shares beneficially held through your Variable Contract by mail, telephone or Internet or in person at the Special Meeting. To provide voting instructions by mail, please mark your instructions on the enclosed voting instruction form(s) and sign, date and return the form(s) in the postage-paid envelope provided. To provide voting instructions by telephone or over the Internet, please have the voting instruction form(s) in hand and call the telephone number listed on the form(s) or go to the website address listed on the form(s) and follow the instructions.

If you wish to vote in person at the Special Meeting, please complete each voting instruction form you receive and bring it to the Special Meeting. Even if you plan to attend the Special Meeting in person, please promptly follow the enclosed instructions to submit voting instructions by mail, telephone or Internet.

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

Q: When will the Reorganizations occur?

A: If approved by shareholders, and subject to certain other conditions, each Reorganization is expected to occur during the fourth quarter of 2018. A Reorganization will not take place if the Reorganization is not approved by that Target Fund's shareholders. Regardless of whether the Reorganization for Stock and Bond Balanced Fund is approved, the Reorganization for such Target Fund will not take place if Proposal 2 is not also approved by the Target Fund's shareholders.

Q: Whom do I contact if I have questions?

A: You may call Computershares Fund Services, our proxy solicitation firm, toll-free at (866) 209-6472.

Please provide voting instructions now. Your voting instructions are important.

To avoid the wasteful and unnecessary expense of further solicitation(s), we urge you to indicate your voting instructions on the voting instruction form(s), date and sign it and return it promptly in the postage-paid envelope provided, or record your voting instructions by telephone or via the Internet, no matter how large or small your holdings may be. If you submit a properly executed voting instruction form(s), but do not indicate how you wish your State Farm Insurance Company to vote your Target Fund shares, the shares will be voted "FOR" each of Proposal 1 and 2, as applicable.

Important additional information about the Proposals is set forth in the accompanying Combined Prospectus/Proxy Statement. Please read it carefully.

YOUR VOTING INSTRUCTIONS ARE IMPORTANT.

PLEASE PROVIDE VOTING INSTRUCTIONS PROMPTLY BY MARKING, SIGNING AND RETURNING THE ENCLOSED VOTING INSTRUCTION FORM(S) OR BY RECORDING YOUR VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET, NO MATTER HOW MANY SHARES YOU OWN.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE JOINT SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON FRIDAY, SEPTEMBER 14, 2018 AT 8:00 A.M. (CENTRAL TIME).

THE COMBINED PROSPECTUS/PROXY STATEMENT FOR THIS MEETING IS AVAILABLE AT: HTTPS://WWW.STATEFARM.COM/SHAREHOLDER-PROXY

STATE FARM VARIABLE PRODUCT TRUST
Bond Fund
International Equity Index Fund
Large Cap Equity Index Fund
Money Market Fund
Small Cap Equity Index Fund
Stock and Bond Balanced Fund

One State Farm Plaza
Bloomington, Illinois 61710-0001
(888) 702-2307

NOTICE OF JOINT SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 14, 2018

To Shareholders/Contract Owners:

This is to notify you that a joint special meeting of shareholders (the "Special Meeting") of each of Bond Fund, International Equity Index Fund, Large Cap Equity Index Fund, Money Market Fund, Small Cap Equity Index Fund and Stock and Bond Balanced Fund (each, a "Target Fund" and collectively, the "Target Funds"), each a series of State Farm Variable Product Trust (the "Target Trust"), will be held on Friday, September 14, 2018 at 8:00 a.m. (Central time), at the offices of State Farm Investment Management Corp. at One State Farm Plaza, Bloomington, Illinois 61710-0001.

At the Special Meeting, shareholders will be asked to consider and act upon the proposals set out below (each, a "Proposal" and collectively, the "Proposals"). Proposal 1 seeks shareholder approval of an Agreement and Plan of Reorganization, which provides for a series of transactions that will result in shareholders of each Target Fund becoming shareholders of a series of BlackRock Variable Series Funds, Inc. and/or BlackRock Variable Series Funds II, Inc. advised by BlackRock Advisors, LLC ("BAL"), as set out in the following table under the heading "Acquiring Funds" (each, an "Acquiring Fund" and collectively, the "Acquiring Funds"). The proposed transactions include a reorganization of each Target Fund with a corresponding Acquiring Fund (each, a "Reorganization" and collectively, the "Reorganizations"). The Reorganizations are described herein and throughout the Combined Prospectus/Proxy Statement as Proposal 1a, 1b, 1c, 1d, 1e and 1f.

Target Funds	Acquiring Funds
Bond Fund	BlackRock Total Return V.I. Fund, a series of BlackRock Variable Series Funds II, Inc.
International Equity Index Fund	BlackRock International Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Large Cap Equity Index Fund	BlackRock S&P 500 Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Money Market Fund	BlackRock Government Money Market V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Small Cap Equity Index Fund	BlackRock Small Cap Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Stock and Bond Balanced Fund	BlackRock iShares® Dynamic Allocation V.I. Fund, a series of BlackRock Variable Series Funds, Inc.

Proposal 2 seeks approval by the shareholders of Stock and Bond Balanced Fund to eliminate that Target Fund's fundamental investment restriction on investments, which provides that Stock and Bond Balanced Fund will not invest in securities other than securities of other registered investment companies or registered unit investment trusts that are part of the State Farm group of investment companies (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")), U.S. Government securities, or short-term paper (the "Investment Restriction"). The elimination of the Investment Restriction is necessary to permit the Target Fund to invest in mutual funds and exchange traded funds advised by BAL or its affiliates or in other securities in connection with the proposed realignment of the Target Fund's portfolio with that of its corresponding Acquiring Fund prior to the closing of the proposed Reorganization.

After considering the fees and expenses, performance, investment objective and strategies of each Acquiring Fund and the terms and conditions of each Reorganization, including the tax consequences, the Board of Trustees of the Target Trust (the "Target Board") unanimously recommends that Target Fund shareholders vote in favor of each Reorganization and the elimination of the Investment Restriction of Stock and Bond Balanced Fund, as applicable, because it believes that such Proposals are in the best interests of each Target Fund.

Proposal 1a, 1b, 1c, 1d, 1e and 1f—Approval of Agreement and Plan of Reorganization

Proposal 1a: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Bond Fund to BlackRock Total Return V.I. Fund, a newly created series of BlackRock Variable Series Funds II, Inc., in exchange for the assumption by BlackRock Total Return V.I. Fund of certain stated liabilities of Bond Fund and newly-issued shares of BlackRock Total Return V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock Total Return V.I. Fund by Bond Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Bond Fund as a series of the Target Trust.

Proposal 1b: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of International Equity Index Fund to BlackRock International Index V.I. Fund, a newly created series of BlackRock Variable Series Funds, Inc., in exchange for the assumption by BlackRock International Index V.I. Fund of certain stated liabilities of International Equity Index Fund and newly-issued shares of BlackRock International Index V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock International Index V.I. Fund by International Equity Index Fund to its shareholders; and (iii) the termination, dissolution and liquidation of International Equity Index Fund as a series of the Target Trust.

Proposal 1c: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Large Cap Equity Index Fund to BlackRock S&P 500 Index V.I. Fund in exchange for the assumption by BlackRock S&P 500 Index V.I. Fund of certain stated liabilities of Large Cap Equity Index Fund and newly-issued shares of BlackRock S&P 500 Index V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock S&P 500 Index V.I. Fund by Large Cap Equity Index Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Large Cap Equity Index Fund as a series of the Target Trust.

Proposal 1d: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Money Market Fund to BlackRock Government Money Market V.I. Fund in exchange for the assumption by BlackRock Government Money Market V.I. Fund of certain stated liabilities of Money Market Fund and newly-issued shares of BlackRock Government Money Market V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock Government Money Market V.I. Fund by Money Market Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Money Market Fund as a series of the Target Trust.

Proposal 1e: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Small Cap Equity Index Fund to BlackRock Small Cap Index V.I. Fund, a newly created series of BlackRock Variable Series Funds, Inc., in exchange for the assumption by BlackRock Small Cap Index V.I. Fund of certain stated liabilities of Small Cap Equity Index Fund and newly-issued shares of BlackRock Small Cap Index V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock Small Cap Index V.I. Fund by Small Cap Equity Index Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Small Cap Equity Index Fund as a series of the Target Trust.

Proposal 1f: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Stock and Bond Balanced Fund to BlackRock iShares® Dynamic Allocation V.I. Fund in exchange for the assumption by BlackRock iShares® Dynamic Allocation V.I. Fund of certain stated liabilities of Stock and Bond Balanced Fund and newly-issued shares of BlackRock iShares® Dynamic Allocation V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock iShares® Dynamic Allocation V.I. Fund by Stock and Bond Balanced Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Stock and Bond Balanced Fund as a series of the Target Trust.

Proposal 2—Approval to Eliminate Investment Restriction (Stock and Bond Balanced Fund only)

To approve the elimination of Stock and Bond Balanced Fund's fundamental investment restriction on investments that provides that Stock and Bond Balanced Fund will not invest in securities other than securities of other registered investment companies or registered unit investment trusts that are part of the State Farm group of investment companies (as defined in the 1940 Act), U.S. Government securities, or short-term paper.

Proposal 3—Other Business

To transact such other business as permitted by applicable law and as may properly be presented at the Special Meeting or any adjournment(s) or postponement(s) thereof.

The Target Board has fixed the close of business on May 25, 2018, for determination of shareholders of each Target Fund entitled to notice of, and to vote at, the Special Meeting and any adjournment(s) or postponement(s) thereof (the "Record Date").

State Farm Life Insurance Company and/or State Farm Life & Accident Assurance Company (each, a "State Farm Insurance Company" and together, the "State Farm Insurance Companies") are the record owners of the Target Funds' shares and will vote the shares of the Target Funds at the Special Meeting. Although not direct shareholders of the Target Funds, owners of variable annuity contracts or variable life insurance contracts ("Variable Contracts," the owners of which are referred to as "Contract Owners") issued by the State Farm Insurance Companies as of the Record Date have the right to instruct the State Farm Insurance Companies how to vote shares of the Target Fund(s) that are attributable to their Variable Contracts at the Special Meeting. The rights accompanying shares of the Target Funds are legally vested in the Variable Contracts offered by the State Farm Insurance Companies. Therefore, in accordance with current law and interpretations thereof, each State Farm Insurance Company will vote the shares it holds in a manner consistent with voting instructions timely received from the Contract Owners of the Variable Contracts. A signed voting instruction form by a Contract Owner that does not specify how the Contract Owner's shares should be voted on a Proposal will be deemed an instruction to vote such shares in favor of the Proposal. Those persons who have a voting interest at the close of business on the Record Date will be entitled to submit instructions to the State Farm Insurance Companies. Each State Farm Insurance Company will vote Target Fund shares it holds for which no timely instructions are received from the Contract Owners of the Variable Contracts, as well as shares it owns, in the same proportion as those shares for which the State Farm Insurance Company receives voting instructions. This practice is commonly referred to as "echo voting." The effect of echo voting is that if a large number of Contract Owners fail to give voting instructions, a small number of Contract Owners may determine the outcome of the vote. For purposes of the enclosed Combined Prospectus/Proxy Statement, the term "shareholder" (when used to refer to the beneficial holder of ownership interests in a Target Fund) shall also be deemed to include Contract Owners of the Variable Contracts.

The officers or trustees of the Target Trust named as proxies by shareholders may participate in the Special Meeting by remote communications, including, without limitation, by means of a conference telephone or similar communications equipment by means of which all persons participating in the Special Meeting can hear and be heard by each other, and the participation of such officers and trustees in the Special Meeting pursuant to any such communications system shall constitute presence in person at the Special Meeting.

WITH RESPECT TO EACH TARGET FUND, THE TARGET BOARD UNANIMOUSLY RECOMMENDS THAT YOU CAST YOUR VOTE FOR OR PROVIDE VOTING INSTRUCTIONS FOR EACH PROPOSAL, AS APPLICABLE.

PLEASE VOTE YOUR SHARES ON THE ENCLOSED PROXY CARD OR INDICATE YOUR VOTING INSTRUCTIONS ON THE ENCLOSED VOTING INSTRUCTION FORM(S) AND SIGN, DATE AND RETURN THE CARD/FORM(S) IN THE POSTAGE-PAID ENVELOPE PROVIDED, OR BY RECORDING YOUR VOTE/VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET.

IN ORDER TO AVOID THE ADDITIONAL EXPENSE OF FURTHER SOLICITATION, WE ASK THAT YOU MAIL YOUR SIGNED AND DATED PROXY CARD, VOTING INSTRUCTION FORM(S) OR RECORD YOUR VOTE/VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET PROMPTLY.

By Order of the Board of Trustees of State Farm Variable Product Trust,

Joe R. Monk, Jr.
President, Trustee and Chairperson of the Board
State Farm Variable Product Trust
One State Farm Plaza Bloomington, Illinois 61710-0001
August 14, 2018

Important Notice Regarding the Availability of Proxy Materials for the Joint Special Meeting of Shareholders to Be Held on Friday, September 14, 2018 at 8:00 a.m. (Central time). The Notice of Joint Special Meeting of Shareholders, the Combined Prospectus/Proxy Statement, the form of proxy card, the form of voting instruction form and any amendments are available on the Internet at https://www.statefarm.com/shareholder-proxy.

COMBINED PROSPECTUS/PROXY STATEMENT

PROSPECTUS OF

BLACKROCK VARIABLE SERIES FUNDS , INC.
BlackRock International Index V.I. Fund
BlackRock S&P 500 Index V.I. Fund
BlackRock Government Money Market V.I. Fund
BlackRock Small Cap Index V.I. Fund
BlackRock iShares® Dynamic Allocation V.I. Fund

BLACKROCK VARIABLE SERIES FUNDS II, INC.
BlackRock Total Return V.I. Fund

100 Bellevue Parkway
Wilmington, Delaware 19809
(800) 441-7762

PROXY STATEMENT OF

STATE FARM VARIABLE PRODUCT TRUST
Bond Fund
International Equity Index Fund
Large Cap Equity Index Fund
Money Market Fund
Small Cap Equity Index Fund
Stock and Bond Balanced Fund

One State Farm Plaza
Bloomington, Illinois 61710-0001
(888) 702-2307

This Combined Prospectus/Proxy Statement is furnished to you as a shareholder of Bond Fund, International Equity Index Fund, Large Cap Equity Index Fund, Money Market Fund, Small Cap Equity Index Fund and/or Stock and Bond Balanced Fund (each, a "Target Fund" and collectively, the "Target Funds"), each a series of State Farm Variable Product Trust, a Delaware statutory trust (the "Target Trust").

A joint special meeting of shareholders of each Target Fund (the "Special Meeting") will be held at the offices of State Farm Investment Management Corp. ("SFIMC") at One State Farm Plaza, Bloomington, Illinois 61710-0001, on Friday, September 14, 2018 at 8:00 a.m. (Central time), to consider the items that are listed below and discussed in greater detail elsewhere in this Combined Prospectus/Proxy Statement. Shareholders of record of each Target Fund at the close of business on May 25, 2018 (the "Record Date") are entitled to notice of, and to vote at, the Special Meeting or any adjournment(s) or postponement(s) thereof. This Combined Prospectus/Proxy Statement, proxy card or voting instruction form(s) and accompanying Notice of Special Meeting of Shareholders were first sent or given to shareholders of each Target Fund on or about August 15, 2018. Shareholders should vote their shares by marking, signing, dating and returning the enclosed proxy card(s) or voting instruction form(s) or by following one of the other methods for voting specified on the proxy card(s) or voting instruction form(s).

At the Special Meeting, shareholders will be asked to consider and act upon the proposals set out below (each, a "Proposal" and collectively, the "Proposals"). Proposal 1 seeks shareholder approval of an Agreement and Plan of Reorganization, which provides for a series of transactions that will result in shareholders of each Target Fund becoming shareholders of a series of BlackRock Variable Series Funds, Inc. and/or BlackRock Variable Series Funds II, Inc., each a Maryland corporation, as set out in the following table under the heading "Acquiring Funds" (each, an "Acquiring Fund" and collectively, the "Acquiring Funds"). The proposed transactions include a reorganization of each Target Fund with a corresponding Acquiring Fund (each, a "Reorganization" and collectively, the "Reorganizations"). The Reorganizations are described herein and throughout the Combined Prospectus/Proxy Statement as Proposals 1a, 1b, 1c, 1d, 1e and 1f. If a Reorganization does not occur as contemplated in this Combined Prospectus/Proxy Statement, SFIMC, the investment adviser to the Target Funds, will promptly notify shareholders of a Target Fund as to the status of the transaction. In such circumstances, the Board of Trustees of the Target Trust (the "Target Board") will examine alternatives to the Reorganization in light of the best interests of shareholders. Each Reorganization is not contingent upon the approval of another Reorganization.

Target Funds	Acquiring Funds
Bond Fund	BlackRock Total Return V.I. Fund, a series of BlackRock Variable Series Funds II, Inc.
International Equity Index Fund	BlackRock International Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Large Cap Equity Index Fund	BlackRock S&P 500 Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Money Market Fund	BlackRock Government Money Market V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Small Cap Equity Index Fund	BlackRock Small Cap Index V.I. Fund, a series of BlackRock Variable Series Funds, Inc.
Stock and Bond Balanced Fund	BlackRock iShares® Dynamic Allocation V.I. Fund, a series of BlackRock Variable Series Funds, Inc.

Proposal 2 seeks approval by the shareholders of Stock and Bond Balanced Fund to eliminate that Target Fund's fundamental investment restriction on investments, which provides that Stock and Bond Balanced Fund will not invest in securities other than securities of other registered investment companies or registered unit investment trusts that are part of the State Farm group of investment companies (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")), U.S. Government securities, or short-term paper (the "Investment Restriction"). The elimination of the Investment Restriction is necessary to permit the Target Fund to invest in mutual funds and exchange traded funds advised by BAL or its affiliates or in other securities in connection with the proposed alignment of the Target Fund's portfolio with that of its corresponding Acquiring Fund prior to the closing of the proposed Reorganization. In addition, the Investment Restriction is not required by the 1940 Act, and it limits the ability of the Target Fund to invest in a broader range of securities. The Reorganization for Stock and Bond Balanced Fund will not occur unless shareholders also approve the elimination of the Investment Restriction. If shareholders approve the elimination of the Investment Restriction, such change will take effect, regardless of whether shareholders approve the Reorganization, and the Target Board will consider what actions to take, if any, with respect to Stock and Bond Balanced Fund, including, but not limited to, liquidation.

Proposals 1a, 1b, 1c, 1d, 1e and 1f—Approval of Agreement and Plan of Reorganization

Proposal 1a: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Bond Fund to BlackRock Total Return V.I. Fund, a newly created series of BlackRock Variable Series Funds II, Inc., in exchange for the assumption by BlackRock Total Return V.I. Fund of certain stated liabilities of Bond Fund and newly-issued shares of BlackRock Total Return V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock Total Return V.I. Fund by Bond Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Bond Fund as a series of the Target Trust.

Proposal 1b: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of International Equity Index Fund to BlackRock International Index V.I. Fund, a newly created series of BlackRock Variable Series Funds, Inc., in exchange for the assumption by BlackRock International Index V.I. Fund of certain stated liabilities of International Equity Index Fund and newly-issued shares of BlackRock International Index V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock International Index V.I. Fund by International Equity Index Fund to its shareholders; and (iii) the termination, dissolution and liquidation of International Equity Index Fund as a series of the Target Trust.

Proposal 1c: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Large Cap Equity Index Fund to BlackRock S&P 500 Index V.I. Fund in exchange for the assumption by BlackRock S&P 500 Index V.I. Fund of certain stated liabilities of Large Cap Equity Index Fund and newly-issued shares of BlackRock S&P 500 Index V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock S&P 500 Index V.I. Fund by Large Cap Equity Index Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Large Cap Equity Index Fund as a series of the Target Trust.

Proposal 1d: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Money Market Fund to BlackRock Government Money Market V.I. Fund in exchange for the assumption by BlackRock Government Money Market V.I. Fund of certain stated liabilities of Money Market Fund and newly-issued shares of BlackRock Government Money Market V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock Government Money Market V.I. Fund by Money Market Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Money Market Fund as a series of the Target Trust.

Proposal 1e: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Small Cap Equity Index Fund to BlackRock Small Cap Index V.I. Fund, a newly created series of BlackRock Variable Series Funds, Inc., in exchange for the assumption by BlackRock Small Cap Index V.I. Fund of certain stated liabilities of Small Cap Equity Index Fund and newly-issued shares of BlackRock Small Cap Index V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock Small Cap Index V.I. Fund by Small Cap Equity Index Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Small Cap Equity Index Fund as a series of the Target Trust.

Proposal 1f: To approve an Agreement and Plan of Reorganization which provides for (i) the transfer and delivery of all of the assets of Stock and Bond Balanced Fund to BlackRock iShares® Dynamic Allocation V.I. Fund in exchange for the assumption by BlackRock iShares® Dynamic Allocation V.I. Fund of certain stated liabilities of Stock and Bond Balanced Fund and newly-issued shares of BlackRock iShares® Dynamic Allocation V.I. Fund; (ii) the distribution of such shares (including fractional shares) of BlackRock iShares® Dynamic Allocation V.I. Fund by Stock and Bond Balanced Fund to its shareholders; and (iii) the termination, dissolution and liquidation of Stock and Bond Balanced Fund as a series of the Target Trust.

Proposal 2—Approval to Eliminate Investment Restriction (Stock and Bond Balanced Fund only)

To approve the elimination of Stock and Bond Balanced Fund's fundamental investment restriction on investments that provides that Stock and Bond Balanced Fund will not invest in securities other than securities of other registered investment companies or registered unit investment trusts that are part of the State Farm group of investment companies (as defined in the 1940 Act), U.S. Government securities, or short-term paper.

Proposal 3

To transact such other business as permitted by applicable law and as may properly be presented at the Special Meeting or any adjournment(s) or postponement(s) thereof.

State Farm Life Insurance Company and/or State Farm Life & Accident Assurance Company (together, the "State Farm Insurance Companies") are the record owners of the Target Funds' shares and will vote the shares of the Target Funds at the Special Meeting. Although not direct shareholders of the Target Funds, owners of variable annuity contracts or variable life insurance contracts ("Variable Contracts," the owners of which are referred to as "Contract Owners") issued by the State Farm Insurance Companies as of the Record Date have the right to instruct the State Farm Insurance Companies how to vote shares of the Target Fund(s) that are attributable to their Variable Contracts at the Special Meeting. For convenience we refer to Contract Owners as "shareholders."

The Target Board has approved the Reorganizations, pursuant to which each Target Fund, a series of an open-end management investment company, would be reorganized into the corresponding Acquiring Fund. As detailed in the following table, each Acquiring Fund pursues an investment objective that is substantially similar to the investment objective of its corresponding Target Fund.

Target Fund	Target Fund Investment Objective	Acquiring Fund	Acquiring Fund Investment Objective
Bond Fund	Seeks to realize over a period of years the highest yield consistent with prudent investment management through current income and capital gains	BlackRock Total Return V.I. Fund	Seeks to maximize total return, consistent with income generation and prudent investment management
International Equity Index Fund	Seeks to match performance of the MSCI Europe, Australasia, and Far East ("EAFE") Free Index by investing in some of the stocks found in the MSCI EAFE Free Index	BlackRock International Index V.I. Fund	Seeks to match the performance of the MSCI EAFE Index (Europe, Australasia, Far East) in U.S. dollars with net dividends as closely as possible before the deduction of Fund expenses
Large Cap Equity Index Fund	Seeks to match performance of the S&P 500® Index (the "S&P 500") by investing in the securities that make up the S&P 500	BlackRock S&P 500 Index V.I. Fund	Seeks investment results that, before expenses, correspond to the aggregate price and yield performance of the S&P 500
Money Market Fund	Seeks to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity	BlackRock Government Money Market V.I. Fund	Seeks to preserve capital, maintain liquidity and achieve the highest possible current income consistent with the foregoing

Target Fund	Target Fund Investment Objective	Acquiring Fund	Acquiring Fund Investment Objective
Small Cap Equity Index Fund	Seeks to match performance of the Russell 2000® Small Stock Index (the "Russell 2000") by investing in some of the stocks found in the Russell 2000	BlackRock Small Cap Index V.I. Fund	Seeks to match the performance of the Russell 2000 as closely as possible before the deduction of Fund expenses
Stock and Bond Balanced Fund	Seeks long-term growth of capital, balanced with current income	BlackRock iShares® Dynamic Allocation V.I. Fund	Seeks to provide total return

Each Target Fund and its corresponding Acquiring Fund, however, may employ certain differing investment strategies in seeking to achieve their respective investment objectives. For more information on each Fund's investment strategies see "Summary—Investment Objectives and Principal Investment Strategies."

The Target Board also has approved the elimination of the Investment Restriction with respect to Stock and Bond Balanced Fund. As noted above, the elimination of the Investment Restriction is necessary to permit the Target Fund to invest in mutual funds and exchange traded funds advised by BAL or its affiliates or in other securities in connection with the proposed realignment of the Target Fund's portfolio with that of its corresponding Acquiring Fund prior to the closing of the proposed Reorganization. In addition, the Investment Restriction is not required by the 1940 Act, and it limits the ability of the Target Fund to invest in a broader range of securities.

If the shareholders of each Target Fund approve its respective Proposal(s) and the Reorganization occurs, each Target Fund will transfer and deliver all of its assets to the corresponding Acquiring Fund in exchange for the assumption by the Acquiring Fund of certain stated liabilities of such Target Fund and newly-issued shares of the Acquiring Fund ("Acquiring Fund Shares"). Immediately thereafter, such Target Fund will distribute the Acquiring Fund Shares (including fractional Acquiring Fund Shares, if any) to its shareholders. After distributing the Acquiring Fund Shares, such Target Fund will be terminated, dissolved and liquidated as a series of the Target Trust. When such Reorganization is complete, shareholders of such Target Fund will become shareholders of only the Acquiring Fund. Each Acquiring Fund, following the completion of its Reorganization, may be referred to as a "Combined Fund."

The aggregate net asset value of the Acquiring Fund Shares received in the Reorganization by such Target Fund will equal the aggregate net asset value of the shares of such Target Fund held by Target Fund shareholders immediately prior to such Reorganization. As a result of such Reorganization, however, a shareholder's interest (other than an interest in BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund) will represent a smaller percentage of ownership in the Combined Fund than such shareholder's percentage of ownership in such Target Fund immediately prior to the Reorganization.

This Combined Prospectus/Proxy Statement sets forth concisely the information shareholders of each Target Fund should know before voting on its respective Proposal(s) and constitutes an offering of the Acquiring Fund Shares being issued in its Reorganization. Please read it carefully and retain it for future reference.

The following documents containing additional information about each Acquiring Fund and/or each Target Fund, each having been filed with the Securities and Exchange Commission (the "SEC"), are incorporated by reference into (legally considered to be part of) this Combined Prospectus/Proxy Statement. Each of BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund is recently organized; as such, there are no financial statements for these Acquiring Funds. BlackRock Total Return V.I. Fund is also recently organized;

however, it will adopt the financial history of its Predecessor Fund (as defined in this Combined Prospectus/ Proxy Statement), which, along with the Predecessor Fund's performance, among other information, is included in this Combined Prospectus/Proxy Statement.

1. the Statement of Additional Information, dated August 14, 2018, relating to this Combined Prospectus/ Proxy Statement;

2. the Prospectus relating to each Target Fund, dated May 1, 2018, as supplemented;

3. the Statement of Additional Information relating to each Target Fund, dated May 1, 2018, as supplemented;

4. the Annual Report to shareholders of each Target Fund for the fiscal year ended December 31, 2017;

5. the Statement of Additional Information relating to BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund, dated May 1, 2018, as supplemented;

6. the Statement of Additional Information relating to BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund, dated May 31, 2018, as supplemented; and

7. the Annual Report to shareholders of BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund for the fiscal year ended December 31, 2017.

The following documents have been filed with the SEC, and are incorporated by reference into (legally form a part of), and also accompany this Combined Prospectus/Proxy Statement:

8. the Prospectuses relating to Class I shares of BlackRock International Index V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund, BlackRock Small Cap Index V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund, dated May 1, 2018 or May 31, 2018, as supplemented (collectively, the "Acquiring Fund Prospectus").

Except as otherwise described herein, the policies and procedures set forth under "Account Information" in the Acquiring Fund Prospectus will apply to the Acquiring Fund Shares issued by each Acquiring Fund in connection with the Reorganizations.

Copies of items 2 through 4 above can be obtained on a website maintained by SFIMC at https://www.statefarm.com/insurance/life/variable-universal-life/prospectuses-reports. In addition, each Target Fund will furnish, without charge, a copy of any of the foregoing documents to any shareholder upon request. Any such request should be directed to SFIMC by calling (888) 702-2307 or by writing to the applicable Target Fund at State Farm Variable Product Trust, One State Farm Plaza, Bloomington, Illinois 61710-0001. The foregoing documents are available on the EDGAR Database on the SEC's website at www.sec.gov. The address of the principal executive offices of each Target Fund is One State Farm Plaza, Bloomington, Illinois 61710-0001 and the telephone number is (888) 702-2307.

Copies of items 5 through 8 above can be obtained on a website maintained by BlackRock, Inc. at www.blackrock.com/prospectus/insurance. In addition, each Acquiring Fund will furnish, without charge, a copy of any of the foregoing documents to any shareholder upon request. Any such request should be directed to BlackRock, Inc. by calling (800) 441-7762 or by writing to the Acquiring Fund at BlackRock Variable Series Funds, Inc., P.O. Box 9819, Providence, Rhode Island 02940-8019. The foregoing documents are available on the EDGAR Database on the SEC's website at www.sec.gov. The address of the principal executive offices of each Acquiring Fund is 100 Bellevue Parkway, Wilmington, Delaware 19809 and the telephone number is (800) 441-7762.

Each Fund is subject to the informational requirements of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the 1940 Act, and in accordance therewith, files reports, proxy statements, proxy materials and other information with the SEC. Materials filed with the SEC can be reviewed and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, District of Columbia 20549 or downloaded from the SEC's website at www.sec.gov. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (202) 551- 8090. You may also request copies of these materials, upon payment at the prescribed rates of a duplicating fee, by electronic request to the SEC's e-mail address (publicinfo@sec.gov) or by writing the Public Reference Branch, Office of Consumer Affairs and Information Services, Securities and Exchange Commission, Washington, District of Columbia 20549-0102.

The Target Board knows of no business with respect to the Target Funds other than that discussed above that will be presented for consideration at the Special Meeting. To the extent permitted by applicable law, if any other matter is properly presented, it is the intention of the persons named in the enclosed proxy to vote in accordance with their best judgment.

No person has been authorized to give any information or make any representation not contained in this Combined Prospectus/Proxy Statement and, if so given or made, such information or representation must not be relied upon as having been authorized. This Combined Prospectus/Proxy Statement does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which, or to any person to whom, it is unlawful to make such offer or solicitation.

Neither the SEC nor the Commodity Futures Trading Commission has approved or disapproved of these securities or passed upon the adequacy of this Combined Prospectus/Proxy Statement. Any representation to the contrary is a criminal offense.

The date of this Combined Prospectus/Proxy Statement is August 14, 2018.

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PROPOSAL 1—TO APPROVE THE AGREEMENT AND PLAN OF REORGANIZATION FOR EACH TARGET FUND

SUMMARY

The following is a summary of certain information contained elsewhere in this Combined Prospectus/Proxy Statement and is qualified in its entirety by reference to the more complete information contained herein. Shareholders should read the entire Combined Prospectus/Proxy Statement carefully.

Each of the Target Funds and the Acquiring Funds is a series of an open-end management investment company registered with the Securities and Exchange Commission ("SEC") as specified below:

Bond Fund, International Equity Index Fund, Large Cap Equity Index Fund, Money Market Fund, Small Cap Equity Index Fund and Stock and Bond Balanced Fund (each, a "Target Fund" and collectively, the "Target Funds")	each, a series of State Farm Variable Product Trust (the "Target Trust"), a Delaware statutory trust
BlackRock Total Return V.I. Fund	a series of BlackRock Variable Series Funds II, Inc., a Maryland corporation
BlackRock International Index V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund, BlackRock Small Cap Index V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund (collectively with BlackRock Total Return V.I. Fund, the "Acquiring Funds" and each, an "Acquiring Fund")	each, a series of BlackRock Variable Series Funds, Inc., a Maryland corporation (together with BlackRock Variable Series Funds II, Inc., the "Acquiring Corporations" and each an "Acquiring Corporation")

In this Combined Prospectus/Proxy Statement, the Target Funds and the Acquiring Funds are collectively referred to as the "Funds" and each, a "Fund." The Acquiring Funds, following completion of the Reorganizations (as defined below), may be collectively referred to as the "Combined Funds" and each, a "Combined Fund."

Investment Objectives. The investment objectives of each Target Fund and its corresponding Acquiring Fund are substantially similar, as detailed in the following table:

Target Fund	Target Fund Investment Objective	Acquiring Fund	Acquiring Fund Investment Objective
Bond Fund	Seeks to realize over a period of years the highest yield consistent with prudent investment management through current income and capital gains	BlackRock Total Return V.I. Fund	Seeks to maximize total return, consistent with income generation and prudent investment management

Target Fund	Target Fund Investment Objective	Acquiring Fund	Acquiring Fund Investment Objective
International Equity Index Fund	Seeks to match performance of the MSCI Europe, Australasia, and Far East ("EAFE") Free Index by investing in some of the stocks found in the MSCI EAFE Free Index	BlackRock International Index V.I. Fund	Seeks to match the performance of the MSCI EAFE Index (Europe, Australasia, Far East) in U.S. dollars with net dividends as closely as possible before the deduction of Fund expenses
Large Cap Equity Index Fund	Seeks to match performance of the S&P 500® Index (the "S&P 500") by investing in the securities that make up the S&P 500	BlackRock S&P 500 Index V.I. Fund	Seeks investment results that, before expenses, correspond to the aggregate price and yield performance of the S&P 500
Money Market Fund	Seeks to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity	BlackRock Government Money Market V.I. Fund	Seeks to preserve capital, maintain liquidity and achieve the highest possible current income consistent with the foregoing
Small Cap Equity Index Fund	Seeks to match performance of the Russell 2000® Small Stock Index (the "Russell 2000") by investing in some of the stocks found in the Russell 2000	BlackRock Small Cap Index V.I. Fund	Seeks to match the performance of the Russell 2000 as closely as possible before the deduction of Fund expenses
Stock and Bond Balanced Fund	Seeks long-term growth of capital, balanced with current income	BlackRock iShares® Dynamic Allocation V.I. Fund	Seeks to provide total return

With the exception of BlackRock Total Return V.I. Fund, BlackRock S&P 500 Index V.I. Fund and BlackRock Government Money Market V.I. Fund, the investment objective of each of the Funds is non-fundamental, which means that it may be changed without the approval of the respective Fund's shareholders. The investment objective of each of BlackRock Total Return V.I. Fund, BlackRock S&P 500 Index V.I. Fund and BlackRock Government Money Market V.I. Fund is fundamental, which means that it may not be changed without the approval of a majority of its shareholders.

Advisers and Distributors. BlackRock Advisors, LLC ("BAL") serves as the investment adviser of each Acquiring Fund. State Farm Investment Management Corp. ("SFIMC") serves as the investment adviser of each Target Fund. BlackRock Fund Advisors ("BFA"), an affiliate of BAL, serves as the sub-adviser to International Equity Index Fund, Large Cap Equity Index Fund and Small Cap Equity Index Fund. Each of the Funds publicly offers its shares on a continuous basis. BlackRock Investments, LLC (“BRIL”) is the distributor of each Acquiring Fund’s shares. State Farm VP Management Corp. (“Management Corp.”) is the distributor of each Target Fund’s shares.

Investment Strategies. This section will help you compare the principal investment strategies of the Target Funds and the Acquiring Funds. Please note, however, that this is only a summary. More detailed comparisons about the Funds, including risks, are discussed later in this Combined Prospectus/Proxy Statement. In each instance, the principal investment strategies of an Acquiring Fund will apply following a Reorganization.

Bond Fund (Target Fund) and BlackRock Total Return V.I. Fund (Acquiring Fund)

The Target Fund and the Acquiring Fund employ similar principal investment strategies to achieve their respective objectives. Both Funds primarily invest in investment grade fixed-income securities. One of the principal differences between the Funds’ principal investment strategies is that the Target Fund invests at least 80% of its net assets in investment grade bonds, while the Acquiring Fund, which invests at least 80% of its assets in fixed-income securities, has no investment-grade limitation with respect to its 80% investment policy, and it typically invests at least 90% of its assets in fixed-income securities. Another principal difference is that the Target Fund generally seeks to maintain a dollar weighted average portfolio duration of less than six years, whereas the Acquiring Fund may invest in fixed-income securities of any duration or maturity and does not have a policy with respect to average portfolio duration. Each Fund may invest up to 20% of its assets in junk bonds. The Target Fund may invest up to 20% of its assets in preferred stocks that are convertible into common stock as well as nonconvertible preferred stocks or securities, while the Acquiring Fund may invest in such securities without limitation. Both Funds may invest without limit in U.S. dollar-denominated debt securities of foreign issuers. The Acquiring Fund may invest up to 30% of its net assets in non-U.S. dollar-denominated securities of foreign issuers. It may also invest up to 20% (as a percentage of the Acquiring Fund’s net assets) in non-U.S. and U.S. dollar-denominated securities of emerging markets issuers. The Acquiring Fund may also invest in derivatives, credit-linked instruments and collateralized debt obligations. The Target Fund does not have comparable principal investment strategies.

Principal Investment Strategies of BlackRock Total Return V.I. Fund

The Acquiring Fund seeks to provide current income by investing in securities that pay interest or dividends. Dividends include exempt interest, ordinary income and capital gains paid to shareholders. Dividends may be reinvested in additional Acquiring Fund shares as they are paid. The Acquiring Fund may also seek growth of capital by looking for investments that will increase in value. However, the Acquiring Fund’s investments emphasize current income more than growth of capital.

The Acquiring Fund under normal circumstances will invest at least 80%, and typically invests 90% or more, of its assets in fixed-income securities such as corporate bonds and notes, mortgage-backed securities, asset-backed securities, convertible securities, preferred stocks, government obligations and money market securities. Both U.S. and foreign companies and governments may issue these securities, including issuers in emerging markets. The Acquiring Fund invests primarily in fixed-income securities rated investment grade by a nationally recognized statistical rating organization (“NRSRO”). Fixed-income securities in any of the four highest rating categories can be called “investment grade.” The Acquiring Fund may invest up to 20% of its net assets in fixed-income securities that are rated below investment grade (commonly called “junk bonds”) by the NRSROs, including Moody’s Investors Service, Inc., S&P Global Ratings or Fitch Ratings, Inc., or in unrated securities of equivalent credit quality. Split rated bonds will be considered to have the higher credit rating. The Acquiring Fund may invest in fixed-income securities of any maturity or duration.

The Acquiring Fund may invest up to 30% of its net assets in securities of foreign issuers, of which 20% (as a percentage of the Acquiring Fund’s net assets) may be in emerging markets issuers. Investments in U.S. dollar-denominated securities of foreign issuers, excluding issuers from emerging markets, are permitted beyond the 30% limit. This means that the Acquiring Fund may invest in such U.S. dollar-denominated securities of foreign issuers without limit. The Acquiring Fund may enter into reverse repurchase agreements and dollar rolls. The Acquiring Fund may also invest in derivative instruments both for hedging purposes and to seek to enhance its returns. The Acquiring Fund may also invest in credit linked notes, credit linked trust certificates, structured notes, or other instruments evidencing interests in special purpose vehicles, trusts, or other entities that hold or represent interests in fixed-income securities.

The Acquiring Fund may invest up to 15% of its net assets in collateralized debt obligations ("CDOs"), of which 10% (as a percentage of the Acquiring Fund's net assets) may be in collateralized loan obligations ("CLOs"). CDOs are types of asset-backed securities. CLOs are ordinarily issued by a trust or other special purpose entity and are typically collateralized by a pool of loans, which may include, among others, domestic and non-U.S. senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans, held by such issuer.

The Acquiring Fund may engage in active and frequent trading of portfolio securities to seek to achieve its primary investment strategies.

International Equity Index Fund (Target Fund) and BlackRock International Index V.I. Fund (Acquiring Fund)

The Target Fund and the Acquiring Fund employ similar principal investment strategies to achieve their respective objectives. Both Funds are index funds that track substantially identical indices published by MSCI; the Target Fund tracks the MSCI EAFE Free Index and the Acquiring Fund tracks the MSCI EAFE Index. The MSCI EAFE Free Index and the MSCI EAFE Index have the same constituents and performance; however, the MSCI EAFE Free Index has a different history than the MSCI EAFE Index in that it historically included adjusted free float calculations to capture investment restrictions previously imposed on foreign investors in certain countries. The principal difference between the Funds' principal investment strategies is that, while both Funds are index funds, the Target Fund, under normal operating conditions, invests at least 90% of its net assets in stocks that are represented in the MSCI EAFE Free Index, while the Acquiring Fund invests at least 90% 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, such as derivatives. Another difference is that the Target Fund will invest in stocks that are represented in the MSCI EAFE Free Index in weights that approximate the relative composition of the securities contained in the MSCI EAFE Free Index, while the Acquiring Fund may not 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.

Large Cap Equity Index Fund (Target Fund) and BlackRock S&P 500 Index V.I. Fund (Acquiring Fund)

The Target Fund and the Acquiring Fund employ similar principal investment strategies to achieve their respective objectives. The principal difference between the Funds' principal investment strategies is that, while both Funds are index funds that track the S&P 500, the Target Fund, under normal operating conditions, invests at least 90% of its net assets in stocks that are represented in the S&P 500, while the Acquiring Fund invests at least 80% of its assets in the common stocks represented in the S&P 500 and in derivative instruments linked to the S&P 500. Both Funds employ a full replication strategy; however, the Acquiring Fund may also employ a statistical sampling strategy if deemed cost efficient by BAL.

Money Market Fund (Target Fund) and BlackRock Government Money Market V.I. Fund (Acquiring Fund)

The Target Fund and the Acquiring Fund employ similar principal investment strategies to achieve their respective objectives. Each Fund is a government money market fund managed pursuant to Rule 2a-7 under the Investment Company Act of 1940, as amended (the "1940 Act"). Each Fund seeks to maintain a net asset value ("net asset value" or "NAV") of $1.00 per share. Each Fund seeks to achieve its investment objective by investing in a portfolio of securities maturing in 397 days or less (with certain exceptions) that will have a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less; the Funds invest in securities that present minimal credit risk. Each Fund invests at least 99.5% of its assets in cash, U.S. government securities and repurchase agreements that are fully collateralized. The Acquiring Fund has an 80% investment policy to invest in such U.S. government securities and repurchase agreements, while the Target Fund does not have an 80% investment policy. Each Fund is subject to the quality, liquidity and other requirements of Rule 2a-7.

Small Cap Equity Index Fund (Target Fund) and BlackRock Small Cap Index V.I. Fund (Acquiring Fund)

The Target Fund and the Acquiring Fund employ similar principal investment strategies to achieve their respective objectives. The principal difference between the Funds' principal investment strategies is that, while both Funds are index funds that track the Russell 2000, the Target Fund, under normal operating conditions, invests at least 90% of its net assets in stocks that are represented in the Russell 2000, while the Acquiring Fund invests at least 90% 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, such as derivatives. Another difference is that the Target Fund will invest in stocks that are represented in the Russell 2000 in weights that approximate the relative composition of the securities contained in the Russell 2000, while the Acquiring Fund may invest in stocks that are included in the Russell 2000 but in different weightings than represented in the Russell 2000.

Stock and Bond Balanced Fund (Target Fund) and BlackRock iShares® Dynamic Allocation V.I. Fund (Acquiring Fund)

While both Funds are funds-of-funds, they employ different investment strategies to achieve their respective objectives. The principal difference between the Funds' principal investment strategies is that the Target Fund invests substantially all of its assets in shares of Large Cap Equity Index Fund and Bond Fund, other series of the Target Trust, while the Acquiring Fund invests in a portfolio of underlying exchange-traded funds ("ETFs") that seek to track equity, fixed-income and alternative indices. To achieve their respective objectives, the Target Fund maintains approximately 60% of its assets in shares of Large Cap Equity Index Fund and 40% of its assets in shares of Bond Fund, while the Acquiring Fund invests at least 80% of its net assets plus any borrowings for investment purposes in iShares® ETFs. As suggested by its name, the Acquiring Fund is managed dynamically, which means that the Acquiring Fund's allocations to the equity, fixed-income and alternative asset classes will change based on tactical determinations made by the Acquiring Fund's investment manager and in response to changing market conditions. The Acquiring Fund will tactically shift its portfolio weightings among, and within, the different asset classes in which it invests to take advantage of changing market opportunities and in response to changing market risk conditions as it seeks its investment objective. Also, unlike the Target Fund, the Acquiring Fund gains exposure to the commodity markets by investing in a Cayman subsidiary.

Trustee Approval and Structure of Reorganizations. The Board of Trustees of the Target Trust (the "Target Board" or the "Trustees"), including all of the Trustees who are not "interested persons" (as defined in the 1940 Act) (the "Independent Trustees") of the Target Trust, unanimously approved each Reorganization.

Subject to approval by each Target Fund's shareholders, each Reorganization provides for (i) the transfer and delivery of all of the assets of the applicable Target Fund to the corresponding Acquiring Fund in exchange for the assumption by such Acquiring Fund of certain stated liabilities of such Target Fund and newly-issued shares of such Acquiring Fund; (ii) the distribution of such shares (including fractional shares) of the Acquiring Fund by the Target Fund to its shareholders; and (iii) the termination, dissolution and liquidation of the Target Fund as a series of the Target Trust.

If a Reorganization is approved and completed, shareholders of the applicable Target Fund will receive Class I shares, including fractional shares, if any, of the corresponding Acquiring Fund that have the same aggregate net asset value as the shares of the Target Fund that they owned immediately prior to such Reorganization. Certain Acquiring Funds also offer Class II and/or Class III shares, which will not be issued in the Reorganizations. Share class selection was primarily based on shareholder eligibility requirements of each share class of both the Target Funds and the Acquiring Funds and on the lack of a distribution fee for each share class. In addition, similarities in shareholder services and expenses were considered.

Additional Information About BlackRock Total Return V.I. Fund. BlackRock Total Return V.I. Fund is a new series of BlackRock Variable Series Funds II, Inc. BlackRock Total Return V.I. Fund is expected to be the successor to a corresponding series of BlackRock Variable Series Funds, Inc. (the “Predecessor Fund”) pursuant to a reorganization (the “Shell Reorganization”). BlackRock Total Return V.I. Fund will have the same investment objective and strategies, portfolio management team and contractual arrangements as those of the Predecessor Fund. As a result of the proposed Shell Reorganization, BlackRock Total Return V.I. Fund will adopt the performance and financial history of the Predecessor Fund. The Shell Reorganization is being proposed in connection with a potential reconfiguration of the existing fund complexes overseen by the boards of directors/ trustees of the BlackRock-advised funds.

The Shell Reorganization is not subject to shareholder approval and it is expected to take place in the third quarter of 2018. The proposed Reorganization of Bond Fund into BlackRock Total Return V.I. Fund is contingent upon, and will not close, until the closing of the Shell Reorganization.

Background and Reasons for the Proposed Reorganizations

SFIMC, after a review of the nature and goals of its mutual fund advisory business, determined to reduce the extent of its mutual fund advisory business activities. As a result of this review and in consideration of the nature of the Target Funds’ shareholder base, including the desire for State Farm Mutual Automobile Insurance Company (“SFMAIC”) agents to continue to maintain their relationship with those clients/shareholders, SFIMC presented the Target Board with information on possible strategic dispositions within its mutual fund business, including relating to the Target Funds. After considering and evaluating several possible prominent and well-managed mutual fund complexes, SFIMC recommended that the Target Board approve the Reorganization of each Target Fund with and into a corresponding Acquiring Fund.

The Target Board discussed and considered matters relating to the proposed Reorganizations at meetings held in the fourth quarter of 2017 and the first and second quarters of 2018 (collectively, the “State Farm Merger Evaluation Meetings”). During the course of the State Farm Merger Evaluation Meetings, the Target Board requested, received and discussed information from various parties, including from SFMAIC, SFIMC and BAL, regarding (i) the structure, terms and conditions and anticipated timeline of the Reorganizations; (ii) the rationale for the Reorganizations, as well as comparative data and information with respect to the Target Funds and Acquiring Funds; (iii) the expected impact of the Reorganizations on each Target Fund and its shareholders; (iv) BAL’s organization, personnel and affiliates; (v) BAL’s investment philosophy and process; (vi) BAL’s experience in providing investment advisory services to mutual funds; (vii) BAL’s operational, legal and compliance capabilities, as well as its financial conditions and resources; (viii) the services provided by, and BAL’s administration and oversight of, the Acquiring Funds’ third-party service providers; (ix) the key distribution channels and intermediary relationships for the Acquiring Funds; and (x) the composition and governance of the Acquiring Corporation’s Board of Directors (the “Acquiring Board”). The Target Board also received and considered information from counsel to the Independent Trustees of the Target Board regarding the duties of the Target Board in considering the Reorganizations. Additionally, the Target Board evaluated the proposed elimination of Stock and Bond Balanced Fund’s fundamental investment restriction regarding investments in other State Farm investment companies, its potential impact on Stock and Bond Balanced Fund and its shareholders, and the desirability of eliminating such restriction to align the portfolios of Stock and Bond Balanced Fund and BlackRock iShares® Dynamic Allocation V.I. Fund. During the course of the Target Board’s deliberations, the Independent Trustees were advised by and received assistance from their independent counsel, including in executive sessions. In addition, during several State Farm Merger Evaluation Meetings, the Independent Trustees of the Target Board met with a number of management personnel of BAL, as well as the Chief Compliance Officer of the Acquiring Corporations. In addition, the chair of the Acquiring Corporation and directors/trustees of certain other BlackRock mutual funds advised by BAL or its affiliates also met in person or via videoconference with the entire Target Board.

At a meeting held on May 23, 2018 at 8:00 a.m. (the "Approval Meeting"), the Target Board, including all of the Independent Trustees, unanimously approved each Agreement and Plan of Reorganization and the elimination of Stock and Bond Balanced Fund's fundamental investment restriction regarding investments in other State Farm registered investment companies and voted to recommend that the shareholders of each Target Fund also approve the applicable Agreement and Plan of Reorganization and the elimination of such fundamental investment restriction with respect to Stock and Bond Balanced Fund. The Target Board determined that, based on an assumption that all of the facts and circumstances existing at the time of closing of the Reorganization are not materially different from those presented to the Target Board at the Approval Meeting, each Reorganization would be in the best interests of the applicable Target Fund and that the interests of existing shareholders of each Target Fund would not be diluted as a result of such Reorganization. The Target Board's determinations were based on a comprehensive evaluation of the information provided to them. During the review, the Target Board did not identify any particular information or consideration that was all-important or controlling.

Results of Process

In reaching its determinations with respect to the Reorganization of each Target Fund into the corresponding Acquiring Fund, the Target Board considered a number of factors presented at the time of the State Farm Merger Evaluation Meetings, including, but not limited to, the following:

- The reputation, financial strength and resources of BAL;
- The investment experience, expertise, personnel, operations and compliance program of BAL and its parent company, BlackRock, Inc.;
- The investment objective, principal investment strategies, and risks of the Target Funds are similar or substantially similar to the investment objective, principal investment strategies, and risks of the Acquiring Funds, except for Stock and Bond Balanced Fund and BlackRock iShares® Dynamic Allocation V.I. Fund which employ different principal investment strategies and risks in seeking to achieve their respective investment objective;
- The current asset allocation of the Target Funds and the Acquiring Funds;
- The fundamental and non-fundamental investment restrictions of the Target Funds and the Acquiring Funds;
- The portfolio managers of the sub-adviser currently managing certain of the Target Funds will serve as the portfolio managers of the Combined Funds;
- The current sub-adviser of the Target Funds, BFA, is an affiliate of the investment adviser of the Acquiring Funds;
- The advisory fee rate to be paid by the Combined Funds (after any applicable waiver) is lower than the current advisory fee rate paid by the Target Funds, except for Stock and Bond Balanced Fund, which currently does not pay a management fee and Money Market Fund, for which the corresponding Combined Fund will have a higher advisory fee rate than currently paid by Money Market Fund; however, such Combined Fund will have a lower overall annual expense ratio (after waivers and expense reimbursements) following the proposed Reorganization;
- The nature, quality and extent of the services to be provided by BAL to the Combined Funds;
- BAL's commitment that annual total expense ratios of the Combined Funds (after waivers and expense reimbursements) will be equal to, or lower than, the annual total expense ratios (after waivers and expense reimbursements but excluding the effect of any voluntary expense limitations) of the Target Funds until at least April 30, 2021;
- The features of BAL's expense recapture program and the anticipated impact of the program, if any, on the Target Funds following the Reorganization;
- The differences in rights and privileges between the Target Funds' share classes and the corresponding Acquiring Funds' share classes;

- There is not expected to be any diminution in the nature, quality and extent of services provided to the Combined Funds and their shareholders from the services provided to the Target Funds and their shareholders as a result of the Reorganizations, including the transition from the Target Funds' current service providers to the Acquiring Funds' service providers;
- The historical performance records of the Target Funds and the Acquiring Funds (or, in the case of BlackRock Total Return V.I. Fund, its predecessor), except for BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund, which are newly organized and do not have any performance history;
- The access to BAL's and/or BRIL's distribution channels may create the potential for broader asset growth and a more stable asset base;
- Shareholders of the Target Funds are expected to face no adverse tax consequences as a result of the Reorganizations aside from any capital gains distributions resulting from any repositioning of the Target Funds' portfolio holdings;
- The disposition of all of the holdings of Stock and Bond Balanced Fund in preparation for its Reorganization and the potential transaction costs relating to the realignment of Stock and Bond Balanced Fund's portfolio as a result of the proposed Reorganization;
- The composition and qualifications of the Acquiring Board;
- The terms and conditions of each Agreement and Plan of Reorganization;
- All costs associated with the Target Funds' participation in the proposed Reorganizations are expected to be borne by SFIMC or its affiliates as a result of the Target Funds' expense limitation and/or SFIMC's agreement that the current shareholders will not bear any costs of the Reorganizations (other than any portfolio transaction costs relating to any realignment of a Target Fund's portfolio with that of the corresponding Acquiring Fund, particularly with respect to Stock and Bond Balanced Fund, prior to and/or after the Reorganization);
- No sales charge, contingent deferred sales charge, commission, redemption fee or other transactional fee will be charged as a result of the proposed Reorganizations;
- The difference in the corporate structure of the Target Trust, which is a Delaware statutory trust, and the Acquiring Corporation, which is a Maryland corporation, is not anticipated to negatively affect shareholders;
- Possible alternatives to the Reorganizations, including the liquidation of the Target Funds.

