

Penta Michael
 Form 4
 November 02, 2012

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Penta Michael

2. Issuer Name and Ticker or Trading Symbol
 GIGA TRONICS INC [GIGA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 4650 NORRIS CANYON ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 07/16/2012

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Vice President of Sales

SAN RAMON, CA 94583

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount of Number of Shares
Common Stock	\$ 1.18	07/16/2012	A	100,000					(1)	07/16/2022	Common Stock	100,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Penta Michael 4650 NORRIS CANYON ROAD SAN RAMON, CA 94583			Vice President of Sales	

Signatures

/s/ Michael
Penta 11/02/2012
 **Signature of Date
 Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Date the company files it's 10K for fiscal 2014.

Remarks:

This option was granted under the NASDAQ listing Rule 5635(c)(4) and is intended as an incentive option for a new hire.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.
 Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. R-BOTTOM: windowtext 1pt solid; BORDER-LEFT: medium none; PADDING-BOTTOM: 1pt; PADDING-LEFT: 0in; PADDING-RIGHT: 0in; BORDER-TOP: medium none; BORDER-RIGHT: medium none; PADDING-TOP: 0in">

**INSURED
NUMBER**

BOND

Franklin Resources, Inc.

87170112B

**EFFECTIVE DATE
AUTHORIZED REPRESENTATIVE**

BOND PERIOD

June 30, 2012

June 30, 2012 to June 30, 2013

/S/ Catherine Dalton

In consideration of the premium charged for this Bond, it is hereby understood and agreed that:

1. In the event that a loss is covered under more than one bond issued to Franklin Resources, Inc. or any affiliates thereof issued by ICI Mutual Insurance Company, the total liability of ICI Mutual Insurance Company under all implicated bonds in combination shall not exceed the applicable Limit of Liability of the largest of the implicated bonds. In no event shall the applicable Limits of Liability of each of the implicated bonds be added together or otherwise combined to determine the total liability of ICI Mutual Insurance Company.

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

**ICI MUTUAL INSURANCE COMPANY,
a Risk Retention Group**

INVESTMENT COMPANY BLANKET BOND

RIDER NO. 24

**INSURED
NUMBER**

BOND

Franklin Resources, Inc.

87170112B

**EFFECTIVE DATE
AUTHORIZED REPRESENTATIVE**

BOND PERIOD

June 30, 2012

June 30, 2012 to June 30, 2013

/S/ Catherine Dalton

In consideration of the premium charged for this Bond, it is hereby understood and agreed that the Insurer shall use its best efforts to enter into an agreement with each Facultative Reinsurer on this Bond, providing that, in the event of the Insurer's insolvency resulting in a court appointed liquidator or receiver, such payments as may be due from the Facultative Reinsurer to the Insurer on claims under this Bond shall be made by the Facultative Reinsurer directly to the Insureds, in the same manner and to the extent that the Insurer would be obligated to make such payments to the Insureds pursuant to the terms of this Bond ("Cut Through Agreement").

It is further understood and agreed that prior to the Insurer's submission of the proposed Cut Through Agreement to Facultative Reinsurers, the Insurer shall provide a form of Cut Through Agreement to a representative of Franklin Resources, Inc. on behalf of the Insureds, for such representative's review and approval.

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It is further understood and agreed that as used in this rider, "Facultative Reinsurer" means any entity providing reinsurance for this Bond to the Company on a facultative basis (and always excluding any entity providing reinsurance for this Bond to the Company pursuant to treaty).

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of this Bond other than as above stated.

**Franklin Templeton SEC Registered Funds
As Of June 30, 2012**

TIS#	Fund Name	Allocated Premium
31	Templeton World Fund	\$3,308
37	Templeton Foreign Fund	\$3,387
	Templeton Funds (2)	
97	Templeton Global Bond Fund	\$38,710
12052	Templeton International Bond Fund	\$199
12801	Templeton Global Total Return Fund	\$2,403
	Templeton Income Trust (3)	
243	Foreign Equity Series	\$3,514
540	Emerging Markets Series	\$164
4562	Foreign Smaller Companies Series	\$271
12332	Global Equity Series	\$247
	Templeton Institutional Funds (4)	
431	Mutual Beacon Fund	\$2,448
432	Mutual Global Discovery Fund	\$11,239
433	Mutual European Fund	\$1,081
434	Mutual Quest Fund	\$3,187
435	Mutual Shares Fund	\$8,609
666	Mutual Financial Services Fund	\$212
13328	Mutual International Fund	\$13
	Franklin Mutual Series Funds (7)	
4389	Franklin Templeton 2015 Retirement Target Fund	\$6
4390	Franklin Templeton 2025 Retirement Target Fund	\$4
4391	Franklin Templeton 2035 Retirement Target Fund	\$3
4392	Franklin Templeton 2045 Retirement Target Fund	\$1
4467	Franklin Templeton Corefolio Allocation Fund	\$0
4468	Franklin Templeton Founding Funds Allocation Fund	\$19
4484	Franklin Templeton Conservative Allocation Fund	\$222
4485	Franklin Templeton Moderate Allocation Fund	\$210
4486	Franklin Templeton Growth Allocation Fund	\$62
15686	Franklin Templeton Multi-Asset Real Return Fund	\$1
	Franklin Templeton Fund Allocator Series (10)	
4150	Franklin Balance Sheet Investment Fund	\$896
4189	Franklin Microcap Value Fund	\$229
4282	Franklin Small Cap Value Fund	\$1,054
4297	Franklin Midcap Value Fund	\$50
4480	Franklin Large Cap Value Fund	\$83

