

Templeton Global Growth Fund Ltd
Shareholder Briefing
March 2016

Templeton Global Growth Fund Ltd

Agenda

- Key Results
- TGG Director commentary
- Investment Manager presentation
- Q & A

Templeton Global Growth Fund Ltd

KEY RESULTS

- Profit from Ordinary Activities after tax for the period ended 31 Dec:
 - 2015: \$1,054,749
 - 2014: \$1,004,291
- Final dividend of 4.1 cents per share paid 25 September 2015:
 - 0.7 cents per share fully franked
 - 3.4 cents per share unfranked

 - No interim dividend was declared by the Directors

Templeton Global Growth Fund Ltd

KEY RESULTS

- Net tangible assets per share (before tax) of \$1.39 at 31 Dec 2015 (2014: \$1.42) and after payment of 4.1 cents per share dividend in September 2015.

Templeton Global Growth Fund Ltd

Director Commentary

- Share Price Performance
 - Investment Performance
 - Capital Raising
 - Discount to NTA
 - ✓ Share Buy-Back
 - ✓ Weekly Estimated NTA

Templeton Global Growth Fund Ltd

Director Commentary

- Shareholder Communications
- Expense Management
- Dividend Policy
- Remuneration Report



Templeton Global Growth Fund

Shareholder Briefing – March 2016

PETER WILMSHURST, CFA®
EVP/Portfolio Manager/Research Analyst
Templeton Global Equity Group



All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments; investments in emerging markets involve heightened risks related to the same factors. To the extent a strategy focuses on particular countries, regions, industries, sectors or types of investment from time to time, it may be subject to greater risks of adverse developments in such areas of focus than a strategy that invests in a wider variety of countries, regions, industries, sectors or investments.

What ails the market? 4 Cs and a D.

A Time for Value? The Best of Times, The Worst of Times.

TGG's Portfolio

- European recovery
- Still a focus on Financials, Energy and Health Care

Credit

Commodities

Currency

China

China: Why China is Devaluing

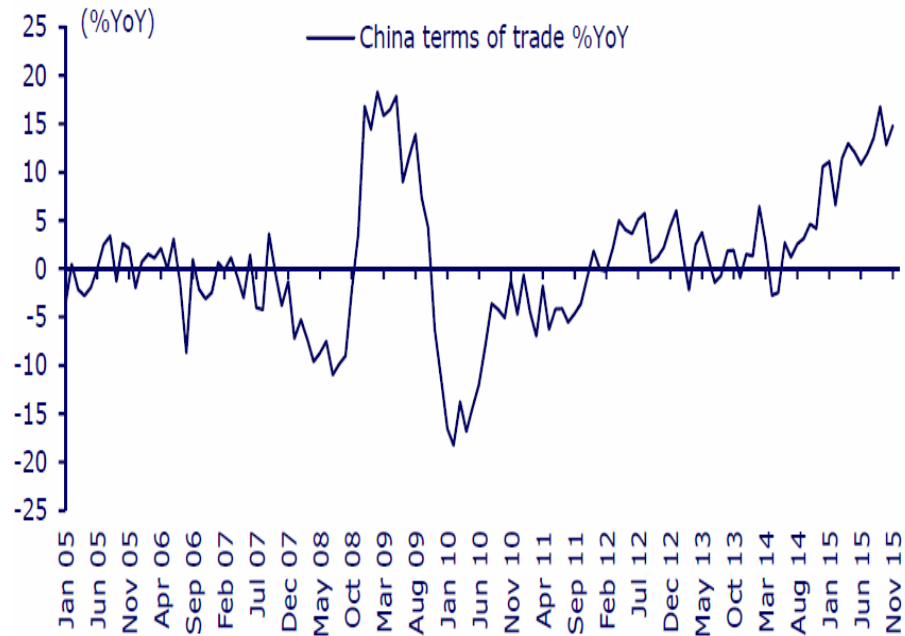


Chinese Real Effective Exchange Rate
January, 1994 to January 2016



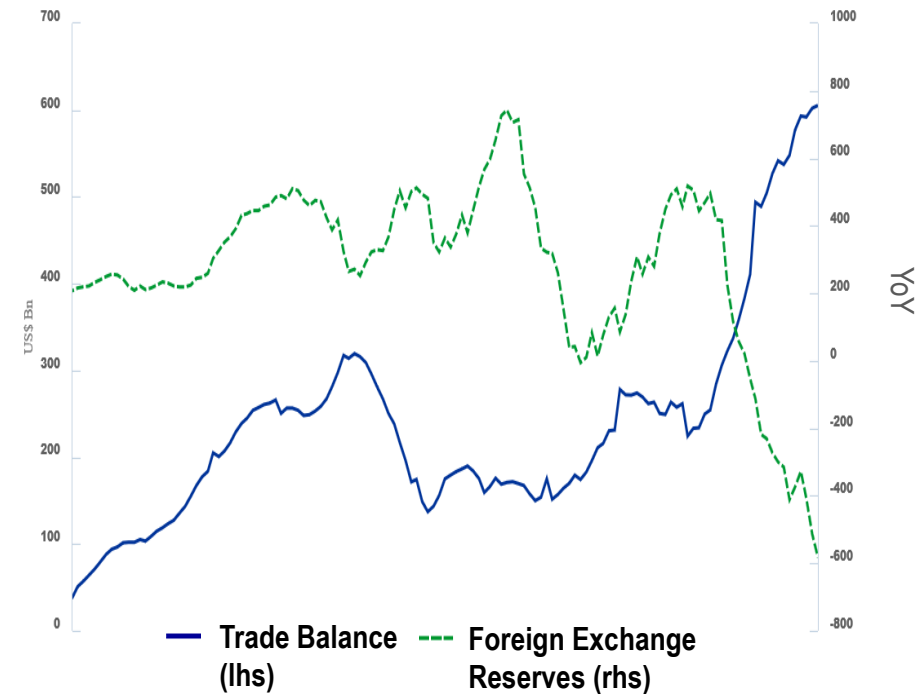
Real Effective Exchange Rates (REERs) are inflation-adjusted, trade-weighted currency indices. 2010=100.
Source: Bank for International Settlements (BIS).

Chinese Terms of Trade January, 2005 to November, 2015



Source: CLSA, Datastream, CEIC Data, National Bureau of Statistics.

Chinese Trade Balance¹ vs. Change In Forex Reserves² January, 2005 to January, 2016



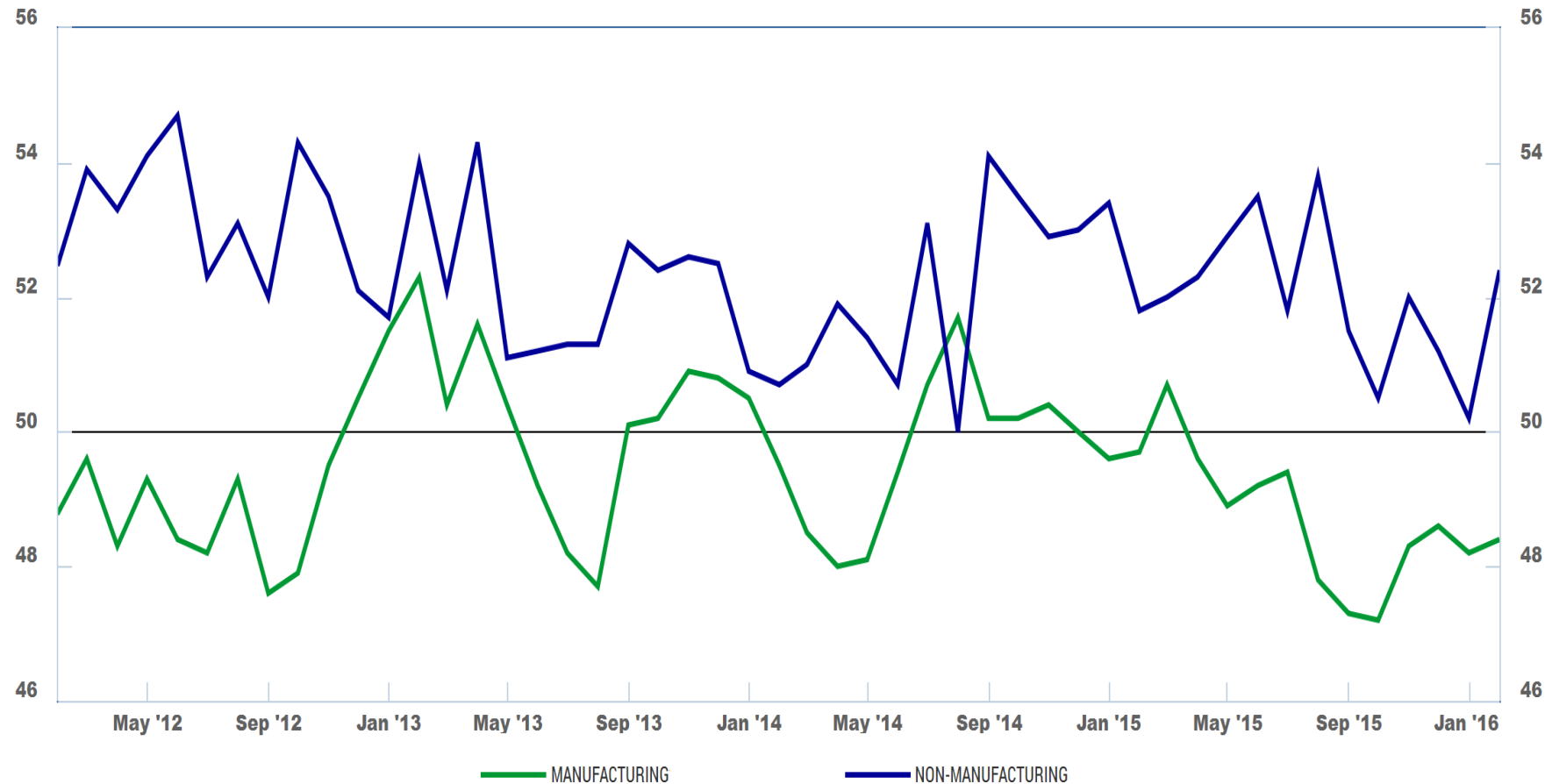
¹ 12 month moving total.

² Annual change.

Source: BCA.

China: Non-Manufacturing Still Growing

China Caixin PMI
January, 2012 to January, 2016

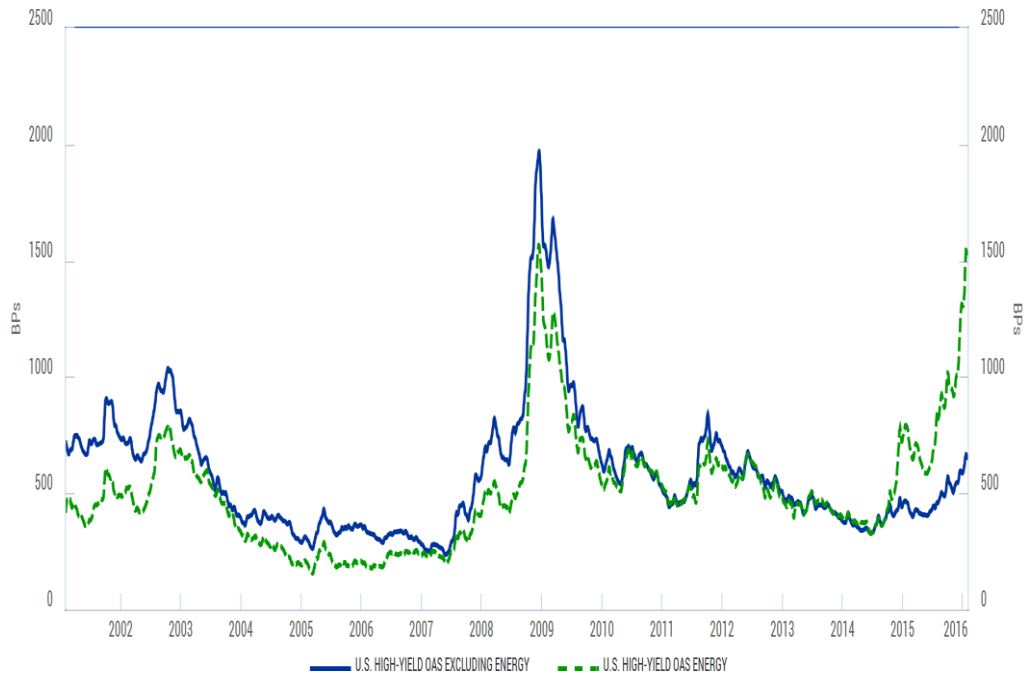


Source: BCA Research, Markit Economics.

Credit: Rising Spreads in High Yield Bonds; Dealers are Holding Less Inventory

US High Yield Option Adjusted Spreads

January, 2001 to January, 2016

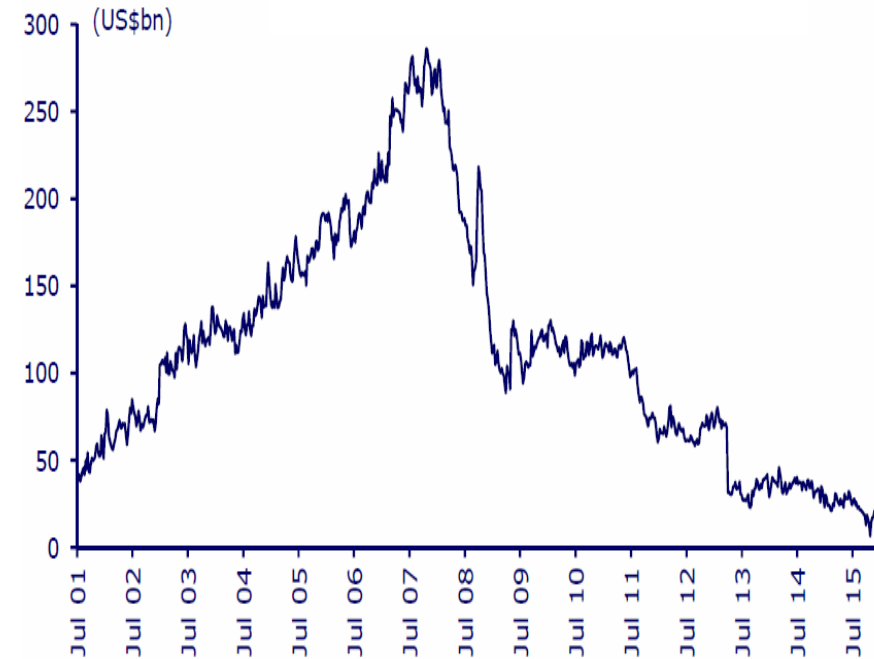


Shown smoothed except for latest data point.

Source: BCA Research, Barclays.

US Primary Dealers' Net Holdings of Corporate Debt

July, 2001 to December 2015



Data is split into two periods (July 2001 to March 2013, and April 2013 to now) due to changes in data structure. Includes commercial paper.

Source: CLSA, New York Federal Reserve.

Credit: Father Of The “Black Swan” Feeling Fine About Banks



Nassim “Black Swan” Taleb on the Real Financial Risks of 2016

Wall Street Journal – 31st December, 2015

“First, worry less about the banking system. Financial institutions today are less fragile than they were a few years ago.”

“... since 2009, banks have been shedding their exposures to extreme events.”

