

State Farm Mutual Fund Trust

P R O S P E C T U S



Class A
Class B
Legacy Class A
Legacy Class B

State Farm Equity Fund
State Farm Small/Mid Cap Equity Fund
State Farm International Equity Fund
State Farm S&P 500 Index Fund
State Farm Small Cap Index Fund
State Farm International Index Fund
State Farm Equity and Bond Fund
State Farm Bond Fund
State Farm Tax Advantaged Bond Fund
State Farm Money Market Fund
State Farm LifePath[®] Income Fund
State Farm LifePath 2010[®] Fund*
State Farm LifePath 2020[®] Fund
State Farm LifePath 2030[®] Fund
State Farm LifePath 2040[®] Fund
State Farm LifePath 2050[®] Fund

To learn about electronic delivery of mutual funds documents and how to enroll, go to www.statefarm.com, click on *Mutual Funds*, and then click on *Electronic Document Delivery*.

* Not available after November 20, 2009

State Farm Mutual Fund Trust
Class A Shares
Class B Shares
Legacy Class A Shares
Legacy Class B Shares

- State Farm Equity Fund
- State Farm Small/Mid Cap Equity Fund
- State Farm International Equity Fund
- State Farm S&P 500 Index Fund
- State Farm Small Cap Index Fund
- State Farm International Index Fund
- State Farm Equity and Bond Fund
- State Farm Bond Fund
- State Farm Tax Advantaged Bond Fund
- State Farm Money Market Fund
- State Farm LifePath[®] Income Fund
- State Farm LifePath 2010[®] Fund
(Not available after November 20, 2009)
- State Farm LifePath 2020[®] Fund
- State Farm LifePath 2030[®] Fund
- State Farm LifePath 2040[®] Fund
- State Farm LifePath 2050[®] Fund

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

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This Prospectus provides information about State Farm Mutual Fund Trust (the “Trust”). The Trust has sixteen separate portfolios (each a “Fund”, collectively the “Funds”), each of which is a separate investment portfolio with its own investment objective, investment policies, restrictions, and risks. State Farm Investment Management Corp. (the “Manager” or “SFIMC”) is the investment adviser to each Fund. Each Fund, other than the Tax Advantaged Bond Fund and State Farm LifePath 2050 Fund, offers eight classes of shares: Class A, Legacy Class A, Class B, Legacy Class B, Institutional shares, Class R-1, Class R-2 and Class R-3. The Tax Advantaged Bond Fund offers four classes of shares: Class A, Legacy Class A, Class B, and Legacy Class B. The State Farm LifePath 2050 Fund offers three classes of shares: Class A, Class R-1 and Class R-2. This Prospectus offers Class A, Legacy Class A, Class B and Legacy Class B shares of the Funds. Additional information concerning each of these Funds, including information related to performance and risks of investing in the Funds, appears following Funds At A Glance.

FUNDS AT A GLANCE

This section discusses each Fund’s investment objective and principal investment strategies.

STATE FARM EQUITY FUND

Investment Objective —

The State Farm Equity Fund (the “Equity Fund”) seeks long-term growth of capital.

Principal Investment Strategies

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

Bridgeway

Bridgeway invests its portion of the Equity Fund in a diversified portfolio of large growth stocks that are listed on the New York Stock Exchange, the American Stock Exchange, and the National Association of Securities Dealers Automated Quotation System (“NASDAQ”). Bridgeway defines “large stocks” as the largest 500 U.S. companies as measured by market capitalization (stock market worth). Growth stocks are those that Bridgeway believes have above average prospects for economic growth. Bridgeway selects stocks within the large-cap growth category for the Equity Fund according to proprietary quantitative models. At least 80% of Bridgeway’s portion of the Equity Fund’s net assets (plus borrowings for investment purposes) are invested in stocks from among those in the large-cap growth category at the time of purchase. However, Bridgeway will not necessarily sell a stock if it “migrates” to a different category after purchase.

Westwood

Under normal market conditions, Westwood invests at least 80% of its portion of the Equity Fund (which includes, for purposes of this test, the amount of any borrowings for investment purposes) in common stocks and other equity securities of large capitalization companies. Westwood invests in a portfolio of seasoned companies utilizing a value style of investing in which it chooses those stocks that Westwood believes have earnings prospects that are currently undervalued by the market relative to some financial measure of worth, such as the ratio of price to earnings, price to sales or price to cash flow. Westwood defines large capitalization companies as those companies with market capitalizations greater than \$5 billion at the time of purchase, while seasoned companies generally have been operating for at least three years.

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

STATE FARM SMALL/MID CAP EQUITY FUND

Investment Objective —

The State Farm Small/Mid Cap Equity Fund (the “Small/Mid Cap Equity Fund”) (formerly the State Farm Small Cap Equity Fund) seeks long-term growth of capital.

Principal Investment Strategies

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

Bridgeway

Bridgeway invests its segment of the Fund in a diversified portfolio of small and mid-capitalization stocks issued by companies listed on the New York Stock Exchange, the American Stock Exchange and the National Association of Securities Dealers Automated Quotation System (“NASDAQ”). Bridgeway defines “small and mid-capitalization stocks” as those stocks issued by companies smaller than the largest 500 U.S. companies as measured by market capitalization (stock market worth). Bridgeway will not necessarily sell a stock if it migrates to a different category after purchase, for example large or growth. Bridgeway selects stocks using its proprietary quantitative investment models which consider multiple factors. Bridgeway does not time the market or incorporate macro-economic forecasting into its stock selection process.

Bridgeway invests in small and mid-capitalization stocks in the “value” category, which it defines as those stocks that Bridgeway believes are priced cheaply relative to some financial measures of worth, such as the ratio of price to earnings, price to sales or price to cash flow.

Bridgeway may invest up to 10% of its segment of the Fund’s assets in equity securities and depositary receipts of foreign companies.

Rainier

Rainier invests its segment of the Fund primarily (at least 80%) in the common stock of mid-capitalization companies

traded in the U.S. with prospects of strong earnings growth and attractive overall business fundamentals, selling at reasonable valuations. Rainier considers a mid-capitalization company as one with market capitalization, at the time of purchase, within the range of companies included in the Russell Midcap[®] Index, an index that includes the smallest 800 securities in the Russell 1000[®] Index. The market capitalization of companies in which Rainier may invest may vary with market conditions. Investments in companies that grow above these maximum capitalization criteria may continue to be held if Rainier considers them to be particularly attractive. Rainier will normally invest its segment of the Small/Mid Cap Equity Fund in securities issued by approximately 75-150 companies.

Rainier focuses on companies that are likely to demonstrate superior earnings growth relative to their peers, and whose equities are selling at attractive relative valuations. As a result, the portfolio managed by Rainier will invest in a blend of stocks with both growth and value characteristics. Rainier believes that a primary benefit of this strategy is the ability to generate competitive investment returns in many different market environments. In selecting common stock for purchase by the Small/Mid Cap Equity Fund, Rainier emphasizes companies that it believes are likely to demonstrate superior business fundamentals, such as revenue and earnings growth; sustainable competitive advantage; potential for positive price or business catalysts, including earnings surprise or market expansion; disciplined management with shareholder focus; and attractive relative valuations.

The portion of the Small/Mid Cap Equity Fund managed by Rainier is diversified over a broad cross section of economic sectors and industries. To help control risk, Rainier compares the portfolio’s economic sector weightings to a broad index of medium-sized companies, such as the Russell Midcap[®] Index, and normally avoids extreme overweighting or underweighting relative to that index.

Rainier may invest up to 20% of its segment of the Fund’s assets in equity securities and depositary receipts of foreign companies.

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

STATE FARM INTERNATIONAL EQUITY FUND

Investment Objective —

The State Farm International Equity Fund (the “International Equity Fund”) seeks long-term growth of capital.

Principal Investment Strategies

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

Marsico

Marsico invests its portion of the International Equity Fund primarily in foreign equity securities issued by companies that it selects for their long-term growth potential. Marsico may invest its portion of the International Equity Fund in an unlimited number of companies of any size throughout the

world, and normally invests in the securities of issuers that are economically tied to at least four different foreign countries. The Fund may invest in securities of companies economically tied to emerging markets. Some issuers or securities in the Fund’s portfolio may be based in or economically tied to the U.S. In selecting investments for the Fund, Marsico uses an approach that combines ‘top-down’ macro-economic analysis with ‘bottom-up’ stock selection.

Northern Cross

Northern Cross invests its portion of the International Equity Fund in securities issued by foreign companies in which it believes have the potential for long term margin expansion. Northern Cross focuses on equities priced cheaply relative to some financial measure of worth, such as ratios of price to earnings, price to sales or price to cash flow. Under normal market conditions Northern Cross will invest its portion of the International Equity Fund in 70-90 companies with a diversified representation of sectors. Northern Cross may invest up to 20% of its portion of the International Equity Fund in emerging markets. In selecting securities for the International Equity Fund, Northern Cross gives careful consideration to currency, political stability and other effects of international investing.

STATE FARM S&P 500 INDEX FUND

Investment Objective —

The State Farm S&P 500 Index Fund (the “S&P 500 Index Fund”) seeks to provide investment results that correspond to the total return of publicly traded common stocks in the aggregate, as represented by the S&P 500® Index.¹

Principal Investment Strategies

The S&P 500 Index Fund invests all of its assets in a separate series of an unaffiliated mutual fund called Master Investment Portfolio (the “Master Fund”). That series, called the S&P 500 Index Master Portfolio, holds each of the stocks that make up the S&P 500 Index. The S&P 500 Index Master Portfolio and the S&P 500 Index Fund have substantially similar investment objectives. Barclays Global Fund Advisors (“Barclays”) is the investment adviser to the S&P 500 Index Master Portfolio.

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

- market value
- industry group classification (so that the S&P 500 Index represents a broad range of industry segments within the U.S. economy)

- trading activity, to ensure ample liquidity and efficient share pricing
- fundamental analysis, to ensure that companies in the S&P 500 Index are stable

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

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

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

¹ “Standard & Poor’s®,” “S&P®,” “S&P 500®,” “Standard & Poor’s 500” and “500” are trademarks of The McGraw-Hill Companies, Inc. that have been licensed for use by State Farm Mutual Fund Trust. The S&P 500 Index Fund is not sponsored, endorsed, sold or promoted by Standard & Poor’s, and Standard & Poor’s makes no representations regarding the advisability of investing in the S&P 500 Index Fund. For more information regarding the S&P 500 Index, see the Trust’s Statement of Additional Information.

STATE FARM SMALL CAP INDEX FUND

Investment Objective —

The State Farm Small Cap Index Fund (the “Small Cap Index Fund”) seeks to match as closely as practicable, before fees and expenses, the performance of the Russell 2000 Small Stock Index² (the “Russell 2000 Index”).

Principal Investment Strategies

Northern Trust Investments, N.A. (“Northern Trust Investments”), sub-adviser to the Small Cap Index Fund, seeks to achieve investment performance for the Small Cap Index Fund that is similar to the Russell 2000 Index.

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

The Small Cap Index Fund pursues its investment objective by investing in a representative sample of the securities contained in the Russell 2000 Index based upon replication and optimization modeling techniques.

Under normal operating conditions, the Small Cap Index Fund seeks to invest at least 80% of its total assets in the equity securities included in the Russell 2000 Index, in weights that approximate the relative composition of the securities contained in the index.

² The Russell 2000[®] Index is a trademark/service mark, and Russell[®] is a trademark of the Frank Russell Company, doing business as Russell Investment Group (“Russell”). The Small Cap Index Fund is not sponsored, endorsed, sold or promoted by Russell, and Russell makes no representation regarding the advisability of investing in the Small Cap Index Fund. For more information regarding the Russell 2000 Small Stock Index, see the Trust’s Statement of Additional Information.

STATE FARM INTERNATIONAL INDEX FUND

Investment Objective —

The State Farm International Index Fund (the “International Index Fund”) seeks to match as closely as practicable, before fees and expenses, the performance of an international portfolio of common stocks represented by the Morgan Stanley Capital International Europe, Australasia, and Far East Free Index (“EAFE® Free Index”).³

Principal Investment Strategies

Northern Trust Investments, sub-adviser to the International Index Fund, seeks to achieve investment performance for the International Index Fund that is similar to the EAFE Free Index. The EAFE Free Index is a capitalization-weighted index that currently includes stocks of companies located in 16 European countries (Austria, Belgium, Denmark, Finland,

France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom), Australia, New Zealand, Hong Kong, Japan and Singapore. The International Index Fund selects a representative sample of the securities contained in the EAFE Free Index based upon replication and optimization modeling techniques.

The International Index Fund attempts to remain as fully invested as practicable in a pool of stocks and other equity securities that are found in the EAFE Free Index in a manner that is expected to approximate the performance of the EAFE Free Index. Under normal operating conditions, the International Index Fund seeks to invest at least 80% of its total assets in the equity securities included in the EAFE Free Index, in weights that approximate the relative composition of the securities contained in the index.

³ The EAFE® Free Index is the exclusive property of Morgan Stanley Capital International Inc. (“MSCI”). Morgan Stanley Capital International is a service mark of MSCI and has been licensed for use by the State Farm Mutual Fund Trust (the “Trust”). EAFE® Free is a trade or service mark of MSCI and its affiliates and has been licensed for use for certain purposes by the Trust. The International Index Fund, based on the EAFE® Free Index, has not been passed on by MSCI as to its legality or suitability and is not issued,

sponsored, endorsed, sold or promoted by MSCI. MSCI makes no warranties and bears no liability with respect to the International Index Fund. MSCI has no responsibility for, and does not participate in the management of, the International Index Fund’s assets or the sale of the International Index Fund’s shares. The Statement of Additional Information contains a more detailed description of the limited relationship MSCI has with the Trust and the International Index Fund.

STATE FARM EQUITY AND BOND FUND

Investment Objective —

The State Farm Equity and Bond Fund (the “Equity and Bond Fund”) seeks long-term growth of principal while providing some current income.

Principal Investment Strategies

The Equity and Bond Fund invests all of its assets in shares of the State Farm Equity Fund and the State Farm Bond Fund. Generally, the Equity and Bond Fund attempts to maintain approximately 60% of its net assets in shares of the State Farm Equity Fund and approximately 40% of its net assets in shares of the State Farm Bond Fund. The Equity and Bond

Fund never invests more than 75% of its net assets in either underlying Fund. Though the Equity and Bond Fund is not an asset allocation or market timing mutual fund, it does, from time to time, adjust the amount of its assets invested in each underlying Fund as economic, market and financial conditions warrant. Please refer to the descriptions of the investments of the State Farm Equity Fund and the State Farm Bond Fund for a discussion of the portfolio securities of these Funds and the risks associated with each.

STATE FARM BOND FUND

Investment Objective —

The State Farm Bond Fund (the “Bond Fund”) seeks to realize over a period of years the highest yield consistent with investing in investment grade bonds.

Principal Investment Strategies

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

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

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- **Corporate Debt Securities:** investment grade securities issued by domestic and foreign corporations and to a limited extent (up to 20% of its assets), in lower rated securities

STATE FARM TAX ADVANTAGED BOND FUND

Investment Objective —

The State Farm Tax Advantaged Bond Fund (the “Tax Advantaged Bond Fund”) seeks as high a rate of income exempt from federal income taxes as is consistent with prudent investment management.

Principal Investment Strategies

The Tax Advantaged Bond Fund normally invests so that either (1) 80% or more of the Fund’s net investment income is exempt from regular federal income tax or (2) 80% or more of the Fund’s net assets is invested in securities that produce income exempt from regular federal income tax. The Tax Advantaged Bond Fund invests primarily in a diversified selection of municipal bonds (for example, general obligation bonds of a state or bonds financing a specific project). Dividends from the Fund largely will be exempt from federal income tax, but a portion of those dividends may be subject to the federal alternative minimum tax and state income taxes. The Fund may hold bonds with maturities of one to thirty years, although a majority of the Fund’s investments are in bonds with maturities longer than five years.

The Tax Advantaged Bond Fund normally invests at least 80% of its total assets in municipal bonds within the highest four rating categories of Moody’s or S&P, meaning that the Fund may invest up to 20% of the Fund’s total assets in medium and lower-quality bonds.

The Tax Advantaged Bond Fund tends to hold most municipal bonds until they mature or are called. The Fund may sell a bond when the proportion of bonds with longer maturities is reduced in anticipation of a bond market decline (a result of rising interest rates), or increased in anticipation of a bond market rise (resulting from a decline in interest rates), or to meet cash flow needs. The Manager may also sell a bond if its credit risk increases significantly or if market conditions have changed so that more attractive investment opportunities are available.

STATE FARM MONEY MARKET FUND

Investment Objective —

The State Farm Money Market Fund (the “Money Market Fund”) seeks to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity.

Principal Investment Strategies

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

STATE FARM LIFEPATH[®] FUNDS

- **STATE FARM LIFEPATH[®] INCOME FUND**
- **STATE FARM LIFEPATH 2010[®] FUND***
- **STATE FARM LIFEPATH 2020[®] FUND**
- **STATE FARM LIFEPATH 2030[®] FUND**
- **STATE FARM LIFEPATH 2040[®] FUND**
- **STATE FARM LIFEPATH 2050[®] FUND**

The State Farm LifePath^{®4} Funds (together referred to as the “LifePath Funds”) offer investors comprehensive asset allocation investment strategies tailored to the time when they expect to begin withdrawing assets. Asset allocation is the distribution of investments among broad types of asset classes: stock, bonds and money market instruments. Each LifePath Fund indirectly invests in a combination of stocks, bonds and short-term money market funds in proportions suggested by its own comprehensive investment strategy that gradually becomes more conservative as the year in the LifePath Fund’s name approaches, except for the State Farm LifePath Income Fund that is already in its most conservative phase.

Each LifePath Fund invests all of its assets in a separate series (each, a “Master Portfolio”) of the Master Fund that has a substantially identical investment objective as the LifePath Fund. Each Master Portfolio, in turn, invests in a combination of stock, bond and money market funds (the “Underlying Funds”). For simplicity’s sake, all discussion of investment objectives, strategies and risks of a particular LifePath Fund refers also to the objectives, strategies and risks of its corresponding Master Portfolio, unless otherwise indicated. A detailed description of the relationship of the LifePath Funds to their Master Portfolios appears on page 46.

Investment Objectives —

Each LifePath Fund seeks to maximize assets for retirement or other purposes, consistent with the quantitatively measured risk that investors on average may be willing to accept given their investment time horizon. As a general rule, investors with a longer time horizon have a greater tolerance for risk than investors with a shorter time horizon. Long-term investors are more likely to accept a greater risk of short-term loss for the opportunity of achieving greater long-term gains. Each LifePath Fund has its own time horizon that affects the acceptable risk level of the LifePath Fund and, in turn, its asset allocation.

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

⁴ LifePath[®] Funds, LifePath Income[®], LifePath 2010[®], LifePath 2020[®], LifePath 2030[®], LifePath 2040[®], and LifePath 2050[®] are registered trademarks of Barclays Global Investors, N.A. (“BGI”).

Specifically:

- State Farm LifePath Income Fund is managed for investors seeking income and moderate long-term growth of capital.
- State Farm LifePath 2010 Fund*, State Farm LifePath 2020 Fund, State Farm LifePath 2030 Fund, State Farm LifePath 2040 Fund and the State Farm LifePath 2050 Fund are managed for investors planning to retire (or begin to withdraw substantial portions of their investment) approximately in the year included in each Fund’s name.

Principal Investment Strategies

Principal Investment Strategies Common to All LifePath Funds

The LifePath Funds pursue a common strategy of allocating and reallocating among the Underlying Funds. The LifePath Funds with longer time horizons invest a greater portion of their assets in Underlying Funds that invest in stocks, which provide a greater opportunity for capital appreciation over the long-term. The LifePath Funds with shorter time horizons invest a greater portion of their assets in Underlying Funds that invest in bonds and money market instruments, which typically offer reduced risk and price volatility. The LifePath Funds with shorter time horizons, accordingly, have lower expected returns than the LifePath Funds with longer time horizons.

The Underlying Funds include (but are not limited to) exchange-traded funds (“ETFs”), which are investment companies that trade on an exchange like shares of common stock. The ETFs are each based on an index that is composed of a group of securities chosen to represent an entire stock or bond market, or a major market segment. The ETFs attempt to reproduce the return of their respective underlying indexes by holding some or all of the securities included in those indexes. An underlying index may include securities that meet objective criteria, such as foreign, industry sector or company size. Including a security in an index only means that it has satisfied the selection criteria. It implies no expectation about performance.

Asset Allocation Decisions. In determining the allocation of assets to the Underlying Funds, Barclays, the Master Portfolios' investment adviser, uses an investment model that focuses on selecting a mix of investments by measuring their risk level and expected returns. The investment model is based on a proprietary set of criteria that analyzes extensive financial and economic data (such as market interest rates and inflation data), as well as risk correlation and expected return statistics of the world's equity and bond markets. Barclays then allocates the LifePath Funds' assets among the various Underlying Funds. The investment model adjusts each LifePath Fund's risk level by gradually shifting assets from more risky investments, such as Underlying Funds that invest in stocks, to more conservative investments, like Underlying Funds that invest in bonds and money market instruments as the year in the LifePath Fund's name approaches, except for the LifePath Income Fund, which is already in its most conservative phase. As the stated time horizon of a State Farm LifePath Fund approaches, the allocation will become less risky and have lower expected returns.

This strategy stems from the belief that asset allocation decisions — for example, choosing between stocks and bonds — matter more to overall investment performance than the selection of a particular stock or bond.

Risk Tolerance

Two general rules of investing have shaped the strategies of the LifePath Funds:

- Higher investment returns usually go hand-in-hand with higher risk. Put another way, the greater an investment's potential return, the greater its potential loss. Historically, for example, stocks have outperformed bonds, but the worst year for stocks on record was much worse than the worst year for bonds.
- The longer the investors' time horizons, the greater their risk tolerance; their investments have more time to recover from losses.

After a Fund Reaches Its Time Horizon. By the time a LifePath Fund reaches the decade identified by its name, it has reached its most conservative phase in terms of building capital (the LifePath Income Fund has already entered this phase). This does not mean, however, that the LifePath Income Fund invests exclusively in the underlying money market fund. Rather, because Barclays believes that most investors are still willing to take some risks in pursuing returns even while drawing on their investments, a portion of the LifePath Income Fund's assets will continue to be allocated to the underlying stock and bond funds, in addition to the underlying money market fund.

Principal Investment Strategies for Each LifePath Fund

- State Farm LifePath Income Fund is designed for investors seeking income and moderate long-term growth of capital. As of December 31, 2008, the State Farm LifePath Income Fund holds about 38% of its assets in the underlying stock funds, 61% of its assets in the underlying bond funds and the rest of its assets in the underlying money market fund.
- State Farm LifePath 2010* Fund is designed for investors expecting to begin withdrawing assets around the year 2010. As of December 31, 2008, the State Farm LifePath 2010 Fund holds about 41% of its assets in the underlying stock funds, 57% of its assets in the underlying bond funds and the rest of its assets in the underlying money market fund.
- State Farm LifePath 2020 Fund is designed for investors expecting to begin withdrawing assets around the year 2020. As of December 31, 2008, the State Farm LifePath 2020 Fund holds about 62% of its assets in the underlying stock funds, 37% of its assets in the underlying bond funds and the rest of its assets in the underlying money market fund.
- State Farm LifePath 2030 Fund is designed for investors expecting to begin withdrawing assets around the year 2030. As of December 31, 2008, the State Farm LifePath 2030 Fund holds about 77% of its assets in the underlying stock funds, 22% of its assets in the underlying bond funds and the rest of its assets in the underlying money market fund.
- State Farm LifePath 2040 Fund is designed for investors expecting to begin withdrawing assets around the year 2040. As of December 31, 2008, the State Farm LifePath 2040 Fund holds about 89% of its assets in the underlying stock funds, 10% of its assets in the underlying bond funds and the rest of its assets in the underlying money market fund.
- State Farm LifePath 2050 Fund is designed for investors expecting to begin withdrawing assets around the year 2050. As of the date of this prospectus, the State Farm LifePath 2050 Fund holds about 98% of its assets in the underlying stock funds, 2% of its assets in the underlying bond funds and the rest of its assets in the underlying money market fund.

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

For the LifePath 2010 Fund*, LifePath 2020 Fund, LifePath 2030 Fund, LifePath 2040 Fund, and the LifePath 2050 Fund, as time passes the allocations within each fund will become less risky and each Fund will have a lower expected return.

Risks

Principal Risks of Investing in the Funds

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

A description of the various types or risks faced by persons investing in the Funds follows.

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

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

- **Smaller Company Size Risk.** The Small Cap Index Fund primarily invests its assets in securities issued by companies with smaller market capitalizations. The Small/Mid Cap Equity Fund invests a significant portion of its assets in such securities. Market capitalization is the value of a company calculated by multiplying a company's stock price by the number of its outstanding shares. Other Funds invest to a lesser extent in securities issued by companies with smaller market capitalizations. The securities of small capitalization companies are often more difficult to value or dispose of, more difficult to obtain information about, and more volatile than stocks of larger, more established companies. In addition, the markets for a Fund's investments may not be actively traded, which increases the risk that the Fund's investment adviser or sub-adviser may have difficulty selling securities the Fund holds.
- **Indexing Risk.** The S&P 500 Index Fund, the Small Cap Index Fund and the International Index Fund (collectively, the "Equity Index Funds") attempt to match the performance of a securities market index, but there is no guarantee that these funds will succeed in their attempt to match such performance. The degree to which an Equity Index Fund fails to match the performance of its benchmark index is referred to as "tracking error." Barclays expects that the tracking error for the S&P 500 Index Master Portfolio, the master portfolio into which the S&P 500 Index Fund invests substantially all of its assets, will be less than 5% over time. With respect to the Small Cap Index Fund and the International Index Fund, Northern Trust Investments expects that over time and under normal circumstances, the quarterly performance of these two funds, before expenses, will be within 95% of the performance of each Fund's applicable benchmark index. Each Equity Index Fund tries to stay fully invested at all times in assets that will help the Fund achieve its investment objective. Even when stock prices are falling, an Equity Index Fund will stay fully invested and may decline more than its benchmark index. An index is not a mutual fund and you cannot invest in an index. The composition and weighting of securities in an index can, and often do, change.
- **Interest Rate Risk and Call Risk.** The risk that the bonds a Fund holds may decline in value due to an increase in interest rates. All bonds, including those issued by the U.S. Government, are subject to interest rate risk. Bonds with longer maturities are affected more by interest rate movements than bonds with shorter

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

maturities. Another risk associated with interest rate changes is call risk. Call risk is the risk that during periods of falling interest rates, a bond issuer will “call” or repay a higher yielding bond before the maturity date of the bond. Under these circumstances, the Fund may have to reinvest the proceeds in an investment that provides a lower yield than the called bond.

- **Prepayment Risk.** The risk that homeowners or consumers may repay mortgage or consumer loans, which may affect the yield of mortgage- or asset-backed securities that are backed by such loans.
- **Credit Risk.** The risk that a bond issuer fails to make principal or interest payments when due to the Fund, or that the credit quality of the issuer falls. The Fund’s investments in securities issued by U.S. Government sponsored entities, such as the Federal Home Loan Mortgage Corporation (or “Fannie Mae”) and the Federal National Mortgage Association (“FNMA” or “Freddie Mac”), are not funded by Congressional appropriations and are neither guaranteed nor insured by the U.S. Government. Furthermore, no assurances can be given that the U.S. Government would provide financial support to its agencies or instrumentalities where it is not obligated to do so. Corporate bonds are subject to greater credit risk than U.S. Government bonds.
- **High Yield, High Risk Securities.** Bonds that are in low or below investment-grade categories, or are unrated at the time of purchase (sometimes referred to as “junk bonds” or high yield securities) have a greater risk of default and are more volatile than higher-rated securities of similar maturity. The value of these securities is affected by overall economic conditions, interest rates, and the creditworthiness of the individual issuers. Additionally, these lower-rated or unrated bonds may be less liquid and more difficult to value than higher-rated securities.
- **Liquidity Risk.** The investment adviser or sub-adviser to the Fund may have difficulty selling securities the Fund holds at the time it would like to sell, and at the value the Fund has placed on those securities.
- **Income Risk.** The risk that the income from the bonds a Fund holds will decline in value due to falling interest rates.
- **Municipal Bond Risk.** Municipal securities can be significantly affected by political changes as well as uncertainties related to taxation, legislative changes or the rights of municipal security holders. Because many municipal securities are issued to finance similar projects (for example, education, healthcare or transportation),

conditions in those sectors can affect the overall municipal market.

Additionally, some municipal securities are secured by insurance, bank credit agreements or escrow accounts. The credit quality of the companies that provide such credit enhancements will affect the value of those securities. Certain significant providers of insurance for municipal securities have recently incurred significant losses as a result of exposure to sub-prime mortgages and other lower credit quality investments that have experienced recent defaults or otherwise suffered extreme credit deterioration. As a result, such losses have reduced the insurers’ capital and called into question their continued ability to perform their obligations under such insurance if they are called upon to do so in the future. While an insured municipal security will typically be deemed to have the rating of its insurer, if the insurer of a municipal security suffers a downgrade in its credit rating or the market discounts the value of the insurance provided by the insurer, the rating of the underlying municipal security will be more relevant and the value of the municipal security would more closely, if not entirely, reflect such rating. In such a case, the value of insurance associated with a municipal security would decline in value and may become worthless. The insurance feature of a municipal security does not guarantee the full payment of principal and interest through the life of an insured obligation, the market value of the insured obligation or the NAV of any Fund shares represented by such insured obligation.

- **Inflation Risk.** The risk that the value of the assets or income from an investment will be worth less in the future as inflation decreases the value of money.
- **Security Selection Risk.** Because securities market indices are developed by persons unrelated to the Trust, the Manager or to the Trust’s sub-advisers, a Fund that attempts to match the performance of a securities market index may hold stocks in companies that present risks that an investment adviser or sub-adviser researching individual stocks might avoid.
- **Market Trading Risks.** Through their investments in the LifePath Master Portfolios, the LifePath Funds indirectly are subject to the risk that an active and liquid trading market may not develop or may cease to exist for Underlying Funds that are ETFs. ETFs are listed and traded on securities exchanges. Trading in ETFs may be halted because of market conditions or for reasons that, in the view of the listing exchange, make trading in ETFs inadvisable. In addition, trading in ETFs is subject to trading halts caused by extraordinary market volatility

pursuant to “circuit breaker” rules. There can be no assurance that the requirements necessary to maintain the listing of ETFs will continue to be met or will remain unchanged. An ETF may trade at, above or below its NAV per share. The NAV of an ETF will fluctuate with changes in the market value of its holdings. The trading price of an ETF will generally fluctuate in accordance with changes in its NAV, as well as market supply and demand.

- **Model Risk.** Although the investment model used to manage the LifePath Funds’ assets has been developed and refined over many years, neither the LifePath Funds nor Barclays can offer any assurance that the recommended allocation will either maximize returns or minimize risks. Nor can the LifePath Funds or Barclays offer assurance that a recommended allocation will be the appropriate allocation in all circumstances for every investor with a particular time horizon.

The principal investment risks specific to each Fund follows:

	<i>Market Risk</i>	<i>Foreign Investing Risk</i>	<i>Management Risk</i>	<i>Smaller Company Size Risk</i>	<i>Indexing Risk</i>
Equity Fund	X	X	X		
Small/Mid Cap Equity Fund	X	X	X	X	
International Equity Fund	X	X	X		
S&P 500 Index Fund	X		X		X
Small Cap Index Fund	X		X	X	X
International Index Fund	X	X	X		X
Equity and Bond Fund	X	X	X		
Bond Fund			X		
Tax Advantaged Bond Fund			X		
Money Market Fund			X		
LifePath Income Fund	X	X	X	X	X
LifePath 2010 Fund*	X	X	X	X	X
LifePath 2020 Fund	X	X	X	X	X
LifePath 2030 Fund	X	X	X	X	X
LifePath 2040 Fund	X	X	X	X	X
LifePath 2050 Fund	X	X	X	X	X

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

	<i>Interest Rate Risk and Call Risk</i>	<i>Prepayment Risk</i>	<i>Credit Risk</i>	<i>High Yield, High Risk Securities</i>	<i>Liquidity Risk</i>
Equity Fund					
Small/Mid Cap Equity Fund					
International Equity Fund					
S&P 500 Index Fund					
Small Cap Index Fund					
International Index Fund					
Equity and Bond Fund	X	X	X	X	X
Bond Fund	X	X	X	X	X
Tax Advantaged Bond Fund	X	X	X	X	X
Money Market Fund	X		X		
LifePath Income Fund	X	X	X	X	X
LifePath 2010 Fund*	X	X	X	X	X
LifePath 2020 Fund	X	X	X	X	X
LifePath 2030 Fund	X	X	X	X	X
LifePath 2040 Fund	X	X	X	X	X
LifePath 2050 Fund	X	X	X	X	X

	<i>Income Risk</i>	<i>Municipal Bond Risk</i>	<i>Inflation Risk</i>	<i>Security Selection Risk</i>	<i>Market Trading Risk</i>	<i>Model Risk</i>
Equity Fund						
Small/Mid Cap Equity Fund						
International Equity Fund						
S&P 500 Index Fund				X		
Small Cap Index Fund				X		
International Index Fund				X		
Equity and Bond Fund	X					
Bond Fund	X					
Tax Advantaged Bond Fund	X	X				
Money Market Fund	X		X			
LifePath Income Fund	X			X	X	X
LifePath 2010 Fund*	X			X	X	X
LifePath 2020 Fund	X			X	X	X
LifePath 2030 Fund	X			X	X	X
LifePath 2040 Fund	X			X	X	X
LifePath 2050 Fund	X			X	X	X

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

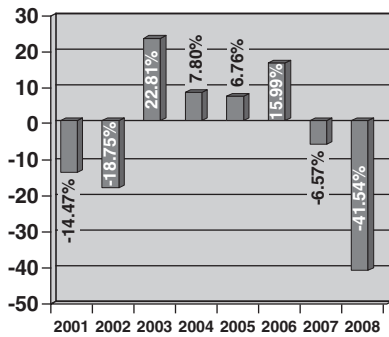
Performance—

The following bar charts illustrate certain risks of investing in the Funds by showing each Fund's total return for the calendar years noted. Because the LifePath 2050 Fund became effective on September 2, 2008 no performance information has been included. Once the LifePath 2050 Fund has annual returns for a full calendar year, performance information will be included to show the possible variability of investing in the LifePath 2050 Fund. The information in the bar charts relates to Legacy Class A shares. Sales loads and taxes are not reflected in the bar charts, and if those charges were included, the returns would be lower than indicated.