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11579	Franklin All Cap Value Fund	\$16
	Franklin Value Investors Trust (6)	
4290	Templeton Global Balanced Fund	\$664
4398	Templeton Emerging Markets Small Cap Fund	\$190
4494	Templeton BRIC Fund	\$287
12772	Templeton Frontier Markets Fund	\$303
14690	Templeton Asian Growth Fund	\$6
15934	Templeton Emerging Markets Balanced Fund	\$18
	Templeton Global Investment Trust (6)	
4180	Franklin Flex Cap Growth Fund	\$2,222
4194	Franklin Strategic Income Fund	\$4,155
4198	Franklin Small-Mid Cap Growth Fund	\$2,227
4402	Franklin Biotechnology Discovery Fund	\$311
4403	Franklin Natural Resources Fund	\$671
4462	Franklin Growth Opportunities Fund	\$266
4465	Franklin Small Cap Growth Fund	\$231
12053	Franklin Focused Core Equity Fund	\$16
	Franklin Strategic Series (8)	
4110	Franklin U.S. Government Securities Fund	\$7,535
4306	Franklin Growth Fund	\$3,933
4307	Franklin Utilities Fund	\$2,820
4308	Franklin DynaTech Fund	\$789
4309	Franklin Income Fund	\$41,603
	Franklin Custodian Funds (5)	
4493	Franklin Templeton Emerging Market Debt Opportunities Fund	\$294
4496	Franklin Global Real Estate Fund	\$65
4643	Franklin International Small Cap Growth Fund	\$361
5567	Franklin Large Cap Equity Fund	\$61
12517	Franklin International Growth Fund	\$44
	Franklin Global Trust (5)	
4172	Franklin Kentucky Tax-Free Income Fund	\$129
4174	Franklin Federal Intermediate-Term Tax-Free Income Fund	\$2,145
4318	Franklin Massachusetts Tax-Free Income Fund	\$366
4319	Franklin Michigan Tax-Free Income Fund	\$950
4320	Franklin Minnesota Tax-Free Income Fund	\$725
4321	Franklin Insured Tax-Free Income Fund	\$1,900
4322	Franklin Ohio Tax-Free Income Fund	\$1,133
4323	Franklin Double Tax-Free Income Fund	\$548
4327	Franklin Colorado Tax-Free Income Fund	\$499
4328	Franklin Georgia Tax-Free Income Fund	\$376
4329	Franklin Pennsylvania Tax-Free Income Fund	\$1,015
4330	Franklin High Yield Tax-Free Income Fund	\$5,903
4354	Franklin Federal Limited-Term Tax-Free Fund	\$515
4360	Franklin Missouri Tax-Free Income Fund	\$870
4361	Franklin Oregon Tax-Free Income Fund	\$913
4363	Franklin Virginia Tax-Free Income Fund	\$594

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4364	Franklin Alabama Tax-Free Income Fund	\$206
4365	Franklin Florida Tax-Free Income Fund	\$743
4366	Franklin Connecticut Tax-Free Income Fund	\$349
4368	Franklin Louisiana Tax-Free Income Fund	\$309
4369	Franklin Maryland Tax-Free Income Fund	\$456
4370	Franklin North Carolina Tax-Free Income Fund	\$943
4371	Franklin New Jersey Tax-Free Income Fund	\$1,050
4726	Franklin Arizona Tax-Free Income Fund	\$707

Franklin Tax-Free Trust (24)

4336	Franklin Limited Maturity U.S. Government Securities Fund	\$344
4337	Franklin Convertible Securities Fund	\$649
4338	Franklin Adjustable U.S. Government Securities Fund	\$1,655
4339	Franklin Equity Income Fund	\$903
4460	Franklin Total Return Fund	\$3,032
4489	Franklin Floating Rate Daily Access Fund	\$1,413
4586	Franklin Balanced Fund	\$384
4990	Franklin Real Return Fund	\$370
4991	Franklin Low Duration Total Return Fund	\$564

Franklin Investors Securities Trust (9)

4152	Franklin California Intermediate-Term Tax-Free Income Fund	\$693
4324	Franklin California Insured Tax-Free Income Fund	\$1,436
4325	Franklin California Tax-Exempt Money Fund	\$365

Franklin California Tax-Free Trust (3)

4191	Templeton Foreign Smaller Companies Fund	\$92
12054	Franklin India Growth Fund	\$45
15055	Franklin World Perspectives Fund	\$17
15442	Franklin Templeton Global Allocation Fund	\$25

Franklin Templeton International Trust (4)

4175	Franklin California High Yield Municipal Fund	\$1,151
4220	Franklin Tennessee Municipal Bond Fund	\$203

Franklin Municipal Securities Trust (2)

