

BF&M GOLDEN ACCUMULATOR –SEG FUNDS

Franklin Mutual Beacon Fund

As of September 30, 2008

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.

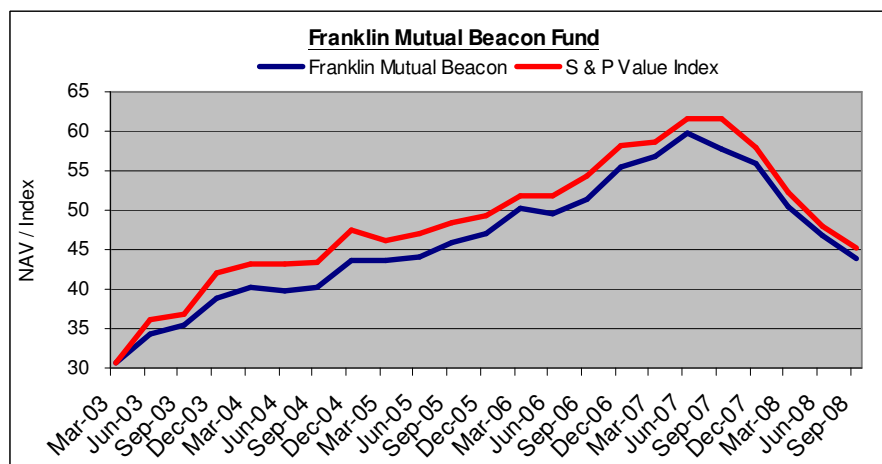
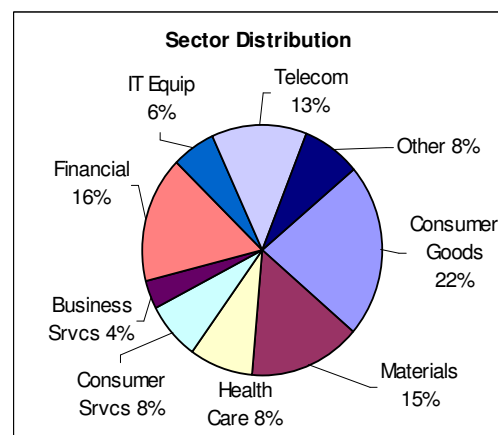
Top 10 Holdings (30-September 2008)

1. Berkshire Hathaway Inc
2. Orkla ASA
3. British American Tobacco
4. News Corp Inc
5. Weyerhaeuser Co.
6. Comcast
7. Microsoft Corp.
8. Imperial Tobacco plc
9. Dell Inc
10. Siemens AG

Performance Statistics (percentage change)

Comparison	6 Mos	1 Yr	3 Yrs*	5 Yrs*
Fund	-12.97	-23.98	-1.38	4.39
Index	-13.71	-26.69	-2.36	4.12

	2007	2006	2005	2004	2003
Fund	0.5	18.3	7.6	11.9	23.2
Index	-0.4	18.0	3.5	13.3	29.0



Fund Facts

Initial Date: July 7, 1997
 Total Assets: \$1,758 million
 Managers: Peter Langerman, Anne Gudefin

Statistics Fund

Alpha: -2.00
 Beta: 0.85
 R Squared: 0.86
 Std Dev %: 11.59
 Sharpe: -0.41
 Morningstar Rating: ÜÜÜ

Statistics provided by Morningstar.

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.