PROSPECTUS

FEBRUARY 15, 2004

LifePath® 2040
LifePath® 2030
LifePath® 2020
LifePath® 2010
LifePath® Retirement

CLASS I SHARES

The first mutual funds designed to offer individual investors comprehensive asset allocation strategies that adjust over time.

Like shares of all mutual funds, these securities have not been approved or disapproved by the Securities and Exchange Commission nor has the Securities and Exchange Commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

LifePath® Portfolios *from* BARCLAYS GLOBAL INVESTORS

BARCLAYS GLOBAL INVESTORS FUNDS

LifePath Retirement Portfolio
LifePath 2010 Portfolio
LifePath 2020 Portfolio
LifePath 2030 Portfolio
LifePath 2040 Portfolio

Class I Shares and Class R Shares

Supplement dated March 24, 2004
to
Class I Shares Prospectus dated February 15, 2004
and
Class R Shares Prospectus dated February 15, 2004

The information in this supplement updates the information in, and should be read in conjunction with, the Barclays Global Investors Funds LifePath Portfolios Class I Shares Prospectus dated February 15, 2004 (the "LifePath Class I Prospectus") and the Barclays Global Investors Funds LifePath Portfolios Class R Shares Prospectus dated February 15, 2004 (the "LifePath Class R Prospectus").

The date shown on the front cover of each of the LifePath Class I Prospectus and the LifePath Class R Prospectuses is incorrect. The correct date of each of the LifePath Class I Prospectus and the LifePath Class R Prospectus, as filed with the Securities and Exchange Commission ("SEC"), is March 15, 2004.

In addition, the date of the Statement of Additional Information ("SAI") referenced on the back cover of each of the LifePath Class I Prospectus and the LifePath Class R Prospectus is incorrect. The correct date of the SAI, as filed with the SEC, is March 15, 2004.

If you have any questions on the information contained in this supplement, please call 1-877-BGI-1544 (1-877-244-1544).

Table of Contents

LifePath Overview

The LifePath Portfolios[1] are designed to offer individual investors comprehensive asset allocation 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: stocks, bonds and money market instruments. Each LifePath Portfolio invests all of its assets in a separate mutual fund, called a LifePath Master Portfolio (each, a "Master Portfolio" and collectively, "Master Portfolios"), that has a substantially identical investment objective as the LifePath Portfolio. Each Master Portfolio, in turn, invests in a combination of stock, bond and money market funds (the "Underlying Funds") in proportions suggested by its own comprehensive investment strategy that gradually becomes more conservative as the year in the LifePath Portfolio's name approaches, except for the LifePath Retirement Portfolio (formerly the LifePath Income Portfolio) that is already in its most conservative phase.

[1] For simplicity's sake, all discussion of investment objectives, strategies and risks of a particular LifePath Portfolio 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 Portfolios to their Master Portfolios appears on page 36.

LifePath Investment Objectives

Each LifePath Portfolio 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****. An investor's time horizon marks the point when investors plan to start making net withdrawals. 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 Portfolio has its own time horizon which affects the acceptable risk level of the LifePath Portfolio and, in turn, its asset allocation.*

Specifically:

- *LifePath Retirement Portfolio* is managed for investors seeking income and moderate long-term growth of capital.
- *LifePath 2010 Portfolio* is managed for investors planning to retire (or begin to withdraw substantial portions of their investment) approximately in the year 2010.
- *LifePath 2020 Portfolio* is managed for investors planning to retire (or begin to withdraw substantial portions of their investment) approximately in the year 2020.
- *LifePath 2030 Portfolio* is managed for investors planning to retire (or begin to withdraw substantial portions of their investment) approximately in the year 2030.
- *LifePath 2040 Portfolio* is managed for investors planning to retire (or begin to withdraw substantial portions of their investment) approximately in the year 2040.

Each LifePath Portfolio's investment objective may be changed by the LifePath Portfolio's Board of Trustees without shareholder approval.

Principal Investment Strategies Common to All LifePath Portfolios

The LifePath Portfolios pursue a common strategy by investing all of their assets in a corresponding Master Portfolio which allocates and reallocates among the Underlying Funds. The LifePath Portfolios 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 Portfolios 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 Portfolios with shorter time horizons, accordingly, have lower expected returns than the LifePath Portfolios with longer time horizons.

Two of the Underlying Funds—the Master Investment Portfolio Active Stock Master Portfolio (the "Active Stock Master Portfolio") and the Master Investment Portfolio CoreAlpha Bond Master Portfolio (the "CoreAlpha Bond Master Portfolio") (collectively, the "Underlying Master Portfolios")—are diversified portfolios of Master Investment Portfolio (MIP). The Active Stock Master Portfolio seeks to provide long-term appreciation of capital. Barclays Global Fund Advisors (BGFA) 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.

The CoreAlpha Bond Master Portfolio seeks to provide a combination of income and capital growth. BGFA 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.

The Underlying Funds also include 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, BGFA, 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 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. BGFA then allocates the LifePath Portfolios' assets among the various Underlying Funds. The Underlying Funds invest in a mix of stocks, bonds and money market instruments. Certain Underlying Funds invest in foreign securities, emerging markets, below investment-grade bonds and derivatives, which are subject to additional risks, as described in the "Principal Risk Factors" section of this prospectus. The investment model adjusts each LifePath Portfolio's risk level by gradually making it more conservative as the year in the LifePath Portfolio's name approaches, except for the LifePath Retirement Portfolio, which is already in its most conservative phase.

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 LifePath Portfolios' investment strategies:

- 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 an investor's time horizon, the greater his or her risk tolerance, as investments have more time to recover from losses.

The LifePath Portfolios with longer time horizons assume more risk by investing a greater percentage of their assets in stock funds. This assumption of greater risk is linked with those LifePath Portfolios' pursuit of greater returns. As each LifePath Portfolio approaches the decade identified by its name (except for the LifePath Retirement Portfolio, which has already reached its most conservative phase), it systematically reduces the level of risk by allocating assets more conservatively among the Underlying Funds. This systematic shift toward more conservative investments is designed to reduce the chance of variations in the value of your LifePath investment as the time nears for you to begin drawing on it.

After a LifePath Portfolio Reaches Its Time Horizon

By the time a LifePath Portfolio reaches the decade identified by its name, it has reached its most conservative phase in terms of building capital (the LifePath Retirement Portfolio has already entered this phase). This does not mean, however, that it invests exclusively in the underlying money market fund. Rather, because BGFA 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 Portfolio'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 Portfolio

- *LifePath Retirement Portfolio* is designed for investors seeking income and moderate long-term growth of capital. As of March 15, 2004, the LifePath Retirement Portfolio intends to hold about 34% of its assets in the underlying stock funds, 65% of its assets in the underlying bond funds and the rest of its assets in the underlying money market fund.
- *LifePath 2010 Portfolio* is designed for investors expecting to begin withdrawing assets around the year 2010. As of March 15, 2004, the LifePath 2010 Portfolio intends to hold about 49% of its assets in the underlying stock funds, 50% of its assets in the underlying bond funds and the rest of its assets in the underlying money market fund. As the stated time horizon approaches, the allocation will become less risky and have lower expected returns.
- *LifePath 2020 Portfolio* is designed for investors expecting to begin withdrawing assets around the year 2020. As of March 15, 2004, the LifePath 2020 Portfolio intends to hold about 66% of its assets in the underlying stock funds, 33% of its assets in the underlying bond funds and the rest of its assets in the underlying money market fund. As the stated time horizon approaches, the allocation will become less risky and have lower expected returns.
- *LifePath 2030 Portfolio* is designed for investors expecting to begin withdrawing assets around the year 2030. As of March 15, 2004, the LifePath 2030 Portfolio intends to hold about 79% of its assets in the underlying stock funds, 20% of its assets in the underlying bond funds and the rest of its assets in the underlying money market fund. As the stated time horizon approaches, the allocation will become less risky and have lower expected returns.
- *LifePath 2040 Portfolio* is designed for investors expecting to begin withdrawing assets around the year 2040. As of March 15, 2004, the LifePath 2040 Portfolio intends to hold 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. As the stated time horizon approaches, the allocation will become less risky and have lower expected returns.

Principal Risk Factors

Each LifePath Portfolio has a different level of risk. The LifePath Portfolios with shorter time horizons (LifePath Retirement and LifePath 2010, for instance) will tend to be less risky and have lower expected returns than the LifePath Portfolios with longer time horizons (LifePath 2030 and LifePath 2040).

Each LifePath Portfolio, through its corresponding Master Portfolio's investment in the Underlying Funds, is subject to certain of the Risk Factors described below. Depending on the LifePath Portfolio's time horizon, it presents these Risk Factors to varying degrees. For example, to the extent that a LifePath Portfolio emphasizes investment in Underlying Funds that invest in stocks, such as the LifePath 2040 Portfolio, it presents a higher degree of Stock Investment Risk. Conversely, to the extent that a LifePath Portfolio emphasizes investment in Underlying Funds that invest in bonds, such as the LifePath Retirement Portfolio, it presents a higher degree of Bond Investment Risk. As with any investment, your investment in the LifePath Portfolios could lose money or the LifePath Portfolios' performance could trail that of alternative investments.

Stock Investment Risk

The risks of stock investing include both short-term and prolonged price declines. The stocks in an index may underperform fixed income investments and stock market indices that track other markets, segments and sectors. Mid- to small-cap stocks tend to present greater risks than large-cap stocks because they are generally more volatile and can be less liquid.

Security Selection Risk

Because the Underlying Funds that are ETFs do not select individual companies in the index on which the ETF is based, those Underlying Funds may hold stocks in companies that present risks that an investment adviser researching individual stocks might seek to avoid. For the Active Stock Master Portfolio and the CoreAlpha Bond Master Portfolio, BGFA bases security selection on its analysis of securities and therefore is subject to the risk that poor security selection will result in underperformance of an Underlying Master Portfolio in comparison with other investment vehicles with similar investment objectives and strategies.

Bond Investment Risk

The risks of fixed income investing include short-term and prolonged price declines; however, such price declines in the bond market have historically been less severe than stock declines.

