



TEMPLETON GLOBAL GROWTH FUND LTD

Quarterly Investment Manager's Report

DECEMBER 2015

INVESTMENT MANAGER

The Investment Manager of the Company's investment portfolio is Franklin Templeton Investments Australia Ltd. The Company's portfolio is managed in accordance with the investment philosophy of the Templeton Global Equities Group ("Templeton"), which forms part of the Franklin Templeton Investments group, a large U.S. based investment management organisation. Templeton is one of the pioneers in global investing and its successful investment philosophy has been refined over more than 70 years. The Templeton investment process endeavours to identify undervalued securities through fundamental company analysis, using a global industry focus and a long term investment horizon.

INVESTMENT APPROACH

Templeton's time-tested investment approach is based on its philosophy of value, patience and bottom-up stock selection. Templeton focus on the rigorous analysis of individual stocks across geographic borders and seek to identify companies trading at significant discounts to Templeton's estimates of future earnings power, cash flow generation and/or asset value. As independent thinkers with strong conviction in their investment ideas, they take an unconstrained approach to finding value.

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PERFORMANCE DATA¹ (AS OF 31/12/15)

Average Annual Total Returns

Templeton Global Growth Fund Ltd (AUD%)

	Quarter	1 Year	3 Years	5 Years	10 Years
Templeton Global Growth Fund Ltd (TGG) — Net of Fees ²	-0.2	5.5	19.4	13.7	4.0
MSCI All Country World Free Index ³	1.4	9.8	21.3	13.6	4.8

Net Tangible Assets (NTA) – Unaudited

	30 September 2015	31 December 2015
TGG share price (cents)	1.30	1.23
NTA per share before tax (\$) ⁴	1.40	1.39
Premium/(Discount) to NTA before tax (%)	(7.1)	(11.5)
NTA per share after tax (\$) ⁴	1.36	1.35
Premium/(Discount) to NTA after tax (%)	(4.4)	(8.9)

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 USD0.728 for December and USD0.702 for September.

QUARTERLY MARKET REVIEW

Global equity markets rose in 2015's fourth quarter, with developed-market equities outperforming their emerging-market peers. The rebound in the A\$ during the quarter (rising from 70.2c to 72.9c) crimped returns for Australian investors. By region, stocks in the United States and Japan advanced and outperformed global equities, while European equity markets lagged global equities. Uncertainty about the US Federal Reserve's (Fed's) monetary policy faded over the quarter, and hopes for additional stimulus measures from key global central banks further supported markets. At its December meeting, the Fed increased its federal funds target range, as committee members noted a considerable improvement in the US labor market and were reasonably confident that inflation will strengthen. During the same month, the European Central Bank (ECB) reduced its bank deposit rate but maintained its key lending rate, and the announcement was widely regarded as disappointing. In the United Kingdom, quarter-on-quarter economic growth slowed in the third quarter as manufacturing and construction activities declined. Japan's economy expanded in the third quarter as capital expenditures improved. At its December monetary policy meeting, the Bank of Japan decided to increase its exposure to long-term government bonds and add to its program of exchange-traded fund purchases. Among emerging markets, China's third-quarter economic growth slowed from the previous quarter, despite the central bank's stimulus measures. The People's Bank of China (PBOC) reduced its benchmark interest rate and the reserve requirement ratio for banks to boost the country's slowing economy.

QUARTERLY PERFORMANCE ATTRIBUTION

Templeton's value orientation remained out of favor during the quarter in a market consolidating around an increasingly narrow range of growth and momentum stocks. In this environment, stock selection in financials, consumer staples and telecommunication services detracted from relative performance. In financials, Italian lender UniCredit declined after an announced reorganisation intended to boost capital and returns failed to live up to investor expectations. However, we view the restructuring initiatives as positive in the context of our long-term investment horizon. While the environment remains challenging and near-term expectations have been reset lower, we note that UniCredit is making encouraging progress cutting costs, improving capital levels and bringing down provisions, potentially positioning the firm well for future profitability gains. The value case for UniCredit exemplifies the investment rationale for the broader European financials sector, where lowly valued firms have restructured, cut costs and provisions, and could benefit from a turn in the business or interest-rate cycle and any potential easing of crisis-era regulations.

In IT, US-based Knowles, the global market leader in acoustical components, performed poorly due to a disappointing earnings outlook as expectations for smartphone sales continued to decline. Additionally, the company completed the acquisition of a loss-making software company that will be initially dilutive to earnings. We think the issues surrounding a sluggish smartphone outlook with key customers and the recent acquisition will sort themselves out in the coming quarters. We also expect profitability to continue to improve as the company regains share with Apple (not a fund holding) and utilization reverts to normal levels.