After consideration of the factors noted above, together with other factors and information considered to be relevant, the Target Board, including all of the Independent Trustees, unanimously approved the Reorganizations, concluding that the Reorganizations are in the best interests of each Target Fund and that the interests of existing shareholders of each Target Fund would not be diluted as a result of a Reorganization. This determination was made on the basis of each Trustee's business judgment after consideration of all of the factors taken as a whole with respect to each Target Fund and its shareholders, although individual Trustees may have placed different weight on various factors and assigned different degrees of materiality to various factors.

The Target Board, including all of the Independent Trustees, unanimously recommends that you vote "FOR" Proposal 1a, 1b, 1c, 1d, 1e and/or 1f, as applicable.

Investment Objectives and Principal Investment Strategies

Comparison of Bond Fund (Target Fund) and BlackRock Total Return V.I. Fund (Acquiring Fund)

Investment Objectives. The investment objectives of Bond Fund and BlackRock Total Return V.I. Fund are substantially similar. The investment objective of Bond Fund is to seek to realize over a period of years the highest yield consistent with prudent investment management through current income and capital gains. The investment objective of BlackRock Total Return V.I. Fund is to maximize total return, consistent with income generation and prudent investment management. The investment objective of Bond Fund is non-fundamental, which means that it may be changed without the approval of its shareholders. The investment objective of BlackRock Total Return V.I. Fund is fundamental, which means that it may not be changed without the approval of a majority of its shareholders. Following completion of the Reorganization, the Combined Fund will have the same fundamental investment objective as BlackRock Total Return V.I. Fund.

Principal Investment Strategies. Bond Fund and BlackRock Total Return V.I. Fund employ similar principal investment strategies in seeking to achieve their respective objectives. The similarities and differences of the principal investment strategies of the Funds are described in the chart below.

Bond Fund	BlackRock Total Return V.I. Fund
• The Fund invests primarily in investment grade bonds issued by U.S. companies, U.S. Government and agency obligations and mortgage backed securities.	• The Fund invests primarily in a diversified portfolio of investment grade fixed-income securities.
• Under normal circumstances, the 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 SFIMC has determined to be of comparable quality. The Fund may invest in any of the following instruments: corporate debt securities, U.S. Government debt securities, foreign government debt securities, asset-backed and mortgage-backed securities and other issuer debt securities.	• Under normal circumstances, the Fund invests at least 80% of its assets in fixed-income securities. The Fund typically invests at least 90% of its assets in fixed-income securities. The fixed-income securities in which the Fund may invest consist of: U.S. Government debt securities, corporate debt securities issued by U.S. and foreign companies, asset-backed securities, mortgage-backed securities, preferred securities issued by U.S. and foreign companies, corporate debt securities and preferred securities convertible into common stock, foreign sovereign debt instruments and money market securities.
• The Fund generally seeks to maintain a dollar weighted average portfolio duration of less than six years.	• The Fund may invest in fixed-income securities of any duration or maturity.
• The Fund may invest up to 20% of its assets in non-investment grade debt securities and preferred stocks that are convertible into common stock as well as nonconvertible preferred stocks or securities.	• The Fund may invest up to 20% of its net assets in fixed-income securities that are rated below investment grade (commonly called "junk bonds") by the NRSROs, including Moody's Investors Service, Inc., S&P Global Ratings or Fitch Ratings, Inc., or in unrated securities of equivalent credit quality. Split rated bonds will be considered to have the higher credit rating.
• The Fund invests in investment grade securities issued or guaranteed by a foreign government or its agencies or instrumentalities, payable in U.S. dollars.	• The Fund may invest up to 30% of its net assets in securities of foreign issuers, of which 20% (as a percentage of the Fund's net assets) may be in emerging markets issuers. Investments in U.S. dollar-denominated securities of foreign issuers, excluding issuers from emerging markets, are permitted beyond the 30% limit. This means that the Fund may invest in U.S. dollar-denominated securities of foreign issuers without limit.

Bond Fund	BlackRock Total Return V.I. Fund
	• The Fund may use derivatives, including, but not limited to, interest rate, total return and credit default swaps, indexed and inverse floating rate securities, options, futures, options on futures and swaps for hedging purposes, as well as to increase the return on its portfolio investments. • The Fund may invest in credit linked notes, credit linked trust certificates, structured notes, or other instruments evidencing interests in special purpose vehicles, trusts, or other entities that hold or represent interests in fixed-income securities. • The Fund may invest up to 15% of its net assets in collateralized debt obligations, of which 10% (as a percentage of the Fund's net assets) may be in collateralized loan obligations.

Comparison. The principal investment strategies of Bond Fund and BlackRock Total Return V.I. Fund are similar, although there are some differences. Each Fund primarily invests in investment grade fixed-income securities, with Bond Fund investing primarily in investment grade bonds issued by U.S. companies and BlackRock Total Return V.I. Fund investing primarily in a diversified portfolio of investment grade fixed-income securities. Each Fund also, under normal circumstances, invests at least 80% of its assets in fixed-income securities. One difference, however, is that Bond Fund's 80% investment policy is more restrictive than that of BlackRock Total Return V.I. Fund as it only applies to bonds that are investment grade or bonds that are not rated, but that SFIMC has determined to be of comparable quality. BlackRock Total Return V.I. Fund does not have this investment-grade limitation on the types of fixed-income securities that are included within its 80% investment policy, and it typically invests at least 90% of its assets in fixed-income securities.

Another difference is that Bond Fund generally seeks to maintain a dollar weighted average portfolio duration of less than six years, whereas BlackRock Total Return V.I. Fund may invest in fixed-income securities of any duration or maturity and does not have a policy with respect to average portfolio duration. Each Fund may invest up to 20% of its assets in junk bonds. Bond Fund may invest up to 20% of its assets in preferred stocks that are convertible into common stock as well as nonconvertible preferred stocks or securities, while BlackRock Total Return V.I. Fund may invest in such securities without limitation. Both Funds may invest without limit in U.S. dollar-denominated debt securities of foreign issuers. BlackRock Total Return V.I. Fund may invest up to 30% of its net assets in non-U.S. dollar-denominated securities of foreign issuers. It may also invest up to 20% (as a percentage of the Fund's net assets) in non-U.S. and U.S. dollar-denominated securities of emerging markets issuers.

BlackRock Total Return V.I. Fund may invest in derivatives, including, but not limited to, interest rate, total return and credit default swaps, indexed and inverse floating rate securities, options, futures, options on futures and swaps. It may also invest in credit linked notes, credit linked trust certificates, structured notes, or other instruments evidencing interests in special purpose vehicles, trusts, or other entities that hold or represent interests in fixed-income securities. BlackRock Total Return V.I. Fund may invest up to 15% of its net assets in collateralized debt obligations, of which 10% (as a percentage of the Fund's net assets) may be in collateralized loan obligations. As noted in the chart above, Bond Fund does not invest in derivatives, credit-linked securities or collateralized debt obligations as part of its principal investment strategies.

Comparison of International Equity Index Fund (Target Fund) and BlackRock International Index V.I. Fund (Acquiring Fund)

Investment Objectives. The investment objectives of International Equity Index Fund and BlackRock International Index V.I. Fund are substantially similar. The investment objective of International Equity Index Fund seeks to match performance of the MSCI EAFE Free Index by investing in some of the stocks found in the MSCI EAFE Free Index. The investment objective of BlackRock International Index V.I. Fund is to seek 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. The investment objective of each of the Funds is non-fundamental, which means that it may be changed without the approval of the respective Fund's shareholders. Following completion of the Reorganization, the Combined Fund will have the same non-fundamental investment objective as BlackRock International Index V.I. Fund.

Principal Investment Strategies. International Equity Index Fund and BlackRock International Index V.I. Fund employ similar principal investment strategies in seeking to achieve their respective objectives. The similarities and differences of the principal investment strategies of the Funds are described in the chart below.

International Equity Index Fund	**BlackRock International Index V.I. Fund**
• Under normal operating conditions, the Fund seeks to invest at least 90% of its net assets in stocks that are represented in the MSCI EAFE Free Index and will at all times invest a substantial portion of its total assets in such stocks.	• The Fund will be substantially invested in securities in the MSCI EAFE Index, and will invest, under normal circumstances, at least 90% 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.
• The Fund attempts to hold a representative sample of the securities in the MSCI EAFE Free Index.	• The Fund invests in a statistically selected sample of equity securities included in the MSCI EAFE Index and in derivative instruments linked to the MSCI EAFE Index.
• The Fund will invest in stocks that are represented in the MSCI EAFE Free Index in weights that approximate the relative composition of the securities contained in the Index.	• The Fund will, under normal circumstances, invest in all of the countries represented in the MSCI EAFE Index. The Fund 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.

Comparison. The principal investment strategies of International Equity Index Fund and BlackRock International Index V.I. Fund are substantially similar, although there are some differences. Both Funds are index funds that track substantially identical indices published by MSCI; International Equity Index Fund tracks the MSCI EAFE Free Index and BlackRock International Index V.I. Fund tracks the MSCI EAFE Index. The principal difference between the Funds is that International Equity Index Fund, under normal operating conditions, invests at least 90% of its net assets in stocks that are represented in the MSCI EAFE Free Index, while BlackRock International Index V.I. Fund will invest at least 90% 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. BlackRock International Index V.I. Fund will invest in derivative instruments linked to the MSCI EAFE Index whereas International Equity Index Fund does not invest in derivatives as part of its principal investment strategies. Another difference is that International Equity Index Fund will invest in stocks that are represented in the MSCI EAFE Free Index in weights that approximate the relative composition of the securities contained in the Index, while BlackRock International Index V.I. Fund, even though it invests under normal circumstances in all of the countries represented in the MSCI EAFE Index, may not 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.

Comparison of Large Cap Equity Index Fund (Target Fund) and BlackRock S&P 500 Index V.I. Fund (Acquiring Fund)

Investment Objectives. The investment objectives of Large Cap Equity Index Fund and BlackRock S&P 500 Index V.I. Fund are substantially similar. The investment objective of Large Cap Equity Index Fund is to seek to match performance of the S&P 500 by investing in the securities that make up the S&P 500. The investment objective of BlackRock S&P 500 Index V.I. Fund is to seek investment results that, before expenses, correspond to the aggregate price and yield performance of the S&P 500. The investment objective of Large Cap Equity Index Fund is non-fundamental, which means that it may be changed without the approval of its shareholders. The investment objective of BlackRock S&P 500 Index V.I. Fund is fundamental, which means that it may not be changed without the approval of a majority of its shareholders. Following completion of the Reorganization, the Combined Fund will have the same fundamental investment objective as BlackRock S&P 500 Index V.I. Fund.

Principal Investment Strategies. Large Cap Equity Index Fund and BlackRock S&P 500 Index V.I. Fund employ similar principal investment strategies in seeking to achieve their respective objectives. The similarities and differences of the principal investment strategies of the Funds are described in the chart below.

Large Cap Equity Index Fund	BlackRock S&P 500 Index V.I. Fund
• Under normal operating conditions, the Fund seeks to invest at least 90% of its net assets in stocks that are represented in the S&P 500.	• Under normal circumstances, the Fund invests at least 80% of its assets in the common stocks represented in the S&P 500 and in derivative instruments linked to the S&P 500.
• The Fund invests in substantially all of the securities that make up the S&P 500 and invests in these securities in proportions that match, approximately, the weightings of the S&P 500.	• The Fund will generally invest in all 500 stocks in the S&P 500 in roughly the same proportions as their weightings in the S&P 500; however, when BAL believes it would be cost efficient, it is authorized to deviate from full replication and to instead invest in a statistically selected sample of the five hundred stocks in the S&P 500 that has aggregate investment characteristics, such as average market capitalization and industry weightings, similar to the S&P 500 as a whole.
	• The Fund may invest in derivative instruments, and will normally invest a portion of its assets in options and futures contracts linked to the performance of the S&P 500.

Comparison. The principal investment strategies of Large Cap Equity Index Fund and BlackRock S&P 500 Index V.I. Fund are substantially similar, although there are some differences. The principal difference between the Funds' principal investment strategies is that, while both Funds are index funds that track the S&P 500, Large Cap Equity Index Fund, under normal operating conditions, invests at least 90% of its net assets in stocks that are represented in the S&P 500, while BlackRock S&P 500 Index V.I. Fund invests at least 80% of its assets in the common stocks represented in the S&P 500 and in derivative instruments linked to the S&P 500, such as options and futures contracts. Large Cap Equity Index Fund does not invest in derivatives. In addition, while both Funds employ a full replication strategy, BlackRock S&P 500 Index V.I. Fund may employ a statistical sampling strategy if it is deemed cost efficient by BAL.

Comparison of Money Market Fund (Target Fund) and BlackRock Government Money Market V.I. Fund (Acquiring Fund)

Investment Objectives. The investment objectives of Money Market Fund and BlackRock Government Money Market V.I. Fund are substantially similar. The investment objective of Money Market Fund is to seek to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity. The investment objective of BlackRock Government Money Market V.I. Fund is to seek to preserve capital, maintain liquidity and achieve the highest possible current income consistent with the foregoing. The investment objective of Money Market Fund is non-fundamental, which means that it may be changed without the approval of its shareholders. The investment objective of BlackRock Government Money Market V.I. Fund is fundamental, which means that it may not be changed without the approval of a majority of its shareholders. Following completion of the Reorganization, the Combined Fund will have the same fundamental investment objective as BlackRock Government Money Market V.I. Fund.

Principal Investment Strategies. Money Market Fund and BlackRock Government Money Market V.I. Fund employ similar principal investment strategies in seeking to achieve their respective objectives. The similarities and differences of the principal investment strategies of the Funds are described in the chart below.

Money Market Fund	**BlackRock Government Money Market V.I. Fund**
• The Fund seeks to maintain a net asset value of $1.00 per share.	• The Fund seeks to maintain a net asset value of $1.00 per share.
• The Fund intends to qualify as a "government money market fund" as defined in, or interpreted in accordance with, Rule 2a-7 under the 1940 Act.	• The Fund is a government money market fund managed pursuant to Rule 2a-7. The securities purchased by the Fund are subject to the quality, diversification, and other requirements of Rule 2a-7 under the 1940 Act and other rules of the SEC.
• The dollar-weighted average maturity of the Fund will be 60 days or less and the dollar-weighted average life to maturity will be 120 days or less. The Fund will only buy securities that have remaining maturities of 397 days or less or securities otherwise permitted to be purchased because of maturity shortening provisions under applicable regulation.	• The Fund invests in a portfolio of securities maturing in 397 days or less (with certain exceptions) that will have a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.
• The Fund seeks to invest in securities that present minimal credit risk.	• The Fund will only purchase securities that present minimal credit risk as determined by BAL pursuant to guidelines approved by the Fund's Board of Directors.
• Under normal conditions, the Fund invests its assets primarily (at least 99.5%) in: debt securities issued or guaranteed by the U.S. government, or by U.S. government agencies or instrumentalities, cash and repurchase agreements fully collateralized by U.S. Treasury and U.S. government securities.	• The Fund invests at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash. The U.S. Government securities in which the Fund invests may include variable and floating rate instruments, and the Fund may transact in U.S. Government securities on a when-issued and delayed delivery basis.

Money Market Fund	**BlackRock Government Money Market V.I. Fund**
	• The Fund will invest, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations.

Comparison. The principal investment strategies of Money Market Fund and BlackRock Government Money Market V.I. Fund are substantially similar, although there are some differences. Each Fund is a government money market fund that invests in compliance with the requirements of Rule 2a-7 under the 1940 Act. Each Fund seeks to maintain a net asset value of $1.00 per share. Each Fund seeks to achieve its investment objective by investing in a portfolio of securities maturing in 397 days or less (with certain exceptions) that will have a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less; the Funds invest in securities that present minimal credit risk. Both Funds are subject to the quality, liquidity and other requirements of Rule 2a-7 applicable to a government money market fund. Both Funds invest at least 99.5% of their assets in cash, U.S. government securities and repurchase agreements that are fully collateralized.

BlackRock Government Money Market V.I. Fund has a fundamental investment policy to invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations. Money Market Fund does not have a comparable fundamental investment policy.

Comparison of Small Cap Equity Index Fund (Target Fund) and BlackRock Small Cap Index V.I. Fund (Acquiring Fund)

Investment Objectives. The investment objectives of Small Cap Equity Index Fund and BlackRock Small Cap Index V.I. Fund are substantially similar. The investment objective of Small Cap Equity Index Fund seeks to match performance of the Russell 2000 by investing in some of the stocks found in the Russell 2000. The investment objective of BlackRock Small Cap Index V.I. Fund is to seek to match the performance of the Russell 2000 as closely as possible before the deduction of Fund expenses. The investment objective of each of the Funds is non-fundamental, which means that it may be changed without the approval of the respective Fund's shareholders. Following completion of the Reorganization, the Combined Fund will have the same non-fundamental investment objective as BlackRock Small Cap Index V.I. Fund.

Principal Investment Strategies. Small Cap Equity Index Fund and BlackRock Small Cap Index V.I. Fund employ similar principal investment strategies in seeking to achieve their respective objectives. The similarities and differences of the principal investment strategies of the Funds are described in the chart below.

Small Cap Equity Index Fund	**BlackRock Small Cap Index V.I. Fund**
• Under normal operating conditions, the Fund seeks to invest at least 90% of its net assets in stocks that are represented in the Russell 2000 and will at all times invest a substantial portion of its total assets in such stocks.	• The Fund will be substantially invested in securities in the Russell 2000, and will invest, under normal circumstances, at least 90% 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.

Small Cap Equity Index Fund	BlackRock Small Cap Index V.I. Fund
• The Fund attempts to hold a representative sample of the securities in the Russell 2000.	• The Fund may invest in a statistically selected sample of stocks included in the Russell 2000 and in derivative instruments linked to the Russell 2000.
• The Fund will invest in stocks that are represented in the Russell 2000 in weights that approximate the relative composition of the securities contained in the index.	• The Fund may not invest in all of the common stocks in the Russell 2000, or in the same weightings as in the Russell 2000.

Comparison. The principal investment strategies of Small Cap Equity Index Fund and BlackRock Small Cap Index V.I. Fund are substantially similar, although there are some differences. The principal difference between the Funds is that, while both Funds are index funds that track the Russell 2000, Small Cap Equity Index Fund, under normal operating conditions, invests at least 90% of its net assets in stocks that are represented in the Russell 2000, while BlackRock Small Cap Index V.I. Fund will invest, under normal circumstances, at least 90% 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. BlackRock Small Cap Index V.I. Fund will invest in derivative instruments linked to the Russell 2000, whereas Small Cap Equity Index Fund does not invest in such derivatives. Another difference is that Small Cap Equity Index Fund will invest in stocks that are represented in the Russell 2000 in weights that approximate the relative composition of the securities contained in the index, while BlackRock Small Cap Index V.I. Fund may invest in stocks that are included in the Russell 2000 but in different weightings than represented in the Russell 2000.

Comparison of Stock and Bond Balanced Fund (Target Fund) and BlackRock iShares® Dynamic Allocation V.I. Fund (Acquiring Fund)

Investment Objectives. The investment objectives of Stock and Bond Balanced Fund and BlackRock iShares® Dynamic Allocation V.I. Fund are similar. The investment objective of Stock and Bond Balanced Fund is to seek long-term growth of capital, balanced with current income. The investment objective of BlackRock iShares® Dynamic Allocation V.I. Fund is to seek to provide total return. The investment objective of each of the Funds is non-fundamental, which means that it may be changed without the approval of the respective Fund's shareholders. Following completion of the Reorganization, the Combined Fund will have the same non-fundamental investment objective as BlackRock iShares® Dynamic Allocation V.I. Fund.

Principal Investment Strategies. Stock and Bond Balanced Fund and BlackRock iShares® Dynamic Allocation V.I. Fund employ different principal investment strategies in seeking to achieve their respective objectives. The differences of the principal investment strategies of the Funds are described in the chart below.

Stock and Bond Balanced Fund	BlackRock iShares® Dynamic Allocation V.I. Fund
• The Fund is a fund-of-funds that invests substantially all of its assets in shares of the Large Cap Equity Index Fund and the Bond Fund, other series of the Target Trust.	• The Fund is a fund-of-funds that attempts to achieve its investment objective by investing in a portfolio of underlying ETFs that seek to track equity, fixed-income and alternative indices.
• The Fund attempts to maintain approximately 60% of its assets in shares of the Large Cap Equity Index Fund and 40% of its assets in shares of the Bond Fund. The Fund never invests more than 75% of its net assets in either underlying Fund.	• Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus any borrowings for investment purposes in iShares® ETFs.

Stock and Bond Balanced Fund	BlackRock iShares® Dynamic Allocation V.I. Fund
	• The Fund generally expects to invest between 20% and 80% of its portfolio in equity ETFs, between 10% and 70% of its portfolio in fixed-income ETFs and up to 30% of its portfolio in ETFs that employ alternative investment strategies.
	• The Fund will be managed dynamically which means that the Fund's allocations to these asset classes will change based on tactical determinations made by the Fund's investment manager and in response to changing market conditions. The Fund will tactically shift its portfolio weightings among, and within, the different asset classes in which it invests to take advantage of changing market opportunities and in response to changing market risk conditions as it seeks its investment objectives.
	• The Fund may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investments in underlying ETFs that primarily invest in commodities. The Fund may gain this exposure to commodity markets by investing in iShares Dynamic Allocation V.I. Fund (Cayman), a subsidiary of the Fund (the "Subsidiary"). The Fund will limit its investments in the Subsidiary to 25% of its total assets.

Comparison. While both Funds are funds-of-funds, they employ different principal strategies to achieve their respective objectives. The principal difference between the Funds' principal investment strategies is that Stock and Bond Balanced Fund invests substantially all of its assets in shares of Large Cap Equity Index Fund and Bond Fund, other series of the Target Trust, while BlackRock iShares® Dynamic Allocation V.I. Fund invests in a portfolio of underlying ETFs that seek to track equity, fixed-income and alternative indices. To achieve their respective objectives, Stock and Bond Balanced Fund maintains approximately 60% of its assets in shares of Large Cap Equity Index Fund and 40% of its assets in shares of Bond Fund, while BlackRock iShares® Dynamic Allocation V.I. Fund invests at least 80% of its net assets plus any borrowings for investment purposes in iShares® ETFs. As suggested by its name, BlackRock iShares® Dynamic Allocation V.I. Fund is managed dynamically. Also, unlike Stock and Bond Balanced Fund, BlackRock iShares® Dynamic Allocation V.I. Fund gains exposure to the commodity markets by investing in a Cayman subsidiary.

Fees and Expenses

If a Reorganization is approved and completed, shareholders of each Target Fund will receive Class I shares, including fractional shares, if any, of the corresponding Acquiring Fund.

Fee Tables as of December 31, 2017 (unaudited) or Commencement of Operations (unaudited)

The fee tables below provide information about the fees and expenses attributable to each Target Fund and Class I shares of the corresponding Acquiring Fund, assuming the relevant Reorganization had taken place on December 31, 2017, and the estimated pro forma fees and expenses attributable to the Class I shares of each pro forma Combined Fund. The percentages presented in the fee tables for each of the Funds (other than BlackRock Total Return V.I. Fund, BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund) are based on fees and expenses incurred by the Funds during the 12-month period ended December 31, 2017 (unaudited), with restatements to reflect certain changes to the contractual expense caps, if applicable, after such period. In the case of BlackRock Total Return V.I. Fund, the percentages presented in the fee table are based on fees and expenses incurred by the Predecessor Fund. For each of BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund, the fees and expenses of the applicable Acquiring Fund and pro forma Combined Fund are based on the estimated fees and expenses of the Acquiring Fund as of the commencement of operations of the Acquiring Fund, as each such Acquiring Fund is recently organized and had no outstanding shares as of December 31, 2017. Future fees and expenses may be greater or less than those indicated below. For information concerning the net assets of each Acquiring Fund as of December 31, 2017, see "Other Information—Capitalization."

Fee Table of Bond Fund (Target Fund) (as of December 31, 2017) (unaudited), BlackRock Total Return V.I. Fund (Acquiring Fund) (as of December 31, 2017) (unaudited) and the Pro Forma Combined Fund (as of December 31, 2017) (unaudited)

	Bond Fund (Target Fund)[1] Shares	BlackRock Total Return V.I. Fund (Acquiring Fund) Class I shares	Pro Forma (Combined Fund) Class I shares
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)			
Management Fee	0.50%	0.45%[2]	0.43%[4]
Distribution (12b-1) Fees	None	None	None
Other Expenses	0.10%	0.49%	0.38%[5]
Interest Expense	—	0.12%	0.12%
Miscellaneous Other Expenses	0.10%	0.37%	0.26%
Total Annual Fund Operating Expenses	0.60%	0.94%	0.81%
Fee Waivers and/or Expense Reimbursements	—	(0.20)%[2],[3]	(0.21)%[4],[6],[7]
Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements	0.60%	0.74%[2],[3]	0.60%[4],[6],[7]

(1) Shareholders of the Target Fund will receive Class I shares of the Acquiring Fund in connection with the Reorganization.

(2) BAL has contractually agreed to waive the management fee with respect to any portion of the Acquiring Fund's assets estimated to be attributable to investments in other equity and fixed-income mutual funds and ETFs managed by BAL or its affiliates that have a contractual management fee, through April 30, 2019. The contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds II, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(3) BAL has contractually agreed to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to 1.25% of average daily net assets through April 30, 2019. BAL has also contractually agreed to reimburse fees in order to limit certain operational and recordkeeping fees to 0% of average daily net assets through April 30, 2019. Each of these contractual agreements may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds II, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(4) BAL has contractually agreed to waive the management fee with respect to any portion of the Acquiring Fund's assets estimated to be attributable to investments in other equity and fixed-income mutual funds and ETFs managed by BAL or its affiliates that have a contractual management fee, through April 30, 2021, effective upon the closing of the Reorganization of the Target Fund into the Acquiring Fund. The contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds II, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(5) Other Expenses are based on estimated amounts for the current fiscal year.

(6) BAL has contractually agreed to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to 0.60% of average daily net assets through April 30, 2021, effective upon the closing of the Reorganization of the Target Fund into the Acquiring Fund. BAL has also contractually agreed to reimburse fees in order to limit certain operational and recordkeeping fees to 0% of average daily net assets through April 30, 2021. Each of these contractual agreements may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds II, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(7) BAL has contractually agreed to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (including Interest Expense, and excluding Dividend Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to 0.60% of average daily net assets through April 30, 2021, effective upon the closing of the Reorganization of the Target Fund into the Acquiring Fund. BAL has also contractually agreed to reimburse fees in order to limit certain operational and recordkeeping fees to 0% of average daily net assets through April 30, 2021. Each of these contractual agreements may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds II, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

EXAMPLE:

This Example is intended to help you compare the cost of investing in the relevant 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 (for the periods ended December 31, 2017) 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. The Example does not reflect charges imposed by the Variable Contract. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	One Year	Three Years	Five Years	Ten Years
Bond Fund (Target Fund) Shares	$61	$192	$335	$ 750
BlackRock Total Return V.I. Fund (Acquiring Fund) Class I shares	$76	$280	$501	$1,136
Pro Forma Combined Fund Class I shares	$61	$215	$407	$ 962

Fee Table of International Equity Index Fund (Target Fund) (as of December 31, 2017) (unaudited), BlackRock International Index V.I. Fund (Acquiring Fund) (as of the commencement of operations) (unaudited) and the Pro Forma Combined Fund (as of the commencement of operations of the Acquiring Fund) (unaudited)

	International Equity Index Fund (Target Fund)(1) Shares	BlackRock International Index V.I. Fund (Acquiring Fund)(2) Class I shares	Pro Forma (Combined Fund) Class I shares
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)			
Management Fee	0.15%	0.08%(3)	0.08%(3)
Distribution (12b-1) Fees	None	None	None
Other Expenses	0.12%	0.18%(4)	0.18%(4)
Total Annual Fund Operating Expenses	0.27%	0.26%(3),(5)	0.26%(3),(5)
Fee Waivers and/or Expense Reimbursements	—	—	—
Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements	0.27%	0.26%(3),(5)	0.26%(3),(5)

(1) Shareholders of the Target Fund will receive Class I shares of the Acquiring Fund in connection with the Reorganization.

(2) BlackRock International Index V.I. Fund had not commenced operations as of December 31, 2017.

(3) BAL has contractually agreed to waive the management fee with respect to any portion of the Acquiring Fund's assets estimated to be attributable to investments in other equity and fixed income mutual funds and ETFs managed by BAL or its affiliates that have a contractual management fee, through April 30, 2021. The contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(4) Other Expenses are based on estimated amounts for the current fiscal year.

(5) As described in the "Comparison of the Funds—Investment Advisory and Management Agreements" subsection of this Combined Prospectus/Proxy Statement on page 74, BAL has contractually agreed to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to 0.27% of average daily net assets through April 30, 2021. The Acquiring Fund may have to repay some of these waivers and/or reimbursements to BAL in the two years following such waivers and/or reimbursements. BAL has also contractually agreed to reimburse fees in order to limit certain operational and recordkeeping fees to 0.05% of average daily net assets through April 30, 2021. Each of these contractual agreements may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

EXAMPLE:

This Example is intended to help you compare the cost of investing in the relevant 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 (for the periods ended December 31, 2017) 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. The Example does not reflect charges imposed by the Variable Contract. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	One Year	Three Years	Five Years	Ten Years
International Equity Index Fund (Target Fund) Shares	$28	$87	$152	$343
BlackRock International Index V.I. Fund (Acquiring Fund) Class I shares	$27	$84	$146	$331
Pro Forma Combined Fund Class I shares	$27	$84	$146	$331

Fee Table of Large Cap Equity Index Fund (Target Fund) (as of December 31, 2017) (unaudited), BlackRock S&P 500 Index V.I. Fund (Acquiring Fund) (as of December 31, 2017) (unaudited) and the Pro Forma Combined Fund (as of December 31, 2017) (unaudited)

	Large Cap Equity Index Fund (Target Fund)(1) Shares	BlackRock S&P 500 Index V.I. Fund (Acquiring Fund) Class I shares	Pro Forma (Combined Fund)* Class I shares
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)			
Management Fee	0.10%	0.07%(2),(3)	0.07%(2)
Distribution (12b-1) Fees	None	None	None
Other Expenses	0.05%	0.09%(4)	0.08%(5)
Total Annual Fund Operating Expenses	0.15%	0.16%**	0.15%
Fee Waivers and/or Expense Reimbursements	—	(0.01)%(2),(6)	— (2),(6)
Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements	0.15%	0.15%(2),(6)	0.15%(2),(6)

(1) Shareholders of the Target Fund will receive Class I shares of the Acquiring Fund in connection with the Reorganization.

(2) BAL has contractually agreed to waive the management fee with respect to any portion of the Acquiring Fund's assets estimated to be attributable to investments in other equity and fixed-income mutual funds and exchange-traded funds managed by BAL or its affiliates

that have a contractual management fee, through April 30, 2021. The contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(3) The Management Fee has been restated to reflect current fees.

(4) Other Expenses for Class I shares of the Acquiring Fund have been restated to reflect current fees.

(5) Other Expenses are based on estimated amounts for the current fiscal year.

(6) BAL has contractually agreed to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to 0.15% of average daily net assets through April 30, 2021. BAL has also contractually agreed to reimburse fees in order to limit certain operational and recordkeeping fees to 0.05% of average daily net assets through April 30, 2021. Each of these contractual agreements may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

* These estimated pro forma fees and expenses have been adjusted for, and take into account, the completed reorganization of a non-State Farm variable mutual fund into the Acquiring Fund that closed on April 23, 2018 (the "non-State Farm Reorganization").

** The Total Annual Fund Operating Expenses do not correlate to the ratios of expenses to average net assets given in the Acquiring Fund's most recent annual report for Class I Shares which do not include the restatement of Management Fees or Other Expenses to reflect current fees.

EXAMPLE:

This Example is intended to help you compare the cost of investing in the relevant 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 (for the periods ended December 31, 2017) 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. The Example does not reflect charges imposed by the Variable Contract. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	One Year	Three Years	Five Years	Ten Years
Large Cap Equity Index Fund (Target Fund) Shares	$15	$48	$85	$192
BlackRock S&P 500 Index V.I. Fund (Acquiring Fund) Class I shares	$15	$48	$87	$201
Pro Forma Combined Fund Class I shares	$15*	$48*	$85*	$192*

* These estimated pro forma expenses have been adjusted for, and take into account, the non-State Farm Reorganization.

Fee Table of Money Market Fund (Target Fund) (as of December 31, 2017) (unaudited), BlackRock Government Money Market V.I. Fund (Acquiring Fund) (as of December 31, 2017) (unaudited) and the Pro Forma Combined Fund (as of December 31, 2017) (unaudited)

	Money Market Fund (Target Fund)(1) Shares	BlackRock Government Money Market V.I. Fund (Acquiring Fund) Class I shares	Pro Forma (Combined Fund) Class I shares
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)			
Management Fee	0.10%	0.50%	0.50%
Distribution (12b-1) Fees	None	None	None
Other Expenses	0.31%	0.22%	0.19%(4)
Acquired Fund Fees and Expenses	0.01%(2)	None	None
Total Annual Fund Operating Expenses	0.42%	0.72%	0.69%
Fee Waivers and/or Expense Reimbursements	—	(0.42)%(3)	(0.39)%(5)
Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements	0.42%	0.30%(3)	0.30%(5)

(1) Shareholders of the Target Fund will receive Class I shares of the Acquiring Fund in connection with the Reorganization.

(2) "Acquired Fund Fees and Expenses" are indirect fees and expenses that the Target Fund incurs from investing in the shares of other investment companies. These expenses are based on the total expense ratio of the underlying funds disclosed in each underlying fund's most recent shareholder report. Please note that the amount of "Total Annual Fund Operating Expenses" shown in the above table differs from the ratio of expenses to average net assets included in the "Financial Highlights" section of the Target Fund Prospectus, which reflects the operating expenses of the Target Fund and does not include indirect expenses such as Acquired Fund Fees and Expenses.

(3) BAL has contractually agreed to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to 0.30% of average daily net assets through April 30, 2019. This contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(4) Other Expenses are based on estimated amounts for the current fiscal year.

(5) BAL has contractually agreed to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to 0.30% of average daily net assets through April 30, 2021, effective upon the closing of the Reorganization of the Target Fund into the Acquiring Fund. This contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

EXAMPLE:

This Example is intended to help you compare the cost of investing in the relevant 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 (for the periods ended December 31, 2017) 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. The Example does not reflect charges imposed by the Variable Contract. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	One Year	Three Years	Five Years	Ten Years
Money Market Fund (Target Fund) Shares	$43	$135	$235	$530
BlackRock Government Money Market V.I. Fund (Acquiring Fund) Class I shares	$31	$188	$359	$855
Pro Forma Combined Fund Class I shares	$31	$140	$305	$783

Fee Table of Small Cap Equity Index Fund (Target Fund) (as of December 31, 2017) (unaudited), BlackRock Small Cap Index V.I. Fund (Acquiring Fund) (as of the commencement of operations) (unaudited) and the Pro Forma Combined Fund (as of the commencement of operations of the Acquiring Fund) (unaudited)

	Small Cap Equity Index Fund (Target Fund)(1) Shares	BlackRock Small Cap Index V.I. Fund (Acquiring Fund)(2) Class I shares	Pro Forma (Combined Fund) Class I shares
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)			
Management Fee	0.13%	0.08%(3)	0.08%(3)
Distribution (12b-1) Fees	None	None	None
Other Expenses	0.10%	0.14%(4)	0.14%(4)
Total Annual Fund Operating Expenses	0.23%	0.22%	0.22%
Fee Waivers and/or Expense Reimbursements	—	—(3),(5)	—(3),(5)
Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements	0.23%	0.22%(3),(5)	0.22%(3),(5)

(1) Shareholders of the Target Fund will receive Class I shares of the Acquiring Fund in connection with the Reorganization.

(2) BlackRock Small Cap Index V.I. Fund had not commenced operations as of December 31, 2017.

(3) BAL has contractually agreed to waive the management fee with respect to any portion of the Acquiring Fund's assets estimated to be attributable to investments in other equity and fixed-income mutual funds and ETFs managed by BAL or its affiliates that have a contractual management fee, through April 30, 2021. The contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(4) Other Expenses are based on estimated amounts for the current fiscal year.

(5) As described in the "Comparison of the Funds—Investment Advisory and Management Agreements" subsection of this Combined Prospectus/Proxy Statement on page 74, BAL has contractually agreed to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to 0.22% of average daily net assets through April 30, 2021. The Acquiring Fund may have to repay some of these waivers and/or reimbursements to BAL in the two years following such waivers and/or reimbursements. BAL has also contractually agreed to reimburse fees in order to limit certain operational and recordkeeping fees to 0.05% of average daily net assets through April 30, 2021. Each of these contractual agreements may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

EXAMPLE:

This Example is intended to help you compare the cost of investing in the relevant 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 (for the periods ended December 31, 2017) 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. The Example does not reflect charges imposed by the Variable Contract. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	One Year	Three Years	Five Years	Ten Years
Small Cap Equity Index Fund (Target Fund) Shares	$24	$74	$130	$293
BlackRock Small Cap Index V.I. Fund (Acquiring Fund) Class I shares	$23	$71	$124	$280
Pro Forma Combined Fund Class I shares	$23	$71	$124	$280

Fee Table of Stock and Bond Balanced Fund (Target Fund) (as of December 31, 2017) (unaudited), BlackRock iShares® Dynamic Allocation V.I. Fund (Acquiring Fund) (as of December 31, 2017) (unaudited) and the Pro Forma Combined Fund (as of December 31, 2017) (unaudited)

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)	Stock and Bond Balanced Fund (Target Fund)(1) Shares	BlackRock iShares® Dynamic Allocation V.I. Fund (Acquiring Fund) Class I shares	Pro Forma (Combined Fund) Class I shares
Management Fee	None	0.15%(2)	0.15%(2)
Distribution (12b-1) Fees	None	None	None
Other Expenses	0.09%	0.79%	0.35%
Acquired Fund Fees and Expenses	0.31%(3)	0.21%(4)	0.21%
Total Annual Fund Operating Expenses	0.40%	1.15%(4)	0.71%
Fee Waivers and/or Expense Reimbursements	—	(0.41)%(2),(5)	(0.31)%(2),(6)
Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements	0.40%	0.74%(2),(5)	0.40%(2),(6)

(1) Shareholders of the Target Fund will receive Class I shares of the Acquiring Fund in connection with the Reorganization.

(2) The Management Fee payable by the Acquiring Fund is based on assets estimated to be attributable to the Acquiring Fund's direct investments in fixed-income and equity securities and instruments, including ETFs advised by BAL or other investment advisers, other investments and cash and cash equivalents (including money market funds). BAL has contractually agreed to waive the Management Fee on assets estimated to be attributed to the Acquiring Fund's investments in other equity and fixed-income mutual funds managed by BAL or its affiliates.

(3) "Acquired Fund Fees and Expenses" are indirect fees and expenses that the Target Fund incurs from investing in the shares of other investment companies. These expenses are based on the total expense ratio of the underlying funds disclosed in each underlying fund's most recent shareholder report. Please note that the amount of "Total Annual Fund Operating Expenses" shown in the above table differs from the ratio of expenses to average net assets included in the "Financial Highlights" section of the Target Fund's Prospectus, which reflects the operating expenses of the Target Fund and does not include indirect expenses such as Acquired Fund Fees and Expenses.

(4) The Total Annual Fund Operating Expenses do not correlate to the ratios of expenses to average net assets given in the Acquiring Fund's most recent annual report, which do not include Acquired Fund Fees and Expenses.

(5) As described in the "Comparison of the Funds—Investment Advisory and Management Agreements" subsection of this Combined Prospectus/Proxy Statement on page 74, BAL has contractually agreed to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to 0.53% of average daily net assets through April 30, 2019. The Acquiring Fund may have to repay some of these waivers and/or reimbursements to BAL in the two years following such waivers and/or reimbursements. The contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(6) As described in the "Comparison of the Funds—Investment Advisory and Management Agreements" subsection of this Combined Prospectus/Proxy Statement on page 74, BAL has contractually agreed to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to 0.19% of average daily net assets through April 30, 2021, upon the completion of the Reorganization of the Target Fund into the Acquiring Fund. The Fund may have to repay some of these waivers and/or reimbursements to BAL in the two years following such waivers and/or reimbursements. The contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

EXAMPLE:

This Example is intended to help you compare the cost of investing in the relevant 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 (for the periods ended December 31, 2017) 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. The Example does not reflect charges imposed by the Variable Contract. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	One Year	Three Years	Five Years	Ten Years
Stock and Bond Balanced Fund (Target Fund) Shares	$41	$128	$224	$ 505
BlackRock iShares® Dynamic Allocation V.I. Fund (Acquiring Fund) Class I shares	$76	$325	$593	$1,361
Pro Forma Combined Fund Class I shares	$41	$163	$332	$ 822

Portfolio Turnover

Each 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 shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect a Fund's performance. During its most recent fiscal year ended December 31, 2017, each Fund (or in the case of BlackRock Total Return V.I. Fund, its Predecessor Fund) had the following portfolio turnover rate:

Fund	Rate
Bond Fund (Target Fund)	19%
BlackRock Total Return V.I. Fund (Acquiring Fund)	627%*
International Equity Index Fund (Target Fund)	4%
BlackRock International Index V.I. Fund (Acquiring Fund)	— **
Large Cap Equity Index Fund (Target Fund)	3%
BlackRock S&P 500 Index V.I. Fund (Acquiring Fund)	3%
Small Cap Equity Index Fund (Target Fund)	12%
BlackRock Small Cap Index V.I. Fund (Acquiring Fund)	— **
Stock and Bond Balanced Fund (Target Fund)	4%
BlackRock iShares® Dynamic Allocation V.I. Fund (Acquiring Fund)	48%

* Reflects portfolio turnover rate of the Predecessor Fund.

** The Fund is newly formed and has no portfolio turnover information.

U.S. Federal Income Tax Consequences

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

International Equity Index Fund, Large Cap Equity Index Fund, Money Market Fund and Small Cap Equity Index Fund

The portfolio managers of each of BlackRock International Index V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock Small Cap Index V.I. Fund do not anticipate disposing of, or requesting the disposition of, more than 5% of the holdings of International Equity Index Fund, Large Cap Equity Index Fund, Money Market Fund and Small Cap Equity Index Fund, respectively, in preparation for, or as a result of, the Reorganizations, other than in connection with the ordinary course of business. Consequently, minimal transaction costs are anticipated to be incurred in restructuring the portfolio holdings of these Target Funds in connection with their Reorganizations.

Stock and Bond Balanced Fund

While the portfolio managers of BlackRock iShares® Dynamic Allocation V.I. Fund do not anticipate disposing of a material portion of Stock and Bond Balanced Fund's holdings following the closing of the Reorganization, if Proposal 2 is approved, they anticipate requesting the disposition of all of the holdings of the

Target Fund in preparation for the Reorganization. The extent of these sales is primarily due to the fact that the holdings of Stock and Bond Balanced Fund consist of the shares of Large Cap Equity Index Fund and Bond Fund, each of which SFIMC separately is proposing to reorganize into other mutual funds advised by BAL or its affiliates as set forth in this Combined Prospectus/Proxy Statement. SFIMC anticipates that Stock and Bond Balanced Fund will utilize the proceeds from such sales to realign its portfolio with BlackRock iShares® Dynamic Allocation V.I. Fund prior to the closing of the Reorganization. During this period, Stock and Bond Balanced Fund may deviate from its principal investment strategies. SFIMC has estimated that the portfolio transaction costs relating to the realignment of the Target Fund's portfolio prior to the Reorganization will be minimal.

Bond Fund

No significant accounting policies will change as a result of the proposed Reorganization, specifically, policies regarding valuation and Subchapter M compliance. As of December 31, 2017, all the securities held by the Bond Fund comply with the compliance guidelines and/or investment restrictions of the BlackRock Total Return V.I. Fund. The portfolio managers of the BlackRock Total Return V.I. Fund anticipate disposing of a significant portion (approximately 50%) of the securities of the Bond Fund acquired in the Reorganization in connection with realigning the Combined Fund's portfolio in a manner consistent with its investment process. The portfolio managers of the BlackRock Total Return V.I. Fund anticipate that the portfolio securities of the Bond Fund to be sold following the Reorganization will consist mainly of corporate bonds. The sale of these portfolio securities would increase the transaction costs incurred by the Combined Fund. In addition, if the Reorganization is completed, the Combined Fund may use the proceeds from the sales to invest in agency mortgages, other securitized investments and other securities that match the existing investment strategies and exposures of the Acquiring Fund. The transaction costs relating to the sale of portfolio securities acquired from the Bond Fund and in connection with the Combined Fund's investing in agency mortgages, other securitized investments and other securities are estimated to be approximately 0.06% of the Combined Fund's net assets following the Reorganization.

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

At any time before the Reorganizations take place, a shareholder may redeem shares of the Target Funds. Generally, such redemptions would be taxable transactions. For more information about the U.S. federal income tax consequences of the Reorganization, see "Material U.S. Federal Income Tax Consequences of the Reorganizations."

Purchase, Redemption and Exchange of Shares

Purchases and Redemptions—Acquiring Funds. Shares of the Acquiring Funds currently are sold either directly or indirectly (through other variable insurance funds) to separate accounts of insurance companies (each, a "BlackRock Insurance Company" and collectively, the "BlackRock Insurance Companies") and certain accounts administered by the BlackRock Insurance Companies (the "BlackRock Accounts") to fund benefits under the Variable Contracts issued by the BlackRock Insurance Companies. Shares of the Acquiring Funds may be purchased or sold each day the New York Stock Exchange ("NYSE") is open. The Acquiring Funds do not have any initial or subsequent investment minimums. However, a Variable Contract may require certain investment minimums. The price of shares purchased by the BlackRock Insurance Companies is based on the next calculation of the per share net asset value of an Acquiring Fund after an order is placed. An Acquiring Corporation may reject any order to buy shares and may suspend the sale of shares at any time. An Acquiring Corporation will redeem all full and fractional shares of an Acquiring Fund for cash. The price of redeemed shares is based on the next calculation of net asset value after a redemption order is placed. The value of shares at the time of redemption may be more or less than the shareholder's cost, depending in part on the net asset value of such shares at such time.

Purchases and Redemptions—Target Funds. Shares of the Target Funds are sold in a continuous offering and are authorized to be offered to certain registered separate accounts (the "State Farm Accounts") of State Farm Life Insurance Company and State Farm Life and Accident Assurance Company (each, a "State Farm Insurance Company" and together, the "State Farm Insurance Companies") to support certain Variable Contracts offered by the State Farm Insurance Companies. Net purchase payments under the Variable Contracts are placed in one or more subaccounts of the State Farm Accounts and the assets of each subaccount are invested in the shares of the Fund corresponding to that subaccount. The State Farm Accounts purchase and redeem shares of the Target Funds for their subaccounts at net asset value without sales or redemption charges.

For each day on which a Target Fund's net asset value is calculated, the State Farm Accounts transmit to the Target Trust any orders to purchase or redeem shares of the Fund(s) based on the purchase payments, redemption (surrender) requests, and transfer requests from Variable Contract owners ("Contract Owners") annuitants and beneficiaries that have been processed that day. In accordance with the federal securities laws, accounts purchase and redeem shares of each Target Fund at the Target Fund's net asset value per share calculated as of that same day although such purchases and redemptions may be executed the next morning.

Shares are redeemed at the net asset value per share next determined after the receipt of proper notice of redemption. Payment for redeemed shares will generally occur within seven days of receipt of a proper notice of redemption. The Target Trust reserves the right to redeem shares in kind. The right to redeem shares or to receive payment with respect to any redemption may be suspended for any period during which trading on the NYSE is restricted as determined by the SEC or when such exchange is closed (other than customary weekend and holiday closings) for any period during which an emergency exists, as defined by the SEC, which makes disposal of a Target Fund's securities or determination of the net asset value of a Fund not reasonably practicable, and for any other periods as the SEC may by order permit for the protection of shareholders of the Fund.

Exchanges. Neither the Target Funds nor the Acquiring Funds offer exchange privileges.

COMPARISON OF THE FUNDS

This section provides a comparison of the Funds. It describes the principal investment risks of investing in each of the Funds, followed by a description of the fundamental investment restrictions of each of the Funds. In addition, this section provides comparative performance charts and tables and information regarding management of each of the Funds and each of their investment advisory and administration agreements, as well as information about each Fund's other service providers. The section also provides a description of each Fund's distribution and service fees, information about dividends and distributions, procedures for purchase, exchange, redemption and valuation of shares and market timing policies.

Principal Investment Risks

Comparison of Bond Fund (Target Fund) and BlackRock Total Return V.I. Fund (Acquiring Fund)

Because of their substantially similar investment objectives and similar investment strategies, Bond Fund and BlackRock Total Return V.I. Fund are subject to similar principal investment risks associated with an investment in the relevant Fund. The principal risks of each Fund that are listed in its Prospectus are set out in the table immediately below, and descriptions of the Acquiring Fund's principal investment risks are set out further below in the subsection entitled "Descriptions of each Combined Fund's Principal Investment Risks."

Risk	Bond Fund	BlackRock Total Return V.I. Fund
Collateralized Debt Obligations Risk	—	Principal Risk
Commodities Related Investments Risks	—	Principal Risk
Convertible Securities Risk	—	Principal Risk
Credit Risk	Principal Risk	See "Debt Securities Risk"
Debt Securities Risk	See "Credit Risk," "Interest Rate Risk and Call Risk" and "Prepayment and Extension Risk"	Principal Risk
Derivatives Risk	—	Principal Risk
Dollar Rolls Risk	—	Principal Risk
Emerging Markets Risk	—	Principal Risk
Foreign Securities Risk	—	Principal Risk
High Portfolio Turnover Risk	—	Principal Risk
Income Risk	Principal Risk	See "Debt Securities Risk"
Inflation Risk	Principal Risk	—
Interest Rate Risk and Call Risk	Principal Risk	See "Debt Securities Risk"
Junk Bonds Risk	—	Principal Risk
Leverage Risk	—	Principal Risk
Liquidity Risk	Principal Risk	—
Management Risk	Principal Risk	See "Market Risk and Selection Risk"
Market Risk and Selection Risk	See "Management Risk"	Principal Risk
Mortgage- and Asset-Backed Securities Risks	—	Principal Risk
Preferred Securities Risk	—	Principal Risk
Prepayment and Extension Risk	Principal Risk	See "Debt Securities Risk"
Reverse Repurchase Agreements Risk	—	Principal Risk
Sovereign Debt Risk	—	Principal Risk
Structured Notes Risk	—	Principal Risk
U.S. Government Issuer Risk	See "Income Risk"	Principal Risk

Comparison of International Equity Index Fund (Target Fund) and BlackRock International Index V.I. Fund (Acquiring Fund)

Principal Investment Risks. Because of their substantially similar investment objectives and investment strategies, International Equity Index Fund and BlackRock International Index V.I. Fund are subject to similar principal investment risks associated with an investment in the relevant Fund. The principal risks of each Fund that are listed in its Prospectus are set out in the table immediately below, and descriptions of the Acquiring Fund's principal investment risks are set out further below in the subsection entitled "Descriptions of each Combined Fund's Principal Investment Risks."

