

TEMPLETON GLOBAL GROWTH FUND LTD.
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Securities Exchange Announcement

12 May 2021

Quarterly Investment Manager's Report

Templeton Global Growth Fund Limited (TGG) is pleased to provide the attached quarterly report from the Investment Manager, Franklin Templeton Investments Australia Limited.

This announcement has been authorised for release by the Board of Templeton Global Growth Fund Limited.

For further information, please contact:
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**INVESTMENT
MANAGER**

The Investment Manager of the Company's investment portfolio is Franklin Templeton Investments Australia Ltd and the Company's portfolio is managed in accordance with the investment philosophy of the Templeton Global Equity Group.

Templeton is one of the pioneers in global investing and its successful investment philosophy has been refined over more than 70 years.

**INVESTMENT
APPROACH**

Templeton's time-tested investment approach is based on its philosophy of value, patience and bottom-up stock selection. Templeton focus on the rigorous analysis of individual stocks across geographic borders and seek to identify companies trading at significant discounts to Templeton's estimates of future earnings power, cash flow generation and/or asset value.

As independent thinkers with strong conviction in their investment ideas, they take an unconstrained approach to finding value.

CONTACT DETAILS

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Performance Data

Average Total Returns (AUD %)¹

	3 Months	1 Year	3 Years	5 Years	10 Years
TGG - Gross of Fees/Expenses	6.51	30.49	9.64	12.23	12.32
TGG - Net of Fees ²	6.12	29.18	8.40	10.91	10.86
MSCI AC World Index-NR ³	6.42	24.37	13.69	14.21	13.93

Net Tangible Assets (NTA) - Unaudited

	31 December 2020	31 March 2021
TGG Share Price (\$)	1.400	1.465
NTA per share before tax (\$) ⁴	1.520	1.603
Premium/(Discount) to NTA before tax (%)	(7.91)	(8.62)
NTA per share after tax (\$) ⁴	1.452	1.507
Premium/(Discount) to NTA after tax (%)	(3.57)	(2.82)

The market value of the portfolio represents prices quoted on overseas stock markets in foreign currencies converted to Australian currency. The rate used for conversion of values of US currency securities was USD 0.7617, EUR 0.6480 and GBP 0.5520 (last quarter USD 0.7717, EUR 0.6307 and GBP 0.5645).

Market Review

- Broad gauges of global equity markets hit all-time highs in mid-February but finished 2021's first quarter slightly off record levels. This was the fourth consecutive quarterly gain for global equities since the COVID-19 pandemic led to one of the sharpest, and shortest bear markets on record last year. Investors weighed continued optimism around policy stimulus and economic reopening against concerns about higher bond yields and potential economic overheating.
- In the United States, President Joe Biden successfully pushed a US\$1.9 trillion coronavirus relief package through Congress before unveiling another US\$2 trillion+ infrastructure stimulus plan at period-end. Meanwhile, US Federal Reserve (Fed) Chair Jerome Powell reiterated that the US economy still has a long way to go to reach maximum employment and the Fed's inflation target, signalling the Fed wants to remain accommodative. The dovish backdrop, combined with an accelerated vaccine rollout, helped lift Fed economists' 2021 US gross domestic product (GDP) growth expectations to 6.5%, the fastest pace in three decades.
- Europe has struggled with its vaccination efforts, leaving many economies in rolling lockdowns, causing the European Commission to forecast a technical recession (two consecutive quarters of contraction) in the second quarter. In this environment, policymakers reiterated their commitment to supportive measures, with European Central Bank President Christine Lagarde calling for more stimulus and touting the "exceptional tools" at the bank's disposal to aid the recovery.
- In Asia, official figures showed China's 2020 GDP growth decelerated to 2.3% amidst the coronavirus pandemic, the slowest growth rate in 40 years, though the International Monetary Fund expected the country's 2021 growth to rebound to over 8%. Japan's central bank upwardly revised its GDP growth forecast in January for the next fiscal year (which begins in April) from 3.6% to 3.9%, citing government support measures and the impact of COVID-19 gradually lessening.

Quarterly Performance Attribution

- The fund outperformed its benchmark index during the first quarter of 2021, while significantly outperforming over the one-year period, before fees.
- Performance in the information technology sector was led higher by Dutch firm NXP Semiconductors, Japan's Hitachi and US-based F5 Networks. NXP, the amalgamation of the former semiconductor divisions of Philips and Motorola, is a leading manufacturer of semiconductors and sensors for radio, power and audio applications.
- Stock selection and an underweighting in the consumer staples sector also enhanced results.
- Relative returns were supported further by security selection in the financials sector, thanks in part to our investments in US-based American Express and JPMorgan Chase. Exposure to the banking sector was increased in the second half of 2020, from very low levels, as the sector will benefit from any inflation returning to the system with valuations also very supportive.
- Stock selection was generally positive over the first quarter. In particular value was added in Japan, the US and selectively across Europe. The underweight to China also contributed positively.
- In contrast, stock selection in Canada (gold company Wheaton Precious Metal – see below) detracted from relative performance. Security selection and an overweighting in Germany also hampered results, as did stock selection in France and Switzerland.
- Stock selection in the materials sector detracted from relative performance, pressured by Canadian precious metals firm Wheaton Precious Metals. Gold bullion suffered its first quarterly selloff since 2018 and neared a nine-month low in late March as prices were pressured by the stock market rally, accelerating vaccine effort and a nascent global recovery, along with a firming US dollar and rising bond yields.
- Stock selection in the consumer discretionary sector detracted some value, pressured primarily by our investment in Anglo-Dutch online food ordering company Just Eat Takeaway.com. This is a relatively new investment for the fund and our long-term conviction on the stock remains strong.
- Germany's Fresenius Medical Care, a provider of kidney dialysis services also detracted from performance. Its shares tumbled in early February after the company announced it anticipates a significant negative impact on 2021 net income due to the still accelerating effects of COVID-19 on dialysis patients. The stock was removed from the portfolio.

