TEMPLETON GLOBAL GROWTH FUND LTD

ANNUAL REPORT 2019

ABN 44 006 558 149

MISSION STATEMENT

Templeton Global Growth Fund Ltd ("TGG") was established to provide Australian residents with a well managed and cost effective investment vehicle through which they could gain access to world equity markets.

TGG outsources certain of its investment management functions to Franklin Templeton Investments Australia Ltd, a member of the Franklin Resources Inc. and relies upon the integrity and professional competence of that organization for the prudent and successful management of the Company's global investment portfolio. Franklin Resources Inc. has a long established record of investing in global equity markets.

The primary objective of TGG is to increase shareholders' total returns through the achievement of superior investment performance.

CONTENTS

The Corporate Governance Statement is available for review on the Company website: www.tggf.com.au

Templeton Global Growth Fund Ltd ABN 44 006 558 149

Level 19
101 Collins Street
Melbourne, Victoria 3000
Telephone (03) 9603 1209
Facsimile (03) 9603 1299

CHAIRMAN'S MESSAGE

It's been another significant year for Templeton Global Growth Fund, as we moved well beyond our 30th year of delivering a global equity solution to Australian Investors via a listed investment company.

These are the key points that I want to highlight from the last year:

- ***Investment Returns*** were disappointing in both absolute and relative terms at 4.0% gross of fees and expenses and 2.7% net of fees and expenses for the year. It was another challenging year for value managers. Value investors lagged the index in relative terms, which returned 11.3% for the year;
- ***Net Tangible Assets*** fell during the year to $1.45, after paying fully franked dividends in FY'19 of 10.0 cents per share;
- ***Earnings per share*** were slightly higher than the prior year at 1.9 cents per share although ***total comprehensive income***, which captures realised and unrealised gains on Investments, fell to 2.5 cents per share;
- The ***Management Expense Ratio (MER)*** decreased slightly from the prior period level of 1.29% to 1.28%;
- A surplus of franking credits and LIC capital gains to the extent that the Directors have declared a ***fully franked dividend*** of 5.0 cents per share, after a ***fully franked interim dividend*** of 2.0 cents per share was paid during the year;
- The resultant fully franked annual ***dividend yield*** of over 5.8% is a significant return for global equities and for those eligible shareholders that can take advantage of LIC capital gains, the after-tax impact is worth somewhat more; and
- The ***on-market share buy-back*** program saw us purchase slightly more than 4% of shares outstanding at an average discount of approximately 12% adding value for shareholders while also providing liquidity for investors.

Please refer to the Financial Statements for the full details of the Financial results for the year.

A video package highlighting the Financial results of the Company, and a more in depth look at the Investment Performance, will be available on the website at www.tggf.com.au

CHAIRMAN'S MESSAGE CONTINUED

INCREASED INVESTMENT CONVICTION

Throughout the previous year, the Investment Portfolio was transformed into a more focused structure of 40-60 securities, and one that displays a higher level of conviction in terms of stock selection. Both the board, and the Portfolio Management team, feel that this structure is well suited to capture the returns that will flow when the "value" style recovers and out-performs broader markets.

During the year we continued to invest in initiatives to increase shareholder engagement and the public profile of TGG, to provide shareholders with more opportunities to interact with the company and to gain new shareholders with the goal of reducing the share price discount to NTA.

We are confident that these changes, in combination with the initiatives that were already underway, will continue to have a positive impact on the Company's share price.

Finally, I thank all of our shareholders for their support, and especially our longer-term shareholders for their continued loyalty.

Christopher R Freeman
Chairman

22 August 2019

Franklin Templeton Investments Australia Ltd ABN 87 006 972 247
Level 19
101 Collins Street
Melbourne, Victoria 3000
Telephone (03) 9603 1209
Facsimile (03) 9603 1299

2019 INVESTMENT MANAGER'S REPORT

TGG's investment portfolio returned 4.0% for fiscal 2019. This fell well behind the 11.3% rise in the MSCI All Country (AC) World Index ("Index").

PERFORMANCE SUMMARY TO 30 JUNE 2019 - $A

	Latest 6 Mths %	Latest 12 Mths %	Latest 3 Yrs % p.a.	Latest 5 Yrs % p.a.	Latest 7 Yrs % p.a.	Latest 10 Yrs % p.a.	Since Inception % p.a.
TGG^	13.0	4.0	13.1	9.0	15.6	11.3	8.8*
Index	16.6	11.3	13.9	12.7	16.0	11.7	6.9#

^ Returns are pre-fees and expenses and based on movements in the Company's net tangible assets per share, before corporate taxes, with adjustments for dividends and capital movements.

* Pre-fees/expenses performance prior to Jul 06 was estimated due to limited availability of fee/expense data.

\# Since inception Index uses MSCI World. Indices are presented with net dividends reinvested.

Shareholders should note that past performance is not necessarily an indicator of future performance

2019 IN REVIEW

Since mid-2017 Value stocks (as measured by MSCI) have grown earnings by 28% (in USD). Growth stocks by slightly less than 25% on the same basis. Good news, you would have thought, for value investors. Over that two-year period MSCI AC World Value has returned 11.6% (in USD terms), solidly trounced by the 25% return for the Growth index. This has pushed the premium at which Growth stocks trade, again as measured by MSCI, to a 35% premium to the entire share market, having not traded at a premium of greater than 20% in the prior ten years, while the discount on Value shares now languishes at more than 20%.

This latest bout of under-performance by Value ties in with the trade war inception and escalation by President Trump. It was March 2018 when the President asked his Trade Representative to investigate applying tariffs to USD50-60bn of Chinese goods. Since then we've seen an escalating range of tariffs imposed, with various interludes of calm.

The uncertainty caused by the US-Chinese trade dispute, along with slowing global growth has boosted shares that are deemed to be growthy, stable or quality. In European markets Barclays argues that sales growth and quality have only ever been more expensive than currently in 2000, at the peak of the TMT boom. Low volatility only more richly valued in 2008 at the heart of the GFC.

Yet, economic growth is not that bad. Inflation hasn't vanished. Jobs are growing, wages are rising (at an accelerating rate in many economies).

But some shares are priced as if economic doom is about to arrive.

In the 1970s the Nifty Fifty were thought to be "one decision stocks", leaders in their industry, with outstanding business models and exciting growth prospects. And they delivered earnings growth that would substantially beat the market in the '70s. But their share prices crashed in the bear market of '73/'74 and under-performed further in the rest of the decade. The stocks' outstanding characteristics were unable to support the lofty valuations they had reached. While the headline valuations of today's most revered stocks may not be quite as extreme, their premium relative to the unloved parts of the markets is. According to Empirical Research the most "stable" European stocks are trading at the 95th percentile of their trailing earnings multiple over the last 30 years. Financials are at

10th percentile. Those stable stocks are forecast to grow earnings and free cash flow slower than the market. Betting on further multiple expansion seems aggressive.

We occasionally get asked why we don't use the MSCI AC World Value index as a benchmark. While it is a broadly useful reference for whether our style of investing is having an easy (or hard) time of things, there is one major drawback in its construction. MSCI constrains their main value benchmark to have the same geographic exposure as the overall market. For TGG's inaugural Annual Report we noted that we had held no Japanese securities, unable to find value in a market where the average price-to-earnings ratio was 60x, compared with 13x that in the World outside Japan. The MSCI World Value index had around 44% exposure to Japan, more than that to the US. While the valuations today in the US market are not as extreme as Japan in 1989, we would certainly argue that for a value investor, the World outside the US is a far more fertile hunting ground for bargains than in the US stock market which is hitting all-time highs.

Looking at TGG's longer term performance the portfolio has under-performed by around 3.7% over the last five years. Over that timeframe Value has lagged by around 2.3%, as measured by the MSCI AC World Value index. Then when considering TGG's performance against the Value index, being significantly underweight the U.S, when that market substantially outperformed the Rest of the World (RoW) (US Value returned 13.6% p.a. vs 6.4% total return for RoW Value) cost the portfolio around 1.7% p.a. Being a value investor has always been at the heart of our philosophy, being under-weight, the US market has, with hindsight, been an incorrect application of that philosophy, but one that we believe will boost returns going forward.

Turning more specifically to the portfolio, the return from American stocks again substantially outperformed the other major regions. TGG's holdings did better than the Index in Asia, but lagged in the other regions.

Major Region Returns (Year to 30 June 2019)	TGG (%)	Index (%)
Asia	6.3	3.1
Europe	2.6	7.8
Eurozone	*0.5*	*5.0*
Rest of Europe	*3.7*	*10.7*
North America	8.6	15.0

Performance was particularly poor in several sectors, consumer discretionary, consumer staples, financials and health care. Consumer stocks Kingfisher and Panasonic declined notably, while the portfolio did not hold many of the strongly performing, but very expensive consumer staples names such as Nestle, Colgate and Coca-Cola. The average beverage stock trades on a prospective price-to-earnings ratio of 24x, compared with 22x for food producers, 24x for household products companies and 27x for manufacturers of personal products. Japanese beverage company Suntory is TGG's only holding from any of those industries, trading on around 19x earnings, and having been purchased at substantially lower valuations.

TGG's financials holdings have had another mixed, but overall disappointing year, adversely impacted by the about face from Central bankers. We were, mistakenly, confident that monetary authorities would continue to move away from the extra-ordinary monetary settings that they'd put in place to deal with the Global Financial Crisis. Instead, the Federal Reserve has turned 180 degrees and the ECB has extended their implementation of negative interest rates. This has pushed down market interest rate expectations and many bank share prices. While it has also trimmed expectations of earnings growth, it has not stopped the banks, in most instances, solidly beating their costs of capital, increasing shareholder returns (Citi and Wells Fargo are both paying out more than 100% of earnings in dividends and share buy-backs to reduce their excess capital). Notwithstanding such resilient fundamentals TGG's portfolio saw double-digit negative returns for the year from banks such as Bank of Ireland, BNP, ING and UBS. We remain convinced that the future returns from holding these securities will be compelling, the market begs to differ.

Sector Returns (Year to 30 June 2019)	TGG (%)	Index (%)
Consumer Discretionary	(17.3)	8.5
Communication Services	8.6	6.6
Consumer Staples	1.5	15.1
Energy	0.3	(3.0)
Financials	0.9	8.8
Health Care	4.8	15.5
Industrials	7.8	12.0
Information Technology	11.2	19.6
Materials	4.1	4.9
Real Estate	(1.4)	15.9
Utilities	25.4	19.8

The portfolio's health care holdings saw some very good performance from companies such as Ely Lilly, Medtronic, Pfizer, Roche and Sanofi, but particularly disappointing returns from Bayer and Teva. Both had their share of legal woes, Bayer losing its first few Glyphosate product liability cases while Teva has been named in US Opioid and generic drug price fixing cases.

Across other sectors notable out-performers included: Comcast, SoftBank Group, Vestas Wind Systems and Oracle.

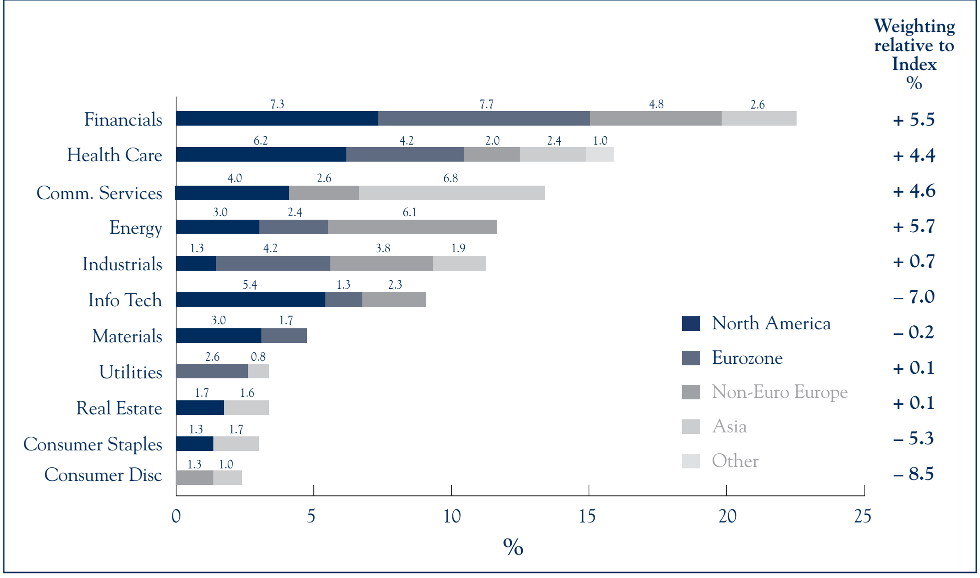
PORTFOLIO STRATEGY

In last year's Investment Manager's Report we outlined a plan to significantly reduce the number of shares in TGG's portfolio. That strategy has been implemented and the number of holdings is now in the 50s. That has led to greater than usual turnover in the portfolio in the current fiscal year.

TGG's four key sector over-weights remain the same as last year: financials, health care, energy and communication services, also representing the portfolio's largest sector holdings and representing slightly less than two-thirds of the portfolio's equity exposure.