Risk	International Equity Index Fund	BlackRock International Index V.I. Fund
Concentration Risk	Principal Risk	—
Derivatives Risk	—	Principal Risk
Equity Securities Risk	Principal Risk	Principal Risk
Foreign Investing Risk	Principal Risk	See "Foreign Securities Risk"
Foreign Securities Risk	See "Foreign Investing Risk"	Principal Risk
Index Fund Risk	Principal Risk	Principal Risk
Index-Related Risk	See "Indexing Risk"	Principal Risk
Leverage Risk	—	Principal Risk
Management Risk	Principal Risk	See "Market Risk and Selection Risk"
Market Risk	Principal Risk	See "Market Risk and Selection Risk"
Market Risk and Selection Risk	See "Market Risk" and "Security Selection Risk"	Principal Risk
Preferred Securities Risk	—	Principal Risk
Representative Sampling Risk	—	Principal Risk
Security Selection Risk	Principal Risk	See "Market Risk and Selection Risk"
Tracking Error Risk	See "Index Fund Risk"	Principal Risk

Comparison of Large Cap Equity Index Fund (Target Fund) and BlackRock S&P 500 Index V.I. Fund (Acquiring Fund)

Principal Investment Risks. Because of their substantially similar investment objectives and similar investment strategies, Large Cap Equity Index Fund and BlackRock S&P 500 Index V.I. Fund are subject to similar principal investment risks associated with an investment in the relevant Fund. The principal risks of each

Fund that are listed in its Prospectus are set out in the table immediately below, and descriptions of the Acquiring Fund's principal investment risks are set out further below in the subsection entitled "Descriptions of each Combined Fund's Principal Investment Risks."

Risk	Large Cap Equity Index Fund	BlackRock S&P 500 Index V.I. Fund
Concentration Risk	Principal Risk	—
Derivatives Risk	—	Principal Risk
Equity Securities Risk	Principal Risk	Principal Risk
Index Fund Risk	Principal Risk	Principal Risk
Index-Related Risk	See "Indexing Risk"	Principal Risk
Leverage Risk	—	Principal Risk
Management Risk	Principal Risk	See "Market Risk and Selection Risk"
Market Risk	Principal Risk	See "Market Risk and Selection Risk"
Market Risk and Selection Risk	See "Market Risk" and "Security Selection Risk"	Principal Risk
Representative Sampling Risk	—	Principal Risk
Security Selection Risk	Principal Risk	See "Market Risk and Selection Risk"
Tracking Error Risk	See "Index Fund Risk"	Principal Risk

Comparison of Money Market Fund (Target Fund) and BlackRock Government Money Market V.I. Fund (Acquiring Fund)

Principal Investment Risks. Because of their substantially similar investment objectives and similar investment strategies, Money Market Fund and BlackRock Government Money Market V.I. Fund are subject to similar principal investment risks associated with an investment in the relevant Fund. The principal risks of each Fund that are listed in its Prospectus are set out in the table immediately below, and descriptions of the Acquiring Fund's principal investment risks are set out further below in the subsection entitled "Descriptions of each Combined Fund's Principal Investment Risks."

Risk	Money Market Fund	BlackRock Government Money Market V.I. Fund
Credit Risk	Principal Risk	Principal Risk
Government Securities Risk	Principal Risk	See "U.S. Government Obligations Risk" and "Treasury Obligations Risk"
Income Risk	Principal Risk	Principal Risk
Inflation Risk	Principal Risk	—
Interest Rate Risk	See "Interest Rate Risk and Call Risk"	Principal Risk
Interest Rate Risk and Call Risk	Principal Risk	See "Interest Rate Risk"

Risk	Money Market Fund	BlackRock Government Money Market V.I. Fund
Management Risk	Principal Risk	See “Market Risk and Selection Risk”
Market Risk and Selection Risk	See “Management Risk”	Principal Risk
Net Asset Value Risk	Principal Risk	See “Stable Net Asset Value Risk”
Repurchase Agreement Risk	—	Principal Risk
Stable Net Asset Value Risk	See “Net Asset Value Risk”	Principal Risk
Transactions Risk	Principal Risk	—
Treasury Obligations Risk	See “Government Securities Risk”	Principal Risk
U.S. Government Obligations Risk	See “Government Securities Risk”	Principal Risk
Variable and Floating Rate Instrument Risk	—	Principal Risk
When-Issued and Delayed Delivery Securities and Forward Commitments Risk	—	Principal Risk

Comparison of Small Cap Equity Index Fund (Target Fund) and BlackRock Small Cap Index V.I. Fund (Acquiring Fund)

Principal Investment Risks. Because of their substantially similar investment objectives and investment strategies, Small Cap Equity Index Fund and BlackRock Small Cap Index V.I. Fund are subject to similar principal investment risks associated with an investment in the relevant Fund. The principal risks of each Fund that are listed in its Prospectus are set out in the table immediately below, and descriptions of the Acquiring Fund’s principal investment risks are set out further below in the subsection entitled “Descriptions of each Combined Fund’s Principal Investment Risks.”

Risk	Small Cap Equity Index Fund	BlackRock Small Cap Index V.I. Fund
Concentration Risk	Principal Risk	—
Derivatives Risk	—	Principal Risk
Equity Securities Risk	Principal Risk	Principal Risk
Financial Sector Risk	Principal Risk	—
Index Fund Risk	Principal Risk	Principal Risk
Index-Related Risk	See “Indexing Risk”	Principal Risk
Leverage Risk	—	Principal Risk
Management Risk	Principal Risk	See “Market Risk and Selection Risk”
Market Risk	Principal Risk	See “Market Risk and Selection Risk”
Market Risk and Selection Risk	See “Market Risk” and “Security Selection Risk”	Principal Risk

Risk	Small Cap Equity Index Fund	BlackRock Small Cap Index V.I. Fund
Representative Sampling Risk	—	Principal Risk
Security Selection Risk	Principal Risk	See "Market Risk and Selection Risk"
Small Cap Securities Risk	See "Smaller Company Size Risk"	Principal Risk
Smaller Company Size Risk	Principal Risk	See "Small Cap Securities Risk"
Tracking Error Risk	See "Index Fund Risk"	Principal Risk

Comparison of Stock and Bond Balanced Fund (Target Fund) and BlackRock iShares® Dynamic Allocation V.I. Fund (Acquiring Fund)

Principal Investment Risks. Although Stock and Bond Balanced Fund and BlackRock iShares® Dynamic Allocation V.I. Fund are both funds-of-funds, they are subject to different principal investment risks as a result of their different investment strategies. The principal risks of each Fund that are listed in its Prospectus are set out in the table immediately below, and descriptions of the Acquiring Fund's principal investment risks are set out further below in the subsection entitled "Descriptions of each Combined Fund's Principal Investment Risks."

Risk	Stock and Bond Balanced Fund	BlackRock iShares® Dynamic Allocation V.I. Fund
Agency Debt Risk	—	Principal Risk
Allocation Risk	—	Principal Risk
Asset Class Risk	—	Principal Risk
Call Risk	See "Interest Rate Risk and Call Risk"	Principal Risk
Cash Transaction Risk	—	Principal Risk
Commercial Mortgage-Backed Securities Risk	—	Principal Risk
Commodity Risk	—	Principal Risk
Concentration Risk	—	Principal Risk
Conflicts of Interest Risk	—	Principal Risk
Consumer Discretionary Sector Risk	—	Principal Risk
Consumer Services Sector Risk	—	Principal Risk
Credit Risk	Principal Risk	Principal Risk
Currency Risk	—	Principal Risk
Custody Risk	—	Principal Risk
Derivatives Risk	—	Principal Risk
Dividend-Paying Stock Risk	—	Principal Risk
Energy Sector Risk	—	Principal Risk
Equity Securities Risk	Principal Risk	Principal Risk
Extension Risk	See "Prepayment and Extension Risk"	Principal Risk
Financials Sector Risk	—	Principal Risk

Risk	Stock and Bond Balanced Fund	BlackRock iShares® Dynamic Allocation V.I. Fund
Floating Rate Notes Risk	—	Principal Risk
Geographic Risk	—	Principal Risk
Global Real Estate Sub-Industry Risk	—	Principal Risk
Healthcare Sector Risk	—	Principal Risk
High Yield, High Risk Securities	Principal Risk	See “High Yield Securities Risk”
High Yield Securities Risk	See “High Yield, High Risk Securities”	Principal Risk
Income Risk	Principal Risk	Principal Risk
Index Fund Risk	Principal Risk	See “Tracking Error Risk”
Indexing Risk	Principal Risk	See “Tracking Error Risk”
Industrials Sector Risk	—	Principal Risk
Inflation Risk	Principal Risk	—
Information Technology Sector Risk	—	Principal Risk
Interest Rate Risk	See “Interest Rate Risk and Call Risk”	Principal Risk
Interest Rate Risk and Call Risk	Principal Risk	See “Interest Rate Risk” and “Call Risk”
Investment Company Securities Risk	Principal Risk	See “Investments in ETFs Risk”
Investments in ETFs Risk	—	Principal Risk
Issuer Risk	—	Principal Risk
Liquidity Risk	Principal Risk	Principal Risk
Management Risk	Principal Risk	Principal Risk
Market Risk	Principal Risk	Principal Risk
Materials Sector Risk	—	Principal Risk
Microcap Companies Risk	—	Principal Risk
Mid-Capitalization Companies Risk	—	Principal Risk
Mortgage-Backed Securities Risk	—	Principal Risk
Non-U.S. Securities Risk	—	Principal Risk
North American Economic Risk	—	Principal Risk
Oil and Gas Sector Risk	—	Principal Risk
Passive Investment Risk	—	Principal Risk
Precious Metal Related Security Risk	—	Principal Risk
Preferred Stock Risk	—	Principal Risk
Prepayment Risk	See “Prepayment and Extension Risk”	Principal Risk
Prepayment and Extension Risk	Principal Risk	See “Prepayment Risk”

Risk	Stock and Bond Balanced Fund	BlackRock iShares® Dynamic Allocation V.I. Fund
Privatization Risk	—	Principal Risk
Producer Durables Industry Group Risk	—	Principal Risk
Real Estate Investment Risk	—	Principal Risk
Reliance on Trading Partners Risk	—	Principal Risk
Representative Sampling Risk	—	Principal Risk
Risk of Investing in Australia	—	Principal Risk
Risk of Investing in Canada	—	Principal Risk
Risk of Investing in Emerging Markets	—	Principal Risk
Risk of Investing in Frontier Markets	—	Principal Risk
Risk of Investing in India	—	Principal Risk
Risk of Investing in Japan	—	Principal Risk
Risk of Investing in Kuwait	—	Principal Risk
Risk of Investing in Russia	—	Principal Risk
Risk of Investing in the United Kingdom	—	Principal Risk
Risk of Investing in the United States	—	Principal Risk
Securities Lending Risk	—	Principal Risk
Securities Market Risk	—	Principal Risk
Security Risk	—	Principal Risk
Security Selection Risk	Principal Risk	—
Shares of an ETF May Trade at Prices Other Than Net Asset Value	—	Principal Risk
Small-Capitalization Companies Risk	—	Principal Risk
Sovereign and Quasi-Sovereign Obligations Risk	—	Principal Risk
Structural Risk	—	Principal Risk
Subsidiary Risk	—	Principal Risk
Technology Industry Group Risk	—	Principal Risk
Telecommunications Sector Risk	—	Principal Risk
Tracking Error Risk	See “Index Fund Risk” and “Indexing Risk”	Principal Risk
Treaty/Tax Risk	—	Principal Risk
U.S. Treasury Obligations Risk	—	Principal Risk
Utilities Sector Risk	—	Principal Risk
Valuation Risk	—	Principal Risk

Descriptions of each Combined Fund's Principal Investment Risks

Risk is inherent in all investing. The value of an investment in a Combined Fund, as well as the amount of return you receive on your investment, may fluctuate significantly from day to day and over time. You may lose part or all of your investment in a Combined Fund or an investment may not perform as well as other similar investments. Although BlackRock Government Money Market V.I. Fund seeks to preserve the value of an investment at $1.00 per share, it cannot guarantee it will do so. An investment in BlackRock Government Money Market V.I. Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. BlackRock Government Money Market V.I. Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

The following discussion describes the principal risks that may affect an Acquiring Fund and, therefore, a Combined Fund. You will find additional descriptions of specific risks in the Class I shares Prospectus of your respective Acquiring Fund, which, with the exception of the Prospectus of BlackRock Total Return V.I. Fund, accompanies this Combined Prospectus/Proxy Statement and is incorporated herein by reference. The Prospectus of BlackRock Total Return V.I Fund is incorporated in this Combined Prospectus/Proxy Statement. For purposes of the remainder of this subsection, the term "BlackRock" refers to "BAL."

Combined Fund(s)	Principal Risk Factors
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Agency Debt Risk**—The Fund invests in unsecured bonds or debentures issued by government agencies, including the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). Bonds or debentures issued by government agencies, government-sponsored entities, or government corporations, including, among others, Fannie Mae and Freddie Mac, are generally backed only by the general creditworthiness and reputation of the government agency, government-sponsored entity, or government corporation issuing the bond or debenture and are not guaranteed by the U.S. Department of the Treasury or backed by the full faith and credit of the U.S. Government. As a result, there is uncertainty as to the current status of many obligations of Fannie Mae, Freddie Mac and other agencies that are placed under conservatorship of the federal government. Government National Mortgage Association securities are generally backed by the full faith and credit of the U.S. Government.
BlackRock iShares® Dynamic Allocation V.I. Fund (Fund of Funds Structure Risk)	**Allocation Risk**—The Combined Fund's ability to achieve its investment objective depends upon BlackRock's skill in determining the Combined Fund's strategic asset class allocation and in selecting the best mix of ETFs and direct investments. There is a risk that BlackRock's evaluations and assumptions regarding asset classes or ETFs may be incorrect in view of actual market conditions. Although the quantitative model used to manage the Combined Fund's assets has been developed and refined by BlackRock, neither the Combined Fund nor BlackRock can offer any assurance that the recommended allocation will either maximize returns or minimize risks.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Asset Class Risk**—Securities in an underlying index or in the Fund's portfolio may underperform in comparison to the general securities markets, a particular securities market or other asset classes.

Combined Fund(s)	Principal Risk Factors
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Call Risk**—During periods of falling interest rates, an issuer of a callable bond held by the Fund may "call" or repay the security before its stated maturity, and the Fund may have to reinvest the proceeds at lower interest rates, resulting in a decline in the Fund's income.
BlackRock iShares® Dynamic Allocation V.I. Fund (ETF-Specific Risk)	**Cash Transaction Risk**—Certain ETFs intend to effect creations and redemptions principally for cash, rather than primarily in-kind because of the nature of the ETF's investments. Investments in such ETFs may be less tax efficient than investments in ETFs that effect creations and redemptions in-kind.
BlackRock Total Return V.I. Fund	**Collateralized Debt Obligations Risk**—In addition to the typical risks associated with fixed-income securities and asset-backed securities, collateralized debt obligations ("CDOs") carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the risk that the collateral may default or decline in value or be downgraded, if rated by a nationally recognized statistical rating organization; (iii) the Combined Fund may invest in tranches of CDOs that are subordinate to other tranches; (iv) the structure and complexity of the transaction and the legal documents could lead to disputes among investors regarding the characterization of proceeds; (v) the investment return achieved by the Combined Fund could be significantly different than those predicted by financial models; (vi) the lack of a readily available secondary market for CDOs; (vii) the risk of forced "fire sale" liquidation due to technical defaults such as coverage test failures; and (viii) the CDO's manager may perform poorly. In addition, investments in CDOs may be characterized by the Combined Fund as illiquid securities.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Commercial Mortgage-Backed Securities Risk**—CMBS may not be backed by the full faith and credit of the U.S. Government and are subject to risk of default on the underlying mortgage. CMBS issued by non-government entities may offer higher yields than those issued by government entities, but also may be subject to greater volatility than government issues. CMBS react differently to changes in interest rates than other bonds and the prices of CMBS may reflect adverse economic and market conditions. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of CMBS.
BlackRock Total Return V.I. Fund	**Commodities Related Investments Risks**—Exposure to the commodities markets may subject the Combined Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Combined Fund(s)	Principal Risk Factors
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Commodity Risk**—The Fund invests in economies that are susceptible to fluctuations in certain commodity markets. Any negative changes in commodity markets could have an adverse impact on those economies.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Concentration Risk**—To the extent that the Fund's investments are concentrated in a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector or asset class, the Fund may be susceptible to loss due to adverse occurrences affecting that issuer or issuers, country, group of countries, region, market, industry, group of industries, sector or asset class.
BlackRock iShares® Dynamic Allocation V.I. Fund (Fund of Funds Structure Risk)	**Conflicts of Interest Risk**—In managing the Combined Fund, BlackRock will have authority to select and substitute ETFs. BlackRock may be subject to potential conflicts of interest in selecting ETFs because the fees paid to BlackRock by some ETFs are higher than the fees paid by other ETFs. If an ETF holds interests in an affiliated fund, the Combined Fund may be prohibited from purchasing shares of that ETF.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Consumer Discretionary Sector Risk**—The consumer discretionary sector may be affected by changes in domestic and international economies, exchange and interest rates, competition, consumers' disposable income and consumer preferences, social trends and marketing campaigns.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Consumer Services Sector Risk**—The consumer services sector may be affected by changes in the domestic and international economy, exchange and interest rates, competition, consumers' disposable income, consumer preferences, social trends and marketing campaigns.
BlackRock Total Return V.I. Fund	**Convertible Securities Risk**—The market value of a convertible security performs like that of a regular debt security; that is, if market interest rates rise, the value of a convertible security usually falls. In addition, convertible securities are subject to the risk that the issuer will not be able to pay interest or dividends when due, and their market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock.
BlackRock Government Money Market V.I. Fund	**Credit Risk**—Credit risk refers to the possibility that the issuer of a debt security (*i.e.*, the borrower) will not be able to make payments of interest and principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Combined Fund's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation.

Combined Fund(s)	**Principal Risk Factors**
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Credit Risk**—The Fund is subject to the risk that debt issuers and other counterparties may not honor their obligations or may have their debt downgraded by ratings agencies.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Currency Risk**—Because the Fund's NAV is determined in U.S. dollars, the Fund's NAV could decline if the currency of a non-U.S. market in which the Fund invests depreciates against the U.S. dollar.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Custody Risk**—Less developed markets are more likely to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories.
BlackRock Total Return V.I. Fund	**Debt Securities Risk**—Debt securities, such as bonds, involve interest rate risk, credit risk, extension risk, and prepayment risk, among other things. • *Interest Rate Risk*—The market value of bonds and other fixed-income securities changes in response to interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Combined Fund may be subject to a greater risk of rising interest rates due to the current period of historically low rates. For example, if interest rates increase by 1%, assuming a current portfolio duration of ten years, and all other factors being equal, the value of the Combined Fund's investments would be expected to decrease by 10%. The magnitude of these fluctuations in the market price of bonds and other fixed-income securities is generally greater for those securities with longer maturities. Fluctuations in the market price of the Combined Fund's investments will not affect interest income derived from instruments already owned by the Combined Fund, but will be reflected in the Combined Fund's net asset value. The Combined Fund may lose money if short-term or long-term interest rates rise sharply in a manner not anticipated by Combined Fund management. To the extent the Combined Fund invests in debt securities that may be prepaid at the option of the obligor (such as mortgage-backed securities), the sensitivity of such securities to changes in interest rates may increase (to the detriment of the Combined Fund) when interest rates rise. Moreover, because rates on certain floating rate debt securities typically reset only periodically, changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuations in the net asset value of the Combined Fund to the extent that it invests in floating rate debt securities. These basic principles of bond prices also apply to U.S. Government securities. A security backed by the "full faith and credit" of the U.S. Government is guaranteed only as to

<table>
<tr><th>Combined Fund(s)</th><th>Principal Risk Factors</th></tr>
<tr><td></td><td>its stated interest rate and face value at maturity, not its current market price. Just like other fixed-income securities, government-guaranteed securities will fluctuate in value when interest rates change. A general rise in interest rates has the potential to cause investors to move out of fixed-income securities on a large scale, which may increase redemptions from funds that hold large amounts of fixed-income securities. Heavy redemptions could cause the Combined Fund to sell assets at inopportune times or at a loss or depressed value and could hurt the Combined Fund’s performance.

• Credit Risk—Credit risk refers to the possibility that the issuer of a debt security (i.e., the borrower) will not be able to make principal and interest payments when due. Changes in an issuer’s credit rating or the market’s perception of an issuer’s creditworthiness may also affect the value of the Combined 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.

• Extension Risk—When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these obligations to fall.

• Prepayment Risk—When interest rates fall, certain obligations will be paid off by the obligor more quickly than originally anticipated, and the Combined Fund may have to invest the proceeds in securities with lower yields.</td></tr>
<tr><td>BlackRock Total Return V.I. Fund
BlackRock International Index V.I. Fund
BlackRock S&P 500 Index V.I. Fund
BlackRock Small Cap Index V.I. Fund
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)</td><td>Derivatives Risk—The Combined Fund’s use of derivatives may increase its costs, reduce the Combined Fund’s returns and/or increase volatility. Derivatives involve significant risks, including:

• Volatility Risk—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 Combined Fund’s use of derivatives is that the fluctuations in their values may not correlate with the overall securities markets.

• Counterparty Risk—Derivatives are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation.

• Market and Liquidity Risk—The possible lack of a liquid secondary market for derivatives and the resulting inability of the Combined Fund to sell or otherwise close a derivatives position could expose the Combined Fund to losses and could make derivatives more difficult for the Combined Fund to value accurately.

• Valuation Risk—Valuation may be more difficult in times of market turmoil since many investors and market makers may be reluctant to purchase complex instruments or quote prices for them.</td></tr>
</table>

Combined Fund(s)	Principal Risk Factors
	• *Hedging Risk*—Hedges are sometimes subject to imperfect matching between the derivative and the underlying security, and there can be no assurance that the Combined Fund's hedging transactions will be effective. The use of hedging may result in certain adverse tax consequences. • *Tax Risk*—Certain aspects of the tax treatment of derivative instruments, including swap agreements and commodity-linked derivative instruments, are currently unclear and may be affected by changes in legislation, regulations or other legally binding authority. Such treatment may be less favorable than that given to a direct investment in an underlying asset and may adversely affect the timing, character and amount of income the Combined Fund realizes from its investments. • *Regulatory Risk*—Derivative contracts, including, without limitation, swaps, currency forwards and non-deliverable forwards, are subject to regulation under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") in the United States and under comparable regimes in Europe, Asia and other non-U.S. jurisdictions. Under the Dodd-Frank Act, certain derivatives are subject to margin requirements and swap dealers are required to collect margin from the Combined Fund with respect to such derivatives. Specifically, regulations are now in effect that require swap dealers to post and collect variation margin (comprised of specified liquid instruments and subject to a required haircut) in connection with trading of over-the-counter ("OTC") swaps with the Combined Fund. Shares of investment companies (other than certain money market funds) may not be posted as collateral under these regulations. Requirements for posting of initial margin in connection with OTC swaps will be phased-in through 2020. In addition, regulations adopted by prudential regulators that will begin to take effect in 2019 will require certain bank-regulated counterparties and certain of their affiliates to include in certain financial contracts, including many derivatives contracts, terms that delay or restrict the rights of counterparties, such as the Combined Fund, to terminate such contracts, foreclose upon collateral, exercise other default rights or restrict transfers of credit support in the event that the counterparty and/or its affiliates are subject to certain types of resolution or insolvency proceedings. The implementation of these requirements with respect to derivatives, as well as regulations under the Dodd-Frank Act regarding clearing, mandatory trading and margining of other derivatives, may increase the costs and risks to the Combined Fund of trading in these instruments and, as a result, may affect returns to investors in the Combined Fund.

Combined Fund(s)	Principal Risk Factors
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Dividend-Paying Stock Risk**—The Fund's emphasis on dividend-paying stocks involves the risk that such stocks may fall out of favor with investors and underperform the market. Also, a company may reduce or eliminate its dividend.
BlackRock Total Return V.I. Fund	**Dollar Rolls Risk**—Dollar rolls involve the risk that the market value of the securities that the Combined Fund is committed to buy may decline below the price of the securities the Combined Fund has sold. These transactions may involve leverage.
BlackRock Total Return V.I. Fund	**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 hyperinflation 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.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Energy Sector Risk**—The value of securities issued by companies in the energy sector may decline for many reasons, including, among others, changes in energy prices, energy supply and demand, government regulations, energy conservation efforts and potential civil liabilities.
BlackRock International Index V.I. Fund BlackRock S&P 500 Index V.I. Fund BlackRock Small Cap Index V.I. Fund	**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.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Equity Securities Risk**—Equity securities are subject to changes in value and their values may be more volatile than those of other asset classes.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Extension Risk**—During periods of rising interest rates, certain debt obligations may be paid off substantially more slowly than originally anticipated and the value of those securities may fall sharply, resulting in a decline in the Fund's income and potentially in the value of the Fund's investments.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Financials Sector Risk**—Performance of companies in the financials sector may be adversely impacted by many factors, including, among others, government regulations, economic conditions, credit rating downgrades, changes in interest rates, and decreased liquidity in credit markets. The impact of more stringent capital requirements, recent or future regulation of any individual financial company, or recent or future regulation of the financials sector as a whole cannot be predicted. In recent years, cyber attacks and technology malfunctions have become increasingly frequent in this sector and have caused significant losses to companies in this sector, which may negatively impact the Fund.

Combined Fund(s)	Principal Risk Factors
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Floating Rate Notes Risk**—Securities with floating or variable interest rates can be less sensitive to interest rate changes than securities with fixed interest rates, but may decline in value if their coupon rates do not reset as high, or as quickly, as comparable market interest rates. Although floating rate notes are less sensitive to interest rate risk than fixed rate securities, they are subject to credit and default risk, which could impair their value.
BlackRock Total Return V.I. Fund BlackRock International Index V.I. Fund	**Foreign Securities Risk**—Foreign investments often involve special risks not present in U.S. investments that can increase the chances that the Combined Fund will lose money. These risks include: • The Combined Fund 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 Combined Fund'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. • The European financial markets have recently experienced volatility and adverse trends due to concerns about economic downturns in, or rising government debt levels of, several European countries. These events may spread to other countries in Europe. These events may affect the value and liquidity of certain of the Combined Fund's investments.

Combined Fund(s)	Principal Risk Factors
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Geographic Risk**—A natural or other disaster could occur in a geographic region in which the Fund invests, which could affect the economy or particular business operations of companies in the specific geographic region, causing an adverse impact on the Fund's investments in the affected region.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Global Real Estate Sub-Industry Risk**—Since the Fund concentrates its assets in the global real estate sub-industry, the Fund will be impacted by the performance of the global real estate markets.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Healthcare Sector Risk**—The healthcare sector may be affected by government regulations and government healthcare programs, increases or decreases in the cost of medical products and services and product liability claims, among other factors. Many healthcare companies are heavily dependent on patent protection, and the expiration of a company's patent may adversely affect that company's profitability. Healthcare companies are subject to competitive forces that may result in price discounting, and may be thinly capitalized and susceptible to product obsolescence.
BlackRock Total Return V.I. Fund	**High Portfolio Turnover Risk**—The Combined Fund may engage in active and frequent trading of its portfolio securities. High portfolio turnover (more than 100%) may result in increased transaction costs to the Combined Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities. The sale of Combined Fund portfolio securities may result in the realization and/or distribution to shareholders of higher capital gains or losses as compared to a fund with less active trading policies. These effects of higher than normal portfolio turnover may adversely affect Combined Fund performance.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**High Yield Securities Risk**—Securities that are rated below investment grade (commonly referred to as "junk bonds," including those bonds rated lower than "BBB-" by S&P Global Ratings and Fitch Ratings, Inc., or "Baa3" by Moody's Investors Service, Inc.), or are unrated, may be deemed speculative and may be more volatile than higher-rated securities of similar maturity and may be more likely to default.
BlackRock Government Money Market V.I. Fund	**Income Risk**—Income risk is the risk that the Combined Fund's yield will vary as short term securities in its portfolio mature and the proceeds are reinvested in securities with different interest rates.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Income Risk**—The Fund's income may decline when interest rates fall. This decline can occur because the Fund must invest in lower-yielding bonds when bonds in its portfolio mature or are called, bonds in an underlying index are substituted or the Fund otherwise needs to purchase additional bonds.

Combined Fund(s)	Principal Risk Factors
BlackRock International Index V.I. Fund BlackRock S&P 500 Index V.I. Fund BlackRock Small Cap Index V.I. Fund	**Index Fund Risk**—An index fund has operating and other expenses while an index does not. As a result, while the Combined Fund will attempt to track the Underlying Index as closely as possible, it will tend to underperform the index to some degree over time.
BlackRock International Index V.I. Fund BlackRock S&P 500 Index V.I. Fund BlackRock Small Cap Index V.I. Fund	**Index-Related Risk**—There is no guarantee that the Combined Fund will achieve a high degree of correlation to the Underlying Index and therefore achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the Combined Fund's ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data may occur from time to time and may not be identified and corrected for a period of time, and may have an adverse impact on the Combined Fund and its shareholders.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Industrials Sector Risk**—The industrials sector may be adversely affected by changes in the supply of and demand for products and services, product obsolescence, claims for environmental damage or product liability and general economic conditions, among other factors.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Information Technology Sector Risk**—Information technology companies face intense competition and potentially rapid product obsolescence. They are also heavily dependent on intellectual property rights and may be adversely affected by the loss or impairment of those rights.
BlackRock Government Money Market V.I. Fund	**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. Due to fluctuations in interest rates, the market value of such securities may vary during the period shareholders own shares of the Combined Fund.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Interest Rate Risk**—An increase in interest rates may cause the value of securities held by the Fund to decline, may lead to heightened volatility in the fixed-income markets and may adversely affect the liquidity of certain fixed income investments. The current historically low interest rate environment increases the risks associated with rising interest rates.
BlackRock iShares® Dynamic Allocation V.I. Fund (Fund of Funds Structure Risk)	**Investments in ETFs Risk**—The Combined Fund's net asset value will change with changes in the value of the ETFs and other securities in which it invests. As with other investments, investments in other investment companies, including ETFs, are subject to market risk and, for non-index strategies, selection risk. In addition, if the Combined Fund acquires shares of investment companies, including ETFs, shareholders bear both their proportionate share of expenses in the Combined Fund (including management and advisory fees) and, indirectly, the

Combined Fund(s)	Principal Risk Factors
	expenses of the investment companies. To the extent the Combined Fund is held by an affiliated fund, the ability of the Combined Fund itself to hold other investment companies may be limited. One ETF may buy the same securities that another ETF sells. In addition, the Combined Fund may buy the same securities that an ETF sells, or vice-versa. If this happens, an investor in the Combined Fund would indirectly bear the costs of these transactions without accomplishing the intended investment purpose. Certain of the ETFs may hold common portfolio securities, thereby reducing the diversification benefits of the Combined Fund.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Issuer Risk**—Fund performance depends on the performance of individual securities to which the Fund has exposure. Changes in the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.
BlackRock Total Return V.I. Fund	**Junk Bonds Risk**—Although junk bonds generally pay higher rates of interest than investment grade bonds, junk bonds are high risk investments that are considered speculative and may cause income and principal losses for the Combined Fund.
BlackRock Total Return V.I. Fund BlackRock International Index V.I. Fund BlackRock S&P 500 Index V.I. Fund BlackRock Small Cap Index V.I. 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 Combined Fund to greater risk and increase its costs. The use of leverage may cause the Combined 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 Combined Fund's portfolio will be magnified when the Combined Fund uses leverage.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Liquidity Risk**—Liquidity risk exists when particular investments are difficult to purchase or sell. This can reduce the Fund's returns because the Fund may be unable to transact at advantageous times or prices.
BlackRock iShares® Dynamic Allocation V.I. Fund (ETF-Specific Risk)	**Management Risk**—If an ETF does not fully replicate the underlying index, it is subject to the risk that the manager's investment management strategy may not produce the intended results.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Market Risk**—The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns.
BlackRock Total Return V.I. Fund BlackRock International Index V.I. Fund BlackRock S&P 500 Index V.I. Fund BlackRock Small Cap Index V.I. Fund	**Market Risk and Selection Risk**—Market risk is the risk that one or more markets in which the Combined 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 Combined Fund management will

Combined Fund(s)	Principal Risk Factors
	underperform the markets, the relevant indices or the securities selected by other funds with similar investment objectives and investment strategies. This means you may lose money.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Materials Sector Risk**—Companies in the materials sector may be adversely impacted by the volatility of commodity prices, exchange rates, depletion of resources, over-production, litigation and government regulations, among other factors.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Microcap Companies Risk**—Stock prices of microcap companies are significantly more volatile, and more vulnerable to adverse business and economic developments, than those of larger companies. Microcap stocks may also be thinly traded, making it difficult for the Fund to buy and sell them.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Mid-Capitalization Companies Risk**—Compared to large-capitalization companies, mid-capitalization companies may be less stable and more susceptible to adverse developments, and their securities may be more volatile and less liquid.
BlackRock Total Return V.I. Fund	**Mortgage- and Asset-Backed Securities Risks**—Mortgage- 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.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Mortgage-Backed Securities Risk**—The Fund invests in mortgage-backed securities, some of which may not be backed by the full faith and credit of the U.S. Government. Mortgage-backed securities are subject to call risk and extension risk. Because of these risks, mortgage-backed securities react differently than other bonds to changes in interest rates. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities. Default or bankruptcy of a counterparty to a TBA transaction would expose the Fund to possible loss.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Non-U.S. Securities Risk**—Investments in the securities of non-U.S. issuers are subject to the risks associated with investing in those non-U.S. markets, such as heightened risks of inflation or nationalization. The Fund may lose money due to political, economic and geographic events affecting issuers of non-U.S. securities or non-U.S. markets. The Fund is specifically exposed to Asian Economic Risk, Central and South American Economic Risk and Middle Eastern Economic Risk.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**North American Economic Risk**—The United States is Canada's and Mexico's largest trading and investment partner. Economic events in any one North American country can have a

Combined Fund(s)	Principal Risk Factors
	significant economic effect on the entire North American region and on some or all of the North American countries in which the Fund invests.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Oil and Gas Sector Risk**—Companies in the oil and gas sector are affected by worldwide energy prices and exploration and production costs. Companies in the oil and gas sector may have significant operations in areas at risk for natural disasters, social unrest and environmental damage. These companies may also be at risk for increased government regulation and intervention, litigation, and negative publicity and public perception.
BlackRock iShares® Dynamic Allocation V.I. Fund (ETF-Specific Risk)	**Passive Investment Risk**—ETFs purchased by the Combined Fund are not actively managed and may be affected by a general decline in market segments relating to their respective indices. An ETF typically invests in securities included in, or representative of, its index regardless of their investment merits and does not attempt to take defensive positions in declining markets.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Precious Metal Related Securities Risk**—Prices of precious metals and of precious metal related securities historically have been very volatile. The high volatility of precious metal prices may adversely affect the financial condition of companies involved with precious metals. The production and sale of precious metals by governments or central banks or other larger holders can be affected by various economic, financial, social and political factors, which may be unpredictable and may have a significant impact on the prices of precious metals. Other factors that may affect the prices of precious metals and securities related to them include changes in inflation, the outlook for inflation and changes in industrial and commercial demand for precious metals.
BlackRock Total Return V.I. Fund BlackRock International Index V.I. Fund	**Preferred Securities Risk**—Preferred securities may pay fixed or adjustable rates of return. Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. In addition, a company's preferred securities generally pay dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the value of preferred securities will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects. Preferred securities of smaller companies may be more vulnerable to adverse developments than preferred securities of larger companies.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Preferred Stock Risk**—Preferred stock is subject to many of the risks associated with debt securities, including interest rate risk. In addition, preferred stock may not pay a dividend, an issuer may suspend payment of dividends on preferred stock at any time, and in certain situations an issuer may call or redeem its preferred stock or convert it to common stock. To the extent that

Combined Fund(s)	Principal Risk Factors
	the Fund invests a substantial portion of its assets in convertible preferred stocks, declining common stock values may also cause the value of the Fund's investments to decline.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Prepayment Risk**—During periods of falling interest rates, an issuer of mortgages and other securities may be able to repay principal prior to the security's maturity, causing the Fund to have to reinvest in securities with a lower yield, resulting in a decline in the Fund's income.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Privatization Risk**—Some countries in which the Fund invests have privatized, or have begun the process of privatizing, certain entities and industries. Privatized entities may lose money or be re-nationalized.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Producer Durables Industry Group Risk**—The producer durables industry group includes companies involved in the design, manufacture or distribution of industrial durables such as electrical equipment and components, industrial products, and housing and telecommunications equipment. These companies may be affected by changes in domestic and international economies and politics, consolidation, excess capacity, and consumer demands, spending, tastes and preferences.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Real Estate Investment Risk**—The Fund invests in companies that invest in, develop, or operate real estate, or provide real estate related services, such as REITs or real estate holding companies, which exposes investors in the Fund to the risks of owning real estate directly, as well as to risks that relate specifically to the way in which real estate companies are organized and operated.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Reliance on Trading Partners Risk**—The Fund invests in countries whose economies are heavily dependent upon trading with key partners. Any reduction in this trading may have an adverse impact on the Fund's investments. Through its portfolio companies' trading partners, the Fund is specifically exposed to Asian Economic Risk, Central and South American Economic Risk and European Economic Risk.
BlackRock International Index V.I. Fund BlackRock S&P 500 Index V.I. Fund BlackRock Small Cap Index V.I. Fund	**Representative Sampling Risk**—Representative sampling is a method of indexing that involves investing in a representative sample of securities that collectively have a similar investment profile to the underlying index and resemble the underlying index in terms of risk factors and other key characteristics. The Combined Fund may or may not hold every security in the underlying index. When the Combined Fund deviates from a full replication indexing strategy to utilize a representative sampling strategy, the Combined Fund is subject to an increased risk of tracking error, in that the securities selected in the aggregate for the Combined Fund may not have an investment profile similar to those of the underlying index.

Combined Fund(s)	Principal Risk Factors
BlackRock iShares® Dynamic Allocation V.I. Fund (ETF-Specific Risk)	**Representative Sampling Risk**—Representative sampling is a method of indexing that involves investing in a representative sample of securities that collectively have a similar investment profile to the index and resemble the index in terms of risk factors and other key characteristics. An ETF may or may not hold every security in the index. When an ETF deviates from a full replication indexing strategy to utilize a representative sampling strategy, the ETF is subject to an increased risk of tracking error, in that the securities selected in the aggregate for the ETF may not have an investment profile similar to those of its index.
BlackRock Government Money Market V.I. Fund	**Repurchase Agreement Risk**—The Combined Fund may enter into repurchase agreements. Under a repurchase agreement, the seller agrees to repurchase a security at a mutually agreed-upon time and price. If the seller in a repurchase agreement transaction defaults on its obligation under the agreement, the Combined Fund may suffer delays and incur costs or lose money in exercising its rights under the agreement.
BlackRock Total Return V.I. Fund	**Reverse Repurchase Agreements Risk**—Reverse repurchase agreements involve the sale of securities held by the Combined Fund with an agreement to repurchase the securities at an agreed-upon price, date and interest payment. Reverse repurchase agreements involve the risk that the other party may fail to return the securities in a timely manner or at all. The Combined Fund could lose money if it is unable to recover the securities and the value of the collateral held by the Combined Fund, including the value of the investments made with cash collateral, is less than the value of securities. These events could also trigger adverse tax consequences to the Combined Fund.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Risk of Investing in Australia**—Investments in Australian issuers may subject the Fund to regulatory, political, currency, security, and economic risk specific to Australia. The Australian economy is heavily dependent on exports from the energy, agricultural and mining sectors. This makes the Australian economy susceptible to fluctuations in the commodity markets. Australia is also dependent on trading with key trading partners.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Risk of Investing in Canada**—Investments in Canadian issuers may subject the Fund to economic risk specific to Canada. Among other things, the Canadian economy is heavily dependent on relationships with certain key trading partners, including the United States, European Union (the "EU") countries and China. The Canadian economy is sensitive to fluctuations in certain commodity markets.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Risk of Investing in Emerging Markets**—The Fund's investments in emerging markets may be subject to a greater risk of loss than investments in issuers located or operating in more developed markets. Emerging markets may be more likely to experience inflation, political turmoil and rapid changes in

Combined Fund(s)	Principal Risk Factors
	economic conditions than more developed markets. Emerging markets often have less uniformity in accounting and reporting requirements, less reliable securities valuation and greater risk associated with custody of securities.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Risk of Investing in Frontier Markets**—Frontier markets are those emerging markets that are considered to be among the smallest, least mature and least liquid, and as a result, may be more likely to experience inflation risk, political turmoil and rapid changes in economic conditions than more developed and traditional emerging markets. Investments in frontier markets may be subject to a greater risk of loss than investments in more developed and traditional emerging markets. Frontier markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities. Economic, political, liquidity and currency risks may be more pronounced with respect to investments in frontier markets than in emerging markets.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Risk of Investing in India**—Investments in Indian issuers involve risks that are specific to India, including legal, regulatory, political and economic risks. Political and legal uncertainty, greater government control over the economy, currency fluctuations or blockage, and the risk of nationalization or expropriation of assets may result in higher potential for losses. The securities markets in India are relatively underdeveloped and may subject the Fund to higher transaction costs or greater uncertainty than investments in more developed securities markets.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Risk of Investing in Japan**—The Japanese economy may be subject to considerable degrees of economic, political and social instability, which could have a negative impact on Japanese securities. Since the year 2000, Japan's economic growth rate has remained relatively low and it may remain low in the future. In addition, Japan is subject to the risk of natural disasters, such as earthquakes, volcanic eruptions, typhoons and tsunamis, which could negatively affect the Fund.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Risk of Investing in Kuwait**—Investments in Kuwaiti issuers involve risks that are specific to Kuwait, including legal, regulatory, political and economic risks.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Risk of Investing in Russia**—Investing in Russian securities involves significant risks, including legal, regulatory and economic risks that are specific to Russia. In addition, investing in Russian securities involves risks associated with the settlement of portfolio transactions and loss of the Fund's ownership rights in its portfolio securities as a result of the system of share registration and custody in Russia. A number of countries have imposed economic sanctions on certain Russian

Combined Fund(s)	Principal Risk Factors
	individuals and Russian corporate entities. These sanctions, or even the threat of further sanctions, may adversely affect Russia's economy and the Fund's investments.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Risk of Investing in the United Kingdom**—Investments in United Kingdom issuers may subject the Fund to regulatory, political, currency, security, and economic risks specific to the United Kingdom. The United Kingdom has one of the largest economies in Europe, and the United States and other European countries are substantial trading partners of the United Kingdom. As a result, the United Kingdom's economy may be impacted by changes to the economic condition of the United States and other European countries. In a referendum held on June 23, 2016, the United Kingdom resolved to leave the EU. The referendum may introduce significant uncertainties and instability in the financial markets as the United Kingdom negotiates its exit from the EU.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Risk of Investing in the United States**—The United States is a significant country in which the Fund invests. Certain changes in the U.S. economy, such as when the U.S. economy weakens or when its financial markets decline, may have an adverse effect on the securities to which the Fund has exposure.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Securities Lending Risk**—The Fund may engage in securities lending. Securities lending involves the risk that the Fund may lose money because the borrower of the loaned securities fails to return the securities in a timely manner or at all. The Fund could also lose money in the event of a decline in the value of the collateral provided for loaned securities or a decline in the value of any investments made with cash collateral. These events could also trigger adverse tax consequences for the Fund.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Securities Market Risk**—Non-U.S. securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Security Risk**—Some countries and regions in which the Fund invests have experienced security concerns. Incidents involving a country's or region's security may cause uncertainty in these markets and may adversely affect their economies and the Fund's investments.
BlackRock iShares® Dynamic Allocation V.I. Fund (ETF-Specific Risk)	**Shares of an ETF May Trade at Prices Other Than Net Asset Value**—Shares of an ETF trade on exchanges at prices at, above or below their most recent net asset value. The per share net asset value of an ETF is calculated at the end of each business day and fluctuates with changes in the market value of the ETF's holdings since the most recent calculation. The trading prices of an ETF's shares fluctuate continuously throughout trading hours based on market supply and demand rather than net asset value. The trading prices of an ETF's shares may deviate significantly from net asset value during periods of market volatility. Any of

Combined Fund(s)	Principal Risk Factors
	these factors may lead to an ETF's shares trading at a premium or discount to net asset value. However, because shares can be created and redeemed in creation units, which are aggregated blocks of shares that authorized participants who have entered into agreements with the ETF's distributor can purchase or redeem directly from the ETF, at net asset value (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset values), large discounts or premiums to the net asset value of an ETF are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that an ETF's shares normally trade on exchanges at prices close to the ETF's next calculated net asset value, exchange prices are not expected to correlate exactly with an ETF's net asset value due to timing reasons as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from net asset value. If a shareholder purchases at a time when the market price is at a premium to the net asset value or sells at a time when the market price is at a discount to the net asset value, the shareholder may sustain losses.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Small-Capitalization Companies Risk**—Compared to mid- and large-capitalization companies, small-capitalization companies may be less stable and more susceptible to adverse developments, and their securities may be more volatile and less liquid.
BlackRock Small Cap Index V.I. Fund	**Small Cap Securities Risk**—Small cap companies may have limited product lines or markets. They may be less financially secure than larger, more established companies. They may depend on a more limited management group than larger capitalized companies.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Sovereign and Quasi-Sovereign Obligations Risk**—The Fund invests in securities issued by or guaranteed by non-U.S. sovereign governments and by entities affiliated with or backed by non-U.S. sovereign governments, which may be unable or unwilling to repay principal or interest when due. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt obligations or of other government debt obligations.
BlackRock Total Return V.I. Fund	**Sovereign Debt Risk**—Sovereign debt instruments are subject to the risk that a governmental entity may delay or refuse to pay interest or repay principal on its sovereign debt, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, the relative size of the governmental entity's debt position in relation to the economy or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies.

Combined Fund(s)	Principal Risk Factors
BlackRock Government Money Market V.I. Fund	**Stable Net Asset Value Risk**—The Combined Fund may not be able to maintain a stable NAV of $1.00 per share at all times. If the Combined Fund fails to maintain a stable NAV (or if there is a perceived threat of such a failure), the Combined Fund, along with other money market funds, could be subject to increased redemption activity.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Structural Risk**—The countries in which the Fund invests may be subject to considerable degrees of economic, political and social instability.
BlackRock Total Return V.I. Fund	**Structured Notes Risk**—Structured notes and other related instruments purchased by the Combined Fund are generally privately negotiated debt obligations where the principal and/or interest is determined by reference to the performance of a specific asset, benchmark asset, market or interest rate ("reference measure"). The purchase of structured notes exposes the Combined Fund to the credit risk of the issuer of the structured product. Structured notes may be leveraged, increasing the volatility of each structured note's value relative to the change in the reference measure. Structured notes may also be less liquid and more difficult to price accurately than less complex securities and instruments or more traditional debt securities.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Subsidiary Risk**—By investing in the Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary's investments. The commodity-related instruments held by the Subsidiary are generally similar to those that are permitted to be held by the Fund and are subject to the same risks that apply to similar investments if held directly by the Fund (see "Commodity Risk" and "Precious Metal Related Securities Risks" above). There can be no assurance that the investment objective of the Subsidiary will be achieved. The Subsidiary is not registered under the 1940 Act, and, unless otherwise noted in this prospectus, is not subject to all the investor protections of the 1940 Act. However, the Fund wholly owns and controls the Subsidiary, and the Fund and the Subsidiary are both managed by BlackRock, making it unlikely that the Subsidiary will take action contrary to the interests of the Fund and its shareholders. The Board has oversight responsibility for the investment activities of the Fund, including its investment in the Subsidiary, and the Fund's role as sole shareholder of the Subsidiary. The Subsidiary is subject to the same investment restrictions and limitations, and follows the same compliance policies and procedures, as the Fund except that the Subsidiary may invest without limitation in commodity-related investments. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the Fund and/or the Subsidiary to operate as described in this prospectus and the Statement of Additional Information and could adversely affect the Fund.

Combined Fund(s)	**Principal Risk Factors**
	In order to qualify as a regulated investment company, at least 90% of the Fund's gross income for the taxable year must be "qualifying income." The Fund anticipates treating the income and gain generated from investments in controlled foreign subsidiaries that invest in physical commodities and/or commodity-linked derivative instruments as "qualifying income" for regulated investment company qualification purposes. However, there can be no assurance that the IRS will agree with treating such income and gain as "qualifying income." If the IRS makes an adverse determination relating to the treatment of such income and gain, the Fund would likely need to change its investment strategies, which could adversely affect the Fund. The IRS has proposed regulations that, if finalized in current form, would specify that a subpart F income inclusion for U.S. federal income tax purposes will be treated as qualifying income only to the extent that the Subsidiary makes distributions out of its earnings and profits in the same taxable year.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Technology Industry Group Risk**—Technology companies may have limited product lines, markets, financial resources or personnel. Technology companies typically face intense competition and potentially rapid product obsolescence. They are also heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Telecommunications Sector Risk**—Companies in the telecommunications sector may be affected by industry competition, substantial capital requirements, government regulation and obsolescence of telecommunications products and services due to technological advancement.
BlackRock International Index V.I. Fund BlackRock S&P 500 Index V.I. Fund BlackRock Small Cap Index V.I. Fund	**Tracking Error Risk**—An inexact correlation between the securities of the underlying index and those of the Combined Fund, the timing of cash flows, the Combined Fund's size, rounding of prices and any regulatory changes or changes to the composition of the underlying index may cause the Combined Fund to perform differently from the underlying index. Tracking error may also result because the Combined Fund incurs fees and transaction expenses that the underlying index does not. The use of representative sampling will make the Combined Fund particularly susceptible to tracking error, as it will likely increase the Combined Fund's deviation from an underlying index.
BlackRock iShares® Dynamic Allocation V.I. Fund (ETF-Specific Risk)	**Tracking Error Risk**—Imperfect correlation between an ETF's portfolio securities and those in its index, rounding of prices, the timing of cash flows, the ETF's size, changes to the index and regulatory requirements may cause tracking error, which is the divergence of an ETF's performance from that of its underlying index. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because an ETF incurs fees and expenses while its underlying index does not.

Combined Fund(s)	Principal Risk Factors
BlackRock Government Money Market V.I. Fund	**Treasury Obligations Risk**—Direct obligations of the U.S. Treasury have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary during the period shareholders own shares of the Combined Fund.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Treaty/Tax Risk**—The Fund may operate, in part, through a subsidiary of an underlying ETF, which would in turn invest in securities of Indian issuers. In the past, the ETF and the subsidiary relied on the Double Tax Avoidance Agreement between India and Mauritius for relief from certain Indian taxes. However, treaty renegotiation has substantially limited such relief and may result in the ETF withdrawing from the subsidiary, which may result in higher taxes and/or lower returns for the Fund.
BlackRock Total Return V.I. Fund	**U.S. Government Issuer Risk**—Treasury obligations may differ in their interest rates, maturities, times of issuance and other characteristics. Obligations of U.S. Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. Government. No assurance can be given that the U.S. Government will provide financial support to its agencies and authorities if it is not obligated by law to do so.
BlackRock Government Money Market V.I. Fund	**U.S. Government Obligations Risk**—Certain securities in which the Combined 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.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**U.S. Treasury Obligations Risk**—U.S. Treasury obligations may differ from other securities in their interest rates, maturities, times of issuance and other characteristics and may provide relatively lower returns than those of other securities. Similar to other issuers, changes to the financial condition or credit rating of the U.S. Government may cause the value of the Fund's U.S. Treasury obligations to decline.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Utilities Sector Risk**—The utilities sector is subject to significant government regulation and oversight. Deregulation may subject utility companies to greater competition and may reduce their profitability. Companies in the utilities sector may be adversely affected due to increases in fuel and operating costs, rising costs of financing capital construction and the cost of complying with U.S. federal and state regulations, among other factors.
BlackRock iShares® Dynamic Allocation V.I. Fund (Combined Fund and/or an Underlying ETF Risk)	**Valuation Risk**—The price the Fund could receive upon the sale of any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade

Combined Fund(s)	Principal Risk Factors
	in thin or volatile markets or that are valued using a fair valuation methodology or a price provided by an independent pricing service. As a result, the price received upon the sale of an investment may be less than the value ascribed by the Fund, and the Fund could realize a greater than expected loss or lesser than expected gain upon the sale of the investment. Pricing services that value fixed-income securities generally utilize a range of market-based and security-specific inputs and assumptions, as well as considerations about general market conditions, to establish a price. Pricing services generally value fixed-income securities assuming orderly transactions of an institutional round lot size, but may be held or transactions may be conducted in such securities in smaller, odd lot sizes. Odd lots often trade at lower prices than institutional round lots. The Fund's ability to value its investments may also be impacted by technological issues and/or errors by pricing services or other third-party service providers.
BlackRock Government Money Market V.I. Fund	**Variable and Floating Rate Instrument Risk**—The absence of an active market for these securities could make it difficult for the Combined Fund to dispose of them if the issuer defaults.
BlackRock Government Money Market V.I. Fund	**When-Issued and Delayed Delivery Securities and Forward Commitments Risk**—When-issued and delayed delivery securities and forward commitments involve the risk that the security the Combined Fund buys will lose value prior to its delivery. There also is the risk that the security will not be issued or that the other party to the transaction will not meet its obligation. If this occurs, the Combined Fund may lose both the investment opportunity for the assets it set aside to pay for the security and any gain in the security's price.

