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Templeton Emerging Markets Fund
Templeton Global Income Fund
Templeton Emerging Markets Income Fund
Templeton Capital Accumulator Fund
Franklin Templeton Money Fund Trust
Franklin Investors Securities Trust
Franklin Value Investors Trust

and the Board of Directors of

Franklin Federal Money Fund
Franklin Money Fund
Franklin Custodian Funds, Inc.
Templeton Dragon Fund, Inc.
Templeton Institutional Funds, Inc.

We have examined management's assertion, included in the accompanying Management Statement Regarding Compliance with Certain Provisions of the Investment Company Act of 1940, about the funds' (hereafter referred to as the "Funds") compliance (see Attachment I) with the requirements of subsections (b) and (c) of Rule 17f-2 under the Investment Company Act of 1940 ("the Act") as of January 31, 2005. Management is responsible for the Funds' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Funds' compliance based on our examination.

Our examination was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included examining, on a test basis, evidence about the Funds' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Included among our procedures were the following tests performed as of January 31, 2005, and with respect to agreement of security purchases and sales, for the periods indicated in Attachment I:

- o Inspection of the records of Franklin Templeton Investors Services, Inc. as they pertain to the security positions owned by the Funds and held in book entry form.
- o Reconciliation of such security positions to the books and records of the Funds.
- o Agreement of a sample of security purchases and sales since our last report to the books and records of the Funds.

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Funds' compliance with specified requirements.

In our opinion, management's assertion that the Funds were in compliance with the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of January 31, 2005 with respect to securities reflected in the investment accounts of the Funds is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Trustees and Board of Directors, management, and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

/s/PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

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San Francisco, California
July 5, 2006

MANAGEMENT STATEMENT REGARDING COMPLIANCE WITH CERTAIN
PROVISIONS OF THE INVESTMENT COMPANY ACT OF 1940

We, as members of management of the Franklin Templeton Funds indicated in Attachment I (the "Funds"), are responsible for complying with the requirements of subsections (b) and (c) of Rule 17f-2, "Custody of Investments by Registered Management Investment Companies," of the Investment Company Act of 1940. We are also responsible for establishing and maintaining effective internal controls over compliance with those requirements. We have performed an evaluation of the Funds' compliance with the requirements of subsection (b) of Rule 17f-2, as interpreted in Franklin Investors Securities Trust SEC No-Action Letter (publicly available September 24, 1992), and subsection (c) of Rule 17f-2 of the Investment Company Act of 1940, as of January 30, 2005, and for the periods indicated in Attachment I.

Based on this evaluation, we assert that the Funds were in compliance with the requirements of subsection (b) of Rule 17f-2, as interpreted in Franklin Investors Securities Trust SEC No-Action Letter (publicly available September 24, 1992), and subsection (c) of Rule 17f-2 of the Investment Company Act of 1940, as of January 30, 2005, and for the periods indicated in Attachment I, with respect to securities reflected in the investment accounts of the Funds.

By:

/s/ Galen G. Vetter

GALEN G. VETTER
CHIEF FINANCIAL OFFICER

6/21/06

Date

/s/ Jimmy D. Gambill

JIMMY D. GAMBILL
SENIOR VICE PRESIDENT AND CHIEF EXECUTIVE
OFFICER-FINANCE AND ADMINISTRATION

6/26/06

Date

ATTACHMENT I

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| FUND | PERIODS COVERED |
|---|--------------------------------------|
| ----- | |
| FRANKLIN TEMPLETON FUND ALLOCATOR SERIES: | |
| Franklin Templeton Conservative Target Fund | December 31, 2004 - January 31, 2005 |
| Franklin Templeton Moderate Target Fund | December 31, 2004 - January 31, 2005 |
| Franklin Templeton Growth Target Fund | December 31, 2004 - January 31, 2005 |
| Franklin Templeton Corefolio Allocation Fund | December 31, 2004 - January 31, 2005 |
| Franklin Templeton Perspectives Allocation Fund | December 31, 2004 - January 31, 2005 |
| Franklin Templeton Founding Funds Allocation Fund | December 31, 2004 - January 31, 2005 |
| FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST | |
| Franklin Strategic Income Securities Fund | December 31, 2004 - January 31, 2005 |
| Franklin Small Cap Value Securities Fund | December 31, 2004 - January 31, 2005 |
| Franklin Rising Dividends Fund | December 31, 2004 - January 31, 2005 |
| Franklin Small Cap Fund | December 31, 2004 - January 31, 2005 |
| Templeton Global Asset Allocation Fund | December 31, 2004 - January 31, 2005 |
| Templeton Foreign Securities Fund | December 31, 2004 - January 31, 2005 |
| FRANKLIN GLOBAL TRUST: | |
| Fiduciary High Income Fund | October 31, 2004 - January 31, 2005 |
| Fiduciary Core Fixed Income Fund | October 31, 2004 - January 31, 2005 |
| Fiduciary Small Capitalization Equity Fund | October 31, 2004 - January 31, 2005 |
| Fiduciary Large Capitalization Growth and Income Fund | October 31, 2004 - January 31, 2005 |
| Fiduciary European Smaller Companies Fund | October 31, 2004 - January 31, 2005 |
| Fiduciary Core Plus Fixed Income Fund | October 31, 2004 - January 31, 2005 |
| FRANKLIN STRATEGIC SERIES: | |
| Franklin Aggressive Growth Fund | October 31, 2004 - January 31, 2005 |
| Franklin U.S. Long- Short Fund | October 31, 2004 - January 31, 2005 |
| Franklin Natural Resources Fund | October 31, 2004 - January 31, 2005 |
| Franklin Biotechnology Discovery Fund | October 31, 2004 - January 31, 2005 |
| Franklin Blue Chip Fund | October 31, 2004 - January 31, 2005 |
| Franklin Global Health Care Fund | October 31, 2004 - January 31, 2005 |
| Franklin Global Communications Fund | October 31, 2004 - January 31, 2005 |
| Franklin Strategic Income Fund | October 31, 2004 - January 31, 2005 |
| Franklin Flex Cap Growth Fund | October 31, 2004 - January 31, 2005 |
| Franklin Technology Fund | October 31, 2004 - January 31, 2005 |
| Franklin Small Cap Growth Fund II | October 31, 2004 - January 31, 2005 |
| Franklin Small-Mid Cap Growth Fund | October 31, 2004 - January 31, 2005 |
| FRANKLIN UNIVERSAL TRUST | October 31, 2004 - January 31, 2005 |
| FRANKLIN STRATEGIC MORTGAGE PORTFOLIO | October 31, 2004 - January 31, 2005 |
| FRANKLIN GOLD AND PRECIOUS METALS FUND | October 31, 2004 - January 31, 2005 |
| FRANKLIN FLOATING RATE TRUST | October 31, 2004 - January 31, 2005 |
| FRANKLIN CAPITAL GROWTH FUND | October 31, 2004 - January 31, 2005 |
| INSTITUTIONAL FIDUCIARY TRUST: | |
| Money Market Portfolio | October 31, 2004 - January 31, 2005 |
| Franklin Cash Reserves Fund | October 31, 2004 - January 31, 2005 |
| Franklin Structured Large Cap Growth Equity Fund | October 31, 2004 - January 31, 2005 |
| Franklin Structured Large Cap Core Equity Fund | October 31, 2004 - January 31, 2005 |
| FRANKLIN HIGH INCOME TRUST: | |
| Franklin AGE High Income Fund | October 31, 2004 - January 31, 2005 |
| FRANKLIN REAL ESTATE SECURITIES TRUST: | |
| Franklin Real Estate Securities Fund | October 31, 2004 - January 31, 2005 |
| FRANKLIN MULTI-INCOME TRUST | October 31, 2004 - January 31, 2005 |
| FRANKLIN TEMPLETON LIMITED DURATION INCOME TRUST | October 31, 2004 - January 31, 2005 |
| TEMPLETON RUSSIA AND EAST EUROPEAN FUND, INC. | October 31, 2004 - January 31, 2005 |

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|---|--------------------------------------|
| TEMPLETON EMERGING MARKETS FUND | October 31, 2004 - January 31, 2005 |
| TEMPLETON GLOBAL INCOME FUND | October 31, 2004 - January 31, 2005 |
| TEMPLETON EMERGING MARKETS INCOME FUND | October 31, 2004 - January 31, 2005 |
| TEMPLETON CAPITAL ACCUMULATOR FUND | October 31, 2004 - January 31, 2005 |
| FRANKLIN TEMPLETON MONEY FUND TRUST: | |
| Franklin Templeton Money Fund | October 31, 2004 - January 31, 2005 |
| FRANKLIN INVESTORS SECURITIES TRUST: | |
| Franklin Floating Rate Daily Access Fund | October 31, 2004 - January 31, 2005 |
| Franklin Total Return Fund | October 31, 2004 - January 31, 2005 |
| Franklin Limited Maturity U.S. Government Securities Fund | October 31, 2004 - January 31, 2005 |
| Franklin Convertible Securities Fund | October 31, 2004 - January 31, 2005 |
| Franklin Equity Income Fund | October 31, 2004 - January 31, 2005 |
| Franklin Low Duration Total Return Fund | November 17, 2004 - January 31, 2005 |
| Franklin Adjustable U.S. Government Securities Fund | October 31, 2004 - January 31, 2005 |
| FRANKLIN VALUE INVESTORS TRUST: | |
| Franklin Balance Sheet Investment Fund | October 31, 2004 - January 31, 2005 |
| Franklin MicroCap Value Fund | October 31, 2004 - January 31, 2005 |
| Franklin Small Cap Value Fund | October 31, 2004 - January 31, 2005 |
| Franklin Large Cap Value Fund | October 31, 2004 - January 31, 2005 |
| FRANKLIN FEDERAL MONEY FUND | October 31, 2004 - January 31, 2005 |
| FRANKLIN MONEY FUND | October 31, 2004 - January 31, 2005 |
| FRANKLIN CUSTODIAN FUNDS, INC.: | |
| Franklin Growth Fund | October 31, 2004 - January 31, 2005 |
| Franklin Utilities Fund | October 31, 2004 - January 31, 2005 |
| Franklin DynaTech Fund | October 31, 2004 - January 31, 2005 |
| Franklin Income Fund | October 31, 2004 - January 31, 2005 |
| Franklin U.S. Government Securities Fund | October 31, 2004 - January 31, 2005 |
| TEMPLETON DRAGON FUND, INC. | October 31, 2004 - January 31, 2005 |
| TEMPLETON INSTITUTIONAL FUNDS, INC.: | |
| Foreign Equity Series | October 31, 2004 - January 31, 2005 |