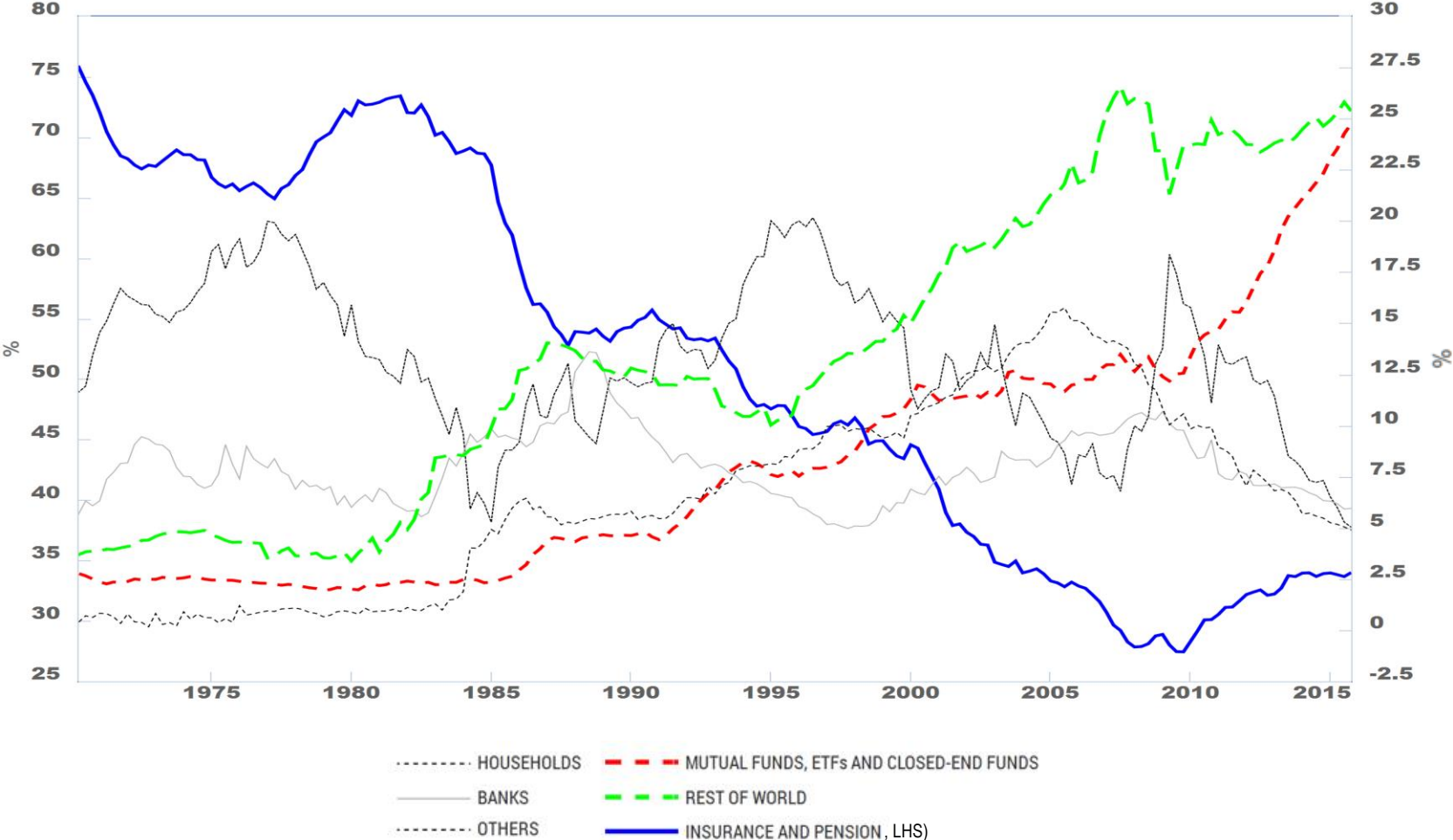
“... another Lehman Brothers isn’t likely to happen with banks...”

Credit: Leveraged Players Are Not The Key Holders of Corporate Bonds



US Corporate and Foreign Bonds Held

March, 1970 to September 2015



Source: BCA Research.

Credit: Financial Conditions Tightening On Rising Spreads And USD

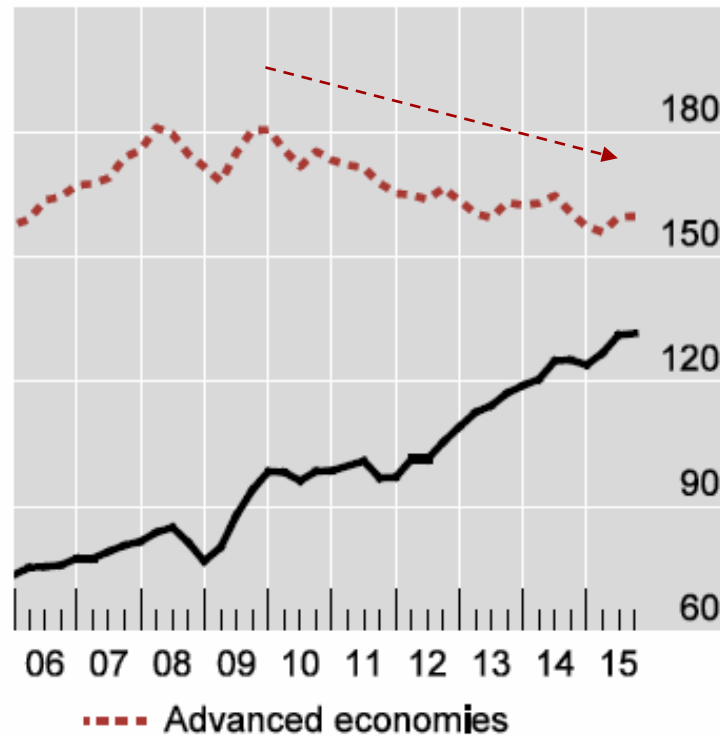
Goldman Sachs Financial Conditions Index *1996 to 2016*



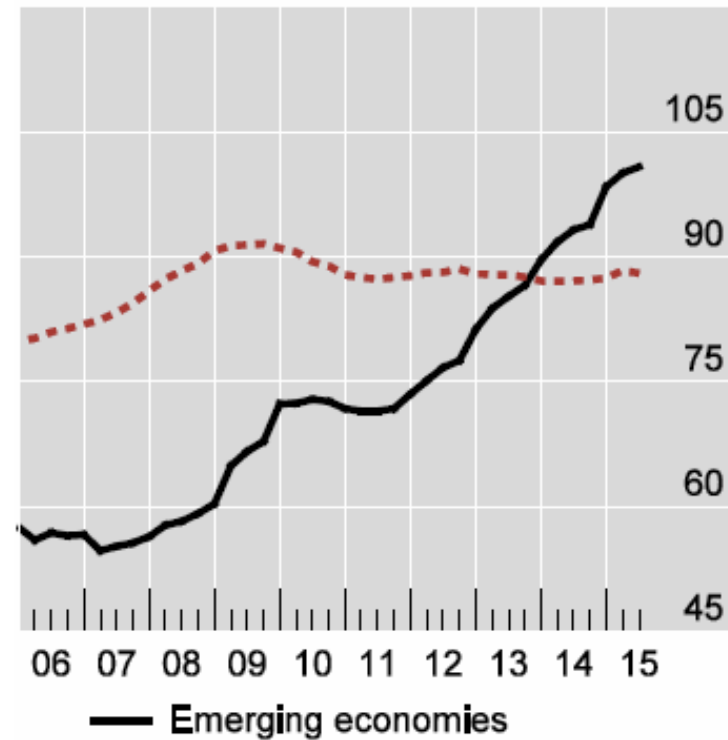
Credit: Emerging Market Private Debt Up; Advanced Economies Down

Private Credit in Emerging and Advanced Economies, % nominal GDP 2006 to 2015

Non-financial private sector debt¹



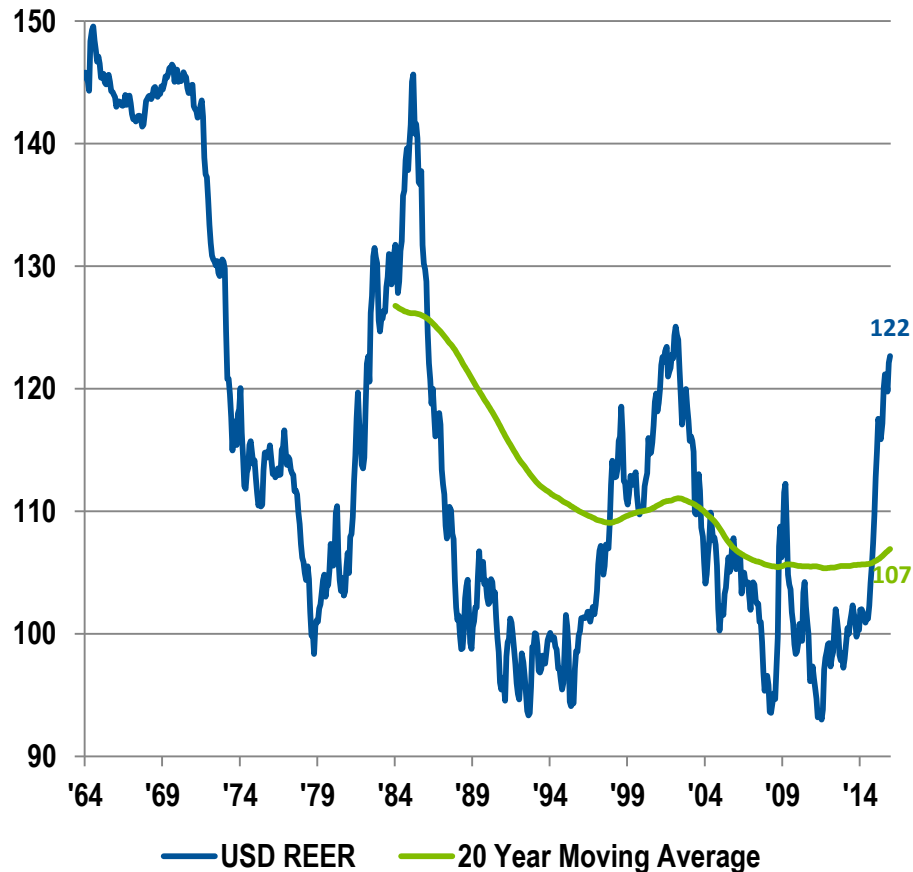
Non-financial corporate debt²



Currency: Combination of Greater USD Debt and a Strengthening Dollar

US Real Effective Exchange Rate¹

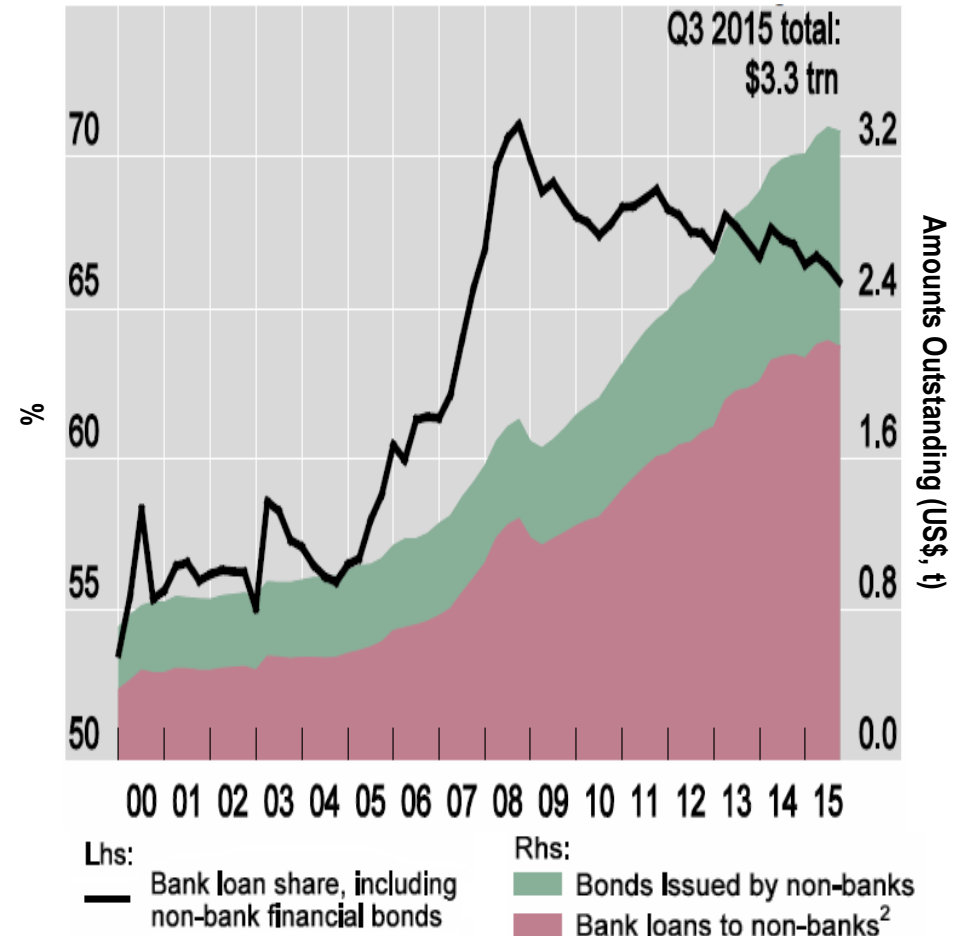
January, 1994 to January, 2016



¹ Source: BIS. ² Source: BIS, national data.

USD Debt to EM Non-Banks²

2000 to 2015



Commodities: Trillions Transferred From Producers to Consumers

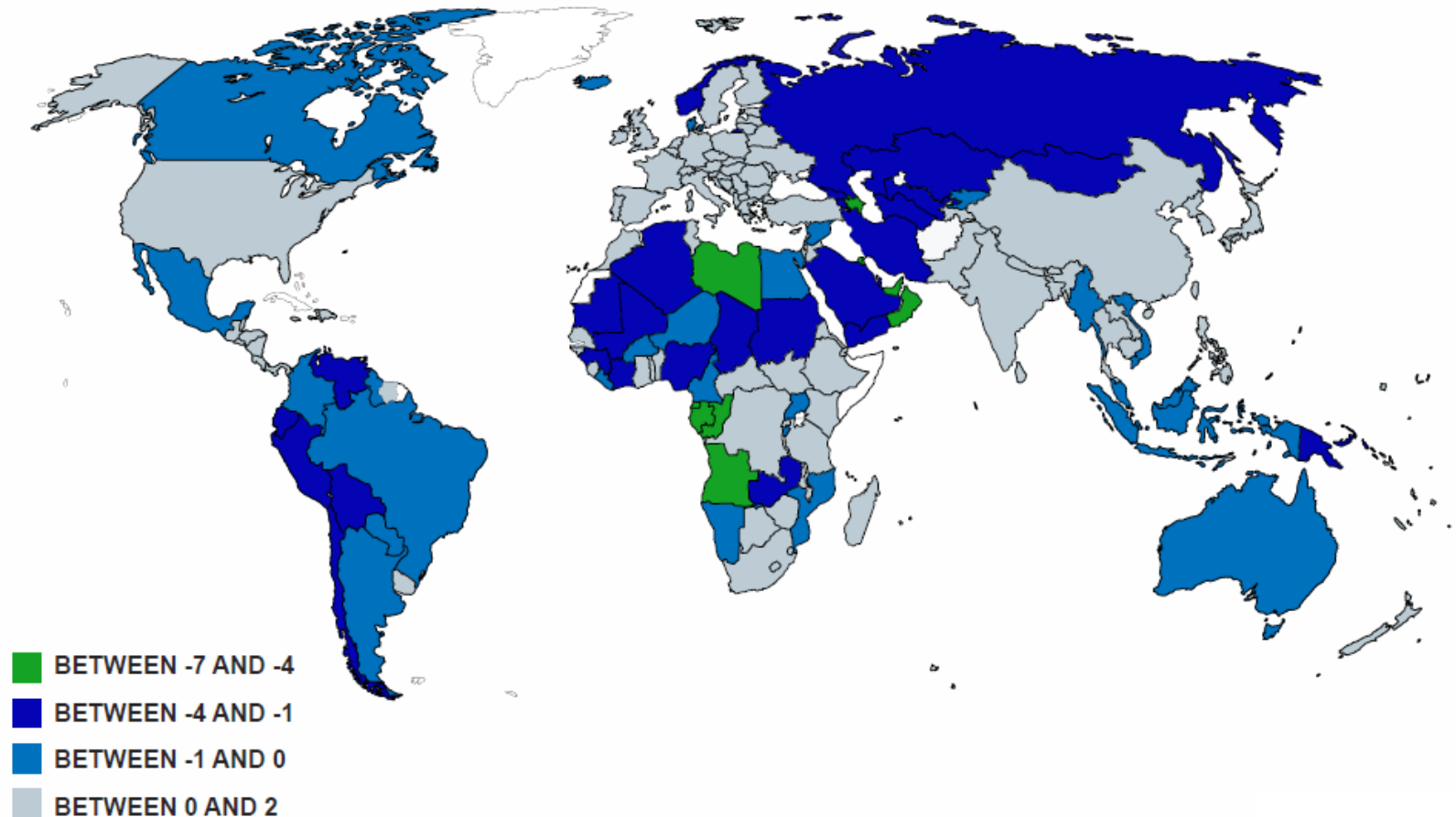
Estimated Fall in 2016 Commodity Revenues Due to Price

Spot Prices as at 24th February, 2016

Commodity	Est. 2016 Production	Avg price 2011-2013 (USD)	Spot Price (24 th Feb 16)	2016 Revenue @ '11 - '13 avg price (US\$, b)	2016 Revenue @ spot (US\$, b)	Difference (US\$, b)
WTI Oil	35.4b bbls	96/bbl	32/bbl	3,389	1,140	-2,249
Thermal Coal	6.1b t	101/t	53/t	615	326	-289
Iron Ore	1.4b t	144/t	46/t	202	64	-138
Coking Coal	1.1b t	198/t	73/t	210	80	-130
Copper	22.8m t	8,033/t	4,664/t	183	106	-77
Aluminum	59.6m t	2,119/t	1,576/t	126	94	-32
Nickel	1.9m t	18,487/t	8,675/t	36	16	-20
Total						-2,935