Fundamental Investment Restrictions

Each Target Fund and corresponding Acquiring Fund have some similar and some differing fundamental investment restrictions. A complete list of each Fund's fundamental investment restrictions is located in Appendix I. Generally, each Fund has a fundamental investment restriction (with certain exceptions) limiting its ability to: (i) issue senior securities; (ii) borrow money; (iii) act as an underwriter of securities; (iv) make loans; (v) purchase or sell real estate; (vi) purchase or sell commodities or commodities contracts; and (vii) invest more than 25% of its total assets in a particular industry.

For purposes of this section and only with respect to the Acquiring Funds, references to the "1940 Act" include any rules promulgated thereunder and any guidance, interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, including court interpretations, and exemptive, no-action or other relief or permission from the SEC, SEC staff or other authority.

Each Target Fund and corresponding Acquiring Fund have also adopted certain non-fundamental investment restrictions, as listed in Appendix I, which may be changed by the Target Board or the Acquiring Board, respectively, without shareholder approval. Following completion of a Reorganization, each Combined Fund will have the same fundamental and non-fundamental investment restrictions as the corresponding Acquiring Fund, and BAL will manage the Combined Fund as investment manager pursuant to these investment restrictions.

Bond Fund and Large Cap Equity Index Fund (Target Funds); BlackRock Total Return V.I. Fund and BlackRock S&P 500 Index V.I. Fund (Acquiring Funds)

Although the Funds' fundamental investment restrictions are substantially similar, there are some differences. A discussion of the relevant material differences follows.

Each Fund has a fundamental investment restriction that limits its ability to borrow money, although they differ with respect to the Target Funds and the Acquiring Funds. No Fund may borrow money except that each Target Fund may (a) borrow from banks (as defined in the 1940 Act) or through reverse repurchase agreements in amounts up to 33 1⁄3% of its total assets (including the amount borrowed), taken at market value at the time of the borrowing, (b) to the extent permitted by applicable law, borrow up to an additional 5% of its total assets (including the amount borrowed), taken at market value at the time of the borrowing, for temporary purposes and (c) obtain such short-term credits as may be necessary for clearance of purchases and sales of portfolio securities; and each Acquiring Fund may (a) borrow from banks (as defined in the 1940 Act) in amounts up to 33 1⁄3% of its total assets (including the amount borrowed), (b) borrow up to an additional 5% of its total assets for temporary purposes, (c) obtain such short-term credit as may be necessary for the clearance of purchases and sales of portfolio securities and (d) purchase securities on margin to the extent permitted by applicable law. Additionally, each Acquiring Fund may not pledge its assets other than to secure such borrowings or, to the extent permitted by the Fund's investment policies as set forth in its Prospectus and Statement of Additional Information in connection with hedging transactions, short sales, when-issued and forward commitment transactions and similar investment strategies. The Target Funds' fundamental investment restriction on borrowing does not address the purchase of securities on margin and pledging assets.

Each Fund has a fundamental investment restriction limiting its ability to lend, although they differ with respect to the Target Funds and the Acquiring Funds. Each Target Fund may not lend any security or make any other loan, except through: (a) the purchase of debt obligations in accordance with the Fund's investment objective and policies; (b) repurchase agreements with banks, brokers, dealers, and other financial institutions; and (c) loans of securities as permitted by applicable law. Each Acquiring Fund may not make loans to other persons, except that the acquisition of bonds, debentures or other corporate debt securities and investment in government obligations, commercial paper, pass-through instruments, certificates of deposit, bankers acceptances, repurchase agreements or any similar instruments shall not be deemed to be the making of a loan, and except further that the Fund may lend its portfolio securities, provided that the lending of portfolio securities may be made only in accordance with applicable law and the guidelines set forth in the Acquiring Fund's Prospectus and Statement of Additional Information.

Each Fund has a fundamental investment restriction that limits its ability to invest in real estate, although they differ with respect to the Target Funds and the Acquiring Funds. Each Target Fund may not purchase real estate or any interest therein, except through the purchase of corporate or certain government securities (including securities secured by a mortgage or a leasehold interest or other interest in real estate). The Target Funds do not treat a security issued by a real estate or mortgage investment trust as an interest in real estate. Each Acquiring Fund may not purchase or sell real estate, except that it may invest in securities directly or indirectly secured by real estate or interests therein or issued by companies that invest in real estate or interests therein.

Each Fund has a fundamental investment restriction that limits its ability to purchase or sell commodities, although they differ with respect to the Target Funds and the Acquiring Funds. Each Target Fund may not purchase or sell commodities, except that the Fund may invest in currency and financial instruments and contracts that are commodities or commodities contracts. Each Acquiring Fund may not purchase or sell commodities, except that the Fund may do so in accordance with applicable law and its Prospectus and Statement of Additional Information, and without registering as a commodity pool operator under the Commodity Exchange Act.

Each Fund, with the exception of BlackRock S&P 500 Index V.I. Fund, has the same fundamental investment restriction with respect to diversification. Each Fund, with the exception of BlackRock S&P 500

Index V.I. Fund, is classified as diversified under the 1940 Act and may not make any investment inconsistent with its classification as a diversified company under the 1940 Act. BlackRock S&P 500 Index V.I. Fund is also classified as diversified under the 1940 Act; however, it does not have a fundamental investment restriction with respect to diversification because it was formerly classified as a non-diversified investment company under the 1940 Act.

Each Fund, with the exception of Large Cap Equity Index Fund, has a similar fundamental investment restriction with respect to concentration. Bond Fund may not invest more than 25% of its total assets (taken at market value at the time of each investment) in the securities of issuers primarily engaged in the same industry (excluding the U.S. Government or any of its agencies or instrumentalities). Each Acquiring Fund may not invest more than 25% of its assets, taken at market value, in the securities of issuers in any particular industry (excluding the U.S. Government and its agencies and instrumentalities). Large Cap Equity Index Fund will concentrate its investments in an industry or industries if, and to the extent that, its benchmark index concentrates in such industry or industries, except where the concentration of the index is the result of a single stock.

In addition, the Acquiring Funds have a fundamental investment restriction that prohibits them from making investments for the purpose of exercising control or management. The Target Funds have no corresponding fundamental investment restriction.

International Equity Index Fund, Stock and Bond Balanced Fund and Small Cap Equity Index Fund (Target Funds); BlackRock International Index V.I. Fund, BlackRock iShares® Dynamic Allocation V.I. Fund and BlackRock Small Cap Index V.I. Fund (Acquiring Funds)

Although the Funds' fundamental investment restrictions are similar, there are differences. A discussion of the relevant material differences follows.

Each Fund has a fundamental investment restriction that limits its ability to borrow money that, although worded differently, are similar in substance. Each Target Fund may: (a) borrow from banks (as defined in the 1940 Act) or through reverse repurchase agreements in amounts up to 33⅓% of its total assets (including the amount borrowed), taken at market value at the time of the borrowing; (b) to the extent permitted by applicable law, borrow up to an additional 5% of its total assets (including the amount borrowed), taken at market value at the time of the borrowing, for temporary purposes; and (c) obtain such short-term credits as may be necessary for clearance of purchases and sales of portfolio securities. Each Acquiring Fund may not borrow money, except as permitted under the 1940 Act.

Each Fund has a fundamental investment restriction that limits its ability to lend, although each Fund's exceptions differ. Each Target Fund may not lend any securities or make any other loans except through (a) the purchase of debt obligations in accordance with the Fund's investment objective or objectives and policies, (b) repurchase agreements with banks, brokers, dealers, and other financial institutions and (c) loans of securities as permitted by applicable law. Each Acquiring Fund may not make loans, except to the extent permitted under the 1940 Act. The Acquiring Funds' fundamental investment restriction regarding lending is not as limiting as the Target Fund's restriction in that it permits the Acquiring Funds to make loans to the fullest extent permitted by the 1940 Act, as in effect from time to time.

Each Fund has a fundamental investment restriction that limits its ability to invest in real estate that, although worded differently, are similar in substance. Each Target Fund may not purchase real estate or any interest therein, except through the purchase of corporate or certain government securities (including securities secured by a mortgage or a leasehold interest or other interest in real estate). The Target Funds do not treat a security issued by a real estate or mortgage investment trust as an interest in real estate. Each Acquiring Fund may not purchase or hold real estate, except each Fund may purchase and hold securities or other instruments that are secured by, or linked to, real estate or interests therein, securities of real estate investment trusts, mortgage-related securities and securities of issuers engaged in the real estate business, and each Fund may purchase and hold real estate as a result of the ownership of securities or other instruments.

Each Fund has a fundamental investment restriction that limits its ability to purchase or sell commodities or commodities contracts. Each Target Fund may not purchase or sell commodities or commodities contracts, except that each Fund may invest in currency and financial instruments and contracts that are commodities or commodities contracts. Each Acquiring Fund may not purchase or sell commodities or commodities contracts, except as permitted by the 1940 Act.

With the exception of Stock and Bond Balanced Fund, each Fund has a fundamental investment restriction that limits its ability to concentrate its investments in a particular industry, although they differ. Each of International Equity Index Fund and Small Cap Equity Index Fund will concentrate its investments in an industry or industries if, and to the extent that, its respective benchmark index concentrates in such industry or industries, except where the concentration of the index is the result of a single stock. Each Acquiring Fund will not concentrate its investments in a particular industry, as that term is used in the 1940 Act; however, each of BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund will concentrate to approximately the same extent that its underlying index concentrates in the securities of a particular industry or group of industries. Unlike the Target Funds, the Acquiring Funds may concentrate to approximately the same extent as their respective indices, even if concentration is the result of a single stock. Stock and Bond Balanced Fund does not have a fundamental investment restriction with respect to concentration.

In addition, Stock and Bond Balanced Fund has a fundamental investment restriction that provides that the Fund will not invest in securities other than securities of other registered investment companies or registered unit investment trusts that are part of the State Farm group of investment companies (as defined in the 1940 Act), U.S. Government securities, or short-term paper. The other Funds have no corresponding fundamental investment restriction. In connection with the Reorganization of Stock and Bond Balanced Fund, shareholders of that Target Fund are being asked to eliminate this fundamental investment restriction of the Target Fund. See "Proposal 2—To Approve the Elimination of Stock and Bond Balanced Fund's Fundamental Investment Restriction on Investments."

Money Market Fund (Target Fund); BlackRock Government Money Market V.I. Fund (Acquiring Fund)

Although the Funds have some similar fundamental investment restrictions, they differ. A discussion of the relevant material differences follows.

Each Fund has a fundamental investment restriction that limits its ability to borrow money, although they differ, with the Acquiring Fund's restriction being more narrow. The Target Fund may not borrow money, except that it may: (a) borrow from banks (as defined in the 1940 Act) or through reverse repurchase agreements in amounts up to 33 1/3% of its total assets (including the amount borrowed), taken at market value at the time of the borrowing; (b) to the extent permitted by applicable law, borrow up to an additional 5% of its total assets (including the amount borrowed), taken at market value at the time of the borrowing, for temporary purposes; and (c) obtain such short-term credits as may be necessary for clearance of purchases and sales of portfolio securities. The Acquiring Fund, on the other hand, may not borrow amounts in excess of 20% of its total assets, taken at market value, and then only from banks as a temporary measure for extraordinary or emergency purposes. With respect to the Acquiring Fund, the borrowing provisions shall not apply to reverse repurchase agreements. Usually only "leveraged" investment companies may borrow in excess of 5% of their assets; however, the Acquiring Fund will not borrow to increase income but only to meet redemption requests which might otherwise require untimely dispositions of portfolio securities. The Acquiring Fund will not purchase securities while borrowings are outstanding. The Acquiring Fund also has a separate fundamental investment restriction concerning margin that addresses short-term credits, which provides that the Fund not purchase any securities on margin except that BlackRock Variable Series Funds, Inc. may obtain such short-term credit as may be necessary for the clearance of purchases and sales of portfolio securities. The Target Fund has no fundamental investment restriction concerning margin.

Each Fund has a fundamental investment restriction that limits its ability to lend, although each Fund's exceptions differ. The Target Fund may not lend any security or make any other loan, except through: (a) the purchase of debt obligations in accordance with its investment objective or objectives and policies; (b) repurchase agreements with banks, brokers, dealers, and other financial institutions; and (c) loans of securities as permitted by applicable law. The Acquiring Fund may not make loans to other persons; provided that it may purchase money market securities or enter into repurchase agreements, lend securities owned or held by it pursuant to its securities lending fundamental investment restriction, and provided further that for purposes of this restriction the acquisition of a portion of an issue of publicly distributed bonds, debentures or other corporate debt securities or of government obligations, short-term commercial paper, certificates of deposit and bankers' acceptances shall not be deemed the making of a loan.

The Target Fund's fundamental investment restrictions regarding borrowing and lending both permit investments in reverse repurchase agreements (up to 33 1⁄3%) and repurchase agreements in certain circumstances. The Acquiring Fund has two fundamental investment restrictions that address these types of securities. First, the Acquiring Fund may not enter into reverse repurchase agreements if, as a result thereof, its obligations with respect to reverse repurchase agreements would exceed one-third of its net assets (defined to be total assets, taken at market value, less liabilities other than reverse repurchase agreements). Second, the Acquiring Fund may not enter into repurchase agreements if, as a result thereof, more than 10% of its total assets (taken at market value at the time of each investment) would be subject to repurchase agreements maturing in more than seven days.

Each Fund has fundamental investment restrictions that limits its ability to invest in real estate and commodities, although the restrictions differ. The Acquiring Fund may not purchase or sell interests in oil, gas or other mineral exploration or development programs, commodities, commodity contracts or real estate, except that it may invest in securities secured by real estate or interests therein or securities issued by companies which invest in real estate or interest therein. The Target Fund has separate fundamental investment restrictions regarding real estate and commodities investments. With respect to real estate, the Target Fund may not purchase real estate or any interest therein, except through the purchase of corporate or certain government securities (including securities secured by a mortgage or a leasehold interest or other interest in real estate). The Target Fund does not treat a security issued by a real estate or mortgage investment trust as an interest in real estate. With respect to commodities, the Target Fund may not purchase or sell commodities or commodity contracts, except that it may invest in currency and financial instruments and contracts that are commodities or commodities contracts.

The Target Fund has additional fundamental investment restrictions regarding senior securities and diversification that the Acquiring Fund does not have. With respect to senior securities, the Target Fund will not issue senior securities to the extent such issuance would violate applicable law. With respect to diversification, the Target Fund will not make any investment inconsistent with the Fund's classification as a diversified company under the 1940 Act. While the Acquiring Fund does not have a comparable fundamental investment restriction with respect to diversification, under its fundamental investment restrictions, the Acquiring Fund may not:

- purchase, either alone or together with any other fund or funds, more than 10% of the outstanding securities of an issuer except that such restriction does not apply to U.S. Government or government agency securities, bank money instruments or repurchase agreements.
- invest more than 10% of its total assets (taken at market value at the time of each investment) in the securities (other than U.S. Government or government agency securities) of any one issuer (including repurchase agreements with any one bank) except that up to 25% of the value of the Fund's total assets may be invested without regard to such 10% limitation.

The Acquiring Fund has several fundamental investment restrictions that the Target Fund does not have. Pursuant to these fundamental investment restrictions, the Acquiring Fund may not:

- purchase any security other than money market and other securities described in its Statement of Additional Information.

- purchase securities of foreign issuers (including Eurodollar and Yankeedollar obligations).
- alone, or together with any other fund or funds, make investments for the purpose of exercising control or management.
- lend its portfolio securities in excess of 33⅓% of its total assets, taken at market value at the time of the loan, provided that such loans are made according to the guidelines in the Acquiring Fund's Statement of Additional Information and the guidelines of the SEC and the Acquiring Board, including maintaining collateral from the borrower equal at all times to the current market value of the securities loaned.
- purchase securities of other investment companies, except in connection with a merger, consolidation, acquisition or reorganization.
- make short sales of securities or maintain a short position or write, purchase or sell puts, calls, straddles, spreads or combination thereof.
- mortgage, pledge, hypothecate or in any manner transfer (except regarding its securities lending fundamental investment restriction), as security for indebtedness, any securities owned or held by the Acquiring Fund except as may be necessary in connection with its permitted borrowings, and then such mortgaging, pledging or hypothecating may not exceed 25% of the Fund's total assets, taken at market value at the time thereof. Although the Fund has the authority to mortgage, pledge or hypothecate more than 10% of its total assets under this investment restriction, as a matter of operating policy, the Fund will not mortgage, pledge or hypothecate in excess of 10% of total net assets.
- invest in securities (except for repurchase agreements or variable amount master notes) with legal or contractual restrictions on resale or for which no readily available market exists or in securities of issuers (other than issuers of government agency securities) having a record, together with predecessors, of less than three years of continuous operation if, regarding all such securities, more than 10% of its total assets (taken at market value) would be invested in such securities.

Performance Information

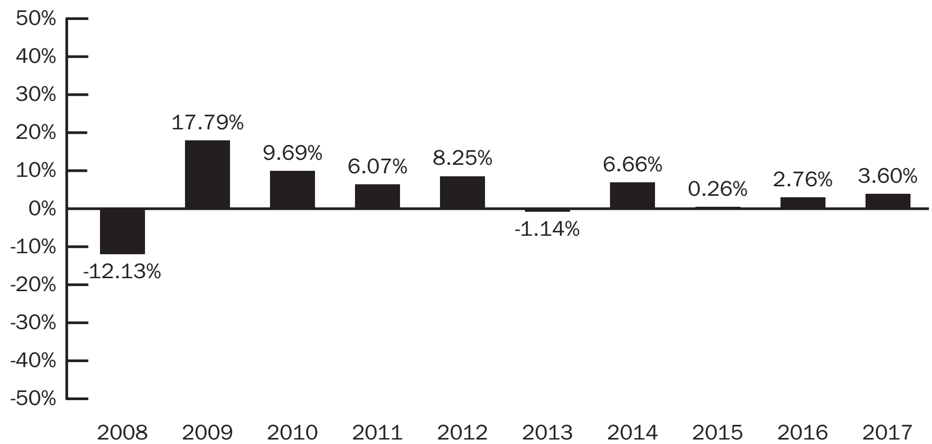
With respect to the Acquiring Funds, the information shows you how each Acquiring Fund's performance has varied year by year and provides some indication of the risks of investing in the Fund. The table compares each Acquiring Fund's performance to that of a broad-based securities market index, as applicable. As with all such investments, past performance is not an indication of future results. The bar chart and table do not reflect separate account fees and expenses. If they did, returns would be less than those shown. To the extent that dividends and distributions have been paid by an Acquiring Fund, the performance information for the Acquiring Fund in the chart and table assumes reinvestment of the dividends and distributions. If BAL and its affiliates had not waived or reimbursed certain Acquiring Fund expenses during these periods, each respective Acquiring Fund's returns would have been lower. The returns presented for BlackRock Total Return V.I. Fund reflect the performance of the Predecessor Fund. The Shell Reorganization would result in the Predecessor Fund effectively becoming a series of BlackRock Variable Series Funds II, Inc., a new BlackRock fund registrant. The Shell Reorganization is being proposed in connection with a potential reconfiguration of the existing fund complexes overseen by the boards of directors/trustees of the BlackRock-advised funds. BlackRock Government Money Market V.I. Fund's returns prior to September 1, 2015, as reflected in the bar chart and the table are the returns of the Fund that followed different investment strategies under the name "BlackRock Money Market V.I. Fund."

With respect to the Target Funds, the following bar chart and table illustrate certain risks of investing in each Target Fund by showing changes in the Target Fund's performance from year to year. This information is intended to help you assess the variability of the Target Fund's returns over the periods listed to a measure of market performance (and consequently, the potential returns and risks of an investment in the Target Fund). The Target Fund's past performance doesn't necessarily indicate how it will perform in the future.

For more information concerning the performance of a Fund, please refer to the Fund's Prospectus or, if available, Annual Report and Semi-Annual Report. Each of BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund is newly formed and has no performance information. As shareholders of a Target Fund, you have already received a copy of your Target Fund's Prospectus, Annual Report and Semi-Annual Report. You may request copies of the Acquiring Fund's Prospectus or, if available, Annual Report and Semi-Annual Report at no charge by calling (800) 441-7762 or writing the Acquiring Fund. You may request copies of each Target Fund's Prospectus, Annual Report and Semi-Annual Report at no charge by calling (888) 702-2307 or writing the Target Fund.

BlackRock Total Return V.I. Fund (Acquiring Fund) and Bond Fund (Target Fund)

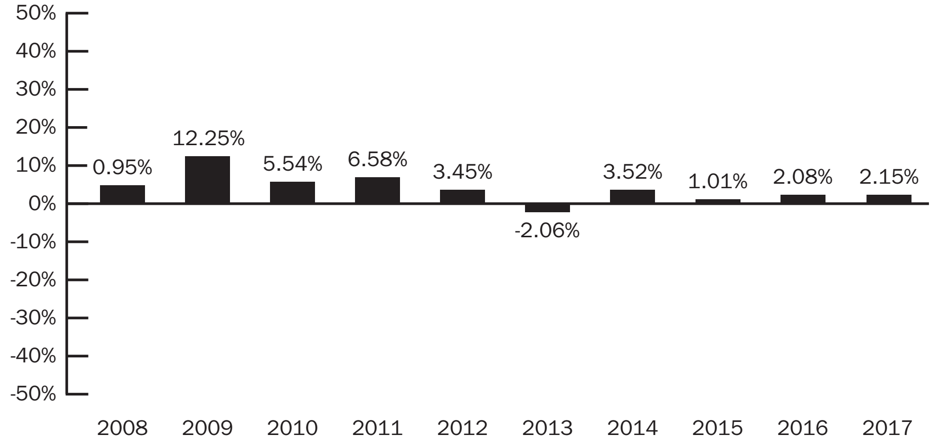
Class I shares
ANNUAL TOTAL RETURNS
BlackRock Total Return V.I. Fund
(Acquiring Fund)
As of 12/31



During the ten-year period shown in the bar chart, the highest return for a quarter was 8.20% (quarter ended September 30, 2009) and the lowest return for a quarter was -7.01% (quarter ended September 30, 2008).

As of 12/31/17 **Average Annual Total Returns**	**1 Year**	**5 Years**	**10 Years**
BlackRock Total Return V.I. Fund	3.60%	2.39%	3.91%
Bloomberg Barclays U.S. Aggregate Bond Index (Reflects no deduction for fees, expenses or taxes)	3.54%	2.10%	4.01%

ANNUAL TOTAL RETURNS
Bond Fund
(Target Fund)
As of 12/31



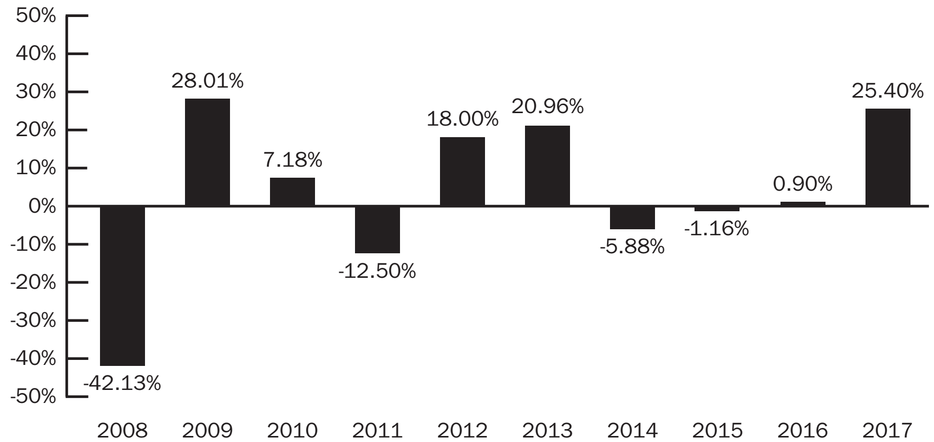
During the ten-year period shown in the bar chart, the highest return for a quarter was 5.16% (quarter ended June 30, 2009) and the lowest return for a quarter was -2.54% (quarter ended June 30, 2013).

As of 12/31/17 Average Annual Total Returns	1 Year	5 Years	10 Years
Bond Fund	2.15%	1.32%	3.48%
Bloomberg Barclays Intermediate Government/Credit Index (Returns reflect no deduction for fees, expenses or taxes)	2.14%	1.50%	3.32%

The accounting survivor of the Reorganization of Bond Fund will be the Acquiring Fund. As a result, the Combined Fund will continue the performance history of the Acquiring Fund after the closing of the Reorganization.

BlackRock International Index V.I. Fund (Acquiring Fund) and International Equity Index Fund (Target Fund)

ANNUAL TOTAL RETURNS
International Equity Index Fund
(Target Fund)
As of 12/31

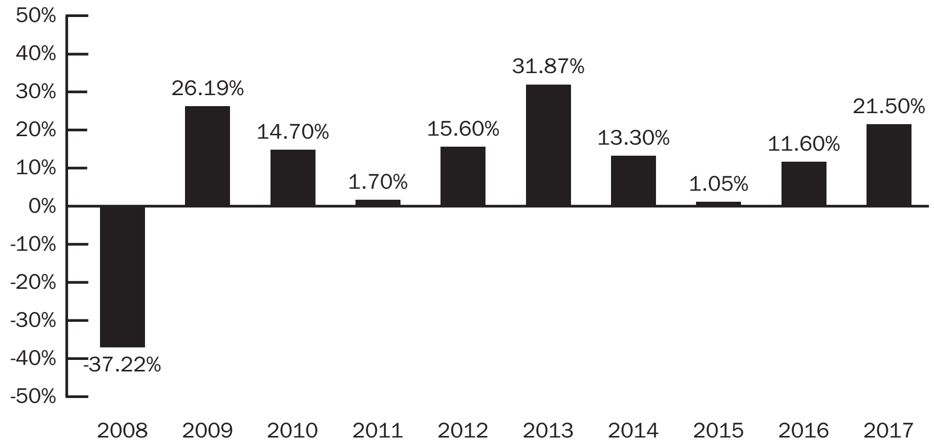


During the ten-year period shown in the bar chart, the highest return for a quarter was 25.25% (quarter ended June 30, 2009) and the lowest return for a quarter was -20.17% (quarter ended September 30, 2011).

As of 12/31/17 Average Annual Total Returns	1 Year	5 Years	10 Years
International Equity Index Fund	25.40%	7.32%	1.56%
MSCI EAFE Free Index (Returns reflect no deduction for fees, expenses or taxes)	25.03%	7.90%	1.94%

The accounting survivor of the Reorganization of International Equity Index Fund will be the Target Fund. As a result, the Combined Fund will continue the performance history of the Target Fund after the closing of the Reorganization.

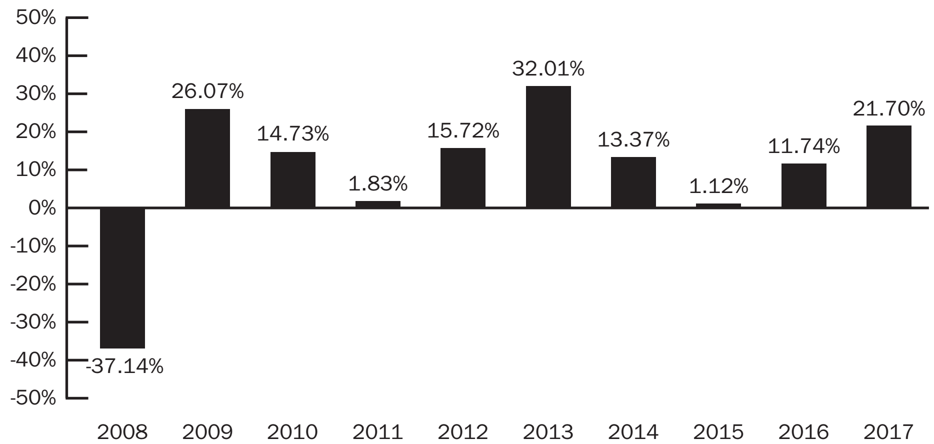
Class I shares
ANNUAL TOTAL RETURNS
BlackRock S&P 500 Index V.I. Fund
(Acquiring Fund)
As of 12/31



During the ten-year period shown in the bar chart, the highest return for a quarter was 16.02% (quarter ended June 30, 2009) and the lowest return for a quarter was -22.00% (quarter ended December 31, 2008).

As of 12/31/17 **Average Annual Total Returns**	**1 Year**	**5 Years**	**10 Years**
BlackRock S&P 500 Index V.I. Fund	21.50%	15.40%	8.14%
S&P 500® Index (Returns reflect no deduction for fees, expenses or taxes)	21.83%	15.79%	8.50%

ANNUAL TOTAL RETURNS
Large Cap Equity Index Fund
(Target Fund)
As of 12/31



During the ten-year period shown in the bar chart, the highest return for a quarter was 15.80% (quarter ended June 30, 2009) and the lowest return for a quarter was -21.87% (quarter ended December 31, 2008).

As of 12/31/17 **Average Annual Total Returns**	**1 Year**	**5 Years**	**10 Years**
Large Cap Equity Index Fund	21.70%	15.53%	8.23%
S&P 500® Index (Returns reflect no deduction for fees, expenses or taxes)	21.83%	15.79%	8.50%

The accounting survivor of the Reorganization of Large Cap Equity Index Fund will be the Acquiring Fund. As a result, the Combined Fund will continue the performance history of the Acquiring Fund after the closing of the Reorganization.

Class I shares
ANNUAL TOTAL RETURNS
BlackRock Government Money Market V.I. Fund
(Acquiring Fund)
As of 12/31

During the ten-year period shown in the bar chart, the highest return for a quarter was 0.90% (quarter ended March 31, 2008) and the lowest return for a quarter was 0.00% (quarter ended June 30, 2015).

As of 12/31/17 Average Annual Total Returns	1 Year	5 Years	10 Years
BlackRock Government Money Market V.I. Fund	0.65%	0.16%	0.35%

ANNUAL TOTAL RETURNS
Money Market Fund
(Target Fund)
As of 12/31

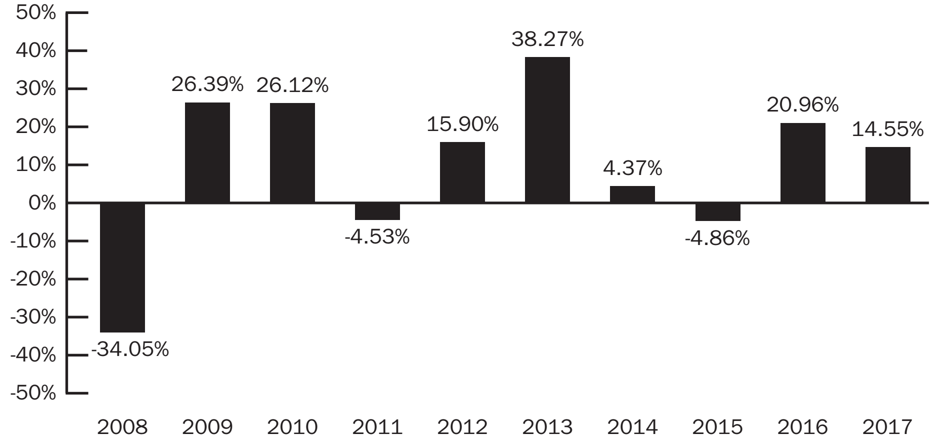
During the ten-year period shown in the bar chart, the highest return for a quarter was 0.79% (quarter ended March 31, 2008) and the lowest return for a quarter was 0.00% (quarter ended June 30, 2016).

As of 12/31/17 **Average Annual Total Returns**	**1 Year**	**5 Years**	**10 Years**
Money Market Fund	0.64%	0.14%	0.28%

Money Market Fund's current 7-day yield on December 31, 2017 was 1.0325%.

The accounting survivor of the Reorganization of Money Market Fund will be the Acquiring Fund. As a result, the Combined Fund will continue the performance history of the Acquiring Fund after the closing of the Reorganization.

ANNUAL TOTAL RETURNS
Small Cap Equity Index Fund
(Target Fund)
As of 12/31



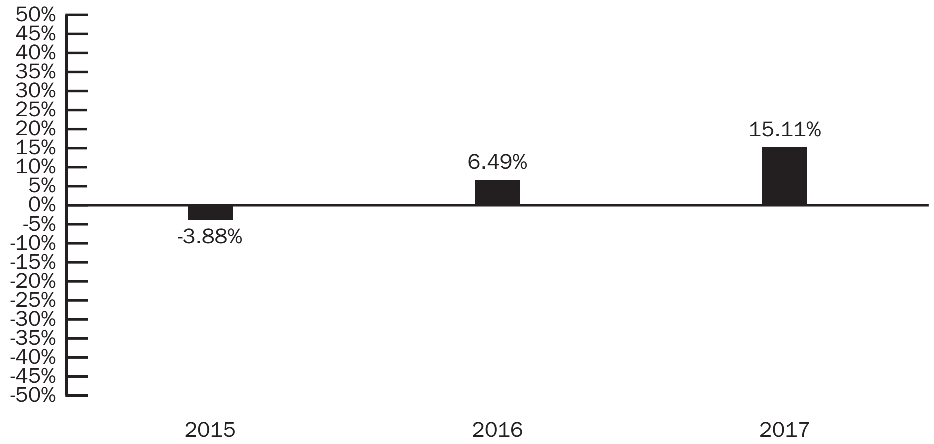
During the ten-year period shown in the bar chart, the highest return for a quarter was 20.51% (quarter ended March 31, 2009) and the lowest return for a quarter was -26.13% (quarter ended December 31, 2008).

As of 12/31/17 Average Annual Total Returns	1 Year	5 Years	10 Years
Small Cap Equity Index Fund	14.55%	13.72%	8.27%
Russell 2000® Index (Returns reflect no deduction for fees, expenses or taxes)	14.65%	14.12%	8.71%

The accounting survivor of the Reorganization of Small Cap Equity Index Fund will be the Target Fund. As a result, the Combined Fund will continue the performance history of the Target Fund after the closing of the Reorganization.

BlackRock iShares® Dynamic Allocation V.I. Fund (Acquiring Fund) and Stock and Bond Balanced Fund (Target Fund)

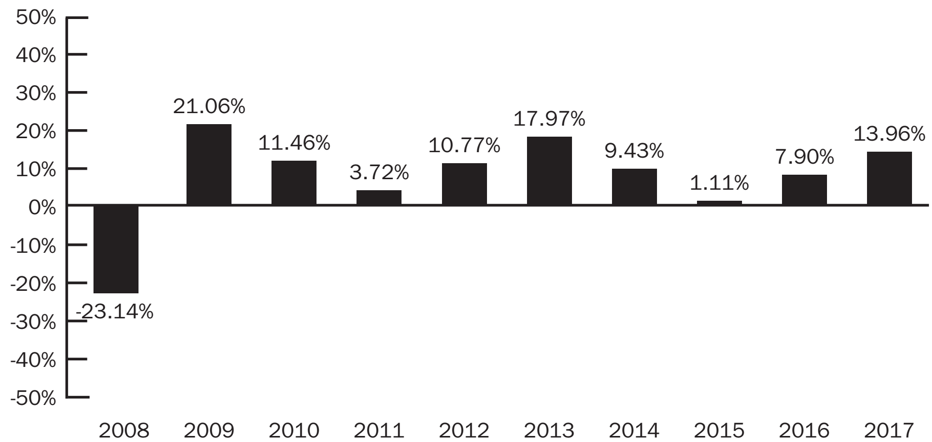
Class I shares
ANNUAL TOTAL RETURNS
BlackRock iShares® Dynamic Allocation V.I. Fund
(Acquiring Fund)
As of 12/31



During the periods shown in the bar chart, the highest return for a quarter was 4.06% (quarter ended March 31, 2017) and the lowest return for a quarter was -6.22% (quarter ended September 30, 2015).

As of 12/31/17 **Average Annual Total Returns**	**1 Year**	**Since Inception (April 30, 2014)**
BlackRock iShares® Dynamic Allocation V.I. Fund	15.11%	4.93%
60% MSCI All Country World Index/40% Bloomberg Barclays U.S. Aggregate Bond Index (Reflects no deduction for fees, expenses or taxes)	15.41%	6.07%
MSCI All Country World Index (Reflects no deduction for fees, expenses or taxes)	23.97%	8.15%
Bloomberg Barclays U.S. Aggregate Bond Index (Reflects no deduction for fees, expenses or taxes)	3.54%	2.70%

ANNUAL TOTAL RETURNS
Stock and Bond Balanced Fund
(Target Fund)
As of 12/31



During the ten-year period shown in the bar chart, the highest return for a quarter was 11.29% (quarter ended June 30, 2009) and the lowest return for a quarter was -12.51% (quarter ended December 31, 2008).

As of 12/31/17 **Average Annual Total Returns**	**1 Year**	**5 Years**	**10 Years**
Stock and Bond Balanced Fund	13.96%	9.93%	6.70%
S&P 500® Index (Returns reflect no deduction for fees, expenses or taxes)	21.83%	15.79%	8.50%
Bloomberg Barclays Intermediate Government/Credit Index (Returns reflect no deduction for fees, expenses or taxes)	2.14%	1.50%	3.32%
Blended Benchmark (Returns reflect no deduction for fees, expenses or taxes)	13.59%	9.99%	6.70%

The accounting survivor of the Reorganization of Stock and Bond Balanced Fund will be the Acquiring Fund. As a result, the Combined Fund will continue the performance history of the Acquiring Fund after the closing of the Reorganization.

Management of the Funds

Target Funds

SFIMC, located at One State Farm Plaza, Bloomington, Illinois 61710-0001, serves as investment adviser to the Target Funds. SFIMC is a registered investment adviser and is wholly owned by State Farm Mutual Automobile Insurance Company (previously defined as "SFMAIC"). Subject to the supervision of the Target Board, SFIMC is responsible for overseeing the day-to-day operations and business affairs of the Target Trust. Since its inception in 1967, SFIMC's principal business has been to act as investment adviser, transfer agent and dividend disbursing agent for the funds in the State Farm family of mutual funds. As of June 30, 2018, SFIMC had $23.00 billion in assets under management. BlackRock Fund Advisors (previously defined as "BFA"), an affiliate of BAL, serves as the sub-adviser to each of International Equity Index Fund, Large Cap Equity Index Fund and Small Cap Equity Index Fund. BFA is located at 400 Howard Street, San Francisco, California 94105.

Information about the portfolio managers of each Target Fund is listed below.

Fund	Portfolio Manager(s)	Since	Title
Bond Fund and Stock and Bond Balanced Fund	John Malito	2016	Assistant Vice President—SFIMC; Investment Professional—SFMAIC
	Lisa Rogers	2016	Assistant Vice President—SFIMC; Investment Executive—SFMAIC
International Equity Index Fund, Large Cap Equity Index Fund and Small Cap Equity Index Fund	Alan Mason	2014	Managing Director of BFA
	Greg Savage	2009	Managing Director of BFA
	Jennifer Hsui	2016	Managing Director of BFA
	Creighton Jue	2016	Managing Director of BFA
	Rachel Aguirre	2016	Managing Director of BFA

Acquiring Funds

BAL, located at 100 Bellevue Parkway, Wilmington, Delaware 19809, serves as the investment adviser to the Acquiring Funds and manages each Acquiring Fund's investments and its business operations subject to the oversight of the relevant Acquiring Board. While BAL is ultimately responsible for the management of the Acquiring Funds, it is able to draw upon the trading, research and expertise of its asset management affiliates for portfolio decisions and management with respect to certain portfolio securities. BAL is an indirect, wholly owned subsidiary of BlackRock, Inc. ("BlackRock"). BAL and its affiliates had approximately $6.299 trillion in investment company and other portfolio assets under management as of June 30, 2018.

Information about the portfolio managers of each Acquiring Fund is listed below. The Acquiring Funds' Statements of Additional Information provide additional information about the compensation of the portfolio managers, other accounts managed by such managers and such managers' ownership of securities in each Acquiring Fund and other funds managed by BAL.

BlackRock Total Return V.I. Fund

Portfolio Managers	Primary Role	Since*	Title and Recent Biography
Rick Rieder	Jointly and primarily responsible for the day-to-day management of the Acquiring Fund's portfolio, including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2010	Global Chief Investment Officer of Fixed Income, Co-head of BlackRock, Inc.'s Global Fixed Income platform, member of Global Operating Committee and Chairman of the BlackRock firm-wide Investment Council. Managing Director of BlackRock, Inc. since 2009. President and Chief Executive Officer of R3 Capital Partners from 2008 to 2009; Managing Director of Lehman Brothers from 1994 to 2008.

Portfolio Managers	Primary Role	Since*	Title and Recent Biography
Bob Miller	Jointly and primarily responsible for the day-to-day management of the Acquiring Fund's portfolio, including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2011	Managing Director of BlackRock, Inc. since 2011; Co-Founder and Partner of Round Table Investment Management Company from 2007 to 2009; Managing Director of Bank of America from 1999 to 2007.
David Rogal	Responsible for the day-to-day management of the Acquiring Fund's portfolio including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2017	Director of BlackRock, Inc. since 2014; Vice President of BlackRock, Inc. from 2011 to 2013.

* Includes management of the Predecessor Fund.

BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund

Portfolio Managers	Primary Role	Since	Title and Recent Biography
Greg Savage, CFA	Jointly and primarily responsible for the day-to-day management of each Acquiring Fund's portfolio, including setting each Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Funds.	2018	Managing Director of BlackRock, Inc. since 2010; Director of BlackRock, Inc. in 2009; Principal of Barclays Global Investors ("BGI") from 2007 to 2009; Associate of BGI from 1999 to 2007.
Alan Mason	Jointly and primarily responsible for the day-to-day management of each Acquiring Fund's portfolio, including setting each Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Funds.	2018	Managing Director of BlackRock, Inc. since 2009; Managing Director of BGI from 2008 to 2009; Principal of BGI from 1996 to 2008.
Jennifer Hsui, CFA	Jointly and primarily responsible for the day-to-day management of each Acquiring Fund's portfolio, including setting each Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Funds.	2018	Managing Director of BlackRock, Inc. since 2011; Director of BlackRock, Inc. from 2009 to 2011; Principal of BGI from 2006 to 2009.
Creighton Jue, CFA	Jointly and primarily responsible for the day-to-day management of each Acquiring Fund's portfolio, including setting each Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Funds.	2018	Managing Director of BlackRock, Inc. since 2011; Director of BlackRock, Inc. from 2009 to 2011; Principal of BGI from 2000 to 2009.

Portfolio Managers	Primary Role	Since	Title and Recent Biography
Rachel M. Aguirre	Jointly and primarily responsible for the day-to-day management of each Acquiring Fund's portfolio, including setting each Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Funds.	2018	Managing Director of BlackRock, Inc. since 2018; Director of BlackRock, Inc. from 2012 to 2017; Vice President of BlackRock, Inc. from 2009 to 2011; Principal and Portfolio Manager of BGI from 2005 to 2009.

BlackRock S&P 500 Index V.I. Fund

Portfolio Managers	Primary Role	Since	Title and Recent Biography
Greg Savage, CFA	Jointly and primarily responsible for the day-to-day management of the Acquiring Fund's portfolio, including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2011	Managing Director of BlackRock, Inc. since 2010; Director of BlackRock, Inc. in 2009; Principal of BGI from 2007 to 2009; Associate of BGI from 1999 to 2007.
Alan Mason	Jointly and primarily responsible for the day-to-day management of the Acquiring Fund's portfolio, including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2014	Managing Director of BlackRock, Inc. since 2009; Managing Director of BGI from 2008 to 2009; Principal of BGI from 1996 to 2008.
Jennifer Hsui, CFA	Jointly and primarily responsible for the day-to-day management of the Acquiring Fund's portfolio, including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2016	Managing Director of BlackRock, Inc. since 2011; Director of BlackRock, Inc. from 2009 to 2011; Principal of BGI from 2006 to 2009.
Creighton Jue, CFA	Jointly and primarily responsible for the day-to-day management of the Acquiring Fund's portfolio, including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2016	Managing Director of BlackRock, Inc. since 2011; Director of BlackRock, Inc. from 2009 to 2011; Principal of BGI from 2000 to 2009.
Rachel M. Aguirre	Jointly and primarily responsible for the day-to-day management of the Acquiring Fund's portfolio, including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2016	Managing Director of BlackRock, Inc. since 2018; Director of BlackRock, Inc. from 2012 to 2017; Vice President of BlackRock, Inc. from 2009 to 2011; Principal and Portfolio Manager of BGI from 2005 to 2009.

BlackRock iShares® Dynamic Allocation V.I. Fund

Portfolio Managers	Primary Role	Since	Title and Recent Biography
Amy Whitelaw	Jointly and primarily responsible for the day-to-day management of the Acquiring Fund's portfolio, including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2014	Managing Director of BlackRock, Inc. since 2013; Director of BlackRock, Inc. from 2009 to 2012; Principal of BGI from 2000 to 2009.
Michael Gates, CFA	Jointly and primarily responsible for the day-to-day management of the Acquiring Fund's portfolio, including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2016	Director of BlackRock, Inc. since 2009.
Greg Savage, CFA	Jointly and primarily responsible for the day-to-day management of the Acquiring Fund's portfolio, including setting the Acquiring Fund's overall investment strategy and overseeing the management of the Acquiring Fund.	2018	Managing Director of BlackRock, Inc.

Legal Proceedings. On May 27, 2014, certain purported investors in the BlackRock Global Allocation Fund, Inc. ("Global Allocation") and the BlackRock Equity Dividend Fund ("Equity Dividend") filed a consolidated complaint (the "Consolidated Complaint") in the United States District Court for the District of New Jersey against BAL, BRIL and BlackRock International Limited (collectively, the "Defendants") under the caption *In re BlackRock Mutual Funds Advisory Fee Litigation*. The Consolidated Complaint, which purports to be brought derivatively on behalf of Global Allocation and Equity Dividend, alleges that the Defendants violated Section 36(b) of the 1940 Act by receiving allegedly excessive investment advisory fees from Global Allocation and Equity Dividend. The Consolidated Complaint seeks, among other things, to recover on behalf of Global Allocation and Equity Dividend all allegedly excessive advisory fees received by the Defendants in the period beginning one year prior to the filing of the lawsuit and ending on the date of judgment, along with purported lost investment returns on those amounts, plus interest. The Defendants believe the claims in the Consolidated Complaint are without merit and intend to vigorously defend the action.

Investment Advisory and Management Agreements

Target Funds

The Target Trust, on behalf of the Target Funds, has entered into an investment advisory and management services agreement with SFIMC (the "Target Fund Management Agreement"). Pursuant to the Target Fund Management Agreement, each Target Fund, with the exception of Stock and Bond Balanced Fund, pays SFIMC an investment advisory fee based upon that Fund's average daily net assets. The fee is accrued daily and is paid to SFIMC monthly at the following annual rates:

Fund	Rate of Advisory Fee
Money Market Fund	0.10% of average daily net assets
Large Cap Equity Index Fund[(1)]	0.13% on the first $500 million, 0.12% on the next $250 million, 0.11% on the next $250 million, 0.085% on the next $2 billion, and 0.06% on amounts exceeding $3 billion of average daily net assets

Fund	Rate of Advisory Fee
Small Cap Equity Index Fund[(2)]	0.15% on the first $150 million, 0.13% on the next $850 million, 0.105% on the next $2 billion and 0.08% on amounts exceeding $3 billion of average daily net assets
International Equity Index Fund[(3)]	0.16% on the first $150 million, 0.14% on the next $850 million, 0.115% on the next $2 billion and 0.09% on amounts exceeding $3 billion of average daily net assets
Bond Fund[(4)]	0.50% of average daily net assets
Stock and Bond Balanced Fund	None

(1) The assets of the State Farm S&P 500 Index Fund of the State Farm Mutual Fund Trust are combined with the assets of Large Cap Equity Index Fund for purposes of calculating the breakpoints in the table above.

(2) The assets of the State Farm Small Cap Index Fund of the State Farm Mutual Fund Trust are combined with the assets of Small Cap Equity Index Fund for purposes of calculating the breakpoints in the table above.

(3) The assets of the State Farm International Index Fund of the State Farm Mutual Fund Trust are combined with the assets of International Equity Index Fund for purposes of calculating the breakpoints in the table above.

(4) With respect to Stock and Bond Balanced Fund, SFIMC has agreed not to be paid an investment advisory and management services fee for performing its services for the Fund and has agreed to reimburse Stock and Bond Balanced Fund for any other expenses directly incurred by the Fund except acquired fund fees and expenses. (This expense limitation arrangement is voluntary and may be eliminated by SFIMC at any time.) However, SFIMC will receive investment advisory fees from managing Bond Fund and Large Cap Equity Index Fund in which Stock and Bond Balanced Fund invests.

For each of the Target Funds other than Stock and Bond Balanced Fund and International Equity Index Fund, SFIMC has agreed to reimburse the Fund for any expenses incurred by the Fund, other than the investment advisory and management services fee and acquired fund fees and expenses, that exceed 0.10% of such Fund's average daily net assets. SFIMC will reimburse all of the custody fees for Large Cap Equity Index Fund and Small Cap Equity Index Fund without regard to this cap. For International Equity Index Fund, SFIMC has agreed to reimburse the Fund for any expenses incurred by the Fund, other than the investment advisory and management services fee and acquired fund fees and expenses, that exceed 0.20% of the Fund's average daily net assets. For Money Market Fund, SFIMC has agreed to waive all or a portion of its fees due from Money Market Fund to prevent Money Market Fund's daily net investment income from falling below zero. These expense limitation arrangements are voluntary and may be eliminated by SFIMC at any time.

Pursuant to a sub-advisory agreement (the "Target Fund Sub-Advisory Agreement"), SFIMC has engaged BFA as the investment sub-adviser to provide day-to-day portfolio management for Large Cap Equity Index Fund, Small Cap Equity Index Fund, and International Equity Index Fund. For its services, SFIMC pays BFA an investment sub-advisory fee equal to the following percentages of the applicable equity index Fund's average daily net assets during a fiscal quarter:

Large Cap Equity Index Fund	0.03% on the first $500 million, 0.02% on the next $250 million, and 0.01% for average daily net assets above $750 million.
Small Cap Equity Index Fund	0.05% on the first $150 million, and 0.03% on any assets over $150 million.
International Equity Index Fund	0.06% on the first $150 million, and 0.04% on any assets over $150 million.

In determining the application of these breakpoints to Large Cap Equity Index Fund, the assets of Large Cap Equity Index Fund are combined with the assets of the State Farm S&P 500 Index Fund of State Farm Mutual Fund Trust so long as BFA remains the sub-adviser to each fund. If the fee for Large Cap Equity Index Fund calculated pursuant to the above schedule for the fiscal quarter of the Target Trust is less than $25,000, SFIMC shall pay BFA a fee of $25,000 for the fiscal quarter in lieu of the sub-advisory fee calculated pursuant to the above schedule.

In determining the application of these breakpoints to Small Cap Equity Index Fund, the assets of Small Cap Equity Index Fund are combined with the assets of the State Farm Small Cap Index Fund of State Farm Mutual Fund Trust so long as BFA remains the sub-adviser to each fund.

In determining the application of these breakpoints to International Equity Index Fund, the assets of International Equity Index Fund are combined with the assets of the State Farm International Index Fund of State Farm Mutual Fund Trust so long as BFA remains the sub-adviser to each fund.

A discussion regarding the basis for the Target Board's approval of the Target Fund Management Agreement and the Target Fund Sub-Advisory Agreement is available in the Target Funds' semi-annual shareholder report for the fiscal period ended June 30, 2017.

Acquiring Funds

All Acquiring Funds (other than BlackRock Total Return V.I. Fund)

BlackRock Variable Series Funds, Inc., on behalf of the Acquiring Funds, has entered into an investment management agreement (the "Variable Series I Acquiring Fund Management Agreement) with BAL. Under the Variable Series I Acquiring Fund Management Agreement, BAL receives for its services to each Acquiring Fund a fee at an annual rate as set forth below. The fee is computed daily on a Fund-by-Fund basis and payable monthly.

Fund	Rate of Advisory Fee
BlackRock Government Money Market Fund V.I.[1]	0.500% not exceeding $1 billion, 0.450% in excess of $1 billion but not more than $2 billion, 0.400% in excess of $2 billion but not more than $3 billion, 0.375% in excess of $3 billion but not more than $4 billion, 0.350% in excess of $4 billion but not more than $7 billion, 0.325% in excess of $7 billion but not more than $10 billion, 0.300% in excess of $10 billion but not more than $15 billion, 0.290% in excess of $15 billion of average daily net assets
BlackRock S&P 500 Index V.I. Fund[2],[3]	0.07% of average daily net assets
BlackRock Small Cap Index V.I. Fund	0.08% of average daily net assets
BlackRock International Index V.I. Fund	0.08% of average daily net assets
BlackRock iShares® Dynamic Allocation V.I. Fund	0.150% not exceeding $1 billion, 0.140% in excess of $1 billion but not more than $3 billion, 0.135% in excess of $3 billion but not more than $5 billion, 0.130% in excess of $5 billion of average daily net assets

(1) For BlackRock Government Money Market V.I. Fund, BAL has voluntarily agreed to waive a portion of its fees and/or reimburse operating expenses to enable the Fund to maintain a minimum daily net investment income dividend. BAL may discontinue this waiver and/or reimbursement at any time without notice.

