

INVESTMENT MANAGER

The Investment Manager of the Company's investment portfolio is Franklin Templeton Investments Australia Ltd and the Company's portfolio is managed in accordance with the investment philosophy of the Templeton Global Equity Group.

Templeton is one of the pioneers in global investing and its successful investment philosophy has been refined over more than 70 years.

INVESTMENT APPROACH

Templeton's time-tested investment approach is based on its philosophy of value, patience and bottom-up stock selection. Templeton focus on the rigorous analysis of individual stocks across geographic borders and seek to identify companies trading at significant discounts to Templeton's estimates of future earnings power, cash flow generation and/or asset value.

As independent thinkers with strong conviction in their investment ideas, they take an unconstrained approach to finding value.

CONTACT DETAILS

Level 19, 101 Collins Street
Melbourne VIC 3000

Phone: 1 800 673 776

E-mail:
enquiries@templeton.com

www.tggf.com.au

Performance Data

Average Total Returns (AUD %)¹

	3 Months	1 Year	3 Years	5 Years	10 Years
TGG - Gross of Fees/Expenses	2.4	4.0	13.1	9.0	11.3
TGG - Net of Fees ²	2.0	2.7	11.7	7.7	9.7
MSCI All Country World (Net Dividends) Index ³	4.9	11.3	13.9	12.7	11.7

Net Tangible Assets (NTA) - Unaudited

	31 March 2019	30 June 2019
TGG Share Price (\$)	1.26	1.21
NTA per share before tax (\$) ⁴	1.434	1.452
Premium/(Discount) to NTA before tax (%)	(12.5)	(16.7)
NTA per share after tax (\$) ⁴	1.405	1.426
Premium/(Discount) to NTA after tax (%)	(10.7)	(15.2)

The market value of the portfolio represents prices quoted on overseas stock markets in foreign currencies converted to Australian currency. The rate used for conversion of values of US currency securities was USD 0.7018, EUR 0.6162 and GBP 0.5514.

Market Review

- Global equity markets finished the June quarter with a slight gain in US-dollar terms. Developed-market stocks outperformed, while value stocks underperformed growth stocks (by nearly 250 basis points) for the ninth quarter of under-performance out of the past 10. This extends, by some measures, the longest and deepest period of value underperformance on record.
- Indications that several key central banks may be prepared to lower interest rates if the economic outlook worsens provided a boost to global equities. Although trade relations drove heightened market volatility throughout the period and contributed to a selloff in May, signs that the United States and China could resolve their trade dispute helped stock markets in late June.
- Regionally, Europe and the United States led stock markets higher during the quarter. The United Kingdom, Japan and most emerging markets ended the quarter little changed.
- European politics was back as a factor for markets. Optimism in the first quarter about potential progress on a Brexit deal, reversed in the second quarter when it became clear that there would be no immediate agreement on the Brexit withdrawal agreement and Prime Minister Theresa May resigned.

