TEMPLETON GLOBAL GROWTH FUND LTD

ANNUAL REPORT 2020

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.

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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

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CHAIRMAN'S MESSAGE

It's been another significant year for Templeton Global Growth Fund, as we move towards our 35th year of delivering a global equity solution to Australian Investors via a listed investment company.

Please let me start by acknowledging the turbulent year that we had due to the impact of COVID-19, and I sincerely hope that you and your families are safe and well. There were some significant disruptions to global equity markets as a result, and although we have seen a recovery from some of the earlier market lows, the volatility experienced did have an impact the results of the Company.

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

- ***Investment Returns*** were disappointing in absolute terms at negative 2.9% gross of fees and expenses for the year, against an index of 4.1% for the year. It was again a challenging year for value managers, however TGG performed very well in relative terms. The Value index was negative 10.1% for the year;
- ***Net Tangible Assets*** fell during the year to $1.32, after paying fully franked dividends in FY'20 of 7.0 cents per share;
- ***Earnings per share*** were slightly lower than the prior year at 1.8 cents per share although **total comprehensive income**, which captures realised and unrealised gains on Investments, fell to negative 4.5 cents per share;
- The ***Management Expense Ratio (MER)*** decreased significantly from the prior period level of 1.28% to 1.02%. (This was due in large part to the successful re-negotiation of our Investment Management Agreement with Franklin Templeton Investment Australia, see note below):
- Sufficient franking credits and Retained Earning to the extent that the Directors have declared a ***fully franked dividend*** of 3.5 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 4.4% is a significant return for global equities; and
- The ***on-market share buyback*** program saw us purchase slightly more than 6% of shares outstanding at an average discount of approximately 14% 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

RENEWAL OF THE INVESTMENT MANAGEMENT AGREEMENT

During the year, after conducting an independent review, we successfully negotiated the Investment Management Agreement with Franklin Templeton Investments Australia. The review noted that most shareholders have invested to access the Templeton Global Equity long-term, value-based investment philosophy, so remaining would continue to serve shareholder interests.

To further align these interests with the Investment Manager, the fees were reduced from 1.0% of Net Asset Value to 0.75% of market capitalisation, providing additional incentive to reduce the discount to Net Tangible Assets. Additionally, the Investment Manager will receive a performance fee of 20% of outperformance against the MSCI World All Countries Index after allowing for management fees paid. This performance fee will be determined based on a three-year rolling period, but will not commence until year 3 of the agreement, with Total fees to capped at 2% of the Net Asset Value.

I would also like to pay tribute to both Mick O'Brien and Alok Sethi for their contributions to TGG as Directors of the Company. Both have tendered their resignations during the year, and their valuable contributions will be missed. The Board – after considering feedback from shareholders in terms of both number of Directors, and the impact on the MER of the Director's salaries – have opted not to replace either director on the Board.

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

Christopher R Freeman
Chairman

27 August 2020

Franklin Templeton Investments Australia Ltd ABN 87 006 972 247

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FRANKLIN TEMPLETON

2020 INVESTMENT MANAGER'S REPORT

For the year to 30 June 2020, the fund returned -2.9%, lagging the broader index return of 4.1% while comfortably ahead of the value index return of -10.1%.

PERFORMANCE SUMMARY TO 30 JUNE 2020 - $A

	Latest 6 Mths %	Latest 12 Mths %	Latest 3 Yrs* % p.a.	Latest 5 Yrs* % p.a.	Latest 10 Yrs* % p.a.	Since Inception* % p.a.
TGG“	-11.0	-2.9	4.4	4.8	10.5	8.4**
TGG^	-11.4	-3.9	3.1	3.6	9.0	6.9
Index	-4.3	4.1	10.0	8.8	11.4	6.8#

“ Returns are pre-fees and expenses
^ Returns are based on movements in the Company's net assets per share (after deducting investment management fees), before corporate taxes, with dividends reinvested and adjusted for share issues and share buy-backs.
* Annualised
# Since inception Index uses MSCI World as the Index was not in existence at TGG's inception. The benchmark is presented with net dividends reinvested.
** Since inception % for TGG has been estimated due to a lack of availability of data pre 2006.

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

PERFORMANCE REVIEW

While the MSCI AC World Index rose 4.1% in Australian dollar terms for the full year to 30 June 2020 (2.1% in US Dollar terms), this was far from an ordinary year. Stock prices were strong in the six months to 31 December 2019, before suffering a COVID-19 inspired market crash in the first quarter 2020. A furious second quarter 2020 rally then ensued as Central Banks and Governments unleashed unprecedented support to financial markets.

While we remain optimistic longer term, we suggest some caution is required in regard to the recent exuberance in markets. In our opinion, in selected areas of the market, share prices have decoupled from fundamentals. When the Federal Reserve (US Central Bank) cut interest rates in the second half of last year at the merest hint of an economic slowdown, we believe it heralded a new phase in markets in which getting “on trend” overwhelmed all other considerations. After a six-week interlude in the first quarter 2020 in which stock markets worldwide crashed, they have essentially returned to the “don't fight the Fed” narrative that dominated previously.

The arsenal of financial support that has been unleashed by governments around the world in recent months is unprecedented—from cheap loans for companies to cash handouts for individuals. The total amounts of money involved are astonishing, with the implicit view being that economies will bounce back strongly if short-term damage can be contained. The problem is that markets were already on life support pre-COVID. Corporate profits haven't materially risen in years and consumption has been supported by debt, not a rise in wages and incomes. Now the situation is far worse. It is always difficult to forecast the future. But, given the strength of the recent rise in equity markets, we can confidently infer that a “good” outcome is currently priced in. Yet, it seems to us that the level of real economic demand going forward is more likely to disappoint than surprise positively. In parts of the market today's price does not accurately reflect tomorrow's reality.

Advocates of "don't fight the Fed" often cite the seemingly endless flexibility that governments have to create money, but our view is that currency markets will ultimately discriminate between those countries that take on excessive debt and those that do not. The US has an enviable position as the world's reserve currency, but that does not grant it immunity. The growth in broad money supply in the US and elsewhere has never been higher, which is worrying given that governments actively want modest inflation in order to erode the real value of national debts. The fiscal policies that are being advocated and possibly on the cusp of being implemented could further coil the inflationary spring, even though the current reality remains deeply deflationary. Ultimately, we think governments are locked in a race toward the wrong destination. They think they are pursuing stability and growth, but the extreme measures being taken could bring volatility and disorder. The incentives seem all wrong to us.

CLARITY, CONVICTION AND OPTIMISM IN UNCERTAIN TIMES

Short-term market movements are strongly correlated to the flow of marginal information about the virus, and on a human level this is understandable. But the reality is that massive economic damage has already been inflicted, and, at some point, asset markets will need to confront this. Some of that damage is cyclical, and we will see industries and indicators that sustainably recover once a vaccine becomes available. But, some of it is structural. Employment will be structurally lower going forward, and more of that scarce resource known as income will go into savings than spending. Undoubtedly policymakers will view these issues as part of their purview and seek to address them, but the result may just exacerbate imbalances.

During uncertain times we think it is particularly important to have a clear investment philosophy. To us, the value of a company is driven by a broad range of factors that are ultimately encapsulated in its future operating performance. We like to purchase shares in what we view as high-quality businesses with strong predicted earnings growth. But we also believe that the price we pay matters … for both return potential and risk mitigation. A core of our investment process is to forecast the earnings of the companies we research in fiscal year six. By assessing the prices we have to pay for shares in companies today in relation to their medium-term earnings power, we are able to compare investment opportunities across different countries and sectors on a consistent basis. We are willing to pay a bit more for companies where we predict strong growth prospects, or where we think a business is particularly resilient. Likewise, we understand that focusing on earnings isn't always the best valuation metric for companies; where appropriate, we will value businesses on a cash flow or an asset basis, for example. But we always build a proprietary model of every company we invest in, and passionately believe that fundamental research should drive our investment decision-making.

We are optimists. We are optimistic about the prospects for a vaccine. We are optimists about human ingenuity and our ability to adapt as a society. And we are optimists about the opportunities we may get to make money for our shareholders over the coming years. With a US election approaching, a new Cold War with China unfolding, Brexit on the horizon, a possible euro crisis, brewing sovereign credit issues in major developed markets, inflationary pressures building, social unrest rising and a global pandemic that may yet become much worse, we are very confident that opportunities are heading our way. But this is not the time to be greedy. This is not the time to let fear of missing out overwhelm common sense.