(2) Prior to April 23, 2018, with respect to BlackRock S&P 500 Index V.I. Fund, the annual management fees payable to BlackRock (as a percentage of average daily net assets) was 0.30%.

(3) Prior to April 23, 2018, for BlackRock S&P 500 Index V.I. Fund, BAL had contractually agreed to waive 0.10% of its management fee. The contractual agreement may be terminated effective April 23, 2018 in connection with the above reduction in the Acquiring Fund's contractual management fee rate.

BAL has contractually agreed to cap net expenses (excluding: (i) interest, taxes, dividends tied to short sales, brokerage commissions, and other expenditures which are capitalized in accordance with generally accepted accounting principles; (ii) expenses incurred directly or indirectly by an Acquiring Fund as a result of investments in other investment companies and pooled investment vehicles; (iii) other expenses attributable to, and incurred as a result of, an Acquiring Fund's investments; and (iv) extraordinary expenses (including litigation expenses) not incurred in the ordinary course of an Acquiring Fund's business, if any) of the Class I shares of the Acquiring Funds at the levels shown below. Items (i), (ii), (iii) and (iv) in the preceding sentence are referred to in this Combined Prospectus/Proxy Statement as "Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Fund expenses." To achieve these expense caps, BAL has agreed to waive and/or reimburse fees or expenses if these operating expenses exceed a certain limit.

With respect to Class I shares of each Acquiring Fund, as set forth in the following table, BAL has contractually agreed to waive and/or reimburse fees and/or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements. With respect to certain Acquiring Funds, BAL has contractually agreed to reimburse fees in order to limit operational and recordkeeping fees to the amounts noted in the following table.

	Contractual Caps[1] on Total Annual Fund Operating Expenses[2] (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Fund expenses)	Contractual Caps[1] on fees paid by Fund for Operational and Recordkeeping Services
BlackRock Government Money Market V.I. Fund	0.30%	—
BlackRock S&P 500 Index V.I. Fund	0.15%	0.05%
BlackRock Small Cap Index V.I. Fund	0.22%	0.05%
BlackRock International Index V.I. Fund	0.27%	0.05%
BlackRock iShares® Dynamic Allocation V.I. Fund	0.53%	—

(1) The contractual caps for BlackRock Government Money Market V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund are in effect through April 30, 2019. The contractual caps for BlackRock S&P 500 Index V.I. Fund, BlackRock Small Cap Index V.I. Fund and BlackRock International Index V.I. Fund are in effect through April 30, 2021. The contractual agreement may be terminated, with respect to each Acquiring Fund, upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(2) As a percentage of average daily net assets and based on current fees.

With respect to the contractual agreements to cap net expenses for BlackRock Small Cap Index V.I. Fund, BlackRock International Index V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund, if during an Acquiring Fund's fiscal year the operating expenses of the Class I shares, that at any time during the prior two fiscal years received a waiver and/or reimbursement from BAL, are less than the current expense limit for Class I shares, Class I shares are required to repay BAL up to the lesser of (a) the amount of fees waived or expenses reimbursed during those prior two fiscal years under the agreement and (b) an amount not to exceed either (x) the current expense limit of that share class or (y) the expense limit of the share class in effect at the time that the share class received the applicable waiver and/or reimbursement, provided that: (i) the Acquiring Fund has more than $50 million in assets and (ii) BAL or an affiliate serves as the Acquiring Fund's manager or administrator. This repayment applies only to the contractual cap on net expenses and does not apply to the contractual management fee waiver described below or any voluntary waivers that may be in effect from time to time.

BAL has contractually agreed to waive the management fee with respect to any portion of each Acquiring Fund's assets (except for with respect to BlackRock iShares® Dynamic Allocation V.I. Fund and BlackRock Government Money Market V.I. Fund) estimated to be attributable to investments in other equity and fixed-income mutual funds and ETFs managed by BAL or its affiliates that have a contractual management fee, through April 30, 2021 (the "Variable Series I affiliated mutual fund and ETF waiver"). The contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

With respect to BlackRock iShares® Dynamic Allocation V.I. Fund, the management fee payable by the Acquiring Fund is based on assets estimated to be attributable to the Acquiring Fund's direct investments in fixed-income and equity securities and instruments, including ETFs advised by BAL or other investment advisers, other investments and cash and cash equivalents (including money market funds). BAL has contractually agreed to waive the management fees on assets estimated to be attributed to the Acquiring Fund's investments in other equity and fixed-income mutual funds managed by BAL or its affiliates (the "Dynamic Allocation affiliated mutual fund waiver").

With respect to each Acquiring Fund, BAL has voluntarily agreed to waive its management fees by the amount of advisory fees the Acquiring Fund pays to BAL indirectly through its investment in affiliated money market funds (the "Variable Series I affiliated money market fund waiver"). The amount of the contractual waivers and/or reimbursements of fees and expenses made pursuant to the contractual cap on net expenses will be reduced by the amount of the Variable Series I affiliated money market fund waiver.

A discussion regarding the basis for the Acquiring Board's approval of the Variable Series I Acquiring Fund Management Agreement (except for with respect to BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund) is available in each Acquiring Fund's semi-annual shareholder report for the fiscal period ended June 30, 2017. A discussion regarding the basis for the Acquiring Board's approval of the Variable Series I Acquiring Fund Management Agreement with respect to each of BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund will be included in the Acquiring Fund's annual shareholder report for the period ending December 31, 2018.

BlackRock Total Return V.I. Fund

BlackRock Variable Series Funds II, Inc., on behalf of the Acquiring Fund, has entered into an investment management agreement (the "Variable Series II Acquiring Fund Management Agreement," and together with the Variable Series I Acquiring Fund Management Agreement, the "Acquiring Fund Management Agreements" and each an "Acquiring Fund Management Agreement") with BAL. Under the Variable Series II Acquiring Fund Management Agreement, BAL receives for its services to the Acquiring Fund a fee rate that is based on the combined net assets of BlackRock Total Return V.I. Fund and BlackRock High Yield V.I. Fund, another series of BlackRock Variable Series Funds II, Inc. which is not participating in the Reorganizations.

	Rate of Advisory Fee	
	BlackRock High Yield V.I. Fund	**BlackRock Total Return V.I. Fund**
Not exceeding $250 million	0.55%	0.50%
In excess of $250 million but not more than $500 million	0.50%	0.45%
In excess of $500 million but not more than $750 million	0.45%	0.40%
In excess of $750 million	0.40%	0.35%

The fee rates for BlackRock High Yield V.I. Fund and BlackRock Total Return V.I. Fund are applied to the average daily net assets of each fund, with the reduced rates shown below applicable to portions of the assets of each fund to the extent that the aggregate average daily net assets of BlackRock High Yield V.I. Fund and BlackRock Total Return V.I. Fund combined exceed $250 million, $500 million and $750 million (each such amount being a "breakpoint level"). The portion of the assets of a fund to which the rate at each breakpoint level applies will be determined on a "uniform percentage" basis. The uniform percentage applicable to a breakpoint level is determined by dividing the amount of the aggregate average daily net assets of the combined funds that falls within that breakpoint level by the aggregate average daily net assets of the combined funds. The amount of the fee for a fund at each breakpoint level is determined by multiplying the average daily net assets of that fund by the uniform percentage applicable to that breakpoint level and multiplying the product by the advisory fee rate.

BAL has contractually agreed to cap net expenses (excluding: (i) interest, taxes, dividends tied to short sales, brokerage commissions, and other expenditures which are capitalized in accordance with generally accepted accounting principles; (ii) expenses incurred directly or indirectly by the Acquiring Fund as a result of investments in other investment companies and pooled investment vehicles; (iii) other expenses attributable to, and incurred as a result of, the Acquiring Fund's investments; and (iv) extraordinary expenses (including litigation expenses) not incurred in the ordinary course of the Acquiring Fund's business, if any) of the Class I shares of the Acquiring Fund at the levels shown below. Items (i), (ii), (iii) and (iv) in the preceding sentence are referred to in this Combined Prospectus/Proxy Statement as "Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Fund expenses." To achieve these expense caps, BAL has agreed to waive and/or reimburse fees or expenses if these operating expenses exceed a certain limit.

With respect to Class I shares of the Acquiring Fund, as set forth in the following table, BAL has contractually agreed to waive and/or reimburse fees and/or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements.

	Contractual Caps[(1)] on Total Annual Fund Operating Expenses[(2)] (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Fund expenses)
BlackRock Total Return V.I. Fund	1.25%

(1) The contractual caps for the Acquiring Fund are in effect through April 30, 2020. The contractual agreement may be terminated, with respect to the Acquiring Fund, upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds II, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(2) As a percentage of average daily net assets and based on current fees.

BAL has contractually agreed to waive the management fee with respect to any portion of the Acquiring Fund's assets estimated to be attributable to investments in other equity and fixed-income mutual funds and ETFs managed by BAL or its affiliates that have a contractual management fee, through April 30, 2020 (the "Variable Series II affiliated mutual fund and ETF waiver" and collectively with the Variable Series I affiliated mutual fund and ETF waiver and the Dynamic Allocation mutual fund waiver, the "affiliated mutual fund and ETF waivers"). The contractual agreement may be terminated upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds II, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

With respect to the Acquiring Fund, BAL has voluntarily agreed to waive its management fees by the amount of advisory fees the Acquiring Fund pays to BAL indirectly through its investment in affiliated money market funds (the "Variable Series II affiliated money market fund waiver"). The amount of the contractual waivers and/or reimbursements of fees and expenses made pursuant to the contractual cap on net expenses will be reduced by the amount of the Variable Series II affiliated money market fund waiver.

A discussion regarding the basis for the Acquiring Board's approval of the Variable Series II Acquiring Fund Management Agreement will be available in the Acquiring Fund's first shareholder report following the commencement of operations.

The Combined Funds

Each Acquiring Fund Management Agreement will remain in place following the Reorganizations, and the management fee of each Combined Fund under the Acquiring Fund Management Agreement will be identical to the current management fee applicable to its corresponding Acquiring Fund. In addition, (except for with respect to BlackRock Total Return V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund) the contractual expense caps and/or waivers applicable to each Combined Fund will be identical to the current contractual expense caps and/or waivers applicable to its corresponding Acquiring Fund, and these contractual expense caps and/or waivers, including with respect to operational and recordkeeping services, will be extended through April 30, 2021, effective upon the closing of the Reorganizations.

If the Shell Reorganization and the Reorganization of Bond Fund into BlackRock Total Return V.I. Fund are approved, BAL has contractually agreed to waive and/or reimburse fees and/or expenses in order to limit (i) Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) and (ii) Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (including Interest Expense, and excluding Dividend Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to the amounts noted in the following table, effective upon the closing of the Shell Reorganization and the Reorganization.

	Contractual Caps(1) on Total Annual Fund Operating Expenses(2) (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Fund expenses)	**Contractual Caps(1) on Total Annual Fund Operating Expenses(2) (including Interest Expense, and excluding Dividend Expense, Acquired Fund Fees and Expenses and certain other Fund expenses)**
BlackRock Total Return V.I. Fund	0.60%	0.60%

(1) The contractual caps for the Acquiring Fund upon the completion of the Shell Reorganization and its respective Reorganization will be in effect through April 30, 2021. The contractual agreement may be terminated, with respect to the Acquiring Fund, upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds II, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(2) As a percentage of average daily net assets and based on current fees.

If the Reorganization of BlackRock iShares® Dynamic Allocation V.I. Fund is approved, BAL has contractually agreed to waive and/or reimburse fees and/or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Acquiring Fund expenses) to the amount noted in the following table, effective upon the closing of the Reorganization.

	Contractual Caps(1) on Total Annual Fund Operating Expenses(2) (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Fund expenses)
BlackRock iShares® Dynamic Allocation V.I. Fund	0.19%

(1) The contractual caps for the Acquiring Fund upon the completion of its respective Reorganization will be in effect through April 30, 2021. The contractual agreement may be terminated, with respect to the Acquiring Fund, upon 90 days' notice by a majority of the non-interested directors of BlackRock Variable Series Funds, Inc. or by a vote of a majority of the outstanding voting securities of the Acquiring Fund.

(2) As a percentage of average daily net assets and based on current fees.

The affiliated mutual fund and ETF waivers, which will remain in place with respect to each Acquiring Fund, as applicable, following the applicable Reorganization, will be extended through April 30, 2021, effective upon the closing of such Reorganization.

BAL will manage each Combined Fund as investment manager pursuant to the relevant Acquiring Fund Management Agreement. The principal terms of each of the Target Fund Management Agreement, the Target Fund Sub-Advisory Agreement and the Acquiring Fund Management Agreements, are described below.

Terms of the Management Agreements

Under the Target Fund Management Agreement, SFIMC (under the supervision of the Target Board) continuously furnishes an investment program for the Target Funds. SFIMC also is responsible for the actual management of the investments of the Target Funds and has responsibility for making decisions governing whether to buy, sell or hold any particular security. In carrying out its obligations to manage the investment and reinvestment of the assets of the Target Funds, SFIMC performs research and obtains and evaluates pertinent economic, statistical and financial data relevant to the investment policies of the Target Funds.

Under the Target Management Agreement, SFIMC is responsible for payment of all expenses it may incur in performing such services. These expenses include costs incurred in providing investment advisory services, compensating and furnishing office space for officers and employees of SFIMC connected with investment and economic research, trading and investment management of the Target Trust and the payment of any fees to interested Trustees of the Target Trust. SFIMC provides all executive, administrative, clerical and other personnel necessary to operate the Target Trust and pays the salaries and other employment related costs of employing those persons. SFIMC furnishes the Target Trust with office space, facilities and equipment and pays the day-to-day expenses related to the operation and maintenance of such office space facilities and equipment. In addition, SFIMC is responsible for paying the sub-advisory fees of each investment sub-advisor. The Target Fund Management Agreement also provides that SFIMC shall not be liable to the Target Trust or to any shareholder or Contract Owner for any error of judgment or mistake of law or for any loss suffered by the Target Trust or by any shareholder in connection with matters to which such agreement relates, except for a breach of fiduciary duty or a loss resulting from willful misfeasance, bad faith, gross negligence, or reckless disregard on the part of SFIMC in the performance of its duties thereunder.

The Target Fund Management Agreement may be continued beyond its current term only so long as such continuance is specifically approved at least annually by the Target Board or by vote of a majority of the outstanding shares of the Target Trust and, in either case, by vote of a majority of the trustees who are not interested persons of any party to such agreement, except in their capacity as trustees of the Target Trust, cast in person at a meeting called for the purpose of voting on such approval. The Target Fund Management Agreement may be terminated upon 60 days' written notice by any of the parties to the agreement, or by a majority vote of the outstanding shares, and will terminate automatically upon its assignment by any party.

Pursuant to the Target Fund Sub-Advisory Agreement, BFA manages the investments of Large Cap Equity Index Fund, Small Cap Equity Index Fund and International Equity Index Fund, determining which securities or other investments to buy and sell for each, selecting the brokers and dealers to effect the transactions, and negotiating commissions. In placing orders for securities transactions, BFA follows SFIMC's policy of seeking to obtain the most favorable price and efficient execution available. Under the Target Fund Sub-Advisory Agreement, the BFA sub-advisory fees are accrued daily and paid to BFA quarterly.

The Target Fund Sub-Advisory Agreement is not assignable and may be terminated without penalty upon 60 days' written notice at the option of SFIMC or BFA, or by the Target Board or by a vote of a majority of the outstanding shares of the class of stock representing an interest in the appropriate Target Fund. The Target Fund Sub-Advisory Agreement provides that it shall continue in effect for an initial term of two years and can thereafter be continued for each Target Fund from year to year so long as such continuance is specifically approved annually (a) by the Target Board or by a majority of the outstanding shares of the Target Fund and (b) by a majority vote of the trustees of the Target Trust who are not parties to the agreement, or interested persons of any such party, cast in person at a meeting held for that purpose.

Under each Acquiring Fund Management Agreement, BAL is obligated to provide investment advisory services and to pay all compensation of and furnish office space for officers and employees of the respective Acquiring Corporation connected with investment and economic research, trading and investment management of each Acquiring Fund, as well as the fees of all Directors of the Acquiring Corporation who are affiliated persons of BlackRock, Inc. or any of its affiliates. Each Acquiring Fund pays all other expenses incurred in its operation, including a portion of its Acquiring Corporation's general administrative expenses allocated on the basis of the Fund's asset size. Certain accounting services are provided for each Acquiring Corporation by BAL and the Acquiring Corporation reimburses BAL in connection with such services. Under each Acquiring Fund Management Agreement, BAL will not be liable for any error of judgment or mistake of law or for any loss suffered by BAL or by the Acquiring Fund(s) in connection with the performance of the Acquiring Fund Management Agreement, except a loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services or a loss resulting from willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or from reckless disregard by it of its duties under the Acquiring Fund Management Agreement.

Each Acquiring Fund Management Agreement, unless earlier terminated as described below, will continue in effect for an initial two year period and from year to year thereafter if approved annually (a) by the relevant Acquiring Board or by a majority of the outstanding shares of the respective Acquiring Funds, and (b) by a majority of the directors who are not parties to such contracts or interested persons (as defined in the 1940 Act) of any such party. Each Acquiring Fund Management Agreement is not assignable and may be terminated without penalty on 60 days' written notice at the option of either party or by the vote of the shareholders of the respective Acquiring Funds.

Other Service Providers

	Target Funds	Acquiring Funds
Sub-Adviser(s)	BlackRock Fund Advisors 400 Howard Street San Francisco, California 94105 (1)	None.
Distributor	State Farm VP Management Corp. One State Farm Plaza Bloomington, Illinois 61710-0001	BlackRock Investments, LLC 40 East 52nd Street New York, New York 10022
Custodian(s)	State Street Bank and Trust Company 200 Clarendon Street Boston, Massachusetts 02116 (1) JPMorgan Chase Bank, N.A. 3 Chase MetroTech Center, 5th Floor Brooklyn, New York 11245 (2)	JPMorgan Chase Bank, N.A. 383 Madison Avenue New York, New York 10179
Transfer Agent	State Farm Investment Management Corp. One State Farm Plaza Bloomington, Illinois 61710-0001	BNY Mellon Investment Servicing (US) Inc. 301 Bellevue Parkway Wilmington, Delaware 19809

	Target Funds	Acquiring Funds
Accounting Services Provider(s)	State Farm Investment Management Corp. One State Farm Plaza Bloomington, Illinois 61710-0001 (3) State Street Bank and Trust Company 200 Clarendon Street Boston, Massachusetts 02116 (4)	BlackRock Advisors, LLC 100 Bellevue Parkway Wilmington, Delaware 19809 JPMorgan Chase Bank, N.A. 383 Madison Avenue New York, New York 10179
Independent Registered Public Accounting Firm	PricewaterhouseCoopers LLP One North Wacker Chicago, Illinois 60606	Deloitte & Touche LLP 200 Berkeley Street Boston, Massachusetts 02116
Fund Counsel	Stradley Ronon Stevens & Young, LLP 191 North Wacker Drive, Suite 1601 Chicago, Illinois 60606	Willkie Farr & Gallagher LLP 787 Seventh Avenue New York, New York 10019-6019

(1) For Large Cap Equity Index Fund, Small Cap Equity Index Fund, International Equity Index Fund

(2) For Bond Fund, Money Market Fund and Stock and Bond Balanced Fund

(3) For each Target Fund other than International Equity Index Fund

(4) For International Equity Index Fund

Combined Funds. Effective upon the closing of the Reorganizations, each Acquiring Fund's current service providers will serve its corresponding Combined Fund.

Distributors; Distribution Fees, Shareholder Servicing Fees and Shareholder Administration Fees

State Farm VP Management Corp. (previously defined as "Management Corp."), One State Farm Plaza, Bloomington, Illinois 61710-0001, serves as the principal underwriter and distributor for the continuous offering of shares of each Target Fund. Management Corp. is a registered broker-dealer, a member of the Financial Industry Regulatory Authority and a wholly owned subsidiary of SFIMC.

BlackRock Investments, LLC (previously defined as "BRIL"), 40 East 52nd Street, New York, New York 10022, an affiliate of BAL, acts as each Acquiring Fund's distributor and will act as distributor for each Combined Fund effective upon the closing of the Reorganizations.

Neither the shares of the Target Funds nor the Class I shares of the Acquiring Funds are subject to distribution fees.

With respect to the Acquiring Funds, BAL has entered into administrative services agreements with certain BlackRock Insurance Companies pursuant to which the Acquiring Funds compensate such companies for administrative responsibilities relating to the Acquiring Funds, which are performed by such BlackRock Insurance Companies. Following the Reorganizations, BAL expects to enter into administrative services agreements with the State Farm Insurance Companies, on behalf of the Combined Funds. The Acquiring Funds will compensate the State Farm Insurance Companies.

Pursuant to a service agreement among the Target Trust, SFIMC and SFMAIC, SFMAIC provides SFIMC with certain personnel, services and facilities to enable SFIMC to perform its obligations to the Target Trust. SFIMC reimburses SFMAIC for such costs, direct and indirect, as are fairly attributable to the services performed and the facilities provided by SFMAIC under the separate service agreement. Accordingly, the Target Trust makes no payment to SFMAIC under the service agreement.

Dividends and Distributions

It is the Target Trust's intention to distribute substantially all the net investment income, if any, of a Target Fund. Dividends from net investment income of a Target Fund will be paid at least annually and distributions from net realized capital gains will be paid at least annually; all dividends and distributions will be reinvested in additional full and fractional shares of that Target Fund. Shares will begin accruing dividends on the day following the date on which the shares are issued, the date of issuance customarily being the "settlement" date.

BlackRock Government Money Market V.I. Fund and BlackRock Total Return V.I. Fund declare dividends daily and reinvest dividends monthly in additional full and fractional shares of the respective Funds. BlackRock International Index V.I. Fund, BlackRock iShares® Dynamic Allocation V.I. Fund, BlackRock Small Cap Index V.I. Fund and BlackRock S&P 500 Index V.I. Fund declare dividends and reinvest dividends at least annually in additional shares of the respective Funds. All net realized long-term or short-term capital gains of an Acquiring Corporation, if any, are declared and distributed annually after the close of that Acquiring Corporation's fiscal year to the shareholders of each relevant Acquiring Fund.

Effective upon the closing of the Reorganizations, each Acquiring Fund's dividends and distributions policy will be continued by its corresponding Combined Fund. Shares received by each Target Fund in its respective Reorganization will be valued as of the Valuation Time (as defined below), after the declaration and payment of dividends and distributions.

Purchase, Redemption, Exchange and Valuation of Shares

Shareholders should refer to the Acquiring Fund Prospectus for Class I shares (a copy of which accompanies this Combined Prospectus/Proxy Statement) for the specific procedures applicable to purchases, exchanges and redemptions of shares. The following discussion describes the policies and procedures related to the purchase, exchange, redemption and valuation of shares of the Class I shares of each Acquiring Fund, which policies and procedures will be the same for the Class I shares of the corresponding Combined Fund effective upon the closing of the Reorganization.

Purchases and Redemptions. Shares of the Acquiring Funds currently are sold either directly or indirectly (through other variable insurance funds) to separate accounts of the BlackRock Insurance Companies and certain BlackRock Accounts to fund benefits under the Variable Contracts issued by the BlackRock Insurance Companies. Shares of the Acquiring Funds may be purchased or sold each day the NYSE is open. The price of shares purchased by the BlackRock Insurance Companies is based on the next calculation of the per share net asset value of an Acquiring Fund after an order is placed. An Acquiring Corporation may reject any order to buy shares and may suspend the sale of shares at any time. An Acquiring Corporation will redeem all full and fractional shares of the Acquiring Fund(s) for cash. The price of redeemed shares is based on the next calculation of net asset value after a redemption order is placed. The value of shares at the time of redemption may be more or less than the shareholder's cost, depending in part on the net asset value of such shares at such time. The Acquiring Funds do not have any initial or subsequent investment minimums. However, a Variable Contract may require certain investment minimums.

Exchanging Shares. The Acquiring Funds do not offer exchange privileges.

Comparison of Valuation Policies.

Valuation Policies—All Acquiring Funds (other than BlackRock Government Money Market V.I. Fund). When a BlackRock Insurance Company purchases shares, the BlackRock Insurance Company pays the net asset value. This is the offering price. Shares are also redeemed at their net asset value. Each Acquiring Fund calculates its net asset value of each class of its shares each day the NYSE is open, generally as of the close of regular trading hours on the NYSE, based on prices at the time of closing. The NYSE generally closes at 4:00 p.m.

(Eastern time). The net asset value used in determining your share price is the next one calculated after your purchase or redemption order is received. Each business day, the Acquiring Funds' net asset values are transmitted electronically to the BlackRock Insurance Companies that use the Funds as underlying investment options for Variable Contracts.

Equity securities and other instruments for which market quotations are readily available are valued at market value, which is generally determined using the last reported closing price or, if a reported closing price is not available, the last traded price on the exchange or market on which the security or instrument is primarily traded at the time of valuation. The Acquiring Funds value fixed-income portfolio securities and non-exchange traded derivatives using last available bid prices or current market quotations provided by dealers or prices (including evaluated prices) supplied by the Funds' approved independent third-party pricing services, each in accordance with valuation procedures approved by the relevant Acquiring Board. Pricing services may use matrix pricing or valuation models that utilize certain inputs and assumptions to derive values. Pricing services generally value fixed-income securities assuming orderly transactions of institutional round lot size, but an Acquiring Fund may hold or transact in such securities in smaller, odd lot sizes. Odd lots often trade at lower prices than institutional round lots. Short-term debt securities with remaining maturities of 60 days or less may be valued on the basis of amortized cost.

Foreign currency exchange rates are generally determined as of the close of business on the NYSE. Foreign securities owned by the Acquiring Funds may trade on weekends or other days when a Fund does not price its shares. As a result, the Acquiring Funds' net asset value may change on days when you will not be able to purchase or redeem a Fund's shares. Generally, trading in foreign securities, U.S. Government securities, money market instruments and certain fixed- income securities is substantially completed each day at various times prior to the close of business on the NYSE. The values of such securities used in computing the net asset value of an Acquiring Fund's shares are determined as of such times.

When market quotations are not readily available or are not believed by BAL to be reliable, an Acquiring Fund's investments are valued at fair value. Fair value determinations are made by BAL in accordance with procedures approved by an Acquiring Board. BAL may conclude that a market quotation is not readily available or is unreliable if a security or other asset or liability does not have a price source due to its lack of liquidity, if BAL believes a market quotation from a broker-dealer or other source is unreliable, where the security or other asset or other liability is thinly traded (e.g., municipal securities, certain small cap and emerging growth companies and certain non-U.S. securities) or where there is a significant event subsequent to the most recent market quotation. For this purpose, a "significant event" is deemed to occur if BAL determines, in its business judgment prior to or at the time of pricing an Acquiring Fund's assets or liabilities, that it is likely that the event will cause a material change to the last closing market price of one or more assets or liabilities held by the Fund. For instance, significant events may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of the Acquiring Funds' net assets. If such event occurs, those instruments may be fair valued. Similarly, foreign securities whose values are affected by volatility that occurs in U.S. markets on a trading day after the close of foreign securities markets may be fair valued.

For certain foreign securities, a third-party vendor supplies evaluated, systematic fair value pricing based upon the movement of a proprietary multi-factor model after the relevant foreign markets have closed. This systematic fair value pricing methodology is designed to correlate the prices of foreign securities following the close of the local markets to the price that might have prevailed as of an Acquiring Fund's pricing time.

Fair value represents a good faith approximation of the value of a security. The fair value of one or more securities may not, in retrospect, be the price at which those assets could have been sold during the period in which the particular fair values were used in determining an Acquiring Fund's net asset value.

An Acquiring Fund may accept orders from certain authorized financial intermediaries or their designees. An Acquiring Fund will be deemed to receive an order when accepted by the financial intermediary or designee and the order will receive the net asset value next computed by the Fund after such acceptance. If the payment for a purchase order is not made by a designated later time, the order will be canceled and the financial intermediary could be held liable for any losses.

Valuation Policies—BlackRock Government Money Market V.I. Fund. When a BlackRock Insurance Company purchases shares, the BlackRock Insurance Company pays the net asset value (normally $1.00 per share). This is the offering price. Shares are also redeemed at their net asset value. The Acquiring Fund calculates the net asset value (generally by using market quotations) each day the NYSE is open, as of the close of business on the NYSE, based on prices at the time of closing. The NYSE generally closes at 4:00 p.m. Eastern time. The net asset value used in determining your share price is the next one calculated after your purchase or redemption order becomes effective. Share purchase orders are effective on the date Federal Funds become available to the Acquiring Fund.

The amortized cost method is used in calculating net asset value, meaning that the calculation is based on a valuation of the assets held by the Acquiring Fund at cost, with an adjustment for any discount or premium on a security at the time of purchase.

Foreign currency exchange rates are generally determined as of the close of business on the NYSE. Foreign securities owned by the Acquiring Fund may trade on weekends or other days when the Fund does not price its shares. As a result, the Acquiring Fund's net asset value may change on days when you will not be able to purchase or redeem the Fund's shares. Generally, trading in foreign securities, U.S. Government securities and money market instruments and certain fixed income securities is substantially completed each day at various times prior to the close of business on the NYSE. The values of such securities used in computing the net asset value of the Acquiring Fund's shares are determined as of such times.

The Acquiring Fund may accept orders from certain authorized financial intermediaries or their designees. The Acquiring Fund will be deemed to receive an order when accepted by the intermediary or designee, and the order will receive the net asset value next computed by the Fund after such acceptance. If the payment for a purchase order is not made by a designated later time, the order will be canceled and the financial intermediary could be held liable for any losses.

Valuation Policies—Target Funds. The offering price of the shares of each Target Fund is its NAV. NAV is calculated by adding all of the assets of a Target Fund, subtracting the Fund's liabilities, then dividing by the number of outstanding shares. A separate NAV is calculated for each Target Fund.

The NAV for each Target Fund is determined as of the time of the close of regular session trading on the NYSE (currently at 4:00 PM, Eastern Time) on each day when the NYSE is open for business. Shares will not be priced on days when the NYSE is closed.

As a general rule, the portfolio securities of each Target Fund that are traded on a national exchange are valued at their last sale price on that exchange prior to the time when the NAV is calculated. In the absence of any exchange sales on that day and for unlisted equity securities, such securities are valued at the last sale price on the NASDAQ National Market. In the absence of any National Market sales on that day or in the case of debt securities, such securities are valued at the last reported bid price.

If the market quotations described above are not available, portfolio securities, other than short-term debt securities, may be valued at fair value as determined in good faith by or under the direction of the Target Board. Fair value pricing typically is used when trading for a portfolio security is halted during the day and does not resume prior to a Target 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 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 Target Fund fairly and accurately represents the value of the Fund's holdings. Fair valuation may reduce the ability of an investor 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.

Debt instruments held with a remaining maturity of 60 days or less (other than U.S. Treasury bills) and all of the assets of Money Market Fund are generally valued on an amortized cost basis. Under the amortized cost basis method of valuation, the security is initially valued at its purchase price (or in the case of securities purchased with more than 60 days remaining to maturity, the market value on the 61st day prior to maturity), and thereafter by amortizing any premium or discount uniformly to maturity. If for any reason the Target Board believes the amortized cost method of valuation does not fairly reflect the fair value of any security, fair value will be determined in good faith by or under the direction of the Target Board as in the case of securities having a maturity of more than 60 days.

Non-U.S. securities ("foreign securities") held by Large Cap Equity Index Fund and International Equity Index Fund are traded on securities exchanges throughout the world. Trading on these foreign securities exchanges is completed at various times throughout the day and often does not coincide with the close of trading on the NYSE. The value of the foreign securities used in computing the NAV for a Target Fund holding such securities is determined as of the earlier of the time the exchange on which the securities are traded closes or as of the close of trading on the NYSE. As a result, it is possible that events affecting the value of such securities may occur that are not reflected in the computation of a Target Fund's NAV. When events occur that materially affect the value of foreign securities held by a Target Fund, the securities may be valued at their fair value as determined in good faith by or under the direction of the Target Board.

Foreign securities exchanges may also be open on days when the Target Funds do not compute their NAV. Accordingly, there may be occasions when either Large Cap Equity Index Fund or International Equity Index Fund do not calculate its NAV but when the value of such Fund's portfolio securities is affected by such trading activity.

Foreign securities held by International Equity Index Fund are fair valued using prices provided by a third-party pricing service in certain circumstances. SFIMC fair values foreign securities held by this Fund 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 Fund computes its NAV. SFIMC uses systematic and objective standards to determine when the closing prices of the foreign securities held by International Equity Index Fund do not reflect the market value of such securities.

Valuation Policies—Combined Funds. Effective upon the closing of the Reorganizations, each Combined Fund's valuation policies will be those of the corresponding Acquiring Fund.

Tax Information

Distributions made by the Acquiring Funds to a separate account of a BlackRock Insurance Company, and redemptions of Acquiring Fund shares made by a separate account, ordinarily do not cause the corresponding Variable Contract holder to recognize income or gain for Federal income tax purposes. See the Variable Contract prospectus for information regarding the Federal income tax treatment of the distributions to separate accounts and the holders of the Variable Contracts.

Payments to Broker/Dealers and Other Financial Intermediaries

Acquiring Funds. BAL and its affiliates may make payments relating to distribution and sales support activities to the BlackRock Insurance Companies and other financial intermediaries for the sale of Acquiring

Fund shares and related services. These payments may create a conflict of interest by influencing the BlackRock Insurance Company or other financial intermediary and your individual financial professional to recommend an Acquiring Fund over another investment. Visit your BlackRock Insurance Company's website, which may have more information.

Target Funds. The Target Funds do not pay broker/dealers or financial intermediaries for the sale of Target Fund shares or related services.

Disclosure of Portfolio Holdings

For a discussion of the Acquiring Funds' and Target Funds' policies and procedures regarding the selective disclosure of their respective portfolio holdings, please see the Acquiring Funds' and Target Funds' Statements of Additional Information, respectively.

Market Timing Trading Policies and Procedures

Acquiring Funds

Each Fund other than BlackRock Government Money Market V.I. Fund. The Acquiring Corporations' Boards of Directors have determined that the interests of long-term shareholders and an Acquiring Fund's ability to manage its investments may be adversely affected when shares are repeatedly bought, sold or exchanged in response to short-term market fluctuations—also known as "market timing." The Acquiring Funds are not designed for market timing organizations or other entities using programmed or frequent purchases and sales or exchanges. The exchange privilege is not intended as a vehicle for short-term trading. Excessive purchase and sale or exchange activity may interfere with portfolio management, increase expenses and taxes and may have an adverse effect on the performance of a Fund and its returns to shareholders. For example, large flows of cash into and out of a Fund may require the management team to allocate a significant amount of assets to cash or other short-term investments or sell securities, rather than maintaining such assets in securities selected to achieve an Acquiring Fund's investment objective. Frequent trading may cause an Acquiring Fund to sell securities at less favorable prices, and transaction costs, such as brokerage commissions, can reduce an Acquiring Fund's performance.

A fund's investment in non-U.S. securities is subject to the risk that an investor may seek to take advantage of a delay between the change in value of such fund's portfolio securities and the determination of the fund's net asset value as a result of different closing times of U.S. and non-U.S. markets by buying or selling fund shares at a price that does not reflect their true value. A similar risk exists for funds that invest in securities of small capitalization companies, securities of issuers located in emerging markets or high yield securities ("junk bonds") that are thinly traded and therefore may have actual values that differ from their market prices. This short-term arbitrage activity can reduce the return received by long-term shareholders. Each Acquiring Fund will seek to eliminate these opportunities by using fair value pricing, as described in "Valuation Policies" above.

The Acquiring Funds discourage market timing and seek to prevent frequent purchases and sales or exchanges of Acquiring Fund shares that they determine may be detrimental to an Acquiring Fund or long-term shareholders. The Boards of Directors have approved the policies discussed below to seek to deter market timing activity. The Boards of Directors have not adopted any specific numerical restrictions on purchases, sales and exchanges of Acquiring Fund shares because certain legitimate strategies will not result in harm to an Acquiring Fund or its shareholders.

If as a result of its own investigation, information provided by a financial intermediary or other third party, or otherwise, an Acquiring Fund believes, in its sole discretion, that your short-term trading is excessive or that you are engaging in market timing activity, it reserves the right to reject any specific purchase or exchange order. If an Acquiring Fund rejects your purchase or exchange order, you will not be able to execute that transaction, and such Acquiring Fund will not be responsible for any losses you therefore may suffer. For transactions placed directly with an Acquiring Fund, such Acquiring Fund may consider the trading history of accounts under common ownership or control for the purpose of enforcing these policies. Transactions placed through the same financial intermediary on an omnibus basis may be deemed part of a group for the purpose of this policy and may be rejected in whole or in part by an Acquiring Fund. Certain accounts, such as omnibus accounts and accounts at financial intermediaries, however, include multiple investors and such accounts typically provide an Acquiring Fund with net purchase or redemption and exchange requests on any given day where purchases, redemptions and exchanges of shares are netted against one another and the identity of individual purchasers, redeemers and exchangers whose orders are aggregated may not be known by an Acquiring Fund. While the Acquiring Funds monitor for market timing activity, the Acquiring Funds may be unable to identify such activities because the netting effect in omnibus accounts often makes it more difficult to locate and eliminate market timers from the Acquiring Funds. The Acquiring Funds' distributor has entered into agreements with respect to financial professionals, and other financial intermediaries that maintain omnibus accounts with the transfer agent pursuant to which such financial professionals and other financial intermediaries undertake to cooperate with the distributor in monitoring purchase, exchange and redemption orders by their customers in order to detect and prevent short-term or excessive trading in the Acquiring Funds' shares through such accounts. Identification of market timers may also be limited by operational systems and technical limitations. In the event that a financial intermediary is determined by an Acquiring Fund to be engaged in market timing or other improper trading activity, the Acquiring Funds' distributor may terminate such financial intermediary's agreement with the distributor, suspend such financial intermediary's trading privileges or take other appropriate actions.

There is no assurance that the methods described above will prevent market timing or other trading that may be deemed abusive.

The Acquiring Funds may from time to time use other methods that they believe are appropriate to deter market timing or other trading activity that may be detrimental to the Acquiring Funds or long-term shareholders.

BlackRock Government Money Market V.I. Fund. The Acquiring Board of BlackRock Variable Series Funds, Inc. has evaluated the risks of market timing activities by the Acquiring Fund's shareholders and has determined that due to (i) the Acquiring Fund's policy of seeking to maintain the Fund's net asset value per share at $1.00 each day, (ii) the nature of the Acquiring Fund's portfolio holdings and (iii) the nature of the Acquiring Fund's shareholders, it is unlikely that (a) market timing would be attempted by the Acquiring Fund's shareholders or (b) any attempts to market time the Acquiring Fund by shareholders would result in a negative impact to the Acquiring Fund or its shareholders. As a result, the Acquiring Board has not adopted policies and procedures to deter short-term trading in the Acquiring Fund. There can be no assurances, however, that the Acquiring Fund may not, on occasion, serve as a temporary or short-term investment vehicle for those who seek to market time funds offered by other investment companies.

See the Acquiring Fund Prospectus—"Account Information—Short-Term Trading Policy."

Target Funds

The Target Trust does not accommodate inappropriate frequent trading, including short-term "market timing" transactions among the Target Funds, as these transactions can adversely affect the Target Funds, investors and the performance of the Target Funds. In particular, such transactions may dilute the value of the Target Funds' shares, interfere with the efficient management of the Target Funds' portfolios, and increase brokerage and administrative costs of the Target Funds. In order to protect the Target Funds and investors from this potentially harmful activity, the Target Board has adopted market timing policies and procedures. The market timing policies and procedures are designed to try to discourage, detect and deter frequent transfer activity that may adversely affect other investors. Investors seeking to engage in frequent trading activity may deploy a variety of strategies to avoid detection. The Target Trust's ability to detect such trading activity is limited by operational systems and technological limitations. Because the shares of the Target Funds are held in insurance company separate accounts, the Target Funds typically are not able to identify trading by a particular investor, which may make it difficult or impossible to determine if a particular account is engaged in frequent trading. The Target Trust does not include transactions made pursuant to dollar-cost averaging and portfolio rebalancing programs in these limitations.

See the Target Fund Prospectus—"Calculating Net Asset Value—Market Timing."

FINANCIAL HIGHLIGHTS

Financial highlights tables for each Target Fund's shares may be found in such Target Fund's Prospectus, Annual Reports and Semi-Annual Reports, which are available without charge by calling (888) 702-2307. Financial highlights tables for the Class I shares of each of BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund may be found in such Acquiring Fund's Prospectus, Annual Reports and Semi-Annual Reports, which are available without charge by calling (800) 441-7762. As each of BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund is recently organized, there is no financial highlights table for the Class I shares of each such Acquiring Fund. The Prospectuses for BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund are available without charge by calling (800) 441-7762.

The financial highlights table for the Class I shares of the Predecessor Fund to BlackRock Total Return V.I. Fund is set out below. Although BlackRock Total Return V.I. Fund has not commenced operations as of the date of this Combined Prospectus/Proxy Statement, as a result of the proposed Shell Reorganization anticipated to occur on or about September 17, 2018, the financial highlights information presented for BlackRock Total Return V.I. Fund is the financial history of the Predecessor Fund. The financial highlights table is intended to help you understand the Predecessor Fund's financial performance for the periods shown. Certain information reflects the financial results for a single share. The total returns in the table represent the rate that a shareholder would have earned or lost on an investment in the Predecessor Fund (assuming reinvestment of all dividends and/or distributions). The information has been audited by Deloitte & Touche LLP, whose report, along with the Predecessor Fund's financial statements, is included in the Predecessor Fund's Annual Report, which is available upon request.

Financial Highlights
(For a share outstanding throughout each period)

	BlackRock Total Return V.I. Fund				
	Class I				
	Year Ended December 31,				
	2017	2016	2015	2014	2013
Net asset value, beginning of year	$ 11.79	$ 11.71	$ 11.93	$ 11.51	$ 12.01
Net investment income[(a)]	0.29	0.23	0.22	0.32	0.32
Net realized and unrealized gain (loss)	0.13	0.09	(0.19)	0.44	(0.45)
Net increase (decrease) from investment operations	0.42	0.32	0.03	0.76	(0.13)
Distributions:[(b)]					
From net investment income	(0.30)	(0.24)	(0.25)	(0.34)	(0.37)
Net asset value, end of year	$ 11.91	$ 11.79	$ 11.71	$ 11.93	$ 11.51
Total Return:[(c)]					
Based on net asset value	3.60%[(d)]	2.76%	0.26%	6.66%	(1.14)%
Ratios to Average Net Assets:[(e)]					
Total expenses	0.94%	0.82%	0.92%	0.88%	0.87%
Total expenses after fees waived and/or reimbursed and paid indirectly	0.74%	0.62%	0.74%	0.69%	0.67%
Total expenses after fees waived and/or reimbursed and paid indirectly and excluding interest expense	0.62%	0.59%	0.69%	0.66%	0.65%
Net investment income	2.43%	1.92%	1.89%	2.68%	2.75%
Supplemental Data:					
Net assets, end of year (000)	$152,138	$157,445	$154,046	$130,765	$135,943
Portfolio turnover rate[(f)]	627%	590%	900%	772%	724%

(a) Based on average shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Where applicable, excludes insurance-related fees and expenses and assumes the reinvestment of distributions.

(d) Includes payment received from an affiliate, which impacted the Fund's total return. Excluding the payment from an affiliate, the Fund's total return is 3.51%.

(e) Excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Investments in underlying funds	—	0.01%	0.01%	—	—

(f) Includes mortgage dollar roll transactions ("MDRs"). Additional information regarding portfolio turnover rate is as follows:

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Portfolio turnover rate (excluding MDRs)	389%	396%	625%	560%	498%

See notes to financial statements.

INFORMATION ABOUT THE REORGANIZATIONS

The following summary of each Agreement and Plan of Reorganization (each, a "Reorganization Agreement") does not purport to be complete and is qualified in its entirety by reference to the form of Reorganization Agreement, a copy of which is attached as Appendix II—"Form of Agreement and Plan of Reorganization" and is incorporated herein by reference.

Under each Reorganization Agreement, a Reorganization will consist of: (i) the transfer and delivery of all of the assets of the applicable Target Fund to the corresponding Acquiring Fund in exchange for the assumption by such Acquiring Fund of all of the Target Fund's Stated Liabilities (as defined in Appendix II) and newly-issued shares of the Acquiring Fund ("Acquiring Fund Shares"); (ii) the distribution, on or as soon as practicable after the Closing Date (as defined in Appendix II), of the Acquiring Fund Shares (including fractional shares) by such Target Fund to its shareholders; and (iii) the termination, dissolution and liquidation of the Target Fund as a series of the Target Trust. Current shareholders of each Target Fund will own Class I shares of the corresponding Combined Fund. The number of Acquiring Fund Shares that Target Fund shareholders receive will depend on the relative net asset value of the applicable Target Fund's shares and corresponding Acquiring Fund Shares computed as of the close of regular trading on the NYSE on the business day immediately prior to the Closing Date of the relevant Reorganization (the "Valuation Time") after the declaration and payment of dividends and/or other distributions. Such net asset value will be determined in accordance with the corresponding Acquiring Fund's valuation procedures.

Each Target Fund expects to distribute the Acquiring Fund Shares to the shareholders of such Target Fund on or as soon as practicable after the Closing Date. The distribution of the Acquiring Fund Shares to such Target Fund's shareholders will be accomplished by opening new accounts on the books of the corresponding Acquiring Fund in the names of such Target Fund's shareholders and transferring to those shareholder accounts the shares of the Acquiring Fund. Such newly-opened accounts on the books of the corresponding Acquiring Fund will represent the pro rata number of shares that such Target Fund is to receive under the terms of the Reorganization Agreement.

Upon distribution of such shares, all outstanding shares of the relevant Target Fund will be redeemed on or as soon as practicable after the Closing Date in accordance with applicable state law and the organizational documents of the Target Trust. Thereafter, such Target Fund will be abolished as a series of the Target Trust under Delaware state law.

Each Fund has made certain standard representations and warranties to each other regarding organization, status and conduct of business.

Unless waived in accordance with each Reorganization Agreement, the obligations of each Acquiring Fund and each Target Fund are conditioned upon, among other things:

1. the approval of the applicable Reorganization Agreement, which provides for the applicable Reorganization, by the Target Board and the relevant Acquiring Board;
2. the approval of the applicable Reorganization Agreement by the shareholders of the Target Fund;
3. the SEC shall not have issued an unfavorable report under Section 25(b) of the 1940 Act, or instituted any proceeding seeking to enjoin the consummation of the transactions contemplated by the applicable Reorganization Agreement under Section 25(c) of the 1940 Act;
4. the receipt of all necessary approvals, consents, registrations and exemptions under federal, state and local laws;
5. the truth in all material respects as of the Closing Date of the representations and warranties of the Funds and performance and compliance in all material respects with the Funds' agreements, obligations and covenants required by the applicable Reorganization Agreement;

6. the effectiveness under applicable law of the registration statement of which this Combined Prospectus/ Proxy Statement forms a part and the absence of any stop orders under the Securities Act of 1933, as amended, pertaining thereto;
7. the declaration of a dividend or dividends by the Target Fund to distribute all of its undistributed net investment income and net capital gains; and
8. the receipt of an opinion of counsel relating to, among other things, the tax-free nature of the applicable Reorganization for U.S. federal income tax purposes.

Each Reorganization Agreement may be terminated or amended by the mutual consent of the parties, either before or after approval thereof by the shareholders of the applicable Target Fund.

The Target Board, including all of the Independent Trustees, recommend that you vote to approve the applicable Reorganization, as it believes such Reorganization is in the best interests of the applicable Target Fund (as described more fully in “Reasons for the Reorganizations” below) and that the interests of existing shareholders of such Target Fund will not be diluted as a result of consummation of such proposed Reorganization.

Reasons for the Reorganizations

SFIMC, after a review of the nature and goals of its mutual fund advisory business, determined to reduce the extent of its mutual fund advisory business activities. As a result of this review and in consideration of the nature of the Target Funds’ shareholder base, including the desire for State Farm Mutual Automobile Insurance Company (“SFMAIC”) agents to continue to maintain their relationship with those clients/shareholders, SFIMC presented the Target Board with information on possible strategic dispositions within its mutual fund business, including relating to the Target Funds. After considering and evaluating several possible prominent and well-managed mutual fund complexes, SFIMC recommended that the Target Board approve the Reorganization of each Target Fund with and into a corresponding Acquiring Fund.

The Target Board discussed and considered matters relating to the proposed Reorganizations at meetings held in the fourth quarter of 2017 and the first and second quarters of 2018 (collectively, the “State Farm Merger Evaluation Meetings”). During the course of the State Farm Merger Evaluation Meetings, the Target Board requested, received and discussed information from various parties, including from SFMAIC, SFIMC and BAL, regarding (i) the structure, terms and conditions and anticipated timeline of the Reorganizations; (ii) the rationale for the Reorganizations, as well as comparative data and information with respect to the Target Funds and Acquiring Funds; (iii) the expected impact of the Reorganizations on each Target Fund and its shareholders; (iv) BAL’s organization, personnel and affiliates; (v) BAL’s investment philosophy and process; (vi) BAL’s experience in providing investment advisory services to mutual funds; (vii) BAL’s operational, legal and compliance capabilities, as well as its financial conditions and resources; (viii) the services provided by, and BAL’s administration and oversight of, the Acquiring Funds’ third-party service providers; (ix) the key distribution channels and intermediary relationships for the Acquiring Funds; and (x) the composition and governance of the Acquiring Corporation’s Board of Directors (the “Acquiring Board”). The Target Board also received and considered information from counsel to the Independent Trustees of the Target Board regarding the duties of the Target Board in considering the Reorganizations. Additionally, the Target Board evaluated the proposed elimination of Stock and Bond Balanced Fund’s fundamental investment restriction regarding investments in other State Farm investment companies, its potential impact on Stock and Bond Balanced Fund and its shareholders, and the desirability of eliminating such restriction to align the portfolios of Stock and Bond Balanced Fund and BlackRock iShares® Dynamic Allocation V.I. Fund. During the course of the Target Board’s deliberations, the Independent Trustees were advised by and received assistance from their independent counsel, including in executive sessions. In addition, during several State Farm Merger Evaluation Meetings, the Independent Trustees of the Target Board met with a number of management personnel of BAL, as well as the

Chief Compliance Officer of the Acquiring Corporation. In addition, the chair of the Acquiring Corporation and directors/trustees of certain other BlackRock mutual funds advised by BAL or its affiliates also met in person or via videoconference with the entire Target Board.

At the Approval Meeting, the Target Board, including all of the Independent Trustees, unanimously approved each Agreement and Plan of Reorganization and the elimination of Stock and Bond Balanced Fund's fundamental investment restriction regarding investments in other State Farm registered investment companies and voted to recommend that the shareholders of each Target Fund also approve the applicable Agreement and Plan of Reorganization and the elimination of such fundamental investment restriction with respect to Stock and Bond Balanced Fund. The Target Board determined that, based on an assumption that all of the facts and circumstances existing at the time of closing of the Reorganization are not materially different from those presented to the Target Board at the Approval Meeting, each Reorganization would be in the best interests of the applicable Target Fund and that the interests of existing shareholders of each Target Fund would not be diluted as a result of such Reorganization. The Target Board's determinations were based on a comprehensive evaluation of the information provided to them. During the review, the Target Board did not identify any particular information or consideration that was all-important or controlling.

