



**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	6.83	0.88	5.43	6.94	11.22
TGG - Net of Fees ²	6.60	-0.04	4.21	5.68	9.75
MSCI AC World Index ³	3.87	3.93	10.40	9.85	11.86

Net Tangible Assets (NTA) - Unaudited

	30 June 2020	30 September 2020
TGG Share Price (\$)	1.145	1.155
NTA per share before tax (\$) ⁴	1.322	1.374
Premium/(Discount) to NTA before tax (%)	(13.39)	(15.92)
NTA per share after tax (\$) ⁴	1.322	1.349
Premium/(Discount) to NTA after tax (%)	(13.39)	(14.38)

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 0.7168, EUR 0.6112 and GBP 0.5544.

Market Review

- Global equities advanced during the third quarter as economies reopened and government officials continued pledging extraordinary measures to lessen the economic impact of the COVID-19 pandemic. Many investors were encouraged by economic data and corporate earnings reports from several countries, as well as by the ongoing accommodative stances of many central banks.
- Gains were concentrated in the first two months of the quarter, when momentum trends dominated. Investors became more cautious in September and stocks reversed course, led lower by a sharp, brief selloff in high-flying US technology stocks. Sentiment late in the period was restrained by worries about rising COVID-19 infections, escalating US-China tensions, and an increasingly hostile domestic political climate in the United States.
- Trailing economic indicators released during the third quarter showed that many economies entered recession in the prior quarter, reflecting the main period of economic shutdowns due to COVID-19. Real-time economic data was generally better, with the JPMorgan global manufacturing purchasing managers' index expanding every month of the quarter and finishing September at a two-year high.
- The US dollar fell to its lowest level in two years before partially recouping losses in September, while inversely gold rose to an all-time nominal high above US\$2,000 per ounce before giving back some gains late in the period.

Quarterly Performance Attribution

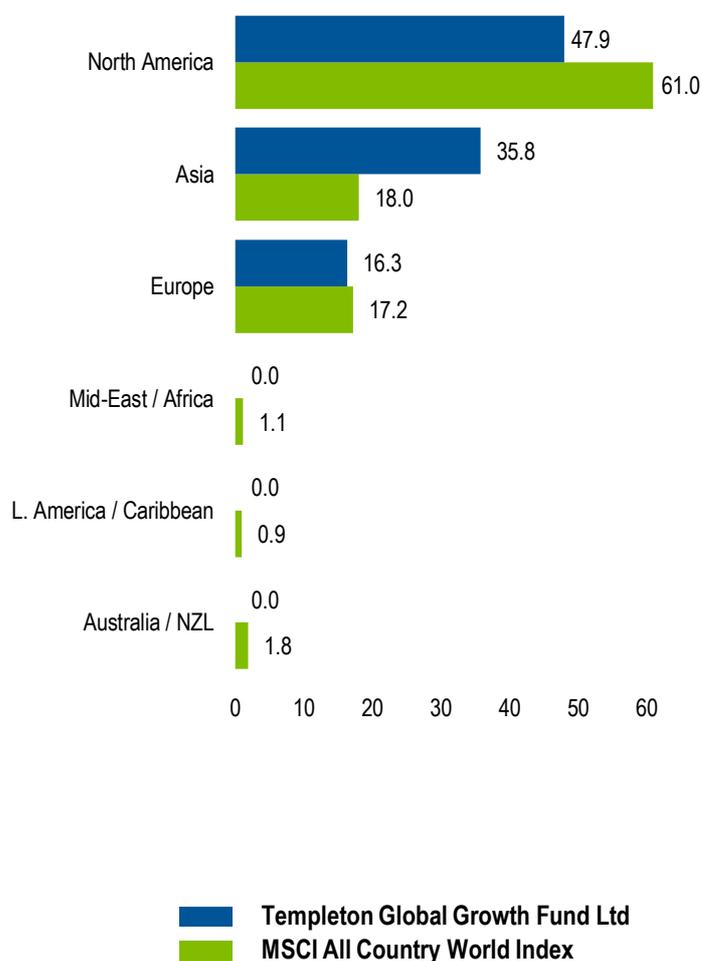
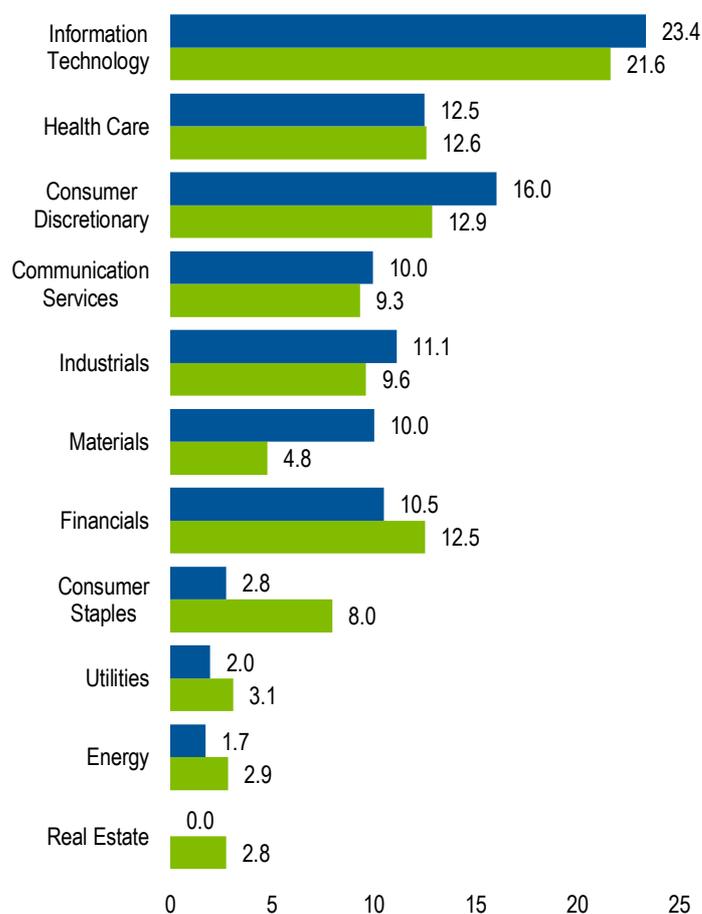
- The third quarter was a positive one for the fund as it outperformed its benchmark index comfortably.
- Security selection in the industrials sector contributed positively, with the sector led higher by US-based logistics and deliveries firm United Parcel Service. Early in the reporting period, its shares soared the most in more than 20 years after the firm's earnings results exceeded analysts' expectations on elevated demand for e-commerce deliveries during the coronavirus pandemic.
- Stock selection and underweightings in the energy and financials sectors also enhanced results. Banks are doing everything in their power to control the variables that they can, but ultimately the dual prospects of financial repression and re-regulation are structurally bearish for bank shares.
- Other notable contributors during the reporting period included Taiwan Semiconductor Manufacturing Company (TSMC) and AP Moller - Maersk. TSMC shares surged in late July after competitor Intel announced significant delays in the production of its new seven-nanometre microchip. Maersk rallied strongly as the market begins to price in recovery in shipping demand.
- Stock selection in the consumer sector and Japan detracted some value. US-based grocery chain Kroger and Japanese telecom company KDDI did not keep up with the market as defensive stocks lagged during the third quarter as equity markets continued to rebound from their March lows.
- Security selection in the health care sector also detracted value as German pharmaceutical and chemical firm Bayer disappointed in its results.
- On a regional basis, stock selection in Asia-ex-Japan (primarily in China and Taiwan) contributed significantly to relative performance during the third quarter. A lack of exposure to the United Kingdom also enhanced results, as did security selection in non-eurozone Europe, the United States and Canada.