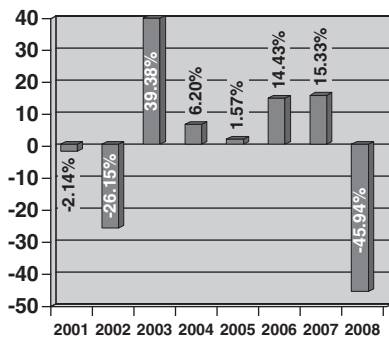
The information in the bar charts is intended to help you assess the variability of Fund returns over the periods listed (and consequently, the potential rewards and risks of a Fund investment).

A Fund's past performance (before and after taxes) doesn't necessarily indicate how it will perform in the future.

Equity Fund⁵



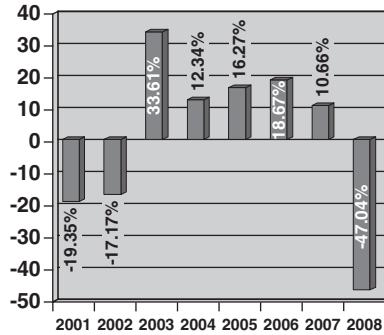
Small/Mid Cap Equity Fund⁶



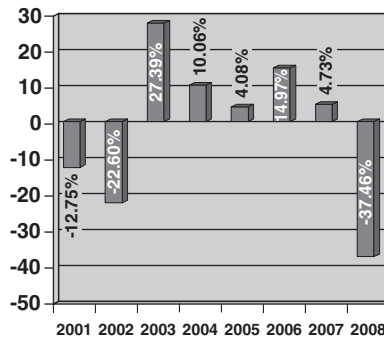
⁵ Bridgeway and Westwood began sub-advising the Equity Fund on September 2, 2008. Prior to that date, Capital Guardian sub-advised the Equity Fund from September 1, 2005. Prior to September 1, 2005, the Manager was responsible for managing the Equity Fund.

⁶ Bridgeway and Rainier began sub-advising the Small/Mid Cap Equity Fund on December 1, 2006. Prior to that date, Capital Guardian sub-advised the Fund.

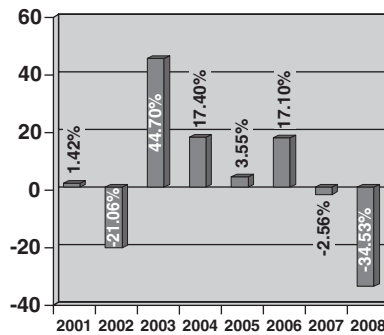
International Equity Fund⁷



S&P 500 Index Fund



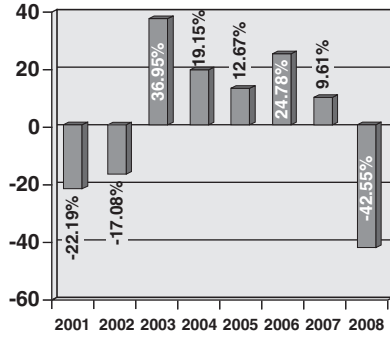
Small Cap Index Fund⁸



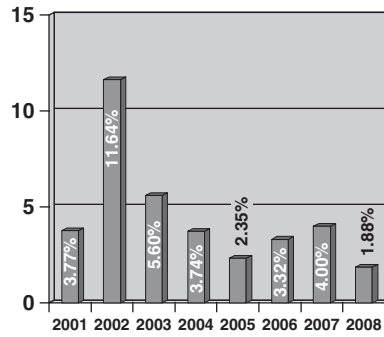
⁷ Marsico and Northern Cross began sub-advising the International Equity Fund on September 2, 2008. Prior to that date, Capital Guardian sub-advised the Fund.

⁸ Northern Trust Investments began serving as investment sub-adviser to the Small Cap Index Fund on September 9, 2005. Prior to September 9, 2005, the Small Cap Index Fund was a feeder fund that invested all of its assets into a series of the Master Fund.

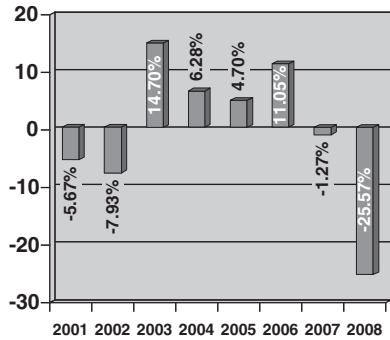
International Index Fund⁹



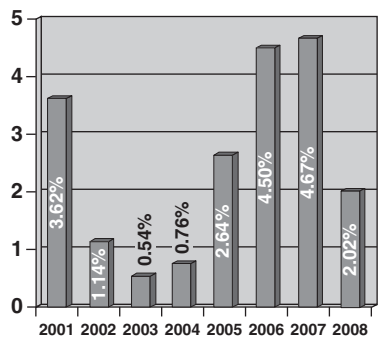
Tax Advantaged Bond Fund



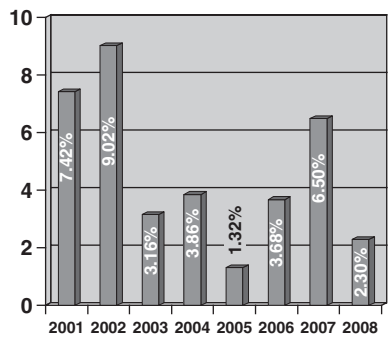
Equity and Bond Fund



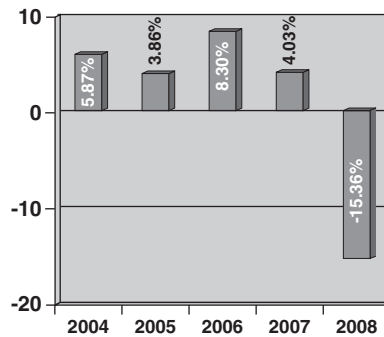
Money Market Fund¹⁰



Bond Fund



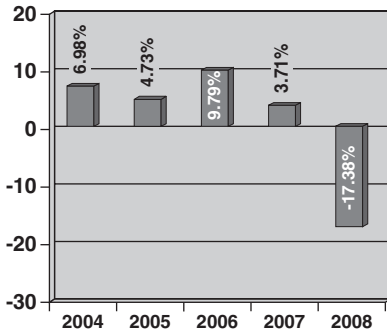
LifePath Income Fund



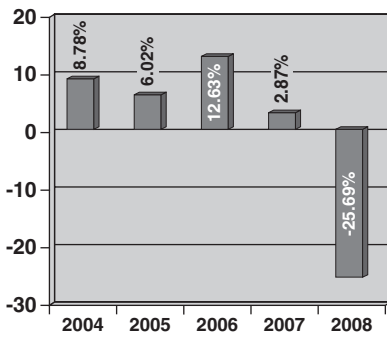
⁹ Northern Trust Investments began serving as investment sub-adviser to the International Index Fund on September 9, 2005. Prior to September 9, 2005, the International Index Fund was a feeder fund that invested all of its assets into a series of the Master Fund.

¹⁰ Unlike the other fifteen Funds, Class A shares of the Money Market Fund are not subject to a sales load.

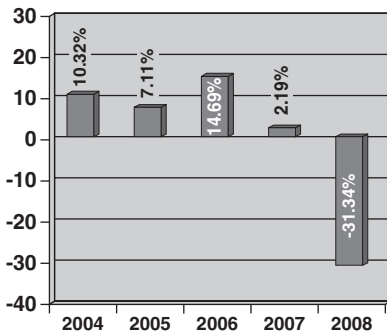
LifePath 2010 Fund*



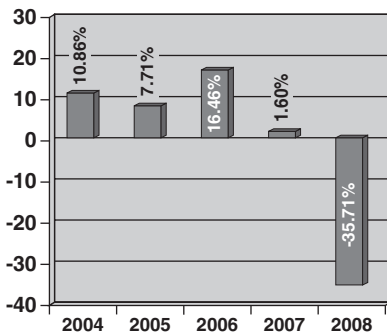
LifePath 2020 Fund



LifePath 2030 Fund



LifePath 2040 Fund



* Not available after November 9, 2009. See page 38 for additional details on the closing of this Fund.

During the periods included in the bar charts above, each Fund's highest and lowest quarterly returns were as follows:

<i>Fund</i>	<i>High</i>	<i>Quarter Ended</i>	<i>Low</i>	<i>Quarter Ended</i>
Equity Fund	11.64%	6/30/2003	-24.19%	12/31/2008
Small/Mid Cap Equity Fund	25.93%	12/31/2001	-29.67%	12/31/2008
International Equity Fund	17.88%	6/30/2003	-23.62%	12/31/2008
S&P 500 Index Fund	15.24%	6/30/2003	-21.98%	12/31/2008
Small Cap Index Fund	22.74%	6/30/2003	-26.25%	12/31/2008
International Index Fund	19.15%	6/30/2003	-20.13%	9/30/2002
Equity and Bond Fund	7.82%	6/30/2003	-13.81%	12/31/2008
Bond Fund	4.74%	9/30/2002	-2.88%	6/30/2004
Tax Advantaged Bond Fund	6.55%	9/30/2002	-3.52%	9/30/2008
Money Market Fund	1.33%	3/31/2001	0.11%	9/30/2003
LifePath Income Fund	4.44%	12/31/2004	-7.86%	12/31/2008
LifePath 2010 Fund*	5.75%	12/31/2004	-9.01%	12/31/2008
LifePath 2020 Fund	7.66%	12/31/2004	-14.24%	12/31/2008
LifePath 2030 Fund	9.03%	12/31/2004	-18.01%	12/31/2008
LifePath 2040 Fund	10.14%	12/31/2004	-20.89%	12/31/2008
LifePath 2050 Fund	Because the LifePath 2050 Fund became effective on September 2, 2008 no performance information has been included.			

Performance — Average Annual Total Returns (for periods ended 12/31/2008)

The following tables illustrate certain risks of investing in the Funds by comparing a Fund's average annual total return (before and after taxes) for the periods listed to a market index (except for returns of the Money Market Fund which are

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

shown before taxes only and which are not compared to a market index). The after-tax returns in the tables are intended to show the impact of assumed federal income taxes on an investment in a Fund. The after-tax returns are shown for Legacy Class A shares only, and the after-tax returns for Class A, Class B and Legacy Class B shares will vary.

"Return After Taxes on Distributions" shows the effect of taxable distributions, but assumes that you still hold Fund shares at the end of the period and that you do not have any taxable gain or loss on the disposition of your Fund shares. "Return After Taxes on Distributions and Sale of Fund Shares" shows the effect of both taxable distributions and any taxable gain or loss that you would realize if you purchased Fund shares at the beginning of the specified period and sold Fund shares at the end of the specified period. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as individual retirement accounts. In some instances the "Return After Taxes on Distributions and Sale of Fund Shares" may be greater than the "Return Before Taxes" because the investor is assumed to be able to use the capital loss on the sale of the Fund shares to offset other taxable gains.

The information in the performance tables is intended to help you assess the variability of Fund returns over the periods listed (and consequently, the potential rewards and risks of a Fund investment). A Fund's past performance (before and after taxes) doesn't necessarily indicate how it will perform in the future.

<i>Equity Fund</i>	<i>1-Year</i>	<i>5-Year</i>	<i>12/18/2000 to 12/31/2008</i>
Return Before Taxes—			
Legacy Class A	-43.29%	-6.70%	-6.11%
Return Before Taxes—			
Legacy Class B	-43.48%	-6.79%	-6.12%
Return After Taxes on Distributions—			
Legacy Class A	-43.51%	-7.53%	-6.66%
Return After Taxes on Distributions and Sale of Fund Shares—			
Legacy Class A	-27.85%	-5.30%	-4.85%
Russell 1000® Value Index	-36.85%	-0.79%	0.30%
S&P 500 Index	-37.00%	-2.19%	-2.90%

Bridgeway and Westwood began sub-advising the Equity Fund on September 2, 2008. At the same time the benchmark for the Equity Fund changed from the Russell 1000 Value Index to the S&P 500 Index. In the future the Manager intends to eliminate the Russell 1000 Value Index as a comparative index for the Equity Fund.

Small /Mid Cap Equity Fund	1-Year	5-Year	12/18/2000 to 12/31/2008
Return Before Taxes— Legacy Class A	-47.55%	-5.67%	-3.22%
Return Before Taxes— Legacy Class B	-47.78%	-5.77%	-3.23%
Return After Taxes on Distributions— Legacy Class A	-47.63%	-6.67%	-3.87%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	-30.82%	-4.60%	-2.61%
Russell 2000 Index	-33.79%	-0.93%	2.26%
Russell 2500 Index	-36.79%	-0.98%	2.28%

Bridgeway and Rainier began sub-advising the Small/Mid Cap Equity Fund on December 1, 2006. At the same time the benchmark for the Small/Mid Cap Equity Fund changed from the Russell 2000 Index to the Russell 2500 Index to reflect the Fund's new investment strategy. In the future the Manager intends to eliminate the Russell 2000 Index as a comparative index for the Small/Mid Cap Equity Fund.

International Equity Fund	1-Year	5-Year	12/18/2000 to 12/31/2008
Return Before Taxes— Legacy Class A	-48.64%	-2.50%	-2.88%
Return Before Taxes— Legacy Class B	-48.80%	-2.63%	-2.89%
Return After Taxes on Distributions— Legacy Class A	-48.79%	-2.86%	-3.20%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	-31.22%	-1.87%	-2.31%
EAFE Free Index	-43.38%	1.66%	0.13%
MSCI ACWI ex-U.S. Index	-45.53%	2.56%	-0.11%

Marsico and Northern Cross began sub-advising the International Equity Fund on September 2, 2008. At the same time the benchmark for the International Equity Fund changed from the EAFE Free Index to the MSCI ACWI ex-U.S. Index. In the future the Manager intends to eliminate the EAFE Free Index as a comparative index for the International Equity Fund.

S&P 500 Index Fund	1-Year	5-Year	12/18/2000 to 12/31/2008
Return Before Taxes— Legacy Class A	-39.32%	-3.50%	-4.03%
Return Before Taxes— Legacy Class B	-39.61%	-3.68%	-4.03%
Return After Taxes on Distributions— Legacy Class A	-39.55%	-3.71%	-4.23%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	-25.27%	-2.89%	-3.35%
S&P 500 Index	-37.00%	-2.19%	-2.90%

Small Cap Index Fund	1-Year	5-Year	12/18/2000 to 12/31/2008
Return Before Taxes— Legacy Class A	-36.50%	-2.49%	0.79%
Return Before Taxes— Legacy Class B	-36.56%	-2.58%	0.80%
Return After Taxes on Distributions— Legacy Class A	-37.45%	-3.45%	0.04%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	-22.57%	-1.88%	0.75%
Russell 2000 Index	-33.79%	-0.93%	2.26%

International Index Fund	1-Year	5-Year	12/18/2000 to 12/31/2008
Return Before Taxes— Legacy Class A	-44.26%	0.46%	-1.06%
Return Before Taxes— Legacy Class B	-44.41%	0.31%	-1.04%
Return After Taxes on Distributions— Legacy Class A	-44.29%	0.23%	-1.26%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	-28.36%	0.63%	-0.77%
EAFE Free Index	-43.38%	1.66%	0.13%

Equity and Bond Fund	1-Year	5-Year	12/18/2000 to 12/31/2008
Return Before Taxes— Legacy Class A	-27.80%	-2.50%	-1.61%
Return Before Taxes— Legacy Class B	-27.91%	-2.61%	-1.60%
Return After Taxes on Distributions— Legacy Class A	-29.24%	-3.65%	-2.64%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	-17.30%	-2.38%	-1.70%
Russell 1000 Value Index	-36.85%	-0.79%	0.30%
Barclays Capital U.S. Aggregate Bond Index	5.24%	4.65%	5.75%
Blended Benchmark	-21.96%	1.58%	2.74%

Bond Fund	1-Year	5-Year	12/18/2000 to 12/31/2008
Return Before Taxes— Legacy Class A	-0.80%	2.89%	4.24%
Return Before Taxes— Legacy Class B	-1.10%	2.75%	4.24%
Return After Taxes on Distributions— Legacy Class A	-2.35%	1.41%	2.57%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	-0.54%	1.59%	2.62%
Barclays Capital U.S. Aggregate Bond Index	5.24%	4.65%	5.75%

Tax Advantaged Bond Fund	12/18/2000 to 12/31/2008		
	1-Year	5-Year	
Return Before Taxes— Legacy Class A	- 1.14%	2.44%	4.14%
Return Before Taxes— Legacy Class B	- 1.53%	2.28%	4.12%
Return After Taxes on Distributions— Legacy Class A	- 1.27%	2.39%	4.10%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	0.77%	2.64%	4.13%
Barclays Capital Municipal Bond Index	- 2.47%	2.71%	4.22%

Money Market Fund	12/18/2000 to 12/31/2008		
	1-Year	5-Year	
Return Before Taxes— Legacy Class A	2.02%	2.91%	2.49%
Return Before Taxes— Legacy Class B	- 1.38%	2.13%	2.08%

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The Money Market Fund's current seven-day yield on December 31, 2008 was 0.85% for Legacy Class A shares and 0.45% for Legacy Class B shares.

LifePath Income Fund	5/09/2003 to 12/31/2008		
	1-Year	5-Year	
Return Before Taxes— Legacy Class A	- 17.91%	0.35%	1.71%
Return Before Taxes— Legacy Class B	- 18.16%	0.16%	1.70%
Return After Taxes on Distributions— Legacy Class A	- 18.53%	- 0.55%	0.88%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	- 11.43%	- 0.03%	1.15%
Barclays Capital U.S. Aggregate Bond Index	5.24%	4.65%	4.31%
S&P 500 Index	- 37.00%	- 2.19%	1.35%
Blended Benchmark ⁽¹⁾	- 14.52%	N/A	- 0.82%

LifePath 2010 Fund*	5/09/2003 to 12/31/2008		
	1-Year	5-Year	
Return Before Taxes— Legacy Class A	- 19.84%	0.44%	2.29%
Return Before Taxes— Legacy Class B	- 20.05%	0.29%	2.29%
Return After Taxes on Distributions— Legacy Class A	- 20.52%	- 0.38%	1.55%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	- 12.68%	0.15%	1.75%
Barclays Capital U.S. Aggregate Bond Index	5.24%	4.65%	4.31%
S&P 500 Index	- 37.00%	- 2.19%	1.35%
Blended Benchmark ⁽¹⁾	- 16.51%	N/A	- 1.59%

LifePath 2020 Fund	5/09/2003 to 12/31/2008		
	1-Year	5-Year	
Return Before Taxes— Legacy Class A	- 27.92%	- 0.75%	1.78%
Return Before Taxes— Legacy Class B	- 28.19%	- 0.86%	1.79%
Return After Taxes on Distributions— Legacy Class A	- 28.36%	- 1.38%	1.20%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	- 17.89%	- 0.67%	1.49%
Barclays Capital U.S. Aggregate Bond Index	5.24%	4.65%	4.31%
S&P 500 Index	- 37.00%	- 2.19%	1.35%
Blended Benchmark ⁽¹⁾	- 25.39%	N/A	- 5.49%

LifePath 2030 Fund	5/09/2003 to 12/31/2008		
	1-Year	5-Year	
Return Before Taxes— Legacy Class A	- 33.42%	- 1.59%	1.37%
Return Before Taxes— Legacy Class B	- 33.63%	- 1.72%	1.35%
Return After Taxes on Distributions— Legacy Class A	- 33.70%	- 2.09%	0.91%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	- 21.46%	- 1.24%	1.27%
Barclays Capital U.S. Aggregate Bond Index	5.24%	4.65%	4.31%
S&P 500 Index	- 37.00%	- 2.19%	1.35%
Blended Benchmark ⁽¹⁾	- 31.34%	N/A	- 8.28%

LifePath 2040 Fund	5/09/2003 to 12/31/2008		
	1-Year	5-Year	
Return Before Taxes— Legacy Class A	- 37.63%	- 2.49%	0.99%
Return Before Taxes— Legacy Class B	- 37.83%	- 2.59%	1.00%
Return After Taxes on Distributions— Legacy Class A	- 37.82%	- 2.93%	0.58%
Return After Taxes on Distributions and Sale of Fund Shares— Legacy Class A	- 24.21%	- 1.94%	0.99%
Barclays Capital U.S. Aggregate Bond Index	5.24%	4.65%	4.31%
S&P 500 Index	- 37.00%	- 2.19%	1.35%
Blended Benchmark ⁽¹⁾	- 36.01%	N/A	- 10.59%

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

⁽¹⁾ Blended Benchmark's Inception Date is 5/01/2006.

Descriptions of Indices

The indices represent unmanaged groups of securities that differ from the composition of the Funds. Unlike an investment in the Funds, a theoretical investment in any index or benchmark does not reflect any expenses or investing or deductions for taxes. It is not possible to invest directly in an index or benchmark.

- The Russell 1000[®] Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth rates.
- The S&P 500[®] Index tracks the common stock performance of large U.S. companies in the manufacturing, utilities, transportation and financial industries. In total, the S&P 500 Index is comprised of 500 common stocks.
- The Russell 2000[®] Index tracks the common stock performance of the 2,000 smallest U.S. companies in the Russell 3000[®] Index, which represents approximately 10% of the total capitalization of the Russell 3000[®] Index.
- The Russell 2500[®] Index measures the performance of the 2,500 smallest securities in the Russell 3000[®] Index, which represents approximately 20% of the total market capitalization of the Russell 3000[®] Index.
- The Morgan Stanley Capital International Europe, Australasia and Far East (EAFE[®]) Free Index currently measures the performance of stock markets of Europe, Australia, New Zealand, and the Far East and takes into account local market restrictions on share ownership by foreigners. The EAFE Free Index is meant to reflect actual opportunities for foreign investors in a local market.
- The MSCI[®] All Country World Index (ex-U.S.) is a free float adjusted market capitalization index that is designed to measure equity market performance in global developed and emerging markets; excluding the United States. As of December 31, 2008, the MSCI AWCI ex-U.S. Index consisted of 44 developed and emerging market country indices.
- The Barclays Capital U.S. Aggregate Bond Index represents debt securities in the U.S. investment grade fixed rate taxable bond market, including government and corporate debt securities, mortgage pass-through debt securities and asset-backed debt securities with maturities greater than one year.
- For the Equity and Bond Fund, the Manager computes the Blended Benchmark using 60% Russell 1000 Value Index and 40% Barclays Capital U.S. Aggregate Bond Index.
- The Barclays Capital Municipal Bond Index is an unmanaged index representative of the tax-exempt bond market and is made up of investment grade municipal bonds issued after December 31, 1990, having a remaining maturity of at least one year.
- The customized LifePath Blended Benchmarks represent hypothetical performance of the respective LifePath Master Portfolio's asset classes according to their weightings as of the most recent quarter end. The weightings of the various indices that are included in the Blended Benchmarks are adjusted quarterly to reflect the LifePath Master Portfolio's changing asset allocation over time. The following indices are used to calculate the LifePath Master Portfolios' Blended Benchmarks: S&P 500 Index, S&P MidCap 400 Index, S&P SmallCap 600 Index, MSCI EAFE Index, Barclays Capital U.S. Aggregate Bond Index, Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L), and Cohen & Steers Realty Majors Index.

EXPENSE INFORMATION

The following tables describe the fees and expenses you would pay if you buy and hold shares of the Funds.

**Shareholder Transaction Expenses – For All Funds,
Other Than the Bond Fund, Tax Advantaged Bond Fund and the Money Market Fund
(fees paid directly from your investment)**

	Class A	Class B	Legacy Class A	Legacy Class B
Maximum sales charge (load) imposed on purchases	5.00%	None	3.00%	None
Maximum deferred sales charge (load)	None	5.00%	None	3.00%
Maximum Account Fee ⁽¹⁾	None	None	None	None

**Shareholder Transaction Expenses – Bond Fund and Tax Advantaged Bond Fund
(fees paid directly from your investment)**

	Class A	Class B	Legacy Class A	Legacy Class B
Maximum sales charge (load) imposed on purchases	3.00%	None	3.00%	None
Maximum deferred sales charge (load)	None	3.00%	None	3.00%
Maximum Account Fee ⁽¹⁾	None	None	None	None

**Shareholder Transaction Expenses – Money Market Fund
(fees paid directly from your investment)**

	Class A	Class B	Legacy Class A	Legacy Class B
Maximum sales charge (load) imposed on purchases	None	None	None	None
Maximum deferred sales charge (load)	None	3.00% ⁽²⁾	None	3.00% ⁽³⁾
Maximum Account Fee ⁽¹⁾	None	None	None	None

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⁽¹⁾ For certain types of accounts, if your account balance falls below \$1,000 at the close of business on the second business day of November, the account will be charged a low balance fee of \$25. See “Shareholder Information – Policies for Low Balance Accounts” for details.

⁽²⁾ A person can invest in Class B shares of the Money Market Fund only by exchanging into Class B shares of the Money Market Fund from Class B shares of another Fund. A Class B shareowner of the Money Market Fund who redeems his or her shares will incur a contingent deferred sales charge on the redemption of up to 3% of the amount redeemed. See the “Shareholder Information – Reduced Sales Charge Options” section of this prospectus for the amount of the contingent deferred sales charge.

⁽³⁾ A person can invest in Legacy Class B shares of the Money Market Fund only by exchanging from Legacy Class B shares of another Fund. A Legacy Class B shareowner of the Money Market Fund who redeems his or her shares will incur a contingent deferred sales charge on the redemption of up to 3% of the amount redeemed. See the “Shareholder Information – Reduced Sales Charge Options” section of this prospectus for the amount of the contingent deferred sales charge.

Annual Fund Operating Expenses (expenses that are deducted from Fund assets)

	Equity Fund				Small/Mid Cap Equity Fund			
	Class A	Class B	Legacy Class A	Legacy Class B	Class A	Class B	Legacy Class A	Legacy Class B
Management fees	0.60%	0.60%	0.60%	0.60%	0.80%	0.80%	0.80%	0.80%
Distribution [and/or Service] (12b-1 fees) Fees	0.25%	0.95%	0.25%	0.65%	0.25%	0.85%	0.25%	0.65%
Other Expenses	0.34%	0.34%	0.34%	0.34%	0.40%	0.39%	0.40%	0.40%
Acquired Fund Fees & Expenses	0.14%	0.14%	0.14%	0.14%	0.01%	0.01%	0.01%	0.01%
Total Annual Fund Operating Expenses ⁽¹⁾	1.33%	2.03%	1.33%	1.73%	1.46%	2.05%	1.46%	1.86%

	<i>International Equity Fund</i>				<i>S&P 500 Index Fund⁽²⁾⁽⁵⁾</i>			
	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>
Management fees	0.80%	0.80%	0.80%	0.80%	0.20%	0.20%	0.20%	0.20%
Distribution [and/or Service] (12b-1 fees)								
Fees	0.25%	0.85%	0.25%	0.65%	0.25%	0.95%	0.25%	0.65%
Other Expenses	0.62%	0.62%	0.62%	0.62%	0.34%	0.34%	0.34%	0.34%
Acquired Fund Fees & Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Annual Fund Operating Expenses ⁽¹⁾	1.67%	2.27%	1.67%	2.07%	0.79%	1.49%	0.79%	1.19%
	<i>Small Cap Index Fund</i>				<i>International Index Fund</i>			
	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>
Management fees	0.35%	0.35%	0.35%	0.35%	0.50%	0.50%	0.50%	0.50%
Distribution [and/or Service] (12b-1 fees)								
Fees	0.25%	0.95%	0.25%	0.65%	0.25%	0.95%	0.25%	0.65%
Other Expenses	0.40%	0.40%	0.40%	0.40%	0.53%	0.53%	0.53%	0.53%
Acquired Fund Fees & Expenses	0.04%	0.04%	0.04%	0.04%	0.00%	0.00%	0.00%	0.00%
Total Annual Fund Operating Expenses ⁽¹⁾	1.04%	1.74%	1.04%	1.44%	1.28%	1.98%	1.28%	1.68%
	<i>Equity & Bond Fund⁽³⁾</i>				<i>Bond Fund</i>			
	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>
Management fees	0.00%	0.00%	0.00%	0.00%	0.10%	0.10%	0.10%	0.10%
Distribution [and/or Service] (12b-1 fees)								
Fees	0.25%	0.85%	0.25%	0.65%	0.25%	0.65%	0.25%	0.65%
Other Expenses	0.09%	0.09%	0.09%	0.09%	0.35%	0.35%	0.35%	0.35%
Acquired Fund Fees & Expenses	0.74%	0.74%	0.74%	0.74%	0.01%	0.01%	0.01%	0.01%
Total Annual Fund Operating Expenses ⁽¹⁾	1.08%	1.68%	1.08%	1.48%	0.71%	1.11%	0.71%	1.11%
	<i>Tax Advantaged Fund</i>				<i>Money Market Fund⁽⁷⁾</i>			
	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>
Management fees	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Distribution [and/or Service] (12b-1 fees)								
Fees	0.25%	0.65%	0.25%	0.65%	0.15%	0.55%	0.15%	0.55%
Other Expenses	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%
Acquired Fund Fees & Expenses	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%
Total Annual Fund Operating Expenses ⁽¹⁾	0.71%	1.11%	0.71%	1.11%	0.62%	1.02%	0.62%	1.02%
	<i>LifePath Income Fund⁽²⁾</i>				<i>LifePath 2010 Fund^{(2)*}</i>			
	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>
Management fees	1.06%	1.06%	1.05%	1.05%	1.06%	1.06%	1.06%	1.06%
Distribution [and/or Service] (12b-1 fees)								
Fees	0.25%	0.95%	0.25%	0.65%	0.25%	0.95%	0.25%	0.65%
Other Expenses	0.35%	0.35%	0.35%	0.35%	0.31%	0.31%	0.31%	0.31%
Acquired Fund Fees & Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Annual Fund Operating Expenses ⁽¹⁾	1.66%	2.36%	1.65%	2.05%	1.62%	2.32%	1.62%	2.02%
Less: Contractual Waivers ⁽¹⁾⁽⁵⁾⁽⁶⁾	-0.35%	-0.35%	-0.34%	-0.34%	-0.34%	-0.34%	-0.34%	-0.34%
Net Expenses ⁽¹⁾	1.31%	2.01%	1.31%	1.71%	1.28%	1.98%	1.28%	1.68%

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

	<i>LifePath 2020 Fund⁽²⁾</i>				<i>LifePath 2030 Fund⁽²⁾</i>			
	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>
Management fees	1.06%	1.06%	1.05%	1.05%	1.06%	1.06%	1.06%	1.06%
Distribution [and/or Service] (12b-1 fees)								
Fees	0.25%	0.95%	0.25%	0.65%	0.25%	0.95%	0.25%	0.65%
Other Expenses	0.30%	0.30%	0.30%	0.30%	0.31%	0.31%	0.31%	0.31%
Acquired Fund Fees & Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Annual Fund Operating Expenses ⁽¹⁾	1.61%	2.31%	1.60%	2.00%	1.62%	2.32%	1.62%	2.02%
Less: Contractual Waivers ⁽¹⁾⁽⁵⁾⁽⁶⁾	-0.34%	-0.34%	-0.33%	-0.33%	-0.34%	-0.34%	-0.34%	-0.34%
Net Expenses ⁽¹⁾	1.27%	1.97%	1.27%	1.67%	1.28%	1.98%	1.28%	1.68%

	<i>LifePath 2040 Fund⁽²⁾</i>				<i>LifePath 2050 Fund⁽²⁾</i>
	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>	<i>Class A</i>
Management fees	1.06%	1.06%	1.06%	1.06%	1.05%
Distribution [and/or Service] (12b-1 fees)					
Fees	0.25%	0.95%	0.25%	0.65%	0.25%
Other Expenses	0.34%	0.34%	0.34%	0.34%	1.81%
Acquired Fund Fees & Expenses	0.00%	0.00%	0.00%	0.00%	0.00%
Total Annual Fund Operating Expenses ⁽¹⁾	1.65%	2.35%	1.65%	2.05%	3.11%
Less: Contractual Waivers ⁽¹⁾⁽⁵⁾⁽⁶⁾	-0.34%	-0.34%	-0.34%	-0.34%	-0.95%
Net Expenses ⁽¹⁾	1.31%	2.01%	1.31%	1.71%	2.16%

The Manager's agreement to reimburse the Funds is voluntary and may be eliminated by the Manager at any time.