Results of Process

In reaching its determinations with respect to the Reorganization of each Target Fund into the corresponding Acquiring Fund, the Target Board considered a number of factors presented at the time of the State Farm Merger Evaluation Meetings, including, but not limited to, the following:

- The reputation, financial strength and resources of BAL;
- The investment experience, expertise, personnel, operations and compliance program of BAL and its parent company, BlackRock, Inc.;
- The investment objective, principal investment strategies, and risks of the Target Funds are similar or substantially similar to the investment objective, principal investment strategies, and risks of the Acquiring Funds, except for Stock and Bond Balanced Fund and BlackRock iShares® Dynamic Allocation V.I. Fund which employ different principal investment strategies and risks in seeking to achieve their respective investment objective;
- The current asset allocation of the Target Funds and the Acquiring Funds;
- The fundamental and non-fundamental investment restrictions of the Target Funds and the Acquiring Funds;
- The portfolio managers of the sub-adviser currently managing certain of the Target Funds will serve as the portfolio managers of the Combined Funds;
- The current sub-adviser of the Target Funds, BFA, is an affiliate of the investment adviser of the Acquiring Funds;
- The advisory fee rate to be paid by the Combined Funds (after any applicable waiver) is lower than the current advisory fee rate paid by the Target Funds, except for Stock and Bond Balanced Fund, which currently does not pay a management fee and Money Market Fund, for which the corresponding Combined Fund will have a higher advisory fee rate than currently paid by Money Market Fund; however, such Combined Fund will have a lower overall annual expense ratio (after waivers and expense reimbursements) following the proposed Reorganization;
- The nature, quality and extent of the services to be provided by BAL to the Combined Funds;
- BAL's commitment that annual total expense ratios of the Combined Funds (after waivers and expense reimbursements) will be equal to, or lower than, the annual total expense ratios (after waivers and expense reimbursements but excluding the effect of any voluntary expense limitations) of the Target Funds until at least April 30, 2021;

- The features of BAL's expense recapture program and the anticipated impact of the program, if any, on the Target Funds following the Reorganization;
- The differences in rights and privileges between the Target Funds' share classes and the corresponding Acquiring Funds' share classes;
- There is not expected to be any diminution in the nature, quality and extent of services provided to the Combined Funds and their shareholders from the services provided to the Target Funds and their shareholders as a result of the Reorganizations, including the transition from the Target Funds' current service providers to the Acquiring Funds' service providers;
- The historical performance records of the Target Funds and the Acquiring Funds (or, in the case of BlackRock Total Return V.I. Fund, its predecessor), except for BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund, which are newly organized and do not have any performance history;
- The access to BAL's and/or BRIL's distribution channels may create the potential for broader asset growth and a more stable asset base;
- Shareholders of the Target Funds are expected to face no adverse tax consequences as a result of the Reorganizations aside from any capital gains distributions resulting from any repositioning of the Target Funds' portfolio holdings;
- The disposition of all of the holdings of Stock and Bond Balanced Fund in preparation for its Reorganization and the potential transaction costs relating to the realignment of Stock and Bond Balanced Fund's portfolio as a result of the proposed Reorganization;
- The composition and qualifications of the Acquiring Board;
- The terms and conditions of each Agreement and Plan of Reorganization;

  All costs associated with the Target Funds' participation in the proposed Reorganizations are expected to be borne by SFIMC or its affiliates as a result of the Target Funds' expense limitation and/or SFIMC's agreement that the current shareholders will not bear any costs of the Reorganizations (other than any portfolio transaction costs relating to any realignment of a Target Fund's portfolio with that of the corresponding Acquiring Fund, particularly with respect to Stock and Bond Balanced Fund, prior to and/or after the Reorganization);
- No sales charge, contingent deferred sales charge, commission, redemption fee or other transactional fee will be charged as a result of the proposed Reorganizations;
- The difference in the corporate structure of the Target Trust, which is a Delaware statutory trust, and the Acquiring Corporation, which is a Maryland corporation, is not anticipated to negatively affect shareholders;
- Possible alternatives to the Reorganizations, including the liquidation of the Target Funds.

After consideration of the factors noted above, together with other factors and information considered to be relevant, the Target Board, including all of the Independent Trustees, unanimously approved the Reorganizations, concluding that the Reorganizations are in the best interests of each Target Fund and that the interests of existing shareholders of each Target Fund would not be diluted as a result of a Reorganization. This determination was made on the basis of each Trustee's business judgment after consideration of all of the factors taken as a whole with respect to each Target Fund and its shareholders, although individual Trustees may have placed different weight on various factors and assigned different degrees of materiality to various factors.

If a Reorganization is not approved by shareholders of the applicable Target Fund, the Target Board will consider other alternatives for that Target Fund.

Material U.S. Federal Income Tax Consequences of the Reorganizations

The following is a general summary of the material anticipated U.S. federal income tax consequences of each Reorganization. The discussion is based upon the Code, Treasury regulations, court decisions, published positions of the IRS and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or different interpretations (possibly with retroactive effect). The discussion is limited to U.S. persons that hold shares of a Target Fund as capital assets for U.S. federal income tax purposes. This summary does not address all of the U.S. federal income tax consequences that may be relevant to shareholders that are subject to special treatment under U.S. federal income tax laws. No assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax aspects described below. Shareholders are advised to consult their own tax advisers on the U.S. federal income tax consequences of the Reorganization, as well as the effects of state, local and non-U.S. tax laws.

It is a condition to the closing of each Reorganization that each Fund receive an opinion from Dechert LLP, tax counsel to the Acquiring Funds, dated as of the Closing Date, that the Reorganization will be a "reorganization" within the meaning of Section 368(a) of the Code and that the Target Fund and the Acquiring Fund will each be a "party to a reorganization" within the meaning of Section 368(b) of the Code. As a "reorganization" within the meaning of Section 368(b) of the Code, the U.S. federal income tax consequences of each Reorganization can be summarized as follows:

- No gain or loss will be recognized by the Target Fund or by the Acquiring Fund upon the transfer of all of the assets of the Target Fund to the Acquiring Fund solely in exchange for the shares of the Acquiring Fund and the assumption by the Acquiring Fund of certain liabilities of the Target Fund or upon the distribution of the shares of the Acquiring Fund to shareholders of the Target Fund in exchange for such shareholders' shares of the Target Fund in liquidation of the Target Fund, except for any gain or loss that may be required to be recognized solely as a result of the closing of the tax year of the Target Fund due to the Reorganization or as the result of any transfer of stock in a "passive foreign investment company" as defined in Section 1297(a) of the Code.
- No gain or loss will be recognized by a shareholder of the Target Fund who exchanges all of the shareholder's shares of the Target Fund solely for the shares of the Acquiring Fund pursuant to the Reorganization.
- The tax basis of the shares of the Acquiring Fund received by a shareholder of the Target Fund pursuant to the Reorganization (including any fractional share) will be the same as the tax basis of the shares of the Target Fund surrendered in exchange therefor.
- The holding period of the shares of the Acquiring Fund received by a shareholder of the Target Fund pursuant to the Reorganization (including any fractional share) will include the holding period of the shares of the Target Fund surrendered in exchange therefor, provided such Target Fund shares are held as capital assets at the time of the Reorganization.
- The Acquiring Fund's tax basis in assets of the Target Fund received by the Acquiring Fund pursuant to the Reorganization will, in each instance, equal the tax basis of such assets in the hands of the Target Fund immediately prior to the Reorganization except for any adjustments that may be required to be made as a result of the closing of the tax year of the Target Fund due to the Reorganization or as a result of gain recognized on the transfer of certain assets of the Target Fund, and the Acquiring Fund's holding period for such assets will, in each instance, include the period during which the assets were held by the Target Fund except for any assets which may be marked to market for federal income tax purposes on the termination of the Target Fund's taxable year or on which gain was recognized upon the transfer to the Acquiring Fund.

For each Reorganization, the opinion of Dechert LLP relating to the Reorganizations will be based on U.S. federal income tax law in effect on the Closing Date. For each Reorganization, in rendering the opinion, Dechert LLP will also rely on certain representations of the management of the Acquiring Funds and the Target

Funds and assume, among other things, that the Reorganizations will be consummated in accordance with the operative documents. For each Reorganization, the opinion will not express an opinion on the tax effects to a Target Fund or an Acquiring Fund of marking to market certain categories of assets as of the closing of the taxable year of the Target Fund at the time of a Reorganization or as a result of the transfer of certain types of assets. An opinion of counsel is not binding on the IRS or any court.

Each Combined Fund intends to continue to be taxed under the rules applicable to regulated investment companies as defined in Section 851 of the Code, which are the same rules currently applicable to the Target Funds and their shareholders.

Prior to the Closing Date, each Target Fund (except International Equity Index Fund and Small Cap Equity Index Fund) will declare a distribution to its shareholders that, together with all previous distributions, will have the effect of distributing to its shareholders all of its investment company taxable income (computed without regard to the deduction for dividends paid), net tax-exempt income and net realized capital gains, if any, through the Closing Date (after reduction for any capital loss carryforward).

While the portfolio managers of each of BlackRock Government Money Market V.I. Fund, BlackRock International Index V.I. Fund, BlackRock S&P 500 Index V.I. Fund and BlackRock Small Cap Index V.I. Fund do not anticipate disposing of more than 5% of their respective Target Fund's holdings following the closing of the Reorganization, the portfolio managers of BlackRock Total Return V.I. Fund anticipate disposing of a significant portion (approximately 50%) of the securities of the Bond Fund acquired in the Reorganization in connection with realigning the Combined Fund's portfolio in a manner consistent with its investment process. In addition, if Proposal 2 is approved, the portfolio managers of BlackRock iShares® Dynamic Allocation V.I. Fund anticipate requesting the disposition of all of the holdings of its corresponding Target Fund in preparation for its respective Reorganization due to the fact that the holdings of Stock and Bond Balanced Fund consist of the shares of Large Cap Equity Index Fund and Bond Fund, each of which SFIMC separately is proposing to reorganize into other mutual funds advised by BAL or its affiliates as set forth in this Combined Prospectus/Proxy Statement.

With respect to each Target Fund, the tax impact of any sales will depend on the difference between the price at which such portfolio holdings are sold and each Target Fund's tax basis in such holding. Any capital gains recognized in these sales on a net basis prior to the closing of the applicable Reorganization will be distributed, if required, to the shareholders of the relevant Target Fund (except International Equity Index Fund and Small Cap Equity Index Fund), as capital gain dividends (to the extent of net realized long-term capital gains) and/or ordinary dividends (to the extent of net realized short-term capital gains) during or with respect to the year of sale. Any capital gains recognized in these sales on a net basis following the closing of the applicable Reorganization will be distributed, if required, to the Combined Fund's shareholders as capital gain dividends (to the extent of net realized long-term capital gains) and/or ordinary dividends (to the extent of net realized short-term capital gains) during or with respect to the year of sale.

The portfolio managers of the BlackRock Total Return V.I. Fund anticipate that the portfolio securities of the Bond Fund to be sold following the Reorganization will consist mainly of corporate bonds. The sale of these portfolio securities would increase the transaction costs incurred by the Combined Fund. In addition, if the Reorganization is completed, the Combined Fund may use the proceeds from the sales to invest in agency mortgages, other securitized investments and other securities that match the existing investment strategies and exposures of the Acquiring Fund. The transaction costs relating to the sale of portfolio securities acquired from the Bond Fund and in connection with the Combined Fund's investing in agency mortgages, other securitized investments and other securities are estimated to be approximately 0.06% of the Combined Fund's net assets following the Reorganization. SFIMC anticipates that Stock and Bond Balanced Fund will utilize the proceeds from such sales to realign its portfolio with that of its corresponding Acquiring Fund prior to the closing of its Reorganization. During this period, the Target Fund may deviate from its principal investment strategies. SFIMC has estimated that the portfolio transaction costs relating to the realignment of Stock and Bond Balanced Fund's portfolio prior to the Reorganization will be minimal.

As of December 31, 2017, none of the Target Funds had any capital loss carryforwards.

Shareholders of a Target Fund may redeem their shares at any time prior to the closing of the Reorganization. With respect to Money Market Fund, such redemptions are unlikely to result in recognition of gain or loss for U.S. federal income tax purposes because of the policy of the Target Fund of maintaining a stable net asset value of $1.00 per share (although it is possible that it may not be able to do so). Shareholders are advised to consult their own tax advisers on the U.S. federal income tax consequences of any such redemption, as well as the effects of state, local and non-U.S. tax laws.

Expenses of the Reorganizations

BAL or its affiliates will pay each Acquiring Fund's portion of the expenses incurred in connection with its respective Reorganization (including auditor and legal fees of the Acquiring Fund and the costs of preparing and filing the Combined Prospectus/Proxy Statement), other than legal fees associated with counsel to the directors who are not "interested persons" (as defined in the 1940 Act) (the "Independent Director Counsel Fees") of its respective Acquiring Corporation and any portfolio transaction costs relating to the realignment of the corresponding Target Fund's portfolio after its respective Reorganization. The Independent Director Counsel Fees, which are allocated based on each Acquiring Fund's net assets, are estimated to be $15,120 for Proposal 1a, $0 for Proposal 1b, $45,850 for Proposal 1c, $3,700 for Proposal 1d, $0 for Proposal 1e and $1,070 for Proposal 1f for the applicable Acquiring Fund and will be borne by BAL or its affiliates either directly for certain Acquiring Funds or indirectly for certain other Acquiring Funds due to expense caps applicable to such other Acquiring Funds. SFIMC or its affiliates will reimburse each Target Fund for the Target Fund's portion of the expenses incurred in connection with its respective Reorganization (including auditor and legal fees of the Target Fund, solicitation fees and the costs of printing and mailing the Combined Prospectus/Proxy Statement), which are estimated to be $194,000 for Proposal 1a, $289,000 for Proposal 1b, $388,000 for Proposal 1c, $348,000 for Proposal 1d, $287,000 for Proposal 1e and $70,000 for Proposal 1f and Proposal 2, other than any portfolio transaction costs relating to the realignment of the Target Fund's portfolio prior to its respective Reorganization. Portfolio transaction costs relating to the realignment of a Target Fund's portfolio with that of its corresponding Acquiring Fund, if any, prior to or after its respective Reorganization are estimated to be minimal. SFIMC or its affiliates will reimburse the Target Funds for expenses related to the Reorganizations simultaneously with the accrual of such expense on a Target Fund's financial statements. The simultaneous timing of the expense accrual and the reimbursement accrual will prevent Target Fund shareholders from bearing these costs prior to reimbursement.

The expenses of each Reorganization include, but are not limited to, costs and expenses (including legal fees) related to the preparation and distribution of materials to the Target Board and each Acquiring Board (together, the "Boards"), costs incurred in connection with the meetings of the Boards and preparing the minutes of the meetings of the Boards, obtaining an opinion of counsel as to certain tax matters, the preparation of the applicable Reorganization Agreement and the Combined Prospectus/Proxy Statement, fees of the SEC and any state securities commission, transfer agency fees, auditing fees associated with each Fund's financial statements, portfolio transfer taxes (if any), expenses relating to preparing, printing and mailing the Combined Prospectus/Proxy Statement and any other proxy materials to be used in connection with the meeting of shareholders to consider such Reorganization, expenses incurred in connection with the solicitation of proxies to be voted at that meeting, and any other legal and auditor fees in connection with the foregoing.

Agreement Among SFIMC, BAL and BFA

SFIMC, BAL and BFA have entered into a Framework Agreement ("Framework Agreement") regarding the transfer and delivery by SFIMC to BAL and BFA of certain books and records that SFIMC maintains for each Target Fund. The transfer and delivery of such books and records, and certain other obligations of the parties, is contingent upon shareholder approval of the Reorganizations, among other things. Assuming shareholder approval is obtained, and the other conditions in the Framework Agreement and in the Reorganization Agreements are met, shareholders of the Target Funds will become shareholders of their corresponding Acquiring Funds.

Continuation of Shareholder Accounts and Plans; Share Certificates

Upon consummation of each Reorganization, each Acquiring Fund will establish a position for each of its respective Target Fund shareholders on the books of the Acquiring Fund containing the appropriate number of shares of the Acquiring Fund to be received in each such Reorganization. No certificates for shares of the Acquiring Funds will be issued in connection with the Reorganizations.

Legal Matters

Certain legal matters concerning the U.S. federal income tax consequences of the Reorganizations will be passed on by Dechert LLP, tax counsel to the Acquiring Funds. Certain legal matters of Maryland law concerning the issuance of shares of the Acquiring Funds will be passed on by Miles & Stockbridge P.C., which serves as Maryland counsel to the Acquiring Funds.

PROPOSAL 2—TO APPROVE THE ELIMINATION OF STOCK AND BOND BALANCED FUND'S FUNDAMENTAL INVESTMENT RESTRICTION ON INVESTMENTS

The 1940 Act requires registered investment companies, such as Stock and Bond Balanced Fund, to have certain specific investment policies that can be changed only with shareholder approval. Investment companies may also elect to designate other policies that may be changed only with a shareholder vote. Both types of policies are often referred to as fundamental policies or fundamental restrictions.

Stock and Bond Balanced Fund currently has a fundamental restriction to not invest in securities other than securities of other registered investment companies or registered unit investment trusts that are part of the State Farm group of investment companies (as defined in the 1940 Act), U.S. Government securities, or short-term paper (the "Investment Restriction"). The Investment Restriction is not required by the 1940 Act, and it limits the ability of the Target Fund to invest in a broader range of securities.

The elimination of the Investment Restriction is intended to benefit Stock and Bond Balanced Fund and its shareholders by providing the Target Fund with greater investment flexibility. In particular, the holdings of the Target Fund consist of the shares of Large Cap Equity Index Fund and Bond Fund, each of which (along with all the other series of the Target Trust) SFIMC separately is proposing to reorganize into other mutual funds advised by BAL or its affiliates as contemplated in this Combined Prospectus/Proxy Statement. Accordingly, if each reorganization of the other series of the Target Trust is approved and completed and the Target Fund's Investment Restriction is not eliminated, there will be no underlying State Farm mutual funds in which the Target Fund may invest.

The Target Board has approved the elimination of the Investment Restriction; however, its elimination also requires the approval of Stock and Bond Balanced Fund's shareholders because it is fundamental. If shareholders approve this Proposal and the Reorganization described above, SFIMC will restructure the Target Fund's portfolio to align it with that of BlackRock iShares® Dynamic Allocation V.I. Fund. SFIMC and the Target Trust have received an exemptive order from the SEC that permits the Target Fund to invest in unaffiliated registered open-end management investment companies, such as BlackRock funds, beyond the limits permitted by the 1940 Act, subject to certain conditions.

The Reorganization of Stock and Bond Balanced Fund will not occur unless shareholders also approve the elimination of the Investment Restriction. If shareholders approve the elimination of the Investment Restriction, such change will take effect, regardless of whether shareholders approve the Reorganization, and the Target Board will consider what actions to take, if any, with respect to Stock and Bond Balanced Fund, including, but not limited to, liquidation.

The Target Board, including all of the Independent Trustees, unanimously recommends that you vote "FOR" Proposal 2.

OTHER INFORMATION

Capitalization

The following tables set forth: (i) as of December 31, 2017, the unaudited capitalization of each Target Fund's shares (ii) as of December 31, 2017, the unaudited capitalization of Class I shares of each Acquiring Fund (or, in the case of BlackRock Total Return V.I. Fund, the Predecessor Fund); and (iii) the unaudited pro forma combined capitalization of the Class I shares of each Combined Fund assuming each Reorganization has been completed. Neither the Acquiring Funds nor the Target Funds will ultimately bear the costs associated with the Reorganizations. As noted above, BAL or its affiliates will pay the Acquiring Funds' portion of the expenses incurred in connection with the Reorganizations, and although the Target Funds will pay for their portion of the expenses incurred in connection with the respective Reorganizations, SFIMC or its affiliates will reimburse the Target Funds for such expenses. In addition, although each Acquiring Fund will bear the Independent Director Counsel Fees of its respective Acquiring Corporation, such expenses are expected to be borne by BAL or its affiliates either directly for certain Acquiring Funds or indirectly for certain other Acquiring Funds due to expense caps applicable to such other Acquiring Funds. Therefore, the costs of the Reorganizations are not reflected in the pro forma adjustments. The pro forma capitalization of each Combined Fund reflects adjustments due to redemptions by State Farm Life Insurance Company and Stock and Bond Balanced Fund in the Target Funds, as applicable, but does not reflect adjustments for the distribution of income and gains by the Target Funds prior to the Reorganizations. The capitalizations are likely to be different when each Reorganization is scheduled to be completed as a result of daily share purchase and redemption activity. Except as noted below with respect to BlackRock International Index V.I. Fund, no material valuation adjustments are expected as a result of the Reorganizations.

Bond Fund and BlackRock Total Return V.I. Fund:

	Bond Fund	BlackRock Total Return V.I. Fund Class I	Pro Forma Adjustments[1,2]	BlackRock Total Return V.I. Combined Fund Pro Forma Class I[1,2]
Net Assets	$154,597,558	$152,138,371	$(35,605,766)	$271,130,163
Shares Outstanding	15,288,721	12,778,791	(5,294,062)	22,773,451
NAV per Share	$ 10.11	$ 11.91		$ 11.91

	Bond Fund	BlackRock Total Return V.I. Fund Class III*	Pro Forma Adjustments	BlackRock Total Return V.I. Combined Fund Pro Forma Class III
Net Assets	N/A	$267,650,947	$—	$267,650,947
Shares Outstanding	N/A	22,749,980	—	22,749,980
NAV per Share	N/A	$ 11.76	$—	$ 11.76

* No Class III shares will be issued in connection with the Reorganization.

1 Adjusted for transaction costs of $17,796.

2 Assumes Stock and Bond Balanced Fund redeems its holdings of $35,587,970.

International Equity Index Fund and BlackRock International Index V.I. Fund:

	International Equity Index Fund	BlackRock International Index V.I. Fund Class I	Pro Forma Adjustments[1,2,3]	BlackRock International Index V.I. Combined Fund Pro Forma Class I[1,2,3]
Net Assets	$334,241,192	$ —	$(128,286,128)	$205,955,064
Shares Outstanding	23,400,348	—	(8,958,504)	14,441,844
NAV per Share	$ 14.28	$14.28		$ 14.26

1 Adjusted for transaction costs of $38,378.

2 Assumes State Farm Life Insurance Company redeems its holdings of $127,705,022.

3 Adjusted by $(542,728) to reflect the differences in the Funds' fair valuation policies and procedures with respect to foreign securities.

Large Cap Equity Index Fund and BlackRock S&P 500 Index V.I. Fund:

	Large Cap Equity Index Fund	BlackRock S&P 500 Index V.I. Fund Class I	Pro Forma Adjustments[1,2]	BlackRock S&P 500 Index V.I. Combined Fund Pro Forma Class I[1,2]
Net Assets	$713,248,987	$216,250,992	$(63,175,361)	$866,324,618
Shares Outstanding	31,871,918	9,478,333	(3,379,034)	37,971,216
NAV per Share	$ 22.38	$ 22.82		$ 22.82

1 Adjusted for transaction costs of $12,158.

2 Assumes Stock and Bond Balanced Fund redeems its holdings of $63,163,203.

	Large Cap Equity Index Fund	BlackRock S&P 500 Index V.I. Fund Class II*	Pro Forma Adjustments	BlackRock S&P 500 Index V.I. Combined Fund Pro Forma Class II
Net Assets	N/A	$3,340,475	$—	$3,340,475
Shares Outstanding	N/A	147,642	—	147,642
NAV per Share	N/A	$ 22.63	$—	$ 22.63

* No Class II shares will be issued in connection with the Reorganization.

As of December 31, 2017, there were no Class III shares of the BlackRock S&P 500 Index V.I. Fund outstanding.

Money Market Fund and BlackRock Government Money Market V.I. Fund:

	Money Market Fund	BlackRock Government Money Market V.I. Fund Class I	Pro Forma Adjustments	BlackRock Money Market V.I. Combined Fund Pro Forma Class I
Net Assets	$28,542,171	$135,658,600	$	$164,200,771
Shares Outstanding	28,543,273	135,662,592	(262)	164,205,603
NAV per Share	$ 1.00	$ 1.00		$ 1.00

Small Cap Equity Index Fund and BlackRock Small Cap Index V.I. Fund:

	Small Cap Equity Index Fund	BlackRock Small Cap Index V.I. Fund Class I	Pro Forma Adjustments[1,2]	BlackRock Small Cap Index V.I. Combined Fund Pro Forma Class I[1,2]
Net Assets	$340,353,098	$ —	$(51,231,280)	$289,121,818
Shares Outstanding	23,365,053	—	(3,514,374)	19,850,680
NAV per Share	$ 14.57	$14.57		$ 14.56

1 Adjusted for transaction costs of $31,608.

2 Assumes State Farm Life Insurance Company redeems its holdings of $51,199,672.

Stock and Bond Balanced Fund and BlackRock iShares® Dynamic Allocation V.I. Fund:

	Stock and Bond Balanced Fund	BlackRock iShares Dynamic Allocation V.I. Fund Class I	Pro Forma Adjustments	BlackRock iShares Dynamic Allocation V.I. Combined Fund Pro Forma Class I
Net Assets	$99,278,249	$25,332,007	$ —	$124,610,256
Shares Outstanding	5,814,289	2,276,825	3,108,778	11,199,892
NAV per Share	$ 17.07	$ 11.13		$ 11.13

	Stock and Bond Balanced Fund	BlackRock iShares® Dynamic Allocation V.I. Fund Class III*	Pro Forma Adjustments	BlackRock iShares® Dynamic Allocation V.I. Combined Fund Pro Forma Class III
Net Assets	N/A	$3,615,047	$—	$3,615,047
Shares Outstanding	N/A	325,847	—	325,847
NAV per Share	N/A	$ 11.09	$—	$ 11.09

* No Class III shares will be issued in connection with the Reorganization.

Shareholder Information

As of the Record Date, there were 15,494,756 shares of Bond Fund outstanding, 23,108,656 shares of International Equity Index Fund outstanding, 31,001,906 shares of Large Cap Equity Index Fund outstanding, 27,847,363 shares of Money Market Fund outstanding, 22,923,317 shares of Small Cap Equity Index Fund outstanding and 5,687,867 shares of Stock and Bond Balanced Fund outstanding. As of such date, the Trustees and officers of the Target Trust as a group owned less than 1% of the outstanding shares of each Target Fund. As of such date, State Farm Life Insurance Company, located at One State Farm Plaza, Bloomington, Illinois 61710, owned the following percentages of the Target Funds' outstanding shares:

Target Fund	% of Target Fund
Bond Fund	0%
International Equity Index Fund	82.86%
Large Cap Equity Index Fund	0%
Money Market Fund	0%
Small Cap Equity Index Fund	15.33%
Stock and Bond Balanced Fund	0%

All shares of the Target Funds other than those owned by State Farm Life Insurance Company are owned of record by the separate accounts underlying the Contracts. As of such date, no person other than State Farm Life Insurance Company was known by any Target Fund to own beneficially or of record 5% or more of the outstanding shares of the Target Fund.

As of the Record Date, there were 37,540,760 shares of the Predecessor Fund (the predecessor to BlackRock Total Return V.I. Fund) outstanding, 56,912,157 shares of BlackRock S&P 500 Index V.I. Fund outstanding, 143,728,555 shares of BlackRock Government Money Market V.I. Fund outstanding and 2,673,118 shares of BlackRock iShares® Dynamic Allocation V.I. Fund outstanding. As of the Record Date, there were no shares of BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund outstanding. As of such date, the Directors and officers of each Acquiring Corporation as a group owned less than 1% of any class of the outstanding shares of each relevant Acquiring Fund. As of such date, no person was known by any Acquiring Fund to own beneficially or of record 5% or more of any class of shares of the Acquiring Fund except as follows:

Predecessor Fund (BlackRock Total Return V.I. Fund)

Class of Shares	Name	Address	% of Class
Class I	Transamerica Advisors Life Ins Co	4333 Edgewood Rd NE MS 4410 Cedar Rapids, IA 52499-0001	57.25%
Class I	Transamerica Advisors Life Ins Co	4333 Edgewood Rd NE MS 4410 Cedar Rapids, IA 52499-4333	31.59%
Class I	Transamerica Financial Life Insurance Company	4333 Edgewood Rd NE MS 4410 Cedar Rapids, IA 52499-0000	5.16%
Class III	Nationwide Life Insurance Company NWVAII	P.O. Box 182029 Columbus, OH 43218-2029	93.68%

BlackRock S&P 500 Index V.I. Fund

Class of Shares	Name	Address	% of Class
Class I	Hartford Life and Annuity Life Insurance Company	P.O. Box 2999 Hartford, CT 06104-2999	16.66%
Class I	Hartford Life Insurance & Annuity	P.O. Box 2999 Hartford, CT 06104-2999	15.30%
Class I	Hartford Life Insurance Company	P.O. Box 2999 Hartford, CT 06104-2999	14.75%
Class I	Transamerica Advisors Life Ins Co	4333 Edgewood Rd NE MS 4410 Cedar Rapids, IA 52499-0001	13.56%
Class I	The Hartford	One Hartford Plaza Hartford, CT 06155	12.28%
Class I	Union Security Insurance Company	P.O. Box 2999 Hartford, CT 06104	7.71%
Class II	Nationwide Life Insurance Co NWPP	P.O. Box 182029 Columbus, OH 43218-2029	51.75%
Class II	Forethought Life Insurance Co	300 N Meridian St, Ste 1800 Indianapolis, IN 46204	48.24%
Class III	The Hartford	One Hartford Plaza Hartford, CT 06155	76.80%
Class III	Hartford Life and Annuity Life Insurance Company	P.O. Box 2999 Hartford, CT 06104-2999	19.15%

BlackRock Government Money Market V.I. Fund

Class of Shares	Name	Address	% of Class
Class I	Transamerica Advisors Life Ins Co	4333 Edgewood Rd NE MS 4410 Cedar Rapids, IA 52499-0001	47.85%
Class I	AIG Life of Bermuda Ltd	29 Richmond Rd PO Box HM 152 Hamilton HM AX Bermuda	38.55%
Class I	Transamerica Advisors Life Ins Co	4333 Edgewood Rd NE MS 4410 Cedar Rapids, IA 52499-4333	7.22%

BlackRock iShares® Dynamic Allocation V.I. Fund

Class of Shares	Name	Address	% of Class
Class I	Separate Account A of Pacific Life Insurance Company	700 Newport Center Dr Newport Beach, CA 92660-6307	86.14%
Class I	Separate Account A of Pacific Life and Annuity Company	700 Newport Center Dr Newport Beach, CA 92660-6307	10.54%
Class III	Massachusetts Mutual Life Insurance	1295 State Street Springfield, MA	24.88%
Class III	Nationwide Life Insurance Co NWVA4	P.O. Box 182029 Columbus, OH 43218-2029	22.90%
Class III	Midland National Life Separate Ac C	4350 Westown Pkwy West Des Moines, IA 50266-1144	18.71%
Class III	American General Life Ins Co	2727A Allen Parkway Houston, TX 77498	17.76%
Class III	Principal Life Insurance Co	711 High Street Des Moines, IA 50392	7.77%

For purposes of the 1940 Act, any person who owns directly or through one or more controlled companies more than 25% of the voting securities of a company is presumed to "control" such company. Accordingly, to the extent that a shareholder identified in the foregoing tables is identified as the beneficial holder of more than 25% of a Fund, or is identified as the holder of record of more than 25% of a Fund and has voting and/or investment powers, such shareholder may be presumed to control such Fund.

Shareholder Rights and Obligations

Each Target Fund is a series of the Target Trust, a statutory trust formed under the laws of the State of Delaware. Under the Target Trust's organizational documents, each Target Fund is authorized to issue an unlimited number of shares of beneficial interest, with no par value.

Each of BlackRock International Index V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund, BlackRock Small Cap Index V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund is a series of BlackRock Variable Series Funds, Inc., a corporation formed under the laws of the State of Maryland. Under BlackRock Variable Series Funds, Inc.'s organizational documents, BlackRock Variable Series Funds, Inc. is authorized to issue 14,310,000,000 shares of capital stock with a par value of $0.10.

BlackRock Total Return V.I. Fund is a series of BlackRock Variable Series Funds II, Inc., a corporation formed under the laws of the State of Maryland. Under BlackRock Variable Series Funds II, Inc.'s organizational documents, BlackRock Variable Series Funds II, Inc. is authorized to issue 1,700,000,000 shares of capital stock with a par value of $0.0001.

With respect to each Acquiring Fund, all shares of common stock have equal voting rights, except that only shares of the respective classes are entitled to vote on matters concerning only that class. Each issued and outstanding share of a class is entitled to one vote and to participate equally in dividends and distributions declared with respect to such class and in net assets of such class upon liquidation or dissolution remaining after satisfaction of outstanding liabilities. The shares of each class, when issued, will be fully paid and nonassessable, have no preference, preemptive, conversion, exchange or similar rights, and will be freely transferable. Shares do not have cumulative voting rights.

With respect to each Target Fund, each share of a Target Fund issued and outstanding is entitled to participate equally in dividends and distributions declared by such series and, upon liquidation or dissolution, in net assets allocated to such series remaining after satisfaction of outstanding liabilities. The shares of each Target Fund, when issued, will be fully paid and non-assessable and have no preemptive or conversion rights.

Comparison of Delaware Statutory Trusts and Maryland Corporations

The following description is based on relevant provisions of the Maryland General Corporation Law (the "MGCL"), the Delaware Statutory Trust Act (the "Delaware Act") and a Fund's operative documents. This summary does not purport to be complete and we refer you to the MGCL, the Delaware Act and the relevant Fund's operative documents.

In General

A fund organized as a Maryland corporation, such as each Acquiring Corporation, of which each Acquiring Fund(s) are series, is governed both by the MGCL and the Maryland corporation's charter and bylaws. For a Maryland corporation, the MGCL prescribes many aspects of corporate governance.

A fund established as a series of a Delaware statutory trust, such as the Target Trust, of which each Target Fund is a series, is governed both by the Delaware Act and the trust's declaration of trust or similar instrument. For each Target Fund, it is the Target Trust's Amended and Restated Declaration of Trust, as amended, (the "Target Trust Declaration") and the Bylaws. As is common for Delaware statutory trusts, internal governance matters of the Target Trust are generally a function of the terms of the Target Trust Declaration. The Target Trust has taken advantage of the flexibility of the Delaware Act, which generally defers to the terms of a Delaware statutory trust's governing instrument with respect to internal affairs.

Shareholders of a Maryland corporation generally are shielded from personal liability for the corporation's debts or obligations, except that a shareholder may be liable to the extent that (i) the subscription price or other agreed upon consideration for stock subscribed for has not been paid, or (ii) liability is imposed under any other provision of the MGCL. Similarly, under the Delaware Act, unless the governing instrument provides otherwise, shareholders generally are shielded from personal liability for the trust's debts or obligations to the same extent a shareholder is shielded from a corporation's debts or obligations.

The directors of a Maryland corporation generally are shielded from personal liability for the corporation's acts or obligations under the corporate form of organization so long as they meet their statutory standard of conduct; provided, however that the charter of a Maryland corporation may include provisions expanding or limiting the liability of its directors. The MGCL requires that a Maryland corporation indemnify its directors in certain limited instances, and a corporation may further indemnify its directors to the extent provided for in its charter and in accordance with the MGCL. In addition, the Delaware Act contains provisions generally shielding trustees from personal liability to a Delaware statutory trust.

Delaware Statutory Trusts

Each Target Fund is governed by the Target Trust Declaration and Bylaws and the Delaware Act.

Member Voting

Unless otherwise provided in a declaration of trust, the Delaware Act vests the management of a trust in a trustee. The Target Trust Declaration vests management of the Target Trust and each series thereof (including the Target Fund) in the Trustees of the Target Trust and provides that each Trustee shall have all powers necessary and desirable to carry out that responsibility, including those specifically set forth in the Target Trust Declaration.

Under the Target Trust Declaration, the Trustees may sell, convey, merge and transfer the assets of the Target Trust, or the assets belonging to any one or more series, to another trust, partnership, association or corporation organized under the laws of any state of the United States, or to the Target Trust to be held as assets belonging to another series of the Target Trust, in exchange for cash, shares or other securities (including, in the case of a transfer to another series of the Target Trust, shares corresponding to such other series) with such transfer either (i) being made subject to, or with the assumption by the transferee of, the liabilities belonging to each series the assets of which are so transferred, or (ii) not being made subject to, or not with the assumption of, such liabilities.

The 1940 Act requires a vote of shareholders on matters that Congress has determined might have a material effect on shareholders and their investments. For example, shareholder consent is required under the 1940 Act to approve new investment advisory agreements in many cases, an increase in an advisory fee or a Rule 12b-1 fee, changes to fundamental policies, the election of directors or trustees in certain circumstances, and the merger or reorganization of a fund in certain circumstances, particularly where the merger or consolidation involves an affiliated party.

Election and Removal of Trustees

The Target Trust Declaration provides that the number of Trustees which shall constitute the entire Target Board shall be not less than three (3) nor more than fifteen (15), which number may be increased or decreased by the Trustees, but shall never be less than the minimum number permitted by the Delaware Act. The Target Trust Declaration states that each Trustee shall hold office until the next meeting of shareholders called for the purpose of considering the election or re-election of such Trustee or of a successor to such Trustee, and until his or her successor is elected and qualified, and any Trustee who is appointed by the Trustees in the interim to fill a vacancy shall have the same remaining term as that of his or her predecessor, if any, or such term as the Trustees may determine. Any Trustee may resign or retire as a Trustee by an instrument in writing signed by such Trustee and delivered or mailed to an appropriate officer. In addition, any Trustee may be removed with or without cause at any time: (1) by written instrument signed by two-thirds (2/3) of the number of Trustees in office prior to such removal, specifying the date upon which such removal shall become effective, or (2) by the affirmative vote of shareholders holding not less than two-thirds (2/3) of shares outstanding, cast in person or by proxy at any meeting called for that purpose.

Issuance of Shares

Under the Target Trust Declaration, the Trustees are authorized to issue an unlimited number of shares. Shareholders are not entitled to any pre-emptive rights other than such rights, if any, the Trustees in their discretion may determine. Shareholders have no appraisal rights with respect to their shares and, except as otherwise determined by resolution of the Trustees in their sole discretion, shall have no exchange or conversion rights with respect to their shares.

Series

The Target Trust Declaration provides that the Trustees shall have exclusive power without the requirement of shareholder approval to establish and designate separate and distinct series of shares and with respect to any series of shares, to establish and designate separate and distinct classes of shares. The shares of the Target Trust shall be divided into one or more separate and distinct series or classes of a series as the Trustees shall from time to time establish and designate.

Amendments to the Target Trust Declaration

Except as otherwise specifically provided therein or as required by the 1940 Act or other applicable law, the Target Trust Declaration may be amended at any time by an instrument in writing signed by a majority of the Trustees then in office. No amendment of the Target Trust Declaration or repeal of any of its provisions shall limit or eliminate the limitation of liability provided to Trustees and officers thereunder with respect to any act or omission occurring prior to such amendment or repeal.

Shareholder, Trustee and Officer Liability

The Target Trust Declaration provides that, in case any shareholder or former shareholder of the Target Trust shall be held to be personally liable solely by reason of being or having been a shareholder and not because of such shareholder's acts or omissions or for some other reason, the shareholder or former shareholder shall be entitled out of the assets of the Target Trust to be held harmless from and indemnified against all loss and expense arising from such liability.

The Target Trust Declaration limits the liability to the Target Trust, or a series thereof, of a Trustee, officer, employee or agent of the Target Trust, including persons who serve at the request of the Target Trust as directors, trustees, officers, employees or agents of another organization in which the Target Trust has an interest as a shareholder, creditor or otherwise (the "Target Fund Covered Person"), by requiring the Target Trust to indemnify them against liability and against all expenses reasonably incurred or paid by him in connection with any claim, action, suit or proceeding in which he becomes involved as a party or otherwise by virtue of his being or having been such a Trustee, director, officer, employee or agent and against amounts paid or incurred by him in settlement thereof. However, no indemnification will be provided to a Target Fund Covered Person for any liability to the Target Trust or its shareholders arising out of a final adjudication by the court or other body before which the proceeding was brought that the Target Fund Covered Person engaged in willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office.

The Target Trust Declaration further provides that the Trustees of the Target Trust are empowered to purchase and pay out of Target Trust property such insurance as they may deem necessary or appropriate for the conduct of the business, including, without limitation, insurance policies insuring the assets of the Target Trust and payment of distributions and principal on its portfolio investments, and insurance policies insuring the shareholders, Trustees, officers, employees, agents, consultants, investment advisers, managers, administrators, distributors, principal underwriters, or independent contractors, or any employee thereof (or any person connected therewith), of the Target Trust individually against all claims and liabilities of every nature arising by reason of holding, being or having held any such office or position, or by reason of any action alleged to have been taken or omitted by any such person in any such capacity, including any action taken or omitted that may be determined to constitute negligence, whether or not the Target Trust would have the power to indemnify such person against such liability.

Derivative Actions

Under the Target Trust Declaration, before a shareholder of the Target Fund can bring a derivative action, the Target Trust Declaration provides that no action may be brought by a shareholder on behalf of the Target Trust unless shareholders owning no less than a majority of the then outstanding shares, or series or class thereof, join in the bringing of such action.

Maryland Corporations

A Maryland corporation is governed by the MGCL, its charter and bylaws. Some of the key provisions of the MGCL are summarized below.

Shareholder Voting

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, or engage in a statutory share exchange, merger or consolidation unless approved by a vote of shareholders. Depending on the circumstances and the charter of the corporation, there may be various exceptions to these votes. Shareholders of Maryland corporations are generally entitled to one vote per share and fractional votes for fractional shares held. The charter of each Acquiring Corporation contains such provisions.

Election and Removal of Directors

Shareholders of a Maryland corporation generally are entitled to elect and remove directors. Shareholders of each Acquiring Corporation may elect directors at any annual meeting or a special meeting in lieu thereof. Provided the charter or bylaws so provides, the MGCL does not require a corporation registered as an open-end investment company to hold an annual meeting in any year in which the election of directors is not required by the 1940 Act. Each Acquiring Corporation's Bylaws ("Acquiring Corporation By-Laws") contain such a provision. Shareholders of each Acquiring Corporation may, in accordance with the terms of the charter and Acquiring Corporation By-Laws, cause a meeting of shareholders to be held for the purpose of voting on the removal of Directors. Also, each Acquiring Corporation will be required to call a special meeting of shareholders in accordance with the requirements of the 1940 Act to seek approval of new management and advisory arrangements, of a material increase in service or distribution fees or of a change in fundamental policies, objectives or restrictions.

Amendments to the Charter

Under the MGCL, shareholders of corporations are entitled to vote on amendments to the charter. However, the board of directors of a Maryland corporation is authorized, without a vote of the shareholders, to amend the charter to change the name of the corporation, to change the name or other designation of any class or series of stock and to change the par value of any class or series of stock, provided that the charter of the corporation does not prohibit such action by the board. Under the MGCL, generally a change in the name or other designation of a class or series of stock, however, may not change the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, or terms or conditions of redemption. The board of directors of a Maryland corporation may, however, if permitted by the charter, without a vote of the shareholders, classify or reclassify any unissued stock by setting or changing the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or terms or conditions of redemption. The MGCL permits the board of directors of an open-end investment company to supplement the charter without a vote of the shareholders to increase the aggregate number of authorized shares or the number of shares in any class or series, unless prohibited by the charter. Each Acquiring Corporation's charter does not prohibit the Board from doing so.

Issuance of Shares

If so provided by the charter, the MGCL provides that the board of directors of a Maryland corporation has the power to authorize the issuance of stock. Prior to issuance of shares of each class or series, the board of directors of a Maryland corporation may, in its sole discretion, set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series.

Shareholder, Director and Officer Liability

Under Maryland law, shareholders generally are not personally liable for debts or obligations of a corporation except that a shareholder may be liable to the extent that (i) the subscription price or other agreed upon consideration for stock subscribed for has not been paid, or (ii) liability is imposed under any other provision of the MGCL. Maryland law provides that a director who has met his or her statutory standard of conduct has no liability solely for reason of being or having been a director. The indemnification provisions and the limitation on liability are both subject to any limitations of the 1940 Act, which generally provides that no director or officer shall be protected from liability to the corporation or its shareholders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office. The provisions governing the advance of expenses are subject to applicable requirements of the 1940 Act or rules thereunder.

Derivative Actions

Under Maryland law, applicable case law at the time of a particular derivative action will establish any requirements or limitations with respect to shareholder derivative actions.

The foregoing is only a summary of certain rights of shareholders under the operative documents governing the Target Funds, the Target Trust, the Acquiring Funds and the Acquiring Corporations under applicable state law, and is not a complete description of provisions contained in those sources. Shareholders should refer to the provisions of those documents and state law directly for a more thorough description.

Shareholder Meetings

The Funds do not hold regular annual meetings of shareholders. Notwithstanding the Special Meeting to be held in connection with the proposed transaction, as a general matter, neither the Acquiring Funds nor the Target Funds intend to hold future regular annual or special meetings of their shareholders unless required by their respective organizational documents or the 1940 Act.

Since the Target Trust does not hold annual meetings of shareholders, the anticipated date of the next meeting cannot be provided, and no date can be given by which a proposal by a shareholder for consideration at such a meeting must be submitted. Any proposal submitted by a shareholder must be received by the Target Trust within a reasonable time prior to the next meeting of shareholders. If you want to submit a proposal for presentation at a meeting of shareholders, you should send the proposal to State Farm Investment Management Corp., Attn: Secretary, One State Farm Plaza, Bloomington, Illinois 61710-0001.

Solicitation of Voting Instructions

Solicitations of voting instructions are being made on behalf of the Target Funds and the Target Board primarily by the mailing of the Notice of Joint Special Meeting of Shareholders and this Combined Prospectus/ Proxy Statement with its enclosures on or about August 15, 2018.

Each Target Fund has retained Computershare Fund Services, located at 280 Oser Avenue, Hauppauge, New York 11788, a professional proxy solicitation firm, to assist with the distribution of proxy materials and the solicitation and tabulation of voting instructions at an aggregate cost of approximately $804,000 payable by SFIMC and/or its respective affiliates. Representatives of BAL and its affiliates and other representatives of the Target Funds may also solicit proxies.

Questions about the Proposals should be directed to Computershare Fund Services toll-free at (866) 209-6472.

VOTING INFORMATION AND REQUIREMENTS

General

This Combined Prospectus/Proxy Statement is furnished in connection with each Proposal and the solicitation of voting instructions by and on behalf of the Target Board for use at the Special Meeting. The Special Meeting will be held on Friday, September 14, 2018 at 8:00 a.m. (Central time) at the offices of State Farm Investment Management Corp. at One State Farm Plaza, Bloomington, Illinois 61710-0001, or at such later time as is made necessary by adjournment or postponement.

Only Contract Owners that indirectly own shares of a Target Fund on the Record Date will be entitled to notice of, and to provide voting instructions to the State Farm Insurance Companies with respect to voting shares of the Target Fund at, the Special Meeting. Each State Farm Insurance Company is entitled to one vote for each dollar of NAV standing in such State Farm Insurance Company's name on the books of each series in which it owns shares entitled to vote, with fractional shares voting proportionally. The table below sets forth the number of shares outstanding of each Target Fund and the number of votes to which each Target Fund is entitled as of the Record Date:

Target Fund	Shares Outstanding	Aggregate Net Asset Value ($)/Number of Votes
Bond Fund	15,494,756	153,243,141
International Equity Index Fund	23,108,656	323,059,016
Large Cap Equity Index Fund	31,001,906	703,123,228
Money Market Fund	27,847,363	27,847,363
Small Cap Equity Index Fund	22,923,317	354,394,489
Stock and Bond Balanced Fund	5,687,867	97,546,927

Shareholder Approval – Quorum and Required Votes

Approval of each Reorganization Agreement, each of which provides for the Reorganization of a Target Fund with the corresponding Acquiring Fund, and the elimination of the Investment Restriction of Stock and Bond Balanced Fund will require the affirmative vote of a majority of the outstanding voting shares of the applicable Target Fund entitled to vote thereon, as defined in the 1940 Act. The 1940 Act defines such vote as the lesser of (i) 67% or more of the total number of shares of all classes of a Target Fund present or represented by proxy at the Special Meeting, voting together as a single class, if holders of more than 50% of the outstanding shares of all classes, taken as a single class, are present or represented by proxy at the Special Meeting; or (ii) more than 50% of the total number of outstanding shares of all classes in a Target Fund, voting together as a single class. If a Reorganization does not occur as contemplated in this Combined Prospectus/Proxy Statement, SFIMC will promptly notify shareholders of the respective Target Fund as to the status of the transaction. In such circumstances, the Target Board will examine alternatives to the Reorganization in light of the best interests of shareholders.

The Target Board has fixed the close of business on May 25, 2018 as the Record Date for the determination of Contact Owners entitled to notice of, and to provide voting instructions to the State Farm Insurance Companies with respect to voting shares of the Target Fund at, the Special Meeting.

Those shares of the Target Trust that are held by the State Farm Insurance Companies are owned by the State Farm Insurance Companies. Pursuant to current interpretations of the 1940 Act, the State Farm Insurance Companies will solicit voting instructions from Contract Owners on the matters to be voted on at the Special Meeting. All shares of the Target Trust will be voted by the State Farm Insurance Companies in accordance with voting instructions received from such Contract Owners. The State Farm Insurance Companies will vote all such shares for, against, or abstaining in the same proportion as the voting instructions given by the Contract Owners on the issues presented. Each Contract Owner has the right to instruct its State Farm Insurance Company to cast one vote for each dollar that (s)he/it has indirectly invested in a Target Fund.

If a voting instruction card ("Proxy") is properly given in time for a vote at the Special Meeting (either by returning the Proxy or by telephone or over the Internet), the shares of each Target Fund represented thereby will be voted at the Special Meeting in accordance with the shareholder's instructions. The Proxy grants discretion to the persons named therein, as proxies, to take such further action as they may deem appropriate in connection with any other matter that may properly come before the Special Meeting, or any adjournment(s) or postponement(s) thereof.

With respect to each Target Fund, a quorum of shareholders is required to take action at the Special Meeting. At least 30 percent of the shares of each Target Fund entitled to vote at the Special Meeting, represented in person or by proxy, will constitute a quorum of shareholders at the Special Meeting for purposes of voting on the applicable Proposal(s); provided, however, that any lesser number shall be sufficient for matters upon which the shareholders vote at adjournment. The inspectors of election will determine whether or not a quorum is present at the Special Meeting. Adjourned meetings may be held within a reasonable time after the date set for the original meeting without the necessity of further notice. Except in the case of Contract Owners who in their voting instruction have abstained from voting, a State Farm Insurance Company will vote in favor of adjournment if it determines that such adjournment and additional solicitation are reasonable and in the interest of the applicable Target Fund's shareholders.

All properly executed Proxies received prior to the Special Meeting or any adjournment or postponement thereof will be voted in accordance with the instructions marked thereon or otherwise as provided therein. Unless instructions to the contrary are marked, properly executed Proxies will be voted "FOR" the approval of the applicable Proposal(s).

Manner of Voting

Target Fund shareholders may cast their vote or Contract Owners may provide voting instructions via touchtone telephone or the Internet using the instructions provided on the enclosed proxy card or voting instruction form(s), or by returning the enclosed proxy card or voting instruction form(s) or by appearing in person at the Special Meeting. Any shareholder or Contract Owner who has given a Proxy, whether in written form, by telephone or over the Internet, may revoke it at any time prior to its exercise by submitting a subsequent written, telephonic or electronic vote, by giving written notice of revocation to the Secretary of the Target Trust or by voting or providing voting instructions in person at the Special Meeting.

Echo Voting. Shares of the Target Funds are sold to the State Farm Accounts and are used as investment options under Variable Contracts. Contract Owners who select a Target Fund for investment through a Variable Contract have a beneficial interest in the Target Fund, but do not invest directly in or hold shares of the Target Funds. The State Farm Insurance Companies use each Target Fund as a funding vehicle, and are, in most cases, the legal shareholders of the Target Funds. As such, the State Farm Insurance Companies will have sole voting power with respect to the shares, but generally will pass through any voting rights to Contract Owners. Therefore, for a separate account that is registered with the SEC, an insurance company will request voting instructions from the Contract Owner and will vote shares or other interests in the separate account as directed by the Contract Owner. In the event that any Contract Owner fails to provide voting instructions with respect to the separate account, the separate account will vote the shares attributable to those Contract Owners for, against, or abstain, in the same proportion as the shares for which voting instructions were received from Contract Owners investing through the same separate account, even if only a small number of Contract Owners provide voting instructions. The effect of proportional voting is that if a large number of Contract Owners fail to give voting instructions, a small number of Contract Owners may determine the outcome of the vote.

Voting via the Internet. You may provide voting instructions or vote by proxy via the Internet by following the instructions on the enclosed voting instruction form(s) or proxy card. Prior to logging on, you should read this Combined Prospectus/Proxy Statement and have your voting instruction form(s) or proxy card at hand.

Voting by Telephone. You may provide voting instructions or vote by proxy by calling the toll-free number found on the enclosed voting instruction form(s) or proxy card and following the automated touchtone voting directions. Prior to calling, you should read this Combined Prospectus/Proxy Statement and have your voting instruction form(s) or proxy card at hand.

Voting by Mail. If you received printed copies of this Combined Prospectus/Proxy Statement by mail, you may provide voting instructions or vote by proxy by filling out the enclosed voting instruction form(s) or proxy card and returning it in the postage paid envelope provided. Please note that if you sign and date the voting instructions form, but do not indicate how the shares should be voted, the shares will be voted "For" the approval of the applicable Proposal(s).

Voting in Person. If you wish to provide voting instructions or vote in person at the Special Meeting, please complete each voting instruction form or proxy card you receive and bring it to the Special Meeting.

A person submitting votes by telephone or Internet is deemed to represent that he or she is authorized to vote on behalf of all owners of the account, including spouses or other joint owners. By using the telephone or the Internet to submit voting instructions, the shareholder is authorizing Computershare Fund Services, a tabulation agent, and its agents to execute a proxy to vote the shareholder's shares at the Special Meeting as the shareholder has indicated.

Additional Information. Shareholders voting by Internet or Telephone need not return their proxy card or voting instruction form(s) by mail.

Each Target Fund believes that the procedures for authorizing the execution of a Proxy by telephone or Internet set forth above are reasonably designed to ensure that the identity of the shareholder casting the vote is accurately determined and that the voting instructions of the shareholder are accurately recorded.

You are requested to fill in, sign and return the enclosed proxy card or voting instruction form(s) promptly. No postage is necessary if mailed in the United States.

