Templeton Global Growth Fund Ltd
2015 Financial Year Results

- TGG Ltd is Listed Investment Company that provides investors with exposure to global companies, with the portfolio managed by the Templeton Global Equity Group following the tenets of Sir John Templeton's value philosophy

- DIVIDENDS
  - A fully franked final dividend (in respect of the year ended 30 June 2014) of 3.5 cents per share was paid to shareholders during September 2014
  - The Directors declared for the following Dividend for the year ended 30 June 2015
    - Rate – 4.1 cents per share
      - 0.7 cents per share fully franked
      - 3.4 cents per share unfranked
    - Record Date: 11\textsuperscript{th} September 2015
    - Payment Date: 25\textsuperscript{th} September 2015
    - DRP is available

- FRANKING CREDITS / LEVELS
  - Impacted by carried forward tax capital losses, Company growth and commitment to payment of dividends to shareholders
  - Recent capital gains have almost fully utilised carried forward tax losses
Templeton Global Growth Fund Ltd

2015 Financial Year Results

• CAPITAL RAISING
  • 1 for 4 Rights Issue at a price of $1.30 per share
  • Company Raised over $64million and issued 49,747,731 shares

• MANAGEMENT EXPENSE RATIO (MER)
  • MER has decreased from 1.45% to 1.16% for the year ended 30 June 2015

• NET TANGIBLE ASSET (“NTA”) BACKING
  • Increased from 137 cents per share (“cps”) to 150 cps for the year ended 30 June 2015

• SHARE PRICE
  • Increased from $1.29 to $1.31 for the 12 months ended 30 June 2015

• ANNUAL GENERAL MEETING
  • AGM to be held on the 21st of October 2015 at 11.00am
  • Venue will be the Westin Hotel in Melbourne
All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments; investments in emerging markets involve heightened risks related to the same factors. To the extent a strategy focuses on particular countries, regions, industries, sectors or types of investment from time to time, it may be subject to greater risks of adverse developments in such areas of focus than a strategy that invests in a wider variety of countries, regions, industries, sectors or investments.
Agenda

6 Years Into a Bull Market…

Where are the opportunities for:

• Profit growth
• Multiple expansion
  i. Europe
  ii. Financials
  iii. Health care
  iv. Energy
  v. Some emerging markets
The US Has Clearly Stood Out in the Last 5 Years

Price Change, USD
31st December, 2009 to 30th June, 2015

The chart shows the price change for different regions (MSCI USA, MSCI Europe, MSCI Emerging Markets, MSCI Japan) from 31st December, 2009 to 30th June, 2015. MSCI USA has shown the highest price change with 86.4%, followed by MSCI Emerging Markets at 33.4%, MSCI Europe at 13.6%, and MSCI Japan at -1.7%.

Source: FactSet.
With Contrasting Regional Differences in Earnings Cycles and Valuations

**U.S. Earnings at All Time Highs**
**MSCI USA Index**
*31st January, 2001 – 30th June, 2015*

<table>
<thead>
<tr>
<th></th>
<th>Current (June 30, 2015)</th>
<th>Long Term Average (Since Jan. 1980)</th>
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<tbody>
<tr>
<td><strong>P/TE</strong></td>
<td>19.4x</td>
<td>17.7x</td>
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<tr>
<td><strong>P/B</strong></td>
<td>2.9x</td>
<td>2.6x</td>
</tr>
<tr>
<td><strong>Earning Trend</strong></td>
<td><strong>Rising</strong></td>
<td></td>
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<tr>
<td><strong>Opportunities</strong></td>
<td><strong>Some</strong></td>
<td></td>
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</tbody>
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**European Earnings Poised to Rise**
**MSCI Europe Index**
*31st January, 2001 – 30th June, 2015*

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<th>Long Term Average (Since Jan. 1980)</th>
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<td><strong>P/TE</strong></td>
<td>12.5x</td>
<td>15.8x</td>
</tr>
<tr>
<td><strong>P/B</strong></td>
<td>1.8x</td>
<td>1.9x</td>
</tr>
<tr>
<td><strong>Earning Trend</strong></td>
<td><strong>Poised to Rise</strong></td>
<td></td>
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<tr>
<td><strong>Opportunities</strong></td>
<td><strong>Many</strong></td>
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For illustrative and discussion purposes only.
Source: FactSet. MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.
With Contrasting Regional Differences in Earnings Cycles and Valuations

