

BF&M GOLDEN ACCUMULATOR

Franklin Mutual Beacon Fund

as of September 30, 2003

Investment Philosophy

Capital appreciation through purchasing equity and debt securities at or below their intrinsic value with a secondary objective of achieving a reasonable and growing level of income. The fund will pursue these objectives primarily through investments in equity securities, preference shares, debt securities, and convertible stock, generally with at least 70% invested in securities of U.S. issuers. The base currency is U.S. dollars. The benchmark for performance is the S&P Barra Value Index.

Top Holdings (as of June 30)

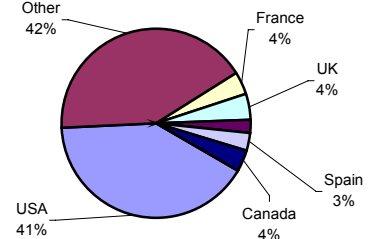
1. White Mountain Insurance Group
2. Berkshire Hathaway Inc
3. Altadia SA
4. Groupe Danone
5. Washington Post
6. British American Tobacco
7. Liberty Mutual
8. International Steele
9. First Niagara Financial Grp
10. Nestle SA

Performance Statistics (percentage change)

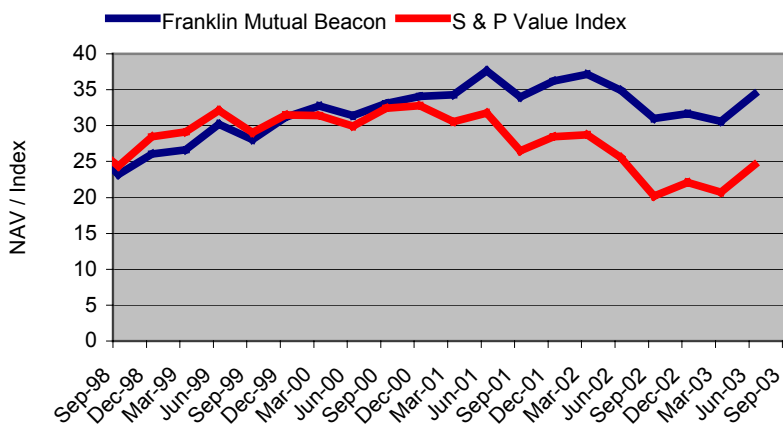
Comparison	3 Mos	1 Yr	3 Yr*	Incept*	
Fund	3.14	14.35	2.34	8.88	
Index	1.99	23.76	-8.29	0.54	
	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Fund	-17.7	6.3	9.3	20.2	1.1
Index	-27.8	-13.2	6.1	12.7	14.7

* Annualized return.

Geographic Distribution



Franklin Mutual Beacon Fund



Fund Facts

Initial Date: July 7, 1997
 Total Assets: \$ 673.3 million
 Managers: David Winters, Matt Haynes and Anne Gudefin

Statistics Fund

Alpha: 0.83
 Beta: 0.64
 R Squared: 0.73
 Std Deviation: 3.50
 Micropal Stars: 5

This report does not constitute or form part of any offer for shares of any of the Funds or an invitation to apply for shares of any Fund, and subscription for shares in any Fund can only be made on the basis of the Funds' current Prospectus. The performance returns set forth above are shown net of all fees and assume reinvestment of dividends and capital gains. Past performance, however, is no guarantee of future performance. The price of the shares of each Fund and the income received from each Fund may go down as well as up, and shareholders may not get back the full amount that they invested. Investment in any of the Funds involves risks which are described in the Funds' prospectus. No shares of any Fund may be offered or sold to citizens or residents of the United States of America. Currency fluctuations will affect the value of overseas investments.