

BF&M GOLDEN ACCUMULATOR

Franklin Mutual Beacon Fund

as of March 31, 2007

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 Mar 07)

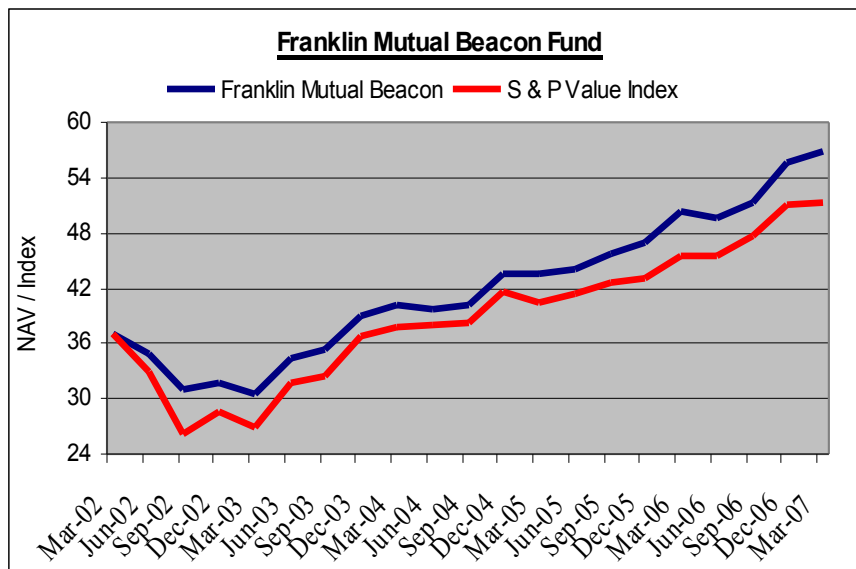
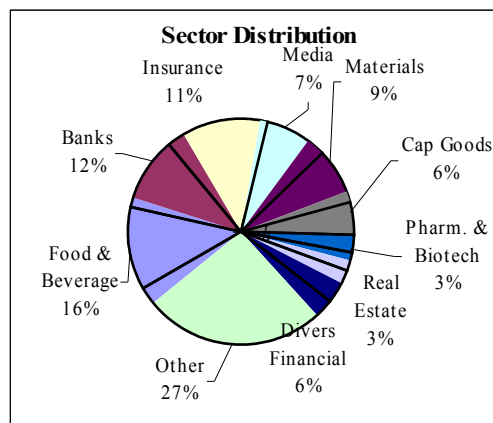
1. Berkshire Hathaway Inc
2. Tyco Int'l Ltd
3. Weyerhaeuser Co
4. Altria Group Inc
5. Orkla ASA
6. Verizon Communications
7. International Paper Co
8. News Corp Inc
9. British American Tobacco
10. Pfizer Inc
- 11

Performance Statistics (percentage change)

Comparison	3 Mos	1 Yr	3 Yrs*	5 Yrs*
Fund	2.43	13.19	12.27	8.89
Index	0.75	12.96	10.70	6.69

	2006	2005	2004	2003	2002
Fund	18.3	7.6	11.9	23.2	-12.6
Index	18.0	3.5	13.3	29.0	-22.5

* Annualized return.



Fund Facts

Initial Date: July 7, 1997
 Total Assets: \$3.407 Billion
 Managers: Peter Langerman, Anne Gudfin

Statistics Fund

Alpha: 1.49
 Beta: 0.63
 R Squared: 0.81
 Ann Vol %: 6.26
 Sharpe: 1.43
 Micropal Stars: 2

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 not be offered or sold to citizens or residents of the United States of America.