The three notably under-weight sectors are information technology and consumer staples and discretionary. High valuations are the key drivers of the lack of holdings in each of those sectors. Earlier in this report we highlighted some of the high valuations for industries within the consumer staples sector. IT has a similarly high multiple, 24x prospective earnings, and while there are some attractively growing stocks in that sector, there is also a degree of cyclicality in the sector and the semi-conductor industry has been posting margins well above those we would consider sustainable. While the valuation for some stocks within the consumer discretionary sector are high, there are certainly some lowly priced stocks in that sector as well, in industries such as autos, retail and media. Each of those industries is also, however, facing some pretty substantial shifts in the coming years. Auto stocks face the move to electric vehicles, retailers continue to face an ongoing migration to online. Such shifts will lead to many losers in these industries and we've failed to find many of the lowly priced stocks to be attractive value candidates for the portfolio.

PORTFOLIO GEOGRAPHIC-SECTOR WEIGHTINGS
AS AT 30 JUNE 2019



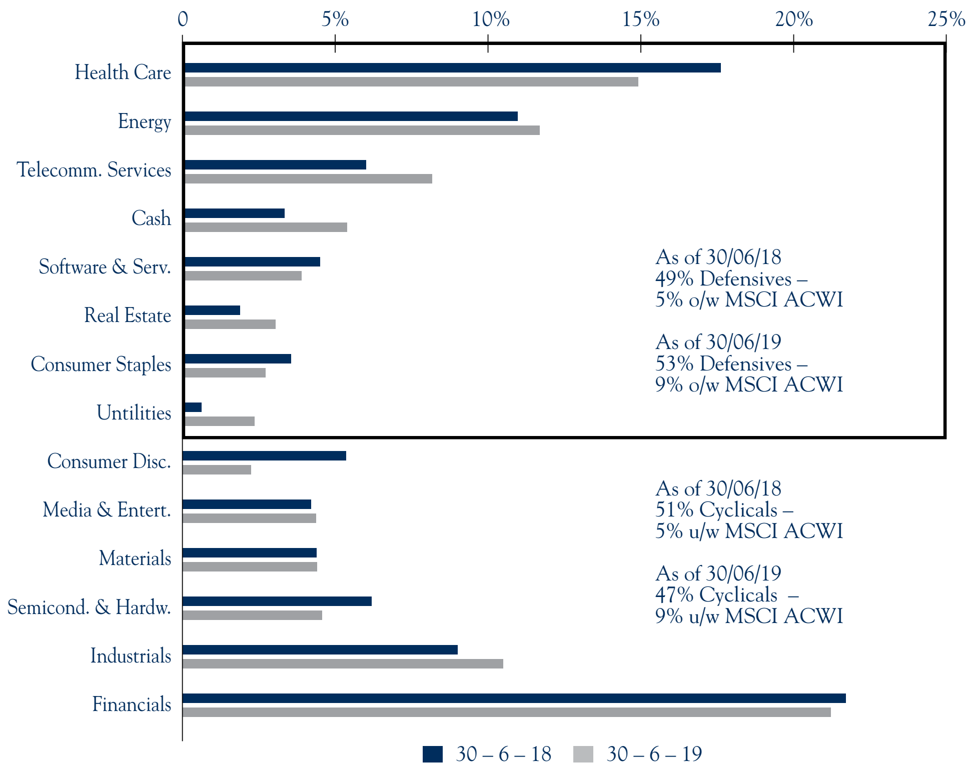
Given the reduced number of holdings in the newly concentrated TGG portfolios there have been far more names leaving the portfolio than joining it in the last 12 months. However, there were a few new holdings, three financials: UBS, Wells Fargo and Korean Shinhan Financial Group. Exxon was added to our energy exposure, while we reduced the holding in other stocks in the sector more exposed to the oil price, such as Conoco, Husky and SBM Offshore. We received shares in Japanese pharmaceutical company Takeda as part proceeds from the takeover of Shire Pharmaceuticals, but subsequently added further to the position. Finally, notwithstanding an expensive global tech sector, we also found two new names for the portfolio from that sector, semi-conductor manufacturer NXP and French based IT services provider, Atos. Other positions we significantly increased during the year included holdings in SingTel, Vodafone, ING, Standard Chartered, Allergan, Sanofi, Siemens and Veolia.

As this bull market has gone on and the economic expansion, most notably in the US, has pushed into record territory, we've gradually been repositioning TGG's portfolio more defensively. This is not a wholesale retreat into the bunker, as the weighting to financials attests. Nor is it undertaken without regard to valuation, as the minimal exposure to food, beverage and household products illustrates. But rather, we have been able to identify a number of stocks where profits should be relatively resilient if economies are to weaken, with attractive valuations that should prove more resistant to a share market downturn.

Most of the areas we've incorporated in the "defensive" component of the portfolio below should be relatively uncontroversial, perhaps except for energy. However, apart from Apache Energy, the rest of the portfolio's exposure is to global integrated energy groups. These stocks have historically proven more defensive in a stock market downturn and with substantially improved free cash flow margins and balance sheets, we expect them to be relatively unaffected in an economic slowdown.

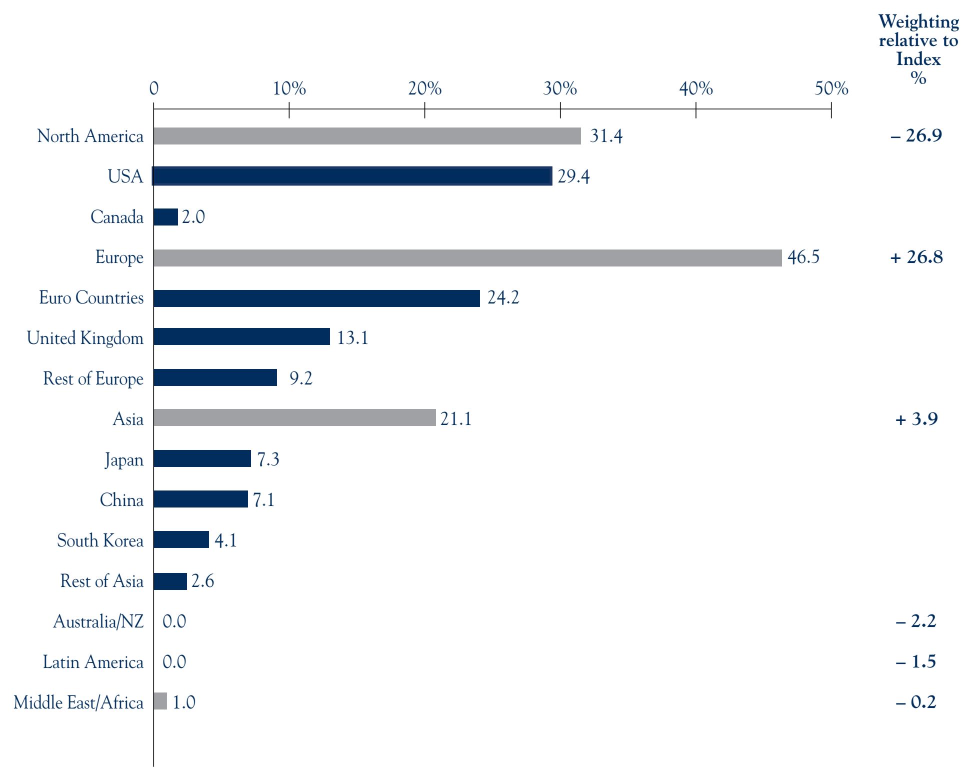
PERCENTAGE PORTFOLIO WEIGHTS

30 JUNE 2018 AND 30 JUNE 2019



PORTFOLIO GEOGRAPHIC WEIGHTINGS

AS AT 30 JUNE 2019



OUTLOOK

Investors should be cognisant of the risks that lie ahead as we approach the end of the growth-led, US-centric bull market. We are already seeing the US/China trade war's impact on global growth with little sign of abatement. Settling this dispute is going to be challenging as the US tries to come to terms with the decline in its geopolitical power relative to China. Balancing the short-term economic need for a resolution in the trade conflict and the longer-term issue of China's rise as a global power will be a tricky compromise. The US political cycle, however, provides an incentive for President Trump to settle the trade conflict down as we head into 2020.

Our view would be that we're increasingly seeing little reward for further monetary policy easing. It seems clear that fiscal policy (and further economic reforms to boost productivity) is the necessary tool to stimulate growth. This has already largely played out in the US with President Trump's tax cuts driving the US to a $1tn or so fiscal deficit. Europe has much more room to move to stimulate through fiscal means. While we're yet to see much sign of that, it remains as a potential tool and would be beneficial for European economies and stock markets.

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, as well as allocating resources to uncover the best long-term investment opportunities in overlooked market segments. The average valuation of TGG's holdings on a price-to-book basis at 1.2x is below where it was in June 2018 and indeed its average since June 2009. The portfolio is well placed to take advantage of a turn in the market cycle following the worst stretch of relative performance for value stocks on record. Our view is that the valuation of the stocks in TGG's portfolio are attractive relative to the rest of the market and also on a standalone basis, which should underpin solid returns for TGG shareholders regardless of returns from the over-valued parts of global markets.

Peter M Wilmshurst CFA
Portfolio Manager
22 August 2019

TOP 15 PORTFOLIO HOLDINGS AS AT 30 JUNE 209

Security	Sector	Country	% of Portfolio
BP	Energy	United Kingdom	3.1
Royal Dutch Shell	Energy	United Kingdom	3.0
Oracle	Information Technology	United States	3.0
Siemens AG	Industrials	Germany	2.8
Citigroup	Financials	United States	2.7
Wells Fargo	Financials	United States	2.7
Allergan	Health Care	United States	2.7
Singapore Telecomm.	Communication Services	Singapore	2.7
Sanofi	Healthcare	France	2.6
Standard Chartered	Financials	United Kingdom	2.6
Veolia Environment	Utilities	France	2.6
Vodafone	Communication Services	United Kingdom	2.6
Takeda Pharmaceuticals	Healthcare	Japan	2.5
BNP Paribas	Financials	France	2.4
Samsung Electronics	Information Technology	South Korea	2.3
			40.0

INDICATIVE PORTFOLIO CHARACTERISTICS

TGG VS MSCI AC WORLD INDEX AS AT 30 JUNE 2019

Historic Valuation Measures		
Weighted Avg – Stocks Held	TGG	MSCI AC World
Price to Earnings (times)	14.3	17.5
Price to Cash Flow (times)	5.3	11.2
Price to Book Value (times)	1.2	2.3
Dividend Yield (%)	3.4	2.5
Market Capitalisation ($Aust m.)	140,506	186,016

FIVE YEAR SUMMARY

AS AT 30 JUNE

		2019	2018	2017	2016	2015
SECTOR WEIGHTINGS (%)						
Consumer Discretionary		2.3	8.2	7.9	11.5	12.8
Consumer Staples		3.0	3.6	3.6	4.1	4.7
Energy		11.6	11.5	11.2	14.9	10.9
Financials		22.5	22.6	23.3	20.9	24.9
Health Care		15.8	18.2	17.5	16.0	19.4
Industrials		11.2	9.4	8.7	8.6	7.7
Information Technology		9.0	13.0	15.2	11.5	8.1
Materials		4.7	4.5	5.2	5.3	4.5
Real Estate		3.3	2.0	0.9	–	–
Telecommunication Services		–	6.3	6.6	7.3	7.1
Communication Services		13.3	–	–	–	–
Utilities		3.4	0.6	–	–	–
GEOGRAPHIC WEIGHTINGS (%)						
North America		31.4	39.0	40.7	36.2	34.7
Europe - ex UK		33.4	25.0	23.4	28.7	30.5
United Kingdom		13.1	14.7	13.0	13.4	13.2
Asia - ex Japan		13.8	11.8	14.4	14.2	13.2
Japan		7.3	7.8	6.9	5.8	6.0
Australia/NZL		–	–	–	–	–
L. America/Caribbean		–	–	–	0.4	0.9
Mid-East/Africa		1.0	1.8	1.6	1.5	1.3
FUNDAMENTAL CHARACTERISTICS						
Price to Earnings	TGG	14.3	15.2	17.7	13.9	13.2
(times)	MSCI AC	17.5	18.5	20.4	14.1	16.2
Price to Book	TGG	1.2	1.4	1.4	1.2	1.2
(times)	MSCI AC	2.3	2.3	2.2	2.0	2.1
Price to Cash Flow	TGG	5.3	6.7	7.4	5.9	7.0
(times)	MSCI AC	11.2	11.6	11.8	9.0	9.5
Dividend Yield	TGG	3.4	2.7	2.5	3.1	2.7
(%)	MSCI AC	2.5	2.4	2.4	2.6	2.4
YEAR TO 30 JUNE PERFORMANCE						
	TGG	4.0%	12.6%	23.3%	-9.9%	18.0%
	MSCI AC	11.3%	15.0%	15.3%	-0.6%	23.7%
WEIGHT AVERAGE MARKET CAP (A$M)						
	TGG	140,506	144,059	140,135	104,832	101,224
	MSCI AC	186,016	160,296	125,923	126,232	120,492

NB: prior to 2017 real estate was included in the financials sector.

