



Templeton Global Growth Fund Ltd
Level 19
101 Collins Street
Melbourne VIC 3000

tgf.com.au

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Media Release

Templeton Global Growth Fund Ltd Posts Improved Returns, Sees Value Opportunities in Non-US Equities

Tuesday, 25 July 2017:

Templeton Global Growth Fund Ltd ("Company"; ASX Code TGG), an Australian listed investment company (LIC), is experiencing a strong rebound in performance as the environment for value investing strengthens, particularly for non-US equities.

TGG has delivered strong performance results as at 30 June 2017, with the portfolio outperforming its benchmark by 8.0% for the past year. TGG's portfolio delivered a gross return of 23.3% over this period, following a nascent rally in global value stocks.

TGG's share price is currently trading at a discount of 6%* to the value of Net Tangible Assets (NTA pre-tax), compared to a discount of 14% at the end of December 2016.

TGG Non-Executive Chairman, Chris Freeman, said: "Earlier this year, the board set down a detailed strategy to improve investor confidence, which included more engagement with shareholders, improved communications to the market, and a share buy-back program. We are pleased to see that this strategy is paying off, as evidenced by the very solid numbers we have seen in recent months.

While the discount to NTA has significantly narrowed, TGG's current share price still represents a potentially good buying opportunity for investors. The board remains committed to narrowing the discount further."

Time for value investing in non-US equities

Looking at global markets trends going forward, TGG sees a clear investing opportunity for value stocks outside the US.

TGG Portfolio Manager Peter Wilmshurst said: "As contrarian value investors, we currently consider the best opportunities to be within overlooked non-US markets.

"In late 2015, value investing started to rebound from the 20-year performance lows it had reached, and in 2016, outperformed growth. There is a strong historical relationship between value investing and equities outside the US. Over the past two decades, non-US stocks have tended to outperform US stocks when value starts to work.

"While US stocks have recently experienced their second-longest bull run in history in terms of duration, the US economic cycle looks vulnerable as post-election euphoria fades. Europe, on the other hand, is experiencing a broad-based recovery from its double-dip recession, with improving fundamentals in the real economy and at the corporate level. Europe's growth forecasts continue to be revised upwards, unlike the US.

"The last time non-US stocks were this much of a bargain relative to US stocks, it preceded a rally that lasted six years and saw non-US equities significantly outperform their US peers."

TGG this year celebrated 30 years as a LIC and is one of the oldest LICs in the global equities sector.

TGG will announce its full annual results on 22 August 2017.

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Media inquiries:

Joe Marassa
Franklin Templeton Investments
+61 (0)2 9250 2208
+61 (0)423 291 016
joe.marassa@franklintempleton.com

About Templeton Global Growth Fund Ltd

Templeton Global Growth Fund Ltd [TGG] is a listed investment company on the Australian Stock Exchange [ASX]. TGG was founded in 1987 to provide Australian investors with access to global equity markets. The investment manager of the company's investment portfolio is Franklin Templeton Investments Australia Limited. The investment portfolio is managed in accordance with the investment philosophy of the Templeton Global Equity Group, an investment group which is part of Franklin Resources, Inc. [NYSE:BEN], a global investment management organization operating as Franklin Templeton Investments.

For more information on TGG please visit www.tggf.com.au.

About Franklin Templeton Investments

Franklin Templeton Investments provides global and domestic investment management to retail, institutional and sovereign wealth clients in over 170 countries. Through specialized teams, the company has expertise across all asset classes—including equity, fixed income, alternative and custom solutions. The company's more than 650 investment professionals are supported by its integrated, worldwide team of risk management professionals and global trading desk network. With offices in over 30 countries, the California-based company has 70 years of investment experience and over A\$960 billion in assets under management as of June 30, 2017.

For more information, please visit www.franklintempleton.com.au.

*As at close of trade Friday 21 July 2017

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