VALUE – BUYING WINNERS AT THE RIGHT PRICE

Turnover in the portfolio has been higher than usual over the period, but mostly in the second quarter 2020 when we took advantage of the market sell off. We acted decisively to materially upgrade the overall quality of the companies we invest in. We are focused on buying what we view as good quality and improving companies at sensible prices. We are looking for companies with the business models to thrive over the coming years. We are aiming to strike the right balance between resilience and price. We are avoiding companies with significant balance sheet risk regardless of how “cheap” they look from a historic basis. And we are avoiding companies where the price does not discount a realistic view of earnings power over the medium term.

We are not betting on a resurgence in the performance of value indices. Our correlation to value indices has dropped significantly this year, and this has been deliberate. Value indices can be a terrible predictor of true value opportunities in a changing world. We must think about the future and not be tied to the past. Whether a stock is in the cheapest half of the market on a current accounting basis or not is irrelevant to our investment process. In our view, value indices are becoming a sinkhole for failed and failing companies. But price matters. We hunt for mispriced companies across the whole market, and we are ready to take advantage of further market volatility to invest in attractively priced companies. In the world of Facebook and Twitter, everything is about today. Attention spans are short and information must be conveyed in less than 280 characters. But real bear markets take years to unfold, not weeks. In our view, this will present us with fantastic opportunities to add value for shareholders.

We believe this is the correct strategy for long-term success, but the market has not fully rewarded it yet. In April and May, the market returned to its old playbook of favoring the glamor stocks—companies with non-cyclical growth prospects. There’s nothing wrong with these companies, except the price. The NASDAQ had traded at almost 50x earnings, yet the business models of many of its leading constituents rely on either ad spending or consumer spending. These companies are priced for perfection at a time when perfection does not seem to us a likely outcome.

We want to own the winners—good companies with a path to prosperity—at acceptable prices. We think the current opportunity for our value strategy is strong because of the fact that the market is so unfocused on fundamentals. The current obsession with glamor stocks and distressed stocks is creating a blind spot that we believe is exploitable. Of course, this doesn't mean we won't ever own glamor or distressed. It's just an observation that these tails are where the market has gotten the most carried away. By contrast, we want to go where the opportunities are being overlooked or underappreciated, because that is the only way we can get a bargain price. Despite the crazy conditions impacting large segments of the market, we are encouraged that we are still able to find sensible opportunities. This is also a benefit of being well-resourced and having a global footprint; we are assessing a multitude of opportunities from a position of fundamental expertise and local knowledge. These are huge advantages that have not yet been rewarded, but which we believe will serve our shareholders well in the fullness of time.

The net result for the portfolio is that it looks quite different from what it was at the end of 2019. Gone are the big overweights to the Oil sector and European banks, replaced with a number of quality technology, consumer and healthcare stocks (purchased after they very briefly became cheap in March this year). The extreme underweight to the US has been reduced - while still overall underweight given limited exposure to expensive index heavyweights FAANG plus Microsoft. A long-term overweight position to Japan has been built up as a number of attractive Japanese companies that have leading global positions have come through our bottom-up research process. Exposure to Asian technology stocks, such as Taiwan Semiconductor Manufacturing Co (TSMC) and Samsung Electronics, has increased as we believe the market is underestimating their long-term prospects. Canadian precious metals streamer Wheaton has been a long-term portfolio holding and is now our largest due to strong market moves. The upgraded portfolio is evident in the funds top 10 holdings. At the end of June 2020 the top 10 included leading companies in the healthcare, technology and consumer sectors (see below).

Overall we feel now we have a portfolio that is more resilient and better balanced, while still retaining high conviction positions. We believe the current portfolio is well positioned for improved absolute and relative performance in the years ahead.

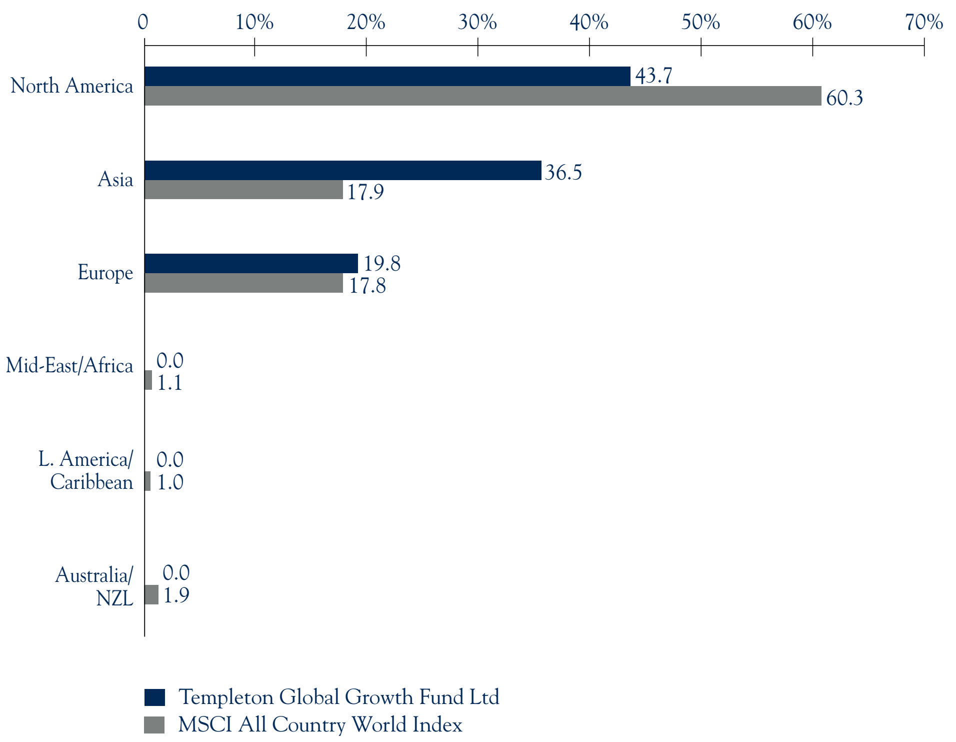
Peter Sartori
Portfolio Manager
29 July 2020

TOP 10 PORTFOLIO HOLDINGS AS AT 30 JUNE 2020

Security	Sector	Country	% of Portfolio
Wheaton Precious Metals	Materials	United States	3.7
Roche	Healthcare	Switzerland	3.5
Bayer	Healthcare	Germany	3.5
Samsung Electronics	Information Technology	South Korea	3.4
Kroger	Consumer Staples	United States	3.3
Comcast	Communication Services	United States	3.3
United Parcel Service	Industrials	United States	3.3
Verizon Communications	Communication Services	United States	3.0
Taiwan Semiconductor Manufacturing Co	Information Technology	Taiwan	2.8
Sony	Consumer Discretionary	Japan	2.7
			32.5