FRANKLIN TEMPLETON INVESTMENTS

TEMPLETON INVESTMENT APPROACH

Templeton's long-term record of investment management performance is achieved by adherence to its time tested investment philosophy and process.

The Templeton equity investment approach focuses on long-term capital growth from a globally diversified portfolio of investment securities. Securities are selected for their potential earning power over the longer term which is significant.

Templeton adopts a 'buy and hold' investment philosophy, whereby securities are typically held for five years or more. This approach recognises that it takes patience and discipline to wait for investor interest to return to securities that were once out of favour.

Templeton are value investors which focuses on securities that are considered to be underpriced relative to their future earning potential. Undervalued equity securities are identified using a rigorous bottom up approach which focuses on a company's intrinsic strengths and weaknesses.

Templeton's investment portfolio is structured in a manner which provides for prudent diversification. Although common equity stock are our primary form of investment, we seek opportunities in all forms of securities that are available in an open market.

There are no geographic limits on the allocation of the portfolio.

Templeton does not presently consider it appropriate to enter into any hedging transaction to protect the Australian dollar value of the portfolio against the decline arising from currency value fluctuations.

In summary, the Templeton investment approach is founded on three underlying tenets:

VALUE

Investment in undervalued securities with a focus on a stocks potential earning power of the long-term.

PATIENCE

Long-term appreciation with a low turnover of the portfolio.

BOTTOM-UP

Value can be identified through rigorous fundamental, bottom-up analysis.

The differentiating characteristics of the Templeton style of investing are:

- Original research
- Global industry research focus
- Long-term investment horizon
- Adherence to time-tested investment philosophy and process
- Long-term record of superior performance

Overseas investments are not hedged.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Directors of Templeton Global Growth Fund Ltd. ("the Company") submit their report for the year ended 30 June 2019.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

CHRISTOPHER R. FREEMAN, CA, MAICD – Non-Executive Chairman
Appointed as a Director on 11 January 2017. Appointed as Chairman on 22 February 2017. Chair of the Review Committee and member of the Audit Committee. Currently Senior Strategic Advisor to the BT Financial Group. Former roles include General Manager Adviser Distribution for the BT Financial Group, Head of Equities for Bankers Trust Australia Limited, Head of Distribution for BT Financial Group and Head of BT Wealth and Wrap Solutions.

GREGORY E. McGOWAN, JD – Non-Executive Director
Appointed as a Director on April 1992. Non-Executive Director of the Company. Senior Strategic Advisor of Franklin Templeton Investments. Former Director, Executive Vice President, and General Counsel of Templeton International Inc., former Director of Franklin Templeton Investments Australia Limited.

MARTIN F. WARWICK, CA, MBA, ACIS, AGIA, BSc, MAICD – Non-Executive Director
Appointed as a Director on 1 July 2014. Member of the Review and Audit Committees. Former General Manager and Company Secretary of the Company. Currently the Director of a Melbourne accounting practice. Former member of the Board of Management of Education Program for Infants and Children Inc.

MICHAEL J. O'BRIEN, CFA, GAICD – Non-Executive Director
Appointed as a Director on 27 August 2014. Member of the Review and Audit Committees. Managing Director of EQT Holdings Limited. Former roles include Chief Executive Officer of Invesco Australia Limited, Chief Investment Officer of AXA Australia and New Zealand. Former roles include directorships at Alliance Capital Management Australia and New Zealand, National Mutual Superannuation Pty Ltd., National Mutual Funds Management Limited and National Mutual Master Trust Limited.

JOANNE DAWSON, CA, GAICD – Non-Executive Director
Appointed as a Director on 9 May 2012. Chair of the Audit Committee and a member of the Review Committee. Director of Vision Super and Bank First Ltd. Former roles include senior management roles with National Australia Bank, Client Director in the Assurance and Advisory Division of Deloitte, directorships of Catholic Church Insurance Ltd., CCI Asset Management Ltd. and Film Victoria.

ALOK SETHI, B.Com, ACA – Non-Executive Director
Appointed as a Director on 22 February 2017. Non-Executive Director of the Company. Executive Vice President Technology and Operations for Franklin Resources, Inc. (FRI). He is also responsible for Franklin Templeton International Services (India) Private Limited (FTIS) and Franklin Templeton Investments Poland SP.z.o.o., both are subsidiaries of Franklin Resources Inc. (FRI) and are a microcosm of most functions performed within FRI companies worldwide.

INTEREST IN SHARES OF THE COMPANY

As at the date of this report, the interests of the Directors in the shares of the Company were:

Director	Ordinary Shares
C R FREEMAN	120,000
G E MCGOWAN	–
M F WARWICK	41,440
M J O'BRIEN	131,250
J DAWSON	37,700
A SETHI	–

EARNINGS PER SHARE

	Cents
Basic	1.9
Diluted	1.9

DIVIDENDS

	$'000
Directors have declared a final dividend of 5.0 cents per share fully franked. The dividend included LIC capital gains attributable at 5.0 cents per share (2018: 4.5 cents per share fully franked and a special dividend of 3.5 cents fully franked. The dividends included LIC capital gains attributable at 8.0 cents per share.)	10,661
Directors have paid an interim dividend for the financial year 30 June 2019 of 2.0 cents per share fully franked. (2018: nil.)	4,358
	15,019
Dividends paid during the year ended 30 June 2019 were as follows: Final dividend for the year ended 30 June 2018 of 4.5 cents per share, and a special dividend of 3.5 cents fully franked paid on 20 September 2018. Interim dividend of 2.0 cents per share fully franked paid on 29 March 2019 (30 June 2017 of 4.5 cents per share, paid 22 September 2017)	21,959

CORPORATE INFORMATION

Corporate Structure

Templeton Global Growth Fund Ltd. is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange ("ASX").

Principal Activities

The Company invests in a globally diversified portfolio of international equities. The Company outsources its investment management and administration functions to Franklin Templeton Investments Australia Limited ("FTIAL" or "Investment Manager"), a member of Franklin Resources Inc. The primary objective of the Company is to increase total shareholder returns through the achievement of superior investment performance.

The Company has an Australian Financial Services licence (Licence No: 296874).

There has been no significant change in the nature of these activities during the year.

OPERATING AND FINANCIAL REVIEW

Overview

The Company was formed in 1987 and has operated continuously since its formation.

The Company maintains a portfolio of investments in companies listed on international stock exchanges. The Company may also invest in unlisted trusts where the Investment Manager and the Directors consider such investment in unlisted trusts provides a cost effective and efficient manner in which to access specific geographic or industry sectors. At 30 June 2019 all the investments were in listed equity securities.

As an investor in companies listed on international stock exchanges the Company is subject to general market sentiment towards investment in equities along with specific market sentiment towards the securities in which the Company invests. The Company's Investment Manager utilises an investment philosophy and process designed to identify undervalued securities in which to invest.

The Company does not currently hedge the underlying currencies of its portfolio of investments.

Performance Indicators

For the year ended 30 June 2019, the Company's portfolio of investments returned 4.0% compared to the MSCI All Countries World Index ("the Index") which returned 11.3% for the same period.

The following tables illustrate the performance of the Company's investment portfolio compared to the Index since inception.

Investment Performance % ($Aust.)	Latest 6 Mths	Latest 12 Mths	Latest 3 Yrs*	Latest 5 Yrs*	Latest 10 Yrs*	Since Inception*
TGG^	13.0	4.0	13.1	9.0	11.3	8.8
TGG†	12.3	2.7	11.7	7.7	9.7	7.2
MSCI AC World Index	16.6	11.3	13.9	12.7	11.7	6.9#

^ Returns are pre-fees and expenses and based on movements in the Company's net tangible assets per share, before taxes, with adjustments for dividends, share issues and share buy-backs.

† Returns are post-fees and expenses and based on movements in the Company's net tangible assets per share, before taxes, with adjustments for dividends, share issues and share buy-backs.

Since inception disclosed for the Index blends the use of the MSCI World (net dividend) as AC World was not in existence at TGG's inception.

* Annualised.

The index is presented with net dividend reinvested.

Yearly Investment Performance % ($Aust.) in each of the past five years.

Year to 30 June	2019	2018	2017	2016	2016
TGG^	4.0	12.6	23.3	(9.9)	18.0
TGG†	2.7	11.1	22.0	(11.0)	16.7
MSCI AC World Index	11.3	15.0	15.3	(0.6)	23.7

^ Returns are pre-fees and expenses and based on movements in the Company's net tangible assets per share, before taxes, with adjustments for dividends, share issues and share buy-backs.

† Returns are post-fees and expenses and based on movements in the Company's net tangible assets per share, before taxes, with adjustments for dividends, share issues and share buy-backs.

Since inception disclosed for the Index blends the use of the MSCI World (net dividend) as AC World was not in existence at TGG's inception.

* Annualised.

The index is presented with net dividend reinvested.

Operating Results for the Year

The net profit after income tax for the year was $4.2 million compared with a net profit after tax of $3.5 million in the previous corresponding year ("pcy") and the investment portfolio returned 4.0% for the year.

The net asset value of the Company decreased over the 12 months to 30 June 2019 (after taking into account the payment of the 2018 final dividend and the interim dividend paid in March 2019) from $331.7 million at 30 June 2018 to $304.1 million at 30 June 2019. This accounts for market movements and after $11.0 million of shares were bought back as part of the Company's share buy-back program.

Revenue amounted to $10.0 million in the current financial year as compared with $9.2 million in the pcy.

The net tangible asset ("NTA") backing of the Company's shares is calculated, in accordance with ASX guidelines, by dividing the net tangible assets of the Company (net assets less the deferred tax assets/liabilities), at a particular date, by the number of shares on issue at that date. It is an ASX requirement that the NTA backing of the Company be released to the market monthly. In addition to the monthly (unaudited) NTA announcement, the Company also releases a weekly (unaudited) NTA to improve transparency of the NTA throughout the month.

Over the previous five years the NTA at 30 June has been:

	Net Tangible Assets - cents per share	
As at 30 June	After Actual Tax*	After Estimated Tax**
2019	145	143
2018	156	150
2017	148	143
2016^	128	128
2015	150	144

* 'Actual Tax' is all Australian and Foreign income tax for which a liability has arisen and therefore excludes deferred tax assets and liabilities arising from unrealised gains or losses.

**'Estimated Tax' is estimated tax if the Company disposed of its total investment portfolio at its market value. However, the Company is a long-term investor and does not intend to dispose of its total investment portfolio.

^ There were insufficient net unrealised gains to affect the "After Estimated Tax" NTA.

Share Issues and Buy-Back during the Year

The Company's dividend reinvestment plan ("DRP") was not in operation in the 2019 financial year.

The Company undertook a share buy-back program during the year. There were 8.5 million (2018: 4.9 million) shares bought back at an average price of $1.30 (2018: $1.39) per share and an average discount to NTA of 12.4% (2018: 10.2%).

The number of ordinary shares on issue after accounting for cancellation of shares as a result of share buy-back, decreased over the year from 221.7 million to 213.2 million.

Borrowings

The Company's financing consists predominantly of shareholder funds. The Company has no external borrowings or undrawn borrowing facilities at the date of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Directors are not aware of any significant changes in the state of affairs of the Company or the environment in which it operates, that will adversely affect the results in subsequent years.

MATTERS ARISING SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Directors are not aware of any matter or circumstance not otherwise disclosed in the Financial Report or Directors' Report that has arisen since the end of the financial year which has significantly affected, or may significantly affect:

(a) the Company's operations,

(b) the result of those operations, or

(c) the Company's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors intend that the Company's Investment Manager will continue to invest in accordance with Templeton Global Equities Group's long-standing philosophy of seeking out undervalued investments in global equity markets.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were no unissued ordinary shares under option.

Shares issued as a result of the exercise of options

During the financial year, Directors have not been granted nor have they exercised any options to acquire fully paid ordinary shares in the Company.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into agreements with each of the Directors that require the Company to indemnify them and arrange for them to be insured, to the extent permitted by the Company's Constitution and the *Corporations Act 2001*, in respect of certain liabilities they may incur in their capacity as Directors and officers of the Company.

ENVIRONMENTAL REGULATION

The Company's operations are such that they are not directly affected by any material environmental regulation.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the financial year ended 30 June 2019 is available on the Company's website at https://www.tggf.com.au/investor/our-company/governance.

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director Remuneration arrangements of Templeton Global Growth Fund Ltd. ("the Company") in accordance with the requirements of the *Corporations Act 2001* and its regulations. For the purposes of this report key management personnel ("KMP") are the Directors of the Company.

Mr Mat R Sund in his capacity as General Manager and joint Company Secretary is an employee of FTIAL and provides services to the Company under the terms of the Administrative Services Agreement, and as such is remunerated by FTIAL.

On 9 April 2019, Ms Lindsay Mackay was re-appointed as joint Company Secretary. She is also an employee of FTIAL and provides services to the Company under the terms of the Administrative Services Agreement, and as such is remunerated by FTIAL.

Remuneration Philosophy

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the KMP. The Board of Directors assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit.

