

Date: June 24, 2009

Subject: BlackRock, Inc. Acquires Barclays Global Investors (BGI)

On June 11, 2009, it was reported that Barclays Global Investors (BGI), the investment advisor for State Farm[®] LifePath[®] Funds and additional State Farm Index strategies, will be acquired by BlackRock, Inc. (NYSE: BLK) another leading asset-management company.

At this point, we believe there will be minimal, if any, impact to the State Farm LifePath Funds and the Index strategies managed by BGI.

Over the past several weeks, Barclays PLC, the London-based bank and parent company of Barclays Global Investors (BGI), has been looking to sell BGI and/or its iShares Exchange-Traded Fund (ETF) business in order to strengthen its capital position.

As recently reported in the financial news, Barclays PLC has reached terms to sell BGI, including its iShares business, to the asset-management company BlackRock, Inc. Under the terms of the transaction, BlackRock would acquire BGI in exchange for 37.8 million shares of common and common equivalents in BlackRock and \$6.6 billion of cash. The shares will represent a 4.9% voting interest and an aggregate 19.9% economic interest in the combined firm, which will be renamed **BlackRock Global Investors**. It is anticipated that the sale of BGI to BlackRock will be finalized during fourth quarter 2009.

BGI is the investment advisor to:

- State Farm LifePath[®] Funds
- State Farm S&P 500 Index Fund
- Three Index strategies within the State Farm variable product investment options:
 - State Farm VP Large Cap Equity Index Fund
 - State Farm VP Small Cap Equity Index Fund
 - State Farm VP International Equity Fund

How will this sale affect my funds/accounts with State Farm?

We anticipate the sale to BlackRock will have minimal impact on Funds management. Unless we learn otherwise, business will continue as usual. This is what we understand will happen:

- The LifePath Funds business will transfer to BlackRock. The LifePath Funds will retain the same portfolio management teams in place today for the enhanced-index portfolios and asset allocation strategies.
- All State Farm Fund names will remain the same.
- The underlying expense ratios paid by shareholders/policyowners of the Funds will also remain the same.
- We anticipate no tax consequences to shareholders/policyowners as a result of the sale.

Buying BGI will make BlackRock the world's largest asset-management company, with \$2.8 trillion under management.

As with all of our sub-advisory relationships, we place our shareholders/policyholders interests first and will continue to work closely with BlackRock towards those ends.

FOR MORE INFORMATION

We will post updates on statefarm.com[®] as we learn further details of the sale and potential impacts on the State Farm Funds. Should you have any further questions, please contact your registered State Farm agent or call 1-800-447-4930.

State Farm Mutual Funds are available through prospectus by registered representatives of State Farm VP Management Corp., One State Farm Plaza, Bloomington, Illinois 61710, 1-800-447-4930. Please read the prospectus and consider the investment objectives, risks, charges and expenses and other information it contains about State Farm Mutual Funds carefully before investing. AP2009/06/2998

It is important to note that there is market risk involved when investing in mutual funds, including possible loss of principal.

LifePath[®] is a registered trademark of Barclays Global Investors, N.A.

Each State Farm LifePath Fund invests all of its assets in a corresponding LifePath Master Portfolio under a master/feeder structure. Barclays Global Fund Advisors (BGFA) is the investment advisor to the LifePath Master Portfolios. State Farm Investment Management Corp. (SFIMC) is the investment advisor to the State Farm LifePath Funds. State Farm VP Management Corp. (SFVPMC) is the distributor of the State Farm LifePath Funds. Neither SFIMC or SFVPMC, or their affiliates, are affiliated with BGFA or its affiliates.