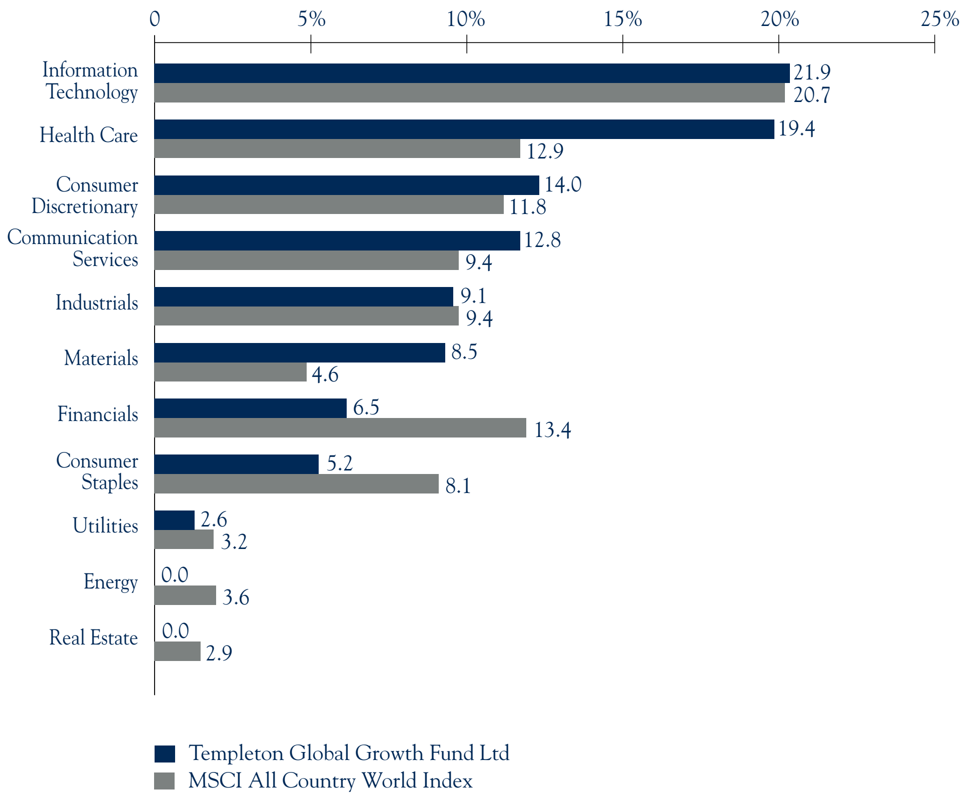
GEOGRAPHIC WEIGHTINGS VS. MSCI ALL COUNTRY WORLD INDEX

PERCENT OF EQUITY



SECTOR WEIGHTINGS VS. MSCI ALL COUNTRY WORLD INDEX

PERCENT OF EQUITY



INDICATIVE PORTFOLIO CHARACTERISTICS

TGG VS MSCI AC WORLD FREE INDEX AS AT 30 JUNE 2020

Historic Valuation Measures		
Weighted Avg – Stocks Held	**TGG**	**MSCI AC World**
Price to Earnings (times)	19.6	19.9
Price to Cash Flow (times)	9.0	12.2
Price to Book Value (times)	2.1	2.3
Dividend Yield (%)	2.1	2.2
Market Capitalisation ($Aust m.)	199,745	308,161

FIVE YEAR SUMMARY

AS AT 30 JUNE

		2020	2019	2018	2017	2016
SECTOR WEIGHTINGS (%)						
Consumer Discretionary		14.0	2.3	8.2	7.9	11.5
Consumer Staples		5.2	3.0	3.6	3.6	4.1
Energy		–	11.6	11.5	11.2	14.9
Financials		6.5	22.5	22.6	23.3	20.9
Health Care		19.4	15.8	18.2	17.5	16.0
Industrials		9.1	11.2	9.4	8.7	8.6
Information Technology		21.9	9.0	13.0	15.2	11.5
Materials		8.5	4.7	4.5	5.2	5.3
Real Estate		–	3.3	2.0	0.9	–
Telecommunication Services		–	–	6.3	6.6	7.3
Communication Services		12.8	13.3	–	–	–
Utilities		2.6	3.4	0.6	–	–
GEOGRAPHIC WEIGHTINGS (%)						
North America		45.9	31.4	39.0	40.7	36.2
Europe - ex UK		17.7	33.4	25.0	23.4	28.7
United Kingdom		–	13.1	14.7	13.0	13.4
Asia - ex Japan		13.5	13.8	11.8	14.4	14.2
Japan		22.9	7.3	7.8	6.9	5.8
Australia/NZL		–	–	–	–	–
L. America/Caribbean		–	–	–	–	0.4
Mid-East/Africa		–	1.0	1.8	1.6	1.5
FUNDAMENTAL CHARACTERISTICS						
Price to Earnings	TGG	19.6	14.3	15.2	17.7	13.9
(times)	MSCI AC	19.9	17.5	18.5	20.4	14.1
Price to Book	TGG	2.1	1.2	1.4	1.4	1.2
(times)	MSCI AC	2.3	2.3	2.3	2.2	2.0
Price to Cash Flow	TGG	9.0	5.3	6.7	7.4	5.9
(times)	MSCI AC	12.2	11.2	11.6	11.8	9.0
Dividend Yield	TGG	2.1	3.4	2.7	2.5	3.1
(%)	MSCI AC	2.2	2.5	2.4	2.4	2.6
YEAR TO 30 JUNE PERFORMANCE						
	TGG	-2.9%	4.0%	12.6%	23.3%	-9.9%
	MSCI AC	4.1%	11.3%	15.0%	15.3%	-0.6%
WEIGHT AVERAGE MARKET CAP (A$M)						
	TGG	199,745	140,506	144,059	140,135	104,832
	MSCI AC	308,161	186,016	160,296	125,923	126,232

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

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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 2020

The Directors of Templeton Global Growth Fund Ltd. ("the Company") submit their report for the year ended 30 June 2020.

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 and Risk Committee. Currently Senior Strategic Advisor to the BT Financial Group, Non-Executive Chairman Generation Life Limited and Non-Executive Chairman Barron's Advisor Programmes Australia. 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. Consultant to 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 and Risk 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 (Resigned 20/02/20)
Appointed as a Director on 27 August 2014. Member of the Review and Audit and Risk 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, FAICD – Non-Executive Director
Appointed as a Director on 9 May 2012. Chair of the Audit and Risk Committee and a member of the Review Committee. Director of Vision Super and Bank First Ltd. and Chair of E.L. & C. Baillieu Limited. 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 (Resigned 14/08/20)

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 (Resigned 20/02/20)	–
J DAWSON	37,700
A SETHI (Resigned 14/08/20)	–

EARNINGS PER SHARE

Director	Cents
Basic	1.8
Diluted	1.8

DIVIDENDS

	$'000
Dividend declared but not yet paid during the year ended 30 June 2020 was as follows:	
Directors have declared a final dividend of 3.5 cents per share fully franked.	6,989
	6,989
Dividends paid during the year ended 30 June 2020 were as follows:	
Final dividend for the year ended 30 June 2019 of 5.0 cents per share fully franked paid on 20 September 2019	10,572
Interim dividend of 2.0 cents per share fully franked paid on 24 March 2020	4,091
	14,663

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. At 30 June 2020 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 2020, the Company's portfolio of investments returned negative 2.9% compared to the MSCI All Countries World Index ("the Index") which returned positive 4.1% 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^	(11.0)	(2.9)	4.4	4.8	10.5	8.4**
TGG†	(11.4)	(3.9)	3.1	3.6	9.0	6.9
MSCI AC World Index	(4.3)	4.1	10.0	8.8	11.4	6.8#
MSCI AC World Value Index	(16.1)	(10.1)	2.6	4.2	8.3	6.7

^ 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.

** Since inception % for TGG has been estimated due to a lack of availability of data pre 2006.

The index is presented with net dividend reinvested.

Operating Results for the Year

The net profit after income tax for the year was $3.6 million compared with a net profit after tax of $4.2 million in the previous corresponding year ("pcy"). The investment portfolio returned negative 2.9% for the year.

The net asset value of the Company decreased over the 12 months to 30 June 2020 (after taking into account the payment of the 2019 final dividend and the interim dividend paid in March 2020) from $304.1 million at 30 June 2019 to $264.0 million at 30 June 2020. This accounts for market movements and after $16.4 million of shares were bought back as part of the Company's share buy-back program.

Revenue amounted to $8.4 million in the current financial year as compared with $10.0 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**
2020^	132	132
2019	145	143
2018	156	150
2017	148	143
2016^	128	128

* '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 2020 financial year.

The Company undertook an on-market share buy-back program during the year. There were 13.5 million (2019: 8.5 million) shares bought back at an average price of $1.21 (2019: $1.30) per share and an average discount to NTA of 14.4% (2019: 12.4%).

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 213.2 million to 199.7 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 that will adversely affect the results in subsequent years, however, the environment in which the Company operates has been severely affected by COVID-19 which was declared a global pandemic by the World Health Organisation earlier this year. This has resulted in significant volatility in global and domestic financial markets.

There is continued uncertainty around the likely duration and ultimate impact that COVID-19 will have on world economies. The Directors with the help of the Investment Manager will continue to monitor the effect on the Company.

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 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's Constitution permits the Company to indemnify any current or former Director, secretary or officer of the Company against any liability, and permits the Company to make payments in respect of certain legal costs in connection with proceedings or the proper discharge of that individual's duties, where the liability or legal costs are incurred as a Director, secretary or officer of the Company (as applicable) to the maximum extent permitted by law.

As permitted under the Company's Constitution, 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.

The insurance policies prohibit disclosure of the nature of the liabilities insured and the amount of the premium.

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 2020 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.

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 2020 was $267,022.

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 2020, 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 2020 were Chairman Mr C R Freeman, Mr M F Warwick, Mr M J O'Brien (Resigned 20/02/20) 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 2020 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 2020. The executive staff are not paid by the Company. The executive staff are remunerated and employed by FTIAL and provide services pursuant to an Administrative Services Agreement.