381	Templeton Developing Markets Securities Fund	\$356
523	Templeton Foreign Securities Fund	\$1,496
4410	Franklin Flex Cap Growth Securities Fund	\$307
4411	Franklin Large Cap Value Securities Fund	\$21
4822	Franklin Growth and Income Securities Fund	\$185
4824	Franklin Global Real Estate Securities Fund	\$231
4826	Franklin High Income Securities Fund	\$217
4827	Templeton Global Bond Securities Fund	\$1,745
4829	Franklin Income Securities Fund	\$5,131
4830	Franklin U.S. Government Fund	\$759
4836	Franklin Rising Dividends Securities Fund	\$1,078
4840	Templeton Growth Securities Fund	\$1,706
4842	Franklin Small-Mid Cap Growth Securities Fund	\$516
4843	Franklin Large Cap Growth Securities Fund	\$215
4845	Mutual Global Discovery Securities Fund	\$475

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4846	Mutual Shares Securities Fund	\$3,503
4848	Franklin Small Cap Value Securities Fund	\$812
4884	Franklin Strategic Income Securities Fund	\$886
11536	Franklin Templeton VIP Founding Funds Allocation Fund	\$98
13449	Mutual International Securities Fund	\$1

Franklin Templeton Variable Insurance Products Trust (20)

15988	Franklin Pelagos Commodities Strategy Fund	\$8
15989	Franklin Pelagos Managed Futures Strategy Fund	\$7

Franklin Alternative Strategies Funds (2)

INDIVIDUAL FUNDS THAT ARE NOT PART OF A MULTI SERIES TRUST

30	Templeton Global Smaller Companies Fund	\$566
105	Templeton Growth Fund. Inc.	\$9,292
111	Templeton Emerging Markets Fund	\$221
146	Templeton Global Income Fund	\$765
201	Templeton Global Opportunities Trust	\$409
337	Templeton Russia and East European Fund, Inc	\$56
505	Templeton Developing Markets Trust	\$1,467
555	Templeton Emerging Markets Income Fund	\$470
581	Templeton Dragon Fund, Inc	\$704
4002	Franklin Universal Trust	\$147
4021	Franklin Floating Rate Master Trust - Franklin Floating Rate Master Series	\$404
	Franklin New York Tax-Free Trust - Franklin New York Intermediate-Term	
	Tax-Free Income	\$589
4153	Franklin Strategic Mortgage Portfolio	\$76
4157	The Money Market Portfolio	\$0
4184	Franklin Real Estate Securities Trust - Franklin Real Estate Securities Fund	\$261
4192	Franklin Templeton Global Trust - Franklin Templeton Hard Currency Fund	\$345
4212	Franklin Gold And Precious Metals Fund	\$1,477
4301	Franklin High Income Trust - Franklin High Income Fund	\$3,364
4305	Franklin Money Fund	\$1,077
4311	Franklin California Tax-Free Income Fund	\$9,349
4312	Franklin Tax-Exempt Money Fund	\$71
4314	Franklin New York Tax-Free Income Fund	\$4,379
4315	Franklin Federal Tax-Free Income Fund	\$7,545
4316	Institutional Fiduciary Trust - Money Market Portfolio	\$902
4340	Franklin Managed Trust - Franklin Rising Dividends Fund	\$5,091
4447	Franklin Mutual Recovery Fund	\$42
4472	Franklin Templeton Limited Duration Income Trust	\$350
4473	Templeton China World Fund	\$652
4511	Franklin Templeton Money Fund Trust - Franklin Templeton Money Fund	\$169

TOTALS **\$257,603**

Bond limit of \$72 million has been reserved for the SEC Funds.

CERTIFICATE OF SECRETARY

Franklin Alternative Strategies Funds
Franklin California Tax-Free Income Fund
Franklin California Tax-Free Trust
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 Money Fund
Franklin Municipal Securities Trust
Franklin Mutual Recovery Fund
Franklin Mutual Series Funds
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-Exempt Money Fund
Franklin Tax-Free Trust

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Franklin Templeton Fund Allocator Series

Franklin Templeton Global Trust

Franklin Templeton International Trust

Franklin Templeton Limited Duration Income Trust

Franklin Templeton Money Fund Trust

Franklin Templeton Variable Insurance Products Trust

Franklin Universal Trust

Franklin Value Investors Trust

Institutional Fiduciary Trust

The Money Market Portfolios

I, Karen S. Skidmore, Vice President and Secretary or Assistant Secretary of the above referenced investment companies (each, a “Trust,” and collectively, the “Trusts”) hereby certify that the following is a true and correct copy of resolutions duly adopted by the Board of Trustees of each Fund, including a majority of the Trustees who are not “interested persons” of the Funds, as such term is defined in the Investment Company Act of 1940, at a meeting of Trustees of the Funds held on May 22, 2012 and further certify that said resolutions are in full force and effect in all respects:

RESOLVED, that after consideration of the value of the aggregate assets of the Trusts to which any covered person (as defined in Rule 17g-1) may have access, the type and terms of the arrangements made for the custody and safekeeping of such assets and the nature of the securities in the Trusts’ portfolios, among other factors, the proposed joint fidelity bond coverage for the Trusts and other members of the Franklin Templeton Group of Funds (both those registered with the SEC and non-SEC registered funds), as well as FRI and its affiliates, including investment advisers, be continued with ICI Mutual, subject to the amount of the joint fidelity bond coverage remaining at \$100,000,000 under arrangements providing for a specifically allocated priority layer of \$72,000,000 coverage for the Trusts and the other SEC-registered Franklin Templeton funds, and subject to ongoing review; and