(1) For all Funds other than the LifePath Funds, the Manager has agreed to voluntarily reimburse each Fund if, and to the extent, the Fund's total annual operating expenses exceed the percentage of each Fund's average net assets indicated in the table below. With any increase or decrease in the percentage rate of the 12b-1 fee assessed for a share class of a Fund, the expense reimbursement threshold for that share class of the Fund will increase or decrease by a corresponding percentage rate amount. For instance, if the percentage rate of the 12b-1 fee assessed for a share class of a Fund increases 0.05%, the expense reimbursement threshold for that share class of the Fund similarly will increase by 0.05%. Barclays, the investment adviser to the LifePath Master Portfolios, has contractually agreed to waive its management fees at the Master Portfolio level in an amount equal to advisory fees and administration fees, if any, charged to the Underlying Funds through April 30, 2011 (the "contractual waiver"). Barclays may not discontinue or modify this contractual waiver without the approval of the Board of Trustees of the Master Portfolios. The Manager has agreed to reimburse each LifePath Fund if, and to the extent the LifePath Fund's total annual operating expenses, including net expenses incurred at the Master Portfolio and Underlying Fund levels, exceed the percentages of each LifePath Fund's average net assets shown in the table below:

<i>Fund</i>	<i>Expense Reimbursement Threshold</i>				<i>Fund</i>	<i>Expense Reimbursement Threshold</i>			
	<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>		<i>Class A</i>	<i>Class B</i>	<i>Legacy Class A</i>	<i>Legacy Class B</i>
Equity Fund	1.20%	1.90%	1.20%	1.60%	Money Market Fund....	0.60%	1.00%	0.60%	1.00%
Small/Mid Cap Equity Fund.....	1.40%	2.00%	1.40%	1.80%	State Farm LifePath Income Fund	1.30%	2.00%	1.30%	1.70%
International Equity Fund.....	1.50%	2.10%	1.50%	1.90%	State Farm LifePath 2010 Fund*	1.30%	2.00%	1.30%	1.70%
S&P 500 Index Fund.....	0.80%	1.50%	0.80%	1.20%	State Farm LifePath 2020 Fund.....	1.30%	2.00%	1.30%	1.70%
Small Cap Index Fund.....	0.95%	1.65%	0.95%	1.35%	State Farm LifePath 2030 Fund.....	1.30%	2.00%	1.30%	1.70%
International Index Fund.....	1.20%	1.90%	1.20%	1.60%	State Farm LifePath 2040 Fund.....	1.30%	2.00%	1.30%	1.70%
Equity and Bond Fund.....	0.98% ⁽³⁾	1.58% ⁽³⁾	0.98% ⁽³⁾	1.38% ⁽³⁾	State Farm LifePath 2050 Fund.....	1.30%			
Bond Fund.....	0.70%	1.10%	0.70%	1.10%					
Tax Advantaged Bond Fund.....	0.70%	1.10%	0.70%	1.10%					

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

(2) For the S&P 500 Index Fund, the fees and expenses listed include the Fund's and the Master Portfolio's fees and expenses. For the LifePath Funds, the fees and expenses listed include the fees and expenses of the LifePath Funds, the Master Portfolios, and a weighted average of the total operating expense ratios of the Underlying Funds in which the Master Portfolios invest.

(3) The Manager has agreed not to be paid an investment advisory and shareholder services fee for performing services for the Equity and Bond Fund. Nevertheless, the Manager receives investment advisory and shareholder service fees for performing these services for the Funds in which the Equity

and Bond Fund invest. The Manager has agreed to reimburse the Equity and Bond Fund for all expenses directly incurred by the Fund except 12b-1 distribution fees and acquired fund fees and expenses. This expense reimbursement is voluntary and the Manager may eliminate it at any time.

- (4) Other expenses for the LifePath 2050 Fund are based upon estimated amounts for the current fiscal year.
- (5) Barclays contractually agreed to provide an offsetting credit against the investment advisory fees received from the LifePath Master Portfolios and the S&P 500 Index Master Portfolio in an amount equal to the fees and expenses of the MIP independent trustees, counsel to such trustees, and independent registered public accounting firm ("independent expenses") that are paid by these Master Portfolios through April 30, 2011. Also, Barclays Global Investors ("BGI"), an affiliate of Barclays and administrator of certain of the Underlying Funds, contractually agreed to provide an offsetting credit against the administration fees paid by the Active Stock and CoreAlpha Bond Master Portfolios to BGI in an amount equal to the independent expenses that are paid by these two Underlying Funds through April 30, 2011. Barclays and BGI may not discontinue or modify this contractual waiver or these offsetting credits without the approval of the Board of Trustees of the Master Portfolios.
- (6) Effective October 2, 2007, BGI began voluntarily waiving a portion of its administration fees payable by the Active Stock Master Portfolio in an amount sufficient to maintain the investment advisory fees of the LifePath Master Portfolios, which are not to exceed 0.35% of the average daily net assets of each LifePath Master Portfolio. This arrangement is voluntary and may be terminated by BGI at any time.
- (7) The Manager has agreed to waive all or a portion of its fees due from the Money Market Fund to prevent the Fund's net yield from falling below zero. This expense reimbursement agreement is voluntary and may be eliminated by the Manager at any time.

Expense Examples

These examples are intended to help you compare the cost of investing in a Fund with the cost of investing in other mutual funds. The examples assume you invest \$10,000 for the time periods indicated, earn a 5% return each year, redeem your shares at the end of the period and that operating expenses remain constant at the level above for "Total Annual Fund Operating Expenses." Your actual returns and costs may be higher or lower than those shown, but based on these assumptions, your expenses will be:

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Class A				
	1 Year	3 Year	5 Year	10 Year
State Farm Equity Fund	\$629	\$ 900	\$1,192	\$2,021
State Farm Small/Mid Cap Equity Fund	\$641	\$ 939	\$1,258	\$2,159
State Farm International Equity Fund	\$661	\$1,000	\$1,362	\$2,377
State Farm S&P 500 Index Fund	\$577	\$ 740	\$ 917	\$1,429
State Farm Small Cap Index Fund.....	\$601	\$ 814	\$1,045	\$1,707
State Farm International Index Fund	\$624	\$ 886	\$1,167	\$1,968
State Farm Equity and Bond Fund.....	\$605	\$ 826	\$1,066	\$1,751
State Farm Bond Fund	\$370	\$ 520	\$ 683	\$1,156
State Farm Tax Advantaged Bond Fund	\$370	\$ 520	\$ 683	\$1,156
State Farm Money Market Fund	\$ 63	\$ 199	\$ 346	\$ 774
State Farm LifePath Income Fund	\$627	\$ 894	\$1,182	\$2,000
State Farm LifePath 2010 Fund*	\$624	\$ 886	\$1,167	\$1,968
State Farm LifePath 2020 Fund	\$623	\$ 883	\$1,162	\$1,957
State Farm LifePath 2030 Fund	\$624	\$ 886	\$1,167	\$1,968
State Farm LifePath 2040 Fund	\$627	\$ 894	\$1,182	\$2,000
State Farm LifePath 2050 Fund	\$708	\$1,142	\$1,601	\$2,868

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

Class B				
	1 Year	3 Year	5 Year	10 Year
State Farm Equity Fund	\$706	\$ 987	\$1,293	\$2,179
State Farm Small/Mid Cap Equity Fund	\$708	\$ 993	\$1,303	\$2,228
State Farm International Equity Fund	\$730	\$1,059	\$1,415	\$2,455
State Farm S&P 500 Index Fund	\$652	\$ 821	\$1,013	\$1,590
State Farm Small Cap Index Fund.....	\$677	\$ 898	\$1,144	\$1,867
State Farm International Index Fund	\$701	\$ 971	\$1,268	\$2,126
State Farm Equity and Bond Fund.....	\$671	\$ 880	\$1,113	\$1,828
State Farm Bond Fund	\$413	\$ 628	\$ 812	\$1,240
State Farm Tax Advantaged Bond Fund	\$413	\$ 628	\$ 812	\$1,240
State Farm Money Market Fund	\$404	\$ 600	\$ 763	\$1,135
State Farm LifePath Income Fund	\$704	\$ 980	\$1,283	\$2,157
State Farm LifePath 2010 Fund*	\$701	\$ 971	\$1,268	\$2,126
State Farm LifePath 2020 Fund	\$700	\$ 968	\$1,262	\$2,115
State Farm LifePath 2030 Fund	\$701	\$ 971	\$1,268	\$2,126
State Farm LifePath 2040 Fund	\$704	\$ 980	\$1,283	\$2,157
State Farm LifePath 2050 Fund	N/A	N/A	N/A	N/A
Legacy Class A				
	1 Year	3 Year	5 Year	10 Year
State Farm Equity Fund	\$431	\$ 709	\$1,007	\$1,853
State Farm Small/Mid Cap Equity Fund	\$444	\$ 748	\$1,073	\$1,994
State Farm International Equity Fund	\$465	\$ 811	\$1,180	\$2,217
State Farm S&P 500 Index Fund	\$378	\$ 545	\$ 726	\$1,249
State Farm Small Cap Index Fund.....	\$403	\$ 621	\$ 857	\$1,533
State Farm International Index Fund	\$426	\$ 694	\$ 981	\$1,799
State Farm Equity and Bond Fund.....	\$407	\$ 633	\$ 878	\$1,578
State Farm Bond Fund	\$370	\$ 520	\$ 683	\$1,156

Legacy Class A

	1 Year	3 Year	5 Year	10 Year
State Farm Tax Advantaged Bond Fund	\$370	\$520	\$ 683	\$1,156
State Farm Money Market Fund	\$ 63	\$199	\$ 346	\$ 774
State Farm LifePath Income Fund	\$429	\$703	\$ 997	\$1,832
State Farm LifePath 2010 Fund*	\$426	\$694	\$ 981	\$1,799
State Farm LifePath 2020 Fund	\$425	\$691	\$ 976	\$1,788
State Farm LifePath 2030 Fund	\$426	\$694	\$ 981	\$1,799
State Farm LifePath 2040 Fund	\$429	\$703	\$ 997	\$1,832
State Farm LifePath 2050 Fund	N/A	N/A	N/A	N/A

Legacy Class B

	1 Year	3 Year	5 Year	10 Year
State Farm Equity Fund	\$476	\$820	\$1,139	\$1,935
State Farm Small/Mid Cap Equity Fund	\$489	\$860	\$1,206	\$2,076
State Farm International Equity Fund	\$510	\$924	\$1,314	\$2,298
State Farm S&P 500 Index Fund	\$421	\$653	\$ 854	\$1,332
State Farm Small Cap Index Fund.....	\$447	\$731	\$ 987	\$1,616
State Farm International Index Fund	\$471	\$805	\$1,113	\$1,881
State Farm Equity and Bond Fund.....	\$451	\$743	\$1,008	\$1,660
State Farm Bond Fund	\$413	\$628	\$ 812	\$1,240
State Farm Tax Advantaged Bond Fund	\$413	\$628	\$ 812	\$1,240
State Farm Money Market Fund	\$404	\$600	\$ 763	\$1,135
State Farm LifePath Income Fund	\$474	\$814	\$1,128	\$1,914
State Farm LifePath 2010 Fund*	\$471	\$805	\$1,113	\$1,878
State Farm LifePath 2020 Fund	\$470	\$801	\$1,107	\$1,870
State Farm LifePath 2030 Fund	\$471	\$805	\$1,113	\$1,881
State Farm LifePath 2040 Fund	\$474	\$814	\$1,128	\$1,914
State Farm LifePath 2050 Fund	N/A	N/A	N/A	N/A

Using the same assumptions as for the first table, but assuming that you did not redeem your shares at the end of each period, you would bear the following expenses for Class B shares:

Class B without Redemption at the End of the Period

	1 Year	3 Year	5 Year	10 Year
State Farm Equity Fund	\$206	\$637	\$1,093	\$2,179
State Farm Small/Mid Cap Equity Fund	\$208	\$643	\$1,103	\$2,228
State Farm International Equity Fund	\$230	\$709	\$1,215	\$2,455
State Farm S&P 500 Index Fund	\$152	\$471	\$ 813	\$1,590
State Farm Small Cap Index Fund.....	\$177	\$548	\$ 944	\$1,867
State Farm International Index Fund	\$201	\$621	\$1,068	\$2,126
State Farm Equity and Bond Fund.....	\$171	\$530	\$ 913	\$1,828
State Farm Bond Fund	\$113	\$353	\$ 612	\$1,240
State Farm Tax Advantaged Bond Fund	\$113	\$353	\$ 612	\$1,240
State Farm Money Market Fund	\$104	\$325	\$ 563	\$1,135
State Farm LifePath Income Fund	\$204	\$630	\$1,083	\$2,157
State Farm LifePath 2010 Fund*	\$201	\$621	\$1,068	\$2,126
State Farm LifePath 2020 Fund	\$200	\$618	\$1,062	\$2,115
State Farm LifePath 2030 Fund	\$201	\$621	\$1,068	\$2,126
State Farm LifePath 2040 Fund	\$204	\$630	\$1,083	\$2,157

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

INVESTOR PROFILE

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

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

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

You may want to invest in the Bond Fund if you are seeking higher potential returns than money market funds and are willing to accept the price volatility of bonds with longer maturities, want to diversify your investments, are seeking an income mutual fund for an asset allocation program or are retired or nearing retirement. You may not want to invest in the Bond Fund if you are investing for maximum return over a long time horizon, want the greater growth potential of an investment in equity securities or require stability of your principal. A person who wants to invest in the Bond Fund may also be a suitable investor for the Tax Advantaged Bond Fund, if he or she wants regular tax-free dividends and wants to reduce federal income taxes on investment income.

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

ADVISER RELATED PERFORMANCE

Most of the Funds were modeled after either another mutual fund that Barclays, Bridgeway, Marsico, Northern Cross & Westwood manages or a composite of accounts that Northern Trust Investments manages, as shown below:

<i>Fund</i>	<i>Corresponding Fund or Composite</i>
Equity Fund	Bridgeway Large Cap Growth Fund Westwood Equity Fund
Small/Mid Cap Equity Fund	No comparable fund
International Equity Fund	Marsico International Opportunities Fund Northern Cross—Harbor International Fund
S&P 500 Index Fund	S&P 500 Index Master Portfolio
Small Cap Index Fund	Northern Trust Global Investments Russell 2000 Equity Index Composite
International Index Fund	Northern Trust Global Investments EAFE Index Composite
Equity and Bond Fund	No comparable fund
Bond Fund	No comparable fund
Tax Advantaged Bond Fund	No comparable fund
Money Market Fund	No comparable fund
State Farm LifePath Income Fund	LifePath Income Master Portfolio
State Farm LifePath 2010 Fund*	LifePath 2010 Master Portfolio
State Farm LifePath 2020 Fund	LifePath 2020 Master Portfolio
State Farm LifePath 2030 Fund	LifePath 2030 Master Portfolio
State Farm LifePath 2040 Fund	LifePath 2040 Master Portfolio
State Farm LifePath 2050 Fund	LifePath 2050 Master Portfolio

The investment policy of each Fund is substantially similar to its corresponding fund or composite. Attached as Appendix A to this Prospectus is the investment performance for each corresponding fund or composite. The data provided in Appendix A is provided to illustrate the past performance of Northern Trust Investments, Bridgeway, Marsico, Northern Cross & Westwood and Barclays in managing similar types of investment mandates.

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

HOW THE FUNDS INVEST

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

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

How the State Farm non-LifePath Funds Invest

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

Each Fund may also:

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

Except for the Equity Index Funds, each Fund may, from time to time, borrow money in amounts up to 33 1/3% of its total assets (including the amount borrowed) for temporary purposes to pay for redemptions. A Fund may not purchase additional securities when borrowings exceed 5% of its total assets (including the amount borrowed).

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

Due to a sell discipline based in part on price targets, Rainier's segment of the Small/Mid Cap Equity Fund may be actively traded. This is particularly true in a market environ-

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

S&P 500 Index Fund

The S&P 500 Index Fund invests all of its assets in a separate series of the Master Fund known as the S&P 500 Index Master Portfolio. Barclays serves as investment adviser to the S&P 500 Index Master Portfolio. The S&P 500 Index Master Portfolio may accept investments from other feeder funds. Certain actions involving other feeder funds, such as a substantial withdrawal, could affect the S&P 500 Index Master Portfolio. Barclays and its affiliates invest for their own accounts in the types of securities in which the S&P 500 Index Master Portfolio may also invest.

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

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

Barclays does not manage the S&P 500 Index Master Portfolio according to traditional methods of "active" investment management, which involves buying and selling securities based on economic, financial and market analysis and investment judgment. Instead, Barclays utilizes a "passive" or indexing investment approach for the S&P 500 Index Master Portfolio, attempting to approximate the investment performance of the S&P 500 Index. Barclays selects stocks for the S&P 500 Index Master Portfolio so that the overall investment characteristics of the S&P 500 Index Master Portfolio (based

on market capitalization and industry weightings), fundamental characteristics (such as return variability, earnings valuation and yield) and liquidity measures are similar to those of the S&P 500 Index.

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

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

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

From time to time, the portfolio composition of the S&P 500 Index Master Portfolio may be altered (or “rebalanced”) to reflect changes in the characteristics of the S&P 500 Index, with a view to bringing the performance and characteristics of the S&P 500 Index Master Portfolio more closely in line with that of the S&P 500 Index.

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

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

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

Small Cap Index Fund and International Index Fund

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

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

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

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

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

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

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

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

Northern Trust Investments attempts to track the performance of the Small Cap Index Fund's and the International Index Fund's respective benchmark indices, but there is no assurance that Northern Trust Investments will be successful. The

degree to which these Funds fail to track the performance of their benchmark indices is referred to as the "tracking error." Northern Trust Investments expects that, over time and under normal circumstances, the quarterly performance of the Small Cap Index Fund and the International Index Fund, before expenses, will track the performance of the applicable benchmark index within a 0.95 correlation coefficient.

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

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

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

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

Equity and Bond Fund

The Equity and Bond Fund invests in shares of the Equity Fund and the Bond Fund. The Equity and Bond Fund may hold a portion of its assets in U.S. Government securities,

short-term paper, or may invest in the Money Market Fund to provide flexibility in meeting redemptions, expenses, and the timing of new investments, and to serve as a short-term defense during periods of unusual volatility.

Bond Fund

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

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

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

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

- Debt securities that S&P or Moody's have rated lower than the four highest rating categories or comparable unrated debt securities. Bonds that are rated lower than BBB by S&P or Baa by Moody's are often referred to as "junk bonds." Rating agencies consider junk bonds to have varying degrees of speculative characteristics. Consequently, although they can be expected to provide higher yields, such securities may be subject to greater market value fluctuations and greater risk of loss of income and principal than lower-yielding, higher-rated fixed-income securities. For more information, see "Description of Bond Ratings" in the SAI.
- Convertible debt securities, convertible preferred stocks and nonconvertible preferred stocks. Convertible securities are fixed income securities that are convertible into common stock at a specified price or conversion ratio.

- Bond futures contracts, options, credit swaps, interest rate swaps, and other types of derivatives. Losses (or gains) involving futures contracts can sometimes be substantial — in part because a relatively small price movement in a futures contract may result in an immediate and substantial loss (or gain) for the Fund. Similar risks exist for other types of derivatives. For this reason, the Fund will not use futures, options, or other derivatives for speculative purposes or as leveraged investments that magnify the gains or losses of an investment. The Fund will invest in futures and options to (i) keep cash on hand to meet shareholder redemptions or other needs, while simulating full investment in bonds and/or (ii) reduce the Fund's transaction costs, for hedging purposes or to add value when these instruments are favorably priced.

Tax Advantaged Bond Fund

Tax Advantaged Bond Fund invests primarily in a diversified selection of municipal bonds. Municipal bonds generally are designed to meet longer-term capital needs and have maturities of more than one year when issued. States, territories, local governments and municipalities issue municipal bonds to raise money for various purposes (for example, to pay for a road construction project, or to build an airport). The interest on a municipal bond is generally exempt from federal income tax, but may be subject to the federal alternative minimum tax and state income taxes.

Under ordinary circumstances at least 80% of the Fund's total assets will consist of investment grade municipal bonds (e.g., municipal bonds rated within the four highest rating categories of Moody's or S&P), and money market securities and cash. Up to 20% of the Fund's total assets may be invested in municipal bonds that are unrated or rated below investment grade by Moody's or by S&P.

Lower-rated municipal bonds and fixed income securities generally carry a greater degree of risk than higher-rated municipal bonds. Bonds rated below BBB by S&P and below Baa by Moody's have speculative characteristics, and are commonly referred to as "junk bonds" and present a higher degree of credit risk. In addition, the Fund may purchase municipal bonds that represent lease obligations. These carry special risks because the issuer of the bonds may not be obligated to appropriate money annually to make payments under the lease. To reduce this risk, the Fund will only purchase these bonds if the Manager believes the issuer has a strong incentive to continue making appropriations until maturity.

The Fund may invest in bond (interest rate) futures and options contracts and other types of derivatives. Losses (or gains) involving futures can sometimes be substantial – in part because relatively small price movement in a futures contract may result in an immediate and substantial loss (or gain) for the Fund. The Fund will not use futures for speculative purposes or as leveraged investments that magnify the gains or losses of an investment. The Fund's obligation to purchase securities under futures contracts will not exceed 20% of its total assets. The reasons for which the Fund may use futures and options are to: (i) keep cash on hand to meet shareholder redemptions or other needs, while simulating full investment in bonds and/or (ii) reduce the Fund's transaction costs or add value when these instruments are favorably priced.

The Fund invests primarily in a diversified selection of municipal bonds with maturities of one to thirty years. A majority of the Fund's investments are in issues with maturities longer than five years.

The Fund will hold assets not invested in municipal bonds in (i) interest-bearing demand notes, (ii) bank savings accounts, (iii) high-grade money market securities (iv) U.S. Treasury securities or (v) securities of taxable or tax-exempt money market mutual funds. To the extent the Manager invests the Fund's asset in securities of money market mutual funds, you will pay fund operating expenses at both the Fund level and at the money market mutual fund level.

The Fund may also invest in variable rate securities, such as inverse floaters, whose rates vary inversely with changes in market rates of interest. Investments in such securities involve special risks as compared to a fixed rate municipal security. The extent of increases and decreases in the value of such securities and the corresponding change to the NAV of the Fund generally will be larger than comparable changes in value of an equal principal amount of a fixed rate municipal security having similar credit quality, redemption provisions and maturity.

Money Market Fund

In selecting securities for the Money Market Fund, the Manager seeks highly liquid investments that present minimal credit risk. The Fund primarily invests in high quality short-term money market instruments. At least 95% of the Fund's assets must be rated in the highest short-term category by at least two nationally recognized statistical rating organizations ("NRSROs") (or one NRSRO, if only one has issued a rating), and 100% of the Fund's assets must be invested in securities rated in the two highest rating categories. An NRSRO, such as Moody's or S&P, assigns ratings to securities based on its assessment of the creditworthiness of the securities' issuer. The SAI has a detailed description of the various rating categories.

The Fund may invest in securities that are not rated by an NRSRO if the Manager determines that such securities are of comparable quality to, and present a comparable amount of risk as, similar securities that have received a rating from an NRSRO.

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

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

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

The Money Market Fund is participating in the U.S. Treasury Department's (the "Treasury") Temporary Guarantee Program for Money Market Funds (the "Program"). This Program seeks to support the NAV of shares held by investors in the Fund as of the close of business on September 19, 2008, by protecting those assets against loss if a Fund liquidates its holdings, and the NAV at the time of liquidation is less than \$1 per share. For each shareholder, the Program covers the lesser of the following two amounts: (1) the number of shares owned on September 19, 2008, or (2) the number of shares owned on the date the Fund's NAV falls below \$1. If the number of shares held by a shareholder fluctuates over the period, the shareholder will be covered for either the number of shares held as of the close of business on September 19, 2008, or the current amount, whichever is less. After September 19, if a shareholder redeems all shares from a Fund covered by the

Program, any new purchase into that Fund will not be covered. Shares acquired after September 19 generally are not eligible for protection under the Program.

The Program was established October 8, 2008, and was originally due to expire on December 18, 2008, but was extended by the Treasury until April 30, 2009 and then it was extended again until September 18, 2009. The Manager has decided to continue the Money Market Fund's participation in the Program. The Fund will bear the expense of its participation in the Program, though all Program expenses are subject to the voluntary expense limitations currently offered by The Manager described elsewhere in this prospectus. For the initial three months of the Program, each Fund paid 0.01% based on its net assets as of September 19, 2008. For the coverage beginning on December 19, 2008, and extending through September 18, 2009, the Fund paid 0.03% based on its net assets as of September 19, 2008.

As of the date of this prospectus, the Treasury has reported that assets available to support all participating money market funds will not exceed the amount available within the Treasury's Exchange Stabilization Fund on the date of payment (currently, approximately \$50 billion). More information about the Program is available at <http://www.ustreas.gov>.

Other Risks of Investing in these Funds

Foreign Securities

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

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

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

Political and Economic Risk. Foreign investments can be subject to greater political and economic risks. In some countries, there is the risk that the government may take over assets or operations of the company or impose taxes or place limits on the removal of assets that would adversely affect the value of the security. The possibility of default in foreign government securities, political or social instability or diplomatic

developments generally are more of a concern in developing countries, where the possibility of political instability (including revolution) and dependence on foreign economic assistance may be greater than in developed countries.

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

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

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

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

High Yield/High Risk Securities (Junk Bonds)

These securities tend to offer higher yields than higher-rated securities of comparable maturities because the historical financial condition of the issuers of these securities is usually not as strong as that of other issuers.

High yield fixed-income securities usually present greater risk of loss of income and principal than higher-rated securities. For example, because investors generally perceive that there are greater risks associated with investing in medium- or lower-rated securities, the yields and price of such securities may tend to fluctuate more than those of higher-rated securities. Moreover, in the lower-quality segments of the fixed income securities market, changes in perception of the

creditworthiness of individual issuers tend to occur more frequently and in a more pronounced manner than do changes in higher-quality segments of the fixed-income securities market. The yield and price of medium-to lower-rated securities therefore may experience greater volatility than is the case with higher-rated securities.

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

Mortgage-Backed and Asset Backed Securities Risk

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

Additionally, certain types of mortgage-backed and asset backed securities may experience significant valuation uncertainties, greater volatility, and significantly less liquidity due to the sharp rise in 2006-2009 of foreclosures on home loans secured by subprime mortgages. Subprime mortgages have a higher credit risk than prime mortgages, as the credit criteria for obtaining a subprime mortgage is more flexible than that used with prime borrowers. To the extent that a Fund invests in securities that are backed by pools of mortgage loans, the risk to the Fund may be significant. Additionally, if a Fund purchases mortgage-backed or asset-backed securities that are "subordinated" to other interests in the same mortgage pool, the Fund as a holder of those securities may only receive payments after the pool's obligations to other investors have been satisfied. For example, an unexpectedly high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool's ability to make payments of principal or interest to the Fund as a holder of such subordinated securities, reducing the values of those securities or

in some cases rendering them worthless; the risk of such defaults is generally higher in the case of mortgage pools that include subprime mortgages.

How the State Farm LifePath Funds Invest

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

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

Merger of LifePath 2010 Fund into LifePath Income Fund

On November 20, 2009, the LifePath 2010 Fund will no longer be offered to the public. As part of this closing, the LifePath 2010 Fund will be merged into the LifePath Income Fund. The merger involves three principal steps, each of which will occur on November 20, 2009, and each of which is discussed below:

1. All of the assets and liabilities of the LifePath 2010 Fund (its "net assets") will be transferred to the LifePath Income Fund in exchange for shares of the LifePath Income Fund. The shares of the LifePath Income Fund received by the LifePath 2010 Fund will have a value equal to the value of the LifePath 2010 Fund's net assets.
2. The LifePath 2010 Fund will distribute the newly acquired LifePath Income Fund shares to LifePath 2010 Fund shareholders in exchange for each shareholder's existing LifePath 2010 Fund shares. The exchange of

shares automatically will occur at each Fund's relative NAV, resulting in each LifePath 2010 Fund shareholder owning a position in the LifePath Income Fund with a value equal to their former position in the LifePath 2010 Fund. The exchange of shares also will occur within the same share class, which means that Class A shares will be exchanged for Class A shares, Class B shares will be exchanged for Class B shares, etc. The exchange of LifePath 2010 Fund shares for LifePath Income Fund shares will be reflected in the Trusts' shareholder records. Holding periods for Class B shares and Legacy Class B shares of the LifePath 2010 Fund will tack onto or be added to the holding periods of Class B shares and Legacy Class B shares of the LifePath Income Fund.

3. The LifePath 2010 Fund will dissolve, which means that the Fund will cease to exist as a part of the Trust and the Fund's shares will no longer be available for purchase or redemption.

A LifePath 2010 Fund shareholder will recognize no federal income gain or loss on the transaction, and the tax bases and holding periods of the LifePath Income Fund shares received by the LifePath 2010 Fund shareholders will be the same as the tax bases and holding periods of their LifePath 2010 Fund shares. The merger will not change the LifePath 2010 Fund's or the LifePath Income Fund's portfolio management personnel, their investment objectives and policies. In addition, the LifePath 2010 Fund and the LifePath Income Fund will consummate the merger only if the Funds receive an opinion from their tax counsel that the merger will qualify as a tax-deferred reorganization. Any purchase order for shares of the LifePath 2010 Fund submitted on or after the effective date of the merger will be processed and treated as a purchase order for shares of the LifePath Income Fund. Any order to exchange into shares of the LifePath 2010 Fund submitted on or after the effective date of the merger will be processed and treated as an order to exchange into shares of the LifePath Income Fund.

The LifePath Investment Model

Barclays, a subsidiary of BGI, serves as the Master Portfolios' investment adviser. BGI pioneered research in asset allocation, indexed investing and investment modeling.

Each LifePath Fund seeks to achieve its objective through an investment strategy that relies on one of Barclays' proprietary investment models. Barclays employs a proprietary investment model that analyzes securities market data, including risk, asset class correlations, and expected returns, to provide portfolio allocations among the asset classes offered through the Underlying Funds. The allocations are constantly moni-

tored and rebalanced in an effort to maximize expected return for a given level of risk. In managing the LifePath Funds, Barclays focuses on long-term targets and objectives. The progression over time of a LifePath Fund's asset allocation to less risky asset classes is a relatively steady process resulting in only minor changes to the asset allocation from month to month. The LifePath Funds (through their investment in the Master Portfolios (that, in turn, invest in the Underlying Funds)) do not engage in active and frequent trading of portfolio securities as a principal investment strategy.

How It Works: Spending Your "Risk Budget" Wisely

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

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

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

Principal Investments:

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

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

Within stocks and bonds are sub-categories of securities:

- U.S. stocks can be separated according to the value of their outstanding stock (or capitalization), into large-cap, mid-cap and small-cap groupings.

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

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

The following table lists the Underlying Funds and the approximate asset allocations for each Master Portfolio as of March 31, 2008 (except for the LifePath 2050 Master Portfolio). Barclays allocates each Master Portfolio's assets among the Underlying Funds based on each Master Portfolio's investment objective and policies. The asset allocation for each Master Portfolio will vary over time, and Barclays is not required to invest any Master Portfolio's assets in each of the Underlying Funds or in any particular percentage. Barclays may add, eliminate or replace Underlying Funds at any time.

UNDERLYING FUNDS (As of March 31, 2009)

	<i>*LifePath Retirement</i>	<i>LifePath 2010**</i>	<i>LifePath 2020</i>	<i>LifePath 2030</i>	<i>LifePath 2040</i>	<i>LifePath 2050</i>	
CAPITAL GROWTH							
40	Master Investment Portfolio Active Stock Master Portfolio	19%	20%	31%	39%	45%	46%
	iShares S&P MidCap 400 Index Fund	5%	5%	6%	7%	7%	11%
	iShares S&P Small Cap 600 Index Fund	2%	2%	3%	3%	4%	5%
	iShares MSCI EAFE Index Fund	8%	8%	12%	15%	17%	20%
	iShares Cohen & Steers Realty Majors Index Fund			1%	2%	2%	2%
	iShares MSCI Emerging Markets Index Fund	2%	3%	4%	5%	5%	6%
	iShares MSCI Canada Index Fund	1%	1%			2%	2%
	iShares FTSE EPRA/NAREIT Developed Real Estate ex-U.S. Index Fund	1%	1%	3%	4%	5%	4%
	iShares MSCI EAFE Small Cap Index Fund	1%	1%	1%	2%	2%	2%
CAPITAL GROWTH and INCOME							
	CoreAlpha Bond Master Portfolio	51%	48%	31%	19%	9%	
	iShares Barclays TIPS Bond Index	9%	9%	5%	3%		
	Barclays Global Investors Institutional Money Market Fund—SL Agency Shares						1%

* The corresponding Master Portfolio into which the State Farm LifePath Income Fund invests.

** Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

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

Description of Underlying Funds

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

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

In managing the ETFs, Barclays uses two basic indexing strategies: replication and representative sampling. Replication is investing in substantially all of the securities in the relevant underlying index in approximately the same proportions as the index. Representative sampling is investing in a representative sample of securities in the underlying index, which have a similar investment profile as the index. Securities selected under a representative sampling strategy have aggregate investment characteristics (based on market capitalization and industry weightings), fundamental characteristics (such as return variability, earnings valuation and yield)

and liquidity measures similar to those of the relative underlying index. Underlying Funds that use representative sampling generally do not hold all of the securities that are included in the relevant underlying index.

Master Investment Portfolio Active Stock Master Portfolio seeks to provide long-term appreciation of capital. The Active Stock Master Portfolio invests, under normal circumstances, at least 80% of its assets in common stocks. The Active Stock Master Portfolio invests primarily in equity securities of U.S. companies with capitalizations similar to the range of capitalizations represented in the S&P 500 Index. Barclays invests the Active Stock Master Portfolio's assets using a proprietary quantitative model that is designed to select stocks based on an analysis of a wide range of company-specific factors, such as relative values based on earnings and cash flows; earnings quality as measured by the company's financial condition and earnings reports; sentiment as expressed through management and market participant behavior; and industry classification. Barclays considers risk parameters in deciding upon the Active Stock Master Portfolio's aggregate holdings, and factors trading costs into its stock selection process.

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

iShares S&P 500 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P 500® Index. The S&P 500 Index measures the performance of the large-capitalization sector of the U.S. equity market. The stocks in the S&P 500 Index are selected according to the total market value of their

outstanding shares. The Fund uses a replication strategy to try to track the S&P 500 Index.

iShares S&P MidCap 400 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P MidCap 400® Index. The S&P MidCap 400 Index measures the performance of the mid-capitalization sector of the U.S. equity market. The stocks in the Index have a market capitalization between \$1.5 billion and \$5.5 billion (which may fluctuate depending on the overall level of the equity markets) and are selected for liquidity and industry group representation. The Fund uses a representative sampling strategy to try to track the S&P MidCap 400 Index.