TABLE 1: DIRECTOR REMUNERATION FOR THE YEARS ENDED 30 JUNE 2020 AND 30 JUNE 2019

Director	Year	Short -Term Directors Salary and Fees $	Post Employment Superannuation $	Total $
C R Freeman	2020	82,381	7,826	90,207
(Chairman)	2019	82,381	7,826	90,207
M F Warwick	2020	59,364	5,640	65,004
	2019	59,364	5,640	65,004
M J O'Brien	2020	38,041	3,614	41,655
(Resigned 20/02/2020)	2019	59,364	5,640	65,004
J Dawson	2020	64,068	6,088	70,156
	2019	64,068	6,088	70,156
Total	2020	243,854	23,168	267,022
	2019	265,177	25,194	290,371

TABLE 2: SHAREHOLDINGS OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Shares Held in the Company (number)	Balance 1 July 2019	Net Change Other	Balance 30 June 2020
	Ord	Ord	Ord
Directors			
C R Freeman	120,000	–	120,000
G E McGowan	–	–	–
M F Warwick	41,440	–	41,440
J Dawson	37,700	–	37,700
M J O'Brien (Resigned 20/02/20)	131,250	(131,250)	–
A Sethi (Resigned 14/08/2020)	–	–	–
Total	**330,390**	**(131,250)**	**199,140**

All equity transactions with Directors have been entered into on-market 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 and Risk Committee		Review Committee	
Number of meetings held:	6		6		5	
Number of meetings attended:	**A**	**B**	**A**	**B**	**A**	**B**
C R Freeman	6	6	4	6	5	5
G E McGowan*	6	6	–	–	–	–
M F Warwick	6	6	6	6	5	5
M J O'Brien (Resigned 20/02/20)	2	4	5	5	3	3
J Dawson	6	6	6	6	5	5
A Sethi* (Resigned 14/08/20)	5	6	–	–	–	–

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.

COMMITTEE MEMBERSHIP

As at the date of this report, the Company had an Audit and Risk 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 (Resigned 20/02/20)	M J O'Brien (Resigned 20/02/20)

(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 22 and forms part of the Directors' Report for the year ended 30 June 2020.

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 and Risk 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, Ernst & Young, did not provide any services which are incompatible with their role as independent auditor for the period.

The tax consultant, PricewaterhouseCoopers provided tax compliance services and did not provide any services which are incompatible with their role as tax consultant for the period.

Details of the amounts paid or payable to the auditor for audit and non-audit services during the year and amounts paid or payable to the tax consultant are set out in Note 15.

Signed in accordance with a resolution of the Directors.

Christopher R Freeman
Chairman

Melbourne
27 August 2020

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

EY
Building a better working world

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Auditor's Independence Declaration to the Directors of Templeton Global Growth Fund Limited

As lead auditor for the audit of the financial report of Templeton Global Growth Fund Limited for the financial year ended 30 June 2020, I declare 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.

Ernst & Young

Ernst & Young

H Watson

Hayley Watson
Partner
Melbourne
27 August 2020

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $'000	2019 $'000
Revenue			
Dividends and distributions		7,716	9,867
Interest income		74	46
Other income*		588	25
Total revenue**		8,378	9,938
Expenses			
Investment expenses	4	(2,490)	(3,115)
Salaries and employee benefit expenses		(267)	(290)
Shareholder and regulatory costs		(167)	(174)
Other expenses		(238)	(340)
Total Expenses**		(3,162)	(3,919)
Profit before income tax		5,216	6,019
Income tax expense	5	(1,583)	(1,795)
Profit after income tax for the year		3,633	4,224

	Notes	Cents	Cents
Earnings per share	13		
• Basic and diluted earnings per share		1.8	1.9

* Other income for the period includes proceeds from class action settlement from Petrobras litigation of $462,810.

** Net foreign currency gain of $59k in pcy has been reclassified from Revenue and has been offset directly under Investment Expenses. As a result, the comparative disclosures for Investment Expenses, Total Revenue and Total Expenses are immaterially different to the published 2019 financial statements. For details, see Note 4.

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020 $'000	2019 $'000
Profit after income tax for the year	3,633	4,224
Other comprehensive income *Items that will not be recycled through the Income Statement*		
Unrealised losses on investments in the portfolio at 30 June	(7,021)	(28,773)
Income tax benefit on the above	2,106	8,632
Realised (losses)/gains on investments during the year	(11,063)	30,374
Income tax benefit/(expense) on the above	3,319	(9,112)
Total other comprehensive income after tax	**(12,659)**	**1,121**
Total comprehensive income after tax	**(9,026)**	**5,345**

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

BALANCE SHEET AS AT 30 JUNE 2020

	Notes	2020 $'000	2019 $'000
Current assets			
Cash and cash equivalents	12	10,437	16,500
Receivables	7	3,566	7,110
Total current assets		**14,003**	**23,610**
Non-Current assets			
Investments	8	251,832	298,962
Deferred tax asset	5	46	–
Total non-current assets		**251,878**	**298,962**
Total assets		**265,881**	**322,572**
Current liabilities			
Payables	9	1,260	3,424
Current tax liabilities	5	588	9,521
Total current liabilities		**1,848**	**12,945**
Non-Current liabilities			
Deferred tax liability	5	–	5,553
Total non-current liabilities		**–**	**5,553**
Total liabilities		**1,848**	**18,498**
Net assets		**264,033**	**304,074**
Equity			
Contributed equity	10	255,548	271,900
Reserves	11	(5,283)	17,948
Retained profits	11	13,768	14,226
TOTAL EQUITY		**264,033**	**304,074**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

Year ended 30 June 2020	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		**271,900**	**14,226**	**12,370**	**5,578**	**304,074**
Profit after income tax for the year		–	3,633	–	–	3,633
Other comprehensive income						
Net revaluation increment on the investment portfolio		–	–	(12,659)	–	(12,659)
Transfer of net cumulative realised losses for the year	11(a),11(b)	–	–	7,744	(7,744)	–
Total other comprehensive income for the year (after tax)		–	–	(4,915)	(7,744)	(12,659)
Transactions with shareholders						
Dividends paid	6	–	(4,091)	–	(10,572)	(14,663)
Shares bought back	10	(16,352)	–	–	–	(16,352)
Total transactions with shareholders		**(16,352)**	**(4,091)**	**–**	**(10,572)**	**(31,015)**
Total equity at 30 June 2020		**255,548**	**13,768**	**7,455**	**(12,738)**	**264,033**

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 2020 CONTINUED

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 increment on the investment portfolio		–	–	1,121	–	1,121
Transfer of net cumulative realised gains for the year	11(a),11(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	6	–	(4,460)	–	(17,499)	(21,959)
Shares bought back	10	(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 CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $'000 Inflows (Outflows)	2019 $'000 Inflows (Outflows)
Cash flows from Operating Activities			
Dividends and distributions received		7,392	8,487
Interest received		88	33
Other income		562	–
Custodian fees paid		(39)	(47)
Goods and services tax refunded		256	344
Investment manager's fees paid		(2,599)	(3,481)
Income taxes paid		(9,886)	(8,010)
Administrative, regulatory, legal and other payments in the normal course of operations		(689)	(1,006)
Net cash (outflow) from operating activities	12(a)	(4,915)	(3,680)
Cash flows from Investing Activities			
Cash paid for purchase of listed shares		(267,987)	(121,739)
Proceeds received from realisation of listed shares		298,069	163,318
Net cash inflow from investing activities		**30,082**	**41,579**
Cash flows from Financing Activities			
Shares purchased (on-market buy-back)		(16,352)	(10,984)
Dividend paid		(14,663)	(21,959)
Net cash (outflow) from financing activities		(31,015)	(32,943)
Net (decrease)/increase in cash and cash equivalents		(5,848)	4,955
Cash and cash equivalents at the beginning of the year		16,500	11,521
Effects of exchange rate changes on cash and cash equivalents		(215)	24
Cash and Cash Equivalents at Year End	12(b)	**10,437**	**16,500**

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

1. CORPORATE INFORMATION

The financial statements of Templeton Global Growth Fund Ltd. ("the Company") for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the Directors on 27 August 2020. The Directors of the Company have the power to amend and reissue the financial statements.

The Company is limited by shares, incorporated in Australia and those 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 statements have been prepared on a historical cost basis, except for investment assets ("Investments") which have been measured at fair value (last bid price).