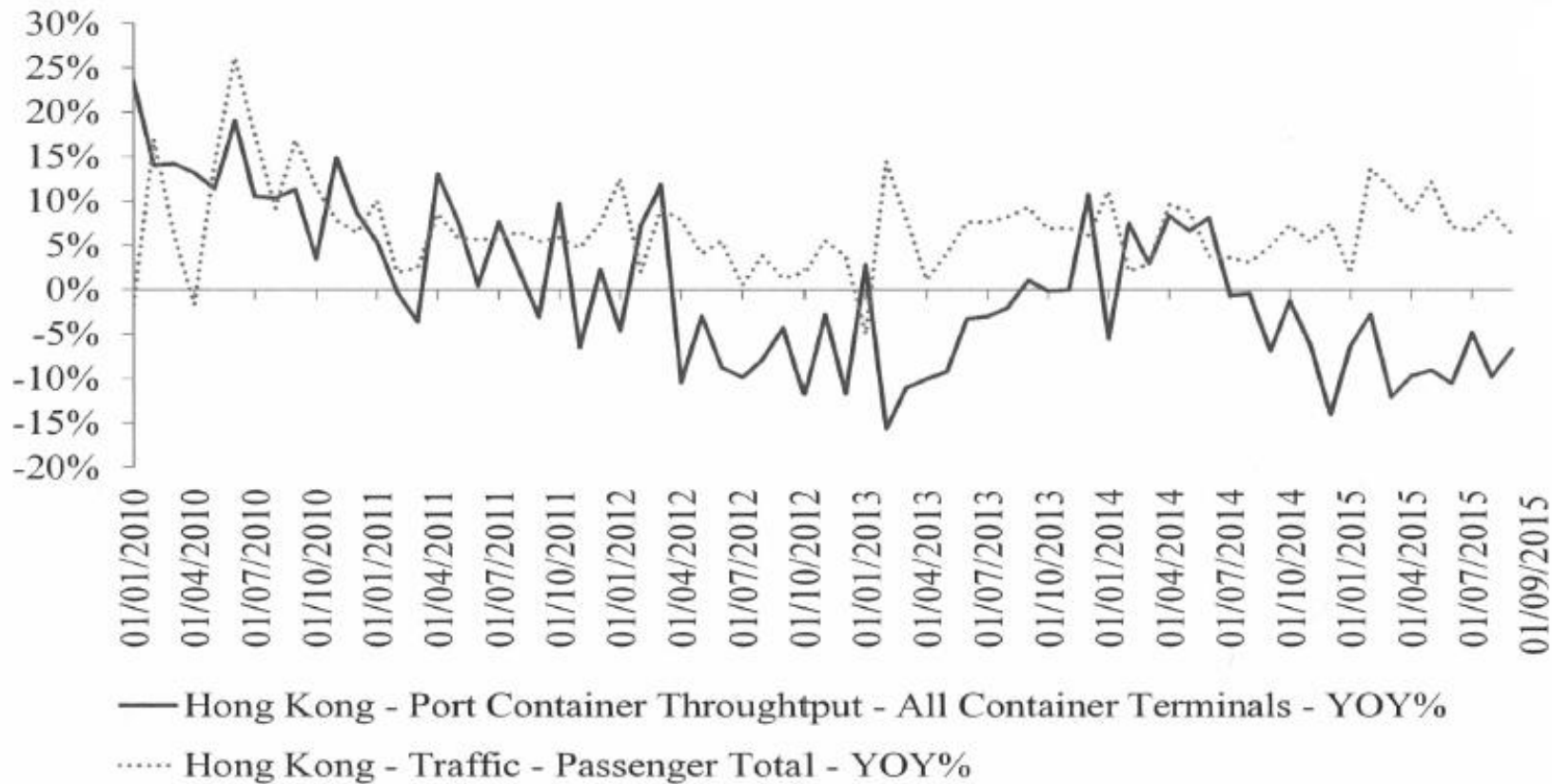
Commodities: Trade Deceivingly Worrying

Change in Trade Balance, % of GDP 2014



Commodities: Empty Port, Full Airport

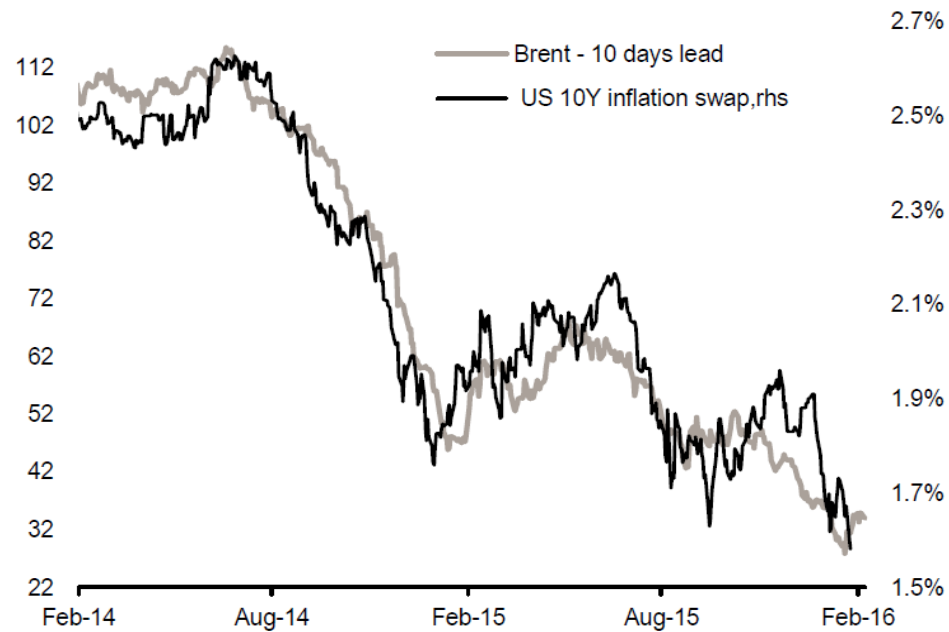
Hong Kong Container Traffic vs. Hong Kong Passenger Traffic
January, 2010 to September, 2015



Deflation: Inflation Has Tracked Oil; And NIRP, the New ZIRP

Oil Price vs. US 10 Year Inflation Swap

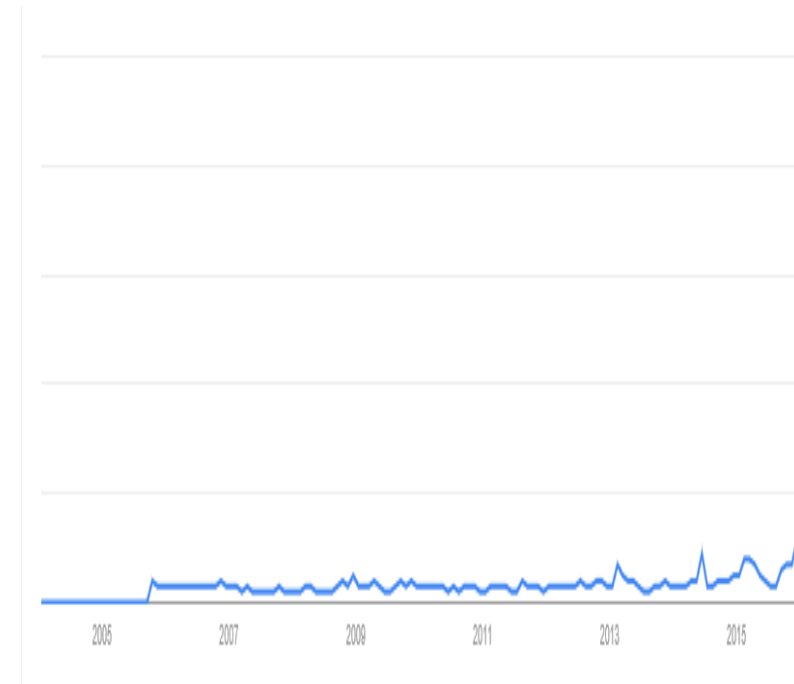
January, 2014 to January, 2016



Source: Thomson Reuters, Credit Suisse.

Google Trends: Negative Rates

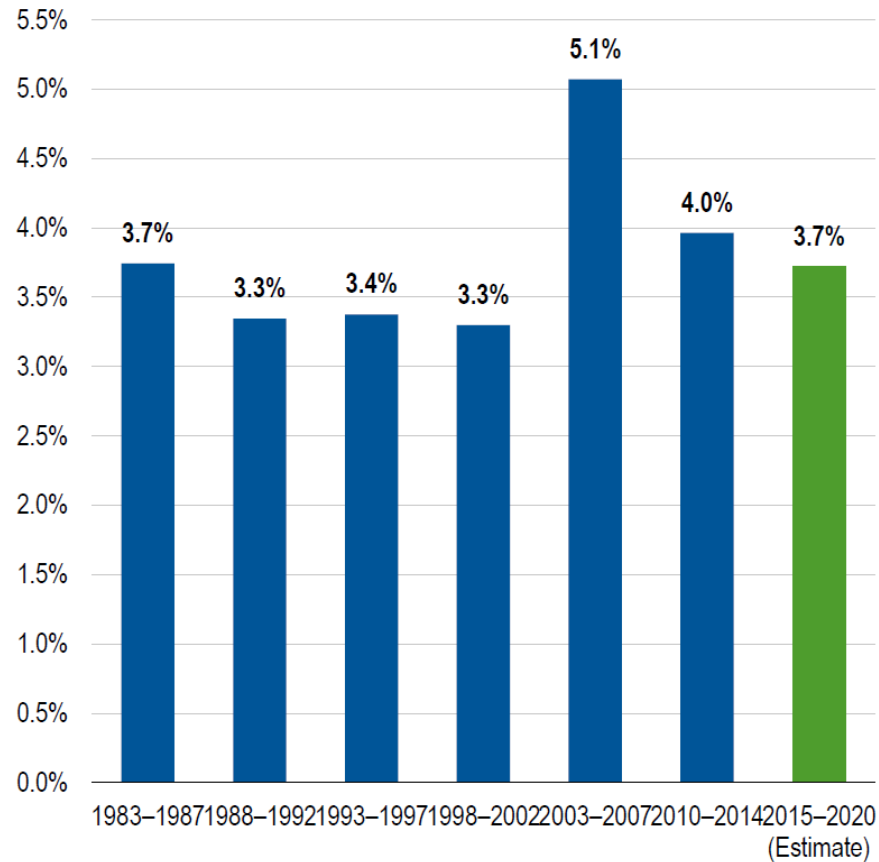
January, 2004 to February, 2016



Partial data for February 2016.
Source: Google Trends.

Deflation: Global Growth Surprisingly Stable; Core Inflation On The Rise

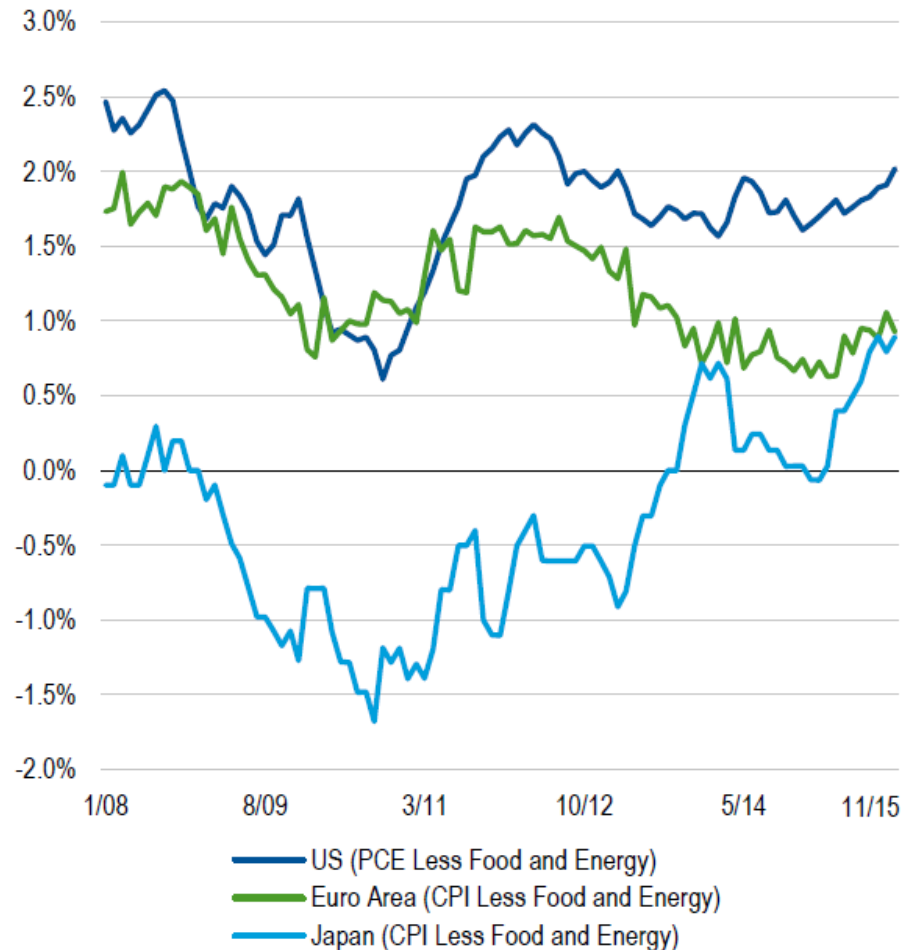
Global GDP Growth (% PPP)¹
1983 to 2020E



¹Source: IMF.

²Source: US Bureau of Labor Statistics, Eurostat, Statistics Bureau (Japan)

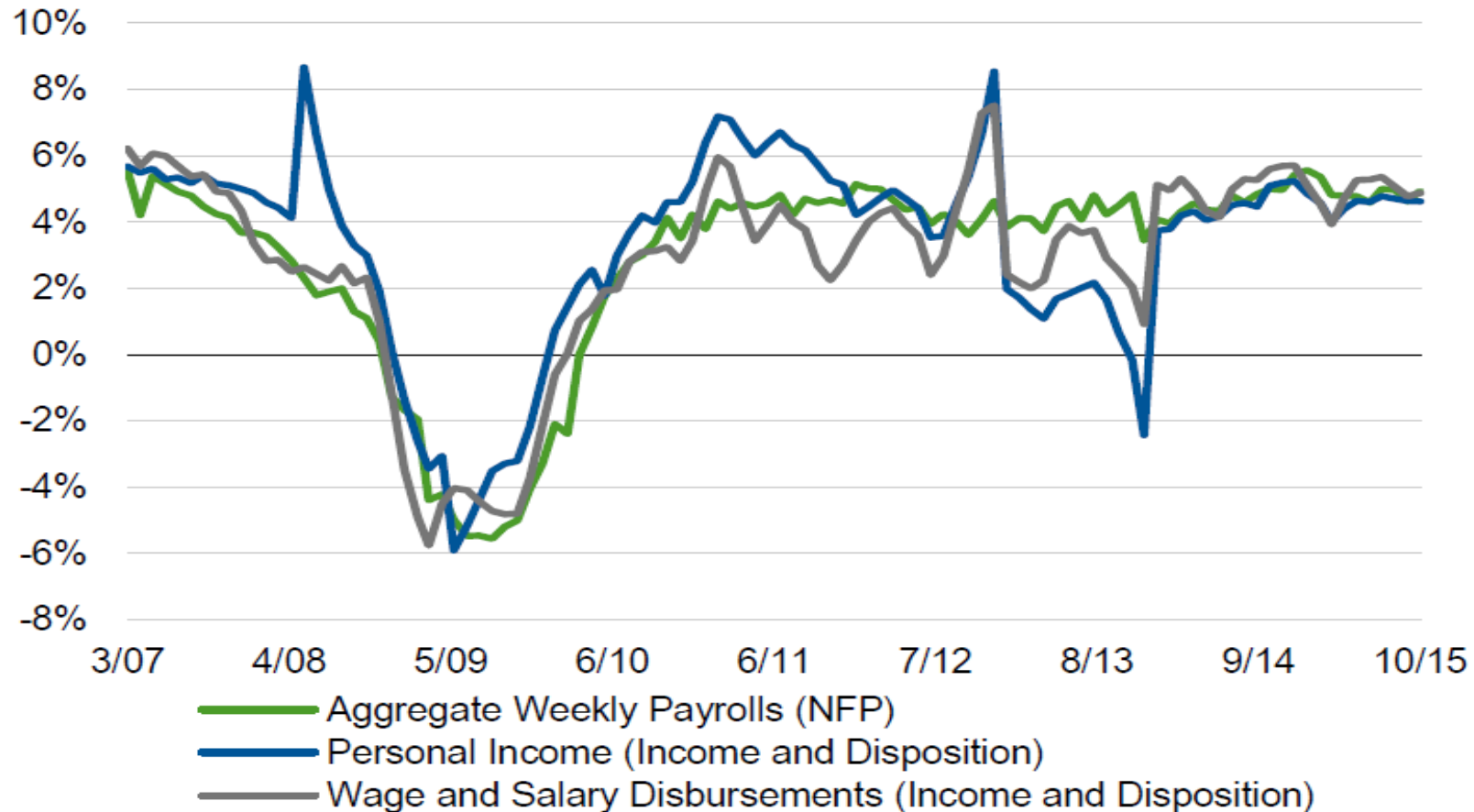
G3 Core Inflation (% YoY)²
January, 2008 to November 2015