FURTHER RESOLVED, that in accordance with the provisions of subparagraph (e) of Rule 17g-1 under the 1940 Act, and after consideration of the number of other parties named as insureds, the nature of the business activities of such other parties, the amount of the joint insured bond, the amount of the premium for such bond, the ratable allocation of the premium among all parties named as insureds and the extent to which the share of the premium allocated to each Trust is less than the premium such Trust would have had to pay if it had provided and maintained a single insured bond, among other factors, the portion of the premium for said bond to be paid by each Trust be, and it hereby is, approved as to amount and shall be the portion of the allocable premiums paid by all covered investment companies constituting the Franklin Templeton Group of Funds equal to the percentage that the Trust's assets represent in respect to the assets of all of such covered investment companies in the aggregate; and

FURTHER RESOLVED, that the existing Amended and Restated Allocation Agreement between the Trusts and the other covered persons under the bond relating to the sharing of premiums and division of insurance proceeds in the event of a joint fidelity loss, as required by subparagraph (f) of Rule 17g-1, and reflecting the provisions of said bond, is hereby approved and continued; and

FURTHER RESOLVED, that the officers of the Trusts be, and each of them hereby is, authorized, empowered and directed to make such filings with the SEC as may be required from time to time pursuant to Rules under the 1940 Act.

/S/ Karen L. Skidmore

Karen L. Skidmore

Vice President and Secretary or

Assistant Secretary

Dated: October 24, 2012

CERTIFICATE OF VICE PRESIDENT AND SECRETARY OF

TEMPLETON CHINA WORLD FUND
TEMPLETON DEVELOPING MARKETS TRUST
TEMPLETON DRAGON FUND, INC.
TEMPLETON EMERGING MARKETS FUND
TEMPLETON EMERGING MARKETS INCOME FUND
TEMPLETON FUNDS
TEMPLETON GLOBAL INCOME FUND
TEMPLETON GLOBAL INVESTMENT TRUST
TEMPLETON GLOBAL OPPORTUNITIES TRUST
TEMPLETON GLOBAL SMALLER COMPANIES FUND
TEMPLETON GROWTH FUND, INC.
TEMPLETON INCOME TRUST
TEMPLETON INSTITUTIONAL FUNDS
TEMPLETON RUSSIA AND EAST EUROPEAN FUND, INC.

I, Robert C. Rosselot, Vice President and Secretary of the above referenced investment companies (each, together with its respective series, a “Fund” or “Funds”), hereby certify that the following is a true and correct copy of resolutions duly adopted by the Board of Directors/Trustees of each Fund, including a majority of the Directors/Trustees who are not “interested persons” of the Fund, as such term is defined in the Investment Company Act of 1940 (the “1940 Act”), at the regular meetings of Directors/Trustees of the Funds held on May 22, 2012, and further certify that said resolutions are in full force and effect in all respects:

RESOLVED, that after consideration of the value of the aggregate assets of the Funds to which any covered person (as defined in Rule 17g-1) may have access, the type and terms of the arrangements made for the custody and safekeeping of such assets and the nature of the securities in the Funds’ portfolios, among other factors, the proposed

joint fidelity bond coverage for the Funds and other members of the Franklin Templeton Group of Funds (both those registered with the SEC and non-SEC registered funds), as well as FRI and its affiliates, including investment advisers, be continued with ICI Mutual, subject to the amount of the joint fidelity bond coverage remaining at \$100,000,000 under arrangements providing for a specifically allocated priority layer of \$72,000,000 coverage for the Funds and the other SEC-registered Franklin Templeton funds, and subject to ongoing review; and

FURTHER RESOLVED, that in accordance with the provisions of subparagraph (e) of Rule 17g-1 under the 1940 Act, and after consideration of the number of other parties named as insureds, the nature of the business activities of such other parties, the amount of the joint insured bond, the amount of the premium for such bond, the ratable allocation of the premium among all parties named as insureds and the extent to which the share of the premium allocated to each Fund is less than the premium such Fund would have had to pay if it had provided and maintained a single insured bond, among other factors, the portion of the premium for said bond to be paid by each Fund be, and it hereby is, approved as to amount and shall be the portion of the allocable premiums paid by all covered investment companies constituting the Franklin Templeton Group of Funds equal to the percentage that the Fund's assets represent in respect to the assets of all of such covered investment companies in the aggregate; and

FURTHER RESOLVED, that the existing Amended and Restated Allocation Agreement between the Funds and the other covered persons under the bond relating to the sharing of premiums and division of insurance proceeds in the event of a joint fidelity loss, as required by subparagraph (f) of Rule 17g-1, and reflecting the provisions of said bond, is hereby approved and continued; and

FURTHER RESOLVED, that the officers of the Funds be, and each of them hereby is, authorized, empowered and directed to make such filings with the SEC as may be required from time to time pursuant to Rules under the 1940 Act.

/s/ Robert C. Rosselot _____

Robert C. Rosselot

Vice President and Secretary

DATED: October 9, 2012

Amended and Restated Allocation Agreement

This Amended and Restated Allocation Agreement (“Agreement”) is made as of the 17th day of November, 2012, by and among the funds listed on Schedule A of this Agreement (hereafter collectively referred to as the “Funds”) and the non-funds described on Schedule B of this Agreement (hereafter collectively referred to as the “Non-Funds”). The Funds and Non-Funds are hereafter collectively referred to as the “Insured.”