Investment Outlook

- Our macro view is largely unchanged. Central banks have been working overtime to try to offset the damage done by COVID lockdowns. The global economy will eventually recover, but certain segments of it have been structurally impaired and that does not appear to be adequately discounted in asset prices. We have continued to reposition the portfolio towards what we view as resilient companies with interesting long-term growth opportunities trading at discounted valuations in this environment.
- Admittedly, it has been challenging to find compelling new investments at reasonable prices recently. Markets have risen strongly from their nadir in March. Stocks that continue to look outright "cheap" on a historical basis tend to have structural headwinds or debt issues, which makes them vulnerable over time.
- Our focus has been on ensuring portfolios are broadly diversified across a range of exposures because a balanced portfolio seems best suited for an expensive and uncertain market. There will however, be times when equity valuations aren't as rich, and it makes sense to have a more concentrated directional view. Our analysis suggests that now is not one of those times. Valuation excess and investor euphoria raise the market's risk profile, and for us diversification is as much about managing risks as it is enhancing returns. We will continue to seek sensible diversification amongst uncorrelated value exposures in this environment and are prepared to pounce should further market volatility provide opportunities to invest in what we consider genuine bargains.

Portfolio Characteristics

	Portfolio	MSCI All Country World Index
Price to Earnings	23.3x	24.0x
Price to Book Value	2.3x	2.5x
Price to Cash Flow	9.4x	13.7x
Market Capitalisation (Millions in AUD)	216,298	351,945
Number of Issuers	47	2,994

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	%
UNITED PARCEL SERVICE INC	Transportation	United States	4.33
SAMSUNG ELECTRONICS CO LTD	Technology Hardware & Equipment	South Korea	3.97
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	Semiconductors & Semiconductor Equipment	Taiwan	3.68
COMCAST CORP	Media & Entertainment	United States	3.58
JPMORGAN CHASE & CO	Banks	United States	3.56
SUMITOMO METAL MINING CO LTD	Materials	Japan	3.40
AMERICAN EXPRESS CO	Diversified Financials	United States	3.21
ALIBABA GROUP HOLDING LTD	Retailing	China	2.92
ROCHE HOLDING AG	Pharmaceuticals, Biotechnology & Life Sciences	Switzerland	2.90
SONY CORP	Consumer Durables & Apparel	Japan	2.82

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.