Deflation: US Wage Growth

Nominal Income Annual Growth

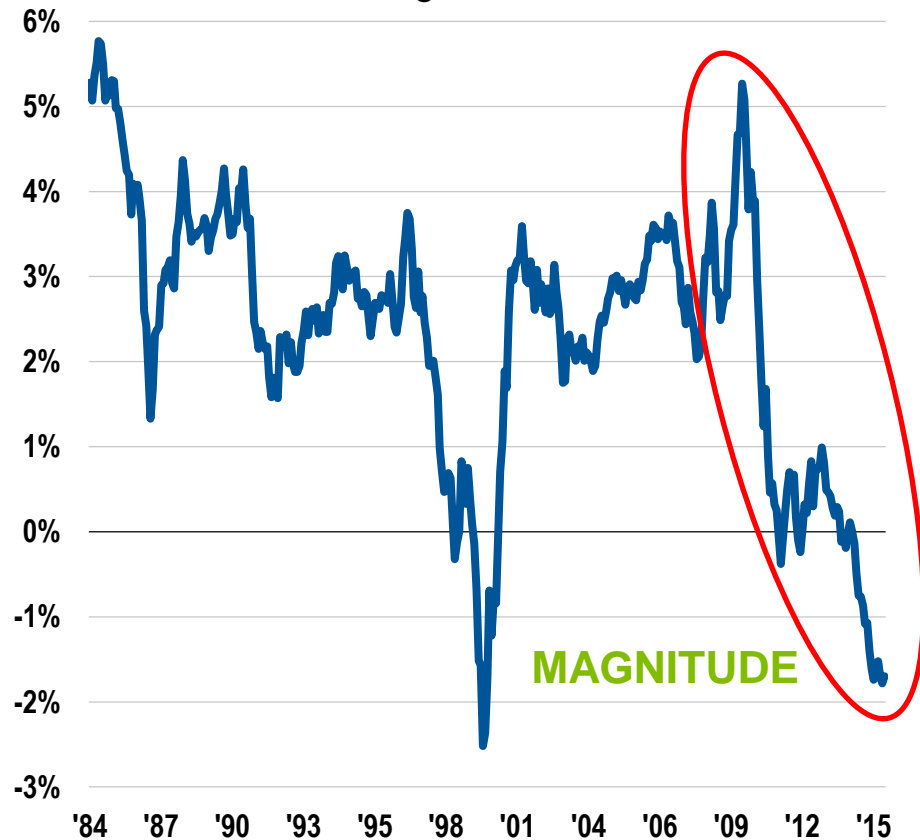
March, 2007 to October, 2015



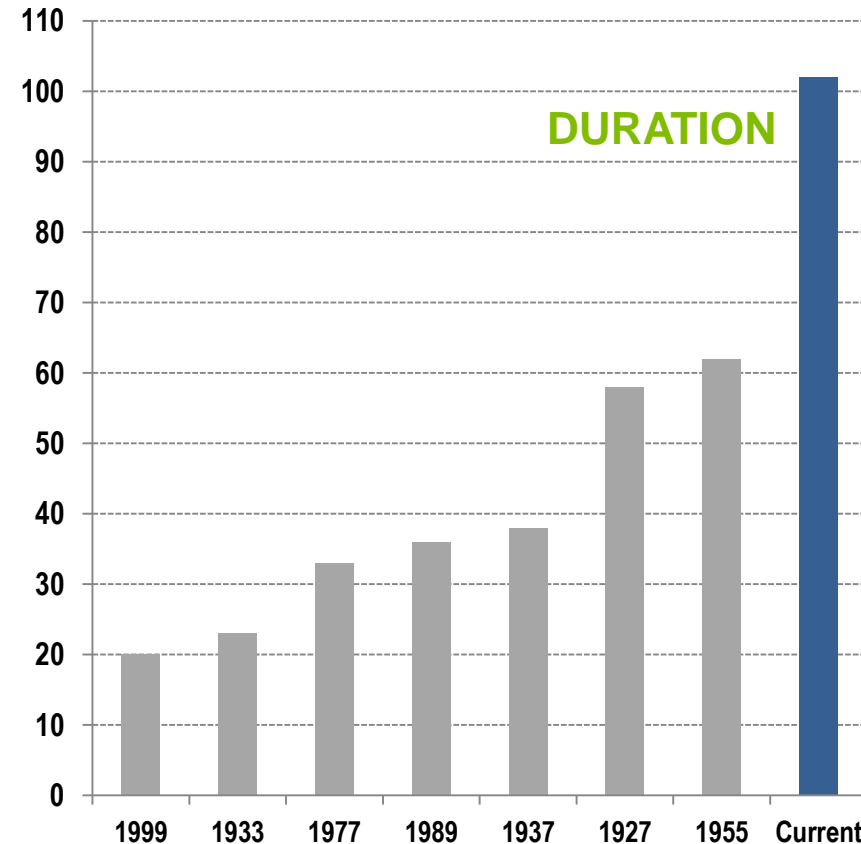
An Unprecedented Dry Spell for Value

Relative Performance Global Value vs. Global Growth¹

To August, 2015



Length of Previous Periods: Value Underperforming Growth²



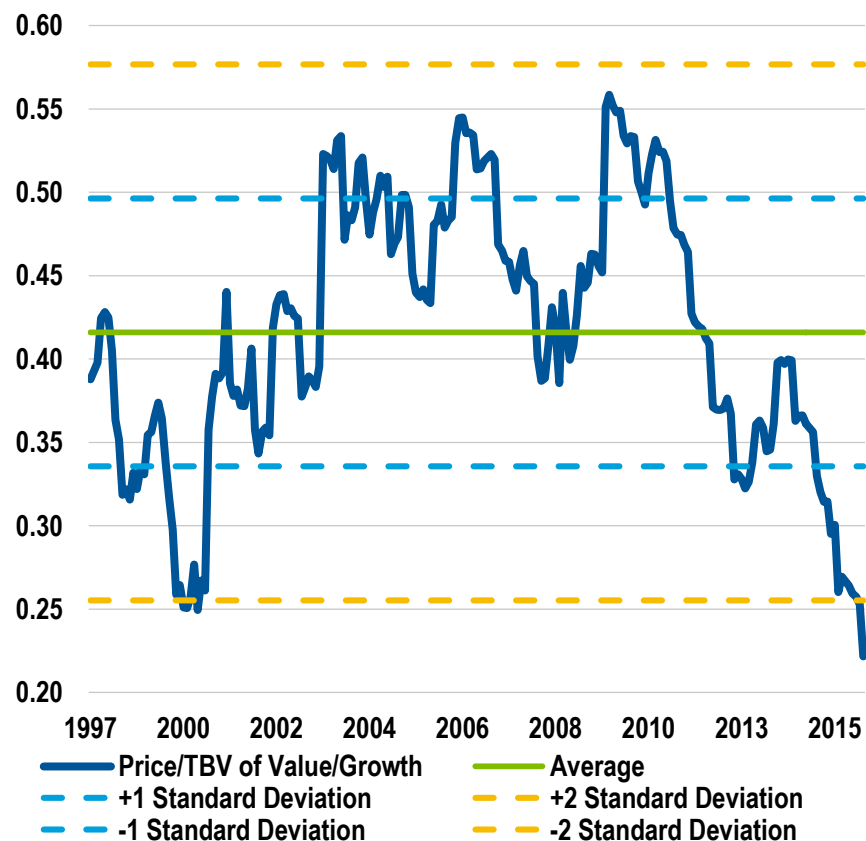
¹ Source: Factset. Data as of 31/08/15. Rolling 10yr annualised excess returns of MSCI World Value Index vs. MSCI World Growth Index.

² Source: Fama & French, Kempen Capital Management. US stocks only.

Valuation Gap is Extreme

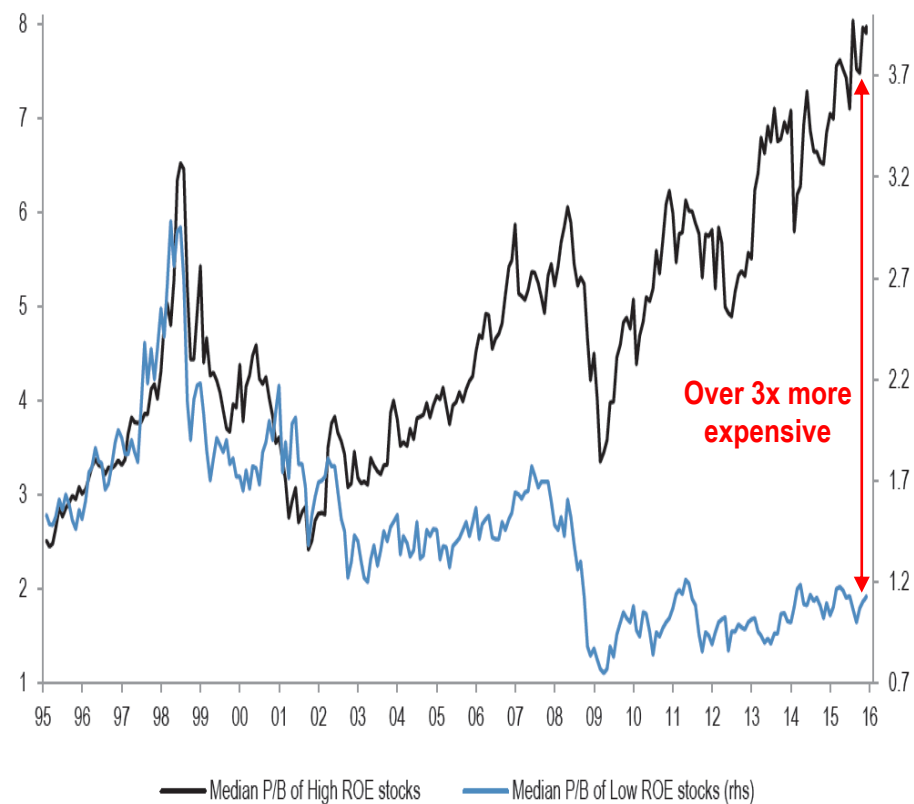
Price to Tangible Book Value: MSCI World Value vs. MSCI World Growth¹

To December, 2015



Price to Book Value: Quality Stocks vs. Value Stocks²

To December, 2015

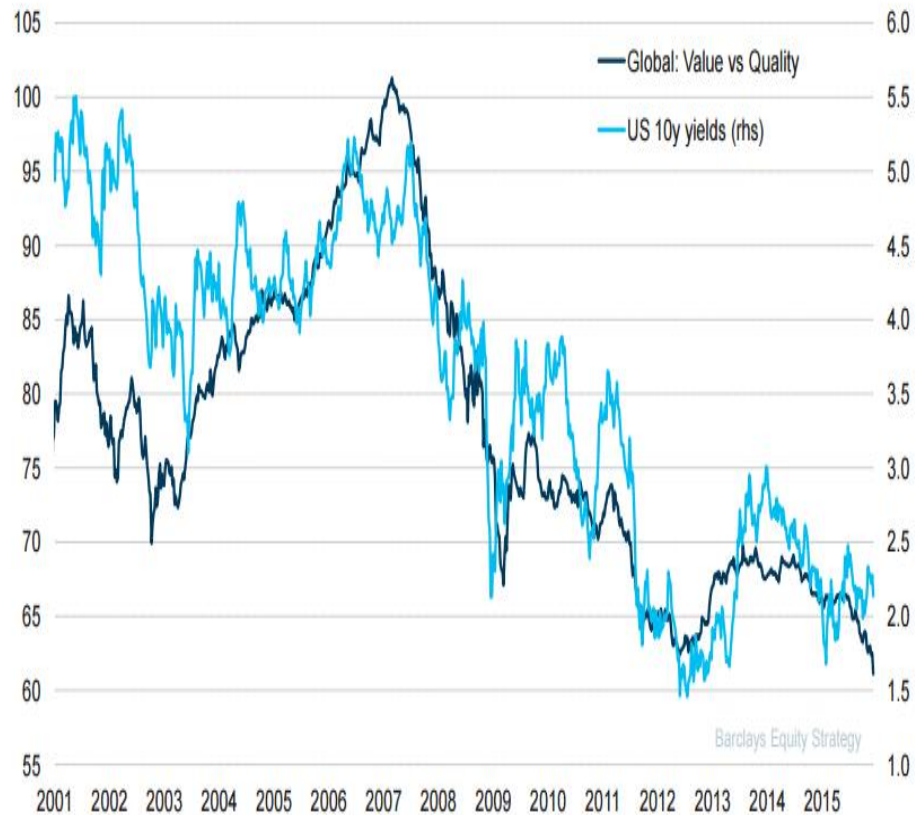


¹ Source: Bloomberg. Data as of 12/31/15.

² Source: Datastream, J.P. Morgan, December 2015

When the Economy Strengthens, Value Stocks Perform Better

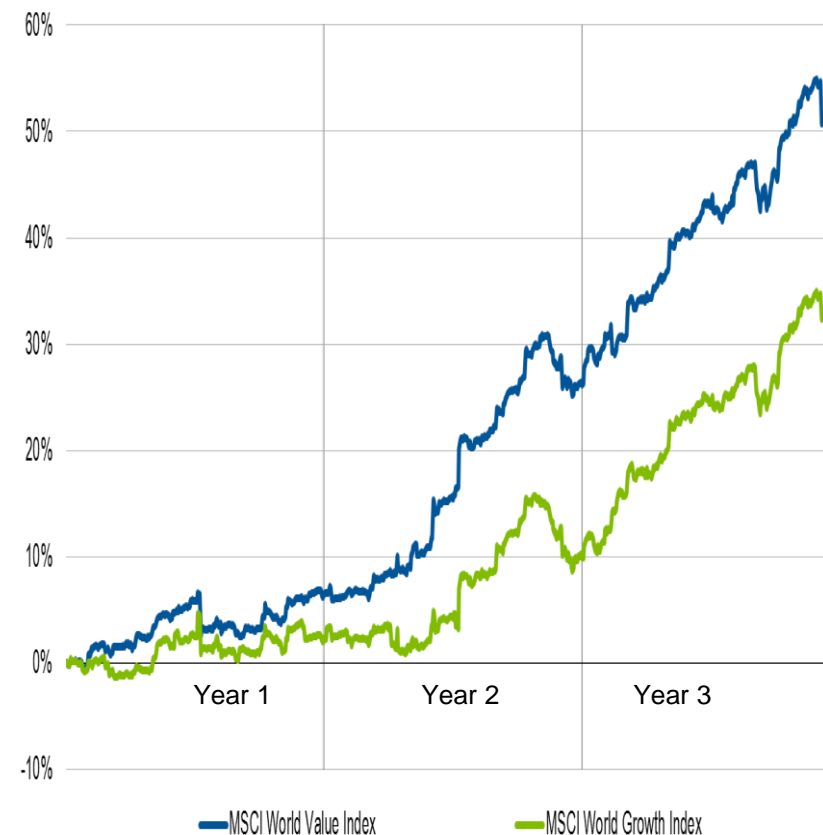
Global Value vs. Growth Has Closely Tracked US 10 Year Yields¹ To 2015



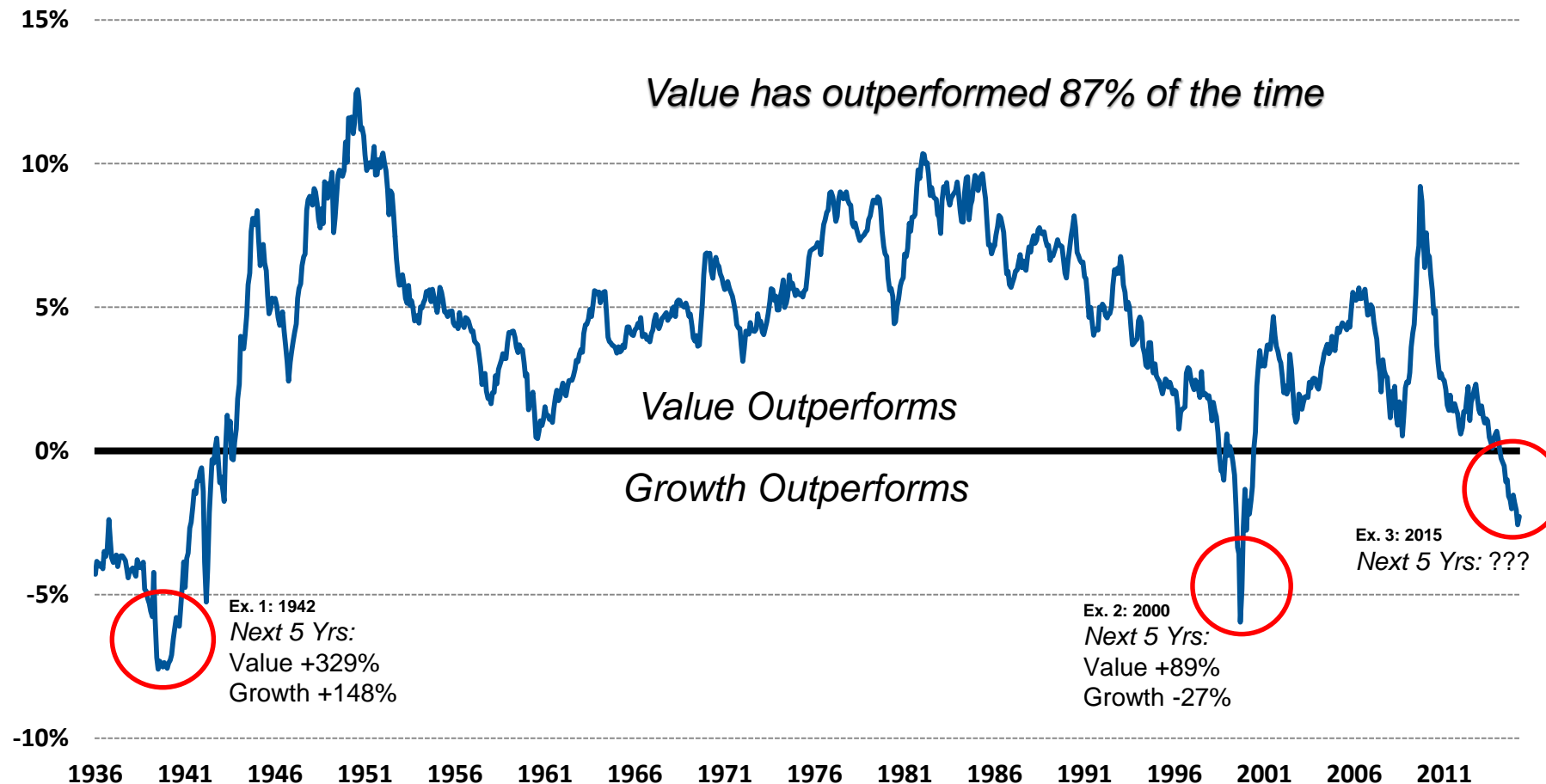
¹ Source: Barclays.