Non-executive Directors' Remuneration

In accordance with the Company's Constitution and the ASX Listing Rules, the aggregate amount of remuneration payable to the non-executive Directors in any year is determined from time to time by shareholders in General Meetings. The last determination was at the Annual General Meeting on 22 October 2007 when shareholders fixed a maximum aggregate amount of $350,000. The amount paid in 2019 was $290,371 which was below the threshold set.

Within the limit of the maximum aggregate amount determined by the shareholders, the Board determines the remuneration for non-executive Directors.

The policy of the Board is not to pay fees or provide other remuneration to non-executive Directors who were at any time during the year, officers or consultants of the Franklin Templeton group. During the year ended 30 June 2019, this policy was maintained and neither Mr G E McGowan nor Mr A Sethi, who are officers or consultants of the Franklin Templeton group, received fees or other remuneration from the Company.

The Company provides remuneration for non-executive Directors who are not officers of the Franklin Templeton group. The remuneration arrangements for these non-executive Directors are reviewed annually by the Board.

The Board assesses the appropriateness of the remuneration for non-executive Directors having regard to market practice (including available data concerning remuneration paid by other companies, in particular companies of comparable nature and size), the duties and accountability of the non-executive Directors and the objective of maintaining a balanced Board which has appropriate expertise and experience, at a reasonable cost to the Company. Non-executive Directors remuneration is not linked to the financial performance or share price of the Company.

The non-executive Directors who received remuneration in the year ended 30 June 2019 were Chairman Mr C R Freeman, Mr M F Warwick, Mr M J O'Brien and Ms J Dawson.

The Board does not pay bonuses or issue shares or options to Directors as components of their remuneration, nor does it make loans to Directors, or provide motor vehicles, rent, travel allowances or other benefits.

The Company makes minimum superannuation guarantee contributions for non-executive Directors. Directors can also opt to "salary sacrifice" their Director's fees and have them paid wholly or partly as further superannuation contributions.

Details of the remuneration for non-executive Directors for the year ended 30 June 2019 are set out in Table 1 at the end of this Report.

Employment Arrangements

The Company had no employees during the year ended 30 June 2019. The executive staff are not paid by the Company. The executive staff are remunerated and employed by FTIAL and provide services pursuant to the Administrative Services Agreement.

TABLE 1: DIRECTOR REMUNERATION FOR THE YEARS ENDED 30 JUNE 2019 AND 30 JUNE 2018

Director	Year	Short -Term Directors Salary and Fees $	Post Employment Superannuation $	Total $
C R Freeman	2019	82,381	7,826	90,207
(Chairman)	2018	82,381	7,826	90,207
M F Warwick	2019	59,364	5,640	65,004
	2018	59,364	5,640	65,004
M J O'Brien	2019	59,364	5,640	65,004
	2018	59,364	5,640	65,004
J Dawson	2019	64,068	6,088	70,156
	2018	64,068	6,088	70,156
Total	2019	265,177	25,194	290,371
	2018	265,177	25,194	290,371

Mr G E McGowan and Mr A Sethi, who were non-executive Directors of the Company during the period and are also executives or consultants of the Investment Manager or companies associated with the Investment Manager, received no remuneration from the Company during the period.

TABLE 2: SHAREHOLDINGS OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Shares Held in the Company (number)	Balance 1 July 2018	Net Change Other	Balance 22 August 2019
	Ord	Ord	Ord
Directors			
C R Freeman	100,000	20,000	120,000
G E McGowan	–	–	–
M F Warwick	41,440	–	41,440
M J O'Brien	131,250	–	131,250
J Dawson	33,700	4,000	37,700
A Sethi	–	–	–
Total	**306,390**	**24,000**	**330,390**

All equity transactions with Directors have been entered into under terms and conditions, no more favourable than those the Company would have adopted if dealing at arm's length.

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans made to key management personnel at any time during the year and no loans exist at the date of this report.

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Directors' Meetings		Audit Committee		Review Committee	
Number of meetings held:	7		6		4	
Number of meetings attended:	**A**	**B**	**A**	**B**	**A**	**B**
C R Freeman	7	7	5	6	4	4
G E McGowan*	6	7	–	–	–	–
M F Warwick	6	7	6	6	4	4
M J O'Brien	5	7	6	6	3	4
J Dawson**	7	7	5	6	4	4
A Sethi*	6	7	–	–	–	–

A = Number of meetings attended.
B = Number of meetings held during the time the Director held office or was a member of the committee during the year and to which they were entitled to attend.
* = Not a member of the relevant committee.
** = Audit Committee meeting was chaired by M F Warwick on 18 February 2019 in the absence of J Dawson.

COMMITTEE MEMBERSHIP

As at the date of this report, the Company had an Audit Committee and a Review Committee.

The members of these committees of the Board during the year were:

Audit	***Review***
J Dawson (c)	C R Freeman (c)
C R Freeman	J Dawson
M F Warwick	M F Warwick
M J O'Brien	M J O'Brien

(c) indicates Chairman of the committee.

ROUNDING OF AMOUNTS

The Company is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to rounding in the Directors' Report. All amounts have been rounded to the nearest thousand dollars ($'000), in accordance with that instrument, unless otherwise stated.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The auditor's independence declaration given under Section 307C of the *Corporations Act 2001* is set out on page 24 and forms part of the Directors' Report for the year ended 30 June 2019.

NON-AUDIT SERVICES

The Company may decide to engage the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

Prior to any non-audit services being contracted through the Company's auditor, the Board of Directors, after receiving advice from the Audit Committee, would satisfy itself that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The auditor, PricewaterhouseCoopers, did not provide any services which are incompatible with their role as independent auditor for the period.

Details of the amounts paid or payable to the auditor for audit and non-audit services during the year are set out in Note 17.

Signed in accordance with a resolution of the Directors.

Christopher R Freeman
Chairman

Melbourne
22 August 2019

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF TEMPLETON GLOBAL GROWTH FUND LTD

Auditor's Independence Declaration

As lead auditor for the audit of Templeton Global Growth Fund Ltd for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Elizabeth O'Brien
Partner
PricewaterhouseCoopers

Melbourne
22 August 2019

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $'000	2018 $'000
Revenue	5	9,997	9,205
Investment expenses	6	(3,174)	(3,324)
Salaries and employee benefit expenses		(290)	(290)
Shareholder and regulatory costs		(174)	(162)
Other expenses		(340)	(293)
Profit before income tax		6,019	5,136
Income tax expense	7	(1,795)	(1,601)
Profit after income tax for the year		**4,224**	**3,535**

	Notes	Cents	Cents
Earnings per share	15		
• Basic earnings per share for the year attributable to ordinary equity holders		1.9	1.6
• Diluted earnings per share for the year attributable to ordinary equity holders		1.9	1.6

The above income statement should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	2019 $'000	2018 $'000
Profit after income tax for the year	4,224	3,535
Other comprehensive income		
Items that will not be recycled through the Income Statement		
Unrealised (losses)/gains on investments in the portfolio at 30 June	(28,773)	5,285
Income tax benefit/(expense) on the above	8,632	(1,586)
Realised gains on investments during the year	30,374	24,998
Income tax (expense) on the above	(9,112)	(7,499)
Total other comprehensive income after tax	**1,121**	**21,198**
Total comprehensive income after tax	**5,345**	**24,733**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 30 JUNE 2019

	Notes	30 June 2019 $'000	30 June 2018 $'000
Current assets			
Cash and cash equivalents	14	16,500	11,521
Receivables	9	7,110	1,088
Total current assets		**23,610**	**12,609**
Non-Current assets			
Investments	10	298,962	341,184
Total non-current assets		**298,962**	**341,184**
Total assets		**322,572**	**353,793**
Current liabilities			
Payables	11	3,424	381
Current tax liabilities	7	9,521	7,657
Total current liabilities		**12,945**	**8,038**
Non-Current liabilities			
Deferred tax liability	7	5,553	14,083
Total non-current liabilities		**5,553**	**14,083**
Total liabilities		**18,498**	**22,121**
Net assets		**304,074**	**331,672**
Equity			
Contributed equity	12	271,900	282,884
Reserves	13	17,948	34,326
Retained profits	13	14,226	14,462
TOTAL EQUITY		**304,074**	**331,672**

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Year ended 30 June 2019	Notes	Contributed Equity $'000	Retained Profits $'000	Investment Revaluation Reserve $'000	Investment Realisation Reserve $'000	Total Equity $'000
Total equity at the beginning of the year as reported		**282,884**	**14,462**	**32,511**	**11,814**	**331,672**
Profit after income tax for the year		–	4,224	–	–	4,224
Other comprehensive income						
Net revaluation increase on the investment portfolio		–	–	1,121	–	1,121
Transfer of net cumulative realised gains for the year	13(a),13(b)	–	–	(21,262)	21,262	–
Total other comprehensive income for the year (after tax)		–	–	(20,141)	21,262	1,121
Transactions with shareholders						
Dividends paid	8	–	(4,460)	–	(17,499)	(21,959)
Shares bought back	12	(10,984)	–	–	–	(10,984)
Total transactions with shareholders		**(10,984)**	**(4,460)**	**–**	**(17,499)**	**(32,943)**
Total equity at 30 June 2019		**271,900**	**14,226**	**12,370**	**5,578**	**304,074**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019 CONTINUED

Year ended 30 June 2018	Notes	Contributed Equity $'000	Retained Profits $'000	Investment Revaluation Reserve $'000	Investment Realisation Reserve $'000	Total Equity $'000
Total equity at the beginning of the year as reported		**289,711**	**11,759**	**28,812**	**(6,319)**	**323,963**
Profit after income tax for the year		–	3,535	–	–	3,535
Other comprehensive income						
Net revaluation increase on the investment portfolio		–	–	21,198	–	21,198
Transfer of net cumulative realised gains for the year	13(a),13(b)	–	–	(17,499)	17,499	–
Total other comprehensive income for the year (after tax)		–	–	3,699	17,499	21,198
Transactions with shareholders						
Dividends paid	8	–	(832)	–	(9,365)	(10,197)
Shares bought back	12	(6,827)	–	–	–	(6,827)
Total transactions with shareholders		**(6,827)**	**(832)**	**–**	**(9,365)**	**(17,024)**
Total equity at 30 June 2018		**282,884**	**14,462**	**32,511**	**1,815**	**331,672**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $'000 Inflows (Outflows)	2018 $'000 Inflows (Outflows)
Cash flows from Operating Activities			
Dividends and distributions received		8,487	8,009
Interest received		33	244
Custodian fees paid		(47)	(47)
Goods and services tax refunded		344	576
Investment management fees paid		(3,481)	(3,613)
Income taxes paid		(8,010)	(4,685)
Administrative, regulatory, legal and other payments in the normal course of operations		(1,006)	(708)
Net cash (outflow) from operating activities	14(a)	(3,680)	(224)
Cash flows from Investing Activities			
Cash paid for purchase of securities		(121,739)	(79,730)
Proceeds received from realisation of securities		163,318	98,174
Net cash inflow from investing activities		41,579	18,444
Cash flows from Financing Activities			
Shares purchased (on-market buy-back)		(10,984)	(6,827)
Dividend paid		(21,959)	(10,197)
Net cash (outflow) from financing activities		(32,943)	(17,024)
Net increase in cash and cash equivalents		4,955	1,196
Cash and cash equivalents at the beginning of the year		11,521	10,176
Effects of exchange rate changes on cash and cash equivalents		24	149
Cash and Cash Equivalents at Year End	**14(b)**	**16,500**	**11,521**

The above statement of cash flows should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The financial report of Templeton Global Growth Fund Ltd. ("the Company") for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 22 August 2019.

The Company is limited by shares, incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange ("ASX").

The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, and with the *Corporations Act 2001*. Templeton Global Growth Fund Ltd. is a for-profit entity for the purposes of preparing the financial statements.

The financial report has been prepared on a historical cost basis, except for investment assets ("Investments") which have been measured at fair value (last bid price).

The financial report is presented in Australian dollars.

(a) Compliance with IFRS

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(b) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting period. The Company's assessment of the impact of these new standards is set out below:

- *AASB 9 Financial Instruments (and applicable amendments)*
  (effective from 1 January 2018)

  AASB 9 *Financial Instruments* addresses the classification, measurement, recognition and derecognition of financial assets and financial liabilities It also introduced revised rules around hedge accounting and impairment. The Company early adopted the classification and measurement principles of AASB 9 for financial assets during the year ended 30 June 2010. On adoption of this standard, the Company made the irrevocable election to designate changes in the fair value of securities held in the investment portfolio through other comprehensive income. Subsequent revisions to the standard have been adopted by the Company and have not had a significant impact on the Company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

- *AASB 15 Revenue from Contracts with Customers* (effective from 1 January 2018)

  The Company's main sources of income are interest, dividends and gains on financial instruments held at fair value which are recognized in accordance with AASB 9 *Financial Instruments* and, as such, are outside the scope of AASB 15 *Revenue*. The adoption of AASB 15 does not have a material impact on the Company's accounting policies, nor the amounts recognized in the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2018 that are likely to have a material impact on the Company.

(c) Foreign currency translation

(i) Functional and presentation currency

These financial statements are presented in Australian dollars ($) which is the functional currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on investments held at fair value through other comprehensive income are recognised in the Statement of Comprehensive Income as part of the fair value gain or loss.