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

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

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

iShares Cohen & Steers Realty Majors Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Cohen & Steers Realty Majors Index (the "Cohen & Steers Index"). The Cohen & Steers Index® consists of selected U.S. REITs. The objective of the Cohen & Steers Index is to represent relatively large and liquid REITs that may benefit from future consolidation and securitization of the U.S. real estate industry. REITs are selected for inclusion in the Cohen & Steers Index based on a rigorous review of several factors, including management, portfolio quality, and sector and geographic diversification. The REITs selected for inclusion in the Cohen & Steers Index must meet minimum market capitalization and liquidity requirements. The Cohen & Steers Index is weighted

according to the total market value of each REIT's outstanding shares and is adjusted quarterly so that no REIT represents more than 8% of the index. The Fund uses a representative sampling strategy to try to track the Cohen & Steers Index.

iShares MSCI Canada Index Fund, which seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the Canadian market, as measured by the MSCI Canada Index. The MSCI Canada Index is a capitalization-weighted index that aims to capture 85% of the publicly available total market capitalization of companies located in Canada. The Fund uses a representative sampling strategy to try to track the MSCI Canada Index.

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

iShares MSCI Emerging Markets Index Fund seeks investment results that correspond to the price and yield performance before fees and expenses of the MSCI Emerging Markets Free Index® (the "Index"). The Fund's investment objective may be changed without shareholder approval. The Index was developed by MSCI as an equity benchmark for international stock performance. The Index is designed to measure equity market performance in the global emerging markets. The Index consists of the following 21 emerging market country indices: Argentina, Brazil, Chile, China, Czech Republic, Egypt, Hong Kong, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Peru, Philippines, Russia, South Africa, Taiwan, Thailand, and Turkey. The Fund uses a representative sampling strategy to try to track the Index. In order to improve its portfolio liquidity and its ability to track the Index, the Fund may invest up to 10% of its assets in shares of other iShares Funds that invest in securities in the Index. Barclays does not charge portfolio management fees on that portion of the Fund's assets invested in shares of other iShares Funds.

iShares Barclays Aggregate Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the total United States investment grade bond market as defined by the Barclays Capital U.S. Aggregate Index (the "Barclays Capital Index"). The Barclays Capital Index measures the performance of the U.S. investment grade bond market, which

includes investment grade U.S. Treasury bonds, government-related bonds, investment grade corporate bonds, mortgage pass-through securities, commercial mortgage-backed securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the Barclays Capital Index must have \$250 million or more of outstanding face value and must have at least one year remaining to maturity. In addition, the securities must be denominated in U.S. dollars and must be fixed-rate and non-convertible. Certain types of securities, such as state and local government series bonds, structured notes with embedded swaps or other special features, private placements, floating-rate securities and Eurobonds are excluded from the Barclays Capital Index. The Barclays Capital Index is market capitalization-weighted and the securities in the Barclays Capital Index are updated on the last calendar day of each month.

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

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

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

iShares Barclays 3-7 Year Treasury Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the intermediate-term sector of the United States Treasury market

as defined by the Barclays Capital 3-7 Year U.S. Treasury Index. The Barclays Capital 3-7 Year U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to three years and less than seven years.

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

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

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

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

iShares Barclays Government/Credit Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the U.S. government and investment grade U.S. corporate securities of the U.S. bond market as defined by the Barclays Capital U.S. Government/Credit Index. The Barclays Capital U.S. Government/Credit Index measures the performance of U.S. dollar denominated U.S. Treasuries, government-related (*i.e.*, U.S. and foreign agencies, sovereign, supranational and local

authority debt), and investment grade U.S. corporate securities that have a remaining maturity of greater than or equal to one year.

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

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

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

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

BGIF Institutional Money Market Fund seeks a high level of income consistent with liquidity and the preservation of capital. The Fund invests in high-quality, short-term money market instruments that include fixed rate, floating rate and variable rate debt securities. The Fund also may invest in high-quality, short-term U.S. and foreign government debt, including the debt of agencies and instrumentalities, such as Fannie Mae

and the Student Loan Marketing Association, U.S. and foreign bank obligations, corporate obligations, repurchase agreements, and asset-backed securities. Repurchase agreements obligate a person selling U.S. government or other high-quality securities to buy them back within a specified period of time (usually one week or less) at an agreed-upon price.

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

iShares S&P National Municipal Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the municipal bond sector of the U.S. as defined by the S&P National Municipal Bond Index. The S&P National Municipal Bond Index measures the performance of the investment grade segment of the U.S. municipal bond market. As of January 1, 2009, there were approximately 7,824 bonds included in the S&P National Municipal Bond Index.

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

iShares FTSE EPRA/NAREIT Developed Real Estate ex-U.S. Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the FTSE EPRA/NAREIT Developed Real Estate ex-U.S. Index. The FTSE EPRA/NAREIT Developed Real Estate ex-U.S. Index measures the stock performance of companies engaged in the ownership and development of the Canadian, European, Middle East and Asian real estate markets. As of March 23, 2009, the FTSE EPRA/NAREIT Developed Real Estate ex-U.S. Index was comprised of stocks of

companies in the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

iShares MSCI EAFE Small Cap Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI EAFE Small Cap Index. The MSCI EAFE Small Cap Index targets 40% of the eligible small cap universe in each industry group of each country represented by the MSCI EAFE Index. The MSCI EAFE Index includes securities from Europe, Australasia and the Far East. MSCI defines the small cap universe as all listed securities that have a market capitalization in the range of 200 - 1,500 million USD. In addition to this capitalization range, MSCI uses a specialized framework of foreign inclusion factors to adjust the market capitalization of securities for free float available to foreign investors.

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

iShares iBoxx \$ High Yield Corporate Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the U.S. dollar high yield corporate bond market as defined by the iBoxx \$ Liquid High Yield Index. The iBoxx \$ Liquid High Yield Index is a rules-based index consisting of the most liquid and tradable U.S. dollar-denominated, high yield corporate bonds for sale in the United States, as determined by the Index Provider, and is designed to provide a balanced representation of the U.S. dollar-denominated high yield corporate bond market through some of the most liquid high yield corporate bonds available. The number of issues in the The iBoxx \$ Liquid High Yield Index is typically 50, although this may change from time to time.

Notes:

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"Barclays Capital," "Barclays Capital 1-3 Year U.S. Credit Index," "Barclays Capital 1-3 Year U.S. Treasury Index," "Barclays Capital 3-7 Year U.S. Treasury Index," "Barclays Capital 7-10 Year U.S. Treasury Index," "Barclays Capital 10-20 Year U.S. Treasury Index," "Barclays Capital 20+ Year U.S. Treasury Index," "Barclays Capital U.S. Aggregate Index," "Barclays Capital U.S. Credit Index," "Barclays Capital U.S. Government/Credit Index," "Barclays Capital Intermediate U.S. Credit Index," "Barclays Capital Intermediate U.S. Government/Credit Index," "Barclays Capital U.S. MBS Fixed-Rate Index," "Barclays Capital Short U.S. Treasury Index," and the "Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L)" are trademarks of Barclays Capital, Inc. ("Barclays Capital") and have been licensed for use for certain purposes by BGI. The iShares Barclays 1-3 Year Credit Bond Fund, iShares Barclays 1-3 Year Treasury Bond Fund, iShares Barclays 3-7 Year Treasury Bond Fund, iShares Barclays 7-10 Year Treasury Bond Fund, iShares Barclays 10-20 Year Treasury Bond Fund, iShares Barclays 20+ Year Treasury Bond Fund, Shares Barclays Aggregate Bond Fund, iShares Barclays Credit Bond Fund, iShares Barclays

Government/Credit Bond Fund, iShares Intermediate Credit Bond Fund, iShares Barclays Intermediate Government/Credit Bond Fund, iShares Barclays MBS Fixed-Rate Bond Fund, iShares Short Treasury Bond Fund and the iShares Barclays TIPS Bond Fund are not sponsored or endorsed by Barclays Capital, and neither Barclays Capital nor any of its affiliates makes any representations regarding the advisability of investing in iShares.

MSCI is a registered trade mark of Morgan Stanley Capital International Inc. ("MSCI") and its affiliates and has been licensed for use for certain purposes by BGI. The iShares MSCI EAFE Index Fund and the iShares MSCI Emerging Markets Index Fund have not been passed on by MSCI as to their legality or suitability, and are not issued, sponsored, endorsed, sold or promoted by MSCI. MSCI makes no warranties and bears no liability with respect to the Funds. MSCI has no responsibility for and does not participate in the management of the Fund assets or sale of the Fund shares. The prospectus for the iShares MSCI EAFE Index and iShares MSCI Emerging Markets Index Funds contains a more detailed description of the limited relationship MSCI has with BGI and the Funds. No purchaser, seller or holder of this security, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

"iBoxx[®] \$ Liquid High Yield Index" is a trademark of International Index Company Limited ("IIC") and has been licensed for use for certain purposes by BGI. The iShares iBoxx \$ High Yield Corporate Bond Fund is not sponsored, endorsed, sold or promoted by IIC, and IIC makes no representation regarding the advisability of investing in iShares.

MANAGING THE INVESTMENTS OF THE FUNDS

Investment Adviser

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

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

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

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

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

The Equity and Bond Fund, Bond Fund, Tax Advantaged Bond Fund and the Money Market Fund are each managed by a team of the Manager's employees (each an "Advisory

Team"). Each Advisory Team makes the investment decisions for these Funds, subject to the oversight of the Board of Trustees.

Investment Management of the S&P 500 Index Fund and the LifePath Funds

The S&P 500 Index Fund and each LifePath Fund invests all of its assets into a separate Master Portfolio, each of which has substantially similar investment objectives, strategies and risks. The Master Portfolios in which the LifePath Funds invest, in turn, invest in combination of the Underlying Funds. Barclays serves as the investment adviser to each of the Master Portfolios, and also serves as investment adviser to each of the Underlying Funds, with the exception of the BFIF Institutional Money Market Fund, which invests in a Master Portfolio advised by Barclays. Barclays and its predecessors have been managing mutual funds since 1973. Barclays is located at 45 Fremont Street, San Francisco, California 94105. For more information regarding Barclays, please read the section entitled "Investment Advisory Agreements – Between Barclays and the Master Portfolios" in the Trust's SAI.

Unlike some mutual funds, there is no single portfolio manager who makes investment decisions for the Master Portfolios. Instead, a team of investment professionals at Barclays is responsible for making investment decisions for the Master Portfolios. The S&P 500 Index Master Portfolio in which the S&P 500 Index Fund invests tracks the S&P 500 Index. For the Master Portfolios in which the LifePath Funds invest, the team of Barclays' investment professionals evaluates recommendations made by Barclays' proprietary mathematical model. This process reflects Barclays' commitment to an objective and consistent investment management structure.

Oversight of Sub-Advisers

The Trust and the Manager have obtained an exemptive order from the Securities and Exchange Commission that permits the Trust and the Manager to retain sub-advisers and modify sub-advisory arrangements without shareholder approval. Under the exemptive order, the Manager may act as a "manager of managers" for the Equity Fund, Small/Mid Cap Equity Fund, International Equity Fund, Small Cap Index Fund, International Index Fund, Bond Fund, Tax Advantaged Bond Fund, Money Market Fund and LifePath Income Fund and the LifePath 2050 Fund. The Manager supervises sub-advisers to each Fund that has retained a sub-adviser and has ultimate responsibility (subject to oversight by the Trust's Board of Trustees) to recommend their hiring, termination and replacement.

Investment Sub-Advisers for the Equity Fund

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

Bridgeway is located at 5615 Kirby Drive, Suite 518, Houston, Texas 77005-2448. Bridgeway is a quantitative investment management firm that employs a wide array of proprietary statistical models to create investment portfolios for its institutional and mutual fund clients.

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

For more information regarding Bridgeway and Westwood, please read the sections entitled “Investment Advisory Agreements – Between the Manager and Bridgeway” and “Investment Advisory Agreement – Between the Manager and Westwood” in the Trust’s SAI.

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

Effective December 1, 2006, the Manager has engaged Bridgeway and Rainier as the investment sub-advisers to provide day-to-day portfolio management for the Small/Mid Cap Equity Fund. Prior to December 1, 2006, Capital Guardian served as the investment sub-adviser to the Small/Mid Cap Equity Fund.

Bridgeway is located at 5615 Kirby Drive, Suite 518, Houston, Texas 77005-2448.

Rainier, which is located at 601 Union Street, Suite 2801, Seattle, Washington 98101, manages discretionary assets for various clients, including corporations, public and corporate pension plans, foundations and charitable endowments, high-net-worth individuals and mutual funds. Rainier is owned and operated by seventeen principals, twelve of whom are Rainier shareholders.

For more information regarding Bridgeway and Rainier, please read the sections entitled “Investment Advisory Agreements – Between the Manager and Bridgeway” and “Investment Advisory Agreements – Between the Manager and Rainier” in the Trust’s SAI.

Investment Sub-Advisers for the International Equity Fund

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

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

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

For more information regarding Marsico and Northern Cross, please read the sections entitled “Investment Advisory Agreements – Between the Manager and Marsico” and “Investment Advisory Agreement – Between the Manager and Northern Cross” in the Trust’s SAI.

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

The Manager has engaged Northern Trust Investments as the investment sub-adviser to provide day-to-day portfolio management for the Small Cap Index Fund and the International Index Fund. Northern Trust Investments is located at 50 South LaSalle Street, Chicago, IL 60603. Northern Trust Investments is an investment adviser registered under the Investment Advisers Act of 1940, as amended. It primarily manages assets for defined contribution and benefit plans, investment companies and other institutional investors.

Northern Trust Investments is a subsidiary of The Northern Trust Company (“TNTC”). TNTC is an Illinois state chartered banking organization and a member of the Federal Reserve System. Formed in 1889, TNTC administers and manages assets for individuals, personal trusts, defined contribution and benefit plans and other institutional and corporate clients. TNTC is the principal subsidiary of Northern Trust Corporation, a company that is regulated by the Board of Governors of the Federal Reserve System as a financial holding company under the U.S. Bank Holding Company Act of 1956, as amended. For more information regarding Northern Trust Investments, please read the section entitled “Investment Advisory Agreements – Between the Manager and Northern Trust Investments” in the Trust’s SAI.

Compensating the Manager for its Services

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

<i>Fund</i>	<i>Rate of Advisory Fee</i>
Equity Fund	0.60% of average daily net assets
Small/Mid Cap Equity Fund	0.80% of average daily net assets
International Equity Fund	0.80% of average daily net assets
S&P 500 Index Fund	0.20% of average daily net assets
Small Cap Index Fund	0.35% of average daily net assets
International Index Fund	0.50% of average daily net assets
Equity and Bond Fund	None
Bond Fund	0.10% of average daily net assets
Tax Advantaged Bond Fund	0.10% of average daily net assets
Money Market Fund	0.10% of average daily net assets
State Farm LifePath Income Fund	0.70% of average daily net assets
State Farm LifePath 2010 Fund*	0.70% of average daily net assets
State Farm LifePath 2020 Fund	0.70% of average daily net assets
State Farm LifePath 2030 Fund	0.70% of average daily net assets
State Farm LifePath 2040 Fund	0.70% of average daily net assets
State Farm LifePath 2050 Fund	0.70% of average daily net assets

The Investment Advisory and Management Services Fee for the S&P 500 Index Fund and the LifePath Funds include the management fees of their corresponding Master Portfolios.

Compensating Bridgeway for its Services

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

Equity Fund

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

Small/Mid Cap Equity Fund

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

Compensating Westwood for its Services

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

Equity Fund

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

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

Compensating Rainier for its Services

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

Small/Mid Cap Equity Fund

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

Compensating Marsico for its Services

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

International Equity Fund

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

Compensating Northern Cross for its Services

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

International Equity Fund

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

Compensating Northern Trust Investments for its Services

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

Small Cap Index Fund and International Index Fund

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

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

S&P 500 Index Fund and the LifePath Funds – Compensation in the Master/Feeder Mutual Fund Structure

The S&P 500 Index Fund and the LifePath Funds are feeder funds that invest all of their assets in Master Portfolios with substantially similar investment objectives, strategies and risks. Barclays manages each Master Portfolio. For its services to the Master Portfolios, Barclays receives annual fees based on the following annual rates:

<i>Fund</i>	<i>Annual Management Fee</i>
S&P 500 Index Master Portfolio	0.05% of average daily net assets
LifePath Retirement Master Portfolio*	0.35% of average daily net assets
LifePath 2010 Master Portfolio**	0.35% of average daily net assets
LifePath 2020 Master Portfolio	0.35% of average daily net assets
LifePath 2030 Master Portfolio	0.35% of average daily net assets
LifePath 2040 Master Portfolio	0.35% of average daily net assets
LifePath 2050 Master Portfolio	0.35% of average daily net assets

* The corresponding Master Portfolio into which the State Farm LifePath Income Fund invests.

** Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

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

Feeder Fund Expenses. The S&P 500 Index Fund and each LifePath Fund bears its corresponding Master Portfolio's

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

Feeder Fund Rights. Under the master/feeder structure, the Board of Trustees retains the right to withdraw the assets of the S&P 500 Index Fund or a LifePath Fund from a Master Portfolio if it believes doing so is in the best interests of the Fund and its shareholders. If the Board withdraws assets of any such Fund from a Master Portfolio, it would then consider whether that Fund should invest in another master portfolio or take other action.

Approval of Investment Advisory and Investment Sub-Advisory Agreements

For information regarding the basis for the Board of Trustees approving the continuation of the investment advisory and investment sub-advisory agreements, please see the Trust's semi-annual report for the six-month period ended June 30, 2008.

Portfolio Managers

The Funds are managed by portfolio management teams as described below.

Equity Fund

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

<i>Bridgeway Portfolio Managers</i>		
<i>Portfolio Manager and Title with Bridgeway</i>	<i>Length of Service with Bridgeway</i>	<i>Business Experience During the past 5 years</i>
John Montgomery , President	15 years	Portfolio manager of equity securities
Elena Khoziaeva , CFA Investment Team Member	10 years	Investment management, research and analysis
Michael Whipple , CFA Investment Team Member	6 years	Investment management, research and analysis
Rasool Shaik , CFA Investment Team Member	2 years	Investment management, research and analysis, consulting,

<i>Westwood Portfolio Managers</i>		
<i>Portfolio Manager and Title with Westwood</i>	<i>Length of Service with Westwood</i>	<i>Business Experience During the past 5 years</i>
Susan M. Byrne , Chairman and Chief Investment Officer	25 years	Portfolio manager of equity securities
Mark R. Freeman , CFA, Senior Vice President and Portfolio Manager	9 years	Portfolio manager of equity and fixed income securities
Kellie R. Stark , CFA, Senior Vice President	16 years	Portfolio manager of equity securities
Scott D. Lawson , CFA, Vice President and Senior Research Analyst	5 years	Portfolio manager of equity securities
Jay K. Singhania , CFA, Vice President and Research Analyst	7 years	Portfolio manager of equity securities

Small/Mid Cap Equity Fund

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

<i>Bridgeway Portfolio Managers</i>		
<i>Portfolio Manager and Title with Bridgeway</i>	<i>Length of Service with Bridgeway</i>	<i>Business Experience During the past 5 years</i>
John Montgomery, President	15 years	Portfolio manager of equity securities
Elena Khoziaeva, CFA, Investment Team Member	10 years	Investment management, research and analysis
Michael Whipple, CFA, Investment Team Member	6 years	Investment management, research and analysis
Rasool Shaik, CFA, Investment Team Member	2 years	Investment management, research and analysis; software consulting;

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<i>Rainier Portfolio Managers</i>		
<i>Portfolio Manager and Title with Rainier</i>	<i>Length of Service with Rainier</i>	<i>Business Experience During the past 5 years</i>
Daniel M. Brewer, CFA, Senior Portfolio Manager	More than 5 years	Portfolio manager of equity securities
Mark W. Broughton, CFA, Senior Portfolio Manager	More than 5 years	Portfolio manager of equity securities
Mark H. Dawson, CFA, Senior Portfolio Manager	More than 5 years	Portfolio manager of equity securities
James R. Margard, CFA, Chief Investment Officer	More than 5 years	Portfolio manager of equity securities
Peter M. Musser, CFA, Senior Portfolio Manager	More than 5 years	Portfolio manager of equity securities
Andrea F. Durbin, CFA, Senior Portfolio Manager	More than 5 years	Portfolio manager of equity securities
Stacie L. Cowell, CFA, Senior Portfolio Manager	3 years	Portfolio manager of equity securities; Senior Vice President and lead portfolio manager Invesco Funds 1996-2004

Rainier's segment of the Small/Mid Cap Equity Fund is team-managed by the Rainier portfolio managers listed above. The portfolio managers make recommendations on investments within industries to which they are assigned. The Chief Investment Officer has final responsibility relating to equity selection and portfolio weightings.

International Equity Fund

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

<i>Marsico Portfolio Manager</i>		
<i>Portfolio Manager and Title with Marsico</i>	<i>Length of Service with Marsico</i>	<i>Business Experience During the past 5 years</i>
James G. Gendelman, Portfolio Manager	9 years	Portfolio manager of equity securities

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

S&P 500 Index Fund

Diane Hsiung and Greg Savage (the “S&P 500 Stock Portfolio Managers”) are primarily responsible for the day-to-day management of the S&P 500 Index Master Portfolio and act collaboratively on all aspects concerning the S&P 500 Index Master Portfolio. Each S&P 500 Stock Portfolio Manager is responsible for various functions related to portfolio management, including, but not limited to, investing cash inflows, coordinating with members of his or her team to focus on certain asset classes, implementing investment strategies, researching and reviewing investment strategies, and overseeing members of his or her portfolio management team with more limited responsibilities, but each S&P 500 Stock Portfolio Manager has appropriate limitations on his or her authority for risk management and compliance purposes.

Diane Hsiung is an employee of BGFA and BGI and, together with the other S&P 500 Stock Portfolio Manager, has been primarily responsible for the day-to-day management of the S&P 500 Index Master Portfolio since January 1, 2008. Ms. Hsiung has been a senior portfolio manager for BGFA and BGI since 2007 and a portfolio manager for BGFA and BGI from 2002 to 2006.

Greg Savage, CFA is an employee of BGFA and BGI and, together with the other S&P 500 Stock Portfolio Manager, has been primarily responsible for the day-to-day management of the S&P 500 Index Master Portfolio since January 1, 2008. Mr. Savage has been a senior portfolio manager for BGFA and BGI since 2006 and a portfolio manager for BGFA and BGI from 2001 to 2006.

Small Cap Index Fund

Northern Trust Investments, N.A. (“NTI”) serves as the sub-adviser to the Small Cap Index Fund. The portfolio manager for the Small Cap Index Fund is Brent Reeder, Senior Vice President of NTI. Mr. Reeder, joined NTI in 1993, is a Portfolio Manager in the Quantitative Management Group and is responsible for the management of index portfolios. Mr. Reeder received a B.A. degree in Economics from DePauw

University and an M.B.A. degree in Finance from DePaul University. Mr. Reeder is an Associated Person with the National Futures Association. For the past five years, he has managed quantitative equity portfolios.

International Index Fund

Northern Trust Investments, N.A. (“NTI”) serves as the sub-adviser to the International Index Fund. The portfolio manager for the International Index Fund is Shaun Murphy, Senior Vice President of NTI. Mr. Murphy, who is a Portfolio Manager in the U.S. Equities Division within the Quantitative Management Group, joined NTI in June 2004. Since joining NTI, Mr. Murphy has managed quantitative equity portfolios. From 1997 to 2003 he was a portfolio manager at State Street Global Advisors in London. Mr. Murphy received a degree in Business Studies from the University of Sunderland in the United Kingdom. He is a CFA charterholder and a member of the CFA Institute.

Equity and Bond Fund

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

Bond Fund

Donald Heltner and Duncan Funk are the portfolio managers responsible for the day-to-day management of the Bond Fund. Mr. Heltner, Vice President – Fixed Income at State Farm Mutual Automobile Insurance Company, and Mr. Funk, Investment Officer – Fixed Income at State Farm Mutual Automobile Insurance Company, have been associated with the Bond Fund as portfolio managers since 2003 and 2000, respectively. Over the past five years, Messrs. Heltner and

Funk have been involved in all aspects of managing fixed income investment portfolios for State Farm Mutual Automobile Insurance Company and its affiliates. Messrs. Heltner and Funk generally have different roles on the Bond Fund management team. Mr. Heltner's role on the management team includes overseeing the process for buying and selling fixed income securities and maintaining investment policies. Mr. Funk's role on the management team includes selecting fixed income securities for purchase and sale, conducting fixed income research, reviewing research data and maintaining investment policies.

Tax Advantaged Bond Fund

Donald Heltner and Robert Reardon are the portfolio managers primarily responsible for the day-to-day management of the Tax Advantaged Bond Fund. Mr. Heltner has been associated with the Tax Advantaged Bond Fund since 2003. Mr. Reardon, Investment Officer – Fixed Income at State Farm Mutual Automobile Insurance Company, has been associated with the Tax Advantaged Bond Fund since 2000. Over the past five years, Mr. Reardon has been involved in all aspects of managing tax advantaged fixed income portfolios for State Farm Mutual Automobile Insurance Company and its affiliated entities. Messrs. Heltner and Reardon generally have different roles on the Tax Advantaged Bond Fund management team. Mr. Heltner's role on the Tax Advantaged Bond Fund management team is the same as identified for the Bond Fund. Mr. Reardon's role on the Tax Advantaged Bond Fund management team includes selecting municipal securities for purchase and sale, conducting municipal research, and reviewing financial data and research reports.

LifePath Funds

Dagmar Nikles, Leslie Gambon and Dale Hogan are primarily responsible for the day-to-day management of the LifePath Retirement Master Portfolio, LifePath 2010 Master Portfolio, LifePath 2020 Master Portfolio, LifePath 2030 Master Portfolio, LifePath 2040 Master Portfolio and LifePath 2050 Master Portfolio, the Master Portfolios into which the LifePath

Funds invest. Each Portfolio Manager is responsible for various functions related to portfolio management, including, but not limited to, investing cash inflows, coordinating with members of their team to focus on certain asset classes, implementing investment strategies, researching and reviewing investment strategies, and overseeing members of his or her portfolio management team with more limited responsibilities.

Dagmar Nikles is an employee of BGFA and BGI and has been one of the Portfolio Managers primarily responsible for the day-to-day management of the LifePath Master Portfolios since June 2005. Ms. Nikles has been a member of the asset allocation portfolio management team since July 2003. Prior to joining BGI, Ms. Nikles received her Financial Risk Manager Certification and prior to that, Ms. Nikles was an assistant portfolio manager and analyst at Zurich Scudder Investments from 2000 to 2002.

Ms. Gambon is an employee of BGFA and BGI and has been one of the Portfolio Managers primarily responsible for the day-to-day management of the LifePath Master Portfolios since May 2007. Ms. Gambon has been a member of the asset allocation portfolio management team since April 2007. Prior to joining BGI, Ms. Gambon was an Active Equity Product Manager with Active Equity since 2001 and in October 2004 became Head of Portfolio Management Process at Active Equity.

Mr. Hogan is an employee of BGFA and BGI and has been one of the Portfolio Managers primarily responsible for the day-to-day management of the LifePath Master Portfolios since October 2008. Mr. Hogan has been a member of the asset allocation portfolio management team since May 2007. Prior to becoming a Portfolio Manager, Mr. Hogan was a derivatives trader with Credit Suisse from 2004 to 2006. From April 2002 through April 2004, Mr. Hogan was a currency trader at BGI.

The SAI provides additional information regarding the portfolio managers' compensation, other accounts they manage, their ownership of securities issued by the Funds and additional information regarding possible conflicts of interest.

SHAREHOLDER INFORMATION

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

We will employ reasonable procedures to confirm that telephone and internet instructions are genuine. These procedures include recording telephone calls, requiring the use of a personal identification number for internet transactions, and sending you transaction confirmation statements. If the Manager and the Funds fail to comply with such procedures, they may be liable for any losses due to unauthorized or fraudulent instructions. However, the Funds, the Manager and their respective officers, directors, employees and agents will not be liable for acting upon instructions given, when reasonably believed to be genuine.

During periods of volatile economic and market conditions, you may have difficulty initiating a transaction by telephone or by the internet, in which case you should consider sending in your request by letter or through your State Farm VP Management Corp. Registered Representative.

Telephone Transaction Privileges are automatically established for you unless you decline these privileges on the Application. If you currently do not have the Telephone Transaction Privileges but would like to sign up for these privileges, you may complete an Investor Account Services Form. Your signature on the Investor Account Services Form must be guaranteed (see "Signature Guarantee").

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

Minimum Investments

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

Minimum Investments

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

*AIP stands for Automatic Investment Plan.

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

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

Reduced Sales Charge Options

This prospectus offers four different classes of Fund shares, which allows you to choose the method of purchasing shares that is most beneficial to you in light of factors such as the amount of your investment, your holdings of Fund shares and how long you expect to hold your investment.

As of May 1, 2006, the previously existing "Class A" and "Class B" shares were renamed "Legacy Class A" and "Legacy Class B" shares, and on that same day new Class A and new Class B shares were created. Any shareholder who owned former Class A or former Class B shares as of April 30, 2006, became the owner of the same number of Legacy Class A or Legacy Class B shares as of May 1, 2006.

The amount of sales charge you pay when buying Fund shares depends upon whether you are a "grandfathered" shareholder, a category of persons determined primarily based upon when you established your Fund account(s). An account is a distinct registration in which Fund shares are held, and each account has its own unique account number. Grandfathered shareholders may purchase Legacy Class A and Legacy Class B Fund shares whereas shareholders who are not grandfathered may purchase Class A or Class B Fund shares.

You are a grandfathered shareholder if you satisfy one or more of the following criteria:

- Your account holding Legacy Class A or Legacy Class B Fund shares was established before May 1, 2006. In the case of all employer-sponsored qualified retirement plans, except Tax Sheltered Accounts ("TSAs")

established under § 403(b)(7) of the Internal Revenue Code, your account is considered established when the plan itself is established. In the case of TSAs, your account is considered established on the date you the individual open your account.

- Your account holding Legacy Class A or Legacy Class B shares is established after April 30, 2006, as a result of the death or divorce of one or more individual shareholder(s) who had a grandfathered account. For example, if John and Mary Smith established a grandfathered account before May 1, 2006, and that account is re-titled as a result of a death or divorce of John and/or Mary Smith, the re-titled account(s) will be treated as grandfathered account(s).
- Your account holding Legacy Class A or Legacy Class B shares is established after April 30, 2006, as a result of a conversion or re-characterization of a grandfathered IRA account. For example, if you convert your grandfathered Traditional IRA account into a Roth IRA account, the Roth IRA account will be treated as a grandfathered account.
- You are a trust that obtained its Legacy Class A or Legacy Class B shares from another grandfathered account.

Class A and Legacy Class A shares are available for investors choosing an initial sales charge, whereas Class B and Legacy Class B shares are available for investors who prefer a deferred sales charge. Shares of each class represent interests in the same Fund, have the same rights and, except for the differences in sales charges and distribution charges, are identical in all respects. Each class has different exchange privileges, as described in the section of this prospectus on “How to Exchange Shares.”

The net income attributable to each class of shares and the dividends payable on shares of each class will be reduced by the amount of the distribution and service (12b-1) fees and shareholder services fees attributable to those shares and incremental expenses associated with the class. Shareholders of each class of a Fund have exclusive voting rights on the distribution and service (12b-1) plan as it applies to that class. State Farm VP Management Corp. Registered Representatives receive equal compensation for selling the four classes of shares offered in this prospectus.

Owners of State Farm fixed or variable deferred annuities held as funding vehicles for tax-qualified plans can exchange part or all of their annuities for Fund shares through the State Farm Annuity Exchange Offer (the “State Farm Annuity Exchange Offer”). The State Farm annuities that qualify for

the State Farm Annuity Exchange Offer include the State Farm Deferred Life Annuity, State Farm Flexible Premium Annuity, State Farm Single Premium Deferred Annuity or the State Farm Variable Deferred Annuity. State Farm annuities that qualify for the State Farm Annuity Exchange Offer are referred to as “Eligible Annuities.” The State Farm Annuity Exchange Offer only provides for a waiver of annuity surrender charges when proceeds from an Eligible Annuity are being transferred to a tax-qualified Fund account. The State Farm Annuity Exchange Offer does not include the State Farm Single Premium Immediate Life Annuity or the State Farm Single Premium Immediate Joint and Last Survivor Annuity.

Subject to some important exceptions discussed below, the State Farm Annuity Exchange Offer terminated with respect to Eligible Annuities acquired on or after July 15, 2003.

If you purchased an Eligible Annuity on or after May 1, 2001, and before July 15, 2003, as funding for a tax-qualified retirement plan under Internal Revenue Code sections 401(a), 408 or 408A, you may participate in the State Farm Annuity Exchange Offer if the exchange occurs before the tenth anniversary of the date of purchase of the Eligible Annuity.

Class A and Legacy Class A Shares

Initial Sales Charge

Class A Shares. You can buy Class A shares of each of the Funds at the offering price, which is the NAV per share plus a sales charge (commission). The applicable sales charge schedule for your investment in Class A shares of the Funds, except an investment in the Bond Fund or the Tax Advantaged Bond Fund, is set forth in Sales Charge Schedule #1 below. If you are purchasing Class A shares of the Bond Fund or the Tax Advantaged Bond, the applicable sales charge schedule is Sales Charge Schedule #2 below. There is no initial sales charge for “new investments” in Class A shares of the Money Market Fund. A new investment is an investment you initially make in the Fund by means other than an exchange from another Fund.

Legacy Class A Shares. If you are a grandfathered shareholder, you can buy Legacy Class A shares of each of the Funds at the offering price, which is the NAV per share plus a sales charge (commission). The applicable sales charge schedule for your investment in Legacy Class A shares of the Funds is set forth in Sales Charge Schedule #2 below. There is no initial sales charge for new investments in Legacy Class A shares of the Money Market Fund.