² Source: Calculations by Franklin Templeton Investments using data sourced from FactSet.

Average Cumulative 3-Year Total Return After Fed Liftoff² Six Periods From 1974 to 2007

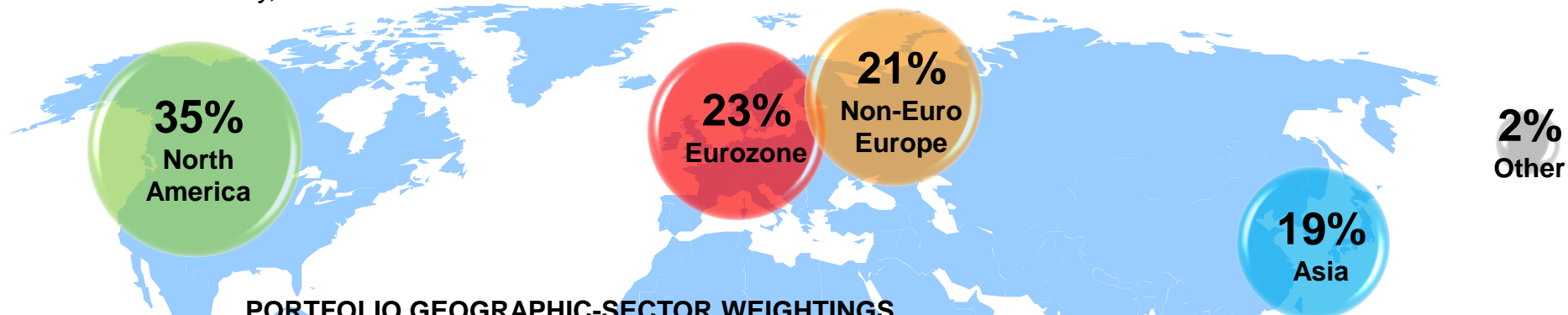


Value vs. Growth: Excess Return, 10 Year CAGR To October, 2015



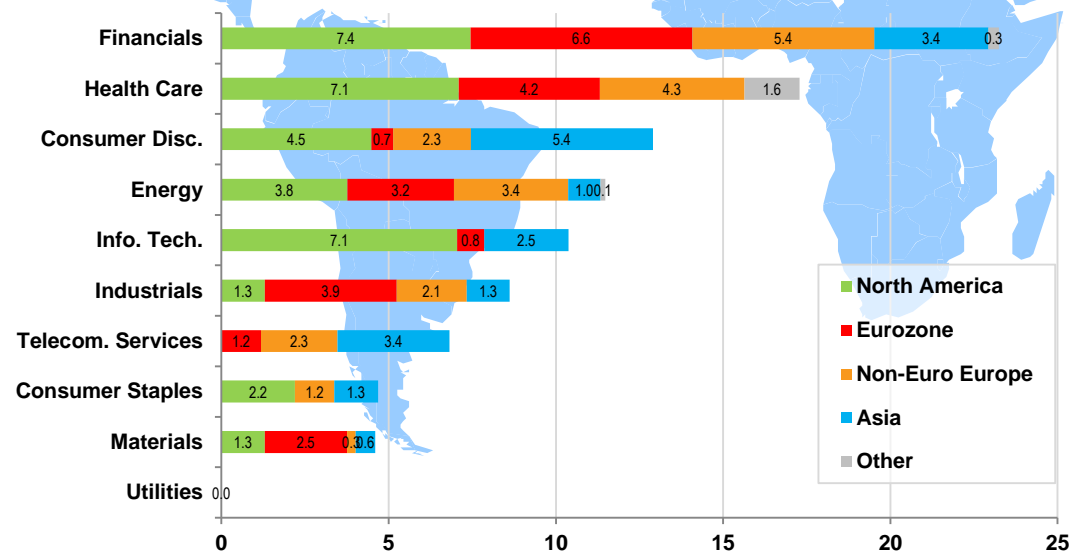
Templeton Global Growth Fund – Weights

As of 31st January, 2016

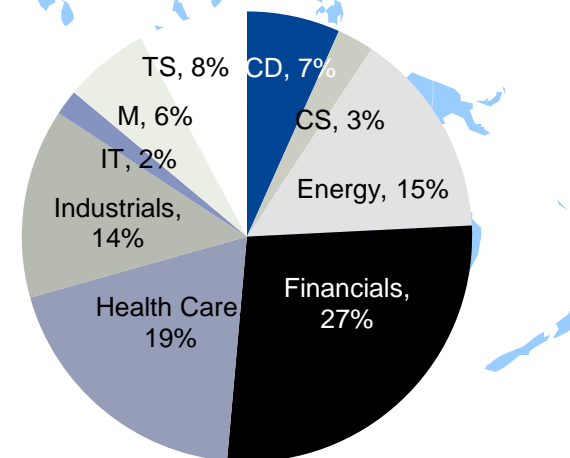


PORTFOLIO GEOGRAPHIC-SECTOR WEIGHTINGS

As At 31st January, 2016



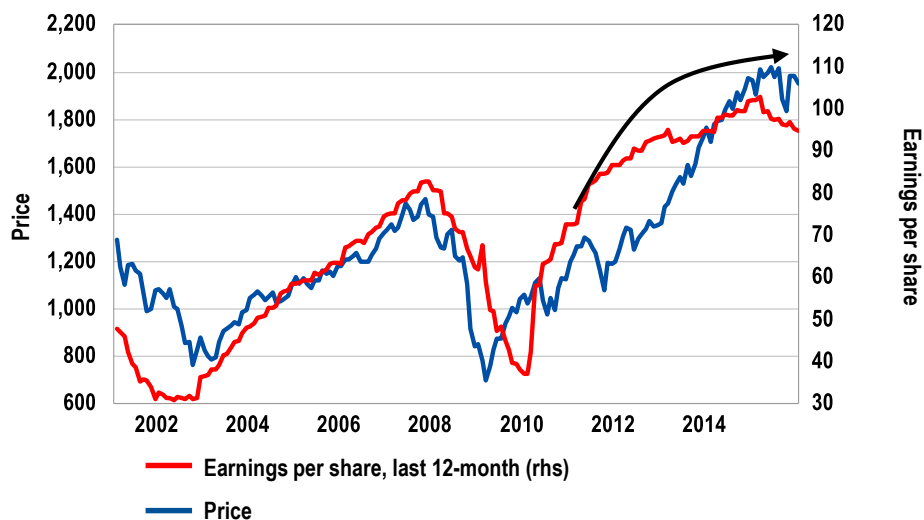
EUROPE SECTOR SPLIT



Regional Differences in Earnings Cycles and Valuations

U.S. Earnings at All Time Highs MSCI USA Index

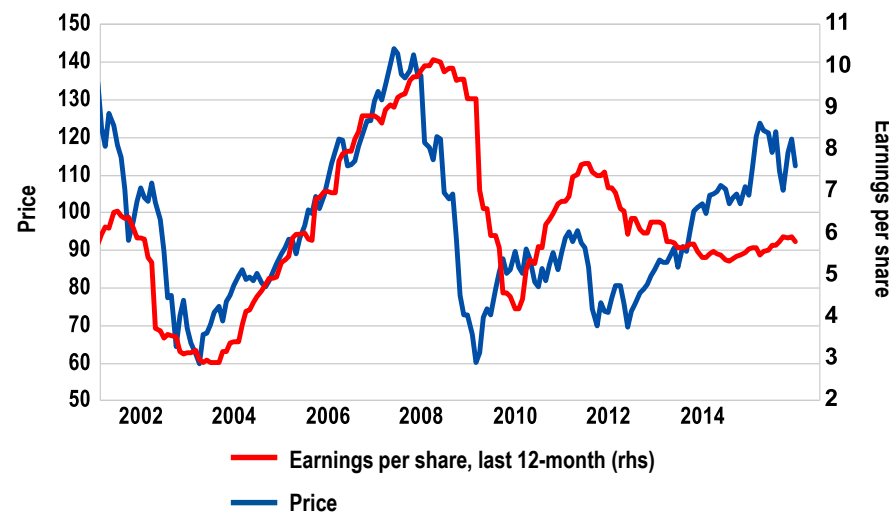
31st January, 2001 to 31st December, 2015



	Current (December 31, 2015)	Long Term Average (Since Jan. 1980)
P/TE	19.3x	18.1x
P/B	2.8x	2.6x
Earning Trend	Rising	
Opportunities	Some	

Eurozone Earnings Poised to Rise MSCI EMU Index

31st January, 2001 to 31st December, 2015

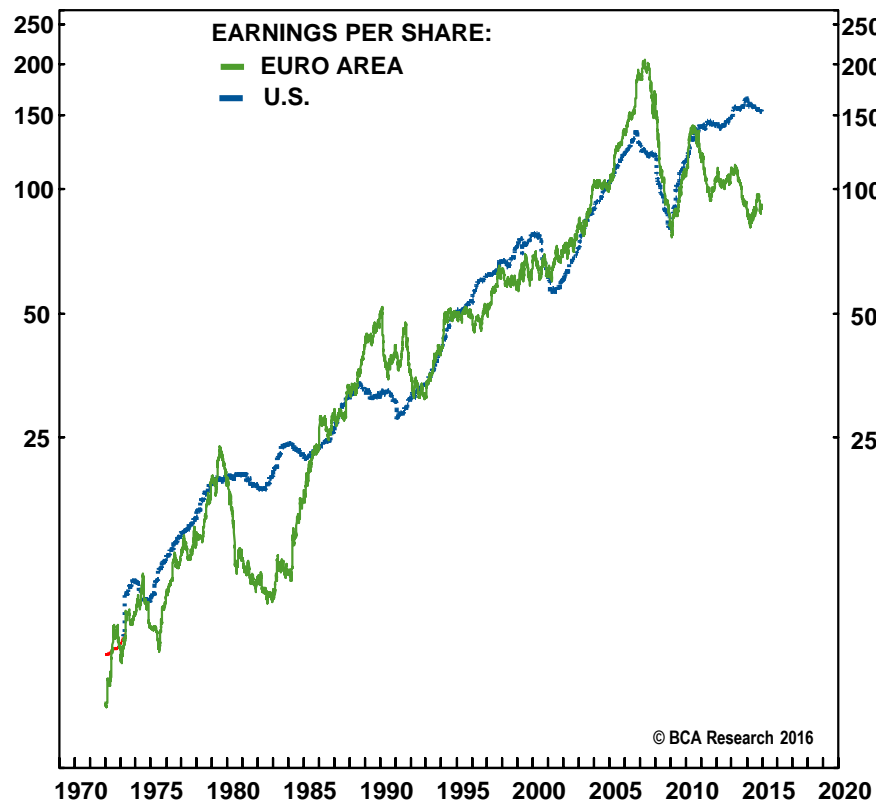


	Current (December 31, 2015)	Long Term Average (Since Apr. 1998)
P/TE	12.1x	17.9x
P/B	1.6x	2.0x
Earning Trend	Poised to Rise	
Opportunities	Many	

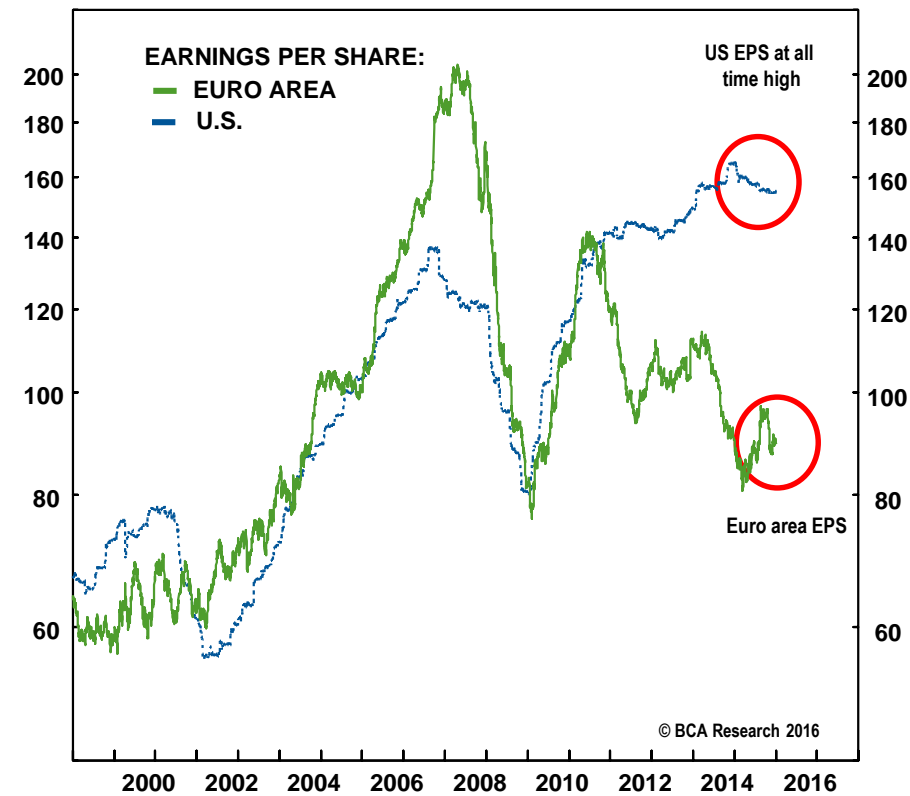
European Earnings Appear to Have Sizable Catch-up Potential