Japanese Earnings got a Yen Assist
MSCI Japan Index

EMG Earnings Rolling Over
MSCI Emerging Markets Index

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<th>Current (June 30, 2015)</th>
<th>Long Term Average (Since Jan. 1980)</th>
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</thead>
<tbody>
<tr>
<td>CAPE</td>
<td>28.0</td>
<td>45.8</td>
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<tr>
<td>P/B</td>
<td>1.5x</td>
<td>2.2x</td>
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<tr>
<td>Earning Trend</td>
<td>Stalling</td>
<td></td>
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<tr>
<td>Opportunities</td>
<td>Few</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Current (June 30, 2015)</th>
<th>Long Term Average (Since Sep. 1980)</th>
</tr>
</thead>
<tbody>
<tr>
<td>P/TE</td>
<td>10.0x</td>
<td>15.6x</td>
</tr>
<tr>
<td>P/B</td>
<td>1.6x</td>
<td>1.8x</td>
</tr>
<tr>
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European Earnings Appear to Have Sizable Catch-up Potential

European Companies Are Still Under-Earning

31st January, 1973 to 30th June, 2015

1st January, 1999 to 30th June, 2015

For illustrative and discussion purposes only.
Source: BCA Research. Note: expressed in common currency terms.
US Margins Are At 25 Year Highs

S&P 500 Net Margin
March, 1990 to June, 2015

Source: FactSet.
The European Central Bank is Able to Do More

Fed Balance Sheet vs. European Central Bank Balance Sheet (BN)

January, 2007 to June, 2015

For illustrative and discussion purposes only.
Source: Bloomberg L.P. See www.franklintempletondatasources.com for additional data provider information. LTRO = long-term refinancing operation.
Borrowing Costs Are Falling Rapidly For Corporates

ECB SME Borrowing Costs
March, 2000 to June, 2015

Source: ECB.
Resulting in More Demand, More Supply

ECB Lending Survey
Q1’04 to Q2’15

Source: ECB Bank Lending Survey.
Consumer Sentiment And Retail Sales Are Improving

Eurozone Consumer Sentiment
March, 2001 to May, 2015

Source: FactSet. 3-month moving average, seasonally adjusted at annual rates.
Better European Economics Feeding Into Revenues

Europe and US Forecast Sales Growth
July, 2005 to July, 2015

Source: Minack Advisors. 3-month moving average
Better European Economics Feeding Into Earnings

12 Month Forward Earnings
Jan 2010 to Jun 2015

MSCI Europe ex-UK
MSCI US

Source: Barclays Research, DataStream, IBES, MSCI.
As of 30th June, 2015

**Templeton Global Growth Fund – Weights**

**PORTFOLIO GEOGRAPHIC-SECTOR WEIGHTINGS**

- **North America** 35%
- **Eurozone** 22%
- **Non-Euro Europe** 22%
- **Asia** 19%
- **Other** 2%

**EUROPE SECTOR SPLIT**

- **Financials**
  - North America: 8.3%
  - Eurozone: 8.9%
  - Non-Euro Europe: 5.0%
  - Asia: 3.0%
  - Other: 0.9%
- **Health Care**
  - North America: 8.8%
  - Eurozone: 4.5%
  - Non-Euro Europe: 4.3%
  - Asia: 1.3
- **Consumer Disc.**
  - North America: 4.4%
  - Eurozone: 0.7%
  - Non-Euro Europe: 2.7%
  - Asia: 4.9%
- **Energy**
  - North America: 3.1%
  - Eurozone: 3.2%
  - Non-Euro Europe: 3.1%
  - Asia: 1.0%
  - Other: 0.9%
- **I.T.**
  - North America: 5.0%
  - Eurozone: 0.7%
  - Non-Euro Europe: 2.4%
- **Industrials**
  - North America: 1.2%
  - Eurozone: 2.6%
  - Non-Euro Europe: 1.8%
  - Asia: 2.1%
- **Telecom. Services**
  - North America: 1.4%
  - Eurozone: 2.3%
  - Non-Euro Europe: 3.3%
- **Consumer Staples**
  - North America: 2.5%
  - Eurozone: 1.1%
  - Non-Euro Europe: 1.1%
- **Materials**
  - North America: 1.5%
  - Eurozone: 0.9%
  - Non-Euro Europe: 1.2%
  - Asia: 2.4%
- **Utilities**
  - North America: 0.0%
  - Eurozone: 0.0%
  - Non-Euro Europe: 0.0%
  - Asia: 0.0%
  - Other: 0.0%