Sales Charge Schedule #1
Sales Charge as Percentage of

	Offering Price	Net Amount Invested*
Less than \$25,000	5%	5.26%
\$25,000 to \$49,999	4.5%	4.71%
\$50,000 to \$99,999	4.0%	4.17%
\$100,000 to \$199,999	3.0%	3.09%
\$200,000 to \$299,999	2.5%	2.56%
\$300,000 to \$399,999	2.0%	2.04%
\$400,000 to \$499,999	1.5%	1.52%
\$500,000 or more	0%**	0%

Sales Charge Schedule #2
Sales Charge as Percentage of

	Offering Price	Net Amount Invested*
Less than \$50,000	3%	3.09%
\$50,000 to \$99,999	2.5%	2.56%
\$100,000 to \$199,999	2.0%	2.04%
\$200,000 to \$299,999	1.5%	1.52%
\$300,000 to \$399,999	1.0%	1.01%
\$400,000 to \$499,999	0.5%	0.503%
\$500,000 or more	0%**	0%

* The percentages for "Net Amount Invested" are rounded to the nearest one-hundredth or one-thousandth of one-percent. Your net amount invested may be slightly different than indicated by these percentages due to rounding.

** No sales charge is imposed at the time of purchase on amounts of \$500,000 or more. However, for investment of \$500,000 or more in Class A or Legacy Class A shares of any Fund other than the Money Market Fund, a contingent deferred sales charge will be charged if shares are redeemed within 12 months following their purchase at the rate of 0.5% on the lesser of the value of the shares redeemed (exclusive of reinvested dividends and capital gains distributions) or the cost of such shares. The contingent deferred sales charge may be waived in certain circumstances. See "When will the Contingent Deferred Sales Charge Schedule be Waived?" on p. 61.

Whether you buy Class A or Legacy Class A shares, you may qualify for a reduced sales charge, or the sales charge may be waived, as described below under "When Will the Initial Sales Charge be Reduced or Waived?"

Initial Sales Charge for the Money Market Fund. The initial sales charge does not apply to new investments in Class A or Legacy Class A shares of the Money Market Fund. New investments in the Money Market Fund will only be accepted in Class A or Legacy Class A shares, whichever class of shares you are eligible to purchase.

Additional Sales Charge for Certain Exchanges from Class A Shares of the Bond Fund and the Tax Advantaged Bond Fund. If you should exchange a new investment in Class A shares of the Bond Fund or Class A shares of the

Tax Advantaged Bond for Class A shares of another Fund (other than the Bond Fund or the Tax Advantaged Bond Fund) within 180 days of acquiring the Class A shares of the Bond Fund or the Class A shares of the Tax Advantaged Bond Fund, you will be charged an additional sales charge equal to 1% of the lesser of the value of the shares exchanged (exclusive of reinvested dividends and capital gains distributions) or the cost of such shares. This sales charge will be collected from the redemption proceeds to be reinvested in shares of the new Fund position unless you pay the sales charge in another manner. For purposes of assessing the 1% sales charge, a new investment in Class A shares of the Bond Fund or Class A shares of the Tax Advantaged Bond Fund includes shares acquired from a new investment in the Class A shares of the Money Market Fund. In determining the amount of the sales charge that applies to exchanges from the Bond Fund or the Tax Advantaged Bond Fund, the calculation will be made in a manner that results in the lowest possible sales charge. It will be assumed that the exchange is made first from shares of the Bond Fund or the Tax Advantaged Bond Fund acquired through an exchange from another Fund (other than an exchange into the Bond Fund or the Tax Advantaged Bond Fund made from a new investment in the Money Market Fund); next from shares acquired from the reinvestment of dividends and distributions; and finally, it will be assumed that the exchange is made from shares acquired as new investments in the Bond Fund or the Tax Advantaged Bond Fund. No breakpoints or reductions in the rate of this sales charge will apply when this sales charge is due. The 1% additional sales charge does not apply if the initial sales charge on your purchase of Class A shares of the Bond Fund or the Tax Advantaged Bond Fund was waived.

When will the Initial Sales Charge be Reduced or Waived for Class A and Legacy Class A Shares?

There are several ways to reduce or eliminate the initial sales charge:

- Combined Purchases
- Rights of Accumulation
- Letter of Intent
- Special Waivers

Your State Farm VP Management Corp. Registered Representative or Securities Products Representative can explain these programs to you and help you determine if you qualify for a sales charge waiver. The sales charge waiver programs may be changed or discontinued at any time.

Combined Purchases. Purchases made at the **same time** for any of the Funds, other than the Money Market Fund, in related accounts may be aggregated for the purpose of receiving a reduced sales charge. Here is how you qualify for a reduced sales charge:

- Purchases in related accounts in Class A, Legacy Class A, Class B and Legacy Class B shares which may be aggregated to qualify for a reduced sales charge include purchases made at the same time for you, your spouse and children under the age of 21, as well as those made in individual tax-qualified accounts for those individuals or by a company solely controlled by those individuals or in a trust established exclusively for the benefit of those individuals.
- Purchases made by or for the benefit of each participant within an employer-sponsored plan will be combined with all other purchases made at the same time, other than Money Market Fund purchases, in that plan for the purpose of receiving a discounted sales charge. Purchases by participants in these plans will not be combined with other individual accounts those participants may have outside the plan. Exceptions to this rule are as follows:
 - A participant account relating to a tax sheltered account under Section 403(b)(7) of the Internal Revenue Code will be combined with other individual accounts that participants may hold for the purposes of receiving a reduced sales charge.
 - Fund shares, other than shares of the Money Market Fund, held in participant accounts of employer sponsored retirement plans established prior to May 1, 2003 which were not marketed and sold by State Farm will be combined with Fund shares held in individual accounts by the same person for purposes of receiving a reduced sales charge.
- Purchases made for a customer in nominee or street name accounts (accounts which hold the customer's shares in the name of a broker or another nominee such as a bank trust department) may not be aggregated with purchases made at the same time for other accounts and may not be aggregated with purchases made at the same time for other nominee or street name accounts unless otherwise qualified as noted above.

You must tell us or your State Farm VP Management Corp. Registered Representative at the time your orders are placed that there are multiple orders which qualify for a reduced sales charge.

Rights of Accumulation. Purchases may also qualify for a reduced sales charge based on the **current NAV** of your account and any related accounts in any of the Funds, excluding new investments in the Money Market Fund. Here is how you qualify for a reduced sales charge:

- Investments in related accounts in Class A, Legacy Class A, Class B and Legacy Class B shares which may be aggregated to qualify for a reduced sales charge include the current total NAV of accounts for you, your spouse and children under the age of 21, as well as those made in individual tax-qualified accounts for those individuals or by a company solely controlled by those individuals or in a trust established exclusively for the benefit of those individuals.
- Investments made by or for the benefit of each participant within an employer-sponsored plan will be combined with the current total NAV of all participant accounts within the plan, excluding new investments in the Money Market Fund, to determine qualification for reduced sales charges. Purchases by participants in these plans will not be combined with the current total NAV of other individual accounts those participants may have outside the plan. Exceptions to this rule are as follows:
 - A participant account relating to a tax sheltered account under Section 403(b)(7) of the Internal Revenue Code will be combined with other individual accounts that participants may hold for the purposes of receiving a reduced sales charge.
 - Fund shares, other than shares of the Money Market Fund, held in participant accounts of employer sponsored retirement plans established prior to May 1, 2003 which were not marketed and sold by State Farm will be combined with Fund shares held in individual accounts by the same person for purposes of receiving a reduced sales charge.
- Investments made for a customer in nominee or street name accounts (accounts which hold the customer's shares in the name of a broker or another nominee such as a bank trust department) may not be aggregated with the current total NAV of other accounts and may not be aggregated with the current total NAV of other nominee or street name accounts unless otherwise qualified as noted above.

You must tell us or your State Farm VP Management Corp. Registered Representative at the time your order is placed that it qualifies for a reduced sales charge based on related holdings in existing Fund accounts.

Letter of Intent. You may qualify for a reduced sales charge if you enter into a non-binding Letter of Intent, telling us that you intend to buy, within 13 months, shares that, if purchased all at once, would qualify. Fund shares purchased in the 90-day period prior to entering into the Letter of Intent may be combined with new purchases in related accounts as shown above to reach the investment commitment of the Letter of Intent. **You must tell us or your State Farm VP Management Corp. Registered Representative if you want purchases made in related accounts to count toward your investment commitment.** Up to 5% of the stated amount of the Letter of Intent will be held in escrow to cover additional sales charges which may be due if investments over the 13-month period are not sufficient to qualify for the sales charge reduction. If you do not achieve the intended investment within the thirteen-month period, you are required to pay the difference between the sales charges otherwise applicable and sales charges actually paid, which will be deducted from any account linked to the letter of intent. Letters of Intent do not apply to employer sponsored plan accounts except 403(b)(7) accounts. Effective for Letters of Intent executed after May 1, 2003, the purchase of shares of the Money Market Fund will not count toward meeting an investment commitment under a Letter of Intent.

Special Waivers. You may purchase Class A shares without an initial sales charge, or if you are a grandfathered shareholder you may purchase Legacy Class A shares for your grandfathered account without an initial sales charge, if:

- You are purchasing shares of the Money Market Fund.
- You are a current or retired agent or employee of the State Farm Insurance Companies or a Family Member of such a person.

“Family Member” is defined as:

“Immediate”

- spouse, which means the person to whom you legally are married under the laws of the state in which you reside.
- parents
- step-parents
- children:
 - natural born children
 - step-children
 - court appointed foster children
 - legally adopted children

“Extended”

- grandparents
- step-grandparents

- great grandparents
- step-great grandparents
- grandchildren
- step-grandchildren
- great grandchildren
- step-great grandchildren
- If you are eligible to purchase Class A or Legacy Class A shares without an initial sales charge as an “Immediate” family member of a current or retired agent or employee of the State Farm Insurance Companies and if that person dies, you continue to be a person who, without paying an initial sales charge, may establish new registrations and add to existing registrations.
- If you are eligible to purchase Class A or Legacy Class A shares without an initial sales charge as an “Extended” family member of a current or retired agent or employee of the State Farm Insurance Companies and if that person dies, you may no longer establish new registrations without paying an initial sales charge.
- If you hold Class A or Legacy Class A shares that were purchased without an initial sales charge but you no longer qualify to establish new registrations without paying an initial sales charge, you may nevertheless maintain and add to your existing registration(s) without paying an initial sales charge.
- If you acquired your Fund shares because another shareholder transferred those shares to you and if you are otherwise ineligible to invest in Class A or Legacy Class A shares without paying an initial sale charge, you will be allowed to maintain your account. However, in these circumstances, you may not purchase additional Class A or Legacy Class A shares for your account without paying an initial sales charge and you may not open any new registrations without paying an initial sales charge.
- You are a current agent of the State Farm Insurance Companies purchasing shares for your employer-sponsored retirement plan. Participating employees of the State Farm agent’s employer-sponsored retirement plan may also purchase shares without an initial sales charge within that plan. No special waiver shall be allowed for the purchase of shares for employer-sponsored retirement plans not sponsored by a current agent of the State Farm Insurance Companies.
- You are a State Farm VP Management Corp. Registered Representative who works for an insurance agent of the State Farm Insurance Companies, or a Family Member of such a person (as defined above).

- You are currently serving on the Trust's Board of Trustees.
- You are purchasing shares by reinvesting the proceeds of the redemption of shares of one or more of the Funds. You must provide appropriate documentation that the redemption occurred not more than 90 days prior to the reinvestment of the proceeds, and that the shares that were redeemed were Class R-1 or R-2 or that the shares that were redeemed were at one time subject to an initial sales charge or contingent deferred sales charge. In addition, to qualify for a waiver of the initial sales charge, the redemption that occurred in the previous 90 days must have resulted in a termination of the account in which the shares were held.
- You are reinvesting dividends or other distributions from a Fund.
- You are a participant in a retirement plan reinvesting loan repayments.
- You are acquiring Fund shares issued in connection with the acquisition by a Fund of another investment company.
- You are purchasing Fund shares as a result of participating in the State Farm Annuity Exchange Offer (which relates to exchanging interests in State Farm annuities for Fund shares), and the surrender charge period for your State Farm annuity has expired at the time of the exchange. See the discussion of the State Farm Annuity Exchange Offer above under the heading "Shareholder Information – Reduced Sales Charge Options."
- You are participating in the State Farm Annuity Exchange Offer by exchanging a State Farm fixed deferred annuity or State Farm Variable Deferred Annuity that is 96 months and 1 day old or greater, which annuity is still subject to a surrender charge. See the discussion of the State Farm Annuity Exchange Offer above under the heading "Shareholder Information – Reduced Sales Charge Options."
- You are purchasing Fund shares with the proceeds of a distribution from State Farm's 401(k) Savings Plan for United States employees. Proceeds must come directly from State Farm's 401(k) Savings Plan for reduced sales charge eligibility. Proceeds submitted indirectly will not be eligible for reduced sales charges, unless other eligibility is met. Purchases submitted by any method other than a direct contribution from State Farm's 401(k) Savings Plan will be charged a sales load.

You also may purchase Class A and Legacy Class A shares, whichever share class is available to you, without an initial

sales charge if you purchase \$500,000 or more of the Funds' shares. However, redemption of such shares within 12 months of purchase is subject to a contingent deferred sales charge of 0.5% of the lesser of the value of the shares redeemed (exclusive of reinvested dividends and capital gains distributions) or the total cost of the shares. This 0.5% contingent deferred sales charge does not apply to redemptions from Class A and Legacy Class A shares of the Money Market Fund.

If you qualify to purchase shares without an initial sales charge due to a special waiver, you must complete an "Institutional Share Class Eligibility or Purchase at Net Asset Value" form.

If you hold Class A or Legacy Class A shares that were purchased without an initial sales charge but you no longer qualify to purchase Class A or Legacy Class A shares without an initial sales charge under the criteria set forth above, you may nevertheless maintain and add to your established account registration(s), but you may not open any new registrations without paying an initial sales charge.

Class B and Legacy Class B Shares

Contingent Deferred Sales Charge

Unlike an initial sales charge, which is paid when you purchase shares, a contingent deferred sales charge is only paid if you sell your shares during a certain period of time. Class B and Legacy Class B shares are offered at NAV without an initial sales charge, but subject to a contingent deferred sales charge as set forth in the applicable schedule below. Class B shares of all Funds, other than the Bond Fund and the Tax Advantaged Bond Fund, are subject to the contingent deferred sales charges set forth in Schedule #1 below, whereas Legacy Class B shares of all Funds and Class B shares of the Bond Fund and the Tax Advantaged Bond Fund are subject to the contingent deferred sales charges set forth in Schedule #2 below. Each schedule shows the contingent deferred sales charges that apply to redemptions occurring during the first through sixth years after purchasing the shares. The percentage charge that applies to a specific redemption depends upon when the shares that are redeemed were purchased. The contingent deferred sales charge is imposed on the lesser of the value of the shares redeemed (exclusive of reinvested dividends and capital gains distributions) or the cost of such shares.

Purchases of \$25,000 or more generally will not be accepted in either Class B or Legacy Class B shares. In addition, as the cumulative NAV of your account and any related account reaches \$25,000, purchases of either Class B or Legacy B shares will not be accepted. All purchases will automatically be made into Class A or Legacy Class A with the appropriate

reduction of the initial sales charge. Moreover, Class B shares are not available for purchase in SEP, SIMPLE, Retirement Plan Funding Program, 401(k) and Profit Sharing Plans established after April 30, 2006. If your plan is not eligible to purchase Class B shares and you indicate on your application the intent to purchase Class B shares, the purchase will automatically be made into Class A shares.

If the surrender fee charged to an annuity contract owner in connection with the State Farm Annuity Exchange Offer would be less than the initial sales charge on Class A shares at the time of the proposed exchange, the annuity contract owner is required to purchase Class B shares of the Fund. If

the purchase is \$25,000 or greater, or if the NAV of all the related accounts are \$25,000 or greater, the purchase will be made into Class A shares at NAV.

In determining whether a contingent deferred sales charge applies to a redemption of Class B or Legacy Class B shares, the calculation will be made in a manner that results in the lowest possible charge. It will be assumed that the redemption is made first from shares acquired through the reinvestment of dividends and distributions; then from shares held beyond the applicable contingent deferred sales charge period; and finally, from shares subject to the lowest contingent deferred sales charge.

Contingent Deferred Sales Charge Schedule #1

Contingent Deferred Sales Charge Applicable in the Year of Redemption After Purchase*						
First	Second	Third	Fourth	Fifth	Sixth	Seventh
5.00%	4.25%	3.5%	2.75%	2.00%	1.00%	0.00%

Contingent Deferred Sales Charge Schedule #2

Contingent Deferred Sales Charge Applicable in the Year of Redemption After Purchase*						
First	Second	Third	Fourth	Fifth	Sixth	Seventh
3.00%	2.75%	2.75%	2.50%	2.00%	1.00%	0.00%

* No contingent deferred sales charge is paid on an exchange of shares, nor is one paid on the sale of shares received as a reinvestment of dividends or capital gains distribution. Class B and Legacy Class B shares will convert to Class A and Legacy Class A shares, respectively, after eight years, thus reducing future expenses associated with owning those shares. Shares received as a reinvestment of dividends or capital gains distributions will be converted to Class A and Legacy Class A shares in the same proportion as purchased shares are converted.

For Class B and Legacy Class B shares purchased in connection with the State Farm Annuity Exchange Offer, the contingent deferred sales charge is calculated from the date of the original purchase of the annuity contract.

Automatic Conversion of Class B and Legacy Class B Shares

Class B and Legacy Class B shares automatically convert to Class A and Legacy Class A shares, respectively, two years after the expiration of any contingent deferred sales charge. This conversion feature relieves Class B and Legacy Class B shareholders of the higher asset-based distribution and service (12b-1) charges that otherwise apply to Class B and Legacy Class B shares. The conversion is based on the relative NAV of the two classes, and no charge is imposed in connection with the conversion.

When Will the Contingent Deferred Sales Charge Schedule be Waived?

A contingent deferred sales charge will not be assessed on Class A or Legacy Class A shares (for purchases of \$500,000 or more) or Class B or Legacy Class B shares for:

- exchanges of shares in one Fund for the same class of shares of another Fund;
- when an affiliate of the Manager redeems Fund shares that represent seed capital invested in a Fund;

- redemptions from tax-deferred retirement plans and Individual Retirement Accounts for required minimum distributions of Fund shares due to attainment of age 70 1/2 and return of excess contributions;
- redemptions from tax-deferred retirement plans for participant loans and hardship withdrawals;
- redemptions as a result of death of the registered shareholder or in the case of joint accounts, of all registered shareholders;
- redemptions as a result of the disability of the registered shareholder (as determined in writing by the Social Security Administration) which occurs after the account was established;
- redemptions for failure to meet minimum account balances; and
- conversions and recharacterizations between types of IRAs.

When you request a redemption, you must notify us or your State Farm VP Management Corp. Registered Representative at the time your order is placed if the redemption qualifies for a waiver of the contingent deferred sales charge and the reason for the waiver.

The Trust makes available through its website at www.statefarm.com, information concerning applicable sales loads, breakpoint discounts and the nature of the four share classes offered in this prospectus.

Distribution and Service (12b-1) Fees

The Trust has adopted a plan pursuant to Rule 12b-1 under the 1940 Act, which provides that each Fund will pay a distribution fee. In addition, the Trust's 12b-1 plan provides that Class B shares will pay a service fee. Because these fees are paid out of the Funds' assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

With respect to the Funds, all share classes offered in this prospectus are subject to a distribution fee of up to the amounts specified in the charts below. The distribution fee is payable to State Farm VP Management Corp. to reimburse it for expenses incurred in connection with the distribution of Fund shares, as well as to reimburse it for unreimbursed distribution expenses incurred by State Farm VP Management Corp. in prior years. Distribution expenses include payments to State Farm VP Management Corp. Registered Representatives for selling Fund shares, expenses of printing and distributing prospectuses to persons other than Fund shareholders, and expenses of preparing, printing and distributing advertising and sales literature.

Class B shares of all Funds, other than the Bond Fund, the Tax Advantaged Bond Fund and the Money Market Fund, are subject to a 12b-1 service fee of up to 0.20% per year of the Fund's average daily net assets. The 12b-1 service fee is payable to State Farm VP Management Corp. to reimburse it for expenses incurred in connection with providing personal services to Fund shareholders, as well as to reimburse it for unreimbursed service expenses incurred by State Farm VP Management Corp. in prior years. Service expenses incurred by State Farm VP Management Corp. include payments to State Farm VP Management Corp. Registered Representatives for providing ongoing personal services to Fund shareholders.

The Trust's Rule 12b-1 Plan is a "reimbursement" plan. This means that a share class of a Fund only pays a particular 12b-1 fee to the extent that State Farm VP Management Corp. has incurred or will incur in the Fund's fiscal year a corresponding amount of service or distribution expenses. Unreimbursed expenses from prior years also are eligible for reimbursement. 12b-1 service fees for Class B shares of a Fund may be less than 0.20% per year if State Farm VP Management Corp. has not or does not expect to incur a sufficient amount of service expenses. 12b-1 distribution fees for a class of a Fund may be less than shown below if State Farm VP Management Corp. has not or does not expect to incur a sufficient amount of distribution expenses.

The charts below summarize the maximum level of 12b-1 distribution and service fees payable by the Funds.

Distribution and Service (12b-1) Fees – Funds other than the Money Market Fund

	<i>Class A</i>	<i>Legacy Class A</i>	<i>Class B (excluding the Bond Fund and the Tax Advantaged Bond Fund)</i>	<i>Class B (for the Bond Fund and the Tax Advantaged Bond Fund)</i>	<i>Legacy Class B</i>
12b-1 Distribution Fee as a % of Average Daily Net Assets	0.25%	0.25%	0.75%	0.65%	0.65%
12b-1 Service Fee as a % of Average Daily Net Assets	Not Applicable	Not applicable	0.20%	Not applicable	Not applicable
Total 12b-1 Distribution and Service Fees	0.25%	0.25%	0.95%	0.65%	0.65%

Distribution and Service (12b-1) Fees – Money Market Fund

	<i>Class A</i>	<i>Legacy Class A</i>	<i>Class B</i>	<i>Legacy Class B</i>
12b-1 Distribution Fee as a % of Average Daily Net Assets	0.15%	0.15%	0.55%	0.55%
12b-1 Service Fee as a % of Average Daily Net Assets	Not applicable	Not applicable	Not Applicable	Not applicable
Total 12b-1 Distribution and Service Fees	0.15%	0.15%	0.55%	0.55%

Shareholder Services Fee

In addition, each share class of the Funds offered in this prospectus pays a shareholder services fee of 0.25% per year of its average daily net assets to the Manager for providing on-going account services to shareholders. Those services include establishing and maintaining shareholder accounts, printing and mailing confirmation and account statements to shareholders, processing shareholder transactions answering shareholder inquiries and providing other personal services to shareholders. The Manager and State Farm VP Management Corp. may profit from the distribution and service (12b-1) fees and from the shareholder services fees.

Calculating Net Asset Value

The offering price of the shares of each Fund is its NAV, plus an initial sales charge on the Class A and Legacy Class A shares. NAV is calculated by adding all of the assets of a Fund, subtracting the Fund's liabilities, then dividing by the number of outstanding shares. A separate NAV is calculated for each class of each Fund. We calculate the NAV of the S&P 500 Index Fund and the LifePath Funds based on the NAVs of each corresponding Master Portfolio. Each are calculated on the same day and determined as of 4:00 p.m. (Eastern Time) on each day the New York Stock Exchange ("NYSE") is open for business.

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

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

valuation may reduce the ability of a shareholder to take advantage of a lag between a significant change in the value of the Fund's holdings and the reflection of that change in the Fund's NAV.

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

All investments by the International Equity Fund and International Index Fund are valued in U.S. dollars based on the then prevailing exchange rate. Because each of these international funds invest in securities that are listed on foreign exchanges that trade on days when the Fund does not price its shares, the value of the foreign securities owned by these Funds may change on days when you will not be able to purchase or redeem the shares. The Trust's Board of Trustees has adopted procedures to value non-U.S. securities ("foreign securities") held by the International Equity Fund and the International Index Fund. The procedures require foreign securities held by these two Funds to be fair valued in certain circumstances using prices provided by a third-party pricing service. The Manager fair values foreign securities held by these two Funds on valuation days when the closing prices for such securities are determined not to reflect the market value of such securities as of the time the Funds compute their NAVs. The Manager uses systematic and objective standards to determine when the closing prices of the foreign securities held by the International Equity Fund and the International Index Fund do not reflect the market value of such securities. Specific information about how the Funds value certain assets is set forth in the SAI.

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

How To Buy Shares

General

You must indicate at the time of investment which class of shares you are purchasing. If you do not indicate a class of

shares, we will assume you want to purchase Class A shares or Legacy Class A shares, if you are eligible. While you may request to purchase either Class A or Class B shares, at certain purchase levels where State Farm VP Management Corp. determines that the reduced sales charge options for Class A shares makes the purchase of Class B shares an unsuitable choice, your request to purchase Class B shares may be denied resulting in the purchase of Class A shares being the only option. You also are required by federal regulations to certify your Taxpayer Identification or Social Security Number when opening your account. Failure to provide an identification number could subject you to 28% back-up withholding on any distributions, redemptions or disbursements from your account.

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

If State Farm VP Management Corp. or its Registered Representatives determine that the purchase instructions for your order are incomplete, State Farm VP Management Corp. or its Registered Representative will contact you to obtain the missing information and/or the missing documents necessary to make your purchase instructions complete. Your purchase order will not be processed until after the purchase instructions have been made complete and payment for the shares has been received.

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

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

The Trust's Board of Trustees has approved policies and procedures with respect to frequent purchases and redemptions

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

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

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

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

Anti-Money Laundering Compliance. The Funds are required to comply with various anti-money laundering laws and regulations. Consequently, the Funds may request additional required information from you to verify your identity. Your application will be rejected if you are not a U.S. resident or it does not contain your name, social security number, date of birth and permanent street address. If at any time the Funds believe a shareholder may be involved in suspicious activity or if certain account information matches information on government lists of suspicious persons, the Funds may choose not to establish a new account or may be required to "freeze"

a shareholder's account. The Funds also may be required to provide a governmental agency with information about transactions that have occurred in a shareholder's account or to transfer monies received to establish a new account, transfer an existing account or transfer the proceeds of an existing account to a governmental agency. In some circumstances, the law may not permit the Funds to inform the shareholder that it has taken the actions described above. The Manager and State Farm VP Management Corp., the Trust's distributor, implement the Funds' anti-money laundering program.

Opening and Adding to an Account

Through your State Farm VP Management Corp. Registered Representative. Contact your Registered Representative directly for instructions.

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

By Telephone. With the Telephone Investment Privilege, you can purchase additional Fund shares by having the Fund make an electronic withdrawal from your predesignated bank account. You can establish or change bank instructions on an existing account by mail or fax as long as the bank account and mutual fund account owner(s) are the same and a voided check is submitted. If the bank account owner and mutual fund account owner(s) are different mail a written request signed by each shareholder and with at least one bank account owner's signature guaranteed as described in the prospectus under "Signature Guaranteed" along with a voided check to:

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

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

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

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

General Policies On Buying Shares

- Your purchase order must be received by 4:00 p.m., Eastern Time to get that day's NAV. It is the responsibility of your State Farm VP Management Corp. Registered Representative to promptly submit purchase orders to the Funds.
- All purchases are subject to the sales charge, unless they qualify for a sales charge reduction or waiver programs.
- All checks must be payable in U.S. dollars, drawn on a U.S. bank and made payable to "State Farm Mutual Funds" (not State Farm VP Management Corp.). Cash, third party checks, credit cards and debit cards are not acceptable forms of payment. State Farm VP Management Corp. reserves the right to reject a purchase request.
- Unless you instruct otherwise, all of your income dividends and capital gain distributions will be reinvested in your account. In the case of all accounts except for tax-qualified accounts, you may at any time request in writing, by calling 1-800-447-4930, or by visiting our website at www.statefarm.com[™] to have your income dividends and capital gain distributions paid to you in cash. You cannot elect to receive a check for an income dividend and/or a capital gain distribution if the amount payable is less than \$10.
- Stock certificates will not be issued.
- The Manager will send to you by mail a confirmation of each transaction, other than purchases by the automatic

investment plan method. You will receive confirmation of your purchases by the automatic investment plan method promptly after the end of each calendar quarter.

- Each Fund reserves the right, in its sole discretion, to reject purchases when, in the judgment of the Manager, the purchase would not be in the best interest of the Fund. No order to purchase shares is binding on a Fund until it has been confirmed in writing and the Fund has received payment.
- Persons who own Fund shares through a qualified retirement plan such as a 401(k) plan should refer to documents provided by their plan sponsor or administrator for any additional information related to buying shares.
- You are required by federal regulations to certify your taxpayer identification or Social Security number when opening your account. Failure to provide an identification number could subject you to backup withholding on any distributions, redemptions, or disbursements from your account. Further, you must reside in a jurisdiction where Fund shares may lawfully be offered for sale.
- Each of the policies on buying shares above apply to the purchase of shares through the State Farm Annuity Exchange Offer.
- Class B shares are not available for purchase in SEP, SIMPLE, Retirement Plan Funding Program, 401(k) and Profit Sharing Plans established after April 30, 2006. If your plan is not eligible to purchase Class B shares and you indicate on your application the intent to purchase Class B shares, the purchase will automatically be made into Class A shares.

Inquiring About Transactions

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

How To Exchange Shares

Except for exchanges from new investments in shares of the Money Market Fund (see below), you may exchange your shares for shares of the same Class of another Fund without a sales charge. A new investment in the Money Market Fund is an investment you initially make in that Fund by means other than through an exchange from another Fund. If you are exchanging a new investment in shares of the Money Market Fund for Class A or Legacy Class A shares of another Fund,

an initial sales charge will apply at the time of the exchange. If you are exchanging a new investment in shares of the Money Market Fund for Class B or Legacy Class B shares of another Fund, you are treated as purchasing the Class B or Legacy Class B shares of the other Fund on the day of the exchange.

Fund shares may be exchanged as follows:

Through your State Farm VP Management Registered Representative. Contact your State Farm VP Management Corp. Registered Representative directly for instructions.

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

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

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

General Policies On Exchanging Shares

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

- The Funds have the discretion to make inquiries or to take action against any shareholder whose trading appears inconsistent with exchange policies.
- Please note that the Manager reserves the right to revise or terminate the exchange privilege, limit the amount of any exchange, or reject an exchange, at any time, for any reason. An exchange request can be rejected because of the timing or amount of the investment or because of a history of excessive trading by the investor.
- An exchange will be effective on the day your request is received, if it is received by State Farm VP Management Corp. or its Registered Representatives before the Funds calculate their NAVs on that day; a request received after the time the NAV is calculated will be effective at the next calculated NAV. All Funds calculate

their NAVs as of the close of regular session trading on the NYSE (currently at 4:00 p.m., Eastern Time) each day the NYSE is open for business.

- You have to meet the minimum investment requirements of the Fund into which you are exchanging.
- There is no charge for exchanges, provided that you exchange your shares for shares of the same class of another Fund.
- The Funds may refuse any exchange purchase if: (1) the Manager believes the Fund would be harmed or unable to invest effectively; or (2) the Fund receives or anticipates simultaneous orders that may significantly affect the Fund.
- An exchange is a sale of shares from one Fund and the purchase of shares of another Fund for federal income tax purposes, which may produce a taxable gain or loss in a taxable account.
- Before making an exchange please read the description of the Fund to be purchased.
- The Trust may terminate or modify the exchange program at any time, but the Trust will seek to give shareholders at least 60 days notice prior to such change.
- You may not exchange your shares into a variable annuity contract offered by an affiliated insurance company of the Manager.
- When exchanging Class A shares of the Bond Fund or the Tax Advantaged Bond Fund within 180 days of acquiring those shares for Class A shares of another Fund, an additional 1% sales charge may apply. See the discussion of this topic under the heading “Shareholder Information – Reduced Sales Charge Options” in this prospectus.

How to Redeem Fund Shares

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

Through your State Farm VP Management Corp. Representative. Contact your State Farm VP Management Corp. Registered Representative directly for instructions.

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

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

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

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

Redemption proceeds you request in writing normally will be sent by check to your address of record. If you give specific instructions in your written redemption request, and your signature is guaranteed as described under “Signature Guarantee,” you may have the proceeds sent to another payee or to an address other than the address of record. If you request expedited delivery of the redemption proceeds, a fee of \$15.00 will be deducted from your redemption proceeds.

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

By The Internet. Visit our website at www.statefarm.comTM, click on the “Mutual Funds” link, and follow the instructions presented on the screen.

Systematic Withdrawal Program. If you own \$5,000 or more of a Fund’s shares at the current NAV, you may have a specified dollar amount of \$100 or greater withdrawn from your account, payable to you or to another designated payee on a monthly, quarterly, semiannual or annual basis. You designate the day during the chosen period that you would like the shares to be redeemed. If the day selected for your systematic withdrawal plan falls on a non-business day, the transaction will be processed on the previous business day unless the day selected falls on the first day of the period. Under these circumstances it will be processed the following business day. Example 1: If you choose to have your withdrawal on the tenth of each month and the tenth falls on a Saturday during a particular month, the transaction will be processed on the ninth. Example 2: If you choose to have your withdrawal on the first of each month and the first falls on a Saturday during a particular month, the transaction will be processed on the third since this would be the first business day during that period. To redeem shares through a systematic withdrawal plan, contact your State Farm VP Management Corp. Registered Representative for instruction or

complete an Investor Account Services Form for shares held in a taxable account or a Distribution Request Form for shares held in a tax-qualified account. You can obtain copies of these forms by calling 1-800-447-4930. Once you have established a redemption program through a systematic withdrawal plan, you can change the amount, the frequency, or the payment date of the systematic withdrawal by calling 1-800-447-4930, if you have Telephone Redemption Privileges.