European Companies Are Still Under-Earning

31st January, 1973 to 04th January, 2016

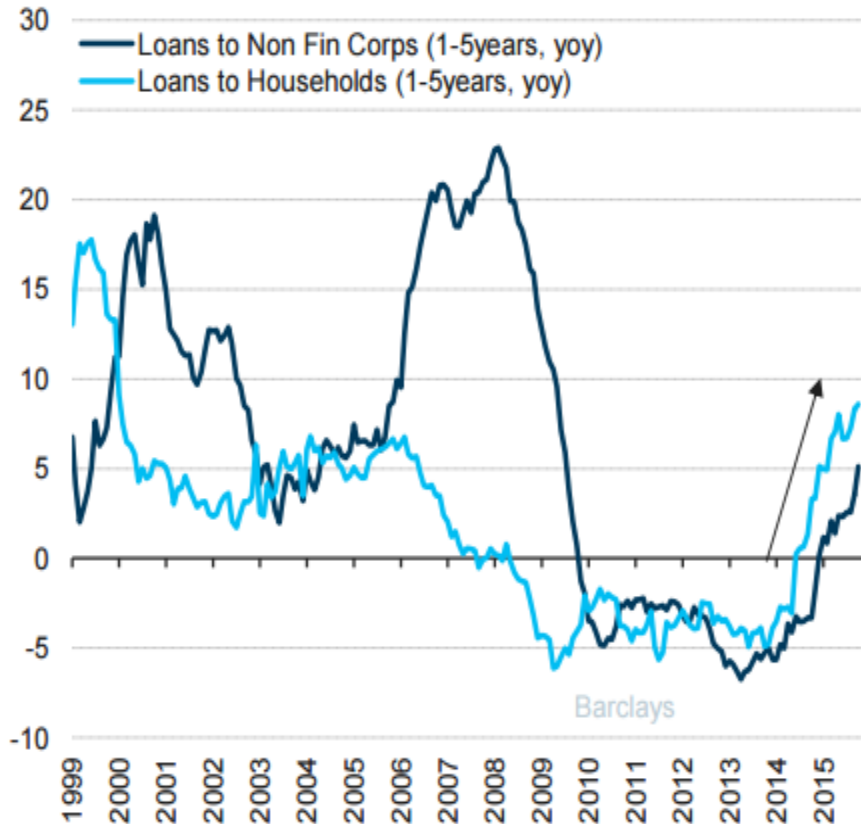


1st January, 1999 to 04th January, 2016

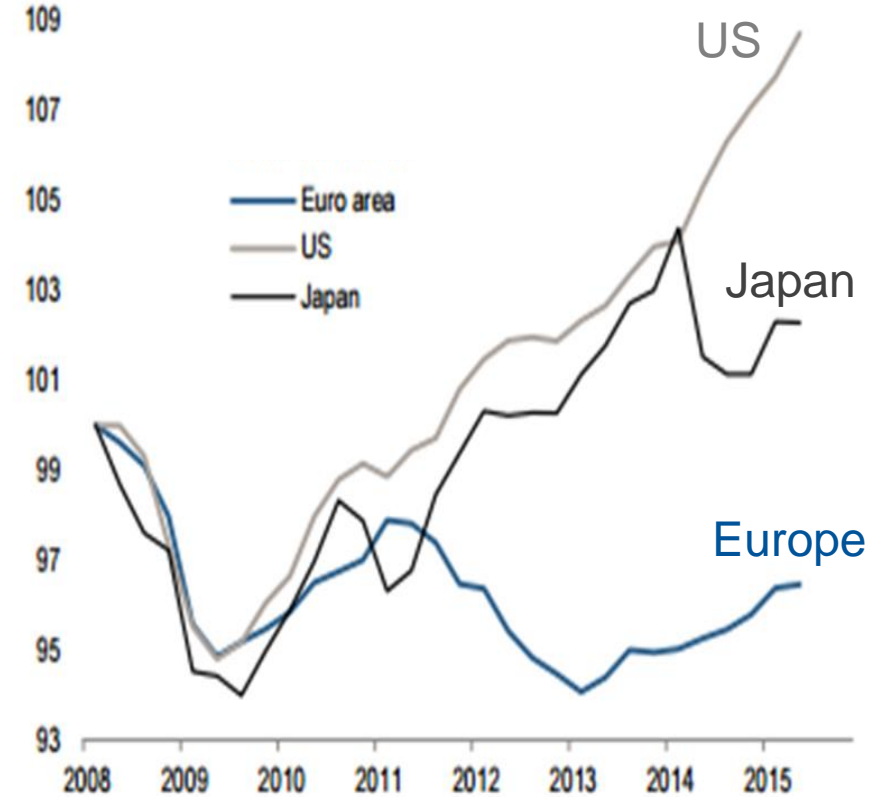


The European Economy is Gaining Traction

European Bank Loans¹ 1999 to 2015



European Domestic Demand² 2008 to 2015

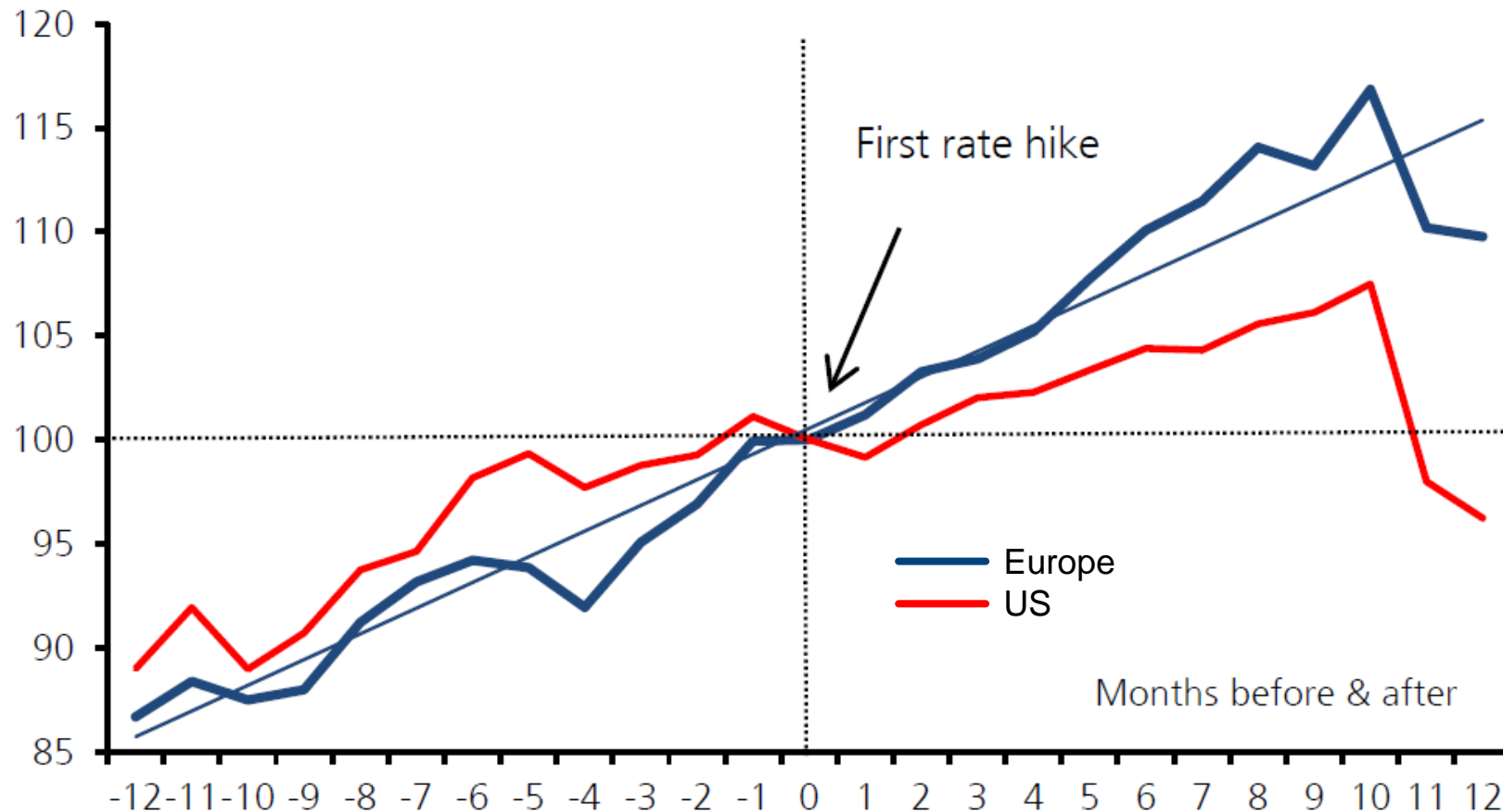


¹ Source: Barclays Research, MSCI.

² Source: Thomson Reuters, Credit Suisse Research. Latest data as of December 02, 2015.

Europe Has Outperformed During US Interest-Rate Liftoffs

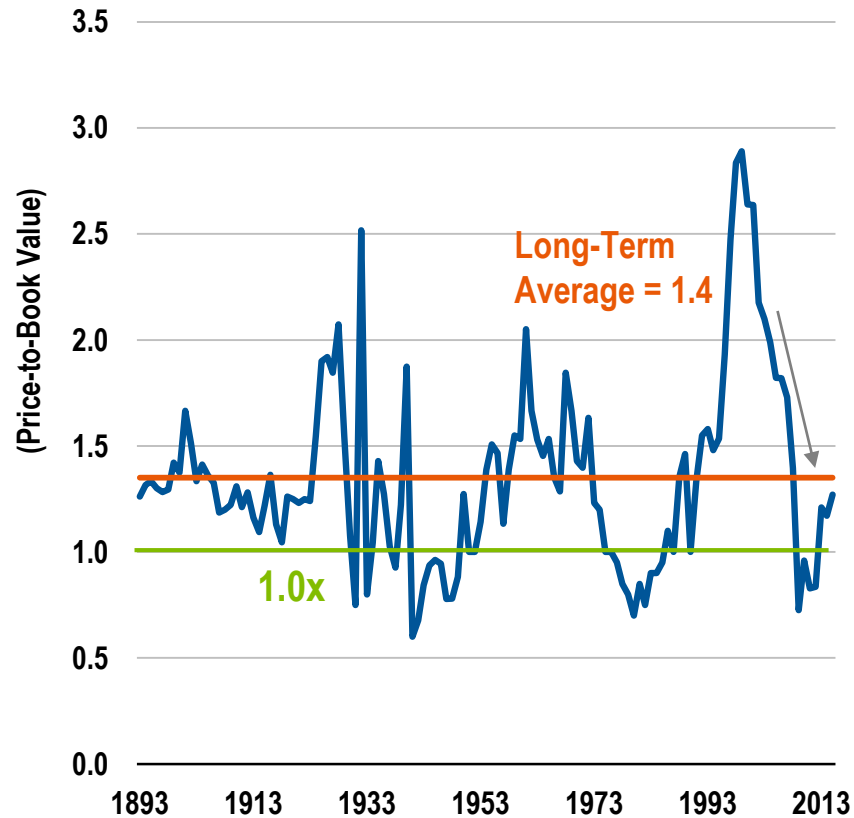
Average Regional Total Return Following Fed Liftoff
Five Periods through to 2007



U.S. Banks are Near Long-Term Average Valuations While Euro Banks are Still Discounted

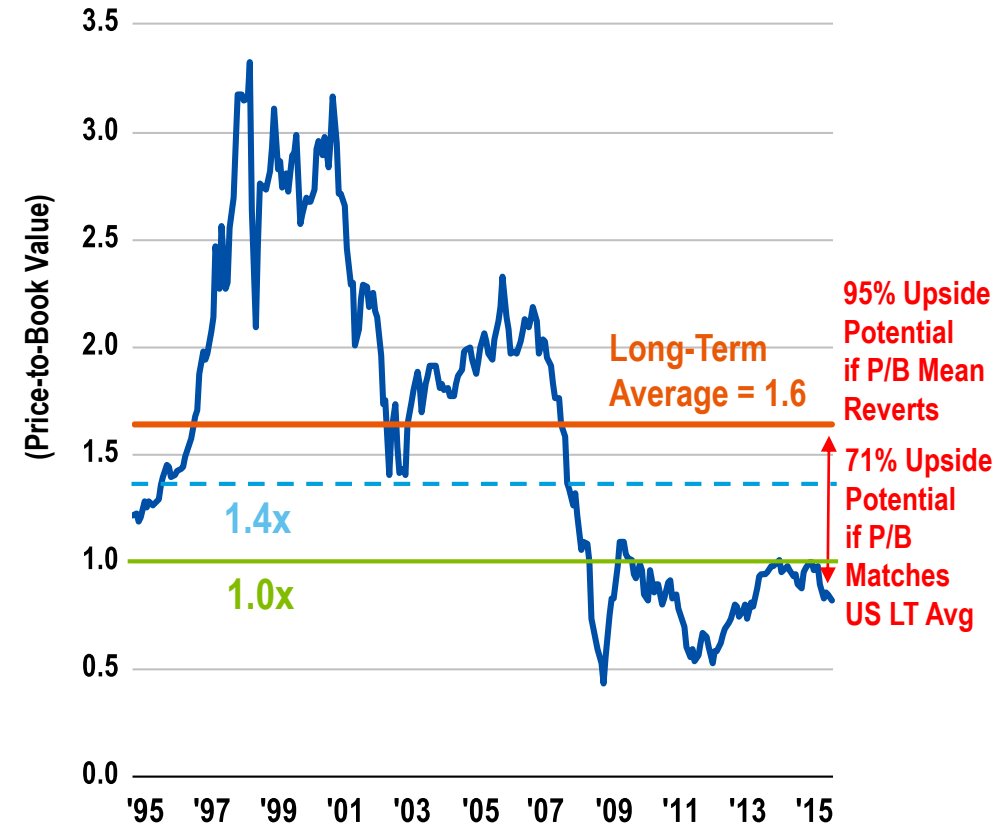
U.S. Banks Price-to-Book Value¹

As of 04th January, 2016



European Banks Price-to-Book Value²

31st January, 1995 to 31st December, 2015

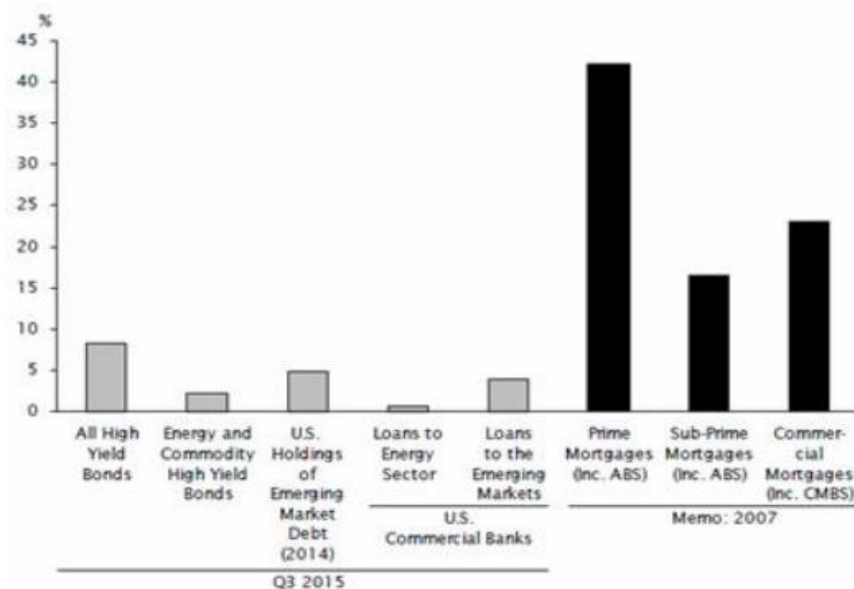


¹ Source: Anthony Saunders & Berry Wilson, Impact of consolidation and safety net support on Canadian, US and UK banks, 1892-1992 (1999). Michael Keeley, Deposit Insurance, Risk and Market Power in Banking (1990). FDIC – History of the 1980s. Datastream, SNL. Autonomous Research. * ignores war years, and one-off years at below 1xBV.

² Source: FactSet, MSCI. Data from January 31, 1995 to December 31, 2015. See www.franklintempletondatasources.com for additional data provider information.

This Is Not 2007 All Over Again

US Exposure to Energy & EM Debt¹ Q3 2015



2007 vs. Now: Aggregate of Citi, BofA & JP Morgan²

Key Items	Metrics	2007	2015
Capital Buffer	$\frac{\text{Tangible Common Equity}}{\text{Tangible Assets}}$	3.4%	→ 8.5%
Sub-Prime ('07) Energy ('15)	$\frac{\text{Loans}}{\text{Tangible Common Equity}}$	167% ³	vs. 11% ⁴
Refinancing Risk	$\frac{\text{ST Borrowings}}{\text{Liabilities}}$	10%	→ 2%
Liquidity Check	$\frac{\text{Cash \& Treasuries}}{\text{ST Borrowings}}$	0.5x	→ 7.1x
Valuation	$\frac{\text{Price}}{\text{Tangible Book Value}}$	2.6x	→ 0.9x

2007: Fall in House Prices

- Mortgage re-draw no longer a source of consumer firepower
- Fall in value of consumers' biggest asset
- Direct impact on economic activity through housing construction and consumer durables

2015: Fall in Energy Prices

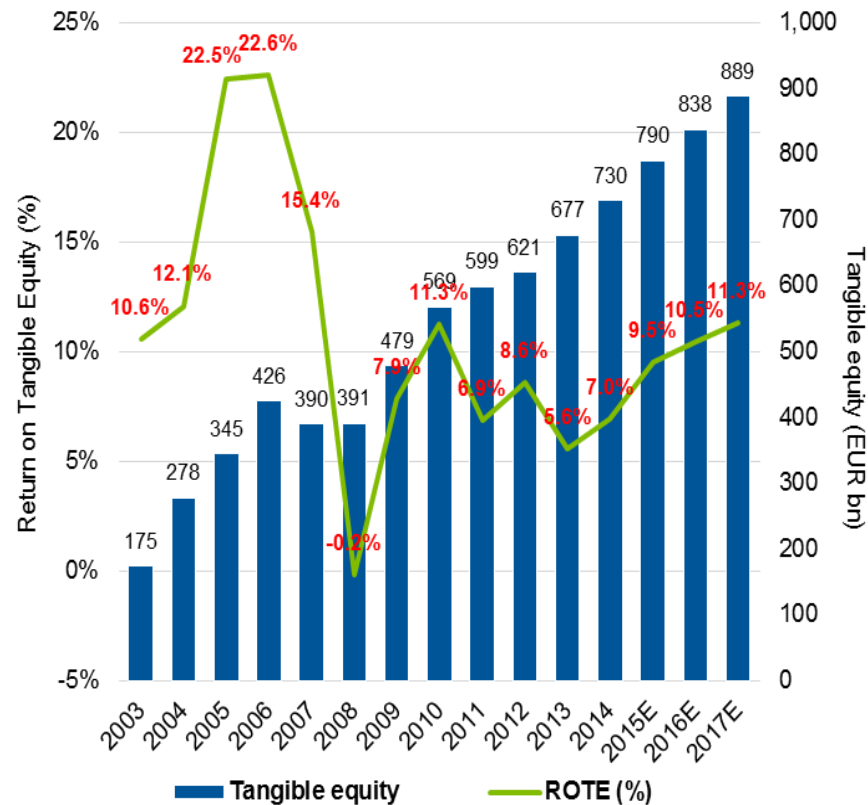
- Huge consumer disposable income boost
- Significant increase in global fiscal stimulus as biggest savers move into fiscal deficit
- Cuts to oil capex/employment to hit selective parts of US, but almost none of Europe (Norway, N. Sea)

¹ Source: SIFMA, IMF, Treasury Bulletin, FDIC, BEA, BIS, Empirical Research Partners. ² Source: Company reports, Autonomous. ³ Subprime loans/TCE. ⁴ Energy loans/TCE.