(d) Trade and other receivables

Trade receivables which generally have 30-90-day terms are recognised at the original transaction amount and where applicable converted to the equivalent Australian dollar value on the day of transaction.

(e) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(f) Investments and other financial assets

Classification

Equity securities within the investment portfolio are classified as 'financial assets measured at fair value through other comprehensive income' and are designated as such upon initial recognition in accordance with AASB 9.

The designation of securities within the investment portfolio as 'financial assets measured at fair value through other comprehensive income' is consistent with the Directors' view of these assets as being held for the long-term for both capital growth and for the provision to the Company of dividends and distribution income rather than to make a profit from the sale of such securities.

Measurement and Valuation

Securities, including listed shares, are initially brought to account at fair value, which is the cost of acquisition including directly attributable transaction costs, and are re-valued to fair value continuously. The fair value of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. Increments and decrements on equity instruments are recognised in the Statement of Comprehensive Income and taken to the Investment Revaluation Reserve. Gains and losses are not subsequently reclassified to the Income Statement.

Where disposal of an investment occurs any revaluation increment or decrement relating to it is transferred from the Investment Revaluation Reserve to the Investment Realisation Reserve.

The purchase and the sale of securities are accounted for at the date of trade.

Recognition and derecognition

When securities classified at fair value through other comprehensive income are sold, the accumulated fair value adjustments recognised in the Statement of Comprehensive Income are disclosed in equity as gains or losses, net of tax, in the realisation of investments reserve.

(g) Trade and other payables

Trade payables and other payables are carried at amortised cost and due to their short-term nature are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(h) Provisions

Provisions are recognised where the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended and no longer at the discretion of the Company on or before the reporting date.

Employee leave benefits

The Company outsources its investment management and administration functions, including the roles of General Manager and Company Secretary, to FTIAL under the terms of the Administrative Services Agreement and therefore is not liable for any employee leave benefits.

(i) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds. Where the Company buys back shares through an on-market buy-back, the cost of the shares bought back and incremental costs of the buy-back are deducted from equity.

(j) Income tax and other taxes

The income tax expense for the year is the tax payable on the current year's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income. In this case, the tax is also recognised directly in the Statement of Comprehensive Income.

Deferred tax assets are recognised for deductible temporary differences and carried forward tax losses to the extent it is probable that future taxable amounts will be available to utilise those temporary differences. In assessing the likelihood of probable recoverability of the deferred tax asset, regard is given to the value and composition of the deferred tax asset, economic conditions and economic indicators.

Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flow.

(k) Earnings per share

Basic earnings per share ("EPS") is calculated as net profit attributable to shareholders, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to shareholders, adjusted for the following, where applicable:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(l) Revenue

Interest income

Interest income is recognised using the effective interest method.

Dividends and distributions

Dividends and distributions are recognised when the Company's right to receive the payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision-Maker ("CODM"). The CODM is the Review Committee. The Company operates as a listed investment company in Australia and has a single reportable operating segment.

(n) Rounding of amounts

The Company is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to rounding in the financial statements. All amounts have been rounded to the nearest thousand dollars ($'000), in accordance with that instrument, unless otherwise stated.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial Risk Management Objectives, Policies and Processes

Risks arising from holding financial instruments are inherent in the Company's activities, and are managed through a process of ongoing identification, measurement and monitoring. The Company is primarily exposed to market risk, liquidity risk, and credit risk.

Financial instruments of the Company comprise the investment portfolio, cash and cash equivalents, receivables and payables.

Under the supervision of the Board, the Investment Manager is responsible for identifying and controlling the risks that arise from these financial instruments.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to shareholders of the Company from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by management. These mandated limits reflect the investment strategy and market environment of the Company, as well as the level of risk that the Company is willing to accept, with additional emphasis on selected industries.

This information is prepared and reported to relevant parties within the Company on a regular basis as deemed appropriate, including management, committees of Directors and ultimately the Board of Directors of the Company.

Concentrations of risk arise when a number of financial instruments are entered into in the same geographic region or industry grouping whereby the performance of those financial instruments could be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Investment Manager monitors the exposure to ensure concentrations of risk remain within acceptable levels.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

(b) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in the market variables such as foreign currency exchange rates and equity prices.

Management of the Company's investment portfolio is outsourced to FTIAL who manage market risk by prudent diversification of the investment portfolio and by reference to the performance of the portfolio of the investments compared to the performance of an appropriate index. This is monitored by the Board and Board committees. Market risk is also managed through Investment Management decisions with respect to current market conditions.

Foreign currency risk

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates.

The Company's operations provide Australian investors with not only access to the world's equity markets but also investment exposure beyond the Australian dollar.

This has been one of the reasons that the long-standing approach of the Company has been not to hedge the underlying currencies of its portfolio of investments.

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Equity price risk exposure arises from the Company's investment portfolio.

Interest rate risk

The nature of the Company's business operations is such that the only exposure to financial instruments with interest rate risk exposure is to cash and cash equivalents. Cash and cash equivalents are restricted to investment in "at-call" or short-term to maturity deposits. At balance date cash and cash equivalents were valued at $16.5 million (2018: $11.5 million), the interest rate applicable to cash and cash equivalents at balance date was 1.25% (2018: 0.5%).

Value at Risk ("VaR")

Value at Risk (VaR) is a measure of expected variability of investment returns. It measures how much a set of investments might move, over a certain time period given market movements consistent with past experience. VaR represents the estimated maximum reasonable gain or loss that an investor could expect during a certain time period, based on a confidence level i.e. a given probability.

In order to evaluate this future market risk, VaR uses a statistical analysis of historical prices, trends and volatilities to estimate future portfolio returns and uses characteristics of a normal distribution to estimate the distribution of the possible future losses or gains.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

To calculate VaR, the Company uses the historic price volatility and correlations of current portfolio holdings to calculate both the historic average return and the historic standard deviation of returns around the average.

The following table summarises the estimated potential market risk impact on the investment portfolio of the Company. The historic volatility incorporates market price movement, which incorporates currency and interest rate factors into an overall return risk.

The VaR calculation represented here for the Company uses a 99% confidence interval and assumes a 3 month holding period, i.e. based on the current portfolio and historic price volatility and correlations of price movement, we estimate with 99% confidence the return of the portfolio in the following 3 months will move between -11.65% and +11.65% from its current level.

	VaR Factor %	Net Assets $	Impact to Net Assets $
30 June 2019	**11.65**	**304,074**	**+/- 35,425**
30 June 2018	10.72	331,672	+/- 35,555

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Company's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements. Further, the Company under the requirements of its Australian Financial Services Licence is required to maintain cash reserves equivalent to three months projected operational expenditure.

The Company, through FTIAL, seeks maximum investment in world equity markets but balances that objective with the need to retain sufficient cash reserves to meet operational expenses, shareholder distributions and potential investment opportunities and share buy-backs where appropriate.

The effect of these requirements is that the Company is ordinarily fully invested in the market with cash and cash equivalents of between 1% to 7% of the Company's market capitalisation to account for operational and investment contingencies. The Company's investments are in equities tradeable on stock exchanges around the world and are considered highly liquid.

The Board and Board committees monitor the liquidity by reference to monthly cash flow projections, regular share buy-back and financial reports.

Maturity analysis for financial liabilities

Financial liabilities of the Company comprise trade and other payables, dividends payable and payments for purchases of investments. Trade and other payables and dividend payments have no contractual maturities but are typically settled within 30 days.

Payments for purchases of investments are governed by the rules of the relevant stock exchange and are usually settled in less than five working days.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

(d) Credit Risk

Credit risk represents the risk that the counterparty to a certain type of financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. Although the Company has a concentration of counterparty risk through its single custodian, JP Morgan Chase Bank, credit risk is not considered to be significant to the Company.

(e) Capital Management

The Company's objective in managing capital is to continue to provide shareholders with dividends and capital appreciation over the longer term.

The Company's capital will fluctuate with prevailing market movements. The Company controls the dividend policy, the issue and buy-back of shares and the purchase or sale of investments.

The Company has a Dividend Policy with the objective of providing shareholders with a level of certainty around expected dividends. The policy states that the Dividends declared will not be less than 3% of the net tangible assets ("NTA") value per share of the Company as at 30 June of the prior year. However, this policy is subject to prevailing market conditions.

The Company had in place an on-market share buy-back which operated during the year, there were 8.5 million shares at cost of $11.0 million purchased during the year, compared to 4.9 million shares at cost of $6.8 million in the pcy.

There were no other changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

	2019 $'000	2018 $'000
5. REVENUE		
Dividends and distributions	9,867	8,877
Interest income	46	268
Other investment income	25	45
Net foreign currency gain	59	15
	9,997	9,205
6. INVESTMENT EXPENSES		
Investment management fees	3,134	3,285
Custodian fees	40	39
	3,174	3,324

7. INCOME TAX

The major components of income tax are:

	2019 $'000	2018 $'000
Income Statement		
Current income tax		
Current income tax charge	(1,806)	(1,541)
Income tax charge for prior years	(6)	(68)
Deferred income tax		
Relating to origination and reversal of differences	17	8
Income tax expense reported in the income statement	(1,795)	(1,601)
Amounts charged or credited directly to equity		
Deferred income tax related to items charged or credited directly to equity in respect of:		
Net realised and unrealised (gains) on investments	(480)	(9,085)
Income tax (expense) reported in equity	(480)	(9,085)

7. INCOME TAX CONTINUED

A reconciliation between the income tax expense and accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	2019 $'000	2018 $'000
Profit before income tax	6,019	5,136
Prima facie income tax expense at statutory rate of 30% (2018: 30%)	(1,806)	(1,541)
Income tax charge for prior years	(6)	(68)
Tax effect of:		
– Unrealised foreign exchange gains	17	8
Income tax expense	(1,795)	(1,601)

Deferred income tax

Deferred income tax at 30 June relates to the following:

Deferred tax liabilities/(assets)

	2019 $'000	2018 $'000
The balance comprises temporary differences attributed to:		
Receivables	295	199
Payables	(10)	(23)
Exchange difference in tax and accounting	(2)	5
Amortisation of cost of capital raising	(32)	(32)
Unrealised gain on investments	5,302	13,934
	5,553	14,083
Opening balance at 1 July	14,083	12,307
Charged to the income statement	101	106
(Credited)/charged to equity	(8,631)	1,670
Closing balance at 30 June	5,553	14,083

Current income tax liability

	2019 $'000	2018 $'000
Opening balance at 1 July	7,657	4,273
Income tax on operating profit	1,795	1,601
Tax payments	(8,010)	(4,685)
Realised gains	9,112	7,499
Tax credits available	(977)	(858)
Accounting to tax differences	(56)	(173)
Closing balance at 30 June	9,521	7,657

8. DIVIDENDS PAID OR PROVIDED FOR

(a) Dividends paid during the year:

	2019 $'000	2018 $'000
Previous year's final		
Final Dividend for the year ended 30 June 2018 – 4.5 cents per share fully franked and a special dividend of 3.5 cents per share fully franked (2017: 4.5 cents per share fully franked)	17,601	10,197
Interim dividend for year ended 30 June 2019 – 2.0 cents per share fully franked (2018: nil)	4,358	–

(b) Franking credit balance

	2019 $'000	2018 $'000
The amount of franking credits available for subsequent financial years are:		
– franking account balance as at the end of the financial year at the tax rate of 30% (2018: 30%)	(730)	671
– franking credits that will arise from the payment of income tax payable as at the end of the financial year	9,521	7,657
	8,791	8,328
The amount of franking credits available or future reporting periods:		
– impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year	(4,569)	(6,497)
	4,222	1,831

(c) Listed investment company (LIC) capital gain account

	2019 $'000	2018 $'000
Balance of the LIC capital gain account	25,965	20,074
This equates to an attributable amount of	37,093	28,678

The attributable amount is effectively the pre-tax capital gain amount. Generally, individuals and superannuation funds can deduct in their tax returns, 50% or 33.3% respectively of the attributable amount advised to them in their dividend statement. The Company intends to proportionally allocate as much of the 2019 attributable amount as reasonable in conjunction with the payment of the final dividend on 20 September 2019.

(d) Dividends declared after balance date

Since the end of the year Directors have declared a final dividend of 5.0 cents per share fully franked.

Based on shares outstanding as at 30 June 2019, the aggregate amount of the dividend to be paid on 20 September 2019, but not recognised as a liability at the end of the financial year: $10.7 million.

	2019 $'000	2018 $'000

9. RECEIVABLES (CURRENT)

	2019 $'000	2018 $'000
Receivables	7,110	1,088

Receivables consist principally of sales of securities not yet settled or dividends declared not yet received. Proceeds from unsettled sale of securities are generally received within 5 days and dividends declared not yet received are generally received within 30-90 days.

10. INVESTMENTS (NON-CURRENT)

	2019 $'000	2018 $'000
Securities listed on a prescribed stock exchange at cost:		
Shares	282,143	289,902
Preferred Shares/Convertible notes	–	5,689
	282,143	295,591
Aggregate quoted market value of securities at balance date	298,962	341,184

The Company has no material exposures to a single listed equity investment.

For a detailed list of the fair values of the securities in the investment portfolio, refer to Note 24.