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

General Redemption Policies

- Each Fund will redeem shares at the Fund's NAV next determined after receipt of the order in proper form by State Farm VP Management Corp. or its Registered Representatives. Receipt of an order in proper form means State Farm VP Management Corp. or its Registered Representatives have received complete redemption instructions from you. Any applicable contingent deferred sales charge will be deducted from the redemption proceeds. It is the responsibility of your State Farm VP Management Corp. Registered Representative to submit to the Fund a redemption request promptly after you deliver your request to the State Farm VP Management Corp. Registered Representative.
- Persons who own Fund shares through a qualified retirement plan such as a 401(k) plan should refer to documents provided by their plan sponsor or administrator for any additional information related to redeeming shares.
- A Fund generally will redeem shares in cash (by check) or electronic transfer. Redemptions of more than \$500,000 of a Fund's assets during any 90-day period by one shareowner will normally be paid in cash, but may be paid in whole or in part by a distribution in-kind of securities. A shareholder who receives securities in an in-kind distribution from a Fund will be subject to market risk while holding those securities and may incur income tax liability upon selling the securities received in the in-kind distribution. If a redemption is paid in-kind, the redeeming shareowner may incur brokerage fees in selling the securities received.
- Payment for shares redeemed will be mailed to the shareowner(s) address of record or electronically transferred to the shareowner's predesignated bank account within seven days after the Fund receives a redemption

request, in writing, by the internet, or by telephone, in proper form.

- If you try to redeem shares paid for by check or electronic transfer soon after they have been purchased, the Fund may delay sending the redemption proceeds until it can verify that payment of the purchase price for the shares has been, or will be, collected. The Fund will employ reasonable verification measures. A Fund will not delay paying redemption proceeds under this policy beyond a period that ends fifteen days after you purchased the shares that are being redeemed.
- Each Fund may suspend the right of redemption or postpone a redemption payment more than seven days during any period when (a) the NYSE is closed for other than customary weekend and holiday closings, (b) trading on the NYSE is restricted as determined by the Securities and Exchange Commission, (c) there are emergency circumstances as determined by the Securities and Exchange Commission, or (d) the Securities and Exchange Commission has by order permitted such suspension for the protection of shareowners of the Fund; provided that applicable rules and regulations of the Securities and Exchange Commission shall govern as to whether any condition prescribed in (b) through (d) exists.
- Once the Manager has received your redemption request, you may not cancel or revoke it. We cannot accept a redemption request that specifies a particular date or price or any other conditions.
- Redemption proceeds you request in writing normally will be sent by check to your address of record. If you give specific instructions in your written redemption request, and your signature is guaranteed as described under "Signature Guarantee," you may have the redemption proceeds sent to another payee or to an address other than the address of record. If you request expedited delivery of the redemption proceeds, a fee of \$15.00 will be deducted from your redemption proceeds.
- You may change your address of record by calling 1-800-447-4930, by visiting your State Farm VP Management Corp. Registered Representative, or by sending a written request to State Farm Mutual Funds, P.O. Box 219548, Kansas City, MO 64121-9548. If you request an address change, redemption proceeds will be sent to the former address during the fifteen day period after the Manager receives your request unless the redemption request is in writing and accompanied by a signature guarantee for each registered owner.
- For IRA withdrawals a shareholder should complete the Distribution Request Form which can be obtained by

calling 1-800-447-4930 or by visiting our website at www.statefarm.com[™].

- If you request, redemption proceeds will be sent electronically to your predesignated bank account. The electronic transfer will be completed either through the ACH method or through the wire transfer method, whichever you choose. With the ACH method the redemption proceeds will usually be deposited in your predesignated bank account within two to three business days after the processing of the redemption request. With the wire transfer method, the redemption proceeds will usually be deposited in your predesignated bank account on the next business day after the receipt of the redemption request. If you choose electronic deposit of your proceeds using the wire transfer method, the Manager will charge you a \$15.00 fee, and this fee will be subtracted from your redemption proceeds. There currently is no charge for electronic transfer of redemption proceeds using the ACH method. Your bank may charge additional fees for electronic transfers you initiate. The wire transfer method is not available to shareholders participating in the systematic withdrawal program. You can establish or change bank instructions on an existing account by mail or fax as long as the bank account and mutual fund account owner(s) are the same and a voided check is submitted. If the bank account owner and mutual fund account owner(s) are different mail a written request signed by each shareholder and with at least one bank account owner's signature guaranteed as described in the prospectus under "Signature Guaranteed" along with a voided check to:

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

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

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

Policies for Low Balance Accounts

The following policies apply to all persons with Fund accounts:

- If the balance in any of your accounts (other than a Traditional IRA, Roth IRA, Coverdell Education Savings Account, Archer Medical Savings Account, SEP IRA, SIMPLE IRA, Tax Sheltered Accounts under §403(b)(7) of the Internal Revenue Code or an account held under other employer-sponsored qualified retirement plans) falls below \$250 at the close of business on the second

business day of November, the Fund may redeem the shares in such account (with such redemption to occur on the same business day in November), send the proceeds to you at your address of record and close your account. This does not apply to accounts that were opened during the current calendar year. Thus, an account will not be closed in a year for low balance if you opened the account on or after January 1st of that year. Accounts closed due to the Low Balance process may be reopened with an initial investment of \$250 per Fund. The Manager may waive redemption and closure of an account for low balance, in its discretion.

- Because servicing smaller accounts is very expensive, if the balance in any of your accounts falls below \$1,000 at the close of business on the second business day of November, through redemptions or any other reason, each of your accounts (other than SEP IRAs, SIMPLE IRAs, Archer Medical Savings Accounts, Tax Sheltered Accounts under §403(b)(7) of the Internal Revenue Code or accounts held under other employer-sponsored qualified retirement plans) with a balance below \$1,000 will be charged a low balance fee of \$25.00 for the year. We will deduct the low balance fee from the account on the same business day in November. The low balance fee will not apply to accounts that were opened during the current calendar year. Thus, no low balance fee will be assessed to your account in a year if you opened the account on or after January 1st of that year. The Manager may waive this fee, in its discretion and, if not waived, the fee will be retained by the Manager.

Signature Guarantee

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

The signature guarantee is required:

- on the written request for redemption that exceeds \$100,000, which clearly identifies the exact name in which the account is registered, the account number, the Fund name and the number of shares or the dollar amount to be redeemed
- on a separate "stock power," an instrument of assignment which should specify the total number of shares to be exchanged or redeemed (this stock power may be obtained from most banks and stock brokers)
- if you request that a redemption check be made payable to anyone other than the shareholder of record, that

request must be signed and accompanied by a signature guarantee of the registered owner

- if you request to transfer Fund shares from an existing account to another account which does not have identical owners (i.e., transferring shares from an account owned by John & Mary Doe to an account owned by Mary Doe), that request must be signed and accompanied by a signature guarantee of each registered owner of the account from which shares are being transferred
- if you request that a redemption check be mailed to an address other than the address of record, that request must be signed and accompanied by a signature guarantee of the registered owner
- on the Investor Account Services Form used to establish Telephone Redemption and/or Exchange Privilege(s)
- when adding or changing bank instructions, if the bank account owner(s) is (are) different than the Mutual Fund account owners(s), one bank account owner must sign and have his/her signature guaranteed

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

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

Excessive Trading/Market Timing

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

anticipation of, or reaction to, short term market price movement.

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

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

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

- Each Fund reserves the right to reject any purchase request, including exchanges from other Funds. A purchase request could be rejected due to its timing, amount or history of trading.
- All Funds except the Money Market Fund restrict certain purchases that follow share redemptions. For further details, see the “Purchase Blocking Policy” section of “How to Buy Shares” in this prospectus.

There is no guarantee that the Funds will be able to detect frequent trading activity or the shareholders engaged in such activity, or, if it is detected, to prevent its recurrence. We apply our market timing policies and procedures, including any

and all restrictions, to all investors without special arrangement, waiver or exception. Because we cannot guarantee that our market timing policies and procedures will detect every market timer, investors bear the risk that frequent exchange or transfer activity may occur, resulting in dilution of the value of Fund shares, interference with efficient management of the Funds' portfolios, and increases in brokerage and administrative costs to the Funds.

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

Disclosure of Portfolio Holdings

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

Arbitration Agreement

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

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

1. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
2. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.

3. The ability of the parties to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings.
4. The arbitrators do not have to explain the reason(s) for their award.
5. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
6. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
7. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated in this agreement.

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

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

SHARED DELIVERY

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

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

DIVIDENDS, DISTRIBUTIONS AND TAXES

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

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

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

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

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

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

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

The dividends from the Tax Advantaged Bond Fund will largely be exempt from regular federal income tax, because the Tax Advantaged Bond Fund invests primarily in municipal bonds. A portion of the Tax Advantaged Bond Fund's dividends may be subject to the federal alternative minimum tax

(AMT). Tax Advantaged Bond Fund dividends may be subject to state and local taxes. Tax Advantaged Bond Fund will provide you annually with the state-by-state sources of its income.

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

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

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

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

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

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

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

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

Taxes for Tax-Qualified Accounts. Participants who own Fund shares in tax-qualified accounts will not be subject to

federal income taxes on either dividends or capital gain distributions paid by the Funds to the accounts. Instead, participants who own Fund shares in tax-qualified accounts may be taxed when they begin taking distributions from their accounts. Depending on the type of tax-qualified account, there are various restrictions on eligibility, contributions and withdrawals. You should consult with a tax professional on the specific rules governing your own situation.

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

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FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the financial performance of each Fund. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been derived from financial statements that have been audited by Ernst & Young LLP, whose report, along with each Fund's financial statements, is included in the December 31, 2008 annual report. The annual report may be obtained from the Funds upon request without charge.

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust Equity Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (loss) (a)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$7.53	\$0.11	\$(3.24)	\$(3.13)	\$(0.11)	\$(0.01)	\$(0.12)
Period ended 12/31/2007	8.76	0.15	(0.70)	(0.55)	(0.16)	(0.52)	(0.68)
Period ended 12/31/2006 ^(c)	8.44	0.07	0.76	0.83	(0.13)	(0.38)	(0.51)
Class B Shares							
Period ended 12/31/2008	7.53	0.07	(3.22)	(3.15)	(0.07)	(0.01)	(0.08)
Period ended 12/31/2007	8.77	0.09	(0.72)	(0.63)	(0.09)	(0.52)	(0.61)
Period ended 12/31/2006 ^(c)	8.44	0.03	0.77	0.80	(0.09)	(0.38)	(0.47)
Legacy Class A Shares							
Year ended 12/31/2008	7.78	0.12	(3.35)	(3.23)	(0.11)	(0.01)	(0.12)
Year ended 12/31/2007	9.03	0.15	(0.73)	(0.58)	(0.15)	(0.52)	(0.67)
Year ended 12/31/2006	8.21	0.11	1.20	1.31	(0.11)	(0.38)	(0.49)
Year ended 12/31/2005	8.54	0.09	0.50	0.59	(0.09)	(0.83)	(0.92)
Year ended 12/31/2004	8.00	0.09	0.53	0.62	(0.08)	—	(0.08)
Legacy Class B Shares							
Year ended 12/31/2008	7.73	0.09	(3.32)	(3.23)	(0.08)	(0.01)	(0.09)
Year ended 12/31/2007	8.97	0.12	(0.73)	(0.61)	(0.11)	(0.52)	(0.63)
Year ended 12/31/2006	8.16	0.07	1.19	1.26	(0.07)	(0.38)	(0.45)
Year ended 12/31/2005	8.49	0.06	0.50	0.56	(0.06)	(0.83)	(0.89)
Year ended 12/31/2004	7.96	0.06	0.52	0.58	(0.05)	—	(0.05)

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(b) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.

(c) For all data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

(d) Determined on an annualized basis for periods that are less than a full year.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (b)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations</i>		<i>Average Net Asset ratios absent expense limitations</i>		<i>Portfolio turnover rate</i>
			<i>Expenses (d)</i>	<i>Net investment income (loss) (d)</i>	<i>Expenses (d)</i>	<i>Net investment income (loss) (d)</i>	
\$4.28	(41.52)%	\$ 10.8	1.19%	1.82%	1.19%	1.82%	143%
7.53	(6.38)	14.7	1.17	1.72	1.17	1.72	46
8.76	9.90	7.9	1.17	1.27	1.17	1.27	42
4.30	(41.84)	2.6	1.89	1.13	1.89	1.13	143
7.53	(7.27)	4.3	1.87	0.99	1.87	0.99	46
8.77	9.47	4.5	1.87	0.57	1.87	0.57	42
4.43	(41.54)	52.9	1.19	1.83	1.19	1.83	143
7.78	(6.57)	100.4	1.17	1.68	1.17	1.68	46
9.03	15.99	113.1	1.17	1.26	1.17	1.26	42
8.21	6.76	99.1	1.20	1.05	1.21	1.04	90
8.54	7.80	95.7	1.18	1.11	1.18	1.11	2
4.41	(41.77)	19.3	1.59	1.44	1.59	1.44	143
7.73	(6.91)	37.8	1.57	1.28	1.57	1.28	46
8.97	15.47	43.1	1.57	0.86	1.57	0.86	42
8.16	6.42	45.9	1.60	0.65	1.61	0.64	90
8.49	7.32	43.0	1.58	0.71	1.58	0.71	2

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust Small/Mid Cap Equity Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (loss) (a)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$10.92	\$(0.03)	\$(5.00)	\$(5.03)	—	\$(0.05)	\$(0.05)
Period ended 12/31/2007	10.80	(0.06)	1.74	1.68	—	(1.56)	(1.56)
Period ended 12/31/2006 ^(c)	11.35	(0.04)	0.42	0.38	—	(0.93)	(0.93)
Class B Shares							
Period ended 12/31/2008	10.77	(0.09)	(4.90)	(4.99)	—	(0.05)	(0.05)
Period ended 12/31/2007	10.75	(0.14)	1.72	1.58	—	(1.56)	(1.56)
Period ended 12/31/2006 ^(c)	11.35	(0.09)	0.42	0.33	—	(0.93)	(0.93)
Legacy Class A Shares							
Year ended 12/31/2008	10.72	(0.03)	(4.90)	(4.93)	—	(0.05)	(0.05)
Year ended 12/31/2007	10.64	(0.06)	1.70	1.64	—	(1.56)	(1.56)
Year ended 12/31/2006	10.12	(0.06)	1.51	1.45	—	(0.93)	(0.93)
Year ended 12/31/2005	10.45	(0.04)	0.21	0.17	—	(0.50)	(0.50)
Year ended 12/31/2004	9.84	(0.04)	0.65	0.61	—	—	—
Legacy Class B Shares							
Year ended 12/31/2008	10.36	(0.07)	(4.72)	(4.79)	—	(0.05)	(0.05)
Year ended 12/31/2007	10.36	(0.10)	1.66	1.56	—	(1.56)	(1.56)
Year ended 12/31/2006	9.91	(0.10)	1.48	1.38	—	(0.93)	(0.93)
Year ended 12/31/2005	10.29	(0.08)	0.20	0.12	—	(0.50)	(0.50)
Year ended 12/31/2004	9.73	(0.08)	0.64	0.56	—	—	—

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(b) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.

(c) For all data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

(d) Determined on an annualized basis for periods that are less than a full year.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (b)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations</i>		<i>Average Net Asset ratios absent expense limitations</i>		<i>Portfolio turnover rate</i>
			<i>Expenses (d)</i>	<i>Net investment income (loss) (d)</i>	<i>Expenses (d)</i>	<i>Net investment income (loss) (d)</i>	
\$5.84	(46.01)%	\$15.4	1.40%	(0.35)%	1.45%	(0.40)%	99%
10.92	15.49	21.5	1.40	(0.47)	1.44	(0.51)	98
10.80	3.43	10.9	1.40	(0.54)	1.45	(0.59)	155
5.73	(46.28)	5.7	2.00	(0.96)	2.04	(1.00)	99
10.77	14.63	10.1	2.10	(1.18)	2.14	(1.22)	98
10.75	2.99	9.6	2.10	(1.24)	2.15	(1.29)	155
5.74	(45.94)	43.2	1.40	(0.37)	1.45	(0.42)	99
10.72	15.33	82.5	1.40	(0.48)	1.44	(0.52)	98
10.64	14.43	71.8	1.40	(0.57)	1.45	(0.62)	155
10.12	1.57	65.1	1.40	(0.39)	1.51	(0.50)	61
10.45	6.20	64.2	1.40	(0.40)	1.44	(0.44)	37
5.52	(46.18)	14.3	1.80	(0.77)	1.85	(0.82)	99
10.36	14.99	27.8	1.80	(0.88)	1.84	(0.92)	98
10.36	14.03	25.2	1.80	(0.99)	1.84	(1.03)	155
9.91	1.10	41.2	1.80	(0.80)	1.91	(0.91)	61
10.29	5.76	41.4	1.80	(0.80)	1.84	(0.84)	37

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust International Equity Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (loss) (a) (b)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$12.80	\$0.16	\$(6.18)	\$(6.02)	\$ —	\$(0.21)	\$(0.21)
Period ended 12/31/2007	12.44	0.09	1.28	1.37	(0.15)	(0.86)	(1.01)
Period ended 12/31/2006 ^(d)	11.86	0.09	0.72	0.81	(0.23)	—	(0.23)
Class B Shares							
Period ended 12/31/2008	12.80	0.10	(6.16)	(6.06)	—	(0.21)	(0.21)
Period ended 12/31/2007	12.44	—	1.27	1.27	(0.05)	(0.86)	(0.91)
Period ended 12/31/2006 ^(d)	11.86	0.03	0.72	0.75	(0.17)	—	(0.17)
Legacy Class A Shares							
Year ended 12/31/2008	12.88	0.16	(6.22)	(6.06)	—	(0.21)	(0.21)
Year ended 12/31/2007	12.51	0.10	1.27	1.37	(0.14)	(0.86)	(1.00)
Year ended 12/31/2006	10.74	0.12	1.86	1.98	(0.21)	—	(0.21)
Year ended 12/31/2005	9.36	0.07	1.45	1.52	(0.14)	—	(0.14)
Year ended 12/31/2004	8.39	0.04	1.00	1.04	(0.07)	—	(0.07)
Legacy Class B Shares							
Year ended 12/31/2008	12.83	0.12	(6.18)	(6.06)	—	(0.21)	(0.21)
Year ended 12/31/2007	12.47	0.04	1.27	1.31	(0.09)	(0.86)	(0.95)
Year ended 12/31/2006	10.68	0.06	1.85	1.91	(0.12)	—	(0.12)
Year ended 12/31/2005	9.31	0.04	1.44	1.48	(0.11)	—	(0.11)
Year ended 12/31/2004	8.35	0.01	0.98	0.99	(0.03)	—	(0.03)

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(b) Net investment income represents less than \$0.01 per share for Legacy Class B shares in 2003 and Class B shares in 2007.

(c) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.

(d) For all data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

(e) Determined on an annualized basis for periods that are less than a full year.

(f) Based upon NAV of \$12.44, \$12.44, \$12.51, and \$12.47 for Class A, Class B, Legacy Class A and Legacy Class B, respectively, as of December 31, 2006 (as calculated for financial reporting purposes, taking into account transactions that occurred on December 29, 2006 and the subsequent fair valuation of the equity securities). For shareholder purchases and redemptions on December 29, 2006, the NAV was \$12.46, \$12.46, \$12.54 and \$12.49, respectively, which caused the total return for the year ended December 31, 2006 to be equivalent to 6.96%, 6.48%, 18.67%, and 18.11%, respectively.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (c)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations</i>		<i>Average Net Asset ratios absent expense limitations</i>		<i>Portfolio turnover rate</i>
			<i>Expenses (e)</i>	<i>Net investment income (loss) (e)</i>	<i>Expenses (e)</i>	<i>Net investment income (loss) (e)</i>	
\$6.57	(47.02)%	\$11.0	1.50%	1.58%	1.67%	1.41%	154%
12.80	10.80	17.9	1.50	0.69	1.60	0.59	52
12.44	6.79 ^(f)	12.4	1.50	1.08	1.64	0.94	30
6.53	(47.34)	6.0	2.10	0.98	2.27	0.81	154
12.80	10.00	11.3	2.20	0.03	2.30	(0.07)	52
12.44	6.30 ^(f)	10.7	2.20	0.43	2.34	0.29	30
6.61	(47.04)	31.0	1.50	1.59	1.67	1.42	1.54
12.88	10.66	61.6	1.50	0.73	1.60	0.63	52
12.51	18.38 ^(f)	56.5	1.50	1.00	1.62	0.88	30
10.74	16.27	44.7	1.50	0.78	1.73	0.55	27
9.36	12.34	34.4	1.50	0.48	1.68	0.30	22
6.56	(47.27)	10.5	1.90	1.18	2.07	1.01	154
12.83	10.36	21.0	1.90	0.33	2.00	0.23	52
12.47	17.92 ^(f)	19.6	1.90	0.53	2.02	0.41	30
10.68	15.84	34.3	1.90	0.40	2.13	0.17	27
9.31	11.89	28.9	1.90	0.06	2.08	(0.12)	22

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust S&P 500 Index Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (a) (b)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$11.08	\$0.15	\$(4.32)	\$(4.17)	\$(0.16)	\$(0.01)	\$(0.17)
Period ended 12/31/2007	10.77	0.15	0.35	0.50	(0.15)	(0.04)	(0.19)
Period ended 12/31/2006 ^(f)	9.96	0.09	0.86	0.95	(0.14)	—	(0.14)
Class B Shares							
Period ended 12/31/2008	11.10	0.09	(4.31)	(4.22)	(0.10)	(0.01)	(0.11)
Period ended 12/31/2007	10.77	0.06	0.38	0.44	(0.07)	(0.04)	(0.11)
Period ended 12/31/2006 ^(f)	9.96	0.04	0.86	0.90	(0.09)	—	(0.09)
Legacy Class A Shares							
Year ended 12/31/2008	11.09	0.15	(4.31)	(4.16)	(0.16)	(0.01)	(0.17)
Year ended 12/31/2007	10.76	0.14	0.37	0.51	(0.14)	(0.04)	(0.18)
Year ended 12/31/2006 ^(g)	9.46	0.12	1.30	1.42	(0.12)	—	(0.12)
Year ended 12/31/2005	9.18	0.10	0.28	0.38	(0.10)	—	(0.10)
Year ended 12/31/2004	8.43	0.11	0.74	0.85	(0.10)	—	(0.10)
Legacy Class B Shares							
Year ended 12/31/2008	11.09	0.11	(4.31)	(4.20)	(0.11)	(0.01)	(0.12)
Year ended 12/31/2007	10.75	0.10	0.37	0.47	(0.09)	(0.04)	(0.13)
Year ended 12/31/2006 ^(g)	9.46	0.08	1.28	1.36	(0.07)	—	(0.07)
Year ended 12/31/2005	9.18	0.06	0.28	0.34	(0.06)	—	(0.06)
Year ended 12/31/2004	8.43	0.08	0.74	0.82	(0.07)	—	(0.07)

(a) The per share amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio. The net amounts and ratios reflect Barclays' expense credit for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, assuming Barclays' expense credit, were 0.05% and 2.32%, respectively, for the year ended December 31, 2008.

(b) Average shares outstanding for the period were used to calculate net investment income per share.

(c) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.

(d) The ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio. The net amounts and ratios do not reflect Barclays' expense credit for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, excluding Barclays' expense credit, were 0.05% and 2.32%, respectively, for the year ended December 31, 2008.

(e) Amount represents the portfolio turnover rate of the Master Portfolio.

(f) For all the data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

(g) Determined on an annualized basis for periods that are less than a full year.

(h) The portfolio turnover rate previously reported as 14% has been revised to reflect the correct portfolio turnover rate of the Master Portfolio.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (c)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations and expense waivers</i>		<i>Average Net Asset ratios absent expense limitations and expense waivers</i>		<i>Portfolio turnover rate (e)</i>
			<i>Expenses (a) (g)</i>	<i>Net investment income (a) (g)</i>	<i>Expenses (d) (g)</i>	<i>Net investment income (loss) (d) (g)</i>	
\$6.74	(37.51)%	\$40.4	0.79%	1.63%	0.79%	1.63%	8%
11.08	4.69	51.4	0.78	1.30	0.78	1.30	7
10.77	9.57	22.1	0.78	1.30	0.78	1.30	14
6.77	(37.96)	9.6	1.49	0.93	1.49	0.93	8
11.10	4.09	14.2	1.48	0.58	1.48	0.58	7
10.77	9.03	12.0	1.48	0.59	1.48	0.59	14
6.76	(37.46)	208.0	0.79	1.61	0.79	1.61	8
11.09	4.73	372.3	0.78	1.27	0.78	1.27	7
10.76	14.97	375.6	0.78	1.21	0.78	1.21	14
9.46	4.08	339.8	0.80	1.10	0.82	1.08	10 ^(h)
9.18	10.06	291.4	0.80	1.29	0.80	1.29	14
6.77	(37.78)	72.5	1.19	1.20	1.19	1.20	8
11.09	4.41	141.3	1.18	0.87	1.18	0.87	7
10.75	14.42	142.9	1.18	0.80	1.18	0.80	14
9.46	3.69	139.0	1.20	0.70	1.22	0.68	10 ^(h)
9.18	9.67	124.1	1.20	0.87	1.20	0.87	14

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust Small Cap Index Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>			
	<i>Net asset value, beginning of period</i>	<i>Net investment income (a) (b) (c)</i>		<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares								
Period ended 12/31/2008	\$13.04	\$ 0.06		\$(4.62)	\$(4.56)	\$(0.05)	\$(0.75)	\$(0.80)
Period ended 12/31/2007	14.32	0.10		(0.46)	(0.36)	(0.10)	(0.82)	(0.92)
Period ended 12/31/2006 ^(g)	15.06	0.05		0.43	0.48	(0.06)	(1.16)	(1.22)
Class B Shares								
Period ended 12/31/2008	13.01	(0.02)		(4.58)	(4.60)	—	(0.75)	(0.75)
Period ended 12/31/2007	14.29	(0.01)		(0.45)	(0.46)	—	(0.82)	(0.82)
Period ended 12/31/2006 ^(g)	15.06	(0.03)		0.42	0.39	—	(1.16)	(1.16)
Legacy Class A Shares								
Year ended 12/31/2008	12.91	0.06		(4.57)	(4.51)	(0.04)	(0.75)	(0.79)
Year ended 12/31/2007	14.17	0.09		(0.45)	(0.36)	(0.08)	(0.82)	(0.90)
Year ended 12/31/2006	13.11	0.05		2.20	2.25	(0.03)	(1.16)	(1.19)
Year ended 12/31/2005	13.31	0.05		0.43	0.48	(0.01)	(0.67)	(0.68)
Year ended 12/31/2004	11.69	0.05		1.99	2.04	(0.03)	(0.39)	(0.42)
Legacy Class B Shares								
Year ended 12/31/2008	12.74	0.02		(4.50)	(4.48)	—	(0.75)	(0.75)
Year ended 12/31/2007	13.99	0.03		(0.44)	(0.41)	(0.02)	(0.82)	(0.84)
Year ended 12/31/2006	12.99	(0.01)		2.17	2.16	—	(1.16)	(1.16)
Year ended 12/31/2005	13.23	—		0.43	0.43	—	(0.67)	(0.67)
Year ended 12/31/2004	11.65	—		1.97	1.97	—	(0.39)	(0.39)

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(b) Net investment income for Legacy Class B shares represent less than \$0.01 per share in 2004 and 2005.

(c) The per share amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the Master Portfolio through September 9, 2005.

(d) Determined on an annualized basis for periods that are less than a full year.

(e) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.

(f) The 2005 portfolio turnover rate reflects the period from September 9, 2005 to December 31, 2005. Prior to September 9, 2005, the Small Cap Index Fund invested all of its assets in its corresponding Master Portfolio. The portfolio turnover rate of the Master Portfolio for the period January 1, 2005 through September 9, 2005 was 19%. The portfolio turnover rate for all other years prior to 2005 represents that of the Master Portfolio.

(g) For all data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (e)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations</i>		<i>Average Net Asset ratios absent expense limitations</i>		<i>Portfolio turnover rate (f)</i>
			<i>Expenses (c) (d)</i>	<i>Net investment income (loss) (c) (d)</i>	<i>Expenses (c) (d)</i>	<i>Net investment income (loss) (c) (d)</i>	
\$7.68	(34.60)%	\$17.5	0.95%	0.57%	1.00%	0.52%	20%
13.04	(2.58)	23.5	0.95	0.68	0.99	0.64	18
14.32	3.15	15.3	0.95	0.46	0.98	0.43	27
7.66	(35.00)	6.1	1.65	(0.14)	1.70	(0.19)	20
13.01	(3.24)	9.9	1.65	(0.05)	1.68	(0.08)	18
14.29	2.55	10.1	1.65	(0.27)	1.68	(0.30)	27
7.61	(34.53)	97.8	0.95	0.55	1.00	0.50	20
12.91	(2.56)	165.8	0.95	0.64	0.98	0.61	18
14.17	17.10	183.7	0.95	0.35	0.97	0.33	27
13.11	3.55	157.2	0.95	0.41	1.01	0.35	3
13.31	17.40	134.2	0.95	0.41	0.97	0.39	20
7.51	(34.79)	35.2	1.35	0.15	1.40	0.10	20
12.74	(2.93)	61.0	1.35	0.25	1.38	0.22	18
13.99	16.58	66.7	1.35	(0.06)	1.37	(0.08)	27
12.99	3.18	75.2	1.35	0.00	1.41	(0.06)	3
13.23	16.90	69.6	1.35	0.00	1.37	(0.02)	20

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust International Index Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (a) (b)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$14.67	\$0.29	\$(6.51)	\$(6.22)	\$(0.20)	\$ —	\$(0.20)
Period ended 12/31/2007	13.84	0.25	1.12	1.37	(0.34)	(0.20)	(0.54)
Period ended 12/31/2006 ^(d)	13.04	0.13	1.11	1.24	(0.30)	(0.14)	(0.44)
Class B Shares							
Period ended 12/31/2008	14.67	0.21	(6.50)	(6.29)	(0.12)	—	(0.12)
Period ended 12/31/2007	13.84	0.15	1.10	1.25	(0.22)	(0.20)	(0.42)
Period ended 12/31/2006 ^(d)	13.04	0.08	1.09	1.17	(0.23)	(0.14)	(0.37)
Legacy Class A Shares							
Year ended 12/31/2008	14.65	0.30	(6.54)	(6.24)	(0.19)	—	(0.19)
Year ended 12/31/2007	13.81	0.26	1.10	1.36	(0.32)	(0.20)	(0.52)
Year ended 12/31/2006	11.42	0.22	2.59	2.81	(0.28)	(0.14)	(0.42)
Year ended 12/31/2005	10.30	0.16	1.15	1.31	(0.19)	—	(0.19)
Year ended 12/31/2004	8.74	0.12	1.55	1.67	(0.11)	—	(0.11)
Legacy Class B Shares							
Year ended 12/31/2008	14.66	0.25	(6.52)	(6.27)	(0.14)	—	(0.14)
Year ended 12/31/2007	13.82	0.20	1.10	1.30	(0.26)	(0.20)	(0.46)
Year ended 12/31/2006	11.42	0.17	2.58	2.75	(0.21)	(0.14)	(0.35)
Year ended 12/31/2005	10.29	0.12	1.15	1.27	(0.14)	—	(0.14)
Year ended 12/31/2004	8.74	0.09	1.54	1.63	(0.08)	—	(0.08)

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(a) The per share amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the Master Portfolio through September 9, 2005.

(b) Average shares outstanding for the period were used to calculate net investment income per share.

(c) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.

(d) For all data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

(e) The 2005 portfolio turnover rate reflects the period from September 9, 2005 to December 31, 2005. Prior to September 9, 2005, the International Index Fund invested all of its assets in its corresponding Master Portfolio. The portfolio turnover rate of the Master Portfolio for the period January 1, 2005 through September 9, 2005 was 4%. The portfolio turnover rate for all other years prior to 2005 represents that of the Master Portfolio.

(f) Determined on an annualized basis for periods that are less than a full year.

(g) Based upon NAV of \$13.84, \$13.84, \$13.81 and \$13.82 for Class A, Class B, Legacy Class A, and Legacy Class B, respectively, as of December 31, 2006 (as calculated for financial reporting purposes, taking into account transactions that occurred on December 29, 2006 and the subsequent fair valuation of the equity securities). For shareholder purchases and redemptions on December 29, 2006, the NAV was \$13.87, \$13.87, \$13.84 and \$13.85, respectively, which caused the total return for the year ended December 31, 2006 to be equivalent to 9.72%, 9.19%, 24.78%, and 24.27%, respectively.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (c)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations</i>		<i>Average Net Asset ratios absent expense limitations</i>		<i>Portfolio turnover rate (e)</i>
			<i>Expenses (a) (f)</i>	<i>Net investment income (a) (f)</i>	<i>Expenses (a) (f)</i>	<i>Net investment income (loss) (a) (f)</i>	
\$8.25	(42.38)%	\$23.6	1.15%	2.49%	1.28%	2.36%	8%
14.67	9.63	35.4	1.15	1.69	1.28	1.56	2
13.84	9.49 ^(g)	17.1	1.15	1.49	1.31	1.33	8
8.26	(42.89)	7.6	1.85	1.79	1.98	1.66	8
14.67	8.82	12.9	1.85	1.04	1.98	0.91	2
13.84	8.96 ^(g)	11.2	1.85	0.96	2.00	0.81	8
8.22	(42.55)	72.2	1.15	2.51	1.28	2.38	8
14.65	9.61	137.5	1.15	1.74	1.28	1.61	2
13.81	24.51 ^(g)	125.4	1.15	1.73	1.31	1.57	8
11.42	12.67	90.9	1.15	1.54	1.28	1.41	1
10.30	19.15	60.0	1.15	1.36	1.21	1.30	39
8.25	(42.72)	23.3	1.55	2.10	1.68	1.97	8
14.66	9.17	43.5	1.55	1.34	1.67	1.22	2
13.82	24.00 ^(g)	40.3	1.55	1.35	1.71	1.19	8
11.42	12.36	47.5	1.55	1.17	1.68	1.04	1
10.29	18.60	38.6	1.55	0.98	1.61	0.92	39

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust Equity And Bond Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (a)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain (b)</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$ 9.33	\$0.26	\$(2.64)	\$(2.38)	\$(0.26)	\$(0.36)	\$(0.62)
Period ended 12/31/2007	10.00	0.30	(0.43)	(0.13)	(0.28)	(0.26)	(0.54)
Period ended 12/31/2006 ^(d)	9.99	0.21	0.60	0.81	(0.25)	(0.55)	(0.80)
Class B Shares							
Period ended 12/31/2008	9.33	0.21	(2.63)	(2.42)	(0.21)	(0.36)	(0.57)
Period ended 12/31/2007	10.00	0.21	\$(0.41)	(0.20)	(0.21)	(0.26)	(0.47)
Period ended 12/31/2006 ^(d)	9.99	0.15	0.61	0.76	(0.20)	(0.55)	(0.75)
Legacy Class A Shares							
Year ended 12/31/2008	9.39	0.25	(2.65)	(2.40)	(0.25)	(0.36)	(0.61)
Year ended 12/31/2007	10.05	0.28	(0.40)	(0.12)	(0.28)	(0.26)	(0.54)
Year ended 12/31/2006	9.76	0.24	0.84	1.08	(0.24)	(0.55)	(0.79)
Year ended 12/31/2005	9.52	0.21	0.17	0.38	(0.14)	—	(0.14)
Year ended 12/31/2004	9.14	0.20	0.37	0.57	(0.19)	—	(0.19)
Legacy Class B Shares							
Year ended 12/31/2008	9.40	0.22	(2.65)	(2.43)	(0.22)	(0.36)	(0.58)
Year ended 12/31/2007	10.06	0.24	(0.40)	(0.16)	(0.24)	(0.26)	(0.50)
Year ended 12/31/2006	9.77	0.19	0.84	1.03	(0.19)	(0.55)	(0.74)
Year ended 12/31/2005	9.53	0.17	0.19	0.36	(0.12)	—	(0.12)
Year ended 12/31/2004	9.15	0.16	0.38	0.54	(0.16)	—	(0.16)

(a) Average shares outstanding for the period were used to calculate net investment income per share.