Capital Much Higher, Dividends To Flow?

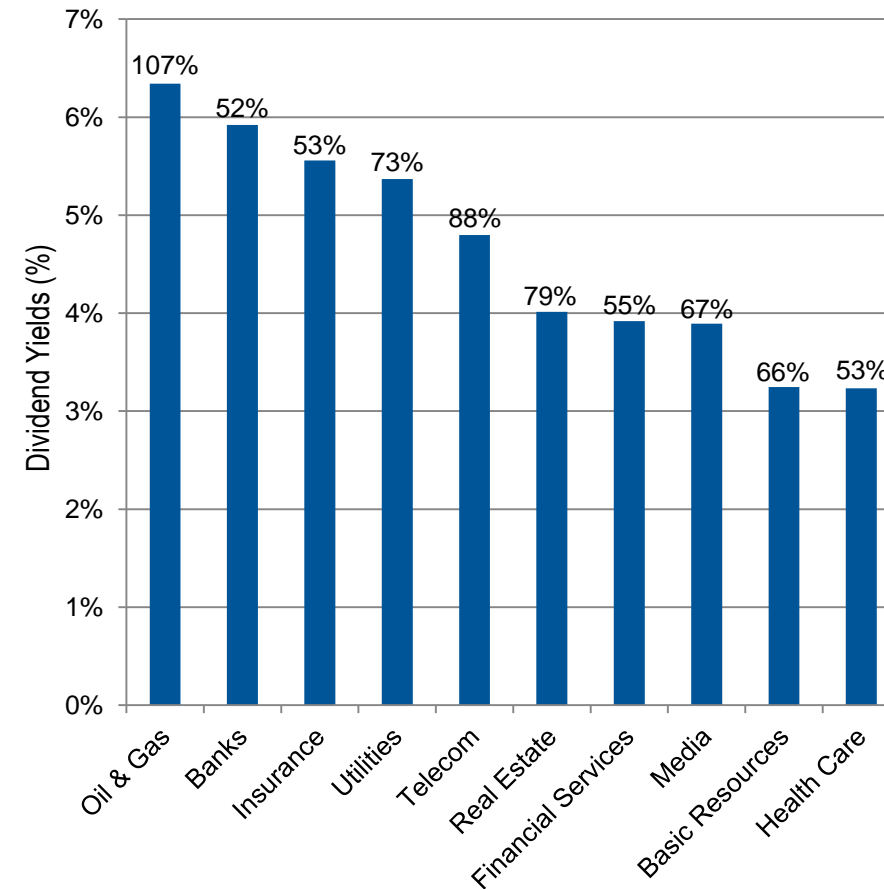
Tangible Equity and Returns Are Higher

2003 to 2017 Estimates



European Dividend Yields & Payout Ratios¹

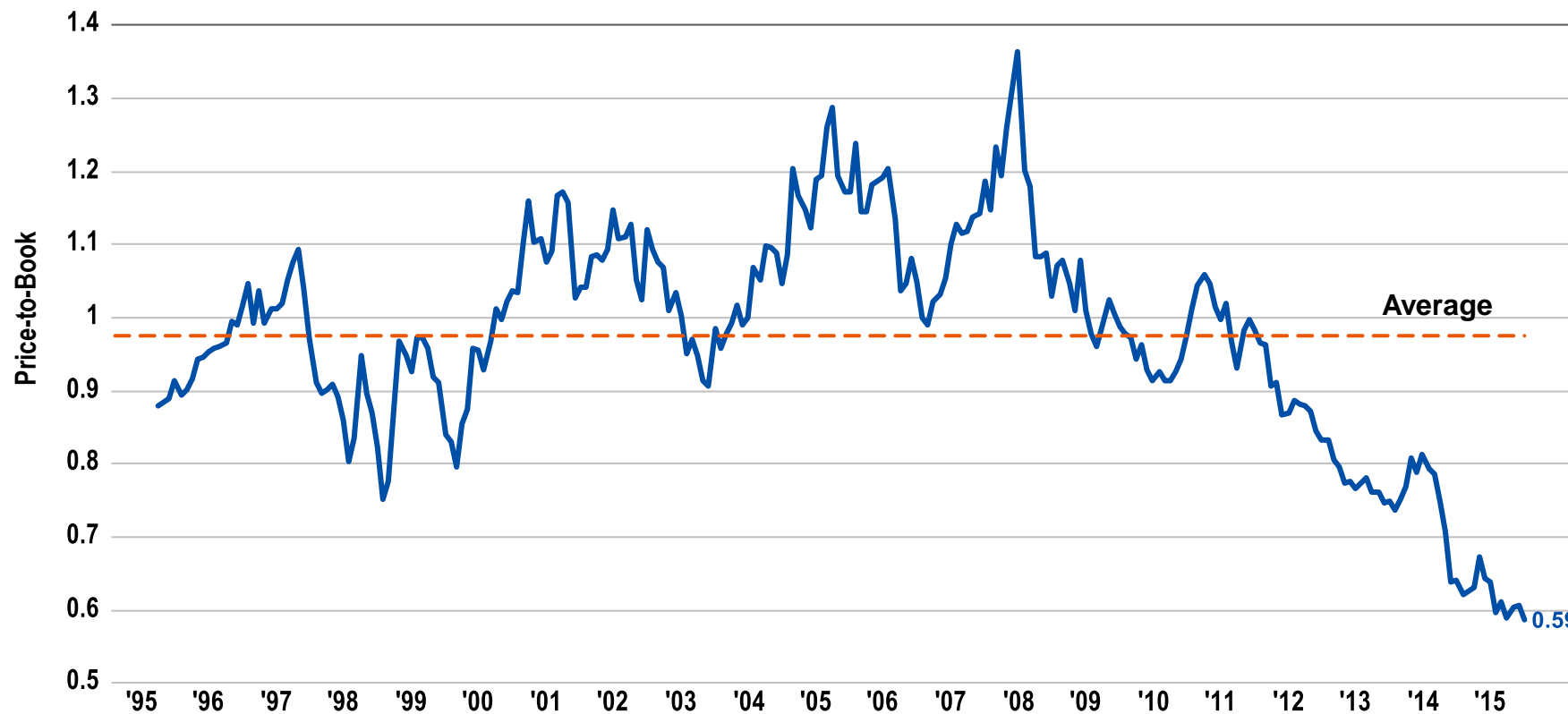
Next 12 Months Consensus



¹ Source: Autonomous, STOXX, FactSet, Bloomberg. Data as at 23rd February, 2016.

MSCI All Country World Energy Index Relative Price-to-Book

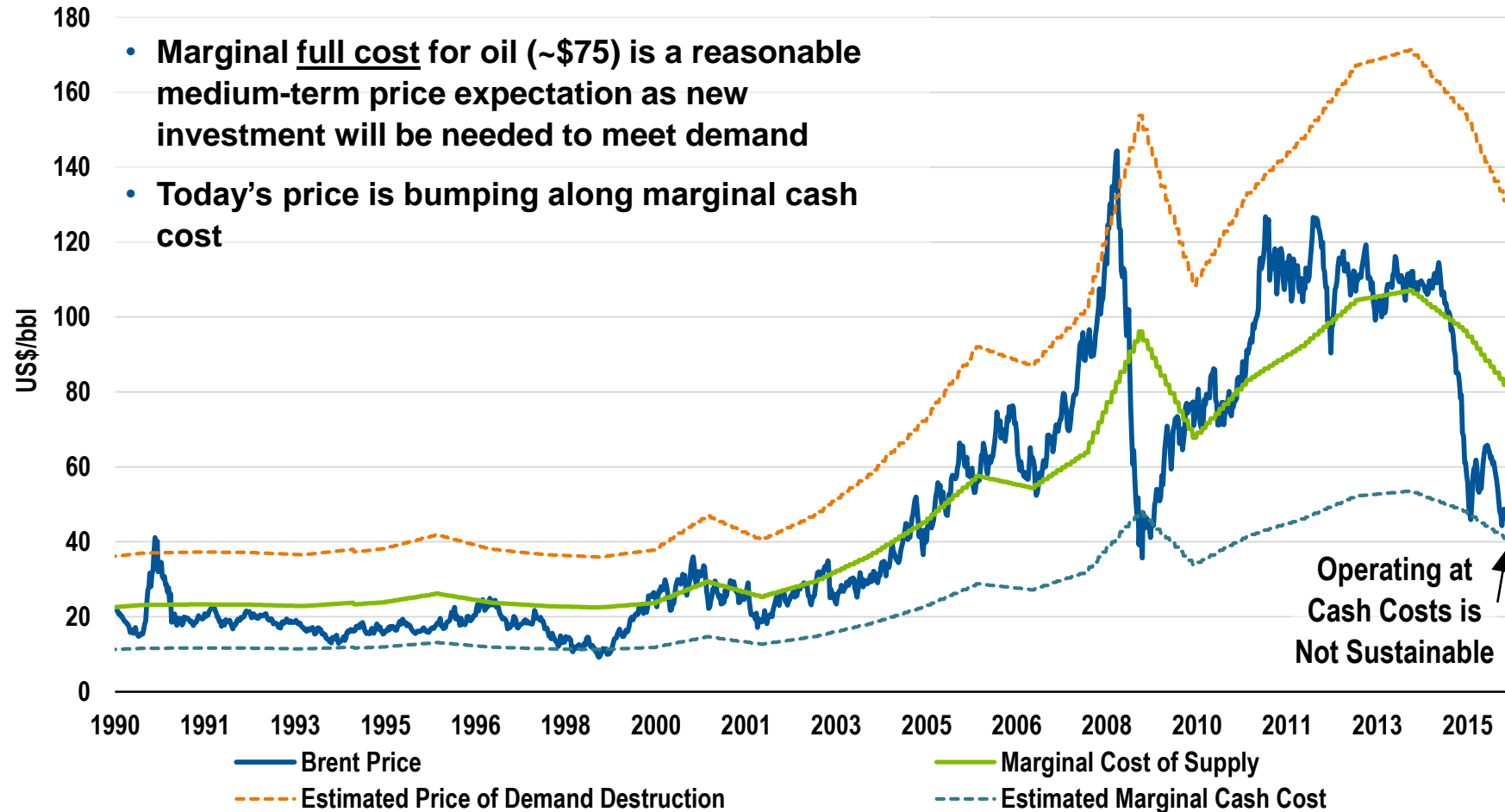
29th September, 1995 to 31st December, 2015



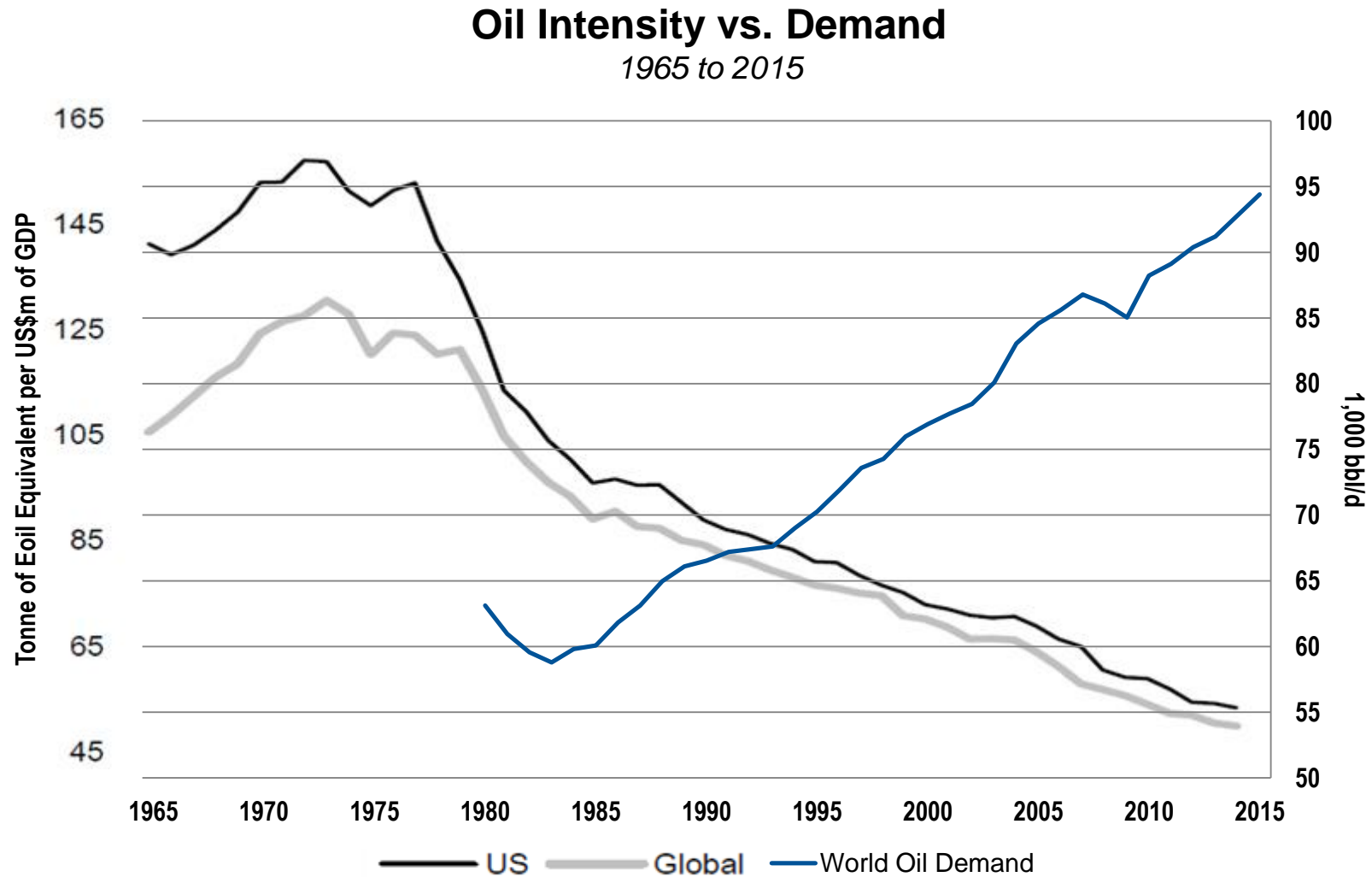
At Current Prices, Investment Will Continue to Decline and Marginal Production to Close

Brent Price vs. Marginal Cost vs. Demand Destruction

Through to November, 2015



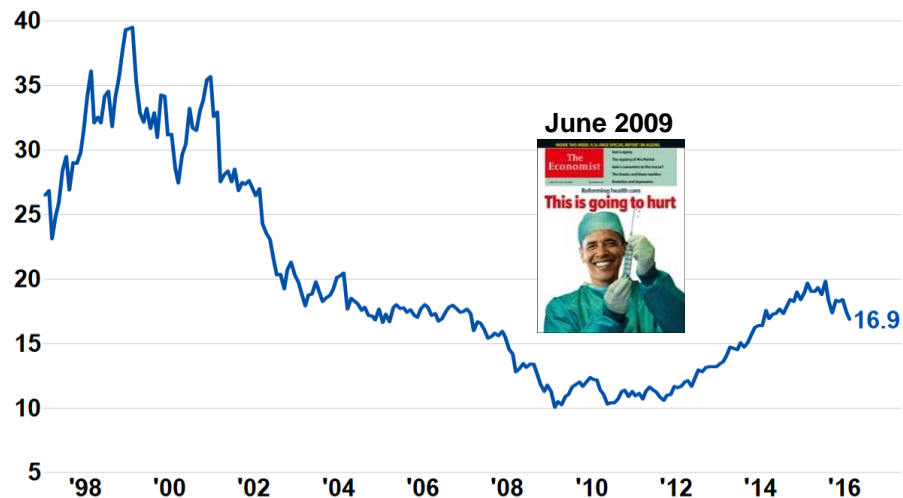
Oil Intensity Has Been Falling For 40 Years



Pharmaceuticals On Their Way Back to Growth?