Credit Risk

Credit Risk is the risk that the borrower that issued a bond may not repay principal or interest when due. U.S. Treasury bonds have minimal credit risk because they are backed by the U.S. Government's full faith and credit. Certain securities issued by U.S. Government-sponsored entities, such as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation and the Federal Home Loan Banks are not guaranteed by the U.S. Government. Additionally, corporate bonds are subject to greater credit risk then U.S. Government bonds and high yield bonds are subject to greater credit risk than higher quality bonds.

Interest Rate Risk

Interest Rate Risk is the risk that bond prices will decline over short or even long periods due to rising market interest rates. All bonds, including those issued by the U.S. Government and its agencies, are subject to interest rate risk. Their prices tend to move in the opposite direction from market interest rate movements. When interest rates go up, bond prices tend to fall; when rates fall, prices tend to rise. Bonds with longer maturities are affected more by interest rate movements than bonds with shorter maturities, bonds with interest rate reset provisions, notes or money market instruments. Mortgage-backed securities represent interests in or instruments backed by a pool of loans secured by mortgages. Mortgage-backed securities are also subject to prepayment risk and extension risk. The ability of an issuer of such a security to repay principal prior to a security's maturity or extend repayment longer than anticipated can cause duration changes and greater price volatility in response to interest rate changes.

High Yield Securities Risk

Bonds that are in low or below investment-grade rating 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.

Concentration Risk

If an underlying index of an Underlying Fund concentrates in a particular industry or group of industries, that Underlying Fund may be adversely affected by the performance of those securities and be subject to price volatility. In addition, an Underlying Fund that concentrates in a single industry or group of industries may be more susceptible to any single economic, market, political or regulatory occurrence.

Foreign Investment Risks

Investments in foreign securities are subject to certain risks, including potentially less liquidity and greater price volatility than securities traded in the U.S. markets. These risks are related to adverse political, regulatory, market or economic developments, and the general risk that foreign markets can and often do perform differently than U.S. markets. Foreign companies may be subject to significantly higher levels of taxation (and possibly confiscatory taxation), thereby reducing their earnings potential, and amounts realized on the sale foreign securities may be subject to high levels of foreign taxation (and possibly confiscatory taxation).

Investment in foreign securities may be made directly or through investments in American Depositary Receipts (ADRs) and other similar investments. ADRs are receipts for shares of foreign stocks held on deposit in U.S. banks or banks of major European countries. The receipts trade on the U.S. or local European stock markets as would normal stocks, entitling their owners to the dividends and capital gains earned by the real shares stored in bank vaults. Direct investment in foreign securities involves exposure to additional risks, including those related to fluctuations in foreign currency exchange rates, withholding and other taxes, trade settlement, custodial, and other operational risks, and the less stringent investor protection and disclosure standards of some foreign markets. ADRs reduce some of the risks of foreign investing, because a large, liquid market generally exists and U.S. trading and settlement practices reduce currency, custodial and other operational risks. Similar investments (European and Global Depository Receipts) are receipts for stock deposited in foreign bank and trust companies, trade across foreign and domestic markets, and can involve different or greater risks than ADRs.

Emerging Markets Risk

Some foreign markets are considered to be emerging market countries. Investment in these countries subjects 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. Emerging market securities are securities: (1) issued by companies with their principal place of business or principal office in an emerging market country; (2) issued by companies for which the principal securities trading market is an emerging market country; or (3) issued by companies, regardless of where their securities are traded, that derive at least 50% of their revenue or profits from goods produced or sold, investments made, or services performed in emerging market countries or that have at least 50% of their assets in emerging market countries.

Market Trading Risks

The Underlying Funds that are ETFs are subject to certain additional risks due to their being listed and traded on securities exchanges. There can be no assurance that an active trading market for these particular ETFs will develop or be maintained. 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 net asset value (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 model used to manage the LifePath Portfolios' assets has been developed and refined over many years, neither the LifePath Portfolios nor BGFA can offer any assurance that the recommended allocation will either maximize returns or minimize risks. Nor can the LifePath Portfolios or BGFA offer assurance that a recommended allocation will be the appropriate allocation in all circumstances for every investor with a particular time horizon.

Real Estate Investment Risk

Investment in the real estate sector is subject to many of the same risks associated with the direct ownership of real estate, such as adverse changes in national, state or local real estate conditions (resulting from, for example oversupply of or reduced demand for space and changes in market rental rates); obsolescence of properties; changes in the availability, cost and terms of mortgage funds; and the impact of tax, environmental, and other laws.

Tracking Error Risk

For those Underlying Funds that seek to track an index, factors such as the fees and expenses of an Underlying Fund, imperfect correlation between an Underlying Fund and the index that it tracks, rounding of prices, and changes to an index and regulatory policies, may affect the adviser's ability to achieve close correlation with an index. Therefore, the return of an Underlying Fund that seeks to track an index may deviate from that of the index.

Derivatives

Derivatives include futures contracts, options on futures contracts and swaps. Derivatives are financial instruments. whose value, or return, depends on, or is derived from, the value of an underlying asset such as a security or index.

Index futures contracts are considered derivatives because they derive their value from the prices of the indexes. Index futures contracts are standardized agreements between two parties that commit one party to sell and the other to buy a stipulated quantity of a market index at a set price on or before a given date in the future. The seller never actually delivers "shares" of the index or shares of all the stocks in the index. Instead, the buyer and the seller settle the difference between the contract price and the market price in cash on the agreed upon date, the buyer paying the difference if the actual price is lower than the contract price and the seller paying the difference if the actual price is higher. Compared to conventional securities, derivatives can be more sensitive to changes in market interest rates or to sudden fluctuations in market prices.

LifePath Portfolio investments are not bank deposits or obligations of BGFA or Barclays Global Investors, N.A. (BGI), the parent corporation of BGFA. They are not guaranteed or endorsed by the Federal Deposit Insurance Corporation or any other government agency. Although the Barclays Global Investors Funds (BGIF) Institutional Money Market Fund, one of the Underlying Funds, seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.

Differences Among LifePath Portfolios

The LifePath Retirement and the LifePath 2010 Portfolios are currently subject to the highest levels of Bond Investment Risk of all of the LifePath Portfolios. The LifePath 2020 Portfolio is currently subject to a significant level of Bond Investment Risk, but less than the LifePath Retirement and LifePath 2010 Portfolios. The LifePath 2030 and the LifePath 2040 Portfolios currently have the lowest levels of Bond Investment Risk, although they are not free of such risk altogether.

The LifePath 2040, LifePath 2030 and the LifePath 2020 Portfolios, in descending order, are primarily subject to the highest levels of Stock Investment Risk and Foreign Investment Risk. The LifePath 2010 Portfolio also currently has a significant level of Stock Investment Risk and Foreign Investment Risk, but to a lesser degree than the LifePath 2040, LifePath 2030 and the LifePath 2020 Portfolios. The LifePath Retirement Portfolio currently has the lowest level of Stock Investment Risk and Foreign Investment Risk, although it is not free of such risks altogether.

Otherwise, all of the LifePath Portfolios are subject to each of the risks described here and the additional risks described in the LifePath Portfolios' Statement of Additional Information (SAI).

Who May Want to Invest in LifePath Portfolios

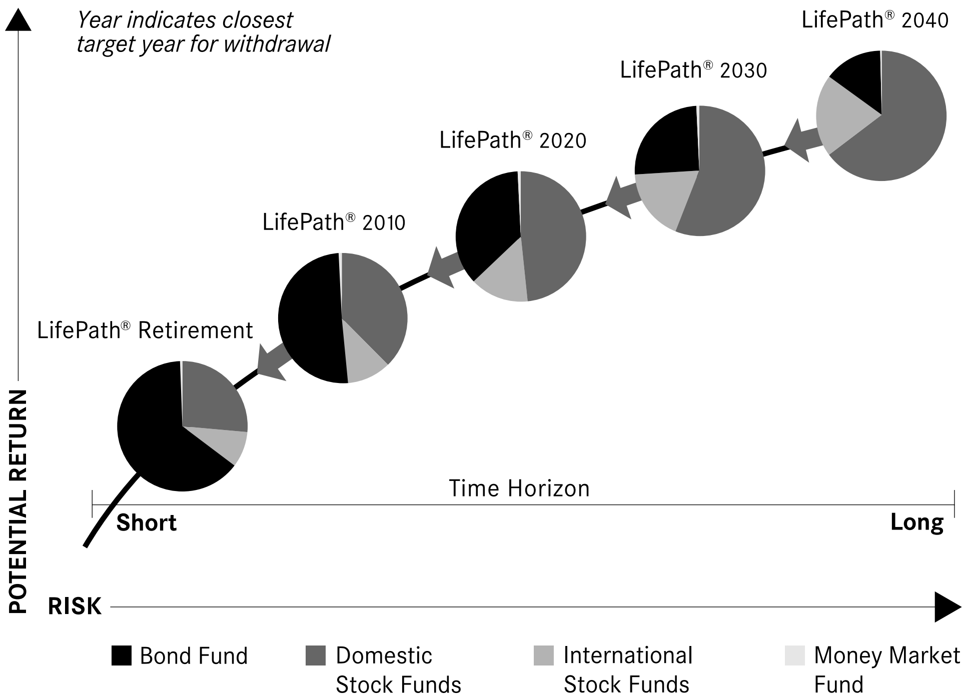
Which LifePath Portfolio to Consider

The first step in creating your LifePath Portfolio is answering a key question: When will you need the money? Will it be in 10 years, when your kids are ready for college? Or 30 years, when you retire? Once you have an answer to this question, LifePath can help you determine your portfolio's asset mix.

The number in the name of the LifePath Portfolios is actually a year—a "target year" when you might expect to begin withdrawing your money. Selecting the asset mix that may be most appropriate for your withdrawal date may be as simple as matching your target year with the closest LifePath Portfolio target year.

For example, let's say that you are investing for retirement purposes, and that you expect to retire at age 60. If you are 40 years old, you have 20 years before retirement. By adding 20 to the current year, you can define your "target year." If you expect to retire in the year 2023, as in this example, you may conclude that the LifePath 2020 Portfolio is the most appropriate LifePath Portfolio for you.