Stock selection in health care contributed to relative performance for the quarter. Israeli generic drug-maker Teva Pharmaceutical Industries and US biotechnology giant Amgen were two of the top contributors. The outperformance of Teva Pharmaceutical, the world's leading generics company, was driven by strong operational results and the broader realization that the company's proposed acquisition of Allergan's (also a fund holding) generic drug business can unlock further value. Amgen was one of the sector's top performers, rebounding from one-year lows after improving sales drove better-than-expected earnings and contributed to management's decision to upgrade full-year forecasts. Amgen is an excellent example of the type of biotechnology company we favor: a lowly valued firm with strong cash-generating ability and an innovative pipeline offering products with limited competitive threats or demonstrable advantages over existing therapies. We have begun selectively reducing exposure on strength in what we believe are some of the portfolio's fairly valued health care stocks.

INVESTMENT OUTLOOK AND STRATEGY

A critical lesson that we have learned through six decades of investing in global equity markets is that returns generally tend to accrue to value strategies intermittently, with long-term performance a journey of peaks and valleys, setbacks and breakthroughs. At Templeton, we buy on market pessimism, and the market can remain at odds with our portfolios for a considerable stretch of time. But empirical evidence shows that historically when the value cycle has turned, it has often done so swiftly and abruptly. We think being properly positioned for these turns is essential to potentially capturing the long-term benefits of the value investment discipline. At the onset of 2016, we are witnessing historic extremes in the discount afforded to value relative to growth, quality and safety. While this environment has been (and may remain) painful to value investors like us for some time, we believe the eventual normalization of these extremes represents the most compelling opportunity in equity markets today, and our portfolios are positioned accordingly.

PORTFOLIO CHARACTERISTICS – TEMPLETON GLOBAL GROWTH FUND LTD (AS AT 31/12/15)

	TEMPLETON GLOBAL GROWTH FUND LTD	MSCI All Country World Free Index
Weighted Average Market Cap (AUD Million)	111,546	129,677
Number of Securities	116	2,491

Price to Earnings

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	14.3x	17.0x

Price to Cash Flow

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	6.2x	8.6x

Dividend Yield

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	2.8%	2.6%

Price to Book Value

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	1.3x	1.9x

PORTFOLIO DIVERSIFICATION – TEMPLETON GLOBAL GROWTH FUND LTD (AS AT 31/12/15)

Top Ten Holdings⁵

SECURITY	COUNTRY	INDUSTRY GROUP
MICROSOFT CORP	United States	Software and Services
SAMSUNG ELECTRONICS	South Korea	Technology Hardware & Equipment
NISSAN MOTOR CO	Japan	Automotive
COMCAST CORP	United States	Media
JPMORGAN CHASE	United States	Financials
HYUNDAI MOTOR CORP	South Korea	Automotive
AMGEN INC	United States	Pharmaceuticals, Biotechnology & Life Sciences
CITIGROUP INC	United States	Financials
TEVA PHARMACEUTICAL INDUSTRIES LTD	Israel	Pharmaceuticals, Biotechnology & Life Sciences
CRH PLC	Ireland	Construction Materials

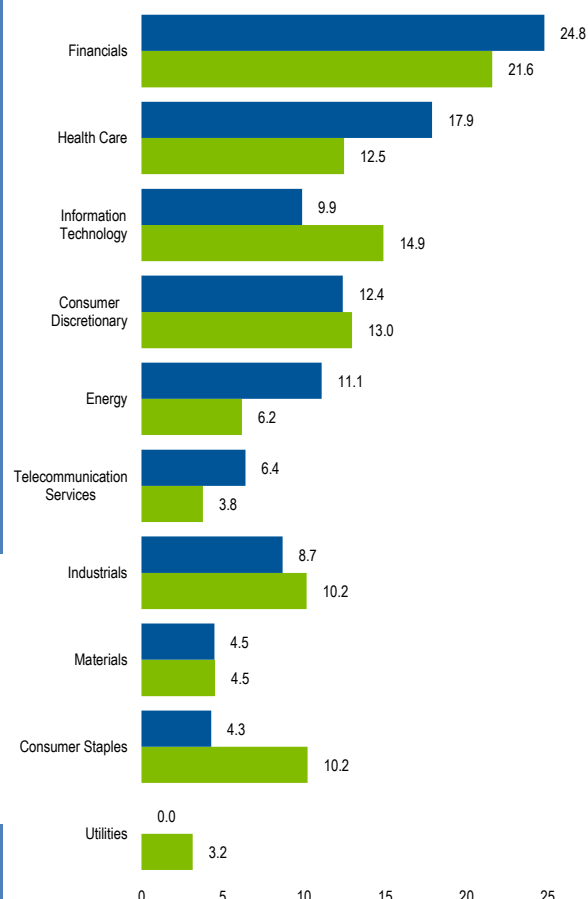
Country Allocation

The Company's portfolio of listed investments was spread over the following countries as at 31 December 2015.