(b) Determined on an annualized basis for periods that are less than a full year.

(c) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.

(d) For all data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

(e) Expense ratios related to the Equity and Bond Fund only and do not reflect the Fund's proportionate share of the expenses of the underlying funds.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (c)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations</i>		<i>Average Net Asset ratios absent expense limitations</i>		<i>Portfolio turnover rate</i>
			<i>Expenses (b) (e)</i>	<i>Net investment income (b)</i>	<i>Expenses (b) (e)</i>	<i>Net investment income (b)</i>	
\$6.33	(25.61)%	\$14.4	0.25%	3.12%	0.34%	3.03%	16%
9.33	(1.35)	17.8	0.25	2.97	0.34	2.88	1
10.00	8.10	12.7	0.25	3.00	0.44	2.81	1
6.34	(25.99)	6.9	0.84	2.50	0.94	2.40	16
9.33	(2.06)	9.9	0.95	2.04	1.04	1.95	1
10.00	7.59	10.2	0.95	2.13	1.13	1.95	1
6.38	(25.57)	64.8	0.25	2.99	0.34	2.90	16
9.39	(1.27)	100.1	0.25	2.70	0.34	2.61	1
10.05	11.05	107.3	0.25	2.33	0.41	2.17	1
9.76	4.70	108.9	0.33	2.18	0.47	2.04	1
9.52	6.28	99.4	0.50	2.16	0.59	2.07	1
6.39	(25.87)	32.4	0.65	2.62	0.74	2.53	16
9.40	(1.66)	49.4	0.65	2.30	0.74	2.21	1
10.06	10.56	52.9	0.65	1.91	0.81	1.75	1
9.77	4.28	60.4	0.73	1.77	0.87	1.63	1
9.53	5.89	56.6	0.90	1.76	0.99	1.67	1

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust Bond Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (loss)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$10.52	\$0.47	\$(0.23)	\$0.24	\$(0.47)	—	\$(0.47)
Period ended 12/31/2007	10.32	0.45	0.20	0.65	(0.45)	—	(0.45)
Period ended 12/31/2006 ^(b)	10.11	0.30	0.21	0.51	(0.30)	—	(0.30)
Class B Shares							
Period ended 12/31/2008	10.51	0.42	(0.23)	0.19	(0.42)	—	(0.42)
Period ended 12/31/2007	10.32	0.41	0.19	0.60	(0.41)	—	(0.41)
Period ended 12/31/2006 ^(b)	10.11	0.27	0.21	0.48	(0.27)	—	(0.27)
Legacy Class A Shares							
Year ended 12/31/2008	10.53	0.47	(0.23)	0.24	(0.47)	—	(0.47)
Year ended 12/31/2007	10.33	0.45	0.20	0.65	(0.45)	—	(0.45)
Year ended 12/31/2006	10.39	0.43	(0.06)	0.37	(0.43)	—	(0.43)
Year ended 12/31/2005	10.66	0.41	(0.27)	0.14	(0.41)	—	(0.41)
Year ended 12/31/2004	10.66	0.40	—	0.40	(0.40)	—	(0.40)
Legacy Class B Shares							
Year ended 12/31/2008	10.53	0.43	(0.23)	0.20	(0.43)	—	(0.43)
Year ended 12/31/2007	10.34	0.41	0.19	0.60	(0.41)	—	(0.41)
Year ended 12/31/2006	10.39	0.39	(0.05)	0.34	(0.39)	—	(0.39)
Year ended 12/31/2005	10.66	0.37	(0.27)	0.10	(0.37)	—	(0.37)
Year ended 12/31/2004	10.66	0.36	—	0.36	(0.36)	—	(0.36)

(a) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.

(b) For all data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

(c) Determined on an annualized basis for periods that are less than a full year.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (a)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations</i>		<i>Average Net Asset ratios absent expense limitations</i>		<i>Portfolio turnover rate</i>
			<i>Expenses (c)</i>	<i>Net investment income (loss) (c)</i>	<i>Expenses (c)</i>	<i>Net investment income (loss) (c)</i>	
\$10.29	2.30%	\$38.5	0.70%	4.49%	0.70%	4.49%	6%
10.52	6.50	23.1	0.70	4.40	0.70	4.40	16
10.32	5.06	12.3	0.69	4.25	0.69	4.25	16
10.28	1.89	6.6	1.10	4.09	1.10	4.09	6
10.51	5.98	6.0	1.10	3.99	1.10	3.99	16
10.32	4.78	5.4	1.09	3.84	1.09	3.84	16
10.30	2.30	114.0	0.70	4.48	0.70	4.48	6
10.53	6.50	118.2	0.70	4.39	0.70	4.39	16
10.33	3.68	120.9	0.69	4.20	0.69	4.20	16
10.39	1.32	138.0	0.70	3.89	0.73	3.86	11
10.66	3.86	121.1	0.68	3.79	0.68	3.79	12
10.30	1.90	50.7	1.10	4.08	1.10	4.08	6
10.53	5.97	53.0	1.10	3.99	1.10	3.99	16
10.34	3.37	53.8	1.09	3.80	1.09	3.80	16
10.39	0.93	55.8	1.10	3.49	1.13	3.46	11
10.66	3.45	54.5	1.08	3.39	1.08	3.39	12

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust Tax Advantaged Bond Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$10.83	\$0.42	\$(0.23)	\$0.19	\$(0.42)	\$(0.09)	\$(0.51)
Period ended 12/31/2007	10.89	0.43	(0.01)	0.42	(0.43)	(0.05)	(0.48)
Period ended 12/31/2006 ^(b)	10.79	0.29	0.11	0.40	(0.29)	(0.01)	(0.30)
Class B Shares							
Period ended 12/31/2008	10.82	0.38	(0.23)	0.15	(0.38)	(0.09)	(0.47)
Period ended 12/31/2007	10.89	0.38	(0.02)	0.36	(0.38)	(0.05)	(0.43)
Period ended 12/31/2006 ^(b)	10.79	0.26	0.11	0.37	(0.26)	(0.01)	(0.27)
Legacy Class A Shares							
Year ended 12/31/2008	10.81	0.42	(0.23)	0.19	(0.42)	(0.09)	(0.51)
Year ended 12/31/2007	10.87	0.42	(0.01)	0.41	(0.42)	(0.05)	(0.47)
Year ended 12/31/2006	10.96	0.43	(0.08)	0.35	(0.43)	(0.01)	(0.44)
Year ended 12/31/2005	11.13	0.43	(0.17)	0.26	(0.43)	—	(0.43)
Year ended 12/31/2004	11.15	0.43	(0.02)	0.41	(0.43)	—	(0.43)
Legacy Class B Shares							
Year ended 12/31/2008	10.81	0.38	(0.23)	0.15	(0.38)	(0.09)	(0.47)
Year ended 12/31/2007	10.87	0.38	(0.01)	0.37	(0.38)	(0.05)	(0.43)
Year ended 12/31/2006	10.96	0.39	(0.08)	0.31	(0.39)	(0.01)	(0.40)
Year ended 12/31/2005	11.13	0.38	(0.17)	0.21	(0.38)	—	(0.38)
Year ended 12/31/2004	11.15	0.38	(0.02)	0.36	(0.38)	—	(0.38)

(a) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charges.

(b) For all data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

(c) Determined on an annualized basis for periods that are less than a full year.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (a)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations</i>		<i>Average Net Asset ratios absent expense limitations</i>		<i>Portfolio turnover rate</i>
			<i>Expenses (c)</i>	<i>Net investment income (c)</i>	<i>Expenses (c)</i>	<i>Net investment income (c)</i>	
\$10.51	1.88%	\$30.7	0.70%	3.96%	0.71%	3.95%	36%
10.83	4.01	21.0	0.70	3.93	0.72	3.91	18
10.89	3.80	6.3	0.70	3.95	0.70	3.95	4
10.50	1.48	3.3	1.10	3.55	1.11	3.54	36
10.82	3.50	3.4	1.10	3.54	1.12	3.52	18
10.89	3.52	3.3	1.10	3.55	1.11	3.54	4
10.49	1.88	60.1	0.70	3.95	0.71	3.94	36
10.81	4.00	62.2	0.70	3.94	0.72	3.92	18
10.87	3.32	64.0	0.70	3.97	0.71	3.96	4
10.96	2.35	73.3	0.70	3.86	0.72	3.84	0
11.13	3.74	66.2	0.70	3.86	0.70	3.86	2
10.49	1.47	24.9	1.10	3.55	1.11	3.54	36
10.81	3.59	26.0	1.10	3.54	1.12	3.52	18
10.87	2.91	26.5	1.10	3.58	1.11	3.57	4
10.96	1.94	34.0	1.10	3.47	1.12	3.45	0
11.13	3.33	34.8	1.10	3.46	1.10	3.46	2

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust Money Market Fund

		<i>Income from investment operations</i>		<i>Less distributions</i>	
	<i>Net asset value, beginning of period</i>	<i>Net investment income (a)</i>	<i>Total from investment operations</i>	<i>Net investment income (a)</i>	<i>Total distributions</i>
Class A Shares					
Period ended 12/31/2008	\$1.00	\$0.02	\$0.02	\$(0.02)	\$(0.02)
Period ended 12/31/2007	1.00	0.05	0.05	(0.05)	(0.05)
Period ended 12/31/2006 ^(c)	1.00	0.03	0.03	(0.03)	(0.03)
Class B Shares					
Period ended 12/31/2008	1.00	0.02	0.02	(0.02)	(0.02)
Period ended 12/31/2007	1.00	0.04	0.04	(0.04)	(0.04)
Period ended 12/31/2006 ^(c)	1.00	0.03	0.03	(0.03)	(0.03)
Legacy Class A Shares					
Year ended 12/31/2008	1.00	0.02	0.02	(0.02)	(0.02)
Year ended 12/31/2007	1.00	0.05	0.05	(0.05)	(0.05)
Year ended 12/31/2006	1.00	0.04	0.04	(0.04)	(0.04)
Year ended 12/31/2005	1.00	0.03	0.03	(0.03)	(0.03)
Year ended 12/31/2004	1.00	0.01	0.01	(0.01)	(0.01)
Legacy Class B Shares					
Year ended 12/31/2008	1.00	0.02	0.02	(0.02)	(0.02)
Year ended 12/31/2007	1.00	0.04	0.04	(0.04)	(0.04)
Year ended 12/31/2006	1.00	0.04	0.04	(0.04)	(0.04)
Year ended 12/31/2005	1.00	0.02	0.02	(0.02)	(0.02)
Year ended 12/31/2004	1.00	—	—	—	—

(a) Net investment income and distributions for Legacy Class B shares represent less than \$0.01 per share in 2004.

(b) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class B and Legacy Class B shares.

(c) For all data, the period is from the commencement of investment operations on April 27, 2006.

(d) Determined on an annualized basis for periods that are less than a full year.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (b)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations</i>		<i>Average Net Asset ratios absent expense limitations</i>	
			<i>Expenses (d)</i>	<i>Net investment income (d)</i>	<i>Expenses (d)</i>	<i>Net investment income (d)</i>
\$1.00	2.02%	\$72.1	0.60%	1.89%	0.61%	1.88%
1.00	4.67	38.1	0.60	4.50	0.64	4.46
1.00	3.23	19.5	0.60	4.62	0.60	4.62
1.00	1.62	3.2	1.00	1.57	1.01	1.56
1.00	4.25	2.6	1.00	4.17	1.03	4.14
1.00	2.91	2.5	1.00	4.22	1.02	4.20
1.00	2.02	96.3	0.60	1.96	0.61	1.95
1.00	4.67	74.3	0.60	4.57	0.63	4.54
1.00	4.50	75.2	0.60	4.38	0.63	4.35
1.00	2.64	80.5	0.60	2.62	0.71	2.51
1.00	0.76	73.1	0.60	0.78	0.63	0.75
1.00	1.62	9.9	1.00	1.52	1.01	1.51
1.00	4.26	5.0	1.00	4.16	1.03	4.13
1.00	4.08	4.1	1.00	3.93	1.03	3.90
1.00	2.22	6.4	1.00	2.22	1.11	2.11
1.00	0.36	5.9	1.00	0.36	1.03	0.33

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust LifePath Income Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (a) (b)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$11.44	\$0.32	\$(2.04)	\$(1.72)	\$(0.25)	\$(0.05)	\$(0.30)
Period ended 12/31/2007	11.59	0.36	0.10	0.46	(0.35)	(0.26)	(0.61)
Period ended 12/31/2006 ^(g)	11.45	0.25	0.44	0.69	(0.45)	(0.10)	(0.55)
Class B Shares							
Period ended 12/31/2008	11.50	0.24	(2.05)	(1.81)	(0.18)	(0.05)	(0.23)
Period ended 12/31/2007	11.62	0.28	0.11	0.39	(0.25)	(0.26)	(0.51)
Period ended 12/31/2006 ^(g)	11.45	0.19	0.44	0.63	(0.36)	(0.10)	(0.46)
Legacy Class A Shares							
Year ended 12/31/2008	11.63	0.32	(2.08)	(1.76)	(0.25)	(0.05)	(0.30)
Year ended 12/31/2007	11.74	0.35	0.13	0.48	(0.33)	(0.26)	(0.59)
Year ended 12/31/2006	11.24	0.33	0.59	0.92	(0.32)	(0.10)	(0.42)
Year ended 12/31/2005	11.11	0.26	0.17	0.43	(0.27)	(0.03)	(0.30)
Year ended 12/31/2004	10.82	0.17	0.46	0.63	(0.17)	(0.17)	(0.34)
Legacy Class B Shares							
Year ended 12/31/2008	11.65	0.27	(2.07)	(1.80)	(0.20)	(0.05)	(0.25)
Year ended 12/31/2007	11.74	0.30	0.12	0.42	(0.25)	(0.26)	(0.51)
Year ended 12/31/2006	11.24	0.29	0.59	0.88	(0.28)	(0.10)	(0.38)
Year ended 12/31/2005	11.10	0.21	0.17	0.38	(0.21)	(0.03)	(0.24)
Year ended 12/31/2004	10.81	0.13	0.46	0.59	(0.13)	(0.17)	(0.30)

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- (a) The per share net amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio and reflect SFIMC's voluntary expense reduction threshold. The net amounts and ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, and reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, assuming Barclays' and BGI's expense credits and waivers, were 0.27% and 3.81%, respectively, for the year ended December 31, 2008.
- (b) Average shares outstanding for the period were used to calculate net investment income.
- (c) Determined on an annualized basis for periods that are less than a full year.
- (d) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.
- (e) Ratios reflect inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio but do not reflect SFIMC's voluntary expense reduction threshold. The ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, but do not reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, excluding any Barclays' and BGI's expense credits and waivers, were 0.61% and 3.47%, respectively, for the year ended December 31, 2008.
- (f) Amount represents the portfolio turnover rate of the Master Portfolio.
- (g) For all the data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (d)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations and expense waivers</i>		<i>Average Net Asset ratios absent expense limitations and expense waivers</i>		<i>Portfolio turnover rate (f)</i>
			<i>Expenses (a) (c)</i>	<i>Net investment income (a) (c)</i>	<i>Expenses (c) (e)</i>	<i>Net investment income (c) (e)</i>	
\$9.42	(15.33)%	\$41.9	1.20%	2.97%	1.54%	2.63%	11%
11.44	3.96	37.5	1.22	3.08	1.56	2.74	6
11.59	6.20	13.2	1.21	3.35	1.68	2.88	10
9.46	(16.00)	1.4	1.90	2.26	2.24	1.92	11
11.50	3.32	1.3	1.92	2.34	2.26	2.00	6
11.62	5.64	0.5	1.92	2.42	2.39	1.95	10
9.57	(15.36)	69.3	1.20	2.89	1.54	2.55	11
11.63	4.03	100.5	1.21	2.91	1.55	2.57	6
11.74	8.30	113.5	1.22	2.89	1.70	2.41	10
11.24	3.86	101.2	1.26	2.30	1.63	1.93	11
11.11	5.87	66.0	1.26	1.58	1.61	1.23	138
9.60	(15.68)	8.2	1.60	2.50	1.94	2.16	11
11.65	3.59	11.2	1.62	2.51	1.95	2.18	6
11.74	7.90	12.0	1.62	2.48	2.10	2.00	10
11.24	3.44	11.1	1.66	1.91	2.03	1.54	11
11.10	5.46	8.7	1.66	1.18	2.01	0.83	138

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust LifePath 2010* Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (a) (b)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$12.47	\$0.33	\$(2.50)	\$(2.17)	\$(0.27)	\$(0.06)	\$(0.33)
Period ended 12/31/2007	12.66	0.38	0.09	0.47	(0.33)	(0.33)	(0.66)
Period ended 12/31/2006 ^(g)	12.29	0.26	0.58	0.84	(0.33)	(0.14)	(0.47)
Class B Shares							
Period ended 12/31/2008	12.39	0.25	(2.48)	(2.23)	(0.20)	(0.06)	(0.26)
Period ended 12/31/2007	12.60	0.28	0.11	0.39	(0.27)	(0.33)	(0.60)
Period ended 12/31/2006 ^(g)	12.29	0.19	0.56	0.75	(0.30)	(0.14)	(0.44)
Legacy Class A Shares							
Year ended 12/31/2008	12.39	0.33	(2.48)	(2.15)	(0.27)	(0.06)	(0.33)
Year ended 12/31/2007	12.57	0.35	0.11	0.46	(0.31)	(0.33)	(0.64)
Year ended 12/31/2006	11.84	0.32	0.84	1.16	(0.29)	(0.14)	(0.43)
Year ended 12/31/2005	11.58	0.24	0.31	0.55	(0.23)	(0.06)	(0.29)
Year ended 12/31/2004	11.16	0.17	0.61	0.78	(0.13)	(0.23)	(0.36)
Legacy Class B Shares							
Year ended 12/31/2008	12.35	0.28	(2.46)	(2.18)	(0.22)	(0.06)	(0.28)
Year ended 12/31/2007	12.53	0.30	0.11	0.41	(0.26)	(0.33)	(0.59)
Year ended 12/31/2006	11.81	0.27	0.83	1.10	(0.24)	(0.14)	(0.38)
Year ended 12/31/2005	11.54	0.19	0.32	0.51	(0.18)	(0.06)	(0.24)
Year ended 12/31/2004	11.14	0.12	0.61	0.73	(0.10)	(0.23)	(0.33)

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

- (a) The per share net amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio and reflect SFIMC's voluntary expense reduction threshold. The net amounts and ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, and reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, assuming Barclays' and BGI's expense credits and waivers, were 0.26% and 3.68%, respectively, for the year ended December 31, 2008.
- (b) Average shares outstanding for the period were used to calculate net investment income.
- (c) Determined on an annualized basis for periods that are less than a full year.
- (d) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.
- (e) Ratios reflect inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio but do not reflect SFIMC's voluntary expense reduction threshold. The ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, but do not reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, excluding any Barclays' and BGI's expense credits and waivers, were 0.60% and 3.34%, respectively, for the year ended December 31, 2008.
- (f) Amount represents the portfolio turnover rate of the Master Portfolio.
- (g) For all the data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.
- (h) Based upon NAV of \$12.60 as of December 31, 2006 (as calculated for financial reporting purposes, taking into account transactions that occurred on December 29, 2006). For shareholder purchases and redemptions on December 29, 2006, the NAV was \$12.61, which caused the total return for the year ended December 31, 2006 to be equivalent to 6.14%.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (d)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations and expense waivers</i>		<i>Average Net Asset ratios absent expense limitations and expense waivers</i>		<i>Portfolio turnover rate (f)</i>
			<i>Expenses (a) (c)</i>	<i>Net investment income (a) (c)</i>	<i>Expenses (c) (e)</i>	<i>Net investment income (c) (e)</i>	
\$9.97	(17.37)%	\$98.5	1.16%	2.87%	1.50%	2.53%	12%
12.47	3.76	105.6	1.17	2.89	1.50	2.56	7
12.66	6.82	34.9	1.18	3.06	1.50	2.74	12
9.90	(17.97)	4.6	1.86	2.20	2.20	1.86	12
12.39	3.01	4.3	1.87	2.17	2.20	1.84	7
12.60	6.06 ^(h)	1.7	1.87	2.30	2.20	1.97	12
9.91	(17.38)	185.2	1.16	2.82	1.50	2.48	12
12.39	3.71	267.0	1.17	2.74	1.50	2.41	7
12.57	9.79	270.6	1.17	2.63	1.51	2.29	12
11.84	4.73	216.5	1.24	2.04	1.58	1.70	12
11.58	6.98	130.3	1.25	1.49	1.57	1.17	130
9.89	(17.65)	36.2	1.56	2.43	1.90	2.09	12
12.35	3.30	48.7	1.57	2.34	1.90	2.01	7
12.53	9.32	49.0	1.57	2.22	1.91	1.88	12
11.81	4.45	41.3	1.64	1.64	1.98	1.30	12
11.54	6.49	28.8	1.65	1.09	1.97	0.77	130

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust LifePath 2020 Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (a) (b)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$13.65	\$0.29	\$(3.80)	\$(3.51)	\$(0.24)	\$(0.05)	\$(0.29)
Period ended 12/31/2007	13.98	0.34	0.07	0.41	(0.28)	(0.46)	(0.74)
Period ended 12/31/2006 ^(g)	13.43	0.26	0.76	1.02	(0.28)	(0.19)	(0.47)
Class B Shares							
Period ended 12/31/2008	13.60	0.21	(3.77)	(3.56)	(0.17)	(0.05)	(0.22)
Period ended 12/31/2007	13.94	0.23	0.09	0.32	(0.20)	(0.46)	(0.66)
Period ended 12/31/2006 ^(g)	13.43	0.18	0.77	0.95	(0.25)	(0.19)	(0.44)
Legacy Class A Shares							
Year ended 12/31/2008	13.56	0.29	(3.77)	(3.48)	(0.23)	(0.05)	(0.28)
Year ended 12/31/2007	13.88	0.30	0.10	0.40	(0.26)	(0.46)	(0.72)
Year ended 12/31/2006	12.70	0.28	1.33	1.61	(0.24)	(0.19)	(0.43)
Year ended 12/31/2005	12.24	0.20	0.54	0.74	(0.18)	(0.10)	(0.28)
Year ended 12/31/2004	11.55	0.16	0.85	1.01	(0.12)	(0.20)	(0.32)
Legacy Class B Shares							
Year ended 12/31/2008	13.54	0.24	(3.76)	(3.52)	(0.18)	(0.05)	(0.23)
Year ended 12/31/2007	13.85	0.25	0.10	0.35	(0.20)	(0.46)	(0.66)
Year ended 12/31/2006	12.68	0.22	1.33	1.55	(0.19)	(0.19)	(0.38)
Year ended 12/31/2005	12.22	0.15	0.55	0.70	(0.14)	(0.10)	(0.24)
Year ended 12/31/2004	11.54	0.11	0.85	0.96	(0.08)	(0.20)	(0.28)

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- (a) The per share net amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio and reflect SFIMC's voluntary expense reduction threshold. The net amounts and ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, and reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, assuming Barclays' and BGI's expense credits and waivers, were 0.23% and 3.18%, respectively, for the year ended December 31, 2008.
- (b) Average shares outstanding for the period were used to calculate net investment income.
- (c) Determined on an annualized basis for periods that are less than a full year.
- (d) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.
- (e) Ratios reflect inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio but do not reflect SFIMC's voluntary expense reduction threshold. The ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, but do not reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, excluding any Barclays' and BGI's expense credits and waivers, were 0.57% and 2.84%, respectively, for the year ended December 31, 2008.
- (f) Amount represents the portfolio turnover rate of the Master Portfolio.
- (g) For all the data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (d)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations and expense waivers</i>		<i>Average Net Asset ratios absent expense limitations and expense waivers</i>		<i>Portfolio turnover rate (f)</i>
			<i>Expenses (a) (c)</i>	<i>Net investment income (a) (c)</i>	<i>Expenses (c) (e)</i>	<i>Net investment income (c) (e)</i>	
\$9.85	(25.75)%	\$182.9	1.13%	2.42%	1.47%	2.08%	13%
13.65	2.94	191.9	1.14	2.34	1.47	2.01	7
13.98	7.59	61.4	1.15	2.85	1.46	2.54	16
9.82	(26.24)	11.6	1.83	1.73	2.17	1.39	13
13.60	2.30	11.7	1.84	1.58	2.17	1.25	7
13.94	7.03	4.9	1.85	2.01	2.17	1.69	16
9.80	(25.69)	290.5	1.13	2.34	1.47	2.00	13
13.56	2.87	437.4	1.14	2.13	1.47	1.80	7
13.88	12.63	431.3	1.15	2.07	1.48	1.74	16
12.70	6.02	313.5	1.22	1.63	1.56	1.29	17
12.24	8.78	177.7	1.24	1.32	1.55	1.01	140
9.79	(26.02)	65.4	1.53	1.94	1.87	1.60	13
13.54	2.54	95.8	1.54	1.74	1.87	1.41	7
13.85	12.17	92.7	1.55	1.65	1.88	1.32	16
12.68	5.67	70.9	1.62	1.22	1.96	0.88	17
12.22	8.39	44.7	1.64	0.91	1.95	0.60	140

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust LifePath 2030 Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (a) (b)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$14.49	\$0.26	\$(4.80)	\$(4.54)	\$(0.21)	\$(0.04)	\$(0.25)
Period ended 12/31/2007	14.91	0.29	0.05	0.34	(0.24)	(0.52)	(0.76)
Period ended 12/31/2006 ^(g)	14.23	0.24	0.90	1.14	(0.23)	(0.23)	(0.46)
Class B Shares							
Period ended 12/31/2008	14.45	0.17	(4.76)	(4.59)	(0.13)	(0.04)	(0.17)
Period ended 12/31/2007	14.89	0.18	0.05	0.23	(0.15)	(0.52)	(0.67)
Period ended 12/31/2006 ^(g)	14.23	0.17	0.92	1.09	(0.20)	(0.23)	(0.43)
Legacy Class A Shares							
Year ended 12/31/2008	14.45	0.25	(4.77)	(4.52)	(0.20)	(0.04)	(0.24)
Year ended 12/31/2007	14.86	0.26	0.06	0.32	(0.21)	(0.52)	(0.73)
Year ended 12/31/2006	13.32	0.23	1.73	1.96	(0.19)	(0.23)	(0.42)
Year ended 12/31/2005	12.70	0.17	0.74	0.91	(0.15)	(0.14)	(0.29)
Year ended 12/31/2004	11.80	0.14	1.08	1.22	(0.10)	(0.22)	(0.32)
Legacy Class B Shares							
Year ended 12/31/2008	14.39	0.20	(4.74)	(4.54)	(0.15)	(0.04)	(0.19)
Year ended 12/31/2007	14.79	0.20	0.07	0.27	(0.15)	(0.52)	(0.67)
Year ended 12/31/2006	13.26	0.17	1.72	1.89	(0.13)	(0.23)	(0.36)
Year ended 12/31/2005	12.65	0.12	0.73	0.85	(0.10)	(0.14)	(0.24)
Year ended 12/31/2004	11.77	0.09	1.07	1.16	(0.06)	(0.22)	(0.28)

(a) The per share net amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio and reflect SFIMC's voluntary expense reduction threshold. The net amounts and ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, and reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, assuming Barclays' and BGI's expense credits and waivers, were 0.21% and 2.82%, respectively, for the year ended December 31, 2008.

(b) Average shares outstanding for the period were used to calculate net investment income.

(c) Determined on an annualized basis for periods that are less than a full year.

(d) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.

(e) Ratios reflect inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio but do not reflect SFIMC's voluntary expense reduction threshold. The ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, but do not reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, excluding any Barclays' and BGI's expense credits and waivers, were 0.55% and 2.48%, respectively, for the year ended December 31, 2008.

(f) Amount represents the portfolio turnover rate of the Master Portfolio.

(g) For all the data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (d)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations and expense waivers</i>		<i>Average Net Asset ratios absent expense limitations and expense waivers</i>		<i>Portfolio turnover rate (f)</i>
			<i>Expenses (a) (c)</i>	<i>Net investment income (a) (c)</i>	<i>Expenses (c) (e)</i>	<i>Net investment income (c) (e)</i>	
\$9.70	(31.38)%	\$159.9	1.12%	2.07%	1.46%	1.73%	13%
14.49	2.28	164.9	1.14	1.91	1.47	1.58	7
14.91	8.02	51.2	1.15	2.56	1.46	2.25	22
9.69	(31.78)	13.0	1.82	1.37	2.16	1.03	13
14.45	1.58	13.4	1.84	1.15	2.17	0.82	7
14.89	7.64	5.1	1.85	1.78	2.16	1.47	22
9.69	(31.34)	196.0	1.12	1.97	1.46	1.63	13
14.45	2.19	306.2	1.14	1.68	1.47	1.35	7
14.86	14.69	292.9	1.15	1.63	1.48	1.30	22
13.32	7.11	192.3	1.21	1.32	1.57	0.96	24
12.70	10.32	96.5	1.23	1.18	1.58	0.83	138
9.66	(31.62)	49.3	1.52	1.57	1.86	1.23	13
14.39	1.86	76.7	1.54	1.28	1.87	0.95	7
14.79	14.27	73.5	1.55	1.22	1.88	0.89	22
13.26	6.72	52.7	1.61	0.91	1.97	0.55	24
12.65	9.88	29.7	1.63	0.77	1.98	0.42	138

(For a share outstanding throughout each period)

State Farm Mutual Fund Trust LifePath 2040 Fund

	<i>Income from investment operations</i>				<i>Less distributions</i>		
	<i>Net asset value, beginning of period</i>	<i>Net investment income (a) (b)</i>	<i>Net gain (loss) on investments (both realized and unrealized)</i>	<i>Total from investment operations</i>	<i>Net investment income</i>	<i>Net realized gain</i>	<i>Total distributions</i>
Class A Shares							
Period ended 12/31/2008	\$15.28	\$0.22	\$(5.67)	\$(5.45)	\$(0.19)	\$(0.02)	\$(0.21)
Period ended 12/31/2007	15.82	0.26	(0.01)	0.25	(0.19)	(0.60)	(0.79)
Period ended 12/31/2006 ^(g)	14.97	0.24	1.03	1.27	(0.19)	(0.23)	(0.42)
Class B Shares							
Period ended 12/31/2008	15.24	0.13	(5.64)	(5.51)	(0.11)	(0.02)	(0.13)
Period ended 12/31/2007	15.81	0.13	0.01	0.14	(0.11)	(0.60)	(0.71)
Period ended 12/31/2006 ^(g)	14.97	0.17	1.06	1.23	(0.16)	(0.23)	(0.39)
Legacy Class A Shares							
Year ended 12/31/2008	15.27	0.21	(5.67)	(5.46)	(0.17)	(0.02)	(0.19)
Year ended 12/31/2007	15.78	0.21	0.05	0.26	(0.17)	(0.60)	(0.77)
Year ended 12/31/2006	13.87	0.19	2.10	2.29	(0.15)	(0.23)	(0.38)
Year ended 12/31/2005	13.12	0.14	0.88	1.02	(0.11)	(0.16)	(0.27)
Year ended 12/31/2004	12.11	0.13	1.19	1.32	(0.10)	(0.21)	(0.31)
Legacy Class B Shares							
Year ended 12/31/2008	15.23	0.16	(5.64)	(5.48)	(0.12)	(0.02)	(0.14)
Year ended 12/31/2007	15.74	0.15	0.04	0.19	(0.10)	(0.60)	(0.70)
Year ended 12/31/2006	13.84	0.13	2.09	2.22	(0.09)	(0.23)	(0.32)
Year ended 12/31/2005	13.09	0.08	0.90	0.98	(0.07)	(0.16)	(0.23)
Year ended 12/31/2004	12.09	0.08	1.19	1.27	(0.06)	(0.21)	(0.27)

(a) The per share net amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio and reflect SFIMC's voluntary expense reduction threshold. The net amounts and ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, and reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, assuming Barclays' and BGI's expense credits and waivers, were 0.19% and 2.52%, respectively, for the year ended December 31, 2008.

(b) Average shares outstanding for the period were used to calculate net investment income.

(c) Determined on an annualized basis for periods that are less than a full year.

(d) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A, Class B, Legacy Class A and Legacy Class B shares.