Quarterly Performance Attribution

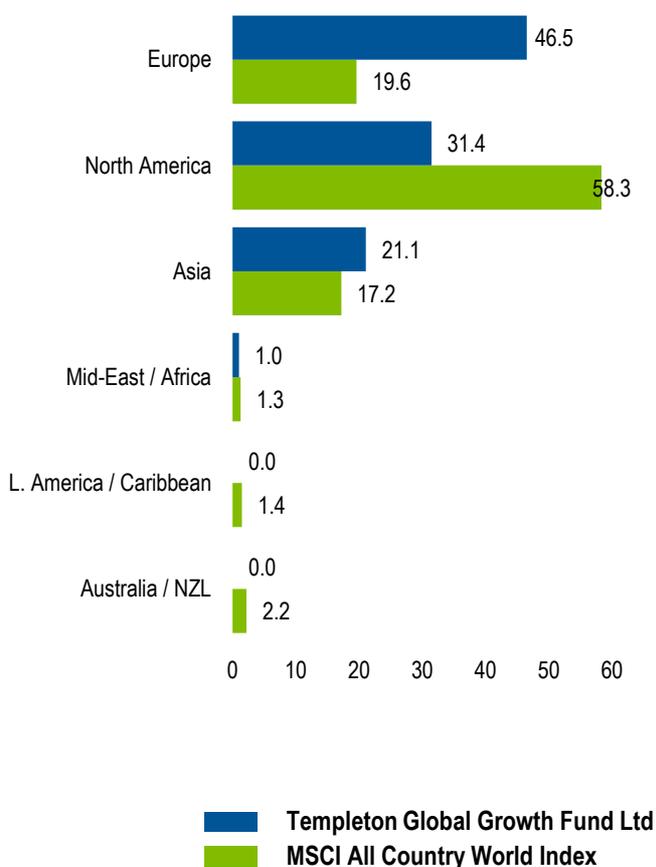
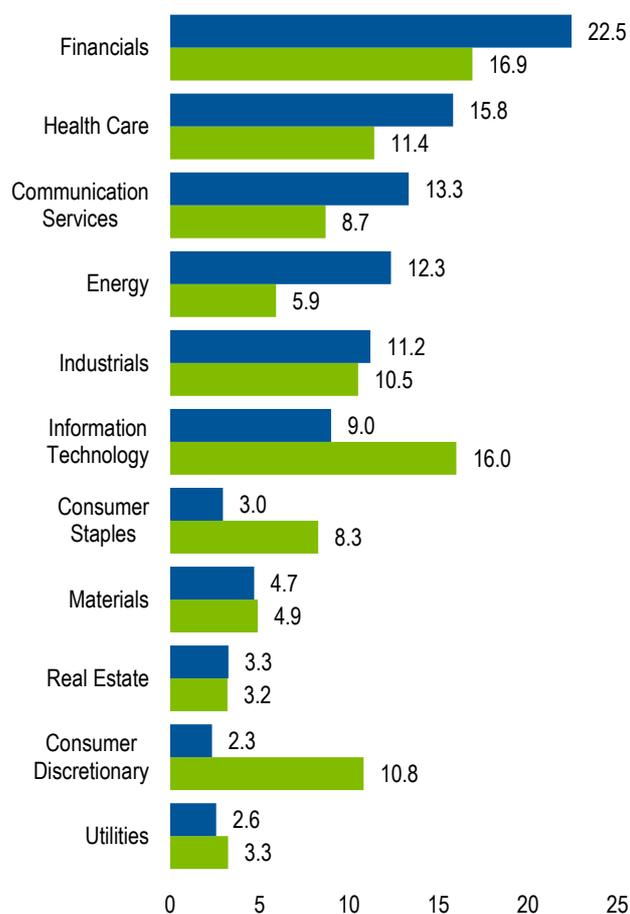
- Within the financials sector, shares of UK-based, emerging markets-focused bank Standard Chartered performed well, as the company reported solid earnings and announced a sizeable share repurchase programme. The bank's results were ahead of analyst expectations as expenses declined and impairments fell. Shares of Citigroup rose as trade tensions with Mexico eased, and management provided supportive comments around the current operating environment while simultaneously reiterating the company's ability to meet the return targets that the company has provided for 2019 and 2020. The shares rose further in late June as the US Federal Reserve approved the company's proposed capital plan.
- In the communication services sector, shares of Chinese internet search firm Baidu came under pressure amidst a cyclical slowdown in China's economy and growing advertising capacity. The firm's core search business is lowly valued and Baidu has shown strong growth in active daily users and a high cash position.
- Israeli generic drug-maker Teva Pharmaceutical Industries shares slumped and yields on the company's bonds spiked after a surprising settlement in a US opioid lawsuit in Oklahoma highlighted litigation risk in that area and added to existing concerns surrounding an industry-wide price-fixing scandal. While these situations are unlikely to materially impact near-term cash flow (which should improve amidst ongoing cost-cutting), they do raise the risk profile of the investment, particularly in light of Teva's high financial leverage in the competitive, commodity-like generic drug industry. We continue to monitor the situation and assess Teva's position in the portfolio.
- Within the health care sector (and across the fund more generally), we have continued to reposition the fund to favour firms with what we consider more defensive business models and balance sheets, given our assessment of rising cyclical risks to financial markets and the global economy. Allergan shares performed poorly early in the quarter, but the firm received a take-over bid from AbbVie in June, which boosted its stock and supported portfolio returns for the period.