11. TRADE AND OTHER PAYABLES (CURRENT)

	2019 $'000	2018 $'000
Securities purchased payable	3,114	–
Other payables	65	106
Payables due to related parties:		
– Investment management fees – refer note 19(b)	245	275
	3,424	381

Trade payables and amounts payable to related parties are non-interest bearing and are normally settled on 30 day terms.

12. CONTRIBUTED EQUITY

	2019 $'000	2018 $'000
(a) Issued and Paid-Up Capital		
Ordinary shares fully paid	271,900	282,884

	2019 No. of shares '000	2019 $'000	2018 No. of shares '000	2018 $'000
(b) Movements in ordinary shares on issue				
Beginning of financial year	221,684	282,884	226,579	289,711
Share cancelled via share buy-back	(8,478)	(10,984)	(4,895)	(6,827)
End of the financial year	213,206	271,900	221,684	282,884

Share buy-back:

The Company has an on market buy-back program. During the year ended 30 June 2019, 8.5 million shares were bought back (2018: 4.9 million).

Dividend Reinvestment Plan ("DRP")

The Company's dividend reinvestment plan ("DRP") was not in operation in the 2019 financial year.

(c) Terms and Conditions of Contributed Capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of (and amounts paid up on) shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	Notes	2019 $'000	2018 $'000

13. RESERVES AND RETAINED PROFITS

	Notes	2019 $'000	2018 $'000
Investment Realisation Reserve	13(a)	5,578	1,815
Investment Revaluation Reserve	13(b)	12,370	32,511
		17,948	34,326
Retained profits	13(c)	14,226	14,462

(a) Investment Realisation Reserve

(i) Nature and purpose of reserve

The investment realisation reserve is used to accumulate realised capital profits/(losses) arising from the sale of securities in the investment portfolio.

(ii) Movements in Reserve

	2019 Taxable realised gains (net of tax) for the period $'000	2019 Other movements for the year $'000	2019 Total $'000
1 July			1,815
Cumulative taxable realised gains for the year	30,374	–	30,374
Income tax expense on the above	(9,112)	–	(9,112)
Dividend Paid	–	(17,499)	(17,499)
Total movements for the year	21,262	(17,499)	3,763
30 June			5,578

	2018 Taxable realised gains (net of tax) for the period $'000	2018 Other movements for the year $'000	2018 Total $'000
1 July			(6,319)
Cumulative taxable realised gains for the year	24,998	–	24,998
Income tax expense on the above	(7,499)	–	(7,499)
Dividend Paid	–	(9,365)	(9,365)
Total movements for the year	17,499	(9,365)	8,134
30 June			1,815

13. RESERVES AND RETAINED PROFITS (CONTINUED)

(b) Investment Revaluation Reserve

(i) Nature and purpose of Reserve

The investment revaluation reserve is used to accumulate unrealised capital profits/(losses) arising on from the revaluation of the investment portfolio.

(ii) Movement in Reserve

	2019 $'000	2018 $'000
Balance at the beginning of the year	35,511	28,812
Revaluation increase on revaluation of listed securities	1,601	30,283
Tax effect of (decrease) to revaluation reserve	(480)	(9,085)
Transfer of net realised capital gains to the investment realisation reserve	(21,262)	(17,499)
Balance at the end of the year	12,370	32,511

(c) Retained Profits

Movements in Retained Profits

	2019 $'000	2018 $'000
Balance at the beginning of the year	14,462	11,759
Net profit after tax for the year	4,224	3,535
Dividends paid	(4,460)	(832)
Balance at the end of the year	14,226	14,462

14. STATEMENT OF CASH FLOWS

(a) Reconciliation of the net profit after tax to the net cash flows from operations

	2019 $'000	2018 $'000
Net profit after tax	4,224	3,535
Adjusted for:		
Net (gains) on foreign exchange	(59)	(15)
Changes in assets and liabilities		
– Receivables	(1,418)	(80)
– Payables	(8,222)	277
– Taxation commitments	1,795	(3,941)
Net cash (outflow) from operating activities	(3,680)	(224)

(b) Reconciliation of cash

	2019 $'000	2018 $'000
Cash comprises:		
Cash at Bank	16,500	11,521

15. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2019 $'000	2018 $'000
Net profit after tax used in calculating basic and diluted earnings per share	4,224	3,535
	Number '000	**Number '000**
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	218,369	225,310
	cents	**cents**
Basic and diluted earnings per share	1.9	1.6
Realised gain earnings per share after tax*	9.7	7.8

* Net cumulative realised gains per the statement of changes in equity proportioned per weighted number of average shares for the period.

16. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

Directors

C R Freeman	Chairman (non-executive)
G E McGowan	Director (non-executive)
M F Warwick	Director (non-executive)
M J O'Brien	Director (non-executive)
J Dawson	Director (non-executive)
A Sethi	Director (non-executive)

(b) Compensation of Key Management Personnel

	2019 $	2018 $
Short-Term benefits	265,177	265,177
Superannuation	25,194	25,194
Total	290,371	290,371

(c) Shareholdings of key management personnel

Shares held in the Company (number)	Balance 1 July 2018 Ord	Net Change Other Ord	Balance 30 June 2019 Ord
Directors			
C R Freeman	100,000	20,000	120,000
G E McGowan	–	–	–
M F Warwick	41,440	–	41,440
M J O'Brien	131,250	–	131,250
J Dawson	33,700	4,000	37,700
A Sethi	–	–	–
Total	**306,390**	**24,000**	**330,390**

16. KEY MANAGEMENT PERSONNEL CONTINUED

(c) Shareholdings of key management personnel (continued)

Shares held in the Company (number)	Balance 1 July 2017 Ord	Net Change Other Ord	Balance 30 June 2018 Ord
Directors			
C R Freeman	100,000	–	100,000
G E McGowan	–	–	–
M F Warwick	34,440	7,000	41,440
M J O'Brien	131,250	–	131,250
J Dawson	33,700	–	33,700
A Sethi	–	–	–
Total	**299,390**	**7,000**	**306,390**

All equity transactions with Directors have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

(d) Loans to key management personnel

There were no loans made to key management personnel at any time during the year and no loans exist at 30 June 2019 (2018: nil).

17. AUDITORS' REMUNERATION

The auditor of the Company is PricewaterhouseCoopers

During the year the following fees were paid or payable for services provided by the auditor:

	2019 $	2018 $
Audit and assurance services		
Audit and review of the financial report	69,186	57,966
Other assurance services*	19,726	19,490
Taxation services		
Tax compliance services**	14,249	11,781
	103,161	89,237

* The other assurance services include work regarding the Company's compliance with its Australian Financial Services licence.

** Tax compliance services fees are paid by FTIAL on behalf of the Company as per the Administration Services Agreement.

18. SEGMENT INFORMATION

(a) Operating segment

The Company has a single operating segment which is a business of investing in and managing a worldwide portfolio of investments listed on international stock exchanges. Under the supervision of the Board, responsibility for day to day decisions about making and managing investments in specific securities is delegated to and undertaken by the Investment Manager.

The operating results of the business are regularly reviewed by the Board, and by the Review Committee on behalf of the Board. Decisions about allocation of resources to the business are made by the Board, based on a single, integrated strategy, and performance of the business is assessed by the Board on an overall basis, considering the portfolio of investments as a whole.

(b) Segment reporting

Internal reporting to the Board and Review Committee about the Company's assets, liabilities and performance is prepared and provided for the business as a single operating segment and is on a basis that is consistent with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax (as reported in the Company's Net Tangible Assets announcements to the ASX).

The Company reports net profit after tax. This excludes the impact of realised and unrealised gains and losses in the value of investments.

	2019 $'000	2018 $'000
Profit after income tax	4,224	3,535

The Company reports net asset value per share both before and after provision for deferred tax on realised and unrealised gains and losses in the value of the Company's investment portfolio. Deferred tax is calculated as set out in Note 2(j). The relevant amounts as at 30 June 2019 and 30 June 2018 were as follows:

	2019 Cents	2018 Cents
Net tangible asset backing per share		
After actual tax*	145	156
After estimated tax**	143	150

* 'Actual Tax' is all Australian and Foreign income tax for which a liability has arisen and therefore excludes the deferred tax assets and liabilities.

** 'Estimated Tax' is estimated tax if the Company disposed of its total investment portfolio at its market value. However, the Company is a long-term investor and does not intend to dispose of its total investment portfolio.

18. SEGMENT INFORMATION CONTINUED

(c) Other Segment Information

Segment Revenue

Revenues from external parties are derived from the receipt of dividend, distribution and interest income.

The Company is domiciled in Australia and all of the Company's dividend and distribution income is from entities which maintain a listing on a stock exchange, the Company has a diversified portfolio of investments.

Dividend revenue by geographic location:

Country	2019 $'000	2018 $'000
Bermuda	89	117
Canada	97	99
Cayman Islands	213	133
China	163	191
Denmark	169	52
France	1,972	1,276
Germany	504	429
Hong Kong	206	463
Ireland	439	258
Israel	–	17
Italy	276	285
Japan	426	475
Netherlands	431	359
Singapore	228	175
South Korea	433	458
Spain	–	37
Sweden	–	31
Switzerland	190	178
Thailand	47	143
United Kingdom	1,972	1,915
United States	2,012	1,786
Total	**9,867**	**8,877**

19. RELATED PARTY DISCLOSURE

(a) Key management personnel

Details relating to key management personnel are included in note 16.

(b) Transactions with related parties

Management fees paid to Franklin Templeton Investments Australia Ltd

The Company's Investment Manager is FTIAL. The Investment Manager is a member of the Franklin Templeton group.

In accordance with the Investment Management Agreement, the Investment Manager is entitled to a fee in respect of the management of the investment portfolio of the Company. This fee is calculated at the rate of 1% per annum payable monthly on the value of the net tangible assets of the Company. For those services, the Investment Manager earned a fee (net of GST) of $3,134,426 for the 12 months to 30 June 2019 (2018: $3,284,831). As at the end of the financial year $244,547 (2018: $274,339) was owing to the Investment Manager. All transactions with FTIAL are on normal commercial terms.

The Company has the following relationships with the Investment Manager:

Mr G E McGowan and Mr A Sethi have a beneficial interest in shares in Franklin Resources, Inc., the ultimate holding company of the Investment Manager.

Certain directors of the Company also held the following appointments with the Investment Manager and/or companies related to the Investment Manager. These appointments were held throughout the financial year (and continue as at 30 June 2019) unless otherwise specified.

- Mr G E McGowan is a consultant of companies related to the Investment Manager.
- Mr A Sethi is employed by companies related to the Investment Manager.

The provision of administration services to the Company are also contained in the terms of the Administrative Service Agreement, which includes the provision of a Company Secretary and General Manager with suitable knowledge and experience to undertake the requirements of the respective roles. These requirements have been fulfilled as follows:

- Mr Mat R Sund acting as General Manager and joint Company Secretary.
- Lindsay Mackay was re-appointed as joint Company Secretary on 9 April 2019.

Neither the Investment Manager nor any of the funds for which the Investment Manager is responsible, are shareholders in the Company.

(c) Shareholding of related party entities

During the year, Franklin Resources Inc. and/or affiliates purchased shares in the company.

Shares held in the Company (number)	Balance 1 July 2018 Ord	Net Change Other Ord	Balance 30 June 2019 Ord
Franklin Resources Inc. and/or affiliates	10,278,210	–	10,278,210

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows financial instruments recorded at fair value, analysed between those whose fair value is based on quoted market prices ("Level 1"), those involving valuation techniques where all the model inputs are observable in the market ("Level 2") and those where the valuation technique involves the use of non-market observable inputs ("Level 3"). The Company has no financial liabilities measured at fair value.

	30 June 2019		
	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets at fair value through other comprehensive income			
Listed equity securities	298,962	–	298,962
Other liquid securities	–	–	–
Total	**298,962**	**–**	**298,962**

	30 June 2018		
	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets at fair value through other comprehensive income			
Listed equity securities	338,108	–	338,108
Other liquid securities	–	3,076	3,076
Total	**338,108**	**3,076**	**341,184**

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of listed equity is based on quoted market bid prices at the reporting date, without any deduction for transaction costs. These instruments are included in Level 1. There were no transfers between levels during the period. The level 2 instruments held as at 30 June 2019 were sold during the period. The Company did not hold any level 3 investments as at 30 June 2019 (2018: $nil).

Other disclosures – Investment portfolio

The Company's portfolio of investments has, since the Company's inception, consisted of securities chosen primarily on the basis of their long-term appreciation potential. The Company is a long-term holder of investments. Accordingly, each investment within the portfolio of investments on early adoption of AASB 9 was designated to be measured at fair value through other comprehensive income.

The fair value of each investment held at fair value through other comprehensive income is disclosed at note 24.

The value of investments realised in the normal course of the Company's business as a Listed Investment Company during the year was $163.3 million (2018: $98.1 million). The cumulative gain on these realised investments after tax was $21.3 million (2018: $17.5 million) which has been transferred from the investment revaluation reserve to the investment realisation reserve (refer to the Statement of Changes in Equity).