(e) Ratios reflect inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio but do not reflect SFIMC's voluntary expense reduction threshold. The ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, but do not reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, excluding any Barclays' and BGI's expense credits and waivers, were 0.53% and 2.18%, respectively, for the year ended December 31, 2008.

(f) Amount represents the portfolio turnover rate of the Master Portfolio.

(g) For all the data, except for the portfolio turnover rate which is for the entire year, the period is from commencement of investment operations April 27, 2006.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (d)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense limitations and expense waivers</i>		<i>Average Net Asset ratios absent expense limitations and expense waivers</i>		<i>Portfolio turnover rate (f)</i>
			<i>Expenses (a) (c)</i>	<i>Net investment income (a) (c)</i>	<i>Expenses (c) (e)</i>	<i>Net investment income (loss) (c) (e)</i>	
\$9.62	(35.68)%	\$112.0	1.13%	1.74%	1.47%	1.40%	14%
15.28	1.57	122.9	1.15	1.58	1.48	1.25	8
15.82	8.47	34.6	1.16	2.36	1.47	2.05	29
9.60	(36.13)	12.9	1.83	1.05	2.17	0.71	14
15.24	0.85	13.7	1.85	0.81	2.18	0.48	8
15.81	8.18	4.8	1.86	1.64	2.17	1.33	29
9.62	(35.71)	133.4	1.13	1.64	1.47	1.30	14
15.27	1.60	216.5	1.14	1.29	1.48	0.95	8
15.78	16.46	199.9	1.16	1.28	1.50	0.94	29
13.87	7.71	116.9	1.21	1.04	1.62	0.63	38
13.12	10.86	53.7	1.22	1.06	1.67	0.61	147
9.61	(35.94)	35.1	1.53	1.25	1.87	0.91	14
15.23	1.20	55.5	1.54	0.89	1.88	0.55	8
15.74	16.01	51.8	1.56	0.87	1.90	0.53	29
13.84	7.41	34.1	1.61	0.63	2.02	0.22	38
13.09	10.51	17.8	1.62	0.63	2.08	0.17	147

(For a share outstanding throughout each period):

State Farm Mutual Fund Trust LifePath 2050 Fund

	Income from investment operations			Less distributions			
	Net asset value, beginning of period	Net investment income (loss) (a) (b)	Net gain (loss) on investments (both realized and unrealized)	Total from investment operations	Net investment income	Net realized gain	Total distributions
Class A Shares							
Period ended 12/31/2008 ^(g)	\$10.00	\$0.17	\$(3.20)	\$(3.03)	\$(0.06)	\$(0.03)	\$(0.09)

(a) The per share net amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio and reflect SFIMC's voluntary expense reduction threshold. The net amounts and ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, and reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, assuming Barclays' and BGI's expense credits and waivers, were 0.17% and 3.05%, respectively, for the period ended December 31, 2008.

(b) Average shares outstanding for the period were used to calculate net investment income per share.

(c) Total return is not annualized for periods that are less than a full year and does not reflect the effect of sales charge for Class A shares.

(d) Determined on an annualized basis for periods that are less than a full year.

(e) Ratios reflect inclusion of the Fund's proportionate share of income and expenses of the Master Portfolio but do not reflect SFIMC's voluntary expense reduction threshold. The ratios also include the Fund's indirect proportionate share of the expenses of the Active Stock and CoreAlpha Bond Master Portfolios, but do not reflect Barclays' and BGI's expense credits and waivers for the Master Portfolio. The expense and net investment income ratios for the Master Portfolio, excluding any Barclays' and BGI's expense credits and waivers, were 1.11% and 2.11%, respectively, for the period ended December 31, 2008.

(f) Amount represents the portfolio turnover rate of the Master Portfolio and rounds to less than 1%.

(g) For all the data, except for the portfolio turnover rate which is the period from the commencement of investment operations June 30, 2008 for the LifePath 2050 Master Portfolio, the period is from commencement of investment operations July 10, 2008.

Ratios/supplemental data

<i>Net asset value, end of period</i>	<i>Total return (c)</i>	<i>Net assets, end of period (millions)</i>	<i>Average Net Asset ratios assuming expense reductions and expense waivers</i>		<i>Average Net Asset ratios absent expense reductions and expense waivers</i>		<i>Portfolio turnover rate (f)</i>
			<i>Expenses (a) (d)</i>	<i>Net investment income (loss) (a) (d)</i>	<i>Expenses (d) (e)</i>	<i>Net investment income (loss) (d) (e)</i>	
\$6.88	(30.38)%	\$5.0	1.13%	2.48%	3.45%	0.16%	0%

APPENDIX A

Past Performance of Bridgeway, Marsico, Northern Cross, Northern Trust Investments, Westwood, and Barclays

The investment performance for each of the funds or composites below indicates the performance of Bridgeway, Marsico, Northern Cross, Northern Trust Investments, Westwood, and Barclays in managing substantially similar mutual funds or other accounts with investment objectives, policies, strategies, and risks similar to those of the respective State Farm Mutual Fund ("Fund") to which each is compared. The "composites" shown below are an aggregation of all accounts managed by Northern Trust Investments that have investment objectives, policies, strategies, and risks that are substantially similar to those of the Funds to which each is compared. The performance below is shown for the one-, five- and ten-year/since inception periods ending December 31, 2008, **and does not represent the performance of the Funds**. The composite performance data has been provided by Northern Trust Investments. The performance data for the corresponding funds is the historical performance of other investment companies or substantially similar mutual funds managed by Bridgeway, Marsico, Northern Cross, Westwood, or Barclays, respectively.

The accounts that are included in the composites provided by Northern Trust Investments are not subject to the same types of expenses to which the Funds are subject, nor to the diversification requirements, specific tax restrictions and investment limitations imposed on the Funds by the 1940 Act or Subchapter M of the Internal Revenue Code. In fact, the expenses of the accounts included in the composites are lower than the Funds' expenses. Consequently, if the Funds had been included in the composites, or if the accounts included in the composite had been regulated as investment companies under the federal securities and tax laws, the composites' performance results would have been lower than what is shown below.

The corresponding funds shown below have lower expenses than the Fund to which each is compared. Accordingly, if the respective Managers had managed the Funds during the same periods presented below, the Funds' returns would have been lower. The presentation of the investment results of the corresponding funds and composites is not intended to predict or suggest the returns that might be experienced by the Funds or an individual investor in the Funds. Investors should also be aware that the methodology used to calculate performance for the composites is not the SEC standard to calculate total return for mutual funds. As a result, the performance results for the composites may differ from the results calculated according to the SEC's method.

In addition to comparing each Fund below to the performance of another fund or composite, the Managers have included the performance of each Fund's broad-based securities market index or indices over the applicable periods. Furthermore, in comparing the State Farm LifePath Funds to the corresponding LifePath Master Portfolios, the Manager has included a customized Blended Benchmark representing hypothetical performance of the respective LifePath Master Portfolio's asset classes according to their weightings as of the most recent quarter end. The weightings of the various indices that are included in the Blended Benchmarks are adjusted quarterly to reflect the LifePath Master Portfolio's changing asset allocation over time. The following indices are used to calculate the LifePath Master Portfolios' Blended Benchmarks: S&P 500 Index, S&P MidCap 400 Index, S&P SmallCap 600 Index, MSCI ACWI ex-US IMI Index, FTSE EPRA/NAREIT Global Real Estate Index, Barclays Capital U.S. Aggregate Bond Index, and Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L).

Fund	Corresponding Fund or Composite Inception Date Asset Size as of Dec. 31, 2008																
Equity Fund	<p style="text-align: center;">Bridgeway Large Cap Growth Fund October 31, 2003 \$77,776,000</p> <p style="text-align: center;">Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="width: 33%; text-align: center;"><u>One Year</u></th> <th style="width: 33%; text-align: center;"><u>Five Years</u></th> <th style="width: 33%; text-align: center;"><u>Since Inception⁽¹⁾</u></th> </tr> </thead> <tbody> <tr> <td>Bridgeway Large Cap Growth Fund</td> <td style="text-align: center;">-45.42%</td> <td style="text-align: center;">-4.46%</td> <td style="text-align: center;">-3.70%</td> </tr> <tr> <td>Russell 1000[®] Growth Index</td> <td style="text-align: center;">-38.44%</td> <td style="text-align: center;">-3.42%</td> <td style="text-align: center;">-2.40%</td> </tr> <tr> <td>S&P 500[®] Index</td> <td style="text-align: center;">-37.00%</td> <td style="text-align: center;">-2.19%</td> <td style="text-align: center;">-0.98%</td> </tr> </tbody> </table>		<u>One Year</u>	<u>Five Years</u>	<u>Since Inception⁽¹⁾</u>	Bridgeway Large Cap Growth Fund	-45.42%	-4.46%	-3.70%	Russell 1000 [®] Growth Index	-38.44%	-3.42%	-2.40%	S&P 500 [®] Index	-37.00%	-2.19%	-0.98%
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S&P 500 [®] Index	-37.00%	-2.19%	-0.98%														
Equity Fund	<p style="text-align: center;">Westwood Equity Fund January 1, 1987 \$143,260,653</p> <p style="text-align: center;">Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="width: 33%; text-align: center;"><u>One Year</u></th> <th style="width: 33%; text-align: center;"><u>Five Years</u></th> <th style="width: 33%; text-align: center;"><u>Ten Years</u></th> </tr> </thead> <tbody> <tr> <td>Westwood Equity Fund</td> <td style="text-align: center;">-33.11%</td> <td style="text-align: center;">2.60%</td> <td style="text-align: center;">2.83%</td> </tr> <tr> <td>Russell 1000[®] Value Index</td> <td style="text-align: center;">-36.85%</td> <td style="text-align: center;">-0.79%</td> <td style="text-align: center;">1.45%</td> </tr> <tr> <td>S&P 500[®] Index</td> <td style="text-align: center;">-37.00%</td> <td style="text-align: center;">-2.19%</td> <td style="text-align: center;">-1.38%</td> </tr> </tbody> </table>		<u>One Year</u>	<u>Five Years</u>	<u>Ten Years</u>	Westwood Equity Fund	-33.11%	2.60%	2.83%	Russell 1000 [®] Value Index	-36.85%	-0.79%	1.45%	S&P 500 [®] Index	-37.00%	-2.19%	-1.38%
	<u>One Year</u>	<u>Five Years</u>	<u>Ten Years</u>														
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S&P 500 [®] Index	-37.00%	-2.19%	-1.38%														
International Equity Fund	<p style="text-align: center;">Marsico International Opportunities Fund June 30, 2000 \$391,000,000</p> <p style="text-align: center;">Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="width: 33%; text-align: center;"><u>One Year</u></th> <th style="width: 33%; text-align: center;"><u>Five Years</u></th> <th style="width: 33%; text-align: center;"><u>Since Inception⁽²⁾</u></th> </tr> </thead> <tbody> <tr> <td>Marsico International Opportunities Fund</td> <td style="text-align: center;">-50.64%</td> <td style="text-align: center;">0.55%</td> <td style="text-align: center;">1.04%</td> </tr> <tr> <td>MSCI ACWI[®] ex-U.S. Index</td> <td style="text-align: center;">-45.53%</td> <td style="text-align: center;">2.56%</td> <td style="text-align: center;">-0.53%</td> </tr> <tr> <td>MSCI EAFE[®] Free Index</td> <td style="text-align: center;">-43.38%</td> <td style="text-align: center;">1.66%</td> <td style="text-align: center;">-1.37%</td> </tr> </tbody> </table>		<u>One Year</u>	<u>Five Years</u>	<u>Since Inception⁽²⁾</u>	Marsico International Opportunities Fund	-50.64%	0.55%	1.04%	MSCI ACWI [®] ex-U.S. Index	-45.53%	2.56%	-0.53%	MSCI EAFE [®] Free Index	-43.38%	1.66%	-1.37%
	<u>One Year</u>	<u>Five Years</u>	<u>Since Inception⁽²⁾</u>														
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MSCI ACWI [®] ex-U.S. Index	-45.53%	2.56%	-0.53%														
MSCI EAFE [®] Free Index	-43.38%	1.66%	-1.37%														
International Equity Fund	<p style="text-align: center;">Northern Cross—Harbor International Fund December 29, 1987 \$18,072,967,959</p> <p style="text-align: center;">Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="width: 33%; text-align: center;"><u>One Year</u></th> <th style="width: 33%; text-align: center;"><u>Five Years</u></th> <th style="width: 33%; text-align: center;"><u>Ten Years</u></th> </tr> </thead> <tbody> <tr> <td>Northern Cross—Harbor International Fund</td> <td style="text-align: center;">-42.66%</td> <td style="text-align: center;">5.73%</td> <td style="text-align: center;">6.06%</td> </tr> <tr> <td>MSCI ACWI[®] ex-U.S. Index</td> <td style="text-align: center;">-45.53%</td> <td style="text-align: center;">2.56%</td> <td style="text-align: center;">1.56%</td> </tr> <tr> <td>MSCI EAFE[®] Free Index</td> <td style="text-align: center;">-43.38%</td> <td style="text-align: center;">1.66%</td> <td style="text-align: center;">0.80%</td> </tr> </tbody> </table>		<u>One Year</u>	<u>Five Years</u>	<u>Ten Years</u>	Northern Cross—Harbor International Fund	-42.66%	5.73%	6.06%	MSCI ACWI [®] ex-U.S. Index	-45.53%	2.56%	1.56%	MSCI EAFE [®] Free Index	-43.38%	1.66%	0.80%
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S&P 500 Index Fund	<p style="text-align: center;">S&P 500 Index Master Portfolio May 26, 1994 \$1,690,979,722</p> <p style="text-align: center;">Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="width: 33%; text-align: center;"><u>One Year</u></th> <th style="width: 33%; text-align: center;"><u>Five Years</u></th> <th style="width: 33%; text-align: center;"><u>Ten Years</u></th> </tr> </thead> <tbody> <tr> <td>S&P 500 Index Master Portfolio</td> <td style="text-align: center;">-36.86%</td> <td style="text-align: center;">-2.18%</td> <td style="text-align: center;">-1.42%</td> </tr> <tr> <td>S&P 500[®] Index</td> <td style="text-align: center;">-37.00%</td> <td style="text-align: center;">-2.19%</td> <td style="text-align: center;">-1.38%</td> </tr> </tbody> </table>		<u>One Year</u>	<u>Five Years</u>	<u>Ten Years</u>	S&P 500 Index Master Portfolio	-36.86%	-2.18%	-1.42%	S&P 500 [®] Index	-37.00%	-2.19%	-1.38%				
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Fund	Corresponding Fund or Composite Inception Date Asset Size as of Dec. 31, 2008																				
Small Cap Index Fund	<p>Northern Trust Global Investments Russell 2000 Equity Index Composite November 1, 1987 \$2,544,600,000</p> <p>Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="1"> <thead> <tr> <th></th> <th>One Year</th> <th>Five Years</th> <th>Ten Years</th> </tr> </thead> <tbody> <tr> <td>Northern Trust Global Investments Russell 2000 Equity Index Composite</td> <td>-33.80%</td> <td>-0.90%</td> <td>3.08%</td> </tr> <tr> <td>Russell 2000® Index</td> <td>-33.79%</td> <td>-0.93%</td> <td>3.02%</td> </tr> </tbody> </table>		One Year	Five Years	Ten Years	Northern Trust Global Investments Russell 2000 Equity Index Composite	-33.80%	-0.90%	3.08%	Russell 2000® Index	-33.79%	-0.93%	3.02%								
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International Index Fund	<p>Northern Trust Global Investments EAFE Index Composite April 1, 1987 \$3,645,900,000</p> <p>Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="1"> <thead> <tr> <th></th> <th>One Year</th> <th>Five Years</th> <th>Ten Years</th> </tr> </thead> <tbody> <tr> <td>Northern Trust Global Investments EAFE Index Composite</td> <td>-43.16%</td> <td>1.97%</td> <td>4.48%</td> </tr> <tr> <td>MSCI EAFE® Free Index</td> <td>-43.38%</td> <td>1.66%</td> <td>4.12%</td> </tr> </tbody> </table>		One Year	Five Years	Ten Years	Northern Trust Global Investments EAFE Index Composite	-43.16%	1.97%	4.48%	MSCI EAFE® Free Index	-43.38%	1.66%	4.12%								
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LifePath Income Fund	<p>LifePath Income Master Portfolio March 1, 1994 \$253,603,618</p> <p>Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="1"> <thead> <tr> <th></th> <th>One Year</th> <th>Five Years</th> <th>Ten Years</th> </tr> </thead> <tbody> <tr> <td>LifePath Income Master Portfolio</td> <td>-14.54%</td> <td>1.90%</td> <td>3.36%</td> </tr> <tr> <td>S&P 500 Index</td> <td>-37.00%</td> <td>-2.19%</td> <td>-1.38%</td> </tr> <tr> <td>Barclays Capital U.S. Aggregate Bond Index</td> <td>5.24%</td> <td>4.65%</td> <td>5.63%</td> </tr> <tr> <td>Blended Benchmark</td> <td>-14.53%</td> <td>2.42%</td> <td>3.91%</td> </tr> </tbody> </table>		One Year	Five Years	Ten Years	LifePath Income Master Portfolio	-14.54%	1.90%	3.36%	S&P 500 Index	-37.00%	-2.19%	-1.38%	Barclays Capital U.S. Aggregate Bond Index	5.24%	4.65%	5.63%	Blended Benchmark	-14.53%	2.42%	3.91%
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LifePath 2010 Fund	<p>LifePath 2010 Master Portfolio March 1, 1994 \$708,952,305</p> <p>Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="1"> <thead> <tr> <th></th> <th>One Year</th> <th>Five Years</th> <th>Ten Years</th> </tr> </thead> <tbody> <tr> <td>LifePath 2010 Master Portfolio</td> <td>-16.50%</td> <td>1.99%</td> <td>2.73%</td> </tr> <tr> <td>S&P 500 Index</td> <td>-37.00%</td> <td>-2.19%</td> <td>-1.38%</td> </tr> <tr> <td>Barclays Capital U.S. Aggregate Bond Index</td> <td>5.24%</td> <td>4.65%</td> <td>5.63%</td> </tr> <tr> <td>Blended Benchmark</td> <td>-16.51%</td> <td>2.52%</td> <td>3.39%</td> </tr> </tbody> </table>		One Year	Five Years	Ten Years	LifePath 2010 Master Portfolio	-16.50%	1.99%	2.73%	S&P 500 Index	-37.00%	-2.19%	-1.38%	Barclays Capital U.S. Aggregate Bond Index	5.24%	4.65%	5.63%	Blended Benchmark	-16.51%	2.52%	3.39%
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Fund	Corresponding Fund or Composite Inception Date Asset Size as of Dec. 31, 2008																						
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LifePath 2040 Fund	<p style="text-align: center;">LifePath 2040 Master Portfolio March 1, 1994 \$720,539,337</p> <p style="text-align: center;">Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">One Year</th> <th style="text-align: center;">Five Years</th> <th style="text-align: center;">Ten Years</th> </tr> </thead> <tbody> <tr> <td>LifePath 2040 Master Portfolio</td> <td style="text-align: center;">-34.90%</td> <td style="text-align: center;">-0.94%</td> <td style="text-align: center;">-0.41%</td> </tr> <tr> <td>S&P 500 Index</td> <td style="text-align: center;">-37.00%</td> <td style="text-align: center;">-2.19%</td> <td style="text-align: center;">-1.38%</td> </tr> <tr> <td>Barclays Capital U.S. Aggregate Bond Index</td> <td style="text-align: center;">5.24%</td> <td style="text-align: center;">4.65%</td> <td style="text-align: center;">5.63%</td> </tr> <tr> <td>Blended Benchmark</td> <td style="text-align: center;">-36.01%</td> <td style="text-align: center;">-0.80%</td> <td style="text-align: center;">0.14%</td> </tr> </tbody> </table>				One Year	Five Years	Ten Years	LifePath 2040 Master Portfolio	-34.90%	-0.94%	-0.41%	S&P 500 Index	-37.00%	-2.19%	-1.38%	Barclays Capital U.S. Aggregate Bond Index	5.24%	4.65%	5.63%	Blended Benchmark	-36.01%	-0.80%	0.14%
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LifePath 2050 Fund	<p style="text-align: center;">LifePath 2050 Master Portfolio June 30, 2008 \$6,895,300</p> <p style="text-align: center;">Average Annual Total Returns (For periods ended Dec. 31, 2008)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">One Year</th> <th style="text-align: center;">Five Years</th> <th style="text-align: center;">Since Inception⁽³⁾</th> </tr> </thead> <tbody> <tr> <td>LifePath 2050 Master Portfolio</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">-31.93%</td> </tr> <tr> <td>S&P 500 Index</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">-28.48%</td> </tr> <tr> <td>Barclays Capital U.S. Aggregate Bond Index</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">4.07%</td> </tr> <tr> <td>Blended Benchmark</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">-32.47%</td> </tr> </tbody> </table>				One Year	Five Years	Since Inception ⁽³⁾	LifePath 2050 Master Portfolio	N/A	N/A	-31.93%	S&P 500 Index	N/A	N/A	-28.48%	Barclays Capital U.S. Aggregate Bond Index	N/A	N/A	4.07%	Blended Benchmark	N/A	N/A	-32.47%
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(1) Inception Date: October 31, 2003

(2) Inception Date: June 30, 2000

(3) Inception Date: June 30, 2008

The investment performance indicated in the following four tables shows the average annual total returns for the one-, five- and ten-year periods for each of the corresponding funds or composites indicated above, adjusted to reflect the expenses of the Funds, including sales charges where indicated, for the periods ended December 31, 2008. **The performance disclosed below is not the performance of the Funds but rather the performance of the corresponding fund or composite adjusted to reflect charges and expenses of the Funds.** Although each Fund has substantially similar investment objectives and policies as the corresponding fund or composite, you should not assume that the Funds will have the same future performance as the corresponding fund or composite. For example, any Fund's future performance may be greater or less than the performance of the corresponding fund or composite due to, among other things, differences in expenses, asset sizes and cash flows between a Fund and the corresponding fund or composite. **The performance figures quoted represent past performance and are not intended to indicate future performance. Investment returns and NAV will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.**

The following four tables show the average annualized total returns for the corresponding funds or composites for the one-, five- and ten-year periods ended December 31, 2008. These figures are based on the actual gross investment performance of the corresponding funds or composites. From the gross investment performance figures, the maximum Total Annual Fund Operating Expenses shown on pages 24–26 are deducted to arrive at the net return, except in the case of performance for each LifePath Master Portfolio for which net expenses as shown on pages 24–26 are deducted to arrive at the net return. The first table for each Class reflects a deduction for the maximum applicable sales charge, while the second table for each Class reflects no deduction for sales charge. Performance figures will be lower when sales charges are taken into effect.

**Assuming Class A Shares Total Fund Operating Expenses and
the Maximum Initial Sales Charge Applicable to Class A Shares**

Corresponding Fund or Composite (Inception date) (corresponds to . . .)	1 Year	5 Years	10 Years or Since Inception
Westwood Equity Fund (January 1, 1987) (Equity Fund)	-37.64%	0.33%	1.10%
Bridgeway Large Cap Growth Fund (October 31, 2003) (Equity Fund)	-49.34%	-6.68%	-5.13%
Westwood/Bridgeway Blended Fund (December 31, 2003) ⁽¹⁾ (Equity Fund)	-43.49%	-3.08%	-3.08%
Marsico International Opportunities Fund (June 30, 2000) (International Equity Fund)	-54.78%	-2.27%	-1.35%
Northern Cross—Harbor International Fund (December 29, 1987) (International Equity Fund)	-47.20%	2.89%	3.79%
Marsico/Northern Cross—Harbor Blended Fund (December 31, 2000) ⁽²⁾ (International Equity Fund)	-50.99%	0.35%	1.12%
S&P 500 Index Master Portfolio (May 26, 1994) (S&P 500 Index Fund)	-40.76%	-3.92%	-2.68%
Northern Trust Global Investments Russell 2000 Equity Index (November 1, 1987) (Small Cap Index Fund)	-38.11%	-2.94%	1.52%
Northern Trust Global Investments EAFE Index (April 1, 1987) (International Index Fund)	-47.28%	-0.41%	-0.77%
LifePath Income Master Portfolio (March 1, 1994) (LifePath Income Fund)	-19.85%	-0.17%	1.88%
LifePath 2010 Master Portfolio (March 1, 1994) (LifePath 2010 Fund)*	-21.70%	-0.05%	1.29%
LifePath 2020 Master Portfolio (March 1, 1994) (LifePath 2020 Fund)	-29.71%	-1.27%	-0.02%
LifePath 2030 Master Portfolio (March 1, 1994) (LifePath 2030 Fund)	-35.07%	-2.14%	-0.91%
LifePath 2040 Master Portfolio (March 1, 1994) (LifePath 2040 Fund)	-39.28%	-3.05%	-1.89%

LifePath 2050 Master Portfolio (June 30, 2008) (LifePath 2050 Fund) does not have one full calendar year of activity.

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

⁽¹⁾ Blended Fund assumes a 50/50 split of returns from Westwood and Bridgeway using five full years of data starting December 31, 2003.

⁽²⁾ Blended Fund assumes a 50/50 split of returns from Marsico and Northern Cross-Harbor using eight full years of data starting December 31, 2000.

**Assuming Class A Shares Total Fund Operating Expenses and
with No Initial Sales Charge**

Corresponding Fund or Composite (Inception date) (corresponds to . . .)	1 Year	5 Years	10 Years or Since Inception
Westwood Equity Fund (January 1, 1987) (Equity Fund)	– 34.30%	1.38%	1.62%
Bridgeway Large Cap Growth Fund (October 31, 2003) (Equity Fund)	– 46.61%	– 5.70%	– 5.13%
Westwood/Bridgeway Blended Fund (December 31, 2003) ⁽¹⁾ (Equity Fund)	– 40.46%	– 2.07%	– 2.07%
Marsico International Opportunities Fund (June 30, 2000) (International Equity Fund)	– 52.31%	– 1.25%	– 0.77%
Northern Cross—Harbor International Fund (December 29, 1987) (International Equity Fund)	– 44.33%	3.96%	4.33%
Marsico/Northern Cross—Harbor Blended Fund (December 31, 2000) ⁽²⁾ (International Equity Fund)	– 48.32%	1.40%	1.78%
S&P 500 Index Master Portfolio (May 26, 1994) (S&P 500 Index Fund)	– 37.60%	– 2.92%	– 2.17%
Northern Trust Global Investments Russell 2000 Equity Index (November 1, 1987) (Small Cap Index Fund)	– 34.80%	– 1.93%	2.05%
Northern Trust Global Investments EAFE Index (April 1, 1987) (International Index Fund)	– 44.44%	0.63%	– 0.26%
LifePath Income Master Portfolio (March 1, 1994) (LifePath Income Fund)	– 15.58%	0.87%	2.41%
LifePath 2010 Master Portfolio (March 1, 1994) (LifePath 2010 Fund)*	– 17.52%	0.99%	1.81%
LifePath 2020 Master Portfolio (March 1, 1994) (LifePath 2020 Fund)	– 25.96%	– 0.24%	0.50%
LifePath 2030 Master Portfolio (March 1, 1994) (LifePath 2030 Fund)	– 31.60%	– 1.12%	– 0.40%
LifePath 2040 Master Portfolio (March 1, 1994) (LifePath 2040 Fund)	– 36.02%	– 2.04%	– 1.38%

LifePath 2050 Master Portfolio (June 30, 2008) (LifePath 2050 Fund) does not have one full calendar year of activity.

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

⁽¹⁾ Blended Fund assumes a 50/50 split of returns from Westwood and Bridgeway using five full years of data starting December 31, 2003.

⁽²⁾ Blended Fund assumes a 50/50 split of returns from Marsico and Northern Cross-Harbor using eight full years of data starting December 31, 2000.

**Assuming Class B Shares Total Fund Operating Expenses and
the Redemption at the End of the Applicable Time Period**

Corresponding Fund or Composite (Inception date) (corresponds to . . .)	1 Year	5 Years	10 Years or Since Inception
Westwood Equity Fund (January 1, 1987) (Equity Fund)	-38.34%	0.29%	0.91%
Bridgeway Large Cap Growth Fund (October 31, 2003) (Equity Fund)	-50.04%	-6.83%	-5.97%
Westwood/Bridgeway Blended Fund (December 31, 2003) ⁽¹⁾ (Equity Fund)	-44.19%	-3.20%	-2.79%
Marsico International Opportunities Fund (June 30, 2000) (International Equity Fund)	-55.38%	-2.30%	-1.41%
Northern Cross—Harbor International Fund (December 29, 1987) (International Equity Fund)	-47.80%	3.00%	3.71%
Marsico/Northern Cross—Harbor Blended Fund (December 31, 2000) ⁽²⁾ (International Equity Fund)	-51.59%	0.39%	1.15%
S&P 500 Index Master Portfolio (May 26, 1994) (S&P 500 Index Fund)	-41.46%	-4.04%	-2.89%
Northern Trust Global Investments Russell 2000 Equity Index (November 1, 1987) (Small Cap Index Fund)	-38.81%	-3.05%	1.33%
Northern Trust Global Investments EAFE Index (April 1, 1987) (International Index Fund)	-47.98%	-0.49%	-0.98%
LifePath Income Master Portfolio (March 1, 1994) (LifePath Income Fund)	-20.55%	-0.21%	1.71%
LifePath 2010 Master Portfolio (March 1, 1994) (LifePath 2010 Fund)*	-22.40%	-0.09%	1.11%
LifePath 2020 Master Portfolio (March 1, 1994) (LifePath 2020 Fund)	-30.41%	-1.34%	-0.21%
LifePath 2030 Master Portfolio (March 1, 1994) (LifePath 2030 Fund)	-35.77%	-2.24%	-1.11%
LifePath 2040 Master Portfolio (March 1, 1994) (LifePath 2040 Fund)	-39.98%	-3.16%	-2.10%

LifePath 2050 Master Portfolio (June 30, 2008) (LifePath 2050 Fund) does not have one full calendar year of activity.

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

⁽¹⁾ Blended Fund assumes a 50/50 split of returns from Westwood and Bridgeway using five full years of data starting December 31, 2003.

⁽²⁾ Blended Fund assumes a 50/50 split of returns from Marsico and Northern Cross-Harbor using eight full years of data starting December 31, 2000.

**Assuming Class B Shares Total Fund Operating Expenses and
No Redemption at the End of the Applicable Time Period**

Corresponding Fund or Composite (Inception date) (corresponds to . . .)	1 Year	5 Years	10 Years or Since Inception
Westwood Equity Fund (January 1, 1987) (Equity Fund)	– 35.00%	0.66%	0.91%
Bridgeway Large Cap Growth Fund (October 31, 2003) (Equity Fund)	– 47.31%	– 6.44%	– 5.97%
Westwood/Bridgeway Blended Fund (December 31, 2003) ⁽¹⁾ (Equity Fund)	– 41.16%	– 2.79%	– 2.79%
Marsico International Opportunities Fund (June 30, 2000) (International Equity Fund)	– 52.91%	– 1.90%	– 1.41%
Northern Cross—Harbor International Fund (December 29, 1987) (International Equity Fund)	– 44.93%	3.33%	3.71%
Marsico/Northern Cross—Harbor Blended Fund (December 31, 2000) ⁽²⁾ (International Equity Fund)	– 48.92%	0.76%	1.15%
S&P 500 Index Master Portfolio (May 26, 1994) (S&P 500 Index Fund)	– 38.30%	– 3.64%	– 2.89%
Northern Trust Global Investments Russell 2000 Equity Index Composite (November 1, 1987) (Small Cap Index Fund)	– 35.50%	– 2.65%	1.33%
Northern Trust Global Investments EAFE Index Composite (April 1, 1987) (International Index Fund)	– 45.14%	– 0.11%	– 0.98%
LifePath Income Master Portfolio (March 1, 1994) (LifePath Income Fund)	– 16.28%	0.17%	1.71%
LifePath 2010 Master Portfolio (March 1, 1994) (LifePath 2010 Fund)*	– 18.22%	0.28%	1.11%
LifePath 2020 Master Portfolio (March 1, 1994) (LifePath 2020 Fund)	– 26.66%	– 0.95%	– 0.21%
LifePath 2030 Master Portfolio (March 1, 1994) (LifePath 2030 Fund)	– 32.30%	– 1.84%	– 1.11%
LifePath 2040 Master Portfolio (March 1, 1994) (LifePath 2040 Fund)	– 36.72%	– 2.76%	– 2.10%

LifePath 2050 Master Portfolio (June 30, 2008) (LifePath 2050 Fund) does not have one full calendar year of activity.

* Not available after November 20, 2009. See page 38 for additional details on the closing of this Fund.

⁽¹⁾ Blended Fund assumes a 50/50 split of returns from Westwood and Bridgeway using five full years of data starting December 31, 2003.

⁽²⁾ Blended Fund assumes a 50/50 split of returns from Marsico and Northern Cross-Harbor using eight full years of data starting December 31, 2000.

ADDITIONAL INFORMATION ABOUT THE FUNDS

You can obtain more information about the Trust's investments and performance in its annual and semiannual reports to share-owners. The Trust's annual report discusses the market conditions and investment strategies that significantly affected each Fund's performance during its last fiscal year. You may also wish to read the SAI for more information about the Funds. A current SAI has been filed with the Securities and Exchange Commission and is incorporated in this prospectus by reference.

You can obtain free copies of the Trust's semiannual and annual report and the SAI, request other information, and discuss your questions about the Funds by writing or calling:

State Farm Mutual Funds
P.O. Box 219548
Kansas City, MO 64121-9548
800-447-4930

The Trust also makes its SAI, semi-annual report and annual report available free of charge at its website, <http://www.statefarm.com/mutual/sc/forms.asp>.

Public Information. You can review and copy information about the Trust and each Fund, including the SAI, at the Securities and Exchange Commission's Public Reference Room in Washington D.C. You may obtain information on the operation of the public reference room by calling the Commission at 1-202-942-8090. Reports and other information about the Trust and the Funds also are available on the EDGAR Database on the Commission's Internet site at <http://www.sec.gov>. You may obtain copies of this information, upon payment of a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the Public Reference Section of the Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549-0102.

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