

<b>Asset Class and Fund Objective:</b>	Specialty U.S. stock fund, focusing on growth-oriented small to mid capitalization stocks
<b>Fund Type:</b>	Mutual fund
<b>Index or Active Strategy:</b>	Active fund that attempts to beat the total return of the Russell 2500 Growth Index

**Fees and Expenses of the Fund**

The fund **does not** have sales charges on purchases or dividend reinvestments, deferred sales charges, redemption fees or exchange fees. **Excessive trading restrictions may apply—see Detailed Fund Operations.**

**Fund Operating Expenses (deducted from your account as a percent of assets)**

	Franklin Small-Mid Cap Growth Fund	Range of Fees in US Stock Funds	Range of Fees for Balanced Funds
<b>Annual Fees in Percent of Assets</b>	0.79%	0.02% - 0.96%	0.12% - 0.19%
<b>For a \$10,000 Account You Would Pay</b>			
First Year Fee	\$79	\$2 - \$96	\$12 - \$19
Total Fees over 30 Years in Today's Dollars	\$2,686	\$60 - \$3,356	\$367 - \$587

*Fees represent the most currently available information and are subject to change without prior notice. Fees are net of any contractual reimbursements to you.*

**Principal Investment Strategies and Risks of Investing in the Fund**

The fund seeks long-term growth of capital by normally investing at least 80 percent of its assets in equity securities of small-cap and mid-cap companies. The fund focuses on individual securities, choosing companies it believes will have above-average growth in revenues, earnings, or assets. The fund relies on both qualitative and quantitative analysis to assess companies for competitive advantages likely to lead to growth in earnings and/or share price, and sectors and companies with growth potential. The fund may have major positions in particular sectors (e.g., electronic technology, technology services, etc.).

The fund's total return will fluctuate over a wide range, consistent with its reliance on investing in stocks. Investors in the fund should have a long-term investment horizon. The fund is not a complete investment program and returns may lag the returns of a balanced portfolio with comparable risk. The fund's emphasis on small-cap and mid-cap stocks may cause it to lag the returns of the broad U.S. stock market. The fund's strategy for outperforming its benchmark may cause it to lag the benchmark as the strategy relies on predictions and incurring trading costs through security turnover. Your investment in the fund is not a bank deposit and is not insured or guaranteed by the F.D.I.C. or any other government entity. It is possible to lose money investing in the fund and returns may not keep pace with inflation.

<b>Asset Allocation as of</b>	<b>12/31/03</b>
Cash	2.52%
Bonds	0.00%
U.S. Stock	89.42%
Foreign Stock	8.05%
Other	0.00%

<b>Regional Allocation as of</b>	<b>12/31/03</b>
U.S. and Canada	94.17%
Europe	4.07%
Japan	0.00%
Latin America	1.31%
Pacific Rim and other	0.45%

<b>Top 5 - Sector Exposure as of</b>	<b>12/31/03</b>
Information Technology	33.14%
Consumer Discretionary	15.75%
Financials	13.77%
Health Care	13.01%
Industrials	11.10%

<b>Other Portfolio Measures as of Most Recent Data</b>	
Percent in Top 10 Holdings	15.31%
Number of Fund Holdings	191
Average Price Earnings Ratio	21.5
Average Effective Duration	N/A
Turnover	36.5%

*Data gathered from various third-party sources. Sector allocations are approximate and will vary.*

