

# BF&M GOLDEN ACCUMULATOR

## Franklin Mutual Beacon Fund

as of June 30, 2006

### 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 Jun 06)

1. Berkshire Hathaway Inc
2. Reynolds American Inc
3. British American Tobacco
4. Potlatch Corp
5. Weyerhaeuser Co
6. Tyco Int'l Ltd
7. Verizon Communications
8. News Corp Inc
9. Orkla ASA
10. Altria Group Inc
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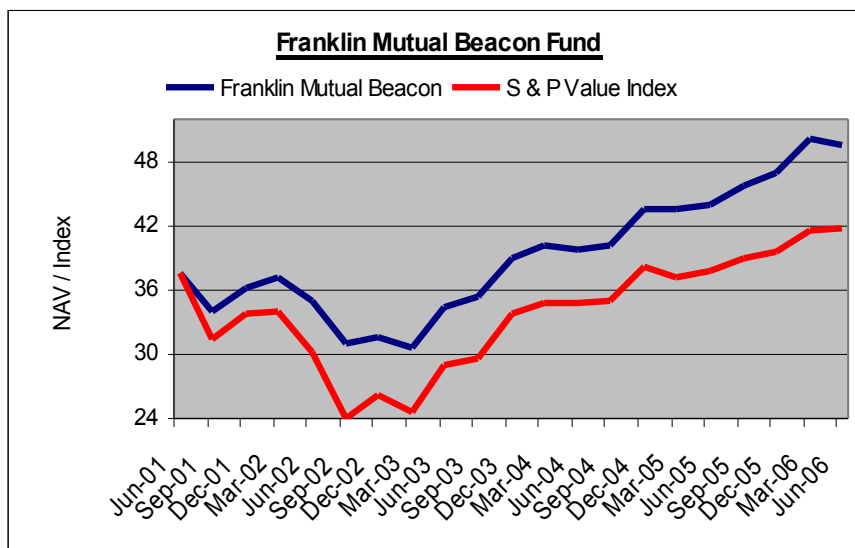
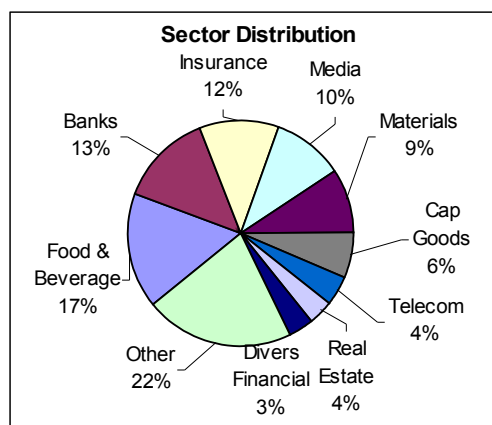
### Performance Statistics (percentage change)

| Comparison | 6 Mos | 1 Yr  | 3 Yrs* | 5 Yrs* |
|------------|-------|-------|--------|--------|
| Fund       | 5.47  | 12.37 | 12.95  | 5.63   |
| Index      | 5.31  | 10.07 | 12.77  | 2.07   |

|       | 2005 | 2004 | 2003 | 2002  | 2001  |
|-------|------|------|------|-------|-------|
| Fund  | 7.6  | 11.9 | 23.2 | -12.6 | 6.3   |
| Index | 3.5  | 13.3 | 29.0 | -22.5 | -13.2 |

\* Annualized return.



### Fund Facts

Initial Date: July 7, 1997  
 Total Assets: \$2.5 Billion  
 Managers: Peter Langerman, Anne Gudfin

### Statistics Fund

Alpha: 0.43  
 Beta: 0.58  
 R Squared: 0.76  
 Ann Vol %: 6.38  
 Sharpe: 1.46  
 Micropal Stars: 1

Statistics provided by S&P Micropal.

Past performance 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 investors 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. Currency fluctuations will affect the value of overseas investments. This Fund may be offered or sold to citizens or residents of the United States of America.