In accordance with AASB 101 *Presentation of Financial Statements*, the Company has presented current and non-current assets, and current and non-current liabilities, as separate classifications in the Balance Sheet. AASB 101 does not require a specific order of the two classifications. The Company has elected to present current assets before non-current assets and current liabilities before non-current liabilities. AASB 101 requires entities to present assets and liabilities in order of liquidity when this presentation is reliable and more relevant.

The financial statements are presented in Australian dollars.

(a) Compliance with IFRS

The financial statements comply 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) Changes in accounting policies and disclosures

Accounting Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below, except for those standards which, in the opinion of the Board, will clearly not impact the Company. The Company intends to adopt these standards, if applicable, when they become effective.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(b) Changes in accounting policies and disclosures (continued)

Amendments to AASB 101 and AASB 108: Definition of Material

In October 2018, the AASB issued amendments to AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies*, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

New and amended standards and interpretations

The standards and interpretations issued, which are effective for the reporting period ended 30 June 2020, are disclosed below, except for those standards which, in the opinion of the Board, will clearly not impact the Company.

The Company has applied these amendments from 1 July 2019.

AASB Interpretation 23 Uncertainty over Income Tax Treatment

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 *Income Taxes* and does not apply to taxes or levies outside the scope of AASB 112 *Income Taxes*, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company has applied the interpretation from 1 July 2019. The adoption of this interpretation did not have an impact on the Company's financial statements.

Amendments to AASB 9: Prepayment Features with Negative Compensation

Under AASB 9 *Financial Instruments*, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to AASB 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(b) Changes in accounting policies and disclosures (continued)

AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle

AASB 112 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, this amendment did not have an impact on the Company's financial statements.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(e) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet and the Statement of Cash Flows 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.

(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 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.

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

(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. 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.

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.

(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, using an effective rate of 30%, 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(j) Income tax and other taxes (continued)

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.

(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.

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

Geographical concentration of risk

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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

(a) Financial Risk Management Objectives, Policies and Processes (continued)

Investments by geographic location:

Country	2020 $'000	2019 $'000
Canada	9,124	5,983
China	14,199	13,152
Denmark	5,900	11,294
France	6,424	39,647
Germany	23,275	12,980
Hong Kong	4,208	5,688
Ireland	–	8,593
Israel	–	2,995
Italy	–	6,165
Japan	57,436	21,955
Netherlands	5,433	10,668
Singapore	–	7,925
South Korea	8,437	12,256
Switzerland	8,834	11,293
Taiwan	7,096	–
United Kingdom	–	39,567
United States	101,466	88,801
Total	**251,832**	**298,962**

(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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

(b) Market risk (continued)

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. This risk is not considered to be significant to the Company.

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.

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, estimated with 99% confidence the return of the portfolio in the following 3 months will move between -21.85% and +21.85% from its current level.

Please be advised that historical data is not always an appropriate proxy for current market conditions.

	VaR Factor %	Net Assets $	Impact to Net Assets $
30 June 2020	**21.85**	**264,033**	**+/- 57,691**
30 June 2019	11.65	304,074	+/- 35,425

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

(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, share buy-back activity 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 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. This policy is subject to prevailing market conditions.

The Company has in place an on-market share buy-back which operated during the year. There were 13.5 million shares at a cost of $16.4 million purchased during the year, compared to 8.5 million shares at a cost of $11.0 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.

	2020 $'000	2019 $'000
4. INVESTMENT EXPENSES		
Investment management fees	2,263	3,134
Custodian fees	35	40
Net foreign currency losses/(gains)	192	(59)
Total investment expenses	2,490	3,115

5. INCOME TAX

The major components of income tax are:

	2020 $'000	2019 $'000
Income Statement		
Current income tax		
Current income tax charge	(1,565)	(1,806)
Income tax charge for prior years	(8)	(6)
Deferred income tax		
Relating to origination and reversal of differences	(10)	17
Income tax expense reported in the income statement	(1,583)	(1,795)
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 losses/(gains) on investments	5,425	(480)
Income tax benefit/(expense) reported in equity	5,425	(480)

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:

	2020 $'000	2019 $'000
Profit before income tax	5,216	6,019
Prima facie income tax expense at statutory rate of 30% (2019: 30%)	(1,565)	(1,806)
Income tax charge for prior years	(8)	(6)
Tax effect of:		
- Unrealised foreign exchange (losses)/gains	(10)	17
Income tax expense	(1,583)	(1,795)

5. INCOME TAX (CONTINUED)

Deferred income tax

Deferred income tax at 30 June relates to the following:

Deferred tax liabilities/(assets)

	2020 $'000	2019 $'000
The balance comprises temporary differences attributable to:		
Receivables	119	295
Payables	(18)	(10)
Exchange difference in tax and accounting	(23)	(2)
Amortisation of cost of capital raising	–	(32)
Unrealised gains on investments	3,195	5,302
Realised capital losses	(3,319)	–
	(46)	5,553
Opening balance at 1 July	5,553	14,083
Charged to the income statement	(205)	101
Credited to equity	(5,394)	(8,631)
Closing balance at 30 June	(46)	5,553
Opening balance at 1 July	9,521	7,657
Income tax on operating profit	1,583	1,795
Tax payments	(9,885)	(8,010)
Realised gains	–	9,112
Tax credits available	(722)	(977)
Accounting to tax differences	91	(56)
Closing balance at 30 June	588	9,521

6. DIVIDENDS PAID OR PROPOSED

	2020 $'000	2019 $'000
(a) Dividends paid during the year:		
Final Dividend for the year ended 30 June 2019 – 5.0 cents per share fully franked (2018: 5.0 cents per share fully franked)	10,572	17,601
Interim dividend for year ended 30 June 2020 – 2.0 cents per share fully franked (2019: 2.0 cents per share fully franked)	4,091	4,358

(b) Franking credit balance

	2020 $'000	2019 $'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% (2019: 30%)	2,871	(730)
– franking credits that will arise from the payment of income tax payable as at the end of the financial year	588	9,521
	3,459	8,791
The amount of franking credits available for future reporting periods:		
– impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year.	(2,995)	(4,569)
	464	4,222

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

	2020 $'000	2019 $'000
Balance of the LIC capital gain account	18,565	25,965
This equates to an attributable amount of	26,521	37,093

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.

(d) Dividends declared after balance date

Since the end of the year Directors have declared a final dividend of 3.5 cents per share fully franked.

Based on shares outstanding as at 30 June 2020, the aggregate amount of the dividend to be paid on 25 September 2020, but not recognised as a liability at the end of the financial year: $7.0 million.

	2020 $'000	2019 $'000

7. RECEIVABLES (CURRENT)

	2020 $'000	2019 $'000
Receivables	3,566	7,110

Receivables consist principally of sales of securities not yet settled, withholding tax reclaims receivable and 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.

8. INVESTMENTS (NON-CURRENT)

	2020 $'000	2019 $'000
Securities listed on a prescribed stock exchange at cost:		
Shares	241,182	282,143
	241,182	282,143
Aggregate quoted market value of securities at balance date	251,832	298,962

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 22.

9. TRADE AND OTHER PAYABLES (CURRENT)

	Notes	2020 $'000	2019 $'000
Securities purchased payable		1,035	3,114
Other payables		81	65
Investment management fees	17(b)	144	245
		1,260	3,424

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

	2020 $'000	2019 $'000
10. CONTRIBUTED EQUITY		
(a) Issued and Paid-Up Capital		
Ordinary shares fully paid	255,548	271,900

	2020 No. of shares '000	2020 $'000	2019 No. of shares '000	2019 $'000
(b) Movements in ordinary shares on issue				
Beginning of financial year	213,206	271,900	221,684	282,884
Share cancelled via share buy-back	(13,525)	(16,352)	(8,478)	(10,984)
End of the financial year	199,681	255,548	213,206	271,900

Share buy-back:

The Company has an on-market buy-back program. During the year ended 30 June 2020, 13.5 million shares were bought back (2019: 8.5 million).