If you plan to attend in person, in order to gain admission you must show valid photographic identification, such as your driver's license or passport. Even if you plan to attend the Special Meeting in person, please promptly follow the enclosed instructions to submit voting instructions by telephone or via the Internet. Alternatively, you may submit voting instructions by marking, signing and dating each voting instruction form(s) you receive, and if received by mail, returning it in the accompanying postage-paid return envelope.

For directions to the Special Meeting, please contact Computershare Fund Services, the firm assisting us in the solicitation of proxies, toll-free at (866) 209-6472.

August 14, 2018

APPENDIX I

FUNDAMENTAL AND NON-FUNDAMENTAL INVESTMENT RESTRICTIONS

BlackRock Government Money Market V.I. Fund (Acquiring Fund)

The Government Money Market V.I. Fund may not purchase any security other than money market and other securities described under "Investment Objectives and Policies" in the Government Money Market V.I. Fund's Prospectus. In addition, the Government Money Market V.I. Fund may not purchase securities of foreign issuers (including Eurodollar and Yankeedollar obligations). In addition, the Government Money Market V.I. Fund may not:

1. invest more than 10% of its total assets (taken at market value at the time of each investment) in the securities (other than U.S. Government or government agency securities) of any one issuer (including repurchase agreements with any one bank) except that up to 25% of the value of the Fund's total assets may be invested without regard to such 10% limitation.
2. alone, or together with any other Fund or Funds, make investments for the purpose of exercising control or management.
3. purchase securities of other investment companies, except in connection with a merger, consolidation, acquisition or reorganization.
4. purchase or sell interests in oil, gas or other mineral exploration or development programs, commodities, commodity contracts or real estate, except that the Fund may invest in securities secured by real estate or interests therein or securities issued by companies which invest in real estate or interest therein.
5. purchase any securities on margin except that the Company may obtain such short-term credit as may be necessary for the clearance of purchases and sales of portfolio securities.
6. make short sales of securities or maintain a short position or write, purchase or sell puts, calls, straddles, spreads or combination thereof.
7. make loans to other persons; provided that the Fund may purchase money market securities or enter into repurchase agreements; lend securities owned or held by it pursuant to (8) below; and provided further that for purposes of this restriction the acquisition of a portion of an issue of publicly distributed bonds, debentures or other corporate debt securities or of government obligations, short-term commercial paper, certificates of deposit and bankers' acceptances shall not be deemed the making of a loan.
8. lend its portfolio securities in excess of 33⅓% of its total assets, taken at market value at the time of the loan, provided that such loans are made according to the guidelines set forth below and the guidelines of the SEC and the Company's Board of Directors, including maintaining collateral from the borrower equal at all times to the current market value of the securities loaned.
9. borrow amounts in excess of 20% of its total assets, taken at market value, and then only from banks as a temporary measure for extraordinary or emergency purposes. The borrowing provisions shall not apply to reverse repurchase agreements. Usually only "leveraged" investment companies may borrow in excess of 5% of their assets; however, the Fund will not borrow to increase income but only to meet redemption requests which might otherwise require untimely dispositions of portfolio securities. The Fund will not purchase securities while borrowings are outstanding.
10. mortgage, pledge, hypothecate or in any manner transfer (except as provided in (8) above), as security for indebtedness, any securities owned or held by the Fund except as may be necessary in connection with borrowings mentioned in (9) above, and then such mortgaging, pledging or hypothecating may not exceed 25% of the Fund's total assets, taken at market value at the time thereof. Although the Fund has the authority to mortgage, pledge or hypothecate more than 10% of its total assets under this investment restriction (10), as a matter of operating policy, the Fund will not mortgage, pledge or hypothecate in excess of 10% of total net assets.

11. act as an underwriter of securities, except insofar as the Fund may be deemed an underwriter under the Securities Act of 1933 (the "Securities Act"), in selling portfolio securities.
12. purchase, either alone or together with any other Fund or Funds, more than 10% of the outstanding securities of an issuer except that such restriction does not apply to U.S. Government or government agency securities, bank money instruments or repurchase agreements.
13. invest in securities (except for repurchase agreements or variable amount master notes) with legal or contractual restrictions on resale or for which no readily available market exists or in securities of issuers (other than issuers of government agency securities) having a record, together with predecessors, of less than three years of continuous operation if, regarding all such securities, more than 10% of its total assets (taken at market value) would be invested in such securities.
14. enter into repurchase agreements if, as a result thereof, more than 10% of the Fund's total assets (taken at market value at the time of each investment) would be subject to repurchase agreements maturing in more than seven days.
15. enter into reverse repurchase agreements if, as a result thereof, the Fund's obligations with respect to reverse repurchase agreements would exceed one-third of the Fund's net assets (defined to be total assets, taken at market value, less liabilities other than reverse repurchase agreements).
16. invest more than 25% of its total assets (taken at market value at the time of each investment) in the securities of issuers in any particular industry (other than U.S. Government securities, government agency securities or bank money instruments).

BlackRock International Index V.I. Fund, BlackRock iShares® Dynamic Allocation V.I. Fund and BlackRock Small Cap Index V.I. Fund (Acquiring Funds)

Under the Funds' fundamental investment restrictions, none of the Funds may:

1. Concentrate its investments in a particular industry, as that term is used in the 1940 Act. Except that BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund will concentrate to approximately the same extent that its Underlying Index concentrates in the securities of a particular industry or group of industries.
2. Borrow money, except as permitted under the 1940 Act.
3. Issue senior securities to the extent such issuance would violate the 1940 Act.
4. Purchase or hold real estate, except the Fund may purchase and hold securities or other instruments that are secured by, or linked to, real estate or interests therein, securities of real estate investment trusts, mortgage-related securities and securities of issuers engaged in the real estate business, and the Fund may purchase and hold real estate as a result of the ownership of securities or other instruments.
5. Underwrite securities issued by others, except to the extent that the sale of portfolio securities by the Fund may be deemed to be an underwriting or as otherwise permitted by applicable law.
6. Purchase or sell commodities or commodity contracts, except as permitted by the 1940 Act.
7. Make loans to the extent prohibited by the 1940 Act.
8. Make any investment inconsistent with the Fund's classification as a diversified company under the 1940 Act.

Under its non-fundamental investment restrictions, which may be changed by the Board without shareholder approval, a Fund may not:

a. Purchase securities of other investment companies, except to the extent permitted by the 1940 Act. As a matter of policy, however, the Fund will not purchase shares of any registered open-end investment company or registered unit investment trust, in reliance on Section 12(d)(1)(F) or (G) (the "fund of funds" provisions) of the 1940 Act, at any time the Fund has knowledge that its shares are purchased by another investment company investor in reliance on the provisions of subparagraph (G) of Section 12(d)(1).

b. Make short sales of securities or maintain a short position, except to the extent permitted by the Fund's Prospectus and Statement of Additional Information, as amended from time to time, and applicable law.

BlackRock Total Return V.I. Fund and BlackRock S&P 500 Index V.I. Fund (Acquiring Funds)

Under the Funds' fundamental investment restrictions, none of the Funds (unless noted otherwise below) may:

1. Make any investment inconsistent with the Fund's classification as a diversified company under the 1940 Act.[1]
2. Invest more than 25% of its assets, taken at market value, in the securities of issuers in any particular industry (excluding the U.S. Government and its agencies and instrumentalities).[2]
3. Make investments for the purpose of exercising control or management.
4. Purchase or sell real estate, except that the Fund may invest in securities directly or indirectly secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
5. Make loans to other persons, except that the acquisition of bonds, debentures or other corporate debt securities and investment in government obligations, commercial paper, pass-through instruments, certificates of deposit, bankers acceptances, repurchase agreements or any similar instruments shall not be deemed to be the making of a loan, and except further that the Fund may lend its portfolio securities, provided that the lending of portfolio securities may be made only in accordance with applicable law and the guidelines set forth in the Prospectus and Statement of Additional Information, as they may be amended from time to time.
6. Issue senior securities to the extent such issuance would violate applicable law.
7. Borrow money, except that (i) the Fund may borrow from banks (as defined in the 1940 Act) in amounts up to 33⅓% of its total assets (including the amount borrowed), (ii) the Fund may borrow up to an additional 5% of its total assets for temporary purposes, (iii) the Fund may obtain such short-term credit as may be necessary for the clearance of purchases and sales of portfolio securities and (iv) the Fund may purchase securities on margin to the extent permitted by applicable law. The Fund may not pledge its assets other than to secure such borrowings or, to the extent permitted by the Fund's investment policies as set forth in the Prospectus and Statement of Additional Information, as they may be amended from time to time, in connection with hedging transactions, short sales, when-issued and forward commitment transactions and similar investment strategies.
8. Underwrite securities of other issuers except insofar as the Fund technically may be deemed an underwriter under the Securities Act in selling portfolio securities.
9. Purchase or sell commodities or contracts on commodities, except to the extent the Fund may do so in accordance with applicable law and the Prospectus and Statement of Additional Information, as they may be amended from time to time, and without registering as a commodity pool operator under the Commodity Exchange Act.

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1. Though the S&P 500 Index V.I. Fund is classified as a diversified investment company under the 1940 Act, this restriction is not applicable to that Fund because it was formerly classified as a non-diversified investment company under the 1940 Act.

2. For purposes of this restriction, states, municipalities and their political subdivisions are not considered to be part of any industry. For purposes of this restriction, BlackRock S&P 500 Index V.I. Fund uses the classifications and sub-classifications of Morgan Stanley Capital International as a guide to identify industries.

Under the Funds' non-fundamental investment restrictions, which may be changed by the Board of Directors without shareholder approval, none of the Funds (unless noted otherwise below) may:

a. Purchase securities of other investment companies, except to the extent permitted by the 1940 Act. As a matter of policy, however, the Fund will not purchase shares of any registered open-end investment company or registered unit investment trust, in reliance on Section 12(d)(1)(F) or (G) (the "fund of funds" provisions) of the 1940 Act, at any time the Fund has knowledge that its shares are purchased by another investment company investor in reliance on the provisions of subparagraph (G) of Section 12(d)(1).

b. Make short sales of securities or maintain a short position, except to the extent permitted by the Fund's Prospectus and Statement of Additional Information, as amended from time to time, and applicable law.

The Target Funds

The Funds are subject to certain fundamental restrictions on their investments. These restrictions may not be changed without the approval of the holders of a majority of the outstanding voting shares of the Funds affected by the change.

1. DIVERSIFICATION. No Fund will make any investment inconsistent with the Fund's classification as a diversified company under the Act. This restriction does not apply to any Fund classified as a non-diversified company under the Act.

2a. INDUSTRY CONCENTRATION—BOND FUND. The Bond Fund will not invest more than 25% of its total assets (taken at market value at the time of each investment) in the securities of issuers primarily engaged in the same industry (excluding the U.S. Government or any of its agencies or instrumentalities).

2b. INDUSTRY CONCENTRATION—MONEY MARKET FUND. The Money Market Fund will not invest more than 25% of its assets (taken at market value at the time of each investment) other than U.S. Government securities, obligations (other than commercial paper) issued or guaranteed by U.S. banks and U.S. branches of foreign banks, and repurchase agreements and securities loans collateralized by U.S. Government securities or such bank obligations, in the securities of issuers primarily engaged in the same industry.

2c. INDUSTRY CONCENTRATION—EQUITY INDEX FUNDS. The Large Cap, Small Cap, and International Equity Index Funds will concentrate their investments in an industry or industries if, and to the extent that, their benchmark indices concentrate in such industry or industries, except where the concentration of the relevant index is the result of a single stock.

3. INTERESTS IN REAL ESTATE. No Fund will purchase real estate or any interest therein, except through the purchase of corporate or certain government securities (including securities secured by a mortgage or a leasehold interest or other interest in real estate). A security issued by a real estate or mortgage investment trust is not treated as an interest in real estate.

4. UNDERWRITING. No Fund will underwrite securities of other issuers except insofar as the Trust may be deemed an underwriter under the Securities Act in selling portfolio securities.

5. BORROWING. No Fund will borrow money, except that: (a) a Fund may borrow from banks (as defined in the 1940 Act) or through reverse repurchase agreements in amounts up to 33 1/3% of its total assets (including the amount borrowed), taken at market value at the time of the borrowing; (b) a Fund may, to the extent permitted by applicable law, borrow up to an additional 5% of its total assets (including the amount borrowed), taken at market value at the time of the borrowing, for temporary purposes; and (c) a Fund may obtain such short-term credits as may be necessary for clearance of purchases and sales of portfolio securities.

6. LENDING. No Fund will lend any security or make any other loan, except through: (a) the purchase of debt obligations in accordance with the Fund's investment objective or objectives and policies; (b) repurchase agreements with banks, brokers, dealers, and other financial institutions; and (c) loans of securities as permitted by applicable law.

7. COMMODITIES. No Fund will purchase or sell commodities or commodity contracts, except that a Fund may invest in currency and financial instruments and contracts that are commodities or commodities contracts.

8. SENIOR SECURITIES. No Fund will issue senior securities to the extent such issuance would violate applicable law.

9. INVESTMENTS—STOCK AND BOND BALANCED FUND. The Stock and Bond Balanced Fund will not invest in securities other than securities of other registered investment companies or registered unit investment trusts that are part of the State Farm group of investment companies (as defined in the 1940 Act), U.S. Government securities, or short-term paper.[1]

The Target Trust has also adopted the following additional investment restrictions applicable (except as noted) to all Target Funds. These are not fundamental and may be changed by the Board of Trustees without shareholder approval.

1. FINANCIAL FUTURES CONTRACTS. No Fund may enter into a financial futures contract (by exercise of any option or otherwise) or acquire any options thereon, if, immediately thereafter, the total of the initial margin deposits required with respect to all open futures positions, at the time such positions were established, plus the sum of the premiums paid for all unexpired options on futures contracts would exceed 5% of the value of its total assets.

2. MARGIN PURCHASES. No Fund may purchase any securities on margin except in connection with investments of certain Funds in futures contracts or options on futures contracts.

3. PLEDGING ASSETS. No Fund may mortgage, pledge, hypothecate or in any manner transfer, as security for indebtedness, any securities owned or held by such Fund except: (a) as may be necessary in connection with borrowings mentioned in fundamental restriction number 5 above, and then such mortgaging, pledging or hypothecating may not exceed 10% of the Fund's total assets, taken at market value at the time thereof, or (b) in connection with investments of certain Funds in futures contracts or options on futures contracts.

4a. ILLIQUID SECURITIES AND REPURCHASE AGREEMENTS. No Fund may purchase securities or enter into a repurchase agreement if, as a result, more than 15% of its net assets would be invested in any combination of:

(i) repurchase agreements not entitling the holder to payment of principal and interest within seven days, and

(ii) securities that are illiquid by virtue of legal or contractual restrictions on resale or the absence of a readily available market.

4b. ILLIQUID SECURITIES—MONEY MARKET FUND. In addition to the non-fundamental restrictions in 4a above, the Money Market Fund will not invest in illiquid securities, if immediately after the acquisition the Money Market Fund would have invested more than 5% of its total assets in illiquid securities.

5. INVESTMENTS IN OTHER INVESTMENT COMPANIES. Each Fund may invest in other investment companies in accordance with the restrictions imposed by the 1940 Act and the rules thereunder.

6. INVESTMENT COMPANY NAMES. Each of the Large Cap Equity Index Fund, International Equity Index Fund, Small Cap Equity Index Fund, Bond Fund and Money Market Fund will invest, under normal

[1] If the shareholders of the Stock and Bond Balanced Fund approve Proposal 2, this fundamental investment restriction will be eliminated.

circumstances, at least 80% of the value of its net assets, plus the amount of borrowings for investment purposes, in the particular type of investment that is suggested by the Fund's name, and each will notify its shareholders at least 60 days prior to any change in such policy.

State insurance laws and regulations may impose additional limitations on borrowing, lending, and the use of futures contracts, options on futures contracts and other derivative instruments. In addition, such laws and regulations may require a Fund's investments in foreign securities to meet additional diversification and other requirements.

7. Any Fund of the Trust whose shares are acquired by another Fund of the Trust in accordance with Section 12(d)(1)(G) of the 1940 Act shall not purchase securities of a registered open-end investment company or a registered unit investment trust in reliance on either Section 12(d)(1)(F) or Section 12(d)(1)(G) of the 1940 Act.

With respect to non-fundamental restriction #5 above, the 1940 Act and the rules thereunder provide that one investment company (the "acquiring fund") may invest in shares of another investment company (the "acquired fund") to the extent that:

- The acquiring fund does not acquire more than 3% of the acquired fund's outstanding voting securities,
- The acquiring fund does not acquire securities issued by the acquired fund having an aggregate value greater than 5% of the value of the total assets of the acquiring fund, and
- The acquiring fund cannot acquire securities issued by the acquired fund if that acquisition would result in the acquiring fund owning securities of the acquired fund and all other investment companies having an aggregate value greater than 10% of the value of the total assets of the acquiring fund.

The normally applicable 3%, 5% and 10% limitations do not apply to a fund, such as the Stock and Bond Balanced Fund, which is structured as a fund-of-funds. A fund-of-funds invests exclusively in U.S. Government securities, short-term paper and securities issued by other investment companies that are part of the same group of investment companies. Furthermore, Rule 12d1-1 under the 1940 Act allows an investment company in certain circumstances to invest in another investment company that is a money market fund without regard to the normally applicable 3%, 5% and 10% limitations. To rely on Rule 12d1-1, the acquiring fund may pay no sales charge or service fee in connection with the purchase, sale or redemption of securities issued by the money market fund, unless the acquiring fund's investment adviser waives an equivalent amount of its fees.

APPENDIX II

FORM OF AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION (the "Agreement") is made as of this [ ] day of [ ], 201[ ], by and between [BlackRock Variable Series Funds, Inc./BlackRock Variable Series Funds II, Inc.], a registered investment company and a Maryland corporation (the "Acquiring Corporation"), individually and with respect to [ ], a separate series of the Acquiring Corporation (the "Acquiring Fund"), State Farm Variable Product Trust, a registered investment company and a Delaware statutory trust (the "Selling Trust"), individually and with respect to [ ], a separate series of the Selling Trust (the "Target Fund"), and, solely for purposes of ARTICLE IX and XIII of this Agreement, BlackRock Advisors, LLC ("BlackRock") and solely for purposes of ARTICLES V, IX and XIII of this Agreement, State Farm Investment Management Corp. ("State Farm").

This Agreement is intended to be, and is adopted as, a plan of reorganization within the meaning of Section 368(a) of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder. The reorganization will consist of: (i) the transfer and delivery of all of the assets of the Target Fund (referred to herein as the "assets of the Target Fund") to the Acquiring Fund, in exchange for the assumption by the Acquiring Fund of all of the Target Fund's Stated Liabilities" (as defined in paragraph 1.3) and newly-issued shares of the Acquiring Fund ("Acquiring Fund Shares"); (ii) the distribution, on or as soon as practicable after the Closing Date (as defined in paragraph 3.1), of the Acquiring Fund Shares to the shareholders of the Target Fund; and (iii) the termination, dissolution and complete liquidation of the Target Fund, all upon the terms and conditions set forth in this Agreement (the "Reorganization").

[WHEREAS, the Acquiring Fund is a separate series of the Acquiring Corporation[, but has had no assets and has carried on no investment activities prior to the date first shown above] [1]; the Target Fund is a separate series of the Selling Trust; the Acquiring Corporation and the Selling Trust are open-end, registered management investment companies within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act"); and the Target Fund owns securities that generally are assets of the character in which the Acquiring Fund [is permitted to invest][2] [has historically invested][3];][4]

[WHEREAS, the Acquiring Fund is a separate series of the Acquiring Corporation and is the successor to a corresponding series of BlackRock Variable Series Funds, Inc. (the "Predecessor Fund") pursuant to a reorganization under which the Acquiring Fund acquired all of the assets, subject to the liabilities of the Predecessor Fund; as a result of such reorganization, the Acquiring Fund has adopted the performance and financial history of the Predecessor Fund; the Target Fund is a separate series of the Selling Trust; the Acquiring Corporation and the Selling Trust are open-end, registered management investment companies within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act"); and the Target Fund owns securities that generally are assets of the character in which the Acquiring Fund has historically invested;][5]

WHEREAS, each of the Acquiring Fund and the Target Fund is properly treated as a "regulated investment company" under Subchapter M of the Code (a "RIC");

WHEREAS, the Acquiring Fund is authorized to issue the Acquiring Fund Shares;

WHEREAS, the Board of Directors of the Acquiring Corporation (the "BlackRock Board," with the members of the BlackRock Board referred to individually as the "BlackRock Directors"), including a majority of the BlackRock Directors who are not "interested persons," as defined by the 1940 Act, of the Acquiring

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1 Applicable to BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund

2 Applicable to BlackRock International Index V.I. Fund, BlackRock Small Cap Index V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund

3 Applicable to BlackRock S&P 500 Index V.I. Fund and BlackRock Government Money Market V.I. Fund

4 Not applicable to Bond Fund or BlackRock Total Return V.I. Fund

5 Applicable to Bond Fund and BlackRock Total Return V.I. Fund

Corporation, on behalf of the Acquiring Fund, has determined that the Reorganization is in the best interests of the Acquiring Fund and that the interests of the existing shareholders of the Acquiring Fund will not be diluted as a result of the Reorganization; and

WHEREAS, the Board of Trustees of the Selling Trust (the "State Farm Board," with the members of the State Farm Board referred to individually as the "State Farm Trustees"), including a majority of the State Farm Trustees who are not "interested persons," as defined by the 1940 Act, of the Selling Trust, on behalf of the Target Fund, has determined that the Reorganization is in the best interests of the Target Fund and that the interests of the existing shareholders of the Target Fund will not be diluted as a result of the Reorganization.

NOW, THEREFORE, in consideration of the above recitals and premises and of the covenants and agreements hereinafter set forth and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

ARTICLE I

TRANSFER OF SUBSTANTIALLY ALL OF THE ASSETS OF THE TARGET FUND IN EXCHANGE FOR ACQUIRING FUND SHARES AND THE ASSUMPTION OF TARGET FUND STATED LIABILITIES; AND LIQUIDATION OF THE TARGET FUND

1.1. THE EXCHANGE. Subject to the requisite approval of the Target Fund Shareholders (as defined in paragraph 1.5) and the other terms and conditions contained herein and on the basis of the representations and warranties contained herein, the Target Fund agrees to transfer all of the assets of the Target Fund described in paragraph 1.2 to the Acquiring Fund free and clear of all liens, encumbrances and claims whatsoever except those liens, encumbrances and claims as to which the Acquiring Fund has received notice and which have been taken into account in the net asset valuation of the Target Fund. In exchange, the Acquiring Fund agrees: (a) to deliver to the Target Fund the number of full and fractional Class I shares of the Acquiring Fund, determined by multiplying the outstanding shares of the corresponding Target Fund shares by the ratio computed by dividing: (i) the net asset value of one Target Fund Share, computed in the manner and as of the time and date set forth in paragraph 2.1, by (ii) the net asset value of one Acquiring Fund Share of Class I computed in the manner and as of the time and date set forth in paragraph 2.2; and (b) to assume the Stated Liabilities of the Target Fund described in paragraph 1.3. Such transactions shall take place at the closing (the "Closing") provided for in paragraph 3.1.

1.2. ASSETS TO BE ACQUIRED. The assets of the Target Fund to be acquired by the Acquiring Fund shall consist of all assets owned by the Selling Trust associated with the Target Fund, including, without limitation, all rights, cash, securities, commodities, interests in futures, forwards, swaps and other financial instruments, claims (whether absolute or contingent, known or unknown), receivables (including dividends, interest, principal, subscriptions and other receivables), goodwill and other intangible property, contractual rights and choses in action, all books and records belonging to the Selling Trust associated with the Target Fund, any deferred or prepaid expenses shown as an asset on the books of the Target Fund on the Closing Date, and all interests, rights, privileges and powers, other than cash in an amount necessary to pay dividends and distributions as provided in paragraph 7.8 (the "Assets").

The Target Fund shall, ten (10) days prior to the Closing Date (or such other date as may be agreed to by the parties), furnish the Acquiring Fund with: (a) a list of the Target Fund's portfolio securities and other investments; and (b) a list of the Target Fund's "historic business assets," which are defined for this purpose: as (i) those assets that were acquired by the Target Fund prior to the date of the approval of the Reorganization by the State Farm Board on behalf of the Target Fund; and (ii) those assets that were acquired subsequent to such board approval but in accordance with the Target Fund's investment objectives and not with a view to, or in anticipation or as part of, the Reorganization. The Acquiring Fund shall, no later than three (3) days prior to the Closing Date, furnish the Target Fund with a list of the securities and other instruments, if any, on the Target Fund's list referred to in subclauses (a) and (b) of this paragraph 1.2 that the Acquiring Fund would not be permitted to hold (i) under its investment objectives, policies and restrictions; (ii) under applicable law; or (iii) because the transfer of such investments would result in material operational or administrative difficulties (including relating to valuation matters) to the Acquiring Fund in connection with facilitating the orderly transition of the Target Fund's Assets to the Acquiring Fund. If reasonably requested by the Acquiring Fund, the Target Fund shall dispose of securities and other instruments on such list of the Acquiring Fund's before the Closing Date.

In addition, if it is determined that the portfolios of the Target Fund and the Acquiring Fund, when aggregated, would contain investments exceeding certain percentage limitations imposed upon the Acquiring Fund with respect to such investments, the Target Fund, if requested by the Acquiring Fund, shall dispose of a sufficient amount of such investments as may be necessary to avoid violating such limitations as of the Closing Date. After the Target Fund furnishes the Acquiring Fund with the lists described in subclauses (a) and (b) of this paragraph 1.2, the Target Fund shall not, without the prior approval of the Acquiring Fund, acquire any additional securities other than securities that the Acquiring Fund is permitted to purchase, pursuant to its investment objective and policies or otherwise (taking into consideration its own portfolio composition as of such date). Notwithstanding the foregoing, nothing herein shall require the Target Fund to dispose of or purchase any portfolio, securities or other investments, if, in the reasonable judgment of the State Farm Board, on behalf of the Target Fund, or its investment adviser, such acquisition or disposition would adversely affect the tax-free nature of the Reorganization for federal income tax purposes or would otherwise not be in the best interests of the Target Fund; and (B) nothing herein shall permit the Target Fund to dispose of or purchase any portfolio securities or other investments if, such acquisition or disposition would adversely affect the tax-free nature of the Reorganization for federal income tax purposes or would otherwise not be in the best interests of the Target Fund.

1.3. LIABILITIES TO BE ASSUMED. The Target Fund shall endeavor to identify and discharge, to the extent practicable, all of its liabilities and obligations, including all liabilities relating to operations, before the Closing Date. The Acquiring Fund shall assume only those accrued and unpaid liabilities of the Target Fund set forth in the Target Fund's statement of assets and liabilities as of the Closing Date delivered by the Target Fund to the Acquiring Fund pursuant to paragraph 5.2, except for the Target Fund's Excluded Liabilities (as defined below), if any, pursuant to this Agreement (the "Stated Liabilities"). If prior to the Closing Date, the Acquiring Corporation identifies a Stated Liability that the Acquiring Corporation and the Selling Trust, on behalf of the Target Fund, mutually agree should not be assumed by the Acquiring Corporation, such Stated Liability shall be excluded from the definition of Stated Liabilities hereunder and shall be listed on a Schedule of Excluded Liabilities to be signed by the Acquiring Corporation and the Selling Trust at the Closing (the "Excluded Liabilities").

1.4. STATE FILINGS. Prior to the Closing Date, the Selling Trust shall make any filings with the State of Delaware that are required under the laws of the State of Delaware to be made by the Selling Trust or the Target Fund prior to the Closing Date.

1.5. LIQUIDATION AND DISTRIBUTION. On or as soon as practicable after the Closing Date, the Target Fund will distribute in complete liquidation of the Target Fund, pro rata to its shareholders of record, determined as of the close of business on the Valuation Date (as defined below) (the "Target Fund Shareholders"), all of the Acquiring Fund Shares received by the Target Fund in connection with the Reorganization. Upon completion of the distribution of all of the Acquiring Fund Shares in accordance with the prior sentence, the Target Fund shall thereupon proceed to dissolve and terminate as set forth in paragraph 1.9 below. Such distribution will be accomplished by the transfer on the books of the Acquiring Fund of Acquiring Fund Shares credited to the account of the Target Fund to open accounts on the share records of the Acquiring Fund in the names of the Target Fund Shareholders, and representing the respective pro rata number of each class of Acquiring Fund Shares due Target Fund Shareholders holding the corresponding class of Target Fund shares. All issued and outstanding shares of the Target Fund shall, simultaneously with the liquidation, be cancelled on the books of the Target Fund and shall be null and void. The Acquiring Fund shall not issue certificates representing Acquiring Fund Shares in connection with such transfer.

1.6. OWNERSHIP OF SHARES. Ownership of Acquiring Fund Shares shall be shown on the books of the Acquiring Fund's transfer agent.

1.7. TRANSFER TAXES. Any transfer taxes payable upon the issuance of the Acquiring Fund Shares in a name other than the registered holder of the Target Fund shares on the books and records of the Target Fund as of that time shall, as a condition of such issuance and transfer, be paid by the person to whom such Acquiring Fund Shares are to be issued and transferred.

1.8. REPORTING RESPONSIBILITY. Any reporting responsibility of the Selling Trust, on behalf of the Target Fund, including, without limitation, the responsibility for filing of regulatory reports, tax returns (for tax periods ending on or prior to the Closing Date) or other documents with the Securities and Exchange Commission (the "SEC"), any state securities commission, and any federal, state or local tax authorities or any other relevant regulatory authority, is and shall remain the responsibility of the Target Fund, or the Selling Trust on behalf of the Target Fund. The Target Fund shall file such regulatory reports, tax returns or other documents on a timely basis (including any extension) up to and including the Closing Date and such later date on which the Target Fund's existence is terminated.

1.9. TERMINATION AND DISSOLUTION. The Target Fund shall be terminated and dissolved promptly following all distributions made pursuant to paragraph 1.5 in accordance with the Selling Trust's governing documents, the laws of the State of Delaware and the federal securities laws.

1.10. BOOKS AND RECORDS. Immediately after the Closing Date, the share transfer books relating to the Target Fund shall be closed and no transfer of shares shall thereafter be made on such books. All books and records of the Target Fund, including all books and records required to be maintained under the 1940 Act and the rules and regulations thereunder transferred to the Acquiring Fund, shall be made available to the Acquiring Fund from and after the Closing Date at the Acquiring Fund's cost of producing such books and records until at least the date through which such books and records must be maintained under applicable law.

1.11. ACTION BY TRUSTS. The Selling Trust shall take all actions expressed herein as being the obligations of the Target Fund on behalf of the Target Fund, and the Acquiring Corporation shall take all actions expressed herein as being the obligations of the Acquiring Fund on behalf of the Acquiring Fund.

ARTICLE II

VALUATION

2.1. VALUATION OF TARGET FUND SHARES. The net asset value per share of each class of the Target Fund shares shall be the net asset value per share for the class computed as of the close of regular trading on the New York Stock Exchange ("NYSE") on the business day prior to the Closing Date (the "Valuation Date"), after the declaration and payment of the dividends and/or other distributions pursuant to paragraph 7.8, [using the "amortized cost method of valuation" as defined in Rule 2a-7(a)(2) under the 1940 Act][6] in accordance with the Acquiring Fund's valuation procedures.

2.2. VALUATION OF ACQUIRING FUND SHARES. The net asset value per share of each class of the Acquiring Fund Shares shall be the net asset value per share for that class computed on the Valuation Date, in accordance with the Acquiring Fund's valuation procedures.

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6 Applicable to Money Market Fund

2.3. SHARES TO BE ISSUED. The number of shares of each class of Acquiring Fund Shares to be issued (including fractional shares, if any) in exchange for the Target Fund's assets to be acquired by the Acquiring Fund pursuant to this Agreement shall be determined in accordance with paragraph 1.1. All Acquiring Fund shares delivered to the Target Fund shall be delivered at net asset value without the imposition of a sales load, commission, transaction fee or other similar fee.

2.4. DIFFERENCES IN VALUATION PROCEDURES. The Selling Trust and the Acquiring Corporation agree to use all commercially reasonable efforts to resolve prior to the Valuation Date any material pricing differences between the prices of portfolio securities determined in accordance with the Target Fund's valuation procedures and those determined in accordance with the Acquiring Fund's valuation procedures.

ARTICLE III

CLOSING AND CLOSING DATE

3.1. CLOSING DATE. Subject to the terms and conditions set forth herein, the Closing shall occur in the fourth quarter of 2018 or such other date as the parties may agree to in writing (the "Closing Date"). Unless otherwise provided, all acts taking place at the Closing shall be deemed to take place as of 8:00 a.m. on the Closing Date. The Closing shall be held at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, or at such other time and/or place as the parties may agree.

3.2. CUSTODIAN'S CERTIFICATE. The Target Fund shall instruct its custodian, [ ] (the "Custodian"), to deliver to the Acquiring Corporation, on behalf of the Acquiring Fund, at the Closing a certificate of an authorized officer stating that: (a) the Assets have been delivered in proper form to the Acquiring Fund on the Closing Date; and (b) all necessary taxes including all applicable federal and state stock transfer stamps, if any, have been paid, or provision for payment shall have been made, in conjunction with the delivery of portfolio securities by the Target Fund. The Target Fund's portfolio securities represented by a certificate or other written instrument shall be presented by the Custodian to the custodian for the Acquiring Fund, [ ], for examination no later than five (5) business days preceding the Closing Date and shall be transferred and delivered by the Target Fund as of the Closing Date to the custodian for the Acquiring Fund for the account of the Acquiring Fund, duly endorsed in proper form for transfer in such condition as to constitute good delivery thereof free and clear of all liens, encumbrances and claims whatsoever, in accordance with the custom of brokers. The Target Fund's securities and instruments deposited with a securities depository (as defined in Rule 17f-4 under the 1940 Act) or other permitted counterparties or a futures commission merchant (as defined in Rule 17f-6 under the 1940 Act) shall be delivered as of the Closing Date by book entry in accordance with the customary practices of such depositories and futures commission merchants and the Custodian. The cash to be transferred by the Target Fund shall be transferred and delivered by the Target Fund as of the Closing Date for the account of the Acquiring Fund.

3.3. EFFECT OF SUSPENSION IN TRADING. In the event that, as of the Valuation Date, either: (a) the NYSE or another primary exchange on which the portfolio securities of the Acquiring Fund or the Target Fund are purchased or sold shall be closed to trading or trading on such exchange shall be restricted; or (b) trading or the reporting of trading on the NYSE or elsewhere shall be disrupted so that, in the reasonable judgment of either an appropriate officer of the Acquiring Corporation or an appropriate officer of the Selling Trust, accurate appraisal of the value of the net assets of the Acquiring Fund or of the Target Fund is impracticable, the Valuation Date and the Closing shall be postponed until the first business day after the day when trading is fully resumed and reporting is restored or such other date as may be mutually agreed in writing by an authorized officer of each party.

3.4. TRANSFER AGENT'S CERTIFICATE. The Target Fund shall instruct its transfer agent, [ ] (the "Transfer Agent"), to deliver to the Acquiring Corporation, on behalf of the Acquiring Fund, at the Closing a certificate of an authorized officer stating that its records contain the names, addresses, dividend reinvestment elections and tax withholding status of the Target Fund Shareholders as of the Valuation Date, and the class, number and percentage ownership (to four decimal places) of outstanding shares owned by each Target Fund Shareholder immediately prior to the Closing. The Acquiring Fund shall issue and deliver, or instruct its transfer agent to issue and deliver, a confirmation evidencing Acquiring Fund Shares to be credited on the Closing Date to the Target Fund, or provide evidence reasonably satisfactory to the Target Fund that such Acquiring Fund Shares have been credited to the Target Fund Shareholders' accounts on the books of the Acquiring Fund.

3.5. DELIVERY OF ADDITIONAL ITEMS. At the Closing, each party shall deliver to the other such bills of sale, checks, assignments, assumptions of liabilities, receipts and other documents, if any, as such other party or its counsel may reasonably request.

3.6. FAILURE TO DELIVER ASSETS. If the Target Fund is unable to make delivery pursuant to paragraph 3.2 hereof to the custodian for the Acquiring Fund of any of the Assets of the Target Fund for the reason that any of such Assets have not yet been delivered to it by the Target Fund's broker, dealer or other counterparty, then, in lieu of such delivery, the Target Fund shall deliver, with respect to said Assets, executed copies of an agreement of assignment and due bills executed on behalf of said broker, dealer or other counterparty, together with such other documents as may be required by the Acquiring Fund or its custodian, including brokers' confirmation slips.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

4.1. REPRESENTATIONS OF THE SELLING TRUST ON ITS BEHALF AND ON BEHALF OF THE TARGET FUND.

The Selling Trust, individually and on behalf of the Target Fund, represents and warrants to the Acquiring Corporation, on behalf of the Acquiring Fund, as follows:

(a) The Selling Trust is a statutory trust that is duly organized, validly existing and in good standing under the laws of the State of Delaware. The Target Fund is a legally designated, separate series of the Selling Trust. The Selling Trust is duly authorized to transact business in the State of Delaware and is qualified to do business in all jurisdictions in which it is required to be so qualified, except jurisdictions in which the failure to so qualify would not have a material adverse effect on the Target Fund. The Selling Trust, on behalf of the Target Fund, has all material federal, state and local authorizations necessary to own all of its properties and the Assets and to carry on its business as now being conducted, except authorizations which the failure to so obtain would not have a material adverse effect on the Target Fund.

(b) The Selling Trust is registered as an open-end management investment company under the 1940 Act, and its registration with the SEC as an investment company under the 1940 Act, and the registration of each class of Target Fund shares under the Securities Act of 1933, as amended (the "1933 Act"), are in full force and effect, and no action or proceeding to revoke or suspend such registrations is pending, or, to the knowledge of the Selling Trust, threatened. The Selling Trust is in compliance in all material respects with the 1940 Act and the rules and regulations thereunder with respect to the Target Fund.

(c) As of the date of this Agreement, the Selling Trust has provided the Acquiring Corporation with such information relating to the Selling Trust and the Target Fund as is reasonably necessary for the Acquiring Corporation to prepare a Registration Statement on Form N-14, including a Combined Prospectus/Proxy Statement to be contained therein as so amended or supplemented (the "Registration Statement") in compliance, in all material respects, with the requirements of the federal and state securities laws and the rules and regulations thereunder, and as of the effective date of the Registration Statement and at all times subsequent thereto up to and including the Closing Date, such information does not and shall not include, any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representations and warranties in this paragraph 4.1(c) apply to statements or omissions made in reliance upon and in conformity with written information concerning the Acquiring Corporation and the Acquiring Fund furnished to the Selling Trust by the Acquiring Corporation or the Acquiring Fund. Any written information regarding the Selling Trust and the Target Fund included in the Registration Statement or any other materials provided in connection with the Reorganization, as of the effective date of the Registration Statement and at all times subsequent thereto up to and including the Closing Date, does not and shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make the statements, in light of the circumstances under which such statements were made, not misleading.

(d) The Target Fund's prospectus, statement of additional information and shareholder reports, in each case relating to the Target Fund, each to the extent included or incorporated by reference in the Registration Statement, are accurate and complete in all material respects and comply in all material respects with federal securities and other laws and regulations, and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make the statements, in light of the circumstances in which such statements were made, not misleading.

(e) Neither the Selling Trust nor the Target Fund is in violation of, and the execution, delivery and performance of this Agreement in accordance with its terms by the Selling Trust individually and on behalf of the Target Fund shall not result in the violation of, Delaware law or any provision of the Selling Trust's charter documents, or of any material agreement, indenture, note, mortgage, instrument, contract, lease or other undertaking to which the Selling Trust (with respect to the Target Fund) or the Target Fund is a party or by which it is bound, nor shall the execution, delivery and performance of this Agreement by the Selling Trust on behalf of the Target Fund, result in the acceleration of any obligation, or the imposition of any penalty, under any material agreement, indenture, instrument, contract, lease or other undertaking to which the Selling Trust or the Target Fund is a party or by which it is bound.

(f) There are no material contracts outstanding to which the Target Fund is a party, other than as disclosed in the currently effective registration statement for the Target Fund or in the Registration Statement. Neither the Selling Trust nor the Target Fund has any material contracts, agreements or other commitments that will not be terminated without liability to it before the Closing Date, other than liabilities, if any, to be discharged on or prior to the Closing Date or reflected as Stated Liabilities in the statement of assets and liabilities as provided in paragraph 5.2 hereof.

(g) No litigation, claims, actions, suits, proceedings or investigation of or before any court or governmental body is pending or to the Selling Trust's knowledge threatened against the Target Fund or any of its properties or its assets which, if adversely determined, would materially and adversely affect the Selling Trust or the Target Fund's financial condition, the conduct of its business or which would prevent or hinder the ability of the Target Fund to carry out the transactions contemplated by this Agreement. Neither the Selling Trust nor the Target Fund knows of any facts that might form the basis for the institution of such proceedings and neither is a party to nor subject to the provisions of any order, decree or judgment of any court, governmental body or regulatory agency that materially and adversely affects its business or its ability to consummate the transactions contemplated herein.

(h) The audited financial statements of the Target Fund for the fiscal years ended December 31, 2016 and December 31, 2017, have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") consistently applied and have been audited by [ ], and such statements (true and complete copies of which have been furnished to the Acquiring Fund) fairly, in all material respects, reflect the financial condition and the results of operations of the Target Fund as of such date and the results of operations and changes in net assets for the periods indicated, and there are no liabilities of the Target Fund whether actual or contingent and whether or not determined or determinable as of such date that are required to be disclosed but are not disclosed in such statements. No significant deficiency, material weakness, fraud, significant change or other factor that could significantly affect the internal controls of the Target Fund has been disclosed or is required to be disclosed in the Target Fund's reports on Form N-CSR and, to the knowledge of the Selling Trust, no such disclosure will be required as of the Closing Date.

(i) There have been no changes in the financial position of the Target Fund as reflected in the audited financial statements of the Target Fund as of [ ], other than those occurring in the ordinary course of business consistent with past practice in connection with the purchase and sale of portfolio assets, the issuance and redemption of Target Fund shares and the payment of normal operating expenses, dividends and capital gains distributions. Since the date of the financial statements referred to in paragraph 4.1(h) above, there has been no material adverse change in the Target Fund's financial condition, assets, liabilities or business, results of operations or the manner of conducting business of the Target Fund (other than changes occurring in the ordinary course of business). For the purposes of this paragraph 4.1(i), a decline in the net asset value of the Target Fund due to declines in the value of the Target Fund's Assets, the discharge of the Target Fund's liabilities or the redemption of Target Fund shares by Target Fund Shareholders shall not constitute a material adverse change.

(j) Since [ ] there has not been (i) any pending or to the knowledge of the Selling Trust threatened litigation, which has had or may have a material adverse effect on the business, results of operations, assets or financial condition of the Target Fund; (ii) any option to purchase or other right to acquire shares of the Target Fund issued or granted by or on behalf of the Target Fund to any person other than subscriptions to purchase shares at net asset value in accordance with the terms in the current prospectus for the Target Fund; (iii) any contract or agreement or amendment or termination of any contract or agreement entered into by or on behalf of the Target Fund, except as otherwise contemplated by this Agreement; (iv) any indebtedness incurred, other than in the ordinary course of business, by or on behalf of the Target Fund for borrowed money or any commitment to borrow money by or on behalf of the Target Fund; (v) any amendment of the Selling Trust's organizational documents in a manner materially affecting the Target Fund; (vi) any grant or imposition of any lien, claim, charge or encumbrance (other than encumbrances arising in the ordinary course of business with respect to covered options) upon any asset of the Target Fund other than a lien for taxes not yet due and payable; and (vii) any agreement or commitment to do any of the foregoing.

(k) As of the date hereof and at the Closing Date, all federal and other tax returns and reports of the Target Fund required by law to be filed have or shall have been timely and duly filed by such applicable due dates (including any extensions) and are or shall be correct in all material respects, and all federal and other taxes required to be paid pursuant to such returns and reports have been paid. To the best of the Target Fund's knowledge after reasonable investigation, no such return is currently under audit or examination, and no assessment or deficiency has been asserted with respect to any such returns. The Target Fund has not been informed in writing by any jurisdiction that the jurisdiction believes that the Target Fund was required to file any tax return that was not filed, and the Target Fund does not know of any basis upon which a jurisdiction could assert such a position. The Target Fund has not waived or extended any applicable statute of limitations relating to the assessment or collection of taxes.

(l) The Selling Trust has an unlimited number of authorized shares of beneficial interest, of which, as of [ ], 201[ ], there were outstanding [ ] shares of the Target Fund, and no shares of the Target Fund were held in the treasury of the Selling Trust. All issued and outstanding shares of beneficial interest of the Target Fund have been offered and sold in compliance in all material respects with applicable registration requirements of the 1933 Act and applicable state securities laws and are, and on the Closing Date shall be, duly authorized and validly issued and outstanding, fully paid and nonassessable, and are not subject to preemptive or dissenter's rights. All of the issued and outstanding shares of the Target Fund shall, at the Valuation Date, be held by the persons and in the amounts set forth in the records of the Transfer Agent as provided in paragraph 3.4. The Target Fund has no outstanding options, warrants or other rights to subscribe for or purchase any of the Target Fund shares and has no outstanding securities convertible into any of the Target Fund shares.

(m) Except as otherwise disclosed to the Acquiring Fund, at the Closing Date, the Selling Trust, on behalf of the Target Fund, shall have good and marketable title to the Assets to be transferred to the Acquiring Fund pursuant to paragraph 1.2, and full right, power and authority to sell, assign, transfer and deliver such Assets hereunder, free of any lien, encumbrance or other claim whatsoever, except those liens, encumbrances or claims as to which the Acquiring Fund has received notice and which have been taken into account in the net asset value of the Target Fund; and upon delivery of the Assets and the filing of any documents that may be required under Delaware state law the Acquiring Corporation, on behalf of the Acquiring Fund, shall acquire good and marketable title to the Assets, subject to no restrictions on their full transfer, other than such restrictions as might arise under the 1933 Act, and other than as disclosed to and accepted in writing by the Acquiring Fund.

(n) Subject to the requisite approval of this Agreement by the Target Fund shareholders as of the shareholder meeting record date, the Selling Trust, individually and on behalf of the Target Fund, has the power to enter into this Agreement and to consummate the transactions contemplated herein. The execution, delivery and performance of this Agreement and consummation of the transactions contemplated herein have been duly authorized by all necessary action on the part of the State Farm Trustees, on behalf of the Target Fund. This Agreement constitutes a valid and binding obligation of the Selling Trust, enforceable in accordance with its terms and no other trust action or proceedings by the Target Fund are necessary to authorize this Agreement and the transactions contemplated herein, subject as to enforcement to bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights and to general equity principles.

(o) The information to be furnished by the Selling Trust and the Target Fund for use in no-action letters, applications for orders, registration statements, proxy materials and other documents filed or to be filed with any federal, state or local regulatory or self-regulatory authority that may be necessary in connection with the transactions contemplated herein is and shall be accurate and complete in all material respects and shall comply in all material respects with federal securities and other laws and regulations.

(p) The Target Fund has elected to qualify and has qualified as a RIC as of and since its first taxable year; has been a RIC under the Code at all times since the end of its first taxable year when it so qualified; qualifies and shall continue to qualify as a RIC under the Code for its taxable year through the Closing Date; has satisfied the diversification requirements of 817(h) of the Code and Treasury Regulations thereunder for each quarter since its first taxable year; and has satisfied the distribution requirements imposed by the Code for qualification as a RIC for each of its taxable years. The Target Fund has not taken any action, caused any action to be taken, failed to take any action, or caused any failure to take any action which action or failure could cause the Target Fund to fail to qualify as a RIC under the Code. The Target Fund does not and will not have any tax liability under the Code for any period ending on or before the Closing Date. The Target Fund has no earnings or profits accumulated with respect to any taxable year in which the provisions of Subchapter M of the Code did not apply to the Target Fund. All dividends paid by the Target Fund at any time prior to the Closing Date have qualified or will qualify for the deduction for dividends paid as defined in Section 561 of the Code. As of the Closing Date, each Target Fund Shareholder shall be a "segregated asset account" and interests in such Target Fund have been offered exclusively through the purchase of or transfer into a "variable contract," within the meaning of such terms under Section 817 of the Code and the regulations thereunder, other than shares held by the general account of a life insurance company (or a corporation related in a manner specified under Section 267(b) of the Code to a life insurance company) if the return of each such interest held is computed in the same manner as the return on an interest held by a segregated asset account and if a segregated asset of such life insurance company holds an interest in the Target Fund, or held by the manager of the Target Fund (or a corporation related to the manager in a manner specified under Section 267 of the Code) if the holding of such interest is in connection with the creation or management of the Target Fund and the return on such interest is computed in the same manner as the return on an interest held by a segregated asset account is computed and that there is no intent to sell such interest to the public, or held by other acceptable category of investor consistent with Treasury Regulations Section 1.817-5(f)(3).

(q) Except for the Registration Statement and the requisite approval of this Agreement by the Target Fund Shareholders, no consent, approval, authorization or order under any federal or state law or of any court or governmental authority is required for the consummation by the Selling Trust, on behalf of the Target Fund, of the transactions contemplated herein. No consent of or notice to any third party or entity other than the Target Fund Shareholders as described in paragraph (r) or consents or notices required by the terms of any portfolio securities of a Target Fund that are being transferred is required for the consummation by the Selling Trust, on behalf of the Target Fund, of the transactions contemplated by this Agreement.

(r) The Trustees of the Selling Trust, on behalf of the Target Fund, will call a special meeting of Target Fund Shareholders to consider and act upon this Agreement (or transactions contemplated hereby) and to take all other appropriate action necessary to seek to obtain approval of the transactions contemplated herein. Such meeting shall comply with all applicable laws and regulations.

(s) Except where the shareholder of record is a dealer in securities required to register under the laws of the United States, the Target Fund, or its agents, (1) holds a valid Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Withholding and Reporting (Individuals), a valid Form W-8BEN-E, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) (or other appropriate series of Form W-8, as the case may be), or Form W-9, Request for Taxpayer Identification Number and Certification, for each Target Fund shareholder of record, which Form W-8 or Form W-9 can be associated with reportable payments made by the Target Fund to such shareholder, and/or (2) has otherwise timely instituted the appropriate nonresident alien or foreign corporation or backup withholding procedures with respect to such shareholder as provided by Sections 1441, 1442, 1471 and 3406 of the Code.

(t) Prior to the valuation of the Assets as of the Valuation Date, the Target Fund shall have declared a dividend, dividends or other distribution or distributions, with a record and ex-dividend date prior to the Valuation Date, which, together with all previous dividends and distributions, shall have the effect of distributing to the Target Fund Shareholders (i) all of the Target Fund's investment company taxable income for all its taxable years ended prior to the Closing Date [and substantially all of such investment company taxable income for the final taxable year ending with its complete liquidation][7] (in each case determined without regard to any deductions for dividends paid); (ii) all of the Target Fund's net capital gain recognized in all its taxable years ended prior to the Closing Date [and substantially all of any such net capital gain recognized in such final taxable year][8] (in each case after reduction for any capital loss carryover); and (iii) at least 90 percent of the excess, if any, of a Target Fund's interest income excludable from gross income under Section 103(a) of the Code over its deductions disallowed under Sections 265 and 171(a)(2) of the Code for all its taxable years prior to the Closing Date [and at least 90 percent of such net tax-exempt income for such final taxable year][9].

[(u) (i) The Target Fund has not filed a report with the SEC pursuant to Part D of Form N-CR as a result of a deviation that persists at the Closing Date; and (ii) the per share net asset value, determined based on the "amortized cost method of valuation" (as defined in Rule 2a-7(a)(7) under the 1940 Act) of the Target Fund as of the Valuation Date shall equal not less than $1.0000 per share.][10]

[(v) At the Valuation Date and Closing Date, redemptions have not been temporarily suspended in the Target Fund pursuant to Rule 2a-7 nor has a discretionary liquidity fee been applied to redemptions pursuant to Rule 2a-7.][11]

(w) There have been no miscalculations of the net asset value of the Target Fund or the net asset value per share of any class of shares of the Target Fund during the twelve-month period preceding the date hereof

7 Applicable to Bond Fund, Large Cap Equity Index Fund, Money Market Fund, Stock and Bond Balanced Fund
8 Applicable to Bond Fund, Large Cap Equity Index Fund, Money Market Fund, Stock and Bond Balanced Fund
9 Applicable to Bond Fund, Large Cap Equity Index Fund, Money Market Fund, Stock and Bond Balanced Fund
10 Applicable to Money Market Fund
11 Applicable to Money Market Fund

that have not been remedied in accordance with industry practice that, individually or in the aggregate, would have a material adverse effect on the Target Fund or its Assets, and all such calculations have been made in accordance with the applicable provisions of the 1940 Act.

(x) The Selling Trust has maintained, or caused to be maintained on its behalf, in all material respects, all books and records required of a registered investment company in compliance with the requirements of Section 31 of the 1940 Act and rules thereunder, and such books and records are true and correct in all material respects, and copies (electronic or otherwise) will be provided to the Acquiring Fund on or about the Closing Date.

(y) The Selling Trust has adopted and implemented written policies and procedures in accordance with Rule 38a-1 under the 1940 Act relating to the Target Fund.