LifePath® Portfolios
How They Work



Note: The above chart is for illustrative purposes only and does not represent the actual allocation percentages of the LifePath Portfolios.

The graph also shows that over time, the investment mix of each LifePath Portfolio gradually shifts from a greater concentration of higher-risk investments (namely, stock funds) to a greater concentration of lower-risk investments (namely, the bond and money market funds), thereby making the LifePath Portfolio increasingly conservative.

In making your investment decision, you should keep in mind:

- Each LifePath Portfolio's investment strategy derives from the risk tolerance of average investors with a particular time horizon
- The LifePath Portfolio's time horizon is based on the year in its name, except for the LifePath Retirement Portfolio that is designed for investors who are currently withdrawing, or plan to begin withdrawing, a substantial portion of their investment in the near future.

If you are willing to assume greater risk in exchange for the possibility of higher returns, you might direct some or all of your assets to a LifePath Portfolio with a longer time horizon. If you desire a more conservative investment, and are willing to forego some potential returns, you might direct some or all of your assets to a LifePath Portfolio with a shorter time horizon. The final choice is yours.

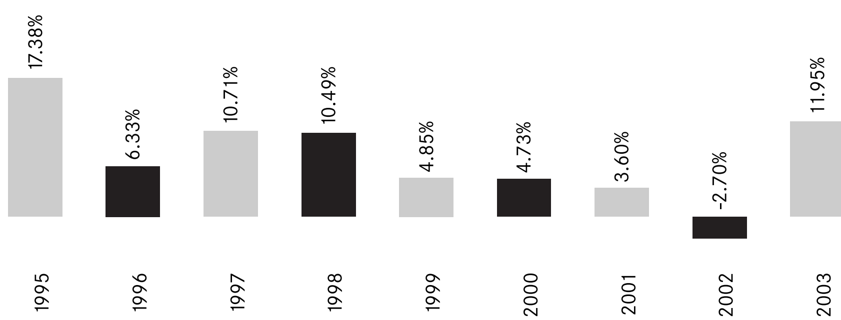
Investment Returns

Total Returns

The bar charts and tables in this section provide some indication of the risks of investing in the LifePath Portfolios by showing the changes in their performance from year to year. The bar charts show the returns for each LifePath Portfolio for each full calendar year since inception*. The average annual total return tables (before and after taxes) compare the average annual total returns of the Class I of each LifePath Portfolio with the returns of a corresponding index for one and five years and since inception. For all periods shown below, the returns for each LifePath Portfolio reflect the direct investment by its corresponding master portfolio in a portfolio of securities and also reflect the LifePath Portfolios' investment in accordance with a model that included "tactical", or short-term, shifts in allocation between stocks and bonds. Effective March 15, 2004, the returns for each LifePath Portfolio will reflect its corresponding Master Portfolio's investment in Underlying Funds rather than directly in a portfolio of securities.

How the LifePath Portfolios and the predecessor funds performed in the past is not an indication of how the LifePath Portfolios will perform in the future.

LifePath Retirement Portfolio – Class I
Year-By-Year Returns

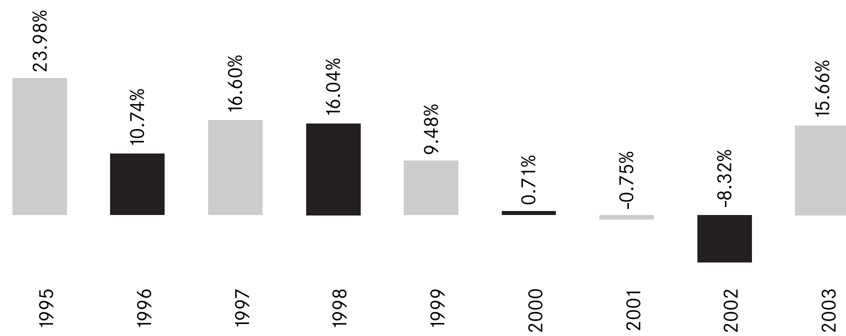


Highest Quarter
Return: 2nd Quarter 2003
7.22%

Lowest Quarter
Return: 3rd Quarter 2002
-4.24%

* The predecessor funds were the Stagecoach Trust LifePath Funds. The performance information shown in both the bar charts and tables for periods before March 26, 1996 (the date the BGIF' LifePath Portfolios commenced operations) shows the performance of the Institutional Class shares of the predecessor funds. The LifePath Portfolios are successors to the assets of the predecessor funds. The predecessor funds commenced operations on March 1, 1994, invested in the LifePath Master Portfolios and had the same investment objectives, strategies, policies and risk considerations as the LifePath Portfolios.

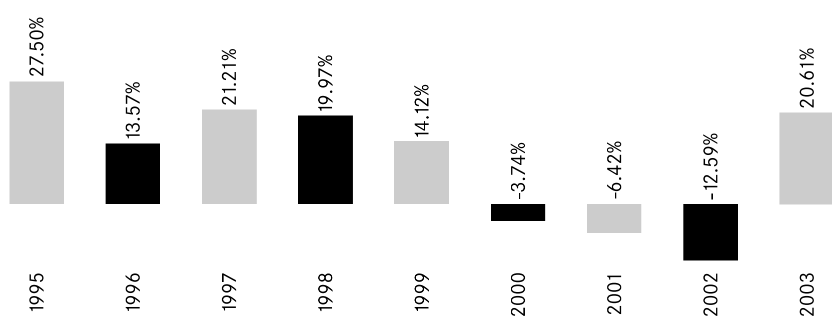
LifePath 2010 Portfolio—Class I
Year-By-Year Returns



The highest and lowest quarterly returns for Class I of the LifePath 2010 Portfolio for the calendar years above are as follows:

Highest Quarter Return: 4th Quarter 1998	Lowest Quarter Return: 3rd Quarter 2002
10.12%	-8.38%

LifePath 2020 Portfolio—Class I
Year-By-Year Returns



The highest and lowest quarterly returns for Class I of the LifePath 2020 Portfolio for the calendar years above are as follows:

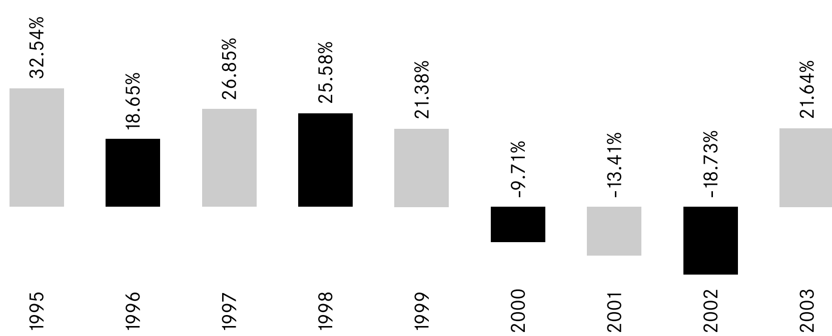
Highest Quarter Return: 4th Quarter 1998	Lowest Quarter Return: 3rd Quarter 2002
14.61%	-11.53%

LifePath 2030 Portfolio—Class I
Year-By-Year Returns

The highest and lowest quarterly returns for Class I of the LifePath 2030 Portfolio for the calendar years above are as follows:

Highest Quarter Return: 4th Quarter 1998	Lowest Quarter Return: 3rd Quarter 2002
18.02%	-13.69%

LifePath 2040 Portfolio—Class I
Year-By-Year Returns



The highest and lowest quarterly returns for Class I of the LifePath 2040 Portfolio for the calendar years above are as follows:

Highest Quarter Return: 4th Quarter 1998	Lowest Quarter Return: 3rd Quarter 2002
21.72%	-15.79%

LIFEPATH RETIREMENT AVERAGE ANNUAL TOTAL RETURNS(1) (AS OF DECEMBER 31, 2003) Class I Shares–Commenced Operations on March 26, 1996	ONE YEAR	FIVE YEARS	SINCE INCEPTION[2][3]
LifePath Retirement Portfolio			
Return Before Taxes	11.95%	4.38%	6.50%
Return After Taxes on Distributions	11.38%	2.69%	4.66%
Return After Taxes on Distributions and Sale of Fund Shares	7.86%	2.82%	4.55%
Russell 3000 Index[4] (reflects no deduction for fees, expenses or taxes)	31.06%	0.37%	10.90%
Lehman Brothers Aggregate Bond Index (reflects no deduction for fees, expenses or taxes)	4.10%	6.62%	7.11%
MSCI EAFE Index (reflects no deduction for fees, expenses or taxes)	38.59%	-0.09%	3.71%
Citigroup 3-Month Treasury Bill Index[5] (reflects no deduction for fees, expenses or taxes)	1.07%	3.50%	4.32%
Wilshire 5000 Index (reflects no deduction for fees, expenses or taxes)	31.65%	0.42%	10.68%

(1) For all periods shown, the returns for the LifePath Portfolio reflect the direct investment of its corresponding Master Portfolio in a portfolio of securities and also reflect the LifePath Portfolio's investment in accordance with a model that included "tactical", or short-term, shifts in allocation between stocks and bonds. Effective March 15, 2004, the returns for the LifePath Portfolio will reflect its corresponding Master Portfolio's investment in Underlying Funds rather than directly in a portfolio of securities.

(2) The "since inception" date refers to the inception date of the predecessor fund (inception date March 1, 1994). This column combines the performance of the predecessor fund since inception with the performance of the LifePath Portfolio since its inception date (i.e., the commencement of its operations on March 26, 1996).

(3) The Indexes are calculated from February 28, 1994.

(4) The LifePath Portfolios have selected the Russell 3000 Index to replace the Wilshire 5000 Index, as the Russell 3000 Index is more representative of the domestic equity securities held in the LifePath Portfolios.