This Agreement is entered into under the following circumstances:

A. Section 17(g) of the Investment Company Act of 1940 (the “Act”) provides that the Securities and Exchange Commission (“SEC”) is authorized to require that the officers and employees of registered management investment companies be bonded against larceny and embezzlement, and the SEC has promulgated rules and regulations dealing with this subject (“Rule 17g-1”);

B. The Funds and the Non-Funds are named as joint insureds under the terms of certain bonds or policies of insurance which insure against larceny and embezzlement of officers and employees (the “Fidelity Bonds”);

C. A majority of those members of the Board of Directors/Trustees of each of the Funds, who are not “interested persons” as defined by Section 2(a)(19) of the Act, have given due consideration to all factors relevant to the form, amount and apportionment of premiums and recoveries on the Fidelity Bonds and each such Board of Directors/Trustees of each Fund has approved the term and amount of the Fidelity Bonds, the portion of the premiums payable by that party, and the manner in which recovery of said Fidelity Bonds, if any, shall be shared by and among the parties hereto as hereinafter set forth; and

D. The Insureds now desire to enter into the agreement required by Rule 17g-1(f) to establish the manner in which payment of premiums and recovery on said Fidelity Bonds, if any, shall be shared.

NOW, THEREFORE, IT IS HEREBY AGREED by and among the parties hereto as follows:

1. Payment of Premiums

The premium shall be allocated between the Insured in accordance with the requirements of Rule 17g-1(e). The portion of the premium which is allocated to the Funds shall be divided among the Funds as follows: each Fund shall pay that percentage of each premium when due under the Fidelity Bonds which is derived by a fraction, (i) the denominator of which is the total assets of all of the Funds combined at the time any premium is due; and (ii) the numerator of which is the total assets of each of the Funds individually at the time any premium is due.

2. Allocation of Recoveries

(a) If more than one of the parties hereto is damaged in a single loss for which recovery is received under the Fidelity Bonds, each such party shall receive that portion of the recovery which represents the loss sustained by that party, unless the recovery is inadequate fully to indemnify each such party sustaining a loss.

(b) If the recovery is inadequate fully to indemnify each such party hereto sustaining a loss, the recovery shall be allocated among such parties in the following order:

(i) Each Insured sustaining a loss shall be allocated an amount equal to the lesser of its actual loss or an amount in the proportion that each such Insured's last payment of premium bears to the sum of the last such premium payments of all such Insureds, except that if this allocation would result in any Fund, including those Fund(s) created during the policy term that have paid no premium as provided for in paragraph 4 of this Agreement, receiving less than the minimum amount of recovery under the Fidelity Bonds which would be required to be maintained by such party under a single insured fidelity bond in accordance with the provision of Rule 17g-1(d)(1) (determined as of the time of the loss) (the "Single Insured Minimum"), then first from the share allocated to the non-Funds, sufficient monies shall be re-allocated to the Funds to bring the share of each Fund up to the Single Insured Minimum (determined as of the time of the loss).

The basis of each reallocation from each of the non-Funds sustaining a loss to Funds sustaining a loss shall be the proportion that each such non-Fund's last payment of premium bears to the sum of the last such premium payments of all such non-Funds.

To the extent this reallocation from non-Funds to Funds is still insufficient to bring the share of each Fund sustaining a loss up to the Single Insured Minimum (determined as of the time of the loss), then second, from the share allocated to Funds sustaining a loss whose allocation exceeds the Single Insured Minimum amount for the Fund, sufficient monies will be reallocated, to the extent possible, to the other Funds sustaining a loss to bring the share of each Fund sustaining a loss up to the Single Insured Minimum (determined as of the time of loss).

The basis of such reallocation from Funds sustaining a loss to other Funds sustaining a loss shall be the proportion that each such Fund's last payment of premium bears to the last such premium payments of all such Funds.

(ii) The remaining portion of the proceeds shall be allocated to each party sustaining a loss not fully covered by the allocation under subparagraph (i) in the proportion that each such party's last payment of premium bears to the sum of the last such premium payment of all such parties. If such allocation would result in any party sustaining a loss receiving a portion of the recovery in excess of the loss actually sustained by such party, the aggregate of each

excess portion shall be allocated among the other parties whose losses would not be fully indemnified in the same proportion that each such party's last payment of premium bears to the sum of the last such premium payments of all parties entitled to receive a share of the excess. Any allocation in excess of a loss actually sustained by any such party shall be reallocated in the same manner.

3. Obligation to Maintain Minimum Coverage

Each of the Funds represents and warrants to each of the other parties hereto that it has determined the amount of its Single Insured Minimum as of the date hereof and that such Single Insured Minimum is included in the coverage of the Fidelity Bonds. Each of the Funds agrees that it will determine, no less often than at the end of each calendar quarter, the Single Insured Minimum which would be required of it if a determination with respect to the adequacy of the coverage were then currently being made. In the event that the total amount of the minimum coverages thus determined exceeds the total amount of coverage of then effective Fidelity Bonds, management of each of the Funds will be notified and will determine whether it is necessary or appropriate to increase the total amount of coverage of the Fidelity Bonds to an amount not less than the total amount of such minimums, or to secure such excess coverage for one or more of the parties hereto, which, when added to the total coverage of the Fidelity Bonds, will equal an amount not less than the total amount of such minimums. Each Fund agrees to pay its fair (taking into account all of the then existing circumstances) portion of the new or additional premium; provided that in the event that a Fund elects to terminate this Agreement (as to itself as a party hereto pursuant to paragraph 5) and its participation in the joint-insured Fidelity Bonds on or prior to the effective date of the new or additional premium, such party shall not pay any portion of the new or additional premium.

