

UNITED STATES OF AMERICA  
BEFORE THE  
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940  
Release No. 28257/ April 28, 2008

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In the Matter of

FRANKLIN CALIFORNIA TAX-FREE INCOME FUND :  
FRANKLIN CALIFORNIA TAX-FREE TRUST :  
FRANKLIN CAPITAL GROWTH FUND :  
FRANKLIN CUSTODIAN FUNDS :  
FRANKLIN FEDERAL TAX-FREE INCOME FUND :  
FRANKLIN FLOATING RATE MASTER TRUST :  
FRANKLIN GLOBAL TRUST :  
FRANKLIN GOLD AND PRECIOUS METALS FUND :  
FRANKLIN HIGH INCOME TRUST :  
FRANKLIN INVESTORS SECURITIES TRUST :  
FRANKLIN MANAGED TRUST :  
FRANKLIN MUNICIPAL SECURITIES TRUST :  
FRANKLIN MUTUAL RECOVERY FUND :  
FRANKLIN MUTUAL SERIES FUND INC. :  
FRANKLIN NEW YORK TAX-FREE INCOME FUND :  
FRANKLIN NEW YORK TAX-FREE TRUST :  
FRANKLIN REAL ESTATE SECURITIES TRUST :  
FRANKLIN STRATEGIC MORTGAGE PORTFOLIO :  
FRANKLIN STRATEGIC SERIES :  
FRANKLIN TAX-FREE TRUST :  
FRANKLIN TEMPLETON GLOBAL TRUST :  
FRANKLIN TEMPLETON INTERNATIONAL TRUST :  
FRANKLIN TEMPLETON VARIABLE INSURANCE :  
PRODUCTS TRUST :  
FRANKLIN VALUE INVESTORS TRUST :  
INSTITUTIONAL FIDUCIARY TRUST :  
TEMPLETON CHINA WORLD FUND :  
TEMPLETON DEVELOPING MARKETS TRUST :  
TEMPLETON FUNDS :  
TEMPLETON GLOBAL INVESTMENT TRUST :  
TEMPLETON GLOBAL OPPORTUNITIES TRUST :  
TEMPLETON GLOBAL SMALLER COMPANIES :  
FUND :

TEMPLETON GROWTH FUND, INC. :  
 TEMPLETON INCOME TRUST :  
 TEMPLETON INSTITUTIONAL FUNDS, INC. :  
 FRANKLIN ADVISERS, INC. :  
 FRANKLIN INVESTMENT ADVISORY :  
     SERVICES, LLC :  
 FRANKLIN ADVISORY SERVICES, LLC :  
 FIDUCIARY INTERNATIONAL, INC. :  
 FRANKLIN TEMPLETON INVESTMENTS CORP. :  
 FRANKLIN TEMPLETON INSTITUTIONAL, LLC :  
 FRANKLIN TEMPLETON INVESTMENT :  
     MANAGEMENT LIMITED :  
 .FRANKLIN MUTUAL ADVISERS, LLC :  
 TEMPLETON INVESTMENT COUNSEL, LLC :  
 TEMPLETON GLOBAL ADVISORS LIMITED :  
 TEMPLETON ASSET MANAGEMENT LTD. :  
 FRANKLIN/TEMPLETON DISTRIBUTORS, INC. :  
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 One Franklin Parkway :  
 San Mateo, California 94403-1906 :  
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 (812-13500) :  
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**ORDER UNDER SECTION 6(c) OF THE INVESTMENT COMPANY ACT OF 1940 GRANTING AN EXEMPTION FROM RULE 12d1-2(a) UNDER THE ACT**

Franklin California Tax-Free Income Fund, et al., filed an application on February 22, 2008 requesting an order under section 6(c) of the Investment Company Act (“Act”) granting an exemption from rule 12d1-2(a) under the Act. The order would permit funds of funds relying on rule 12d1-2 under the Act to invest in certain financial instruments.

On March 31, 2008, a notice of the filing of the application was issued (Investment Company Act Release No. 28229). The notice gave interested persons an opportunity to request a hearing and stated that an order granting the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered, and it is found, on the basis of the information set forth in the application, that granting the requested exemption is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Accordingly,

IT IS ORDERED, that the exemption under section 6(c) of the Act from rule 12d1-2(a) under the Act requested by Franklin California Tax-Free Income Fund, et al. (File No. 812-13500), is granted, effective immediately, subject to the conditions contained in the application.

For the Commission, by the Division of Investment Management, under delegated authority.

Florence E. Harmon  
Deputy Secretary