Weightings as percent of equity. Percentage may not equal 100% due to rounding.
U.S. Banks are Near Long-Term Average Valuations While Euro Banks are Still Discounted

**U.S. Banks Price-to-Book Value**

*As of 2nd July, 2015*

- Long-Term Average = 1.4

**European Banks Price-to-Book Value**

*31st January, 1995 to 30th June, 2015*

- Long-Term Average = 1.7


Capital Much Higher, Dividends To Flow?

Eurozone Banking System Capital and Reserves¹
30th June, 1998 to 31st May, 2015

European Dividend Yields & Payout Ratios²
Next 12 Months Consensus

¹ Source: Redburn. Latest data as of 31st May, 2015
² Source: Autonomous, STOXX, FactSet, Bloomberg. Data as at August ‘15.
Casting The Net World Wide, Results Are Apparent

<table>
<thead>
<tr>
<th>LT credit rating (S&amp;P / Fitch / Moody’s)</th>
<th>A / AA- / A1</th>
<th>BBB / A / Baa3</th>
<th>A+ / A+ / A1</th>
<th>AA- / AA- / Aa2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Default Swap¹</td>
<td>68 bps</td>
<td>84 bps</td>
<td>70 bps</td>
<td>71 bps</td>
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<tr>
<td>Bond Yield¹</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Core Tier 1 Ratio²</td>
<td>11.6%</td>
<td>11.1%</td>
<td>10.6%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Loan / Deposit ratio</td>
<td>92%</td>
<td>88%</td>
<td>95%</td>
<td>121%</td>
</tr>
<tr>
<td>LTM Performance (local)</td>
<td>-5%</td>
<td>29%</td>
<td>19%</td>
<td>10%</td>
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<tr>
<td>P/TBV (2015e)</td>
<td>1.1x</td>
<td>1.0x</td>
<td>1.0x</td>
<td>3.3x</td>
</tr>
<tr>
<td>P/E (2015e)</td>
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<td>10.8x</td>
<td>15.4x</td>
</tr>
<tr>
<td>Div Yield (2015e)</td>
<td>5.5%</td>
<td>2.5%</td>
<td>4.0%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Payout Ratio (2015e)</td>
<td>62%</td>
<td>31%</td>
<td>43%</td>
<td>76%</td>
</tr>
</tbody>
</table>

Source: Company Reports, Franklin Templeton Investments, Bloomberg and FactSet Research Systems as of 30 July 2015

¹ 5yr senior unsecured (in USD)
² Latest figures reported under Basel III, CRD IV or APRA standards.
Pharmaceuticals On Their Way Back to Growth?

Major World Pharmaceuticals: Forward P/E¹
3rd January 1985 to 30th September 2014

Back To The Future: Pharma Style

US FDA Approvals²
1974 to 2014

US Mean Annual Health Care Expenditure Per Person by Age Group³

## Pharmaceuticals: Value Opportunities Remain

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<tr>
<td>P/E (FY1)</td>
<td>36.7x</td>
<td>15.5x</td>
<td>30.4x</td>
<td>18.3x</td>
<td>30.4x</td>
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<tr>
<td>FCF Yield</td>
<td>0.9%</td>
<td>5.6%</td>
<td>0.4%</td>
<td>4.7%</td>
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<td>Div. Yield</td>
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Source: © 2015 FactSet Research Systems Inc. Current data points as of 30/06/15 and are a percentage of equity. References to particular securities are only for the limited purpose of illustrating general market or economic conditions and are not recommendations to buy or sell a security or an indication of any portfolio holdings. Logos are trademarks of their respective owners and are used for illustrative purposes and should not be construed as an endorsement or sponsorship of Franklin Templeton Investments. This should not be construed as investment recommendation for any stock.
For illustrative and discussion purposes only.
Source: FactSet, MSCI. See www.franklintempletondatasources.com for additional data provider information. LTM: last twelve months.
Energy: Breakeven Oil Price Varies