(z) The Selling Trust and the Target Fund have adopted and implemented written policies and procedures related to insider trading and a code of ethics that complies with all applicable provisions of Section 17(j) of the 1940 Act and Rule 17j-1 thereunder.

(aa) The Target Fund does not have any unamortized or unpaid organizational fees or expenses for which it does not expect to be reimbursed by its investment adviser or its affiliates;

(bb) The Selling Trust represents that the Acquiring Fund Shares to be issued hereunder are not being acquired for the purpose of making any distribution thereof, other than as contemplated by this Agreement.

4.2. REPRESENTATIONS OF THE ACQUIRING CORPORATION ON ITS BEHALF AND ON BEHALF OF THE ACQUIRING FUND. The Acquiring Corporation, on behalf of the Acquiring Fund, represents and warrants to the Selling Trust, on behalf of the Target Fund, as follows:

(a) The Acquiring Corporation is a corporation that is duly organized, validly existing and in good standing under the laws of the State of Maryland. The Acquiring Fund is a legally designated, separate series of the Acquiring Corporation. The Acquiring Corporation is duly authorized to transact business in the State of Maryland and is qualified to do business in all jurisdictions in which it is required to be so qualified, except jurisdictions in which the failure to so qualify would not have a material adverse effect on the Acquiring Corporation. The Acquiring Corporation, on behalf of the Acquiring Fund, has all material federal, state and local authorizations necessary to own all of its properties and the Assets and to carry on its business as now being conducted, except authorizations which the failure to so obtain would not have a material adverse effect on the Acquiring Corporation.

(b) The Acquiring Corporation is registered as an open-end management investment company under the 1940 Act, and its registration with the SEC as an investment company under the 1940 Act, and the registration of each class of Acquiring Fund Shares under the 1933 Act, are in full force and effect and will be in full force and effect as of the Closing Date, and no action or proceeding to revoke or suspend such registrations is pending, or, to the knowledge of the Acquiring Corporation, threatened. The Acquiring Corporation is in compliance in all material respects with the 1940 Act and the rules and regulations thereunder with respect to the Acquiring Fund.

(c) The Registration Statement, as of its effective date and at all times subsequent thereto up to and including the Closing Date, conforms and shall conform, as it relates to the Acquiring Corporation and the Acquiring Fund, in all material respects to the requirements of the federal and state securities laws and the rules and regulations thereunder and does not and shall not include, as it relates to the Acquiring Corporation and the Acquiring Fund, any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representations and warranties in this paragraph 4.2(c) apply to statements or omissions made in reliance upon and in conformity with written information concerning the Selling Trust and the Target Fund furnished to the Acquiring Corporation by the Selling Trust or the Target Fund. Any written information furnished by the Acquiring Corporation with respect to the Acquiring Corporation and the Acquiring Fund for use in the Registration Statement or any other materials provided in connection with the Reorganization, as of the effective date of the Registration Statement and at all times subsequent thereto up to and including the Closing Date, does not and shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make the statements, in light of the circumstances under which such statements were made, not misleading.

(d) The Acquiring Fund's prospectus, statement of additional information and shareholder reports, each to the extent included or incorporated by reference in the Registration Statement, are accurate and complete in all material respects and comply in all material respects with federal securities and other laws and regulations, and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make the statements, in light of the circumstances in which such statements were made, not misleading.

(e) Neither the Acquiring Corporation nor the Acquiring Fund is in violation of, and the execution, delivery and performance of this Agreement in accordance with its terms by the Acquiring Corporation, individually and on behalf of the Acquiring Fund, shall not result in the violation of Maryland law or any provision of the Acquiring Corporation's charter documents or of any material agreement, indenture, note, mortgage, instrument, contract, lease or other undertaking to which the Acquiring Corporation (with respect to the Acquiring Fund) or the Acquiring Fund is a party or by which it is bound, nor shall the execution, delivery and performance of this Agreement by the Acquiring Corporation on behalf of the Acquiring Fund, result in the acceleration of any obligation, or the imposition of any penalty, under any material agreement, indenture, instrument, contract, lease or other undertaking to which the Acquiring Corporation or the Acquiring Fund is a party or by which it is bound.

(f) No litigation, claims, actions, suits, proceedings or investigations of or before any court or governmental body is pending or to the Acquiring Corporation's knowledge threatened against the Acquiring Fund or any of its properties or its assets which, if adversely determined, would materially and adversely affect the Acquiring Corporation's or the Acquiring Fund's financial condition, the conduct of its business or which would prevent or hinder the ability of the Acquiring Fund to carry out the transactions contemplated by this Agreement. Neither the Acquiring Corporation nor the Acquiring Fund know of any facts that might form the basis for the institution of such proceedings and neither is a party to nor subject to the provisions of any order, decree or judgment of any court, governmental body or regulatory agency that materially and adversely affects its business or its ability to consummate the transactions contemplated herein.

[(g) The audited financial statements of the Acquiring Fund for the fiscal year ended [ ], 201[ ], have been prepared in accordance with GAAP consistently applied and have been audited by [ ], and such statements (true and complete copies of which have been furnished to the Target Fund) fairly, in all material respects, reflect the financial condition and the results of operations of the Acquiring Fund as of such date and the results of operations and changes in net assets for the periods indicated, and there are no liabilities of the Acquiring Fund whether actual or contingent and whether or not determined or determinable as of such date that are required to be disclosed but are not disclosed in such statements. No significant deficiency, material weakness, fraud, significant change or other factor that could significantly affect the internal controls of the Acquiring Fund has been disclosed or is required to be disclosed in the Acquiring Fund's reports on Form N-CSR and, to the knowledge of the Acquiring Corporation, no such disclosure will be required as of the Closing Date.][12]

[(h) There have been no changes in the financial position of the Acquiring Fund as reflected in the audited financial statements of the Acquiring Fund as of [ ], other than those occurring in the ordinary course of business consistent with past practice in connection with the purchase and sale of portfolio assets,

12 Applicable to BlackRock Total Return V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund

the issuance and redemption of Acquiring Fund shares and the payment of normal operating expenses, dividends and capital gains distributions. Since the date of the financial statements referred to in paragraph 4.2(g) above, there has been no material adverse change in the Acquiring Fund's financial condition, assets, liabilities or business, results of operations or the manner of conducting business of the Acquiring Fund (other than changes occurring in the ordinary course of business). For the purposes of this paragraph 4.2(h), a decline in the net asset value of the Acquiring Fund due to declines in the value of Acquiring Fund's assets, the discharge of Acquiring Fund's liabilities or the redemption of Acquiring Fund shares by Acquiring Fund shareholders shall not constitute a material adverse change.][13]

(i) Since [ ], there has not been (i) any pending or to the knowledge of the Acquiring Corporation threatened litigation, which has had or may have a material adverse effect on the business, results of operations, assets or financial condition of the Acquiring Fund; (ii) any option to purchase or other right to acquire shares of the Acquiring Fund issued or granted by or on behalf of the Acquiring Fund to any person other than subscriptions to purchase shares at net asset value in accordance with the terms in the current prospectus for the Acquiring Fund; (iii) any contract or agreement or amendment or termination of any contract or agreement entered into by or on behalf of the Acquiring Fund, except as otherwise contemplated by this Agreement; (iv) any indebtedness incurred, other than in the ordinary course of business, by or on behalf of the Acquiring Fund for borrowed money or any commitment to borrow money by or on behalf of the Acquiring Fund; (v) any amendment of the Acquiring Fund's organizational documents in a manner materially affecting the Acquiring Fund; (vi) any grant or imposition of any lien, claim, charge or encumbrance (other than encumbrances arising in the ordinary course of business with respect to covered options) upon any asset of the Acquiring Fund other than a lien for taxes not yet due and payable; and (vii) any agreement or commitment to do any of the foregoing.

[(j) As of the date hereof and at the Closing Date, all federal and other tax returns and reports of the Acquiring Fund required by law to be filed have or shall have been timely and duly filed by such dates (including any extensions) and are or shall be correct in all material respects, and all federal and other taxes required to be paid pursuant to such returns and reports have been paid. To the best of the Acquiring Fund's knowledge after reasonable investigation, no such return is currently under audit or examination, and no assessment or deficiency has been asserted with respect to any such returns. The Acquiring Fund has not been informed in writing by any jurisdiction that the jurisdiction believes that the Acquiring Fund was required to file any tax return that was not filed, and the Acquiring Fund does not know of any basis upon which a jurisdiction could assert such a position. The Acquiring Fund has not waived or extended any applicable statute of limitations relating to the assessment or collection of taxes.][14]

(k) The Acquiring Corporation has shares of common stock, of which, as of [ ], 201[ ], there were outstanding [ ] shares of the Acquiring Fund, and no shares of the Acquiring Fund were held in the treasury of the Acquiring Corporation. All issued and outstanding shares of common stock of the Acquiring Fund have been offered and sold in compliance in all material respects with applicable registration requirements of the 1933 Act and applicable state securities laws and are, and on the Closing Date shall be, duly authorized and validly issued and outstanding, fully paid and nonassessable, and are not subject to preemptive or dissenter's rights. The Acquiring Fund has no outstanding options, warrants or other rights to subscribe for or purchase any of the Acquiring Fund shares and has no outstanding securities convertible into any of the Acquiring Fund shares. The Acquiring Fund's Shares will be, upon consummation of the Reorganization, duly and validly issued and outstanding, fully paid and non-assessable by the Acquiring Corporation and will have been offered and sold in every state, territory and the District of Columbia in compliance in all material respects with applicable registration requirements of the 1933 Act and applicable state securities laws.

[13] Applicable to BlackRock Total Return V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund

[14] Applicable to BlackRock Total Return V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund

(l) At the Closing Date, the Acquiring Corporation, on behalf of the Acquiring Fund, shall have good and marketable title to [its assets, if any][15] /[all of its assets][16] and full right, power and authority to sell, assign, transfer and deliver such assets hereunder, free of any lien, encumbrance or other claim whatsoever, except those liens, encumbrances or claims as to which the Target Fund has received notice at or prior to the Closing Date and which have been taken into account in the net asset value of the Acquiring Fund.

(m) The Acquiring Corporation, individually and on behalf of the Acquiring Fund, has the power to enter into this Agreement and to consummate the transactions contemplated herein. The execution, delivery and performance of this Agreement and consummation of the transactions contemplated herein have been duly authorized by all necessary action on the part of the BlackRock Board, on behalf of the Acquiring Fund. This Agreement constitutes a valid and binding obligation of the Acquiring Fund, enforceable in accordance with its terms and no other trust action or proceedings by the Acquiring Fund are necessary to authorize this Agreement and the transactions contemplated herein, subject as to enforcement to bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights and to general equity principles.

(n) The Acquiring Fund Shares to be issued and delivered to the Target Fund for the account of the Target Fund Shareholders pursuant to the terms of this Agreement will, at the Closing Date, have been duly authorized. When so issued and delivered, the Acquiring Fund Shares will be duly and validly issued and will be fully paid and nonassessable.

[(o) The information to be furnished by the Acquiring Corporation for use in no-action letters, applications for orders, registration statements, proxy materials and other documents filed or to be filed with any federal, state or local regulatory or self-regulatory authority that may be necessary in connection with the transactions contemplated herein is and shall be accurate and complete in all material respects and shall comply in all material respects with federal securities and other laws and regulations.][17]

(p) [The Acquiring Fund has elected to qualify and has qualified as a RIC as of and since its first taxable year; has been a RIC under the Code at all times since the end of its first taxable year when it so qualified; qualifies and will continue to qualify as a RIC under the Code through the Closing Date and thereafter; and has satisfied the distribution requirements imposed by the Code for qualification as a RIC for each of its taxable years and expects to continue to satisfy them. The Acquiring Fund has no earnings and profits accumulated in any taxable year to which the provisions of Subchapter M of the Code (or the corresponding provisions of prior law) did not apply.][18]/[The Acquiring Fund will qualify as a RIC under the Code for the taxable year that includes the Closing Date, and expects to satisfy the distribution requirements imposed by the Code for each of its taxable years and expects to satisfy them for the taxable year that includes the Closing Date. The Acquiring Fund has not yet commenced operations. The Acquiring Fund has not yet filed its first federal income tax return and, thus, has not yet elected to be treated as a regulated investment company for federal income tax purposes. However, upon filing its first federal income tax return at the completion of its first taxable year, the Acquiring Fund will elect to be a regulated investment company and until such time will take all steps necessary to ensure that it qualifies for taxation as a regulated investment company under Sections 851 and 852 of the Code.][19]

(q) Except for the Registration Statement effectiveness, no consent, approval, authorization or order under any federal or state law or of any court or governmental authority is required for the consummation by the Acquiring Corporation, on behalf of the Acquiring Fund, of the transactions contemplated herein. No

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15 Applicable to BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund

16 Applicable to BlackRock Total Return V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund

17 Applicable to BlackRock Total Return V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund

18 Applicable to BlackRock Total Return V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Government Money Market V.I. Fund and BlackRock iShares® Dynamic Allocation V.I. Fund

19 Applicable to BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund

consent of or notice to any third party or entity other than the shareholders of the Target Fund is required for the consummation by the Acquiring Corporation, on behalf of the Acquiring Fund, of the transactions contemplated by this Agreement.

[(r) (i) The Acquiring Fund has not filed a report with the SEC pursuant to Part D of Form N-CR as a result of a deviation that persists at the Closing Date; and (ii) the per share net asset value, determined based on the "amortized cost method of valuation" (as defined in Rule 2a-7(a)(2) under the 1940 Act) of the Acquiring Fund as of the Valuation Date shall equal not less than $1.0000 per share.][20]

[(s) At the Valuation Date and Closing Date, redemptions have not been temporarily suspended in the Acquiring Fund pursuant to Rule 2a-7 nor has a discretionary liquidity fee been applied to redemptions pursuant to Rule 2a-7.][21]

[(t) The Acquiring Fund was formed for the purpose of effecting the transactions contemplated by this Agreement, and has not commenced investment operations and will not do so until after the Closing Date, and has no assets or liabilities (other than its rights and obligations under this Agreement). Accordingly, the Acquiring Fund does not have any tax attributes immediately before the transaction other than tax attributes, if any, related to a de minimis amount of assets held, if any, to facilitate the organization of the Acquiring Fund. The Acquiring Fund does not have any shareholders, and immediately following the Closing Date, the former shareholders of the Target Fund will own all of the Acquiring Fund's outstanding shares, *provided* that the Acquiring Fund may issue nominal Acquiring Fund Shares to BlackRock (or an affiliate thereof) for purposes of certain organizational matters only.][22]

(u) The Acquiring Corporation has adopted and implemented written policies and procedures in accordance with Rule 38a-1 under the 1940 Act relating to the Acquiring Fund.

(v) The Acquiring Corporation and the Acquiring Fund have adopted and implemented written policies and procedures related to insider trading and a code of ethics that complies with all applicable provisions of Section 17(j) of the 1940 Act and Rule 17j-1 thereunder.

(z) The Acquiring Fund does not have any unamortized or unpaid organizational fees or expenses for which it does not expect to be reimbursed by its investment adviser or its affiliates.

ARTICLE V

COVENANTS OF THE ACQUIRING CORPORATION, ACQUIRING FUND, SELLING TRUST AND THE TARGET FUND

5.1. OPERATION IN ORDINARY COURSE. Subject to paragraph 7.8, each of the Acquiring Fund and the Target Fund shall operate its business in the ordinary course of business between the date of this Agreement and the Closing Date, it being understood that such ordinary course of business will include customary dividends, shareholder purchases and redemptions and any other distributions that may be advisable. No party shall take any action that would, or would reasonably be expected to, result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect. [The Acquiring Fund shall take such actions as are customary to the organization of a new series prior to its commencement of operations.][23] In order to facilitate the transfer of Assets at the Closing Date, BlackRock may request in writing that State Farm use commercially reasonable efforts, subject to State Farm's fiduciary duty, to limit or cease portfolio trading on behalf of the Target Fund for a period of up to three business days prior to the Valuation Date. State Farm agrees that it will accommodate such requests to the extent such trading restrictions are consistent with the investment

[20] Applicable to BlackRock Government Money Market V.I. Fund
[21] Applicable to BlackRock Government Money Market V.I. Fund
[22] Applicable to BlackRock International Index V.I. Fund and BlackRock Small Cap Index V.I. Fund
[23] Applicable to BlackRock International Index V.I. Fund, BlackRock Small Cap Index V.I. Fund and BlackRock Total Return V.I. Fund

objectives, policies and strategies of the Target Fund and consistent with fulfilling its fiduciary obligations as an investment adviser. No party shall take any action that would, or would reasonably be expected to, result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect.

5.2. STATEMENT OF ASSETS AND STATED LIABILITIES. The Target Fund shall prepare and deliver to the Acquiring Fund five (5) business days prior to the Closing Date a statement of the assets and Stated Liabilities of the Selling Trust associated with the Target Fund as of such date for review and agreement by the parties to determine that the assets and Stated Liabilities of the Selling Trust associated with the Target Fund are being correctly determined in accordance with the terms of this Agreement. The Target Fund shall deliver at the Closing (1) an updated statement of Assets and Stated Liabilities of the Selling Trust associated with the Target Fund and (2) a list of the Target Fund’s portfolio showing the tax costs of each of its assets by lot and the holding periods of such assets, each of (1) and (2) as of the Closing Date, and certified by the Treasurer of the Selling Trust.

5.3. ACCESS TO BOOKS AND RECORDS. Upon reasonable notice, the Target Fund shall make available to the Acquiring Fund’s officers and agents all books and records related to the assets and stated liabilities of the Target Fund to be acquired by the Acquiring Fund.

5.4. ADDITIONAL INFORMATION. The Selling Trust and the Target Fund shall assist the Acquiring Fund in obtaining such information as the Acquiring Fund reasonably requests concerning the beneficial ownership of the Target Fund’s shares.

5.5. CONTRACT TERMINATION. The Selling Trust, on behalf of the Target Fund, shall terminate all agreements to which it is a party (other than this Agreement), effective as of the Closing Date without any liability not paid prior to the Closing Date other than as accrued as part of the Stated Liabilities, and the Acquiring Corporation shall have received written assurances from the Selling Trust that no claims for damages (liquidated or otherwise) will arise as a result of such termination.

5.6. FURTHER ACTION. Subject to the provisions of this Agreement, the Acquiring Fund and the Target Fund shall take or cause to be taken all action and do or cause to be done all things reasonably necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement, including any actions required to be taken after the Closing Date. In particular, each of the Selling Trust and the Target Fund covenants that it shall, as and when reasonably requested by the Acquiring Fund, execute and deliver or cause to be executed and delivered all such assignments and other instruments and shall take or cause to be taken such further action as the Acquiring Fund may reasonably deem necessary or desirable in order to vest in and confirm the Acquiring Fund’s title to and possession of all the Assets and otherwise to carry out the intent and purpose of this Agreement.

5.7. STATEMENT OF EARNINGS AND PROFITS. As promptly as practicable, but in any case within sixty (60) days after the Closing Date, the Target Fund shall furnish to the Acquiring Fund, in such form as is reasonably satisfactory to the Acquiring Fund, a statement of the earnings and profits of the Target Fund for federal income tax purposes, as well as any capital loss carryovers and items that the Acquiring Fund will succeed to and take into account as a result of Section 381 of the Code, and which shall be certified by the Treasurer of the Selling Trust.

5.8. UNAUDITED FINANCIAL STATEMENTS. The Target Fund shall furnish to the Acquiring Fund within five (5) business days after the Closing Date, an unaudited statement of its assets and liabilities, portfolio of investments and the related statements of operations and changes in net assets as of and for the interim period ending on the Closing Date; such financial statements shall represent fairly the financial position of the Target Fund as of the date thereof and the portfolio of investments, the results of operations and changes in net assets indicated in conformity with GAAP applied on a consistent basis and such financial statements shall be certified by the Treasurer of the Selling Trust as complying with the requirements hereof.

5.9. PREPARATION OF REGISTRATION STATEMENT. The Acquiring Corporation, on behalf of the Acquiring Fund, shall prepare and file with the SEC the Registration Statement relating to the Acquiring Fund Shares to be issued to shareholders of the Target Fund. At the time the Registration Statement becomes effective, at the time of the Target Fund Shareholder meeting and at the Closing Date, the Registration Statement shall be in compliance in all material respects with the 1933 Act, the Securities Exchange Act of 1934 and the 1940 Act, as applicable. Each party shall provide the materials and information necessary to prepare the Registration Statement, for inclusion therein, in connection with the meeting of the Target Fund Shareholders to consider the approval of this Agreement and the transactions contemplated herein, including in the case of the Target Fund any special interim financial information necessary for inclusion therein. If at any time prior to the Closing Date a party becomes aware of any untrue statement of material fact or omission to state a material fact required to be stated therein or necessary to make the statements made not misleading in light of the circumstances under which they were made, the party discovering the item shall notify the other parties and the parties shall cooperate in promptly preparing, filing and clearing the SEC and, if appropriate, distributing to shareholders appropriate disclosure with respect to the item.

5.10. TAX STATUS OF REORGANIZATION. The intention of the parties is that the transaction contemplated by this Agreement will qualify as a reorganization within the meaning of Section 368(a) of the Code. Neither the Acquiring Corporation, the Acquiring Fund, the Selling Trust nor the Target Fund shall take any action or cause any action to be taken (including, without limitation, the filing of any tax return) that is inconsistent with such treatment or results in the failure of the transaction to qualify as a reorganization within the meaning of Section 368(a) of the Code. At or prior to the Closing Date, the Acquiring Fund, the Selling Trust and Target Fund shall take such action, or cause such action to be taken, as is reasonably necessary to enable Dechert LLP, special United States federal income tax counsel to the Acquiring Fund, to render the tax opinion required herein (including, without limitation, each party's execution of representations reasonably requested by and addressed to Dechert LLP).

5.11. REASONABLE BEST EFFORTS. Each of the Acquiring Fund, the Selling Trust and the Target Fund shall use its reasonable best efforts to fulfill or obtain the fulfillment of the conditions precedent to effect the transactions contemplated by this Agreement.

5.13. AUTHORIZATIONS. The Acquiring Corporation on behalf of the Acquiring Fund agrees to use all reasonable efforts to obtain the approvals and authorizations required by the 1933 Act, the 1940 Act and any state blue sky or securities laws as it may deem appropriate in order to operate in the normal course of business after the Closing Date.

5.14. PROXY. The Selling Trust, on behalf of the Target Fund, agrees to mail to its respective shareholders of record entitled to vote at the special meeting of shareholders at which action is to be considered regarding this Agreement, in sufficient time to comply with requirements as to notice thereof, the Combined Prospectus/Proxy Statement contained in the Registration Statement, which complies in all material respects with the applicable provisions of Section 14(a) of the 1934 Act and Section 20(a) of the 1940 Act, and the rules and regulations, respectively, thereunder.

ARTICLE VI

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLING TRUST ON BEHALF OF THE TARGET FUND

The obligations of the Selling Trust on behalf of the Target Fund to consummate the transactions provided for herein shall be subject, at its election, to the performance by the Acquiring Corporation and the Acquiring

Fund of all the obligations to be performed by the Acquiring Corporation and the Acquiring Fund pursuant to this Agreement on or before the Closing Date and, in addition, subject to the following conditions:

6.1. All representations, covenants and warranties of the Acquiring Corporation, on behalf of itself and the Acquiring Fund, contained in this Agreement shall be true and correct as of the Closing Date. The Target Fund shall have received a certificate signed on behalf of the Acquiring Fund by an appropriate officer of the Acquiring Corporation to that effect. The Target Fund shall have received certified copies of the resolutions adopted by the BlackRock Board approving this Agreement and the transactions contemplated herein.

6.2. The Acquiring Fund shall have performed in all material respects the obligations required to be performed by it hereunder at or prior to the Closing Date. The Target Fund shall have received a certificate signed on behalf of the Acquiring Fund by an appropriate officer of the Acquiring Corporation to that effect.

6.3. This Agreement and the transactions contemplated thereby shall have been duly considered and approved by the BlackRock Board in accordance with the provisions of its charter documents and the requirements of the 1940 Act, and certified copies of the resolutions evidencing such approval shall have been delivered to the Target Fund.

6.4. (i) No order, preliminary or permanent injunction or decree issued by any governmental authority of competent jurisdiction, or pending by any governmental authority of competent jurisdiction that has initiated a proceeding seeking such an order, injunction or decree, preventing the consummation of the Reorganization shall be in effect and (ii) no statute, rule or regulation shall have been enacted, entered or promulgated by any governmental authority which prohibits or makes illegal the consummation of the Reorganization.

6.5. The SEC shall not have issued an unfavorable report under Section 25(b) of the 1940 Act or instituted any proceeding seeking to enjoin the consummation of the transactions contemplated by this Agreement under Section 25(c) of the 1940 Act.

6.6. The Registration Statement shall have become effective under the 1933 Act and no stop orders suspending the effectiveness thereof shall have been issued and, to the best knowledge of the parties to this Agreement, no investigation or proceeding by the SEC for that purpose shall have been instituted or be pending, threatened or contemplated.

6.7. The Selling Trust shall have received on the Closing Date an opinion of [ ], dated as of the Closing Date, in a form reasonably satisfactory to the Selling Trust, covering the following points with such assumptions, exceptions and limitations as are customary in opinions of this sort:

(a) The Acquiring Corporation is registered as an open-end management investment company under the 1940 Act and the Acquiring Fund is a series thereof.

(b) Neither the execution, delivery or performance by the Acquiring Corporation of this Agreement nor the compliance by the Acquiring Corporation with the terms and provisions hereof will violate any provision of any applicable federal law of the United States of America.

(c) To the best of our knowledge, no governmental approval, which has not been obtained and is not in full force and effect, is required to authorize, or is required in connection with, the execution or delivery of this Agreement by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, or the enforceability of this Agreement against the Acquiring Corporation.

(d) Assuming that (i) the Acquiring Corporation and Selling Trust are validly existing, (ii) this Agreement is a valid, binding and enforceable obligation of the Selling Trust, on behalf of itself and the Target Fund, and (iii) this Agreement has been duly authorized, executed and delivered by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, and by the Selling Trust, on behalf of itself and the Target Fund, this Agreement is the valid and binding obligation of the Acquiring Corporation, on behalf of itself and the Acquiring Fund, and enforceable against the Acquiring Corporation and the Acquiring Fund in accordance with its terms under the applicable laws of the State of New York, subject as to enforcement to bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights and to general equity principles.

In giving their opinion, [ ] may state that they are relying on the opinion of [ ] as to matters of Maryland law.

6.8. The Selling Trust shall have received on the Closing Date an opinion of [ ], as special Maryland counsel to the Acquiring Corporation, dated as of the Closing Date, in a form reasonably satisfactory to the Selling Trust, covering the following points with such assumptions, exceptions and limitations as are customary in opinions of this sort:

(a) The Acquiring Corporation is a corporation and is validly existing under the laws of the State of Maryland applicable to corporations.

(b) The Acquiring Corporation, on behalf of itself and the Acquiring Fund, has the power as a corporation to execute, deliver and perform all of its obligations under this Agreement under the Acquiring Corporation's articles of incorporation and the laws of the State of Maryland applicable to corporations. The execution and delivery of this Agreement and the consummation by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Acquiring Corporation, on behalf of itself and the Acquiring Fund, under its articles of incorporation and the laws of the State of Maryland applicable to corporations.

(c) This Agreement has been duly executed and delivered by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, under the Acquiring Corporation's articles of incorporation and the laws of the State of Maryland applicable to corporations.

(d) The execution and delivery by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, of this Agreement and the performance by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, of its obligations under this Agreement will not violate the charter documents of the Acquiring Corporation.

(e) Neither the execution, delivery or performance by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, of this Agreement nor the compliance by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, with the terms and provisions hereof will violate any provision of any laws of the State of Maryland applicable to corporations.

(f) To the best of our knowledge, no Maryland governmental approval, which has not been obtained and is not in full force and effect, is required to authorize, or is required in connection with, the execution or delivery of this Agreement by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, or the performance by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, of the respective obligations of each under the Agreement, except such as may be required under Maryland state securities laws about which we express no opinion.

(g) The Acquiring Fund Shares being issued pursuant to this Agreement have been duly authorized by the Acquiring Corporation and upon issuance thereof in accordance with this Agreement, will be validly issued and fully paid.

6.9. The shareholders of the Target Fund have approved this Agreement in the manner specified in the Combined Prospectus/Proxy Statement included in the Registration Statement.

6.10. As of the Closing Date, there shall have been no material change in the investment objectives, policies and restrictions or any increase in the investment management fee rate or other fee rates that the Acquiring Fund is currently contractually obligated to pay for services provided to the Acquiring Fund from those described in the Registration Statement.

ARTICLE VII

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE ACQUIRING FUND

The obligations of the Acquiring Corporation on behalf of the Acquiring Fund to consummate the transactions provided for herein shall be subject, at its election, to the performance by the Selling Trust and the Target Fund of all the obligations to be performed by the Selling Trust and the Target Fund pursuant to this Agreement on or before the Closing Date and, in addition, shall be subject to the following conditions:

7.1. All representations, covenants and warranties of the Selling Trust, on behalf of itself and the Target Fund contained in this Agreement shall be true and correct as of the Closing Date. The Acquiring Fund shall have received a certificate signed on behalf of the Target Fund by an appropriate officer of the Selling Trust to that effect. The Acquiring Fund shall have received certified copies of the resolutions adopted by the State Farm Board approving this Agreement and the transactions contemplated herein.

7.2. The Target Fund shall have performed in all material respects the obligations required to be performed by it hereunder at or prior to the Closing Date. The Acquiring Fund shall have received a certificate signed on behalf of Target Fund by an appropriate officer of the Selling Trust to that effect.

7.3. This Agreement and the transactions contemplated hereby shall have been duly considered and approved by the State Farm Board and the requisite vote of the holders of the outstanding shares of the Target Fund in accordance with the provisions of its charter documents and the requirements of the 1940 Act, and certified copies of the resolutions evidencing such approval shall have been delivered to the Acquiring Fund.

7.4. (i) No order, preliminary or permanent injunction or decree issued by any governmental authority of competent jurisdiction, or pending by any governmental authority of competent jurisdiction that has initiated a proceeding seeking such an order, injunction or decree, preventing the consummation of the Reorganization shall be in effect and (ii) no statute, rule or regulation shall have been enacted, entered or promulgated by any governmental authority which prohibits or makes illegal the consummation of the Reorganization.

7.5. The SEC shall not have issued an unfavorable report under Section 25(b) of the 1940 Act or instituted any proceeding seeking to enjoin the consummation of the transactions contemplated by this Agreement under Section 25(c) of the 1940 Act.

7.6. The Registration Statement shall have become effective under the 1933 Act and no stop orders suspending the effectiveness thereof shall have been issued and, to the best knowledge of the parties to this Agreement, no investigation or proceeding by the SEC for that purpose shall have been instituted or be pending, threatened or contemplated.

7.7. The Target Fund shall have delivered to the Acquiring Fund (1) a statement as of the Closing Date of the assets and Stated Liabilities of the Selling Trust associated with the Target Fund, in accordance with paragraph 5.2, and (2) a list of the Target Fund's portfolio showing the tax costs of each of its assets by lot and the holding periods of such assets, as of the Closing Date, certified by the Treasurer of the Selling Trust.

7.8. Except to the extent prohibited by Rule 19b-1 under the 1940 Act, prior to the valuation of the Assets on the Closing Date, the Target Fund shall have declared a dividend or dividends, with a record and ex-dividend date prior to the valuation of the Assets, which, together with all previous dividends, shall have the effect of distributing to the Target Fund Shareholders (i) all of the Target Fund's investment company taxable income for all its taxable years ended prior to the Closing Date [and substantially all of such investment company taxable income for the final taxable year ending with its complete liquidation][24] (in each case determined without regard

[24] Applicable to Bond Fund, Large Cap Equity Index Fund, Money Market Fund and Stock and Bond Balanced Fund

to any deductions for dividends paid); (ii) all of the Target Fund's net capital gain recognized in all its taxable years ended prior to the Closing Date [and substantially all of any such net capital gain recognized in such final taxable year][25] (in each case after reduction for any capital loss carryover); and (iii) at least 90 percent of the excess, if any, of a Target Fund's interest income excludible from gross income under Section 103(a) of the Code over its deductions disallowed under Sections 265 and 171(a)(2) of the Code for all its taxable years prior to the Closing Date [and at least 90 percent of such net tax-exempt income for such final taxable year][26].

7.9. The Acquiring Corporation shall have received on the Closing Date opinions from [ ] and [ ], dated as of the Closing Date, in forms reasonably satisfactory to the Acquiring Corporation, covering the following points with such assumptions, exceptions and limitations as are customary in opinions of this sort:

(a) The Selling Trust is a statutory trust and is validly existing in good standing under the applicable laws of the State of Delaware.

(b) The Selling Trust is registered as an open-end management investment company under the 1940 Act and the Target Fund is a series thereof.

(c) The Selling Trust, on behalf of itself and the Target Fund, has the statutory trust power and authority to execute, deliver and perform all of its obligations under this Agreement under the applicable laws of the State of Delaware. The execution and delivery of this Agreement and the consummation by the Selling Trust, on behalf of itself and the Target Fund, of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Selling Trust, on behalf of itself and the Target Fund, under the applicable laws of the State of Delaware.

(d) This Agreement has been duly executed and delivered by the Selling Trust, on behalf of itself and the Target Fund, under the Selling Trust's declaration of trust and the laws of the State of Delaware applicable to statutory trusts.

(e) Assuming that (i) the Selling Trust and the Acquiring Corporation are validly existing, (ii) this Agreement is a valid, binding and enforceable obligation of the Acquiring Corporation, on behalf of itself and the Acquiring Fund, and (iii) this Agreement has been duly authorized, executed and delivered by the Selling Trust, on behalf of itself and the Target Fund, and by the Acquiring Corporation, on behalf of itself and the Acquiring Fund, this Agreement is the valid and binding obligation of the Selling Trust, on behalf of itself and the Target Fund, and enforceable against the Selling Trust and the Target Fund in accordance with its terms under the applicable laws of the State of New York, subject as to enforcement to bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights and to general equity principles.

(f) The execution and delivery by the Selling Trust, on behalf of itself and the Target Fund, of this Agreement and the performance by the Selling Trust, on behalf of itself and the Target Fund, of its obligations under this Agreement will not violate the charter documents of the Selling Trust.

(g) Neither the execution, delivery or performance by the Selling Trust, on behalf of itself and the Target Fund, of this Agreement nor the compliance by the Selling Trust, on behalf of itself and the Target Fund, with the terms and provisions hereof will violate any provision of any laws of the State of Delaware applicable to statutory trusts or any applicable federal law of the United States of America.

(g) To the best of our knowledge, no governmental approval, which has not been obtained and is not in full force and effect, is required to authorize, or is required in connection with, the execution or delivery of this Agreement by the Selling Trust, on behalf of itself and the Target Fund, or the enforceability of this Agreement against the Selling Trust or the Target Fund except such as may be required under Delaware state securities laws about which we express no opinion.

[25] Applicable to Bond Fund, Large Cap Equity Index Fund, Money Market Fund and Stock and Bond Balanced Fund

[26] Applicable to Bond Fund, Large Cap Equity Index Fund, Money Market Fund and Stock and Bond Balanced Fund

In giving their opinion, [ ] may state that they are relying on the opinion of [ ] as to matters of Delaware law.

7.10. The Selling Trust, on behalf of the Target Fund, shall have duly executed and delivered to the Acquiring Corporation, on behalf of the Target Fund, such bills of sale, assignments, certificates and other instruments of transfer, including transfer instructions to the Custodian and instructions to the Acquiring Corporation's transfer agent as the Acquiring Corporation may reasonably deem necessary or desirable to evidence the transfer to the Acquiring Fund by the Target Fund all of the right, title and interest of the Target Fund in and to the respective Assets of the Target Fund. In each case, the Assets of the Target Fund shall be accompanied by all necessary state stock transfer stamps or cash for the appropriate purchase price therefor.

7.11. The Acquiring Corporation, on behalf of the Acquiring Fund, shall have received at the Closing: (i) a certificate of an authorized signatory of the Custodian stating that the Assets of the Target Fund have been delivered to the Acquiring Fund; (ii) a certificate of an authorized signatory from the custodian of the Acquiring Fund, stating that the Assets of the Target Fund have been received; (iii) a certificate of an authorized officer of the Transfer Agent confirming that the Transfer Agent on behalf of the Target Fund has delivered its records containing the names and addresses of the record holders of the Target Fund's shares and the number and percentage of ownership of the Target Fund owned by each such holder as of the Valuation Date; (iv) a statement of the respective tax basis of all investments to be transferred by the Target Fund to the Acquiring Fund; and (v) the tax books and records of the Target Fund for purposes of preparing any tax returns required by law to be filed after the Closing Date.

7.12. As of the Closing Date, there shall have been no material change in the investment objectives, policies and restrictions or any increase in the investment management fee rate or other fee rates that the Target Fund is currently contractually obligated to pay for services provided to the Target Fund from those described in the Registration Statement.

7.13. As of the Closing Date, there shall be no qualified retirement plans invested in the Target Fund, and there shall be no foreign accounts invested in the Target Fund.

ARTICLE VIII

FURTHER CONDITIONS PRECEDENT TO OBLIGATIONS OF EACH OF THE ACQUIRING FUND AND THE TARGET FUND

If any of the conditions set forth below shall not have been satisfied on or before the Closing Date or shall not remain satisfied with respect to the Acquiring Fund or the Target Fund, the other party to this Agreement shall, at its option, not be required to consummate the transactions contemplated by this Agreement:

8.1. The Acquiring Corporation and the Selling Trust shall have received an opinion of Dechert LLP, special United States federal income tax counsel to the Acquiring Fund, dated on the Closing Date satisfactory to both parties substantially to the effect that, based on certain facts, assumptions and representations of the parties and the existing provisions of the Code, Treasury regulations promulgated thereunder, current administrative rules, and court decisions, for U.S. federal income tax purposes:

(a) The Reorganization will constitute a tax-free reorganization within the meaning of Section 368(a) of the Code and the Acquiring Fund and the Target Fund will each be a "party to a reorganization" within the meaning of Section 368(b) of the Code;

(b) Under Section 1032 of the Code, no gain or loss will be recognized by the Acquiring Fund upon the receipt of the assets of the Target Fund solely in exchange for the assumption of the Stated Liabilities of the Target Fund and issuance of Acquiring Fund Shares;

(c) Under Sections 361 and 357(a) of the Code, no gain or loss will be recognized by the Target Fund upon the transfer of the assets of the Target Fund to the Acquiring Fund solely in exchange for the assumption by the Acquiring Fund of the Target Fund's Stated Liabilities and the Acquiring Fund Shares or upon the distribution (whether actual or constructive) of Acquiring Fund Shares to Target Fund Shareholders in exchange for their Target Fund shares, except for any gain or loss that may be required to be recognized solely [as a result of the close of the Target Fund's taxable year due to the Reorganization or][27] as a result of the transfer of any stock in a passive foreign investment company as defined in Section 1297(a) of the Code;

(d) Under Section 354 of the Code, no gain or loss will be recognized by any Target Fund Shareholder upon the exchange of its Target Fund shares solely for Acquiring Fund Shares;

(e) Under Section 358 of the Code, the aggregate tax basis of the Acquiring Fund Shares received by each Target Fund Shareholder pursuant to the Reorganization will be the same as the aggregate tax basis of the Target Fund shares held by such Target Fund Shareholder immediately prior to the Reorganization. Under Section 1223(1) of the Code, the holding period of Acquiring Fund Shares received by each Target Fund Shareholder will include the period during which the Target Fund shares exchanged therefor were held by such shareholder, provided the Target Fund shares are held as capital assets at the time of the Reorganization;

(f) Under Section 362(b) of the Code, the tax basis of the assets of the Target Fund acquired by the Acquiring Fund will be the same as the tax basis of such assets to the Target Fund immediately prior to the Reorganization, except for any assets [which may be marked to market for U.S. federal income tax purposes on the termination of the Target Fund's taxable year or][28] on which gain was recognized upon the transfer to the Acquiring Fund. Under Section 1223(2) of the Code, the holding period of the assets of the Target Fund in the hands of the Target Fund will include the period during which those assets were held by the Selling Trust on behalf of the Target Fund (except to the extent that the investment activities of the Acquiring Fund reduce or eliminate such holding period and except for any assets on which gain is recognized on the transfer to the Acquiring Fund); and

(g) The Acquiring Fund will succeed to and take into account the items of the Target Fund described in Section 381(c) of the Code, subject to the conditions and limitations specified in Sections 381, 382, 383 and 384 of the Code and the Treasury Regulations thereunder, if applicable.

Such opinion shall be based on customary assumptions and such representations as Dechert LLP may reasonably request, and each of the Acquiring Corporation, the Acquiring Fund, the Selling Trust and the Target Fund shall cooperate to make and certify the accuracy of such representations. Notwithstanding anything herein to the contrary, neither the Acquiring Corporation, the Acquiring Fund, the Selling Trust nor the Target Fund may waive the condition set forth in this paragraph 8.1.

8.2. All of the conditions to the closing of the transactions contemplated by the Framework Agreement, dated as of [ ], between BlackRock and/or its affiliates and State Farm, and solely for the purposes of certain provisions therein, State Farm Mutual Fund Automobile Insurance Company (the "Framework Agreement") shall be satisfied or waived.

[27] Not applicable to International Equity Index Fund, Small Cap Equity Index Fund, BlackRock International Index V.I. Fund or BlackRock Small Cap Index V.I. Fund

[28] Not applicable to International Equity Index Fund, Small Cap Equity Index Fund, BlackRock International Index V.I. Fund or BlackRock Small Cap Index V.I. Fund

ARTICLE IX

EXPENSES

Each of State Farm and its affiliates, and BlackRock and its affiliates, shall bear the direct and indirect expenses and the reasonable out-of-pocket costs incurred by the parties to this Agreement in connection with the Reorganization contemplated by the provisions of this Agreement, but not any transaction costs incurred pursuant to paragraph 1.2 hereof or any transaction costs incurred in connection with the sale of any of the Target Fund's portfolio securities after the Closing Date. The expenses and out-of-pocket costs to be borne by each of State Farm and its affiliates and BlackRock and its affiliates include costs incurred by the parties hereto in connection with the preparation of the Registration Statement, the printing and mailing of the proxy statement and the solicitation of the related proxies for the Target Fund. Such expenses and costs will be allocated among BlackRock and State Farm as agreed to by them. Notwithstanding the foregoing, the Acquiring Fund will bear the legal fees associated with counsel to the trustees who are not "interested persons" (as defined in the 1940 Act) of the Acquiring Corporation. If the Reorganization is not approved, however, BlackRock or its affiliates will directly bear such legal fees.

ARTICLE X

ENTIRE AGREEMENT; SURVIVAL OF WARRANTIES

10.1. The Selling Trust, on behalf of the Target Fund, and the Acquiring Corporation, on behalf of the Acquiring Fund, agree that no party has made to the other party any representation, warranty and/or covenant not set forth herein and that this Agreement constitutes the entire agreement between the parties.

10.2. The representations, warranties and covenants of the parties hereto set forth in this Agreement shall not survive the consummation of the transactions contemplated herein except that covenants to be performed after the Closing Date, shall continue in effect beyond the consummation of the transactions contemplated hereunder.

ARTICLE XI

TERMINATION

11.1. This Agreement may be terminated and the transactions contemplated hereby may be abandoned by resolution of the either the BlackRock Board or the State Farm Board, at any time prior to the Closing Date, if circumstances should develop that, in the opinion of that Board, make proceeding with the Agreement inadvisable with respect to the Acquiring Fund or the Target Fund, respectively. In addition, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the written consent of each of the parties;

(b) by the Selling Trust (i) following a breach by the Acquiring Corporation of any of its representations, warranties or covenants contained in this Agreement, *provided* that the Acquiring Corporation shall have been given a period of 30 business days from the date of the occurrence of a breach of a covenant or agreement to cure such breach and shall have failed to do so (*provided*, that the Selling Trust is not then in material breach of the terms of this Agreement, and, *provided further* that no cure period shall be required for a breach that is not capable of being cured); or (ii) upon the occurrence of an event which has a material adverse effect upon the Acquiring Corporation or the Acquiring Fund;

(c) by the Acquiring Corporation (i) following a breach by the Selling Trust of any of its representations, warranties or covenants contained in this Agreement, *provided* that the Selling Trust shall have been given a period of 30 business days from the date of the occurrence of a breach of a covenant or agreement to cure such breach and shall have failed to do so (*provided*, that the Acquiring Corporation is not then in material breach of the terms of this Agreement, and, *provided further* that no cure period shall be required for a breach that is not capable of being cured); or (ii) upon the occurrence of an event which has a material adverse effect upon the Selling Trust or the Target Fund;

(d) by either the Acquiring Corporation or the Selling Trust if: (i) there shall be a final, non-appealable order of a federal or state court in effect preventing consummation of the transactions contemplated hereby; or (ii) there shall be any final action taken, or any statute, rule, regulation or order enacted, promulgated or issued or deemed applicable to the transactions contemplated hereby by any governmental entity which would make consummation of the transactions contemplated hereby illegal; or a material breach by the other of any representation, warranty or agreement contained herein to be performed at or before the Closing Date, if not cured within thirty (30) days;

(e) by either the Acquiring Corporation or the Selling Trust if the Closing shall not have been consummated by [ ], 2018, provided the right to terminate this Agreement under this paragraph 11.1(e) shall not be available to any party whose failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date;

(f) by either the Acquiring Corporation or the Selling Trust due to a condition herein expressed to be precedent to the obligations of the terminating party or both the parties has not been met if it reasonably appears that it will not or cannot be met; or

(g) by the termination of the Framework Agreement in accordance with its terms.

11.2. If a party terminates this Agreement in accordance with this Article XI, other than a termination under (b), (c), (d), (e) or (f) in connection with a willful default, there shall be no liability for damages on the part of any party or the trustees, directors or officers of such party. In the event of termination in connection with a willful default, all remedies at law or in equity of the party adversely affected shall survive. The parties agree that, in the event of any termination of this Agreement there shall be no liability, for damages or otherwise, on the part of the State Farm Trustees of the BlackRock Directors, notwithstanding the first two sentences of this paragraph 11.2.

11.3. At any time prior to the Closing Date, any of the terms or conditions of this Agreement (except for paragraph 8.1) may be waived by either the Selling Trust or the Acquiring Corporation, respectively (whichever is entitled to the benefit thereof). Such waiver shall be in writing and authorized by an officer of the waiving party. The failure of either party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of either party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

ARTICLE XII

AMENDMENTS

This Agreement may be amended, modified or supplemented by a written instrument in such manner as may be deemed necessary or advisable by both the authorized officers of the applicable parties; *provided*, *however*, that, following the meeting of the Target Fund Shareholders called by the Selling Trust pursuant to paragraph 4.1(r) of this Agreement, no such amendment may have the effect of changing the provisions for determining the number of Acquiring Fund Shares to be issued to the Target Fund Shareholders under this Agreement to the detriment of such Target Fund Shareholders without their further approval.

ARTICLE XIII

PUBLICITY/CONFIDENTIALITY

13.1. Publicity. The parties shall cooperate on determining the manner in which any public announcements or similar publicity with respect to this Agreement or the transactions contemplated herein are made, *provided* that nothing herein shall prevent either party from making such public announcements as may be required by law, in which case the party issuing such statement or communication shall use all reasonable commercial efforts to advise the other party prior to such issuance.

13.2. Confidentiality. (a) The Selling Trust, the Acquiring Corporation, State Farm and BlackRock (for purposes of this paragraph 13.2, the "Protected Persons") will hold, and will cause their board members, officers, employees, representatives, agents and affiliates to hold, in strict confidence, and not disclose to any other person, and not use in any way except in connection with the transactions herein contemplated, without the prior written consent of the other Protected Persons, all confidential information obtained from the other Protected Persons in connection with the transactions contemplated by this Agreement, except such information may be disclosed: (i) to governmental or regulatory bodies, and, where necessary, to any other person in connection with the obtaining of consents or waivers as contemplated by this Agreement; (ii) if required by court order or decree or applicable law; (iii) if it is publicly available through no act or failure to act of such party; (iv) if it was already known to such party on a non-confidential basis on the date of receipt; (v) during the course of or in connection with any litigation, government investigation, arbitration, or other proceedings based upon or in connection with the subject matter of this Agreement, including, without limitation, the failure of the transactions contemplated hereby to be consummated; or (vi) if it is otherwise expressly provided for herein.

(b) In the event of a termination of this Agreement, the Selling Trust, the Acquiring Corporation, State Farm and BlackRock agree that they along with their employees, representative agents and affiliates shall, and shall cause their affiliates to, except with the prior written consent of the other Protected Persons, keep secret and retain in strict confidence, and not use for the benefit of itself or themselves, nor disclose to any other persons, any and all confidential or proprietary information relating to the other Protected Persons and their related parties and affiliates, whether obtained through their due diligence investigation, this Agreement or otherwise, except such information may be disclosed: (i) if required by court order or decree or applicable law; (ii) if it is publicly available through no act or failure to act of such party; (iii) if it was already known to such party on a non-confidential basis on the date of receipt; (iv) during the course of or in connection with any litigation, government investigation, arbitration, or other proceedings based upon or in connection with the subject matter of this Agreement, including, without limitation, the failure of the transactions contemplated hereby to be consummated; or (v) if it is otherwise expressly provided for herein.

ARTICLE XIV

HEADINGS; COUNTERPARTS; GOVERNING LAW; ASSIGNMENT;

LIMITATION OF LIABILITY

14.1. The article and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

14.2. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

14.3. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to its principles of conflicts of laws.

14.4. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns, but, except as provided in this paragraph, no assignment or transfer hereof or of any rights or obligations hereunder shall be made by any party without the written consent of the other parties. Nothing herein expressed or implied is intended or shall be construed to confer upon or give any person, firm or corporation, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

14.5. It is expressly agreed that the obligations of the Selling Trust, on behalf of itself and the Target Fund, hereunder shall not be binding upon any of the trustees, shareholders, nominees, officers, agents or employees of the Selling Trust personally, but shall bind only the property of the Selling Trust associated with the Target Fund, as provided in the charter documents of the Selling Trust. Moreover, no series of the Selling Trust other than the Target Fund shall be responsible for the obligations of the Selling Trust and the Target Fund hereunder, and all persons shall look only to the assets of the Target Fund to satisfy the obligations of the Selling Trust, on behalf of itself and the Target Fund, hereunder. The execution and delivery of this Agreement have been authorized by the State Farm Board with respect to the Selling Trust and the Target Fund and signed by authorized officers of the Selling Trust, acting as such. Neither the authorization by the State Farm Board nor the execution and delivery by such officers shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, but shall bind only the property of the Selling Trust associated with the Target Fund as provided in the Selling Trust's charter documents.

14.6. It is expressly agreed that the obligations of the Acquiring Corporation, on behalf of itself and the Acquiring Fund, hereunder shall not be binding upon any of the trustees, shareholders, nominees, officers, agents or employees of the Acquiring Corporation personally, but shall bind only the property of the Acquiring Corporation associated with the Acquiring Fund, as provided in the charter documents of the Acquiring Corporation. Moreover, no series of the Acquiring Corporation other than the Acquiring Fund shall be responsible for the obligations of the Acquiring Corporation and the Acquiring Fund hereunder, and all persons shall look only to the assets of the Acquiring Fund to satisfy the obligations of the Acquiring Corporation, on behalf of itself and the Acquiring Fund, hereunder. The execution and delivery of this Agreement have been authorized by the BlackRock Board with respect to the Acquiring Corporation and the Acquiring Fund hereunder, and signed by authorized officers of the Acquiring Corporation, acting as such. Neither the authorization by the BlackRock Board nor the execution and delivery by such officers shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, but shall bind only the property of the Acquiring Corporation associated with the Acquiring Fund as provided in the Acquiring Corporation's charter documents.

ARTICLE XV

NOTICES

Any notice, report, statement or demand required or permitted by any provisions of this Agreement shall be in writing and shall be deemed duly given if delivered by hand (including by FedEx or similar express courier) or transmitted by facsimile or three days after being mailed by prepaid registered or certified mail, return receipt requested, addressed to the applicable party: to the Acquiring Corporation and Acquiring Fund, 40 East 52nd Street, New York, New York, 10022, Attention: Secretary, or to the Selling Trust or the Target Fund, State Farm Investment Management Corp., One State Farm Plaza, A-3, Bloomington, Illinois 61704 Attention: David Moore or to any other address that the Acquiring Fund, the Selling Trust or the Target Fund shall have last designated by notice to the other party.

IN WITNESS WHEREOF, the parties have duly executed this Agreement, all as of the date first written above.

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INDIVIDUALLY AND ON BEHALF OF ITS SERIES
[ ]

By: ________________________________
Name:
Title:

[ ],
INDIVIDUALLY AND ON BEHALF OF ITS SERIES
[ ]

By: ________________________________
Name:
Title:

Solely with respect to ARTICLES IX and XIII
BLACKROCK ADVISORS, LLC

By: ________________________________
Name:
Title:

Solely with respect to ARTICLES V, IX and XIII
STATE FARM INVESTMENT MANAGEMENT CORP.

By: ________________________________
Name:
Title:

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