(5) Prior to April 7, 2003, the Citigroup 3-Month Treasury Bill Index was known as the Salomon Smith Barney 3-Month Treasury Bill Index.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state, local or foreign taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to tax-exempt investors or investors who hold their LifePath Portfolio shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

LIFEPATH 2010 AVERAGE ANNUAL TOTAL RETURNS(1) (AS OF DECEMBER 31, 2003) Class I Shares–Commenced Operations on March 26, 1996.	ONE YEAR	FIVE YEARS	SINCE INCEPTION[2][3]
LifePath 2010 Portfolio			
Return Before Taxes	15.66%	3.02%	7.95%
Return After Taxes on Distributions	15.15%	1.36%	6.18%
Return After Taxes on Distributions and Sale of Fund Shares	10.32%	1.80%	5.99%
Russell 3000 Index[4] (reflects no deduction for fees, expenses or taxes)	31.06%	0.37%	10.90%
Lehman Brothers Aggregate Bond Index (reflects no deduction for fees, expenses or taxes)	4.10%	6.62%	7.11%
MSCI EAFE Index (reflects no deduction for fees, expenses or taxes)	38.59%	-0.09%	3.71%
Citigroup 3-Month Treasury Bill Index[5] (reflects no deduction for fees, expenses or taxes)	1.07%	3.50%	4.32%
Wilshire 5000 Index (reflects no deduction for fees, expenses or taxes)	31.65%	0.42%	10.68%

(1) For all periods shown, the returns for the LifePath Portfolio reflect the direct investment of its corresponding Master Portfolio in a portfolio of securities and also reflect the LifePath Portfolio’s investment in accordance with a model that included “tactical”, or short-term, shifts in allocation between stocks and bonds. Effective March 15, 2004, the returns for the LifePath Portfolio will reflect its corresponding Master Portfolio’s investment in Underlying Funds rather than directly in a portfolio of securities.

(2) The “since inception” date refers to the inception date of the predecessor fund (inception date March 1, 1994). This column combines the performance of the predecessor fund since inception with the performance of the LifePath Portfolio since its inception date (i.e., the commencement of its operations on March 26, 1996).

(3) The Indexes are calculated from February 28, 1994.

(4) The LifePath Portfolios have selected the Russell 3000 Index to replace the Wilshire 5000 Index, as the Russell 3000 Index is more representative of the domestic equity securities held in the LifePath Portfolios.

(5) Prior to April 7, 2003, the Citigroup 3-Month Treasury Bill Index was known as the Salomon Smith Barney 3-Month Treasury Bill Index.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state, local or foreign taxes. Actual after-tax returns depend on the investor’s tax situation and may differ from those shown. The after-tax returns shown are not relevant to tax-exempt investors or investors who hold their LifePath Portfolio shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

LIFEPATH 2020 AVERAGE ANNUAL TOTAL RETURNS(1) (AS OF DECEMBER 31, 2003) Class I Shares–Commenced Operations on March 26, 1996.	ONE YEAR	FIVE YEARS	SINCE INCEPTION[2][3]
LifePath 2020 Portfolio			
Return Before Taxes	20.61%	1.62%	8.61%
Return After Taxes on Distributions	20.22%	0.41%	7.13%
Return After Taxes on Distributions and Sale of Fund Shares	13.58%	0.87%	6.81%
Russell 3000 Index[4] (reflects no deduction for fees, expenses or taxes)	31.06%	0.37%	10.90%
Lehman Brothers Aggregate Bond Index (reflects no deduction for fees, expenses or taxes)	4.10%	6.62%	7.11%
MSCI EAFE Index (reflects no deduction for fees, expenses or taxes)	38.59%	-0.09%	3.71%
Citigroup 3-Month Treasury Bill Index[5] (reflects no deduction for fees, expenses or taxes)	1.07%	3.50%	4.32%
Wilshire 5000 Index (reflects no deduction for fees, expenses or taxes)	31.65%	0.42%	10.68%

(1) For all periods shown, the returns for the LifePath Portfolio reflect the direct investment of its corresponding Master Portfolio in a portfolio of securities and also reflect the LifePath Portfolio's investment in accordance with a model that included "tactical", or short-term, shifts in allocation between stocks and bonds. Effective March 15, 2004, the returns for the LifePath Portfolio will reflect its corresponding Master Portfolio's investment in Underlying Funds rather than directly in a portfolio of securities.

(2) The "since inception" date refers to the inception date of the predecessor fund (inception date March 1,1994). This column combines the performance of the predecessor fund since inception with the performance of the LifePath Portfolio since its inception date (i.e., the commencement of its operations on March 26, 1996).

(3) The Indexes are calculated from February 28, 1994.

(4) The LifePath Portfolios have selected the Russell 3000 Index to replace the Wilshire 5000 Index, as the Russell 3000 Index is more representative of the domestic equity securities held in the LifePath Portfolios.

(5) Prior to April 7, 2003, the Citigroup 3-Month Treasury Bill Index was known as the Salomon Smith Barney 3-Month Treasury Bill Index.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state, local or foreign taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to tax-exempt investors or investors who hold their LifePath Portfolio shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

LIFEPATH 2030 AVERAGE ANNUAL TOTAL RETURNS(1) (AS OF DECEMBER 31, 2003) Class I Shares–Commenced Operations on March 26, 1996.	ONE YEAR	FIVE YEARS	SINCE INCEPTION[2][3]
LifePath 2030 Portfolio			
Return Before Taxes	23.86%	0.71%	9.15%
Return After Taxes on Distributions	23.60%	-0.71%	7.68%
Return After Taxes on Distributions and Sale of Fund Shares	15.75%	0.15%	7.41%
Russell 3000 Index[4] (reflects no deduction for fees, expenses or taxes)	31.06%	0.37%	10.90%
Lehman Brothers Aggregate Bond Index (reflects no deduction for fees, expenses or taxes)	4.10%	6.62%	7.11%
MSCI EAFE Index (reflects no deduction for fees, expenses or taxes)	38.59%	-0.09%	3.71%
Citigroup 3-Month Treasury Bill Index[5] (reflects no deduction for fees, expenses or taxes)	1.07%	3.50%	4.32%
Wilshire 5000 Index (reflects no deduction for fees, expenses or taxes)	31.65%	0.42%	10.68%

(1) For all periods shown, the returns for the LifePath Portfolio reflect the direct investment of its corresponding Master Portfolio in a portfolio of securities and also reflect the LifePath Portfolio's investment in accordance with a model that included "tactical", or short-term, shifts in allocation between stocks and bonds. Effective March 15, 2004 the returns for the LifePath Portfolio will reflect its corresponding Master Portfolio's investment in Underlying Funds rather than directly in a portfolio of securities.

(2) The "since inception" date refers to the inception date of the predecessor fund (inception date March 1, 1994). This column combines the performance of the predecessor fund since inception with the performance of the Portfolio since its inception date (i.e., the commencement of its operations on March 26, 1996).

(3) The Indexes are calculated from February 28, 1994.

(4) The LifePath Portfolios have selected the Russell 3000 Index to replace the Wilshire 5000 Index, as the Russell 3000 Index is more representative of the domestic equity securities held in the LifePath Portfolios.

(5) Prior to April 7, 2003, the Citigroup 3-Month Treasury Bill Index was known as the Salomon Smith Barney 3-Month Treasury Bill Index.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state, local or foreign taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to tax-exempt investors or investors who hold their LifePath Portfolio shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

LIFEPATH 2040 AVERAGE ANNUAL TOTAL RETURNS(1) (AS OF DECEMBER 31, 2003) Class I Shares–Commenced Operations on March 26, 1996.	ONE YEAR	FIVE YEARS	SINCE INCEPTION[2][3]
LifePath 2040 Portfolio			
Return Before Taxes	27.64%	-0.31%	9.56%
Return After Taxes on Distributions	27.41%	-1.39%	8.31%
Return After Taxes on Distributions and Sale of Fund Shares	18.20%	-0.51%	7.97%
Russell 3000 Index[4] (reflects no deduction for fees, expenses or taxes)	31.06%	0.37%	10.90%
Lehman Brothers Aggregate Bond Index (reflects no deduction for fees, expenses or taxes)	4.10%	6.62%	7.11%
MSCI EAFE Index (reflects no deduction for fees, expenses or taxes)	38.59%	-0.09%	3.71%
Citigroup 3-Month Treasury Bill Index[5] (reflects no deduction for fees, expenses or taxes)	1.07%	3.50%	4.32%
Wilshire 5000 Index (reflects no deduction for fees, expenses or taxes)	31.65%	0.42%	10.68%

(1) For all periods shown, the returns for the LifePath Portfolio reflect the direct investment of its corresponding Master Portfolio in a portfolio of securities and also reflect the LifePath Portfolio's investment in accordance with a model that included "tactical", or short-term, shifts in allocation between stocks and bonds. Effective March 15, 2004, the returns for the LifePath Portfolio will reflect its corresponding Master Portfolio's investment in Underlying Funds rather than directly in a portfolio of securities.

(2) The "since inception" date refers to the inception date of the predecessor fund (inception date March 1, 1994). This column combines the performance of the predecessor fund since inception with the performance of the LifePath Portfolio since its inception date (i.e., the commencement of its operations on March 26, 1996).

(3) The Indexes are calculated from February 28, 1994.

(4) The LifePath Portfolios have selected the Russell 3000 Index to replace the Wilshire 5000 Index, as the Russell 3000 Index is more representative of the domestic equity securities held in the LifePath Portfolios.

(5) Prior to April 7, 2003, the Citigroup 3-Month Treasury Bill Index was known as the Salomon Smith Barney 3-Month Treasury Bill Index.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state, local or foreign taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to tax-exempt investors or investors who hold their LifePath Portfolio shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

Fees and Expenses

The tables below describe the fees and expenses that you may pay if you buy and hold LifePath Portfolio Class I shares. These tables do not reflect charges that may be imposed in connection with an account in which you hold the shares. A broker-dealer or financial institution maintaining the account in which you hold shares may charge separate account, service or transaction fees on the purchase or sale of Class I shares that would be in addition to the fees and expenses shown here.

The LifePath Portfolios have appointed shareholder-servicing agents to service individual LifePath Portfolio accounts. In addition to buying and selling shares on behalf of eligible investors, shareholder-servicing agents may answer shareholder inquiries, keep records, and provide reports on the status of individual accounts. The LifePath Portfolios do not charge extra for these services, but compensate shareholder-servicing agents as part of their operating expenses.