Global Supply

Low Cost Oil = High Value
Mostly Controlled By NOCs
Hard to Regulate
Excess Capacity

High Cost Oil = Lower Value
Mostly Controlled By IOCs
Easier to Regulate
Full Utilization

Breakeven Cost Estimate ($/bbl)

Daily Production (Mbpd)

For illustrative and discussion purposes only.
Source: Wood Mackenzie, Bernstein analysis, as of October 2014.
Energy: Rig Counts Falling

Baker Hughes Total Rig Count
15\textsuperscript{th} February, 2008 to 6\textsuperscript{th} July, 2015

Source: Bloomberg.
“People are always asking me where the outlook is good, but that’s the wrong question. The right question is: Where is the outlook most miserable?”

– Sir John Templeton
Maybe They’ll Get It Right This Time?... But Probably Not

Proportion of Buy Ratings From Equity Research Analysts
1995 to 2015

Source: Barclays Research, Bloomberg, DataStream.
Value’s Recent Underperformance is Comparable to the Tech-Bubble

**10-Year Annualized Excess Total Return: Value vs. Growth**

*January, 1985 to June, 2015*

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Templeton Global Growth Fund
Sector Allocation

Templeton Global Growth Fund vs. MSCI All Country World Index
As at 30th June, 2015

Source: © 2015 Morgan Stanley Capital Index (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. Indexes are unmanaged and one cannot invest directly in an index. Weightings as percent of equity. Percentage may not equal 100% due to rounding. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.
Templeton Global Growth Fund vs. MSCI All Country World Index

As at 30th June, 2015

Europe
North America
Asia
Mid-East/Africa
L. America/Caribbean
Australia/NZ

Templeton Global Growth Fund vs. MSCI All Country World

Source: © 2015 Morgan Stanley Capital Index (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. Indexes are unmanaged and one cannot invest directly in an index. Weightings as percent of equity. Percentage may not equal 100% due to rounding. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.
**Templeton Global Growth Fund vs. MSCI All Country World Index**

*As at 30th June, 2015*

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<tr>
<th></th>
<th>Portfolio</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price to Earnings</td>
<td>13.2x</td>
<td>16.2x</td>
</tr>
<tr>
<td>Price to Cash Flow</td>
<td>7.0x</td>
<td>9.5x</td>
</tr>
<tr>
<td>Price to Book Value</td>
<td>1.2x</td>
<td>2.1x</td>
</tr>
<tr>
<td>Dividend Yield</td>
<td>2.7%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

For the Fund, the Price to Earnings, Price to Cash Flow, and Price to Book Value calculations for the weighted average use harmonic means. Values less than 0.01 (i.e., negative values) are excluded and values in excess of 200x are capped at 200x. Yields above 100% are also excluded. For the benchmark, no limits are applied to these ratios in keeping with MSCI’s calculation methodology. Due to data limitations, all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security’s issuing company. This methodology may cause small differences between the Fund’s reported characteristics and the Fund’s actual characteristics. In practice, Franklin Templeton’s portfolio managers invest in the class or type of security which they feel is most appropriate at the time of purchase. Please note: The dividend yield quoted here should not be used as an indication of the income to be received from this fund.

Index statistics calculated by FactSet Research Systems, Inc.

Source: Franklin Templeton Investments.
The portfolio characteristics listed are based on the Fund’s underlying holdings, and do not necessarily reflect the Fund’s characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security’s issuing company. This methodology may cause small differences between the portfolio’s reported characteristics and the portfolio’s actual characteristics. In practice, Franklin Templeton’s portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

Source: FactSet. For the portfolio, the Price to Book Value calculations use harmonic means for the weighted average. Values less than 0.01 (i.e., negative values) are excluded and values in excess of 200x are capped at 200x. For the benchmark, no limits are applied to these ratios in keeping with the benchmark’s calculation methodology.
Templeton Global Growth Fund