21. PERFORMANCE BOND

Under the terms of its Australian Financial Services licence, the Company has in place a performance bond in favour of the Australian Securities and Investments Commission ("ASIC"), payable on demand to ASIC.

22. CONTINGENCIES

At balance date Directors are not aware of any material contingent liabilities or contingent assets (2018: nil).

23. EVENTS AFTER THE BALANCE SHEET DATE

No other matters or occurrences have arisen subsequent to balance date that materially affect the operations of the Company.

24. SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Listed below is the investment portfolio all of which are held at fair value through other comprehensive income.

Investments in the portfolio change from year to year as some holdings are added to, others realised and as the quoted market price of those securities alter.

Company	30 June 2019 $'000	30 June 2018 $'000
Investments in listed equity securities		
ABB Ltd.	–	1,522
Advance Auto Parts, Inc.	–	2,786
AEGON NV	–	1,073
Atos SE	3,980	–
Allergan Plc	8,068	5,002
Ally Financial Inc.	–	3,260
Alphabet Inc. Class A	5,381	6,251
American International Group Inc.	–	3,021
Amgen Inc.	3,208	4,701
A.P. Moller – Maersk A/S Class B	4,564	2,343
Apache Corp.	3,707	3,196
Apple Inc.	–	3,473
Aviva Plc	–	1,814
AXA SA	5,048	4,025
BAE Systems Plc	–	3,614
Baidu Inc. Sponsored ADR Class A	2,079	2,608
Bangkok Bank Public Co. Ltd. NVDR	–	3,223
Bank of Ireland Group Plc	3,416	3,633
Barclays Plc	1,532	4,071
Basilea Pharmaceutica AG	–	958
Bayer AG	4,739	3,981
BNP Paribas SA Class A	7,077	6,699
BP Plc	9,113	8,284

24. SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME CONTINUED

Company	30 June 2019 $'000	30 June 2018 $'000
Capital One Financial Corp.	5,682	5,465
Celgene Corp.	–	2,171
China Life Insurance Co. Ltd. Class H	–	3,290
China Mobile Ltd.	4,563	3,549
China Telecom Corp. Ltd. Class H	4,176	3,697
Citigroup Inc.	8,202	5,867
CK Hutchison Holdings Ltd.	5,688	3,839
Cobham Plc	–	1,975
Comcast Corp. Class A	6,667	4,440
CommScope Holding Co. Inc.	2,410	3,478
Compagnie de Saint-Gobain SA	4,521	2,946
Compagnie Generale des Etablissements Michelin SCA	–	1,918
ConocoPhillips	–	1,816
Coty Inc. Class A	–	3,225
Credit Agricole SA	–	1,714
Credit Suisse Group AG	–	3,561
CRH Plc	5,177	4,656
DGB Financial Group Co. Ltd.	–	1,672
Draegerwerk AG & Co. KGaA Pref	–	1,346
DXC Technology Co.	–	1,405
Eastman Chemical Co.	–	1,962
Eli Lilly & Co.	–	3,783
Eni SpA	3,892	4,128
Exxon Mobil Corp.	5,469	–
Getinge AB Class B	–	1,685
Gilead Sciences Inc.	4,149	4,938
Goldcorp Inc.	–	2,048
Goldpac Group Ltd.	–	1,047
Hana Financial Group Inc.	–	1,727
HSBC Holdings Plc	–	3,500
Husky Energy Inc.	–	2,314
IHI Corp.	–	2,040
ING Groep NV	5,510	2,607
Intel Corporation	–	1,770
Ionis Pharmaceuticals Inc.	–	1,130
Jones Lang LaSalle Inc.	5,041	3,536
JPMorgan Chase & Co.	–	4,095
KB Financial Group Inc.	–	1,729
Kingfisher Plc	3,957	4,204
Knowles Corp.	–	2,372
Kunlun Energy Co. Ltd.	2,334	3,191

24. SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME CONTINUED

Company	30 June 2019 $'000	30 June 2018 $'000
LyondellBasell Industries NV	2,994	3,626
Matsumotokiyoshi Holdings Co. Ltd.	3,104	–
Mattel, Inc.	–	3,205
Medtronic Plc	3,188	3,055
Merck KGaA	–	2,210
Microsoft Corp.	–	4,743
Mitsui Fudosan Co. Ltd.	4,788	3,347
MorphoSys AG	–	3,123
Navistar International Corp.	–	2,093
NewOcean Energy Holdings Ltd.	–	661
Nissan Motor Co. Ltd.	–	3,486
NXP Semiconductors NV	5,158	–
OMRON Corp.	–	2,005
Oracle Corp.	8,728	7,374
Panasonic Corp.	–	3,499
Perrigo Co. Plc	–	1,345
Pfizer Inc.	–	3,056
QIAGEN NV	–	1,753
Roche Holding Ltd. Genusssch	6,183	3,342
Royal Dutch Shell Plc Class A	505	509
Royal Dutch Shell Plc Class B	8,867	7,603
Samsung Electronics Co. Ltd.	6,859	7,665
Sanofi	7,905	3,662
SBM Offshore NV	–	2,440
Seven & I Holdings Co. Ltd.	–	2,075
Shire Plc	–	4,996
Siemens AG	8,241	5,206
Singapore Telecommunications Ltd.	7,925	2,296
Shinhan Financial Group Co. Ltd.	5,397	–
SoftBank Group Corp.	1,650	5,418
Standard Chartered Plc	7,852	4,554
Suntory Beverage & Food Ltd.	5,095	4,757
Telefonica SA	–	1,490
Takeda Pharmaceutical Co. Ltd.	7,318	–
Teva Pharmaceutical Industries Ltd. Sponsored ADR	2,995	2,932
Total SA	3,342	4,976
Twenty-First Century Fox Inc. Class B	–	4,533
UniCredit SpA	2,273	2,923
UBS Group AG	5,111	–
United Parcel Service, Inc. Class B	4,021	3,268
Veolia Environnement SA	7,774	2,160

24. SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME CONTINUED

Company	30 June 2019 $'000	30 June 2018 $'000
Vestas Wind Systems A/S	6,729	3,126
Vodafone Group Plc	7,741	4,996
Voya Financial Inc.	–	3,699
Walgreens Boots Alliance Inc.	3,818	2,325
Wells Fargo & Co.	8,068	–
Wheaton Precious Metals Corp.	5,983	3,202
	298,962	338,108
Investments in other liquid securities		
Teva Pharmaceutical Industries Pfd. Shs.	–	3,076
Total	**298,962**	**341,184**

Templeton Global Growth Fund Ltd. ABN 44 006 558 149
Level 19
101 Collins Street
Melbourne, Victoria 3000
Telephone (03) 9603 1209
Facsimile (03) 9603 1299

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements. and notes set out on pages 25 to 57 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, *Corporations Regulations 2001* and other mandatory professional requirements, and

(ii) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Christopher R Freeman
Chairman

Melbourne
22 August 2019

Independent auditor's report

To the members of Templeton Global Growth Fund Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Templeton Global Growth Fund Ltd (the Company) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2019
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the income statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

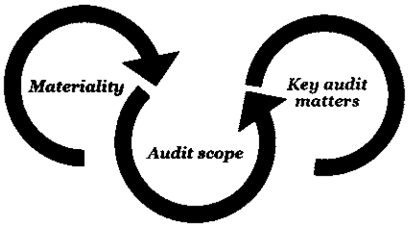
We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall materiality of $3,040,741 which represents approximately 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose net assets because, in our view, it is:
  - the metric against which the performance of the Company is most commonly measured;
  - the key driver of the business and determinant of the Company's value; and
  - a generally accepted benchmark for listed investment companies.
- We selected a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable net assets related thresholds.

Audit Scope

- Our audit focused on where the Company made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The investment management, custody and administration functions of the Company are conducted by third party service providers. As such, these third party service providers significantly contribute to the safe-keeping of the Company's assets, the maintenance of the Company's financial records and the preparation of the Company's financial report. The Company's third party service providers engaged independent external auditors to provide assurance reports over the:
  - design and operating effectiveness of the third party service providers' key internal controls relevant to the preparation and fair presentation of the Company's financial report
  - valuation and existence of the Company's investments as at 30 June 2019

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

Key audit matter	***How our audit addressed the key audit matter***
Valuation and existence of investments *Refer to note 2 (significant accounting policies), note 3 (financial risk management), note 10 (investments), note 20 (fair value of financial instruments), and note 24 (securities at fair value through other comprehensive income) $298,962,000* The Company's investments as at 30 June 2019 consist of global listed equities which are valued by multiplying the quantity held by the closing market price. Whilst there is not significant judgement involved in determining the valuation of the Company's investments, investments represent a key measure of the Company's performance and comprise a significant proportion of total assets in the balance sheet. Fluctuations in the value of investments impact the realised and unrealised gains/(losses) recognised in the statement of comprehensive income which also affects the Company's deferred tax provisions. Given the pervasive nature investments have on the Company's key financial metrics, we determined the existence and valuation of investments to be a key audit matter.	We assessed our ability to place reliance on the independent service auditor assurance reports by considering the service auditors' independence, experience, competency and the results of their procedures, which are considered below: *Assurance reports over the design and operating effectiveness of the service provider's relevant controls over the valuation and existence of investments* To assess the design and operating effectiveness of the service providers' relevant controls, we: ▪ inspected the assurance reports provided to the Company by the third party service providers' independent auditors, ▪ considered management's assessment of the potential impact of reported exceptions identified in the third party service providers' assurance reports. Having done this, and after our consideration of the service providers' auditors as described above, we were satisfied that we could rely on their work for our audit.

Assurance report over the valuation and existence of the Company's investments

We obtained an independent assurance report from the third party service provider's independent external auditors over the valuation and existence of the Company's investments as at balance date.

We agreed the number and value of the investments at 30 June 2019 as recorded in the Company's financial report and underlying accounting records to the assurance reports provided to the Company by the independent auditors of the third party service provider.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the Directors' Report for the year ended 30 June 2019.

In our opinion, the remuneration report of Templeton Global Growth Fund Ltd for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Elizabeth O'Brien
Partner

Melbourne
22 August 2019

FIVE YEAR SUMMARY OF FINANCIAL INFORMATION

	2019 $'000	2018 $'000	2017 $'000	2016 $'000	2015 $'000
INCOME STATEMENT					
Investment and other income	9,997	9,205	8,884	9,644	7,853
Expenses	(3,978)	(4,069)	(3,695)	(4,166)	(3,305)
Profit before income tax	6,019	5,136	5,189	5,478	4,548
Income tax expense	(1,795)	(1,601)	(1,531)	(1,703)	(1,331)
Operating profit after tax	4,224	3,535	3,658	3,775	3,217
Other comprehensive (loss)/ income after tax	1,121	21,198	39,601	(33,168)	27,800
Total other comprehensive (loss)/ income after tax	5,345	24,733	43,259	(29,393)	31,017
BALANCE SHEET					
Assets					
Cash and receivables	23,610	12,609	11,672	5,874	71,419
Investments	298,962	341,184	329,244	304,152	303,095
Deferred tax asset	–	–	–	650	–
Total Assets	322,572	353,793	340,916	310,676	374,514
Liabilities					
Payables	3,424	381	373	362	926
Provisions	9,521	7,657	4,273	2,104	266
Deferred tax liability	5,553	14,083	12,307	–	15,428
Total Liabilities	18,498	22,121	16,953	2,466	16,620
Net assets	304,074	331,672	323,963	308,210	357,894
Shares on issue	213,206	221,684	226,579	240,417	248,735
Earnings per share (cents)	1.9	1.6	1.6	1.5	1.6
Realised gain per share (cents)	9.7	7.8	4.0	3.3	6.1
Dividends per share (cents)	7.0	8.0	4.5	4.1	3.5

ADDITIONAL ASX INFORMATION

SHAREHOLDING INFORMATION

Shareholdings at 9 August 2019	Number of Holders	Number of Shares
Distribution of Holders		
1 to 1,000 shares	299	108,267
1,001 to 5,000 shares	744	2,399,041
5,001 to 10,000 shares	886	6,970,730
10,001 to 100,000 shares	2,754	86,716,925
100,001 and over	279	116,588,736
Total	**4,962**	**212,783,699**

Shareholders with less than a marketable parcel of shares: 172

All ordinary shares carry one vote per share without restriction.