4. Newly Created Funds or Non-Funds

The parties hereto agree that during the policy term any newly created Fund(s) or non-Fund(s) can be added as joint Insured on the Fidelity Bonds and can be added as parties to this Agreement, as then currently amended or restated, in the case of this Agreement, by attaching a revised Schedule A and/or Schedule B, as applicable, to this Agreement that reflects the addition of such newly created Fund(s) or non-Fund(s); provided that such revised Schedule A and/or Schedule B is signed by the proper officers of the Insured that are authorized to execute this Agreement and is dated with the as of date upon which such addition(s) is effective. The newly created Fund(s) or non-Fund(s) that are added as joint Insured on the Fidelity Bonds and to this Agreement, as then currently amended or restated, will not be required to pay any premium during the then current policy term of the Fidelity Bonds, unless, pursuant to paragraph 3 of this Agreement, an increase in the total amount of coverage is required. Each of such newly created Fund(s) or non-Fund(s) that are added as joint Insured agrees to pay its proportionate share of any new or additional premium, as outlined in paragraph 3 to this Agreement, and to be bound by all other terms and conditions of this Agreement.

5. Successors

This Agreement shall apply to the present Fidelity Bond coverage and any renewal or replacement thereof and shall continue until terminated as to any party by such party hereto giving not less than sixty days' notice to the other parties hereto in writing. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and any successor or successors to a party hereto resulting from a change in domicile or form of corporate, trust or similar organization of such party.

6. Authorization to Execute; Counterparts

The parties hereby agree that the proper officers of the Insured are authorized to execute this Agreement, and any amendments thereto, on behalf of the parties to this Agreement. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

The Funds Listed on Schedule A of this Agreement, and

The Non-Funds Described on Schedule B of this Agreement

By: /s/ Craig S. Tyle

Name: Craig S. Tyle

SCHEDULE A

Funds

Franklin Alternative Strategies Funds
Franklin California Tax-Free Income Fund
Franklin California Tax-Free Trust
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 Money Fund
Franklin Municipal Securities Trust
Franklin Mutual Recovery Fund
Franklin Mutual Series Funds.
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-Exempt Money Fund
Franklin Tax-Free Trust
Franklin Templeton Fund Allocator Series
Franklin Templeton Global Trust
Franklin Templeton International Trust
Franklin Templeton Limited Duration Income Trust
Franklin Templeton Money Fund Trust
Franklin Templeton Variable Insurance Products Trust
Franklin Universal Trust
Franklin Value Investors Trust
Institutional Fiduciary Trust
The Money Market Portfolios
Templeton China World Fund
Templeton Developing Markets Trust
Templeton Dragon Fund, Inc.
Templeton Emerging Markets Fund
Templeton Emerging Markets Income Fund
Templeton Funds
Templeton Global Income Fund
Templeton Global Investment Trust
Templeton Global Opportunities Trust
Templeton Global Smaller Companies Fund

Templeton Growth Fund, Inc.
Templeton Income Trust
Templeton Institutional Funds
Templeton Russia and East European Fund, Inc.

SCHEDULE B

Non-Funds

Franklin Resources, Inc. and its subsidiaries.

Franklin Templeton SEC Registered Funds
As Of June 30, 2012

TIS#	Fund Name	Fund AUM (In \$ Millions)	Trust Total AUM (In \$ Millions)	17g-1 Required Bond Limit
31	Templeton World Fund	5,117.6		
37	Templeton Foreign Fund	5,239.7		
	Templeton Funds (2)		10,357.4	2,500,000
97	Templeton Global Bond Fund	59,888.8		
12052	Templeton International Bond Fund	307.3		
12801	Templeton Global Total Return Fund	3,718.1		
	Templeton Income Trust (3)		63,914.2	2,500,000
243	Foreign Equity Series	5,436.4		
540	Emerging Markets Series	254.1		
4562	Foreign Smaller Companies Series	420.0		
12332	Global Equity Series	381.5		
	Templeton Institutional Funds (4)		6,491.9	2,500,000
431	Mutual Beacon Fund	3,786.7		
432	Mutual Global Discovery Fund	17,388.2		
433	Mutual European Fund	1,671.7		
434	Mutual Quest Fund	4,930.4		
435	Mutual Shares Fund	13,318.9		
666	Mutual Financial Services Fund	328.2		
13328	Mutual International Fund	20.5		
	Franklin Mutual Series Funds (7)		41,444.6	2,500,000
4389	Franklin Templeton 2015 Retirement Target Fund	9.4		
4390	Franklin Templeton 2025 Retirement Target Fund	6.9		
4391	Franklin Templeton 2035 Retirement Target Fund	4.2		
4392	Franklin Templeton 2045 Retirement Target Fund	2.0		
4467	Franklin Templeton Corefolio Allocation Fund	0.1		
4468	Franklin Templeton Founding Funds Allocation Fund	29.5		
4484	Franklin Templeton Conservative Allocation Fund	342.8		
4485	Franklin Templeton Moderate Allocation Fund	324.9		