The total annual operating expense ratios in the table and the example below reflect the expenses of the Class I shares of each LifePath Portfolio and its corresponding Master Portfolio and also reflects a weighted average of the total operating expense ratios of the Underlying Funds in which each LifePath Portfolio intends to invest.

ANNUAL OPERATING EXPENSES (EXPENSES THAT ARE DEDUCTED FROM CLASS I ASSETS)					
	LifePath Retirement	LifePath 2010	LifePath 2020	LifePath 2030	LifePath 2040
Management Fees	0.35%	0.35%	0.35%	0.35%	0.35%
Other Expenses					
Administration Fees	0.50%	0.50%	0.50%	0.50%	0.50%
All Other[1]	0.34%	0.34%	0.34%	0.34%	0.34%
Total Annual Operating Expenses[2]	1.19%	1.19%	1.19%	1.19%	1.19%

(1) Other expenses reflect each LifePath Portfolio's pro rata share of the fees and expenses incurred by investing in the Underlying Funds and have been restated to reflect estimated amounts for the current fiscal year.

(2) Total Annual Operating Expenses have been restated to reflect estimated amounts for the current fiscal year. BGFA has voluntarily agreed to waive investment advisory fees at the Master Portfolio level in an amount equal to advisory fees and administration fees, if any, charged to the Underlying Funds. These voluntary waivers may be eliminated by BGFA at any time. The total annual operating expense ratios of the Class I shares of the LifePath Portfolios after BGFA has waived investment advisory fees at the Master Portfolio level are as follows:

NET EXPENSES	
LifePath Retirement	0.85%
LifePath 2010	0.85%
LifePath 2020	0.85%
LifePath 2030	0.85%
LifePath 2040	0.85%

Example

The example below is intended to help you compare the costs of investing in Class I shares of the LifePath Portfolios with those of other mutual funds. The example illustrates the costs you would have incurred on an initial $10,000 investment in Class I of the LifePath Portfolios over the time periods shown, assuming the shareholder fees and annual operating expenses (before waiver) reflected above. The example further assumes your investment earns an annual return of 5% over the periods and that operating expenses remained the same throughout the time periods shown.

The LifePath Portfolios Class I do not charge a fee upon redemption. This means that your expenses for each period would be the same whether or not you sell your shares at the end of a period. Your actual costs may be higher or lower than this hypothetical example.

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
LifePath Retirement	$121	$378	$654	$1,443
LifePath 2010	$121	$378	$654	$1,443
LifePath 2020	$121	$378	$654	$1,443
LifePath 2030	$121	$378	$654	$1,443
LifePath 2040	$121	$378	$654	$1,443

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The LifePath Investment Mission

With their approach to investing based on a fixed time horizon, the LifePath Portfolios can serve as the core of an investor's portfolio.

The LifePath Portfolios 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 Portfolios (other than the LifePath Retirement Portfolio) attempt to manage the investment risk in each strategy for investors whose time horizons correspond to the decade in the LifePath Portfolio's name. For example, LifePath 2010 is designed for investors who plan to begin withdrawing a substantial portion of their investment in the decade beginning in the year 2010. Similarly, LifePath 2040 is designed for investors who plan to begin withdrawing a substantial portion of their investment in the decade beginning in the year 2040. The LifePath Retirement Portfolio is designed for investors who are currently withdrawing or who plan to begin withdrawing a substantial portion of their investment in the near future.

The LifePath Investment Model

Each LifePath Portfolio seeks to achieve its objective through an investment strategy that relies on one of BGFA's proprietary investment models

BGFA 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 represented by the Underlying Funds. The allocations are constantly monitored and rebalanced in an effort to maximize expected return for a given level of risk. In managing the LifePath Portfolios, BGFA focuses on long-term targets and objectives. The progression over time of a LifePath Portfolio'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.

How It Works: Spending Your "Risk Budget" Wisely

One way to understand how BGFA adjusts the LifePath Portfolios' asset allocations is to regard the statistically determined risk in each LifePath Portfolio as its "risk budget." BGFA's analysis begins with a statistical determination of how much a hypothetical investor, with a given time horizon for investment, on average, can afford to lose. This tolerance for loss can be viewed as the LifePath Portfolio's risk budget.

Different asset allocations can have the same risk of loss but with different expected returns. BGFA seeks the asset allocation that offers the highest expected return while keeping within a LifePath Portfolio's statistically determined risk of loss.

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

Principal Investments

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

- 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
- Bonds
- Real estate investment trusts (REITs)
- Money market instruments

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 initial asset allocations for each Master Portfolio. Each Master Portfolio's investment adviser allocates the Master Portfolio's assets among the Underlying Funds based on the Master Portfolio's investment objective and policies. The asset allocation for each Master Portfolio will vary over time, and BGFA is not required to invest any Master Portfolio's assets in each of the Underlying Funds or in any particular percentage. BGFA may add, eliminate or replace Underlying Funds at any time.

UNDERLYING FUNDS					
DOMESTIC EQUITY FUNDS	LifePath Retirement	LifePath 2010	LifePath 2020	LifePath 2030	LifePath 2040
Master Investment Portfolio Active Stock Master Portfolio	21%	32%	44%	53%	63%
iShares S&P 500 Index Fund	0%	0%	0%	0%	0%
iShares S&P MidCap 400 Index Fund	2%	2%	3%	3%	3%
iShares Russell MidCap Index Fund	0%	0%	0%	0%	0%
iShares Russell 2000 Index	2%	2%	2%	3%	3%
iShares Cohen & Steers Realty Majors Index Fund	0%	0%	0%	0%	0%
INTERNATIONAL EQUITY FUNDS					
iShares MSCI EAFE Index Fund	9%	13%	17%	20%	20%
iShares MSCI Emerging Markets Index Fund	0%	0%	0%	0%	0%
FIXED-INCOME FUNDS					
iShares Lehman Aggregate Bond Fund	0%	0%	0%	0%	0%
Master Investment Portfolio CoreAlpha Bond Master Portfolio	65%	50%	33%	20%	10%
MONEY MARKET FUND					
BGIF Institutional Money Market Fund	1%	1%	1%	1%	1%

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

Description of Underlying Funds

Each LifePath Portfolio invests in some or all of the Underlying Funds described below. Please refer to the chart above for information regarding the possible investment percentage allocation for each Master Portfolio as to 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. Two of the Underlying Funds in which the Master Portfolios may invest are diversified portfolios of Master Investment Portfolio funds that rely on portfolio managers for investment determinations.

In managing the ETFs, BGFA 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.

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 Standard & Poor's (S&P) 500 Index. BGFA 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. BGFA considers risk parameters in deciding upon the Active Stock Master Portfolio's aggregate holdings, and factors trading costs into its stock selection process.

CoreAlpha Bond Master Portfolio seeks to provide a combination of income and capital growth. BGFA invests the CoreAlpha 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. BGFA's models also allocate assets among bonds of different maturities based on yield characteristics and expectations. The average dollar-weighted maturity for the CoreAlpha Bond Master Portfolio typically ranges from 3 to 5 years. Specific security selection decisions are made on the basis of evaluations of relative value, credit quality and other factors. The CoreAlpha 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. Although the CoreAlpha Bond Master Portfolio normally invests primarily in investment grade securities, it may also invest up to 10% of its assets in securities rated below investment grade.

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 billion and $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 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, which represents approximately 11% of the total market capitalization of 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 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 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 Fund's investment objective may be changed without shareholder approval. The MSCI Emerging Markets 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. As of March 2003, the index consisted of the following 26 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela. 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 MSCI Emerging Markets Index, the Fund may invest up to 10% of its assets in shares of other iShares Funds that invest in securities in the index. BGFA does not charge portfolio management fees on that portion of the Fund's assets invested in shares of other iShares Funds.

iShares Lehman Aggregate Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the total U.S. investment grade bond market as defined by the Lehman Brothers U.S. Aggregate Index (the "Lehman Brothers Index"). The Lehman Brothers Index provides a measure of the performance of the U.S. investment grade bond market, which includes investment grade U.S. Government bonds, investment grade corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the U.S. The securities in the Lehman Brothers Index must have more than $150 million par amount outstanding and must have at least 1 year remaining to maturity. In addition, the securities must be denominated in U.S. dollars and must be fixed rate, non-convertible, and taxable. Certain types of securities, such as flower bonds, targeted investor notes (TINs), and state and local government series bonds (SLGs) are excluded from the Lehman Brothers Index. Also excluded from the Lehman Brothers Index are structured notes with embedded swaps or other special features, private placements, floating rate securities and Eurobonds. The Lehman Brothers Index is market capitalization weighted and the securities in the Lehman Brothers Index are updated on the last calendar day of each month. The Fund uses a representative sampling strategy to try to track the Lehman Brothers Index.

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.

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Management of the LifePath Portfolios

Investment Adviser

The LifePath Portfolios are feeder funds that invest all of their assets in similarly named Master Portfolios with substantially identical investment objectives, strategies and policies. The Master Portfolios, in turn, invest in a combination of the Underlying Funds. BGFA serves as 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 BGIF Institutional Money Market Fund, which invests in a Master Portfolio advised by BGFA. For its services to the Master Portfolios, BGFA is entitled to receive an annual fee of 0.35% of each Master Portfolio's average daily net assets.

For its services to the Underlying Funds, BGFA receives fees that differ from the fees described for the LifePath Portfolios in this prospectus. BGFA has agreed to waive 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. These voluntary waivers may be eliminated by BGFA at any time. In addition, BGI may receive fees as Administrator of certain of the Underlying Funds; however, BGFA has agreed to waive from investment advisory fees charged to the Master Portfolios an amount equal to the administration and other fees paid to BGI by those Underlying Funds.

Unlike some mutual funds, there is no single portfolio manager who makes investment decisions for the LifePath Portfolios. Instead, a team of investment professionals evaluates recommendations made by BGFA's proprietary mathematical model. This process reflects BGFA's commitment to an objective and consistent investment management structure.