COUNTRY	%	COUNTRY	%
BRAZIL	0.5	RUSSIA	0.3
CANADA	0.7	SINGAPORE	1.4
CHINA	4.9	SOUTH KOREA	5.9
FRANCE	8.9	SPAIN	0.5
GERMANY	6.5	SWEDEN	1.2
IRELAND	1.6	SWITZERLAND	4.5
ISRAEL	1.6	THAILAND	0.7
ITALY	1.6	TURKEY	0.4
JAPAN	5.7	UNITED KINGDOM	13.7
NETHERLANDS	3.6	UNITED STATES	33.0
NORWAY	0.7		

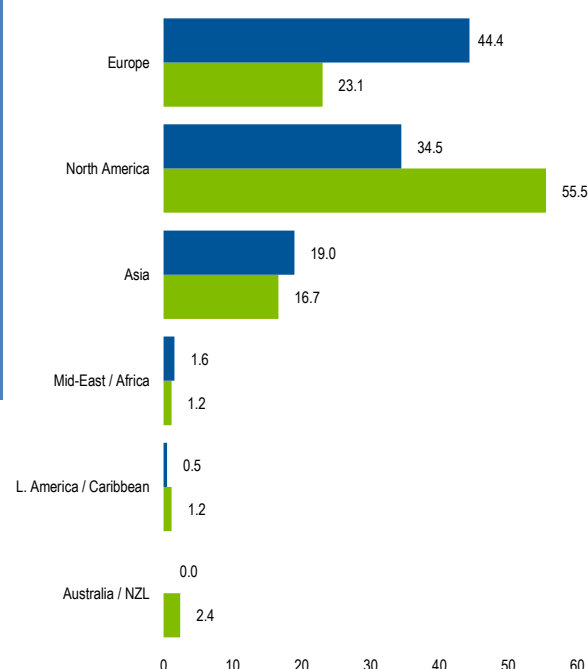
Portfolio Sector Weighting vs. MSCI All Country World Index (%)

Percent of Equity Ranked by Fund Weighting



Portfolio Regional Weighting vs. MSCI All Country World Index (%)

Percent of Equity Ranked by Fund Weighting

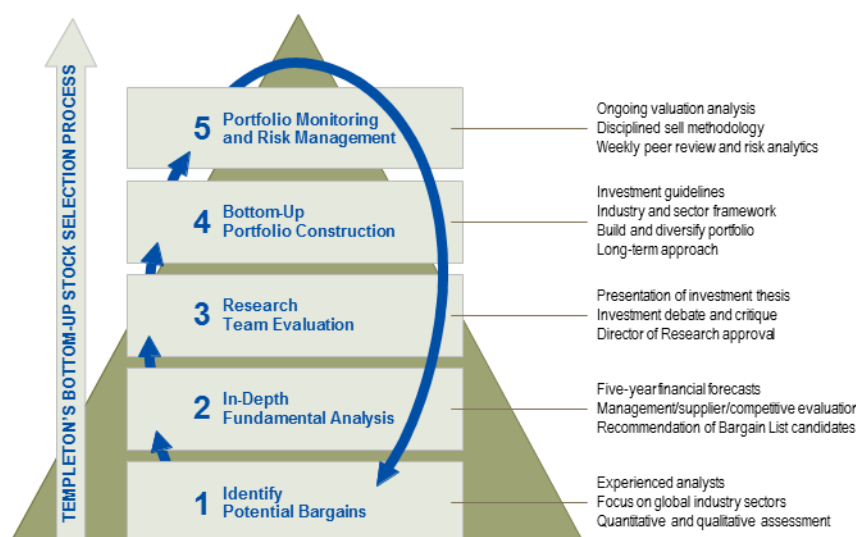


■ Templeton Global Growth Fund Ltd
■ MSCI All Country World Index

TEMPLETON INVESTMENT TEAM

TEMPLETON GLOBAL EQUITY MANAGEMENT TEAM	Years with Firm	Years Experience
Norman Boersma, CFA, Chief Investment Officer	24	29
Heather Arnold, CFA, Director of Research	10	31
Cindy Sweeting, CFA, Director of Portfolio Management	18	31
Peter Wilmshurst, CFA, Portfolio Manager/Research Analyst	17	22
TEMPLETON GLOBAL EQUITY TEAM	Number of Members	Average Years Experience
Portfolio Managers/Analysts	24	23
Research Analysts	14	10

TEMPLETON INVESTMENT PHILOSOPHY AND PROCESS



Templeton's Investment Philosophy

Templeton's investment philosophy is built upon a disciplined, yet flexible, long-term approach to value-oriented global and international investing. This time-tested approach is based on three tenets:

Value

Templeton seeks companies that it believes are trading at a discount to what their research indicates the company may be worth.

Patience

Security prices can fluctuate more widely than underlying security values. In Templeton's opinion, market efficiencies should recognise and correct these security prices over time.

Bottom-Up

Templeton identifies value through rigorous fundamental analysis of a company's business to determine what we consider its economic worth based on projected future earnings, cash flow or asset value potential.

COMPLIANCE STATEMENT AND OTHER INFORMATION

Benchmark: The MSCI AC World Free 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:

- Periods of more than one year are annualised.
- 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.
- 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.
- Estimated tax on unrealised gains.
- 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.

IMPORTANT LEGAL INFORMATION

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

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