Performance

Templeton Global Growth Fund vs. MSCI All Country World Index

As at 30th June, 2015

<table>
<thead>
<tr>
<th>Period</th>
<th>Templeton Global Growth Fund - Net of Fees</th>
<th>MSCI AC World Index (Net Dividends) AUD</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Months</td>
<td>9.8</td>
<td>9.3</td>
</tr>
<tr>
<td>1 Year</td>
<td>16.7</td>
<td>23.7</td>
</tr>
<tr>
<td>3 Years</td>
<td>26.7</td>
<td>24.4</td>
</tr>
<tr>
<td>5 Years</td>
<td>14.8</td>
<td>14.1</td>
</tr>
<tr>
<td>10 Years</td>
<td>5.8</td>
<td>6.3</td>
</tr>
<tr>
<td>Inception1</td>
<td>7.5</td>
<td>6.9</td>
</tr>
</tbody>
</table>

1Benchmark is MSCI World (Gross Dividends) AUD as MSCI AC World (Net Dividends) AUD was not available at inception.

Periods of more than one year are annualised. Past performance does not guarantee future results and results may differ over future time periods.
## Top Ten Holdings

**As at 30th June, 2015**

<table>
<thead>
<tr>
<th>Name of Issuer</th>
<th>Country</th>
<th>Industry</th>
<th>% of Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>MICROSOFT CORP</td>
<td>United States</td>
<td>Software &amp; Services</td>
<td>2.2</td>
</tr>
<tr>
<td>SAMSUNG ELECTRONICS CO</td>
<td>South Korea</td>
<td>Technology Hardware &amp; Equipment</td>
<td>2.0</td>
</tr>
<tr>
<td>COMCAST CORP</td>
<td>United States</td>
<td>Media</td>
<td>1.9</td>
</tr>
<tr>
<td>GILEAD SCIENCES INC</td>
<td>United States</td>
<td>Pharmaceuticals, Biotechnology &amp; Life Sciences</td>
<td>1.8</td>
</tr>
<tr>
<td>SANOFI</td>
<td>France</td>
<td>Pharmaceuticals, Biotechnology &amp; Life Sciences</td>
<td>1.8</td>
</tr>
<tr>
<td>AMGEN INC</td>
<td>United States</td>
<td>Pharmaceuticals, Biotechnology &amp; Life Sciences</td>
<td>1.8</td>
</tr>
<tr>
<td>ROCHE HOLDING AG</td>
<td>Switzerland</td>
<td>Pharmaceuticals, Biotechnology &amp; Life Sciences</td>
<td>1.7</td>
</tr>
<tr>
<td>NISSAN MOTOR CO</td>
<td>Japan</td>
<td>Automobiles &amp; Components</td>
<td>1.7</td>
</tr>
<tr>
<td>GLAXOSMITHKLINE PLC</td>
<td>United Kingdom</td>
<td>Pharmaceuticals, Biotechnology &amp; Life Sciences</td>
<td>1.6</td>
</tr>
<tr>
<td>CITIGROUP INC</td>
<td>United States</td>
<td>Banks</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>18.2</strong></td>
</tr>
</tbody>
</table>

The Ten Largest Holdings represent the ten largest holdings of the fund as of the date indicated. These securities do not represent all of the securities purchased, sold or recommended for advisory clients, and the reader should not assume that investment in the securities listed was or will be profitable. All portfolio holdings are subject to change. Holdings of the same issuer have been combined. The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list.
Summary

• The last six years have seen a strong bull market in the US

• The rest of the world has lagged significantly, leading to significant valuation discounts outside the US

• Economic conditions are improving in Europe, with a lower Euro, lower oil price and a resumption in bank lending

• Financials continue to trade at a discount to historic averages

• Health Care has re-rated, but the industry is returning to growth and selective opportunities remain on a stock by stock basis

• A long-term focus on oil provides a lens to sift through opportunities in the Energy sector, where valuations are currently at multi-decade lows
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.
Appendix: Most Greek Government Debt is Held By Public Institutions

Ownership Structure of Greek Debt (EUR bn, % of total)
Q4, 2014

- EFSF 141.9 44%
- IMF 23.5 7%
- ECB (SMP) 18 6%
- Bilateral 52.9 16%
- Bonds Excluding ECB 48.6 15%
- T-Bills 14.5 4%
- Other loans 25.1 8%

Source: Ministry of Finance, IMF, ECB, UBS, Berenberg.
Total government debt was EUR 324bn.

The average interest on Greek public debt is 1.5%, adjusted for interest on Greek bonds held by ECB.