

**Statement on Current Industry Issues
December 29, 2008**

To Our Valued Shareholders and Clients:

We would like to update you with regard to governmental investigation of various mutual fund industry practices as it pertains to our Company and its subsidiaries.

Franklin Resources, Inc. (Franklin Templeton Investments) strongly supports regulatory efforts designed to improve the clarity and consistency of rules governing the trading and valuation of mutual fund shares. We are fully committed to the best interests of our shareholders worldwide, and have policies that are designed to protect those interests. We are committed to improving those policies as needed.

In addressing those issues, we believe Franklin Templeton Investments has emerged as an even stronger and more energized organization.

Distribution of settlement monies. Settlement monies paid under the Company's settlement agreements with regulators and a governmental entity have been distributed to relevant funds, and the remaining distribution to shareholders which began earlier this year has been completed.

Under the terms of the Securities and Exchange Commission's ("SEC") Order concerning market timing, which was disclosed in previous public filings, settlement monies have been distributed from the fair fund to shareholders of the designated funds during the relevant periods, in accordance with the terms and conditions of the SEC's Order and the Modified Plan of Distribution. Additional information can be found on the fair fund settlement website.

For details on previous settlements and interactions with regulators, please reference our filings.

Class action and derivative lawsuits. The Company and certain of the Franklin Templeton mutual funds, current and former officers, employees and directors have been named in multiple class action and derivative lawsuits, which are described in the Company's filings with the SEC. The Company believes that all of the claims made in each of the lawsuits are without merit and intends to defend itself vigorously.

Our commitment to shareholders. Franklin Templeton Investments is proud to have served individual and institutional investors for more than 60 years. As an organization, we continue to be focused on providing you with consistently superior fund performance and exceptional service. Thank you for putting your trust in us.