Investment Outlook

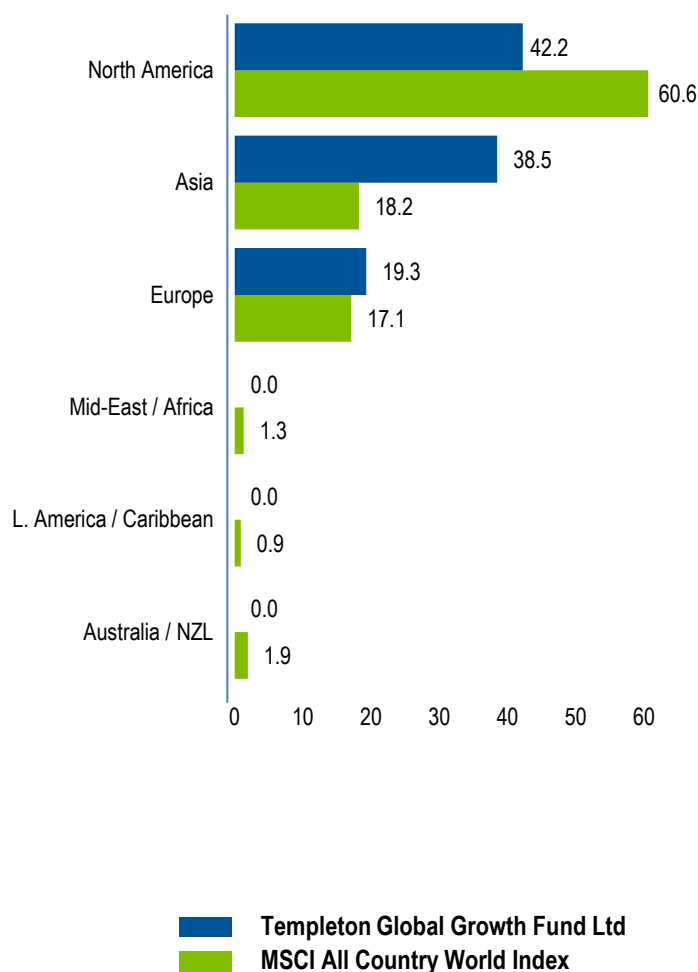
- Absolute market valuations for global equities have long looked expensive based on our assessment of the economy's long-term earnings potential. More recently, we have also begun to see relative valuation gaps close as cheaper cyclicals and other traditional value stocks played catch-up following initial vaccine approvals last November.
- The relative valuation trade was a good source of performance for our portfolios and was expressed last year through increased exposure to cyclicals and "eye-of-the-coronavirus-storm" stocks. Buying the long-term survivors at the epicentre of the pandemic downturn proved to be a successful strategy. But, with valuations now looking expensive from both absolute and relative perspectives, we cannot rely on further multiple expansion to drive gains.
- Our assessment of the current market environment highlights a "double bubble" in both valuation and credit risk that is keeping us generally cautious on both tails of the market—the expensive leaders and the lower-quality laggards. In times like this we expect idiosyncratic opportunities to drive alpha in the portfolios, and we are increasingly focusing on special situations and event-driven opportunities, amongst other things. These are instances when the economic value of a business cannot be identified by standard valuation metrics because underlying business value is not solely a function of the present earnings or cash flow of the company given unique accounting treatment or the cyclical nature of the business.
- Going forward, we expect the market to become more discriminate. In contrast to much of the past decade, we anticipate an environment where fundamentals and nuance begin to matter again, and where experience and expertise should ultimately pay off.