Investment Outlook

- Looking ahead, we remain optimistic on the prospects for value investing and believe that companies whose fundamentals are underappreciated by a market focused on the short term should be well positioned for outperformance over time.
- Despite continued challenges, we believe we are taking the necessary steps to improve investment outcomes in a difficult environment. These steps include upgrading the quality of the portfolio to own more defensive, dividend-paying holdings in a late-cycle, low-rate environment.
- Looking at the bigger picture, recent challenges mark the third significant episode of underperformance in our firm's seven-decade history, joining the Japan Bubble of the late '80s and the Technology Bubble of the late '90s. Through each of these events we emerged stronger, eventually benefitting from prudence and discipline once the cycle turned. We believe this should again be the case as conditions evolve, and we are working hard to position our portfolios to maximize long-term benefits.
- Despite our conviction in value's long-term prospects, we are not sitting idly by waiting for the cycle to turn. We have worked hard to continuously refine and improve our process with recent initiatives, including enhanced quantitative capabilities, improved risk management strategies, and shifting the portfolio to manage more focused portfolios with fewer stocks to ensure that only the highest conviction names are represented in the fund.
- The goal of these efforts is to ensure that our investment process remains true to Templeton's time-tested fundamental value approach while also evolving to best address client goals and market conditions.

Portfolio Characteristics

	Portfolio	MSCI All Country World Index
Price to Earnings	14.3x	17.5x
Price to Book Value	1.2x	2.3x
Price to Cash Flow	5.3x	11.2x
Market Capitalisation (Millions in AUD)	140,505	186,016
Number of Issuers	58	2,849

Portfolio Diversification
Geographic Weightings vs. MSCI All Country World Index
 Percent of Equity

Sector Weightings vs. MSCI All Country World Index
 Percent of Equity

Top Ten Holdings⁵

Percent of Equity

Top Holdings

	Industry	Country	%
ROYAL DUTCH SHELL	Energy	United Kingdom	3.1
BP PLC	Energy	United Kingdom	3.0
ORACLE CORP	Software & Services	United States	2.9
SIEMENS AG	Capital Goods	Germany	2.7
CITIGROUP INC	Banks	United States	2.7
WELLS FARGO	Banks	United States	2.7
ALLERGAN PLC	Pharmaceuticals, Biotechnology & Life Sciences	United States	2.7
SINGAPORE TELECOMMUNICATIONS	Telecommunication Services	Singapore	2.6
SANOFI	Pharmaceutical, Biotechnology & Life Sciences	France	2.6
STANDARD CHARTERED PLC	Banks	United Kingdom	2.6

Investment Philosophy

Templeton utilises a disciplined, consistent approach based on three timeless principles of investing:

Value	Patience	Bottom-up stock picking
Our flexible approach is applied within a disciplined framework and seeks to identify companies trading at large discounts to their business value.	Our long-term focus gives us a framework to take advantage of price volatility to reveal potential long-term investment opportunities. Patience allows for potential long-term value recognition.	Our portfolio management process seeks to buy pessimism and sell optimism. We build portfolios spanning regions and sectors made up of securities identified through this process.

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Peter Wilmschurst, CFA, EVP, Portfolio Manager, Research Analyst	21	26
Templeton Global Equity Team	Number of Members	Average Years Experience
Portfolio Managers/Analysts	23	24
Research Analysts	11	11

Important Legal and Other Information

Benchmark: The MSCI AC World Free Index is the primary benchmark. The benchmark is used for comparative purposes only and is provided to represent the investment environment existing during the time periods shown. The index is unmanaged and one cannot invest directly in an index.

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Explanatory Notes:

1. Periods of more than one year are annualised. Returns are presented pre-tax
2. Returns are based on movement in the Company's net assets per share (after deducting investment management fees), before all taxes, with dividends reinvested and adjusted for share issues and buy-backs.
3. Source: Morgan Stanley Capital International (MSCI). All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.
4. Estimated tax on unrealised gains.
5. Top ten holdings represent the 10 largest equity holdings at the end of the quarter, and may not reflect the current or future portfolio holdings. This does not represent all of the securities purchased, sold, or recommended for advisory clients, and the reader should not assume that investments in the securities listed was or will be profitable. Holdings of the same issuer have been combined.

All investments involve risks including loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with their smaller size and lesser liquidity. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate more dramatically over the short term. The use of derivatives and foreign currency techniques involve special risks, as such techniques may not achieve the anticipated benefits and/or may result in losses. Templeton Global Growth Fund Ltd. (ABN 44 006 558 149) issues this document with the intention to provide general information only and not investment or financial product advice. It does not take into account the individual objectives, financial situation or needs of any recipient. Nothing in this update should be construed as investment advice. Franklin Templeton Investments have exercised professional care and diligence in the collection of information in this recording. However, data from third party sources may have been used in its preparation and Franklin Templeton Investments has not independently verified, validated or audited such data.

Past performance does not guarantee future results and results may differ over future time periods.