



**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.

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Performance Data

Average Total Returns (AUD %)¹

	3 Months	1 Year	3 Years	5 Years	10 Years
TGG - Gross of Fees/Expenses	6.1	23.2	10.5	9.4	11.0
TGG - Net of Fees ²	5.8	21.8	9.2	8.1	9.5
MSCI AC World Index ³	4.5	26.8	13.6	11.8	11.5

Net Tangible Assets (NTA) - Unaudited

	30 September 2019	31 December 2019
TGG Share Price (\$)	1.22	1.34
NTA per share before tax (\$) ⁴	1.426	1.508
Premium/(Discount) to NTA before tax (%)	(14.8)	(11.5)
NTA per share after tax (\$) ⁴	1.402	1.459
Premium/(Discount) to NTA after tax (%)	(13.3)	(8.5)

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 0.7030, EUR 0.6262 and GBP 0.5339.

Market Review

- Global stock markets rose nearly across the board in the fourth quarter of 2019, with widespread gains particularly evident in December. Equities were supported by signs of easing US-China trade tensions, including news of a "phase one" deal, as well as greater clarity on Brexit and hopes for continued accommodative policies by major central banks. Looking back at the year, it can be divided into two parts:
 - For the first eight months, conditions that characterized the post-GFC environment intensified, resulting in a full-fledged value meltdown. During this period, Europe remained out of favor, and cyclicals underperformed.
 - For the final four months, prevailing trends began to break down and market leadership changed as a dovish pivot by the U.S. Federal Reserve and nascent rise in long-suppressed bond yields resulted in the strong rebound of cyclical sectors like Financials and Industrials and beaten down European stocks also snapped back.
- The U.S. equity market outperformed non-U.S. markets for the 8th of the last 10 years while Asia was the weakest performing region on a relative basis.
- Information Technology was the top performing sector while Utilities was the bottom performer.

Quarterly Performance Attribution

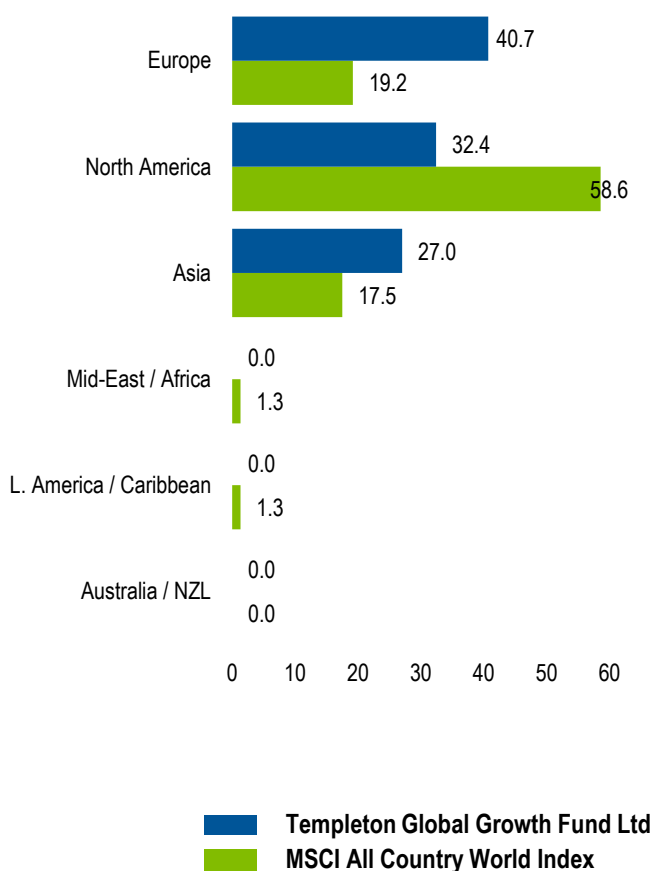
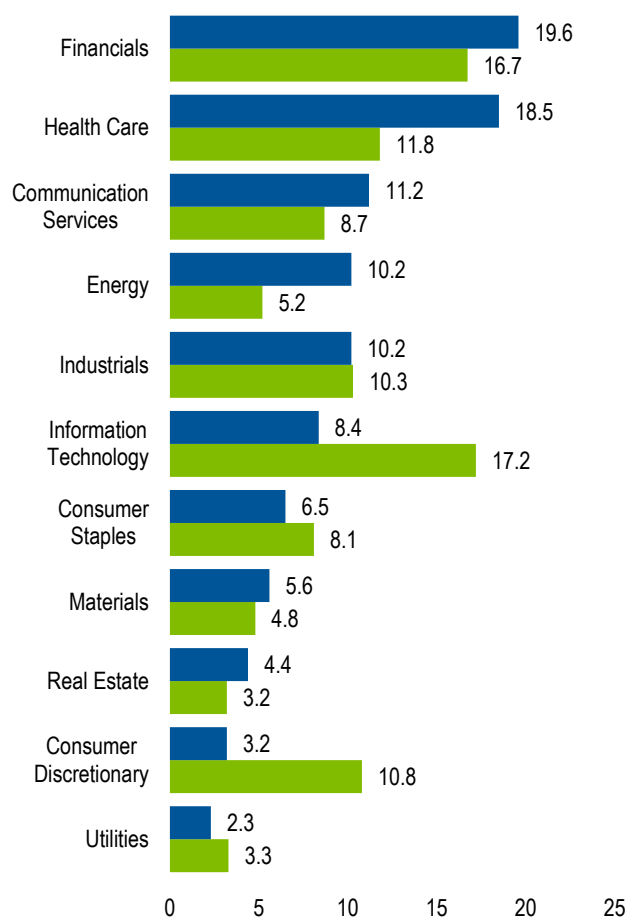
- Stock selection in the financials sector helped relative performance. French lender BNP Paribas was amongst the fund's top-performing stocks, benefitting from solid results at the firm's fixed income unit and more benign European economic conditions. We view BNP as a diverse, high-quality European bank with an excellent track record of managing credit risk and maintaining profitability in various economic conditions. Trading at a significant discount to tangible book value at period-end with a healthy dividend yield, BNP remains a core bank holding for us. Other significant contributors from the financials sector included Bank of Ireland and US-based Citigroup.
- Stock selection in the Industrials sector also contributed to relative performance. Marine transportation holding A.P. Moller-Maersk led the relative contributors in the sector. Select opportunities exist in the sector, particularly among companies benefiting from restructuring or exposure to growth-oriented end markets. We have avoided expensive companies that fail to reflect the maturity of their business cycles or are excessively optimistic about sustainable growth rates and returns.
- Stock selection in Telecom Services detracted from returns. Vodafone, China Telecom, and China Mobile all led to relative performance weakness. Among telecoms, we look for lowly valued firms with strong balance sheets, declining capital intensity and attractive dividends operating in markets with stable competitive dynamics and regulatory structures. The sector's defensiveness and yield profile should help in a low-rate, elevated risk environment.
- An underweight allocation to the strong performing Information Technology sector in the quarter primarily hurt relative performance, along with stock selection. Relative detractors included an underweighting in the semiconductor and equipment sub-sector, along with Oracle as a notable stock detractor from the software sub-sector.
- An overweighting and security selection in the energy sector also hampered results, with the sector led lower by UK-based diversified energy producer BP. Investors holding out hopes for a dividend increase during the year were disappointed when the firm's chief financial officer indicated that raising the pay-out would be premature with leverage at current levels. We believe BP has made solid progress in selling assets to shore up its balance sheet, and its financial position has the potential to be further strengthened by firm oil prices and rising production following years of investment.