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4486	Franklin Templeton Growth Allocation Fund	95.9		
15686	Franklin Templeton Multi-Asset Real Return Fund	2.0		
	Franklin Templeton Fund Allocator Series (10)		817.6	1,000,000
4150	Franklin Balance Sheet Investment Fund	1,386.5		
4189	Franklin Microcap Value Fund	353.5		
4282	Franklin Small Cap Value Fund	1,630.9		
4297	Franklin Midcap Value Fund	77.6		
4480	Franklin Large Cap Value Fund	128.6		
11579	Franklin All Cap Value Fund	24.5		
	Franklin Value Investors Trust (6)		3,601.5	2,300,000
4290	Templeton Global Balanced Fund	1,027.5		
4398	Templeton Emerging Markets Small Cap Fund	294.1		
4494	Templeton BRIC Fund	443.8		
12772	Templeton Frontier Markets Fund	468.5		
14690	Templeton Asian Growth Fund	9.9		
15934	Templeton Emerging Markets Balanced Fund	27.6		
	Templeton Global Investment Trust (6)		2,271.4	1,700,000
4180	Franklin Flex Cap Growth Fund	3,437.2		
4194	Franklin Strategic Income Fund	6,427.4		
4198	Franklin Small-Mid Cap Growth Fund	3,445.5		
4402	Franklin Biotechnology Discovery Fund	481.3		
4403	Franklin Natural Resources Fund	1,037.8		
4462	Franklin Growth Opportunities Fund	412.0		
4465	Franklin Small Cap Growth Fund	356.8		
12053	Franklin Focused Core Equity Fund	25.3		
	Franklin Strategic Series (8)		15,623.4	2,500,000
4110	Franklin U.S. Government Securities Fund	11,658.1		
4306	Franklin Growth Fund	6,084.0		
4307	Franklin Utilities Fund	4,362.5		
4308	Franklin DynaTech Fund	1,221.1		
4309	Franklin Income Fund	64,363.7		
	Franklin Custodian Funds (5)		87,689.4	2,500,000
4493	Franklin Templeton Emerging Market Debt Opportunities Fund	455.3		
4496	Franklin Global Real Estate Fund	100.9		
4643	Franklin International Small Cap Growth Fund	559.2		

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5567	Franklin Large Cap Equity Fund	94.2		
12517	Franklin International Growth Fund	67.5		
	Franklin Global Trust (5)		1,277.1	1,250,000
4172	Franklin Kentucky Tax-Free Income Fund	200.0		
4174	Franklin Federal Intermediate-Term Tax-Free Income Fund	3,318.4		
4318	Franklin Massachusetts Tax-Free Income Fund	566.6		
4319	Franklin Michigan Tax-Free Income Fund	1,469.8		
4320	Franklin Minnesota Tax-Free Income Fund	1,121.3		
4321	Franklin Insured Tax-Free Income Fund	2,939.5		
4322	Franklin Ohio Tax-Free Income Fund	1,753.0		
4323	Franklin Double Tax-Free Income Fund	847.9		
4327	Franklin Colorado Tax-Free Income Fund	772.3		
4328	Franklin Georgia Tax-Free Income Fund	581.8		
4329	Franklin Pennsylvania Tax-Free Income Fund	1,570.7		
4330	Franklin High Yield Tax-Free Income Fund	9,132.8		
4354	Franklin Federal Limited-Term Tax-Free Fund	796.6		
4360	Franklin Missouri Tax-Free Income Fund	1,346.4		
4361	Franklin Oregon Tax-Free Income Fund	1,413.0		
4363	Franklin Virginia Tax-Free Income Fund	918.5		
4364	Franklin Alabama Tax-Free Income Fund	318.8		
4365	Franklin Florida Tax-Free Income Fund	1,149.1		
4366	Franklin Connecticut Tax-Free Income Fund	539.9		
4368	Franklin Louisiana Tax-Free Income Fund	478.3		
4369	Franklin Maryland Tax-Free Income Fund	705.7		
4370	Franklin North Carolina Tax-Free Income Fund	1,458.3		
4371	Franklin New Jersey Tax-Free Income Fund	1,624.2		
4726	Franklin Arizona Tax-Free Income Fund	1,094.2		