BGFA is located at 45 Fremont Street, San Francisco, California 94105. It is a wholly owned subsidiary of BGI, which in turn is an indirect subsidiary of Barclays Bank PLC. BGI, including its affiliates, is the world's largest manager of institutional investment assets. As of December 31, 2003, BGI and its affiliates, including BGFA, provided investment advisory services for over one trillion dollars in assets. BGI, BGFA, Barclays Bank PLC and their affiliates deal, trade and invest for their own accounts in the types of securities in which the LifePath Portfolios' corresponding Master Portfolios may also indirectly invest.

Administrative Services

The LifePath Portfolios' administrator, BGI provides services related to:

- Management of the LifePath Portfolios' non-investment operations
- Preparation of reports for the LifePath Portfolios' Board of Trustees
- Preparation of reports required by the Securities and Exchange Commission and state securities commissions
- Preparation of proxy statements and shareholder reports

BGI is entitled to receive an annual fee of 0.50% of each LifePath Portfolio's average daily net assets. In return for this fee, BGI has agreed to absorb all expenses of each LifePath Portfolio and Master Portfolio other than the investment advisory fee, extraordinary expenses, brokerage and distribution fees, if any, payable as a result of a Distribution Plan and certain expenses which are borne by the LifePath Portfolios.

Shareholder Information

Who is Eligible to Invest

To be eligible to purchase LifePath Portfolio shares, you must:

- Invest through an employer-sponsored or individual retirement savings plan;
- Invest the proceeds rolled over from such plan into an individual retirement account (IRA); or
- Maintain an account with **Investors Bank & Trust (IBT)** or one of the LifePath Portfolios' shareholder-servicing agents authorized to sell and service LifePath Portfolio shares.
- Invest a minimum of $1 million directly through IBT.

How to Buy Shares

- **Plan participant.** Invest through payroll deductions or make a direct contribution by rolling over an amount from another 401(k) plan or from a rollover IRA. (Make arrangements through your employer.)
- **Tax-deferred investor.** Invest through a shareholder-servicing agent as provided in your benefit plan documents. Your shareholder-servicing agent is responsible for supplying plan documents itemizing account maintenance fees and describing the amount and nature of the investments allowed by law. Your shareholder-servicing agent also is responsible for transmitting your purchase order and may impose an earlier deadline.
- **Qualified buyer.** Invest through an account set up with your shareholder-servicing agent. Your shareholder-servicing agent is responsible for transmitting your purchase order and may impose an earlier deadline.
- **Direct buyer.** Invest through the LifePath Portfolios' Transfer Agent, IBT. See "Special Instructions for Direct Buyers" on page 32.

You may be asked to provide information to verify your identity when opening an account.

You must submit your purchase order by the close of regular trading on the New York Stock Exchange (NYSE) (normally 4:00 pm Eastern Time) on any day the LifePath Portfolio is open (a "Business Day") to purchase shares at that day's NAV. Orders received after the close of regular trading on the NYSE will be executed on the next Business Day. Each LifePath Portfolio reserves the right to suspend or discontinue the offer and sale of Portfolio shares and to reject or cancel any purchase order, including an exchange, for any reason. The LifePath Portfolios are generally open Monday through Friday and are closed on weekends and NYSE holidays.

How to Sell Shares

- **Plan participant.** Contact your Plan Sponsor or shareholder-servicing agent.
- **Tax-deferred investor.** Contact your Plan Sponsor or shareholder-servicing agent.
- **Qualified buyer.** Contact your shareholder-servicing agent.
- **Direct buyer.** See "Special Instructions for Direct Buyers" on page 32.

You may sell LifePath Portfolio shares at any time without paying a sales charge. You must submit your order to sell shares by the close of regular trading on the NYSE (normally 4:00 p.m. Eastern Time) on any Business Day to sell shares at that day's NAV. Orders received after the close of regular trading on the NYSE will be executed on the next Business Day.

The LifePath Portfolios generally remit the proceeds from a sale the next Business Day after receiving a properly executed order and no longer than seven business days after the sale. Each LifePath Portfolio reserves the right to suspend your right of redemption and to delay delivery of your redemption proceeds up to seven days, as permitted under applicable law. Each LifePath Portfolio further reserves the right to automatically redeem your shares and close your account for any reason, and send you the proceeds, which would reflect the NAV on the day the LifePath Portfolio automatically redeems your shares. For example, a LifePath Portfolio may automatically redeem your shares to reimburse the LifePath Portfolio for any losses sustained by reason of your failure to make full payment for shares purchased or to collect any charge relating to a transaction effected for your benefit that is applicable to the LifePath Portfolio's shares as provided from time to time in this Prospectus.

In addition, each LifePath Portfolio reserves the right to send your redemption proceeds in the form of securities from its Master Portfolio. For further information or clarification, please refer to the LifePath Portfolios' SAI or contact IBT at **1 888 204 3956**.

Upon redemption, the identity of the holder of the account to which the proceeds are being sent may need to be verified.

How to Exchange Shares

The LifePath Portfolios allow investors to exchange shares free of charge between other BGI Funds. Before buying shares through an exchange, you should obtain a copy of that LifePath Portfolio's prospectus and read it carefully. Prospectuses may be obtained by calling **1 877 BGI 1544**.

Each LifePath Portfolio reserves the right to refuse any exchange order and to limit the number of times you may exchange shares if the LifePath Portfolio believes doing so is in the best interest of other shareholders in the LifePath Portfolio. They may also modify or terminate this exchange privilege by giving 60 days' written notice.

Special Instructions for Direct Buyers

Direct buyers who have an established account with a LifePath Portfolio, can add to or redeem from their LifePath Portfolio account by wire instructions, by phone or through the mail.

- To invest by wire, just check that option on your account application when you open your account. If you already have an account, call **1 888 204 3956** to receive a bank-wire application.

You should instruct your bank to wire funds as follows:

Investors Bank & Trust Co.
ABA #011001438
Attn: Transfer Agent
Account # DDA 555555535
For Further Credit to: Barclays Global Investors Funds
Shareholder Account Name:
Shareholder Account Number:
Fund Number:

LifePath Retirement:	1002
LifePath 2010:	1012
LifePath 2020:	1022
LifePath 2030:	1032
LifePath 2040:	1042

- To invest by mail, make your check payable to the LifePath Portfolio of your choice. Please include the LifePath Portfolio number and account number on your check. You will find them on your monthly statements.
- To redeem shares by phone, call **1 888 204 3956** any Business Day between 8:30 a.m. and 5 p.m., Eastern Time. IBT will employ procedures designed to confirm that your order is valid, but neither IBT nor the LifePath Portfolios may be held liable for acting on telephone instructions IBT reasonably believes to be valid. IBT will wire proceeds directly to your designated bank account.*
- To redeem shares by mail, indicate the dollar amount you wish to receive or the number of shares you wish to sell in your sales order. Include your LifePath Portfolio, account and taxpayer identification numbers. All account signatories must sign the order.
- Direct buyers can ask IBT to wire proceeds directly to their designated bank account.**
- When a direct buyer purchases LifePath Portfolio shares and then quickly sells, the LifePath Portfolios may delay the payment of proceeds up to ten days to ensure that purchase checks have cleared.

* If you wish to change your bank wire instructions, you must make your request in writing and include a signature guarantee to help prevent fraud. You can obtain a signature guarantee from most banks and securities dealers. A signature guarantee is not a notarized signature.

** If you direct the sale's proceeds to someone other than your account's owner of record, to an address other than your account's address of record or to a bank not designated previously, you must make your request in writing and include a signature guarantee to help prevent fraud. You can obtain a signature guarantee from most banks and securities dealers. A signature guarantee is not a notarized signature.

Calculating the LifePath Portfolios' Share Price

IBT calculates each LifePath Portfolio's share price (also known as a LifePath Portfolio's NAV) in accordance with the standard formula for valuing mutual fund shares at the close of regular trading (normally 4:00 p.m. Eastern Time) (Valuation Time) on each Business Day. The assets of each LifePath Portfolio reflects the NAV of its respective Master Portfolio, which consist of shares of the Underlying Funds (along with Government Securities and short-term paper), which determine their respective NAVs as discussed below.

The price at which a purchase or redemption of LifePath Portfolio shares is based on the next calculation of NAV after the order is received in proper form. An exchange of a LifePath Portfolio's shares for shares of another BGI Portfolio will be treated as a sale of the LifePath Portfolio's shares and any gain on the transaction may be subject to federal income tax.

Determination of NAV for the Underlying Master Portfolios

Investments in the Underlying Master Portfolios are valued based on an interestholder's proportionate ownership interest in an Underlying Master Portfolio's aggregate net assets (Net Assets) (i.e., the value of its assets less liabilities) as next determined after an order is received in proper form. The value of an Underlying Master Portfolio's Net Assets is determined as of the Valuation Time on each Business Day. An Underlying Master Portfolio's investments are valued each Business Day, typically by using available market quotations or at fair value determined in accordance with a policy adopted by MIP's Board of Trustees.

Determination of NAV for the Underlying iShares Emerging Markets Index Fund

The NAV for the Underlying iShares Emerging Markets Index Fund is calculated in accordance with the standard formula for valuing mutual fund shares as of the close of regular trading (normally 4:00 p.m. Eastern time) every day that the American Stock Exchange LLC (AMEX) is open for trading. The formula calls for deducting all of the Fund's liabilities from the total value of its assets and dividing the result by the number of shares outstanding. The securities are valued at their current market prices. If such prices are not readily available, estimates of the securities' fair value are used in accordance with guidelines approved by iShares Trust's Board of Directors. Currency values generally are converted into U.S. dollars using the same exchange rates used by MSCI in calculating the performance of the underlying index (currently, exchange rates as of 4:00 p.m. London time). However, a different rate from the rate used by MSCI may be used if BGFA concludes that a different rate is more appropriate. Any use of a different rate from the rates used by MSCI may adversely affect the Fund's ability to track its underlying index.