Portfolio Characteristics

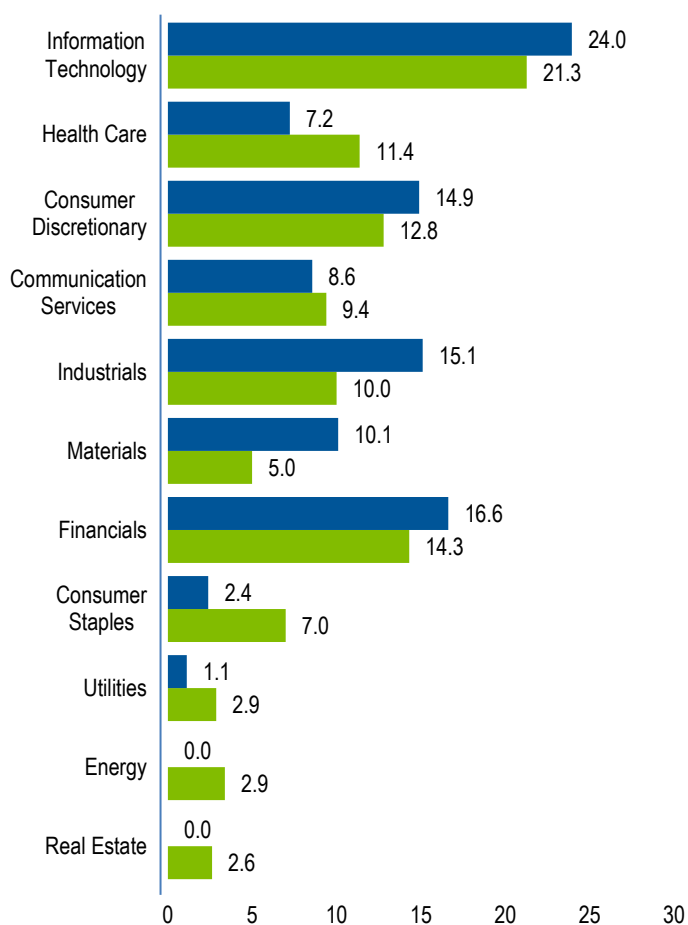
	Portfolio	MSCI All Country World Index
Price to Earnings	24.52x	25.36x
Price to Book Value	2.35x	2.88x
Price to Cash Flow	10.06x	12.82x
Market Capitalisation (Millions in AUD)	202,307	334,735
Number of Issuers	45	2,978

Portfolio Diversification

Geographic Weightings vs. MSCI All Country World Index
Percent of Equity



Sector Weightings vs. MSCI All Country World Index
Percent of Equity



Top Ten Holdings⁵
Percent of Equity

Top Holdings	Industry	Country	%
JPMORGAN CHASE & CO	Banks	United States	4.61
SAMSUNG ELECTRONICS CO LTD	Technology Hardware & Equipment	South Korea	4.52
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	Semiconductors & Semiconductor Equipment	Taiwan	4.15
AMERICAN EXPRESS CO	Diversified Financials	United States	3.71
SIEMENS AG	Capital Goods	Germany	3.52
SUMITOMO MITSUI FINANCIAL GROUP INC	Banks	Japan	3.49
HITACHI LTD	Technology Hardware & Equipment	Japan	3.33
WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP.	Capital Goods	United States	3.30
SUMITOMO METAL MINING CO LTD	Materials	Japan	3.27
BOOKING HOLDINGS INC	Consumer Services	United States	3.26

Investment Philosophy

Templeton utilises a disciplined, consistent approach based on three timeless principles of investing:

Value	Patience	Bottom-up stock picking
Our flexible approach is applied within a disciplined framework and seeks to identify companies trading at large discounts to their business value.	Our long-term focus gives us a framework to take advantage of price volatility to reveal potential long-term investment opportunities. Patience allows for potential long-term value recognition.	Our portfolio management process seeks to buy pessimism and sell optimism. We build portfolios spanning regions and sectors made up of securities identified through this process.

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Peter Sartori, EVP, Portfolio Manager	1.5	30

Templeton Global Equity Team	Number of Members	Average Years Experience
Portfolio Managers & Research Analysts	32	20

Important Legal and Other Information

Benchmark: The MSCI World Index is the primary benchmark. The benchmark is used for comparative purposes only and is provided to represent the investment environment existing during the time periods shown. The index is unmanaged and one cannot invest directly in an index.

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Explanatory Notes:

1. Periods of more than one year are annualised. Returns are presented pre-tax
2. Returns are based on movement in the Company's net assets per share (after deducting investment management fees), before all taxes, with dividends reinvested and adjusted for share issues and buy-backs.
3. Source: Morgan Stanley Capital International (MSCI). All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.
4. Estimated tax on unrealised gains.
5. Top ten holdings represent the 10 largest equity holdings at the end of the quarter and may not reflect the current or future portfolio holdings. This does not represent all of the securities purchased, sold, or recommended for advisory clients, and the reader should not assume that investments in the securities listed was or will be profitable. Holdings of the same issuer have been combined.

All investments involve risks including loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with their smaller size and lesser liquidity. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate more dramatically over the short term. The use of derivatives and foreign currency techniques involve special risks, as such techniques may not achieve the anticipated benefits and/or may result in losses. Templeton Global Growth Fund Ltd. (ABN 44 006 558 149) issues this document with the intention to provide general information only and not investment or financial product advice. It does not take into account the individual objectives, financial situation or needs of any recipient. Nothing in this update should be construed as investment advice. Franklin Templeton have exercised professional care and diligence in the collection of information in this recording. However, data from third party sources may have been used in its preparation and Franklin Templeton has not independently verified, validated or audited such data.

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