Investment Outlook

- The paradigm of falling interest rates and abundant liquidity that has bid up bond proxies and growth stocks for much of the past decade will not last forever. Increasingly, we believe we will be entering a multipolar world full of divergent circumstances and situational opportunities.
- Overall, we remain confident that our focus on building a more diverse and resilient value portfolio capable of capturing cyclical upside potential while protecting against downside risks can position the fund well for an uncertain future.
- The market doesn't move in straight lines, and we remain encouraged by recent trends, which we believe highlight a fledgling rotation out of yesterday's leaders and towards a new regime likely to bring fewer headwinds for long-suffering value investors.

Portfolio Characteristics

	Portfolio	MSCI All Country World Index
Price to Earnings	16.8x	19.3x
Price to Book Value	1.3x	2.4x
Price to Cash Flow	6.2x	12.0x
Market Capitalisation (Millions in AUD)	150,426	283,992
Number of Issuers	57	3,050

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	%
TAKEDA PHARMACEUTICAL CO LTD	Pharmaceutical, Biotechnology & Life Sciences	Japan	3.1
VODAFONE GROUP PLC	Telecommunication Services	United Kingdom	3.0
WELLS FARGO	Banks	United States	2.9
CITIGROUP INC	Banks	United States	2.9
BNP PARIBAS SA	Banks	Japan	2.8
ROYAL DUTCH SHELL	Energy	United Kingdom	2.7
SANOFI	Pharmaceutical, Biotechnology & Life Sciences	France	2.7
SIEMENS AG	Capital Goods	Germany	2.6
STANDARD CHARTERED PLC	Banks	United Kingdom	2.6
BP PLC	Energy	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 Sartori, EVP, Portfolio Manager	<1	29
Templeton Global Equity Team	Number of Members	Average Years Experience
Portfolio Managers & Research Analysts	35	21

Important Legal and Other Information

Benchmark: The MSCI World 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 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 has not independently verified, validated or audited such data.

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