	Franklin Tax-Free Trust (24)		36,117.4	2,500,000
4336	Franklin Limited Maturity U.S. Government Securities Fund	531.5		
4337	Franklin Convertible Securities Fund	1,004.3		
4338	Franklin Adjustable U.S. Government Securities Fund	2,560.5		
4339	Franklin Equity Income Fund	1,396.4		
4460	Franklin Total Return Fund	4,690.8		
4489	Franklin Floating Rate Daily Access Fund	2,186.2		
4586	Franklin Balanced Fund	593.8		
4990	Franklin Real Return Fund	572.6		
4991	Franklin Low Duration Total Return Fund	872.2		
	Franklin Investors Securities Trust (9)		14,408.4	2,500,000
4152	Franklin California Intermediate-Term Tax-Free Income Fund	1,072.2		
4324	Franklin California Insured Tax-Free Income Fund	2,222.3		
4325	Franklin California Tax-Exempt Money Fund	564.6		
	Franklin California Tax-Free Trust (3)		3,859.0	2,300,000
4191	Templeton Foreign Smaller Companies Fund	142.8		
12054	Franklin India Growth Fund	70.0		
15055	Franklin World Perspectives Fund	26.9		
15442	Franklin Templeton Global Allocation Fund	38.1		
	Franklin Templeton International Trust (4)		277.9	750,000
4175	Franklin California High Yield Municipal Fund	1,780.9		
4220	Franklin Tennessee Municipal Bond Fund	314.3		
	Franklin Municipal Securities Trust (2)		2,095.2	1,700,000
381	Templeton Developing Markets Securities Fund	551.1		
523	Templeton Foreign Securities Fund	2,314.0		
4410	Franklin Flex Cap Growth Securities Fund	474.5		
4411	Franklin Large Cap Value Securities Fund	32.5		
4822		286.6		

	Franklin Growth and Income Securities Fund			
4824	Franklin Global Real Estate Securities Fund	357.5		
4826	Franklin High Income Securities Fund	335.2		
4827	Templeton Global Bond Securities Fund	2,700.1		
4829	Franklin Income Securities Fund	7,938.5		
4830	Franklin U.S. Government Fund	1,174.5		
4836	Franklin Rising Dividends Securities Fund	1,667.4		
4840	Templeton Growth Securities Fund	2,640.0		
4842	Franklin Small-Mid Cap Growth Securities Fund	798.5		
4843	Franklin Large Cap Growth Securities Fund	332.6		
4845	Mutual Global Discovery Securities Fund	735.5		
4846	Mutual Shares Securities Fund	5,419.5		
4848	Franklin Small Cap Value Securities Fund	1,256.8		
4884	Franklin Strategic Income Securities Fund	1,370.4		
11536	Franklin Templeton VIP Founding Funds Allocation Fund	151.2		
13449	Mutual International Securities Fund	2.0		
	Franklin Templeton Variable Insurance Products Trust (20)		30,538.3	2,500,000
15988	Franklin Pelagos Commodities Strategy Fund	11.7		
15989	Franklin Pelagos Managed Futures Strategy Fund	11.2		
	Franklin Alternative Strategies Funds (2)		22.9	250,000
	<u>INDIVIDUAL FUNDS THAT ARE NOT PART OF A MULTI SERIES TRUST</u>			
30	Templeton Global Smaller Companies Fund	876.2	876.2	1,000,000
105	Templeton Growth Fund, Inc.	14,375.3	14,375.3	2,500,000
111	Templeton Emerging Markets Fund	341.6	341.6	750,000
146	Templeton Global Income Fund	1,183.9	1,183.9	1,250,000
201	Templeton Global Opportunities Trust	633.1	633.1	900,000
337	Templeton Russia and East European Fund, Inc	87.2	87.2	450,000
505	Templeton Developing Markets Trust	2,269.5	2,269.5	1,700,000
555	Templeton Emerging Markets Income Fund	726.5	726.5	900,000
581	Templeton Dragon Fund, Inc	1,089.6	1,089.6	1,250,000
4002	Franklin Universal Trust	228.1	228.1	600,000

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4021	Franklin Floating Rate Master Trust - Franklin Floating Rate Master Series	625.4	625.4	900,000
4153	Franklin New York Tax-Free Trust - Franklin New York Intermediate-Term Tax-Free Income	911.5	911.5	1,000,000
4157	Franklin Strategic Mortgage Portfolio	118.0	118.0	525,000
4184	The Money Market Portfolio	0.0	-	0
4192	Franklin Real Estate Securities Trust - Franklin Real Estate Securities Fund	403.4	403.4	750,000
4212	Franklin Templeton Global Trust - Franklin Templeton Hard Currency Fund	533.7	533.7	900,000
4301	Franklin Gold And Precious Metals Fund	2,285.7	2,285.7	1,700,000
4305	Franklin High Income Trust - Franklin High Income Fund	5,204.9	5,204.9	2,500,000
4311	Franklin Money Fund	1,666.4	1,666.4	1,500,000
4312	Franklin California Tax-Free Income Fund	14,464.5	14,464.5	2,500,000
4314	Franklin Tax-Exempt Money Fund	110.0	110.0	525,000
4315	Franklin New York Tax-Free Income Fund	6,774.3	6,774.3	2,500,000
4316	Franklin Federal Tax-Free Income Fund	11,672.6	11,672.6	2,500,000
4340	Institutional Fiduciary Trust - Money Market Portfolio	1,395.5	1,395.5	1,250,000
4358	Franklin Managed Trust - Franklin Rising Dividends Fund	7,875.5	7,875.5	2,500,000
4447	Franklin Mutual Recovery Fund	65.0	65.0	400,000
4472	Franklin Templeton Limited Duration Income Trust	541.9	541.9	900,000
4473	Templeton China World Fund	1,008.7	1,008.7	1,250,000
4511	Franklin Templeton Money Fund Trust - Franklin Templeton Money Fund	260.7	260.7	750,000
	TOTALS	398,536.2	398,536.2	69,900,000.0

Bond limit of \$72 million has been reserved for the SEC Funds.

