

## You May Be a Member of a Class Impacted By This Notice

Settlements and a Stipulation and Releases (collectively, "Resolution") have been reached in a class action lawsuit about whether the Defendants improperly engaged in or permitted market timing, or excessive short-term trading, in certain Franklin mutual funds (see front of postcard). The Defendants deny they did anything wrong. The parties disagree on how much money, if any, could have been won if the case went to trial. The Resolution resolves the case against the Defendants, and will pay money to eligible Class Members. In addition, if you currently hold shares in the Franklin family of mutual funds, certain other rights may also be affected by a resolution of a derivative action as against the Canary and Banc of America defendants listed.

**Who's Included?** You are included if you owned or held shares in certain Franklin mutual funds (see front of postcard) anytime from February 6, 1999 until February 4, 2004. **You may have held these shares through Franklin, or through a broker-dealer or other financial intermediary.**

**What Can You Get?** Certain Third-Party Defendants have contributed \$4,437,368 to a Settlement Fund, plus interest (the "Gross Settlement Fund"), and the Franklin Defendants will contribute up to \$2.75 million to pay for the costs of notice and administration of that Fund (the "Franklin Contribution"). The Gross Settlement Fund will pay Class Members who are eligible to receive more than \$10 according to a Settlement formula. The exact amount, if any, of your payment will be determined according to a Court-approved Plan of Allocation (available at the website listed below), and varies by the specific Franklin Mutual Fund you owned. Your payment may be reduced on a proportional basis if the claims exceed the amount available in the Settlement Fund. The estimated per share recovery ranges from 0.004¢ to 4.363¢. Plaintiffs' Counsel will request attorneys' fees of up to 25% of the Gross Settlement Fund and/or Franklin Contribution, and expenses of up to \$445,000 (ranges from 0.001¢ to 1.391¢ per share), and the Plaintiff Class representative may ask for up to \$50,000 for its expenses. These expenses will be paid directly from the Gross Settlement Fund. You may contact the Claims Administrator, Rust Consulting, Inc. (see front of postcard and below) with any further questions.

**How to Get Money?** If you are an eligible Class Member and you owned shares directly through Franklin, you will automatically get a payment if you remain in the Class. However, if you owned your shares through a financial intermediary, you will need to submit a claim form by **December 12, 2011** in order to get a payment. You can still get a payment even if you received money from a previous SEC settlement involving the Franklin Mutual Funds.

**Your Other Rights.** If you do not want to be legally bound by the Resolution, you must exclude yourself by **October 1, 2011**; otherwise you will not be able to sue the Defendants for any claim relating to this lawsuit. If you remain in the Class, you may object to it by **October 1, 2011**. The Court will hold a hearing on **October 25, 2011** to consider whether to approve the Resolution and the requested attorneys' fees. If you wish, you or your own lawyer may ask to appear and speak at the hearing at your own cost.

For more information or a Claim Form: 1-877-465-4895 or [www.mutualfundsettlements.com/franklin](http://www.mutualfundsettlements.com/franklin)

**Franklin Mutual Funds:** Franklin Small Cap Growth (later Franklin Small-Mid Cap Growth); Templeton Foreign; Templeton Developing Markets; Templeton World; Franklin California Tax-Free Income; Templeton Global Smaller Companies; Templeton Growth; Franklin Federal Tax-Free Income; Templeton Global Opportunities; Franklin California Growth (later called Franklin Flex Cap Growth); Templeton Pacific Growth (later merged into Templeton Foreign); Templeton Greater European (later Templeton International and International (Ex EM), now merged into Templeton Foreign).

**You may have held these funds through Franklin, or through a broker-dealer or other financial intermediary.**

**Defendants:** Franklin Resources, Inc.; Franklin Advisers, Inc.; Franklin/Templeton Distributors, Inc.; Franklin Strategic Series; Franklin Templeton Alternative Strategies, Inc. (f/k/a Franklin Templeton Asset Strategies, LLC, Franklin Templeton Alternative Strategies, LLC, now Templeton Worldwide, Inc.); and certain persons/entities related to Bear Stearns, Banc of America Securities LLC, Canary Capital Partners, and Security Brokerage, Inc. See [www.mutualfundsettlements.com/franklin](http://www.mutualfundsettlements.com/franklin)

### Court-Ordered Legal Notice

IN RE: MUTUAL FUNDS INVESTMENT LITIGATION  
FRANKLIN TEMPLETON SUB-TRACK  
C/O RUST CONSULTING, INC.  
PO BOX 2481  
FARIBAULT MN 55021-9181



### Important Notice About Your Mutual Funds



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BCBS OF SC NQ PLAN  
BLUE CROSS BLUE SHIELD OF SOUTH CAROLINA  
I-20 AT ALPINE ROAD  
AA-102  
COLUMBIA SC 29219-0001