Dividend Reinvestment Plan ("DRP")

The Company's dividend reinvestment plan ("DRP") was not in operation in the 2020 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	2020 $'000	2019 $'000

11. RESERVES AND RETAINED PROFITS

	Notes	2020 $'000	2019 $'000
Investment Realisation Reserve	11(a)	(12,738)	5,578
Investment Revaluation Reserve	11(b)	7,455	12,370
		(5,283)	17,948
Retained profits	11(c)	13,768	14,226

(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

	2020 Taxable realised losses (net of tax) for the year $'000	2020 Other movements for the year $'000	2020 Total $'000
1 July			5,578
Cumulative taxable realised loss for the year	(11,063)	–	(11,063)
Income tax benefit on the above	3,319	–	3,319
Dividend Paid	–	(10,572)	(10,572)
Total movements for the year	(7,744)	(10,572)	(18,316)
30 June			(12,738)

	2019 Taxable realised gains (net of tax) for the year $'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

11. 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

	2020 $'000	2019 $'000
Balance at the beginning of the year	12,370	32,511
Revaluation (decrease)/increase on revaluation of listed securities	(18,084)	1,601
Tax effect of increase/(decrease) to revaluation reserve	5,425	(480)
Transfer of net realised capital losses/(gains) to the investment realisation reserve	7,744	(21,262)
Balance at the end of the year	7,455	12,370

(c) Retained Profits

Movements in Retained Profits

	2020 $'000	2019 $'000
Balance at the beginning of the year	14,226	14,462
Net profit after tax for the year	3,633	4,224
Dividends paid	(4,091)	(4,460)
Balance at the end of the year	13,768	14,226

12. STATEMENT OF CASH FLOWS

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

	2020 $'000	2019 $'000
Net profit after tax	3,633	4,224
Adjusted for:		
Net losses/(gains) on foreign exchange	192	(59)
Changes in assets and liabilities		
– Receivables	(335)	(1,418)
– Payables	(9,988)	(8,222)
– Taxation commitments	1,583	1,795
Net cash (outflow) from operating activities	(4,915)	(3,680)

(b) Reconciliation of cash

	2020 $'000	2019 $'000
Cash comprises:		
Cash at Bank	10,437	16,500

13. EARNINGS PER SHARE

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

	2020 $'000	2019 $'000
Net profit after tax used in calculating basic and diluted earnings per share	3,633	4,224

	Number '000	Number '000
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	207,039	218,369

	Cents	Cents
Basic and diluted earnings per share	1.8	1.9
Realised (losses)/gains earnings per share after tax*^	(3.7)	9.7

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

^This is a non-IFRS measurement.

14. 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 (Resigned 20/02/20)	Director (non-executive)
J Dawson	Director (non-executive)
A Sethi (Resigned 14/08/20)	Director (non-executive)

(b) 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 2020 (2019: nil).

	2020 $	2019 $
15. AUDITORS' REMUNERATION		
The auditor of the Company is Ernst and Young		
During the year the following fees were paid or payable for services provided by the auditor:		
Audit and assurance services*		
Audit and review of the financial report	62,920	69,186
Other assurance services**	17,160	19,726
The tax consultant of the Company is PricewaterhouseCoopers		
During the year the following fees were paid or payable for services provided by the tax consultant:		
Taxation services*		
Tax compliance services***	14,249	14,249
	94,329	103,161

* The audit and assurance services for the year ended 30 June 2019 were provided by PricewaterhouseCoopers.

** The other 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.

16. 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.

	2020 $'000	2019 $'000
Profit after income tax	3,633	4,224

The Company reports net asset value per share both before and after the 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 2020 and 30 June 2019 were as follows:

	2020 Cents	2019 Cents
Net tangible asset backing per share		
After actual tax*^	132	145
After estimated tax**^	132	143

* '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.

^ These are non-IFRS measurements.

16. 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	2020 $'000	2019 $'000
Bermuda	–	89
Canada	87	97
Cayman Islands	–	213
China	–	163
Denmark	133	169
France	374	1,972
Germany	383	504
Hong Kong	400	206
Ireland	36	439
Italy	259	276
Japan	1,183	426
Netherlands	145	431
Singapore	400	228
South Korea	408	433
Switzerland	330	190
Taiwan	84	–
Thailand	–	47
United Kingdom	1,372	1,972
United States	2,122	2,012
Total	**7,716**	**9,867**

17. RELATED PARTY DISCLOSURE

(a) Key management personnel

Key Management Personnel Compensation
Year ended 30 June 2020

	Short-term benefits $	Superannuation $	Total $
Directors			
C R Freeman	82,381	7,826	90,207
G E McGowan	–	–	–
M F Warwick	59,364	5,640	65,004
M J O'Brien (Resigned 20/02/20)	38,041	3,614	41,655
J Dawson	64,068	6,088	70,156
A Sethi (Resigned 14/08/20)	–	–	–
Total	**243,854**	**23,168**	**267,022**

Year ended 30 June 2019

	Short-term benefits $	Superannuation $	Total $
Directors			
C R Freeman	82,381	7,826	90,207
G E McGowan	–	–	–
M F Warwick	59,364	5,640	65,004
M J O'Brien	59,364	5,640	65,004
J Dawson	64,068	6,088	70,156
A Sethi	–	–	–
Total	**265,177**	**25,194**	**290,371**

17. RELATED PARTY DISCLOSURE CONTINUED

(b) Transactions with related parties

Management fees paid to Franklin Templeton Investments Australia Limited

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.

Between 1 July 2019 and 31 October 2019 the management fee was calculated at the rate of 1% per annum, payable monthly on the value of the net tangible assets of the Company. On 1 November 2019 the management fee calculation methodology was changed, the new fee is calculated at a rate of 0.75% per annum using the market capitalisation amount (shares available for sale multiplied by month-end closing share price on ASX).

For those services, the Investment Manager earned a fee (net of GST) of $2,262,531 for the 12 months to 30 June 2020 (2019: $3,134,426). As at the end of the financial year $143,931 (2019: $244,547) 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 2020) 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, (resigned as Company Secretary effective 30 June 2020)
- Ms Lindsay Mackay acting as joint Company Secretary, (resigned as Company Secretary effective 30 June 2020)
- Ms Elizabeth McGregor of Automic Group has been appointed Company Secretary effective 1 July 2020

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

17. RELATED PARTY DISCLOSURE CONTINUED

(c) Shareholding of related party entities

During the year, Franklin Resources Incorporated and/or affiliates held shares in the Company.

Shares held in the Company *(number)*	Balance 1 July 2019 Ord	Net Change Other Ord	Balance 30 June 2020 Ord
Franklin Resources Inc. and/or affiliates	10,278,210	–	10,278,210

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

All investments held by the Company are classified as Level 1 securities. Level 1 is defined as the fair value of listed equity based on quoted market bid prices at the reporting date, without any deduction for transaction costs. The total current period fair value is $251.8 million (2019: $299.0 million).

The Company has no financial liabilities measured at fair value.

All instruments are included in Level 1. There were no transfers between levels during the period. The Company did not hold any level 2 or level 3 investments as at 30 June 2020 (2019: $nil).

The fair values of other financial instruments, including cash and cash equivalents, receivables, and payables, are a reasonable approximation of carrying amounts largely due to the short-term nature of these balances.

19. 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.

20. CONTINGENCIES

At balance date Directors are not aware of any material contingent liabilities or contingent assets (2019: nil).

21. 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.

22. 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 2020 $'000	30 June 2019 $'000
Investments in listed equity securities		
A.P. Moller – Maersk A/S Class B	5,900	4,564
Adidas AG	4,052	–
AIA Group Ltd.	4,208	–
Albemarle Corp. Co.	5,411	–
Alibaba Group Holding Ltd.	6,439	–
Allergan PLC	–	8,068
Alphabet Inc. Class A	6,672	5,381
American Express Co.	5,085	–
Amgen Inc.	–	3,208
Apache Corp.	–	3,707
Atos SE	–	3,980
AXA SA	–	5,048
Baidu Inc. Sponsored ADR Class A	–	2,079
Bank of Ireland Group PLC	–	3,416
Barclays PLC	–	1,532
Bayer AG	8,866	4,739
Berkshire Hathaway Inc. Class B	2,617	–
BNP Paribas SA Class A	–	7,077
Booking Holdings Inc.	3,643	–
BP PLC	–	9,113
Capital One Financial Corp.	–	5,682
China Mobile Ltd.	–	4,563
China Telecom Corp. Ltd. Class H	–	4,176
Citigroup Inc.	–	8,202
CK Hutchison Holdings Ltd.	–	5,688
Comcast Corp. Class A	8,174	6,667
CommScope Holding Co. Inc.	–	2,410
Compagnie de Saint-Gobain SA	–	4,521
CRH PLC	–	5,177
Dollar Tree Inc.	2,571	–
Eni SpA	–	3,892
Epam Systems Inc.	1,171	–
Exxon Mobil Corp.	–	5,469
F5 Networks Inc. Com	5,485	–
Fanuc Corp. NPV	4,690	–

22. SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME CONTINUED

Company	30 June 2020 $'000	30 June 2019 $'000
Fresenius Medical Care AG & Co. KGAA NPV	5,423	–
Gilead Sciences Inc.	–	4,149
HCA Healthcare Inc.	2,844	–
Hitachi Ltd.	5,284	–
Infineon Technologies Org.	4,934	–
ING Groep NV	–	5,510
Johnson & Johnson Co.	5,015	–
Jones Lang LaSalle Inc.	–	5,041
JPMorgan Chase & Co.	4,518	–
Kddi Corp.	4,042	–
Kingfisher PLC	–	3,957
Kroger Co.	8,400	–
Kunlun Energy Co. Ltd.	–	2,334
Kyocera Corp.	2,619	–
Laboratory Corp. of America Holdings	5,754	–
Lenovo Group Ltd.	5,110	–
LyondellBasell Industries NV	–	2,994
Matsumotokiyoshi Holdings Co. Ltd.	4,683	3,104
Medtronic PLC	3,432	3,188
Midea Group Co. Ltd.	2,650	–
Mitsubishi Logistics Corp. NPV	4,100	–
Mitsui Fudosan Co. Ltd.	–	4,788
NXP Semiconductors NV	5,433	5,158
Oracle Corp.	–	8,728
Panasonic Corp.	3,042	–
Roche Holding Ltd. Genussch	8,834	6,183
Royal Dutch Shell PLC Class A	–	505
Royal Dutch Shell PLC Class B	–	8,867
Samsung Electronics Co. Ltd.	8,437	6,859
Sanofi	–	7,905
Shinhan Financial Group Co. Ltd.	–	5,397
Siemens AG	–	8,241
Singapore Telecommunications Ltd.	–	7,925
SoftBank Group Corp.	–	1,650
Sony Corp.	6,876	–
Standard Chartered PLC	–	7,852
Sumitomo Metal Mining Co. Ltd.	6,711	–
Suntory Beverage & Food Ltd.	–	5,095
Taiwan Semiconductors Manufacturing Co. Ltd.	7,096	–
Takeda Pharmaceutical Co. Ltd.	5,161	7,318

22. SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME CONTINUED

Company	30 June 2020 $'000	30 June 2019 $'000
Teva Pharmaceutical Industries Ltd. Sponsored ADR	–	2,995
TJX Cos Inc.	2,768	–
Tokyo Broadcasting System Holdings Inc.	3,004	–
Tokyo Electron Ltd.	4,183	–
Total SA	–	3,342
Toyota Industries Corp.	3,041	–
UBS Group AG	–	5,111
UniCredit SpA	–	2,273
United Parcel Service Inc. Class B	8,156	4,021
UnitedHealth Group Inc.	3,509	–
Veolia Environnement SA	6,424	7,774
Verizon Communications Inc.	7,396	–
Vestas Wind Systems A/S	–	6,729
Visa Inc. NPV Class A	5,220	–
Vodafone Group PLC	–	7,741
Walgreens Boots Alliance Inc.	–	3,818
Walt Disney Co.	3,625	–
Wells Fargo & Co.	–	8,068
Wheaton Precious Metals Corp.	9,124	5,983
Total	**251,832**	**298,962**

Templeton Global Growth Fund Ltd. ABN 44 006 558 149

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Facsimile (03) 9603 1299

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 23 to 56 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 2020 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 equivalent 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
27 August 2020

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Independent Auditor's Report to the Members of Templeton Global Growth Fund Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Templeton Global Growth Fund Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of 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 2020 and of its financial performance for the year ended on that date; and

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

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 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 (including Independence Standards)* (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.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the

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procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Existence and Valuation of the Investment Portfolio

Why significant	How our audit addressed the key audit matter
The Company's investment portfolio at 30 June 2020 consists of listed marketable securities. Whilst there is no significant judgment involved in the valuation of Level 1 securities as their value is based on observable market inputs in accordance with AASB 13 Fair Value Measurement, investments ($252m) represent a key measure of the Company's performance and represent 95% of total assets. Due to the significance of the investment portfolio's value to the Company's performance, we considered this to be a key audit matter.	Our audit procedures for listed investments, included the following: ▶ Obtained and inspected the assurance report over the control environment at the Company's custodian. ▶ Obtained independent confirmation from the Company's custodian of securities held in each investment. ▶ Agreed all listed investment prices to independent market pricing sources.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information in the Company's Annual Report for the year ended 30 June 2020, but does not include the financial report and our auditor's reports thereon, with the exception of the Remuneration Report and our related assurance opinion.

Our opinion on the financial report does not cover the other information and accordingly we do not express 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, 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.

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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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Templeton Global Growth Fund Limited for the year ended 30 June 2020 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.

Ernst & Young

Ernst & Young

Hayley Watson
Partner
Melbourne
27 August 2020

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FIVE YEAR SUMMARY OF FINANCIAL INFORMATION

	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
INCOME STATEMENT					
Investment and other income*	8,378	9,938	9,205	8,884	9,482
Expenses*	(3,162)	(3,919)	(4,069)	(3,695)	(4,004)
Profit before income tax	5,216	6,019	5,136	5,189	5,478
Income tax expense	(1,583)	(1,795)	(1,601)	(1,531)	(1,703)
Operating profit after tax	3,633	4,224	3,535	3,658	3,775
Other comprehensive (loss)/ income after tax	(12,659)	1,121	21,198	39,601	(33,168)
Total other comprehensive (loss)/ income after tax	(9,026)	5,345	24,733	43,259	(29,393)
BALANCE SHEET					
Assets					
Cash and receivables	14,003	23,610	12,609	11,672	5,874
Investments	251,832	298,962	341,184	329,244	304,152
Deferred tax asset	46	–	–	–	650
Total Assets	265,881	322,572	353,793	340,916	310,676
Liabilities					
Payables	1,260	3,424	381	373	362
Provisions	588	9,521	7,657	4,273	2,104
Deferred tax liability	–	5,553	14,083	12,307	–
Total Liabilities	1,848	18,498	22,121	16,953	2,466
Net assets	264,033	304,074	331,672	323,963	308,210
Shares on issue	199,681	213,206	221,684	226,579	240,417
Earnings per share (cents)	1.8	1.9	1.6	1.6	1.5
Realised gain/loss per share (cents)	(3.7)	9.7	7.8	4.0	3.3
Dividends per share (cents)	7.0	7.0	4.5	4.5	4.1

* Net foreign currency gain of $59k in pcy has been reclassified from Revenue and has been offset directly under Investment Expenses. As a result, the comparative disclosures for Investment Expenses, Total Revenue and Total Expenses are immaterially different to the published PY annual report.

ADDITIONAL ASX INFORMATION

SHAREHOLDING INFORMATION

Shareholdings at 7 August 2020	Number of Holders	Number of Shares
Distribution of Holders		
1 to 1,000 shares	322	117,964
1,001 to 5,000 shares	697	2,277,575
5,001 to 10,000 shares	814	6,412,446
10,001 to 100,000 shares	2,497	78,336,034
100,001 and over	249	111,371,606
Total	**4,579**	**198,515,625**

Shareholders with less than a marketable parcel of shares: 182

All ordinary shares carry one vote per share without restriction.

The names of the twenty largest shareholders of quoted shares as at 7 August 2020 are:

		Number of Shares	Percentage of Total
1	HSBC Custody Nominees (Australia) Limited	38,357,083	19.32
2	J P Morgan Nominees Australia Pty Limited	11,349,294	5.72
3	LSND Super Pty Ltd <Sf Superannuation A/C>	3,351,863	1.69
4	BNP Paribas Nominees Pty Ltd <Pitcher Partners DRP>	2,940,083	1.48
5	Australian Executor Trustees Limited <IPS Super A/C>	2,671,429	1.35
6	Ms Gabrielle Rosa Baron + Mr Peter Michael Wilmshurst	1,840,830	0.93
7	Mr Steven John Fahey	1,770,863	0.89
8	Takita Exploration Pty Limited	1,135,422	0.57
9	Netwealth Investments Limited <Super Services A/C>	1,106,597	0.56
10	Nendar Pty Ltd <The Little Family S/F A/C>	1,007,131	0.51
11	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	848,105	0.43
12	Trustees Of Our Ladys Nurses Of The Poor <Rose Wilson Bequest A/C>	832,000	0.42
13	Mon Nominees Pty Ltd <Glass Superannuation A/C>	805,043	0.41
14	Dixson Trust Pty Ltd <No 1 A/C>	788,458	0.40
15	Mr David Ward + Mrs Jeanette Ward <D & J Ward Family S/F A/C>	694,849	0.35
16	Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	657,811	0.33
17	Navigator Australia Ltd <Mlc Investment Sett A/C>	493,079	0.25
18	Salmo Pty Ltd	480,010	0.24
19	Australian Executor Trustees Limited <No 1 Account>	442,706	0.22
20	Netwealth Investments Limited <Wrap Services A/C>	434,670	0.22

ADDITIONAL ASX INFORMATION CONTINUED

SUBSTANTIAL SHAREHOLDERS

The following entities are recorded in the Company's Register of Substantial shareholders as at 7 August 2020.