The names of the twenty largest shareholders of quoted shares as at 9 August 2019 are:

		Number of Shares	Percentage of Total
1.	HSBC Custody Nominees	37,024,672	17.40
2.	JP Morgan Nominees Australia Pty Limited	10,392,817	4.88
3.	LSND Super Pty Ltd <SF Superannuation A/C>	3,095,404	1.45
4.	Australian Executor Trustee Limited <IPS Super A/C>	2,907,895	1.37
5.	Mr Steven John Fahey	2,415,258	1.14
6.	Ms Gabrielle Rosa Baron & Mr Peter Michael Wilmshurst	1,840,830	0.87
7.	BNP Paribas Nominees Pty Ltd HUB 24 Custodial Serv Ltd DRP	1,600,611	0.75
8.	Netwealth Investments Limited <Super Services A/C>	1,494,998	0.70
9.	Takita Exploration Pty Limited	1,244,974	0.59
10.	Netwealth Investments Limited <Wrap Services A/C>	1,045,605	0.49
11.	Nendar Pty Ltd <The Little Family S/F A/C>	1,007,131	0.47
12.	Dixson Trust Pty Ltd <No 1A/C>	848,458	0.40
13.	Mr Robert David Evans & Mrs Meredith Nevill Evans <P & M Evans Super Fund A/C>	840,000	0.39
14.	Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	717,001	0.34
15.	Mr David Ward & Mrs Jeanette Ward <D & J Ward Family S/F A/C>	649,849	0.33
16.	MON Nominees Pty Ltd <Glass Superannuation A/C>	651,871	0.31
17.	LSND Pty Ltd <LSND A/C>	591,960	0.28
18.	Australian Executor Trustees Limited <No 1 Account>	584,106	0.27
19.	Navigator Australia Ltd <MLC Investments Sett A/C>	522,156	0.25
20.	Dr Peter Sutherland Anderson & Mrs Elizabeth McDowall <Pander McDowall S/F A/C>	520,000	0.24

ADDITIONAL ASX INFORMATION CONTINUED

SUBSTANTIAL SHAREHOLDERS

The following entities are recorded in the Company's Register of Substantial shareholders as at 9 August 2019.

Wilson Asset Management	22,067,305

A person may be a substantial shareholder of the Company by virtue of the person or their associates holding a "relevant interest" in shares in the Company. A person may hold a "relevant interest" in shares in the Company even though they are not a shareholder.

STOCK EXCHANGE LISTINGS

The Company's shares are listed on the Australian Securities Exchange Ltd.

INVESTMENT DEALINGS

A list of all investments held as at 30 June 2019 is set out on pages 67 to 74.

During the year to 30 June 2019 the Company completed 476 transactions in equity investments and the total brokerage paid or accrued on these transactions was $177,293.

During the year to 30 June 2019 management fees paid or accrued for the management of the Company's investment portfolio was $3,134,426 - refer Note 19(b).

LIST OF INVESTMENTS AS AT 30 JUNE 2019

(Note: Certain investments which are listed in stock markets away from their normal place of business have been treated as if listed in their home countries.)

	Shares Held	AUD Value '000	% of Total
CANADA			
Materials			
WHEATON PRECIOUS METALS CORP: Precious metals streaming company, reselling precious metal by-products of mining.	173,893	5,983	
		5,983	2.00
CHINA			
Energy			
KUNLUN ENERGY COMPANY LTD: Explores and produces crude oil and natural gas in China and other countries and is involved in downstream gas transmission storage and distribution.	1,882,000	2,334	
Information Technology			
BAIDU INC SPONSORED ADR CLASS A: One of China's largest internet companies, operating the dominant search engine.	12,430	2,079	
Telecommunication Services			
CHINA MOBILE LTD: Provider of mobile telecommunications services in China.	351,830	4,563	
CHINA TELECOM CORP LTD CLASS H: Principal activity is the provision of wireline telecommunications services in provinces throughout Southern China and mobile services nationally.	5,840,000	4,176	
DENMARK			
Industrials			
A.P. MOLLER - MAERSK A/S CLASS B: Company direction moving towards becoming an integrated transport and logistics group.	2,588	4,564	
VESTAS WIND SYSTEMS A/S: World's leading provider of onshore wind turbines.	54,838	6,729	
		24,445	8.18

	Shares Held	AUD Value '000	% of Total
FRANCE			
Energy			
TOTAL SA: Explores for, produces, refines, transports and markets oil and natural gas. The company also operates a chemical division which produces polypropylene, polyethylene, polystyrene, rubber, paint, ink, adhesives, and resins.	41,796	3,342	
Financials			
AXA SA: A Company providing insurance (life and non-life), financial services and real estate services in Europe, Asia and North America.	134,885	5,048	
BNP PARIBAS SA CLASS A: Global banking and financial services group.	104,417	7,077	
Healthcare			
SANOFI: The Company's principal activity is the provision of products and services for health and nutrition.	64,167	7,905	
Industrials			
COMPAGNIE DE SAINT-GOBAIN SA: Manufactures glass products, high-performance materials, and construction materials. The Company produces flat glass, insulation, and glass containers, high-performance ceramics, plastics, and building materials. Saint-Gobain also retails building materials.	81,309	4,521	
Information Technology			
ATOS SE: Atos is a French multinational information technology (IT) service and consulting company. It specialises in hi-tech transactional services, unified communications, cloud, big data and cybersecurity services.	33,406	3,980	
Utilities			
VEOLIA ENVIRONNEMENT SA: Global leading in the water and waste business, operating concession contracts for governments, local authorities and industrial clients.	224,382	7,774	
		39,647	13.26

	Shares Held	AUD Value '000	% of Total
GERMANY			
Healthcare			
BAYER AG: Produces and markets healthcare and agricultural products, and polymers including aspirin, antibiotics, anti-infectives amongst other medications.	47,743	4,739	
Industrials			
SIEMENS AG: Produces a wide range of industrial and consumer products including trains, electricity generation, medical equipment and building controls.	48,430	8,241	
		12,980	4.34
HONG KONG			
Industrials			
CK HUTCHISON HOLDINGS LTD: Non-property Hong Kong conglomerate with global operations in container ports, telecoms, retail & manufacturing and energy & infrastructure.	405,000	5,688	
		5,688	1.90
IRELAND			
Financials			
BANK OF IRELAND GROUP PLC: A large retail and commercial bank in Ireland.	461,468	3,416	
Materials			
CRH PLC: Core businesses involve primary materials production, value added building products and specialist building materials distribution.	111,583	5,177	
		8,593	2.87
ISRAEL			
Healthcare			
TEVA PHARMACEUTICAL INDUSTRIES LTD SPONSORED ADR: A global pharmaceutical company developing, manufacturing and marketing generic and branded human pharmaceuticals.	227,947	2,995	
		2,995	1.00

	Shares Held	AUD Value '000	% of Total
ITALY			
Energy			
ENI SPA: An integrated oil and gas company with operations in a number of countries.	164,223	3,892	
Financials			
UNICREDIT SPA: Provides consumer and corporate banking and wealth management services.	129,413	2,273	
		6,165	2.06
JAPAN			
Consumer Staples			
SUNTORY BEVERAGE & FOOD LTD: Manufactures and sells beverages and food products worldwide. The company is a part of Suntory Holdings Ltd.	82,400	5,095	
MATSUMOTOKIYOSHI HOLDINGS CO LTD: It operates a chain of drug stores and pharmacies in Japan. It also provides wholesale, as well as management support services.	74,500	3,104	
Health Care			
TAKEDA PHARMACEUTICAL CO LTD: is the largest pharmaceutical company in Asia. The company is focused on metabolic disorders, gastroenterology, neurology, inflammation, as well as oncology through its independent subsidiary, Takeda Oncology.	144,959	7,318	
Real Estate			
MITSUI FUDOSAN CO LTD: Major real estate developer in Japan.	138,600	4,788	
SOFTBANK GROUP CORP: A Japanese telecommunication and internet corporation.	24,200	1,650	
		21,955	7.34

	Shares Held	AUD Value '000	% of Total
NETHERLANDS			
Financials			
ING GROEP NV: A life and general insurance group that offers a range of financial services to individuals, companies and institutions throughout the world.	333,153	5,510	
Information Technology			
NXP SEMICONDUCTORS NV: NXP said it was the fifth-largest non-memory semiconductor supplier in 2016, and the leading semiconductor supplier for the secure identification, automotive and digital networking industries.	37,100	5,158	
		10,668	3.57
SINGAPORE			
Telecommunication Services			
SINGAPORE TELECOMMUNICATIONS LTD: Operates and provides telecommunications services in a number of countries.	2,155,800	7,925	
		7,925	2.65
SOUTH KOREA			
Financials			
SHINHAN GROUP FINIANCIAL CO LTD: A Korean regional financial holding company, providing a full range of consumer and commercial banking related financial services.	97,394	5,397	
Information Technology			
SAMSUNG ELECTRONICS CO LTD: DRAM and NAND memory manufacturer, also involved in the manufacture of consumer electronics, displays and telecommunications equipment.	118,378	6,859	
		12,256	4.10
SWITZERLAND			
Financials			
UBS GROUP AG: UBS Group AG, together with its subsidiaries, provides financial advice and solutions worldwide. It operates through four divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, and Investment Bank.	301,440	5,111	
Healthcare			
ROCHE HOLDING LTD GENUSSSCH: Global healthcare company.	15,408	6,183	
		11,294	3.78

	Shares Held	AUD Value '000	% of Total
UNITED KINGDOM			
Consumer Discretionary			
KINGFISHER PLC: European home improvement retailer.	793,039	4,204	
Energy			
BP PLC: Global oil and petrochemicals company with operations in many countries.	915,923	9,113	
ROYAL DUTCH SHELL PLC CLASS A: Global energy and petrochemical group.	10,833	505	
ROYAL DUTCH SHELL PLC CLASS B: Global energy and petrochemical group.	189,471	8,867	
Financials			
BARCLAYS PLC: A global financial services provider engaged in retail banking, credit cards, wholesale banking, investment banking, wealth management and investment management services.	563,950	1,532	
STANDARD CHARTERED PLC: London headquartered, emerging market focused, consumer and wholesale commercial bank operating across 70 different countries.	606,722	7,852	
Telecommunication Services			
VODAFONE GROUP PLC: Global mobile telecommunications services group.	3,300,459	7,741	
		39,567	13.23

	Shares Held	AUD Value '000	% of Total
UNITED STATES OF AMERICA			
Consumer Discretionary			
COMCAST CORP CLASS A: Provides media and television broadcasting services.	110,660	6,667	
Consumer Staples			
WALGREENS BOOTS ALLIANCE INC: Operates retail drugstores that offer a wide variety of prescription and non-prescription drugs as well as general goods. The Company operates stores primarily in the United States. Walgreen's also offers health services, including primary and acute care, wellness, pharmacy and disease management services and health and fitness.	49,030	3,818	
Energy			
EXXON MOBIL CORP: It engaged in exploration, production, transportation and sale of crude oil and natural gas, and the manufacture, transportation and sale of petroleum products.	50,100	5,469	
APACHE CORP: is a petroleum and natural gas exploration and production company headquartered in Houston, Texas.	89,820	3,707	
Financials			
CAPITAL ONE FINANCIAL CORP: A diversified Bank, through its subsidiaries offers a broad spectrum of financial products and services to consumers, small businesses and commercial clients both domestically and internationally.	43,940	5,682	
CITIGROUP INC: Financial conglomerate with operations in consumer, corporate and investment banking and insurance.	82,260	8,202	
WELLS FARGO & CO LTD: The company is a Diversifies financial company. The Company has three segments: Community banking, wholesale banking and wealth and Investment management.	119,700	8,068	
Healthcare			
ALLERGAN PLC: A diversified global pharmaceutical company.	33,760	8,068	
AMGEN INC: Discovers, develops, manufactures, and markets human therapeutics based on cellular and molecular biology.	12,220	3,208	
GILEAD SCIENCES INC: Biopharmaceutical company that discovers, develops, manufactures and commercialises therapies for viral diseases, infectious diseases and cancer.	43,100	4,149	
MEDTRONIC INC: Medical devices technology company.	22,970	3,188	
Industrials			
UNITED PARCEL SERVICE INC CLASS B: American multinational package delivery and supply chain management company.	27,330	4,021	

	Shares Held	AUD Value '000	% of Total
Information Technology			
ALPHABET INC CLASS A: Holding company for Google, other core businesses such as YouTube, Maps and Android, and other investments and growth businesses.	3,490	5,381	
COMMSCOPE HOLDING CO INC: Telecom equipment manufacturer of products that can be thought of as the 'last mile' from the main grid to the end user.	107,600	2,410	
ORACLE CORP: Supplier of software and hardware for information technology management.	107,750	8,728	
Materials			
LYONDELLBASELL INDUSTRIES NV: One of the largest chemical companies in the world, focusing on cracking ethane and naphtha into ethylene, propylene and its various derivatives.	24,390	2,994	
Real Estate			
JONES LANG LASALLE INC: Global provider of real estate services and investment management.	25,140	5,041	
		88,801	29.70
Total of investments		**298,962**	**100.00**

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DIRECTORY

DIRECTORS
C R Freeman (Chairman)
J Dawson
G E McGowan
M F Warwick
M J O'Brien
A Sethi

SECRETARY
M R Sund
L Mackay

GENERAL MANAGER
M R Sund

REGISTERED OFFICE
Level 19, 101 Collins Street
Melbourne 3000
Telephone (03) 9603 1209
Facsimile (03) 9603 1266

INVESTMENT MANAGER
Franklin Templeton Investments Australia Ltd
Level 19, 101 Collins Street
Melbourne 3000
Telephone (03) 9603 1200
Facsimile (03) 9603 1299

AUDITOR
PricewaterhouseCoopers

SOLICITOR
King & Wood Mallesons

SHARE REGISTRAR
Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067
Investor Enquiries: 1300 85 05 05
International Enquiries: +61 3 9415 4000
Facsimile: + 61 3 9473 2500

WEBSITE
www.tggf.com.au