

PFPC Selected by Franklin Templeton Investments to Service New Jersey 529 Plans

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PFPC Inc., a member of The PNC Financial Services Group, Inc. (NYSE: PNC), and one of the world's leading providers of accounting and administrative services to the mutual fund industry, has been selected by Franklin Templeton Investments to provide investor servicing for Franklin Templeton 529 College Savings Plan, which is sold nationally, and NJBEST 529 College Savings Plan, which is designed for New Jersey residents. Both plans are offered and administered by the New Jersey Higher Education Student Assistance Authority and managed and distributed by Franklin Templeton Distributors, Inc.

Under terms of the multi-year contract, PFPC will provide recordkeeping, reporting and investor servicing for both plans. NJBEST is an existing plan through which more than 26,000 families have invested approximately \$137 million for college. The new Franklin Templeton 529 College Savings Plan is offered nationwide.

State employees had managed NJBEST until March when Franklin Templeton Investments, the nation's fourth-largest mutual fund company, was chosen through a competitive bidding process as the new manager and distributor for that plan and the new, nationally-distributed plan. New Jersey began offering NJBEST in 1997. Franklin Templeton 529 College Savings Plan is marketed through financial advisors to investors throughout the United States. Both plans offer investors a variety of investment options -- most new to NJBEST -- including both conservative and aggressive options.

"PFPC's successful track record in the smooth transfer of participant accounts and its proven ability to support our expanded distribution goals were key factors in helping Franklin Templeton capture the New Jersey mandate," said Dan Reinhold, senior vice president, Franklin Templeton Investments. "This is one of the first conversions of a 529 plan in the industry and, through strategic teamwork with PFPC, we are tapping the strength and flexibility of its Global Enterprise Platform(sm) that makes it possible for us to provide superior service to thousands of account holders nationwide who participate in 529 plans through various channels."

Including New Jersey, PFPC currently supports 10 state-sponsored 529 college investing plans representing more than 300,000 investors in total. Services provided by PFPC include account management, recordkeeping and tax reporting as well as aggregation and earnings calculations.

"The administration and servicing of 529 plans is evolving as distribution through 529 college savings plans has gained momentum over the past several years," said Michael DeNofrio, executive vice president and senior managing director, PFPC transfer agency. "A greater number of financial advisors are managing, marketing and distributing 529 plans, and the complexity of servicing and distributing multiple investment options for both in-state and national plans has created unique challenges for fund companies. PFPC is

addressing market needs through major investments in our robust Global Enterprise Platform that will offer flexible technology to support client needs for expanded distribution capabilities." PFPC recently introduced a new open technology strategy embracing this single platform which is designed to provide the flexibility, scalability and efficiency that will enable the integration of PFPC's comprehensive products and services.

At the end of 2002, the amount invested in 529 plans nationally exceeded \$25 billion. According to a recent survey, 529 plan assets are projected to grow to \$51 billion by 2006. That growth is expected to be fueled by a growing awareness of the benefits of college investing plans, tax benefits including federal income tax-free qualified withdrawals through 2010 and increased marketing of the plans.

Franklin Templeton 529 College Savings Plan and NJBEST 529 College Savings Plan are offered by their Investor Handbooks, which have more complete information, including sales charges, expenses and risks. Interested investors can obtain one from a financial advisor or by calling Franklin Templeton Investments at 1-800/818-4030 or by visiting franklintempleton.com. Class A, B and C shares are offered.

There is no state or other guarantee of investments in the plans. The plans are subject to investment risks, including possible loss of principal amounts invested and do not guarantee admission to any college or sufficient funds for college.

Franklin Templeton Distributors, Inc. is a part of Franklin Resources, Inc. (NYSE: BEN), a global investment organization operating as Franklin Templeton Investments. Franklin Templeton provides global and domestic investment management services through its Franklin, Templeton, Mutual Series and Fiduciary Trust subsidiaries. The San Mateo, CA-based company has over 50 years of investment experience and more than \$267 billion in assets under management as of April 30, 2003. For more information, please call 1-800/DIAL BEN® or visit franklintempleton.com.

PFPC services more than \$1.4 trillion in total assets and is the nation's largest full-service mutual fund transfer agent and the second largest provider of mutual fund accounting services. PFPC also provides distribution and subaccounting services, advanced output solutions, custody, securities lending, integrated banking transaction services and alternative investment services. PFPC clients include some of the world's most successful financial services companies, including brokerage firms, pension and investment managers, insurance companies and banks. PFPC's affiliate, PFPC International Ltd., based in Dublin, Ireland, has served the international funds community since 1993. For more information, please visit us at www.pfpc.com.

The PNC Financial Services Group, Inc., headquartered in Pittsburgh, is one of the nation's largest diversified financial services organizations, providing regional community banking; wholesale banking, including corporate banking, real estate finance and asset-based lending; wealth management; asset management and global fund services.

This press release includes forward-looking statements with respect to PFPC's business. Forward-looking statements are often identified by future or conditional verbs such as "will," "plan," or "anticipate" or by variations of such words or by similar expressions. These forward-looking statements are subject to

numerous assumptions, risks and uncertainties, all of which may change over time. These forward-looking statements speak only as of the date of this press release, and PFPC does not assume any duty to update forward- looking statements.

The following factors, among others, could cause actual results to differ materially from those anticipated in the forward-looking statements or historical performance: the inability to continue the development and implementation of the products and services described above; the introduction, withdrawal, success and timing of business initiatives and strategies; changes in political, economic or industry conditions, the interest rate environment or financial and capital markets; continued increases in competitive pressure in the markets in which these services will be offered; customer acceptance of the products and services described above; the impact, extent, timing, and cost of technological changes; undetected software bugs; possible product liability claims; possible inability to protect proprietary technology; possible infringement claims; and the impact, extent and timing of legislative and regulatory reforms, and regulatory, supervisory or enforcement actions of government agencies.

SOURCE: PFPC Inc.

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