Determination of NAV for all other Underlying iShares Funds

The NAV for each of the other Underlying iShares Funds is calculated in accordance with the standard formula for valuing mutual fund shares at the close of regular trading (normally 4:00 p.m. Eastern time) every day the AMEX (or relevant national securities exchange on which the Underlying iShares Fund is listed) is open for trading. The formula calls for deducting all of a Fund's liabilities from the total value of its assets and dividing the result by the number of shares outstanding. The securities are valued at their current market prices. If such prices are not readily available, estimates of the securities' fair value are used in accordance with guidelines approved by iShares Trust's Board of Directors.

Determination of NAV for the Underlying Money Market Fund

The Underlying BGIF Institutional Money Market Fund's share price (also known as the Fund's NAV) is calculated in accordance with the standard formula for valuing mutual fund shares at the Valuation Time on each Business Day. The Fund is open every day the NYSE is open, with the exception of Columbus Day and Veteran's Day. The formula calls for deducting all of the Fund's liabilities from the total value of its assets—the market value of the securities it holds, plus cash reserves—and dividing the result by the number of shares outstanding. The amortized cost method is used to account for any premiums or discounts above or below the face value of the securities the Fund buys. The Fund seeks to maintain a constant price of $1 per share, although it can offer no assurance that it will do so.

LifePath Portfolio Distributions

The LifePath Portfolios distribute any net investment income to shareholders quarterly. The LifePath Portfolios distribute their realized capital gains, if any, to shareholders at least annually. Dividends and distributions payable to you will be automatically reinvested in additional Class I shares of your LifePath Portfolio, unless you request payment in cash.

Taxes

The following discussion regarding federal income taxes is based upon laws that were in effect as of the date of this prospectus and summarizes only some of the important federal income tax considerations affecting the LifePath Portfolios and their shareholders. This discussion is not intended as a substitute for careful tax planning. Please see the SAI for additional federal income tax information.

As with all mutual funds, you will be required to pay taxes on your LifePath Portfolio's net investment income and realized capital gains distributed to you. Normally, distributions are taxable to you when paid, whether you choose to receive them in cash or automatically reinvest them in LifePath Portfolio shares. The amount of taxes you owe will vary from year to year, based on the amount and character of the LifePath Portfolio's distributions to you and your tax rate.

Under recent changes to the Internal Revenue Code, an individual's net long-term capital gain is subject to a reduced, maximum 15% rate of tax. A LifePath Portfolio's long-term capital gain distributed to individual shareholders generally will qualify for the reduced tax rate if attributable to the LifePath Portfolio's sales and exchanges after May 5, 2003. Also, if you're an individual, your distributions attributable to the LifePath Portfolio's qualified dividend income generally can be treated by you as qualified dividend income, taxed to you at a maximum 15% rate of tax, as long as certain holding period requirements are met. Qualified dividend income is, in general, dividend income received from taxable U.S. and certain foreign corporations. Absent further legislation, these reduced rates of tax will expire after December 31, 2008.

LifePath Portfolio distributions usually create the following tax liability:

TRANSACTION	TAX STATUS
Qualified dividend income distribution	Qualified dividend income
Other income distribution	Ordinary income
Short-term capital gain distribution	Ordinary income
Long-term capital gain distribution	Long-term capital gain

A portion of distributions paid to corporate shareholders of the LifePath Portfolios may qualify for the dividends-received deduction available to corporations.

In addition, if you sell or exchange your LifePath Portfolio shares you generally will have a taxable capital gain or loss, depending on what you paid for your shares and what you receive for them (or are treated as receiving in the case of exchanges). In certain circumstances, a loss on the sale or exchange may be disallowed.

TRANSACTION	TAX STATUS
You sell shares owned for more than one year	Long-term capital gain or loss
You sell shares owned for one year or less	Short-term capital gain or loss

If you buy a LifePath Portfolio's shares shortly before it makes a distribution, you will, in effect, receive part of your purchase back in the distribution, which is subject to tax. Similarly, if you buy shares of a LifePath Portfolio that holds appreciated securities, you will, in effect, receive part of your purchase back in a taxable distribution if and when the LifePath Portfolio sells the securities and realizes gain on the sale. All of the LifePath Portfolios have built up, or have the potential to build up, high levels of unrealized appreciation in their investments.

Following the end of each year, the LifePath Portfolios will send you a notice that tells you how much you've received in distributions during the year and their federal tax status. You could also be subject to foreign, state and local taxes on such distributions.

The LifePath Portfolios are required to withhold 28% as "backup withholding" on any payments to you by them (including amounts deemed paid in the case of exchanges) if you haven't given us a correct Taxpayer Identification Number (TIN) and certified that the TIN is correct and withholding doesn't apply, the Internal Revenue Service (IRS) notifies the LifePath Portfolios that your TIN given to us is incorrect or the IRS informs us that you are otherwise subject to backup withholding. You may also be subject to IRS penalties if you give us an incorrect TIN. Any amounts withheld can be applied against your federal income tax liability.

Tax considerations for tax-exempt or foreign investors, or those holding fund shares through a tax-deferred account such as a 401(k) plan or IRA, will be different. Because each investor's tax circumstances are unique and because tax laws are subject to change, you should consult your tax advisor about your investment.

Master/Feeder Mutual Fund Structure

The LifePath Portfolios do not have their own investment adviser. Instead, each LifePath Portfolio invests all of its assets in a separate mutual fund, called a Master Portfolio that has substantially identical investment objectives, strategies and policies as the individual LifePath Portfolio. BGFA serves as investment adviser to each Master Portfolio. The Master Portfolios may accept investments from other feeder funds. Certain actions involving other feeder funds, such as a substantial withdrawal, could affect a Master Portfolio and, therefore, the LifePath Portfolio.

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

Feeder Fund Rights. Under the master/feeder structure, each LifePath Portfolio's Board of Trustees retains the right to withdraw the LifePath Portfolio's assets from the Master Portfolio if it believes doing so is in the shareholders' best interests. If the Trustees decide to withdraw the LifePath Portfolio's assets, they would then consider whether the LifePath Portfolio should hire its own investment adviser, invest in another master portfolio or take other action.

Fund of Funds. The Master Portfolios do not invest directly in a portfolio of securities. Instead, they invest in Underlying Funds also advised by BGFA. Each Master Portfolio may charge for its own direct expenses, in addition to bearing a pro rata share of the expenses charged by the Underlying Funds in which it invests.

Financial Highlights

The following tables provide a picture of the Class I shares of each LifePath Portfolio's financial performance. The per share information reflects financial results for a single LifePath Portfolio share. The total returns in the tables represent the rates of return that an investor would have earned or lost on an investment in each of the LifePath Portfolios, assuming reinvestment of all dividends and distributions. KPMG LLP audited the information for the fiscal years ended February 28, 2001, February 29, 2000 and February 28, 1999. For all other periods, PricewaterhouseCoopers LLP audited the information. The independent auditor's report, along with the LifePath Portfolios' financial statements, is included in the LifePath Portfolios' annual report. You may obtain copies of the annual reports at no cost by calling 1 877 BGI 1544 (1 877 244 1544), toll free, Monday through Friday, 8:30 a.m. to 6:30 p.m. Eastern time.

	LIFEPATH RETIREMENT PORTFOLIO CLASS I					
	Year Ended Dec. 31, 2003	Period Ended Dec. 31, 2002(1)	Year Ended Feb. 28, 2002	Year Ended Feb. 28, 2001	Year Ended Feb. 29, 2000	Year Ended Feb. 28, 1999
Net asset value, beginning of period	$10.03	$10.59	$10.77	$11.18	$11.53	$11.56
Income from investment operations:						
Net investment income	0.19	0.21	0.34(2)	0.44	0.43	0.42
Net realized and unrealized gain (loss)	1.00	(0.40)	(0.10)(2)	0.23	0.12	0.34
Total from investment operations	1.19	(0.19)	0.24	0.67	0.55	0.76
Less distributions from:						
Net investment income	(0.19)	(0.28)	(0.35)	(0.44)	(0.43)	(0.42)
Net realized gain	(0.00)(3)	(0.09)	(0.07)	(0.64)	(0.47)	(0.37)
Total distributions	(0.19)	(0.37)	(0.42)	(1.08)	(0.90)	(0.79)
Net asset value, end of period	$11.03	$10.03	$10.59	$10.77	$11.18	$11.53
Total return	11.95%	(1.78)%(4)	2.25%	6.16%	4.82%	6.70%
Ratios/Supplemental data:						
Net assets, end of period (000s)	$60,944	$40,509	$36,936	$32,763	$28,772	$51,281
Ratio of expenses to average net assets(5)	0.85%	0.85%	0.89%	0.95%	0.95%	0.95%
Ratio of net investment income to average net assets(5)	1.81%	2.47%	3.19%(2)	4.00%	3.63%	3.55%
Portfolio turnover rate(6)	29%	56%	116%(7)	58%	55%	66%

(1) For the ten months ended December 31, 2002. The Portfolio changed its fiscal year-end from February 28 to December 31.

(2) Effective March 1, 2001, the Portfolio adopted the provisions of the revised AICPA Audit and Accounting Guide for Investment Companies that requires the amortization of discounts and premiums on debt securities purchased, using a constant yield to maturity method. The adoption of this policy had no material effect on the ratios and per share data for the year ended February 28, 2002. Ratios and per share data for the periods prior to March 1, 2001 have not been restated to reflect this change in policy.

(3) Rounds to less than $0.01.

(4) Not annualized.

(5) Annualized for periods of less than one year. These ratios include expenses charged to the corresponding Master Portfolio.

(6) Represents the portfolio turnover rate of the Portfolio's corresponding Master Portfolio.

(7) Portfolio turnover rate excluding in-kind transactions was 52%.