**Average Annual Returns and Risk for Periods Ending March 31, 2004**

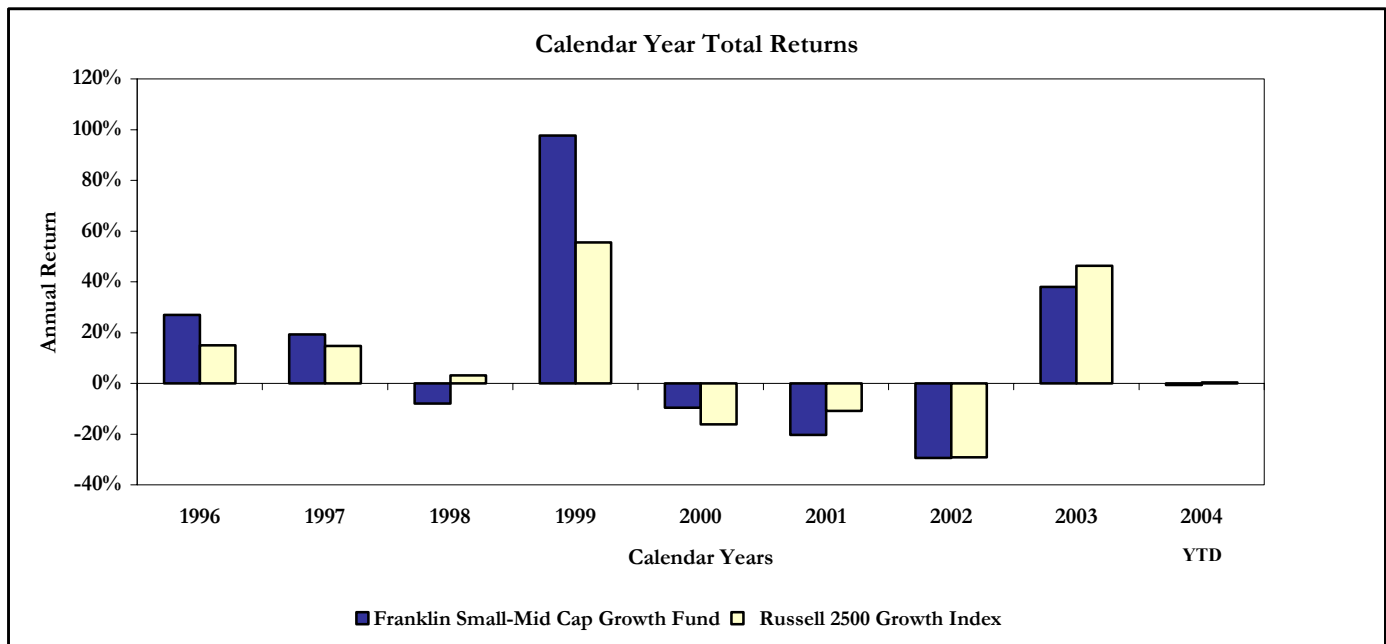
<b>Average Annual Returns</b>	<b>One Year</b>	<b>5 Years</b>	<b>10 Years</b>
Investment Fund	44.65%	6.87%	12.63%
Russell 2500 Growth Index	59.47%	5.17%	8.94%
<b>Average Annual Risk (Standard Deviation)</b>			
Investment Fund	13.36%	32.34%	27.19%
Russell 2500 Growth Index	13.72%	30.52%	25.66%
FRS Select Moderate Balanced Fund	6.03%	9.99%	9.31%

*Prior to July 2002, actual historical performance data has been adjusted for fees and/or designs for multiple manager funds that are specific to the FRS.*

**Other Historical Risk Measures: 5 Year Period Ending March 31, 2004**

	Franklin Small-Mid Cap Growth Fund	Range of Measure in US Stock Funds			Range of Measure for Balanced Funds		
Beta vs. Benchmark	1.03%	0.54%	-	1.15%	0.93%	-	0.96%
Tracking Error vs. Benchmark	7.02%	0.15%	-	15.99%	0.73%	-	1.49%
Highest Quarterly Return	59.88%	14.54%	-	59.88%	6.31%	-	15.62%
Lowest Quarterly Return	-25.09%	-36.74%	-	-14.12%	-14.17%	-	-4.98%
Performance Alarms	2	0	-	2	0	-	0

For periods prior to July 2002, actual historical performance data has been adjusted for fees and/or designs for multiple manager funds that are specific to the FRS. Beta is the average percent change in the fund's return if there is a 1% change in the benchmark's return. Tracking Error is the standard deviation of the statistically unexplained difference between the fund's return and the benchmark return. Performance alarms are a statistical measure of underperformance relative to the benchmark. Multiple alarms may imply a higher risk of future underperformance.



**Fund Management and Marketing**

Investment Manager(s): Franklin Advisers, Inc.  
 Portfolio Manager(s): See **Detailed Fund Operations**  
 Marketing Company: Nationwide

**Before You Choose a Fund in the FRS Investment Plan**

Keep in mind that **past performance does not guarantee future results**. So before choosing, get objective, professional guidance on what specific funds would best fit your needs and the level of risk involved. Call the MyFRS Financial Guidance Line at 1-866-44-MyFRS (1-866-446-9377; TTY 1-888-429-2160) or visit MyFRS.com for free guidance and additional information on this investment fund, including Financial Engines' *Fund Score Card* and *Detailed Fund Operations*. These reports discuss the investment strategies and other factors that may significantly affect the fund's performance. You can also make daily account transfers or withdrawals through these phone and online resources, unless the fund has transfer restrictions.

This profile is intended for use in connection with the FRS Investment Plan, pursuant to Florida law, and is not intended for use by other investors. Sections 121.4501(8)(b)4. and 121.4501(15)(b), Florida Statutes incorporates the federal law concept of participant control, established by regulations of the U.S. Department of Labor under section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the assets in your Investment Plan account, pursuant to section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from your exercise of control.