Wilson Asset Management	23,186,973
Franklin Templeton Investments – Singapore	10,278,210

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 2020 is set out on pages 65 to 69.

During the year to 30 June 2020 the Company completed 550 transactions in equity investments and the total brokerage paid or accrued on these transactions was $374,643

During the year to 30 June 2020 management fees paid or accrued for the management of the Company's investment portfolio was $2,262,531 – refer Note 17(b).

LIST OF INVESTMENTS AS AT 30 JUNE 2020

(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.	143,793	9,124	
		9,124	3.62
CHINA			
Consumer Discretionary			
ALIBABA GROUP HOLDING LTD: Internet conglomerate with a dominant presence in eCommerce in China.	164,000	6,439	
MIDEA GROUP CO LTD: Chinese electrical appliance manufacturer.	215,887	2,650	
Information Technology			
LENOVO GROUP LTD: World's largest PC manufacturer by units based in Hong Kong.	6,356,000	5,110	
		14,199	5.64
DENMARK			
Industrials			
A.P. MOLLER - MAERSK A/S CLASS B: Company direction moving towards becoming an integrated transport and logistics group.	3,487	5,900	
		5,900	2.34
FRANCE			
Utilities			
VEOLIA ENVIRONNEMENT SA: Global leading in the water and waste business, operating concession contracts for governments, local authorities and industrial clients.	196,795	6,424	
		6,424	2.55

	Shares Held	AUD Value '000	% of Total
GERMANY			
Consumer Discretionary			
ADIDAS AG: German based apparel designer and manufacturer.	10,616	4,052	
Healthcare			
BAYER AG: Produces and markets healthcare and agricultural products, and polymers including aspirin, antibiotics, anti-infectives amongst other medications.	82,028	8,866	
FRESENIUS MEDICAL CARE AG & CO KGAA NPV: Provider of products and services for individuals undergoing dialysis treatment.	43,465	5,423	
Information Technology			
INFINEON TECHNOLOGIES ORG: German semiconductor manufacturer.	144,999	4,934	
		23,275	9.24
HONG KONG			
Financials			
AIA GROUP LTD: Largest public listed pan-Asian life insurance group.	311,200	4,208	
		4,208	1.67
JAPAN			
Communication Services			
KDDI CORP: Japanese telecommunications operator.	93,100	4,042	
TOKYO BROADCASTING SYSTEM HOLDINGS INC: Japanese media and licensed broadcasting holding company.	129,900	3,004	
Consumer Discretionary			
PANASONIC CORP: Japanese multinational conglomerate.	241,200	3,042	
SONY CORP: Japanese multinational conglomerate.	69,300	6,876	
TOYOTA INDUSTRIES CORP: Japanese machine maker.	39,700	3,041	
Consumer Staples			
MATSUMOTOKIYOSHI HOLDINGS CO LTD: Operator of drug store and pharmacies chain in Japan, including wholesale and management support services.	89,200	4,683	
Industrials			
FANUC CORP NPV: Japanese automation product manufacturer.	18,100	4,690	
MITSUBISHI LOGISTICS CORP NPV: Japanese logistics company.	109,600	4,100	
SUMITOMO METAL MINING CO LTD: develops and mines non-ferrous metals, producing and marketing copper, gold, nickel, and other precious metals.	166,000	6,711	

	Shares Held	AUD Value ’000	% of Total
Information Technology			
HITACHI LTD: Japanese multinational conglomerate.	115,500	5,284	
KYOCERA CORP: Manufacturers of electronic equipment and components, including telecommunication equipment, information equipment, optical equipment and ceramic products.	33,200	2,619	
TOKYO ELECTRON LTD: Japanese electronics and semiconductor company.	11,770	4,183	
Health Care			
TAKEDA PHARMACEUTICAL CO LTD: Largest pharmaceutical company in Asia, focused on metabolic disorders, gastroenterology, neurology, inflammation, as well as oncology through its independent subsidiary, Takeda Oncology.	99,859	5,161	
		57,436	22.81
NETHERLANDS			
Information Technology			
NXP SEMICONDUCTORS NV: Leading semiconductor supplier for the secure identification, automotive and digital networking industries.	32,800	5,433	
		5,433	2.16
SOUTH KOREA			
Information Technology			
SAMSUNG ELECTRONICS CO LTD: DRAM and NAND memory manufacturer, also involved in the manufacture of consumer electronics, displays and telecommunications equipment.	132,332	8,437	
		8,437	3.35
SWITZERLAND			
Healthcare			
ROCHE HOLDING LTD GENUSSSCH: Global healthcare company.	17,557	8,834	
		8,834	3.51
TAIWAN			
Information Technology			
TAIWAN SEMICONDUCTORS MANUFACTURING CO. LTD: Manufacturer and global supplier of semiconductors.	460,520	7,096	
		7,096	2.82

	Shares Held	AUD Value ’000	% of Total
UNITED STATES OF AMERICA			
Communication Services			
ALPHABET INC CLASS A: Holding company for Google, other core businesses such as YouTube, Maps and Android, and other investments and growth businesses.	3,240	6,672	
COMCAST CORP CLASS A: Provides media and television broadcasting services.	144,460	8,174	
VERIZON COMMUNICATIONS INC: American telecommunications company.	92,500	7,396	
WALT DISNEY CO: American mass media and entertainment conglomerate.	22,400	3,625	
Consumer Discretionary			
BOOKING HOLDINGS INC: World’s largest online travel agent.	1,575	3,643	
DOLLAR TREE INC: US discount variety store chain.	19,100	2,571	
TJX COS INC: American multinational off-price department store company.	37,700	2,768	
Consumer Staples			
KROGER CO.: Supermarket chain and general retailer founded in the USA.	170,900	8,400	
Financials			
AMERICAN EXPRESS CO: American multinational financial services company.	36,800	5,085	
BERKSHIRE HATHAWAY INC. CLASS B: Holding company owning subsidiaries in a variety of business sectors, principal operations are insurance business conducted nationwide on a primary basis and worldwide on a reinsurance basis.	10,100	2,617	
JPMORGAN CHASE & CO: American multinational investment bank and financial services company.	33,100	4,518	
Healthcare			
HCA HEALTHCARE INC: American operator of healthcare facilities.	20,200	2,844	
JOHNSON & JOHNSON CO: American multinational corporation that develops medical devices, pharmaceutical and consumer packaged goods.	24,600	5,015	
LABORATORY CORP OF AMERICA HOLDINGS: One of the world’s largest clinical laboratory network operators.	23,850	5,754	
MEDTRONIC PLC: Medical device company.	25,800	3,432	
UNITEDHEALTH GROUP INC: US health care company.	8,200	3,509	

	Shares Held	AUD Value '000	% of Total
Industrials			
ALBEMARLE CORP CO: American based chemical company.	48,260	5,411	
UNITED PARCEL SERVICE INC CLASS B: American multinational package delivery and supply chain management company.	50,530	8,156	
Information technology			
EPAM SYSTEMS INC: Best in class software engineering company.	3,200	1,171	
F5 NETWORKS INC: Market leader in application delivery controllers.	27,100	5,485	
VISA INC COM NPV CLASS A: American multinational financial services company.	18,630	5,220	
		101,466	40.29
Total of investments		**251,832**	**100.00**

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DIRECTORY

DIRECTORS

C R Freeman (Chairman)
J Dawson
G E McGowan
M F Warwick

SECRETARY

E McGregor

GENERAL MANAGER

M R Sund

REGISTERED OFFICE

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INVESTMENT MANAGER

Franklin Templeton Investments Australia Ltd
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AUDITOR

Ernst & Young

SOLICITOR

King & Wood Mallesons

SHARE REGISTRAR

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