	LIFEPATH 2010 PORTFOLIO CLASS I					
	Year Ended Dec. 31, 2003	Period Ended Dec. 31, 2002[1]	Year Ended Feb. 28, 2002	Year Ended Feb. 28, 2001	Year Ended Feb. 29, 2000	Year Ended Feb. 28, 1999
Net asset value, beginning of period	$10.82	$11.85	$12.46	$13.49	$14.29	$13.90
Income from investment operations:						
Net investment income	0.18	0.19	0.31[2]	0.41	0.42	0.38
Net realized and unrealized gain (loss)	1.49	(1.00)	(0.46)[2]	(0.16)	0.71	1.01
Total from investment operations	1.67	(0.81)	(0.15)	0.25	1.13	1.39
Less distributions from:						
Net investment income	(0.19)	(0.20)	(0.33)	(0.41)	(0.42)	(0.38)
Net realized gain	—	(0.02)	(0.13)	(0.87)	(1.51)	(0.62)
Total distributions	(0.19)	(0.22)	(0.46)	(1.28)	(1.93)	(1.00)
Net asset value, end of period	$12.30	$10.82	$11.85	$12.46	$13.49	$14.29
Total return	15.66%	(6.85)%[3]	(1.13)%	1.73%	7.92%	10.19%
Ratios/Supplemental data:						
Net assets, end of period (000s)	$172,075	$121,627	$108,601	$89,988	$88,715	$132,798
Ratio of expenses to average net assets[4]	0.85%	0.86%	0.89%	0.95%	0.95%	0.95%
Ratio of net investment income to average net assets[4]	1.64%	1.98%	2.59%[2]	3.09%	2.80%	2.73%
Portfolio turnover rate[5]	23%	72%	86%[6]	54%	49%	38%

(1) For the ten months ended December 31, 2002. The Portfolio changed its fiscal year-end from February 28 to December 31.

(2) Effective March 1, 2001 the Portfolio adopted the provisions of the revised AICPA Audit and Accounting Guide for Investment Companies that requires the amortization of discounts and premiums on debt securities purchased, using a constant yield to maturity method. The adoption of this policy had no material effect on the ratios and per share data for the year ended February 28, 2002. Ratios and per share data for the periods prior to March 1, 2001 have not been restated to reflect this change in policy.

(3) Not annualized.

(4) Annualized for periods of less than one year. These ratios include expenses charged to the corresponding Master Portfolio.

(5) Represents the portfolio turnover rate of the Portfolio's corresponding Master Portfolio.

(6) Portfolio turnover rate excluding in-kind transactions was 48%.

LIFEPATH 2020 PORTFOLIO CLASS I	Year Ended Dec. 31, 2003	Period Ended Dec. 31, 2002[1]	Year Ended Feb. 28, 2002	Year Ended Feb. 28, 2001	Year Ended Feb. 29, 2000	Year Ended Feb. 28, 1999
Net asset value, beginning of period	$11.89	$13.52	$14.55	$16.18	$16.38	$15.73
Income from investment operations:						
Net investment income	0.19	0.17	0.23[2]	0.31	0.32	0.31
Net realized and unrealized gain (loss)	2.24	(1.59)	(1.02)[2]	(0.83)	1.47	1.58
Total from investment operations	2.43	(1.42)	(0.79)	(0.52)	1.79	1.89
Less distributions from:						
Net investment income	(0.19)	(0.21)	(0.24)	(0.31)	(0.32)	(0.31)
Net realized gain	—	—	(0.00)[3]	(0.80)	(1.67)	(0.93)
Total distributions	(0.19)	(0.21)	(0.24)	(1.11)	(1.99)	(1.24)
Net asset value, end of period	$14.13	$11.89	$13.52	$14.55	$16.18	$16.38
Total return	20.61%	(10.58)%	(5.44)%	(3.54)%	10.84%	12.42%
Ratios/Supplemental data:						
Net assets, end of period (000s)	$386,387	$270,696	$319,935	$182,807	$143,052	$166,130
Ratio of expenses to average net assets[4]	0.85%	0.83%	0.89%	0.95%	0.95%	0.95%
Ratio of net investment income to average net assets[4]	1.54%	1.59%	1.74%[2]	1.99%	1.87%	1.91%
Portfolio turnover rate[5]	23%	67%	86%[6]	39%	43%	36%

(1) For the ten months ended December 31, 2002. The Portfolio changed its fiscal year-end from February 28 to December 31.

(2) Effective March 1, 2001 the Portfolio adopted the provisions of the revised AICPA Audit and Accounting Guide for Investment Companies that requires the amortization of discounts and premiums on debt securities purchased, using a constant yield to maturity method. The adoption of this policy had no material effect on the ratios and per share data for the year ended February 28, 2002. Ratios and per share data for the periods prior to March 1, 2001 have not been restated to reflect this change in policy.

(3) Rounds to less than $0.01.

(4) Annualized for periods of less than one year. These ratios include expenses charged to the corresponding Master Portfolio.

(5) Represents the portfolio turnover rate of the Portfolio's corresponding Master Portfolio.

(6) Portfolio turnover rate excluding in-kind transactions was 35%.

	LIFEPATH 2030 PORTFOLIO CLASS I					
	Year Ended Dec. 31, 2003	Period Ended Dec. 31, 2002[1]	Year Ended Feb. 28, 2002	Year Ended Feb. 28, 2001	Year Ended Feb. 29, 2000	Year Ended Feb. 28, 1999
Net asset value, beginning of period	$11.56	$13.69	$15.77	$17.84	$18.57	$17.39
Income from investment operations:						
Net investment income	0.18	0.13	0.18[2]	0.23	0.26	0.24
Net realized and unrealized gain (loss)	2.55	(1.97)	(1.48)[2]	(1.22)	2.22	2.06
Total from investment operations	2.73	(1.84)	(1.30)	(0.99)	2.48	2.30
Less distributions from:						
Net investment income	(0.16)	(0.13)	(0.19)	(0.23)	(0.26)	(0.24)
Net realized gain	—	(0.16)	(0.59)	(0.85)	(2.95)	(0.88)
Total distributions	(0.16)	(0.29)	(0.78)	(1.08)	(3.21)	(1.12)
Net asset value, end of period	$14.13	$11.56	$13.69	$15.77	$17.84	$18.57
Total return	23.86%	(13.46)%[3]	(8.25)%	(5.99)%	13.04%	13.55%
Ratios/Supplemental data:						
Net assets, end of period (000s)	$176,647	$103,485	$108,538	$79,665	$84,016	$116,729
Ratio of expenses to average net assets[4]	0.85%	0.84%	0.89%	0.95%	0.95%	0.95%
Ratio of net investment income to average net assets[4]	1.48%	1.28%	1.25%[2]	1.32%	1.32%	1.35%
Portfolio turnover rate[5]	32%	68%	53%[6]	27%	26%	19%

(1) For the ten months ended December 31, 2002. The Portfolio changed its fiscal year-end from February 28 to December 31.

(2) Effective March 1, 2001 the Portfolio adopted the provisions of the revised AICPA Audit and Accounting Guide for Investment Companies that requires the amortization of discounts and premiums on debt securities purchased, using a constant yield to maturity method. The adoption of this policy had no material effect on the ratios and per share data for the year ended February 28, 2002. Ratios and per share data for the periods prior to March 1, 2001 have not been restated to reflect this change in policy.

(3) Not annualized.

(4) Annualized for periods of less than one year. These ratios include expenses charged to the corresponding Master Portfolio.

(5) Represents the portfolio turnover rate of the Portfolio's corresponding Master Portfolio.

(6) Portfolio turnover rate excluding in-kind transactions was 25%.

	LIFEPATH 2040 PORTFOLIO CLASS I					
	Year Ended Dec. 31, 2003	Period Ended Dec. 31, 2002[1]	Year Ended Feb. 28, 2002	Year Ended Feb. 28, 2001	Year Ended Feb. 29, 2000	Year Ended Feb. 28, 1999
Net asset value, beginning of period	$ 12.27	$ 14.73	$ 16.74	$ 20.64	$ 20.25	$ 18.77
Income from investment operations:						
Net investment income	0.18	0.12	0.10[2]	0.11	0.13	0.14
Net realized and unrealized gain (loss)	3.18	(2.48)	(1.93)[2]	(2.20)	3.18	2.67
Total from investment operations	3.36	(2.36)	(1.83)	(2.09)	3.31	2.81
Less distributions from:						
Net investment income	(0.16)	(0.10)	(0.10)	(0.10)	(0.13)	(0.14)
Net realized gain	—	—	(0.08)	(1.71)	(2.79)	(1.19)
Total distributions	(0.16)	(0.10)	(0.18)	(1.81)	(2.92)	(1.33)
Net asset value, end of period	$ 15.47	$ 12.27	$ 14.73	$ 16.74	$ 20.64	$ 20.25
Total return	27.64%	(16.03)%[3]	(10.89)%	(10.81)%	16.01%	15.35%
Ratios/Supplemental data:						
Net assets, end of period (000s)	$127,357	$74,352	$84,961	$97,863	$122,683	$163,883
Ratio of expenses to average net assets[4]	0.85%	0.83%	0.90%	0.95%	0.95%	0.95%
Ratio of net investment income to average net assets[4]	1.36%	1.05%	0.64%[2]	0.50%	0.59%	0.72%
Portfolio turnover rate[5]	29%	62%	15%[6]	20%	29%	19%

(1) For the ten months ended December 31, 2002. The Portfolio changed its fiscal year-end from February 28 to December 31.

(2) Effective March 1, 2001 the Portfolio adopted the provisions of the revised AICPA Audit and Accounting Guide for Investment Companies that requires the amortization of discounts and premiums on debt securities purchased, using a constant yield to maturity method. The adoption of this policy had no material effect on the ratios and per share data for the year ended February 28, 2002. Ratios and per share data for the periods prior to March 1, 2001 have not been restated to reflect this change in policy.

(3) Not annualized.

(4) Annualized for periods of less than one year. These ratios include expenses charged to the corresponding Master Portfolio.

(5) Represents the portfolio turnover rate of the Portfolio's corresponding Master Portfolio.

(6) Portfolio turnover rate excluding in-kind transactions was 15%.

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The SAI provides detailed information on the Class R shares of the Portfolios. BGFA has electronically filed the SAI, dated January 15, 2004, with the Securities and Exchange Commission. It is incorporated by reference into this prospectus.

BGF-PR-LPI0304

If you have any questions about the LifePath Portfolios, or wish to obtain the annual and semi-annual reports and SAI free of charge, please call the Portfolios' toll-free number:

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