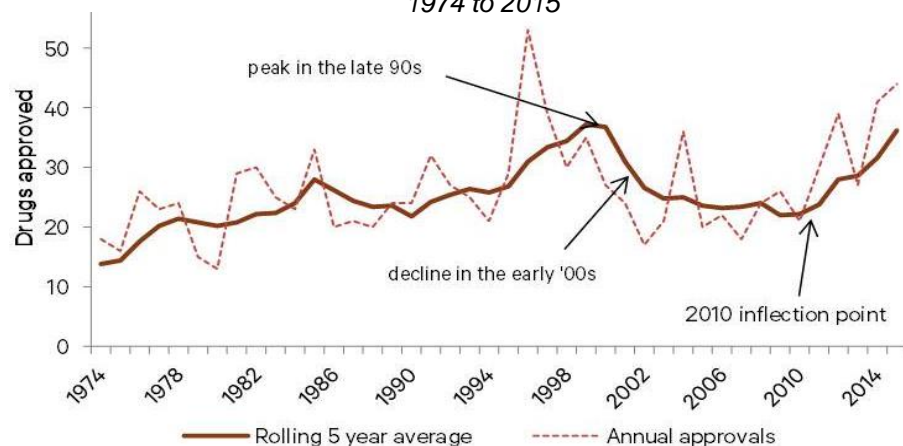
MSCI ACW Pharmaceuticals: Forward P/E¹

January, 1997 to February, 2016

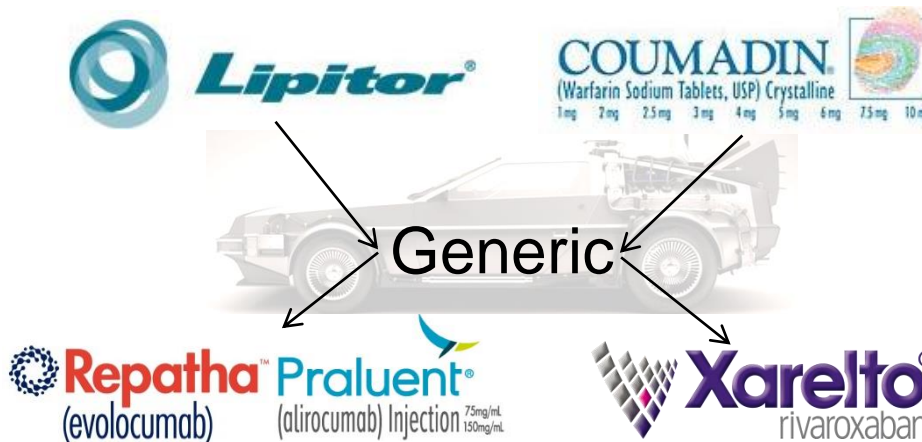


US FDA Approvals²

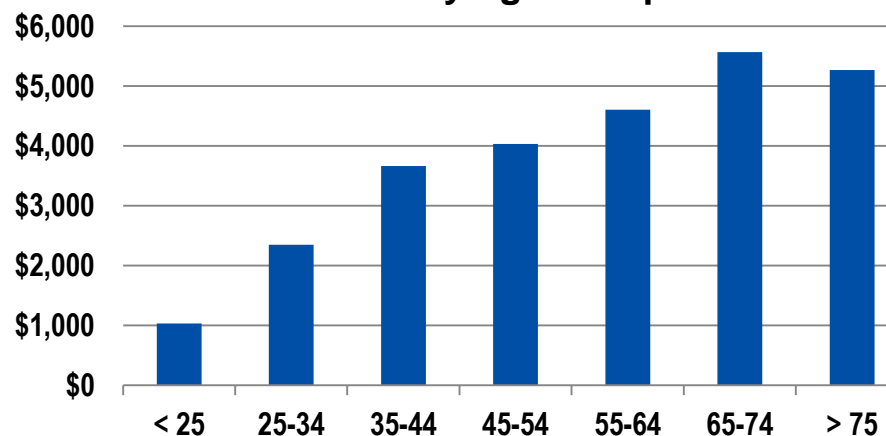
1974 to 2015



Back To The Future: Pharma Style



US Mean Annual Health Care Expenditure Per Person by Age Group³



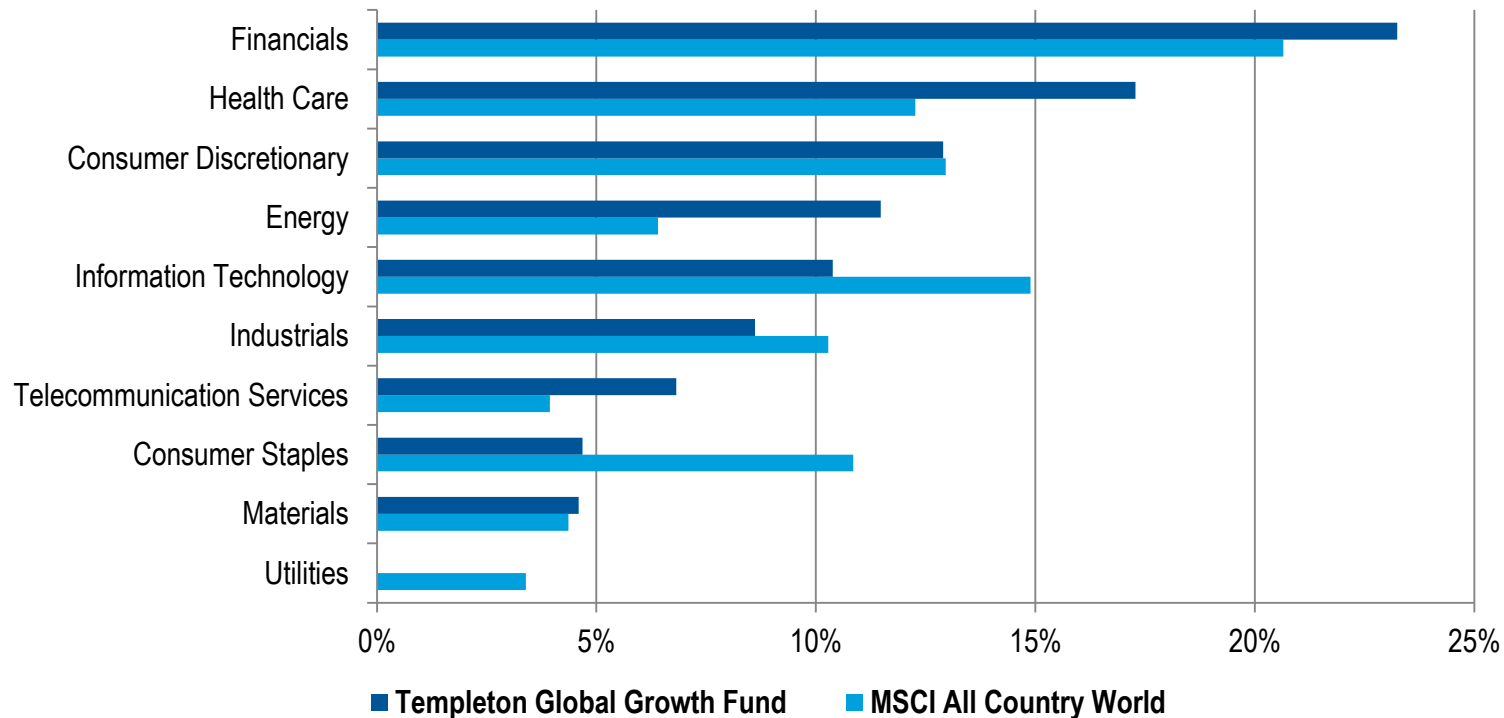
Templeton Global Growth Fund

Sector Allocation



Templeton Global Growth Fund vs. MSCI All Country World Index

As at 31st January, 2016



Source: © 2015 Morgan Stanley Capital Index (MSCI). All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited. Indexes are unmanaged and one cannot invest directly in an index.

Weightings as percent of equity. Percentage may not equal 100% due to rounding. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

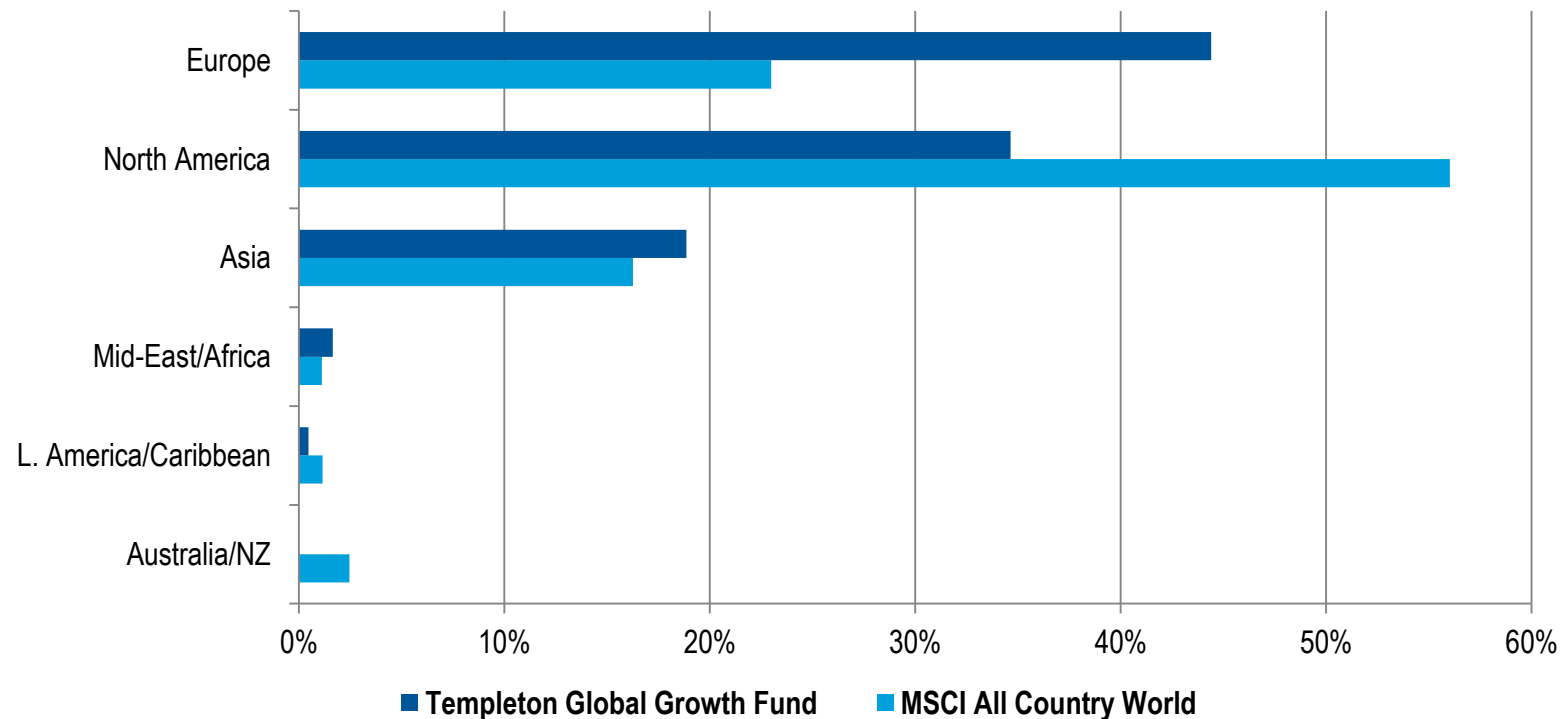
Templeton Global Growth Fund

Geographic Allocation



Templeton Global Growth Fund vs. MSCI All Country World Index

As at 31st January, 2016



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Weightings as percent of equity. Percentage may not equal 100% due to rounding. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

Templeton Global Growth Fund

Portfolio Characteristics



Templeton Global Growth Fund vs. MSCI All Country World Index

As at 31st January, 2016

	Portfolio	Benchmark
Price to Earnings	13.3x	17.3x
Price to Cash Flow	5.1x	10.0x
Price to Book Value	1.2x	1.9x
Dividend Yield	3.0%	2.7%

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

Index statistics calculated by FactSet Research Systems, Inc.
Source: Franklin Templeton Investments.

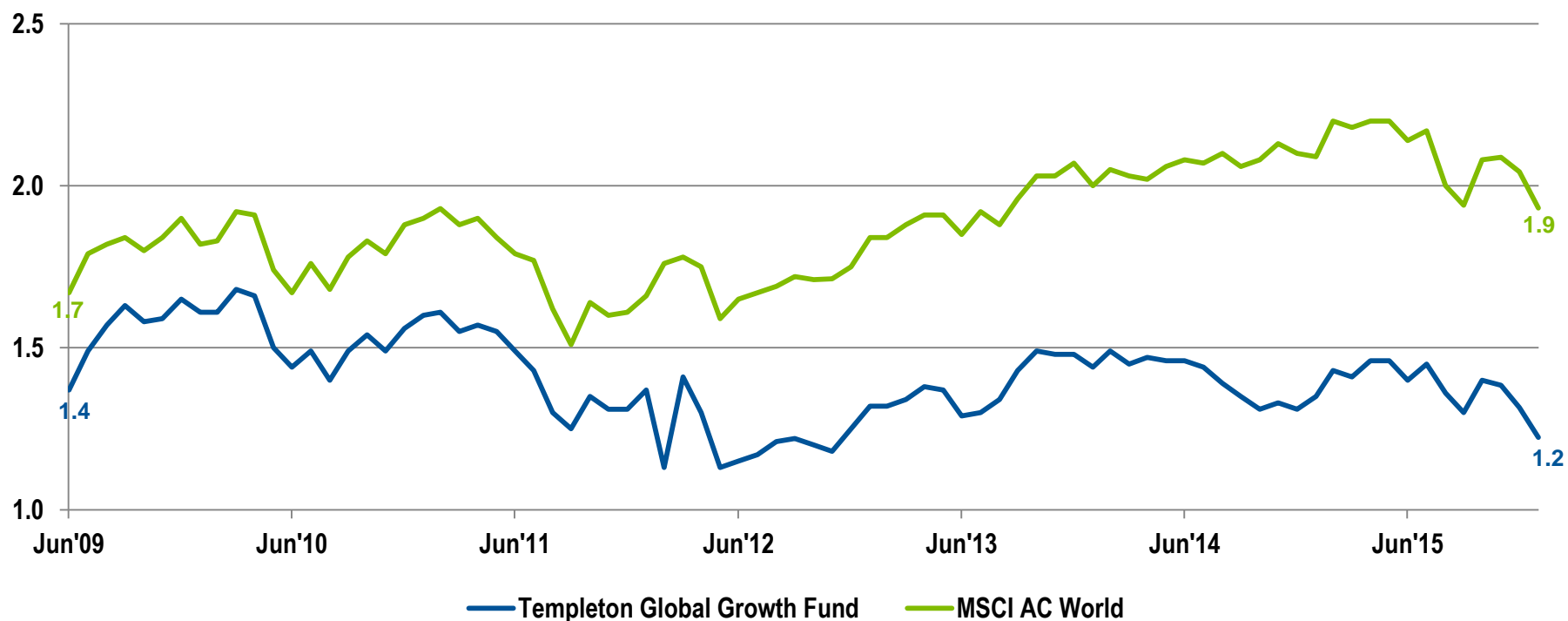
Templeton Global Growth Fund

Portfolio Characteristics



Templeton Global Growth Fund vs. MSCI All Country World Index Price to Book Ratio

30th June, 2009 to 31st January, 2016



The benchmark is the MSCI All Country World ex Australia Index Net Dividends Reinvested (AUD) Index.

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

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

Templeton Global Growth Fund

Top Ten Holdings



As at 31st January, 2016

Name of Issuer	Country	Industry	% of Total
MICROSOFT CORP	United States	Software & Services	2.9
SAMSUNG ELECTRONICS CO	South Korea	Technology Hardware & Equipment	2.1
HYUNDAI MOBIS CO LTD	South Korea	Automobiles & Components	1.9
COMCAST CORP	United States	Media	1.8
NISSAN MOTOR CO	Japan	Automobiles & Components	1.7
AMGEN INC	United States	Pharmaceuticals, Biotechnology & Life Sciences	1.7
JPMORGAN CHASE & CO	United States	Banks	1.7
TEVA PHARMACEUTICAL INDUSTRIES	Israel	Pharmaceuticals, Biotechnology & Life Sciences	1.6
CRH	Ireland	Materials	1.6
ALLERGAN PLC	United States	Pharmaceuticals, Biotechnology & Life Sciences	1.5
TOTAL			18.5

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

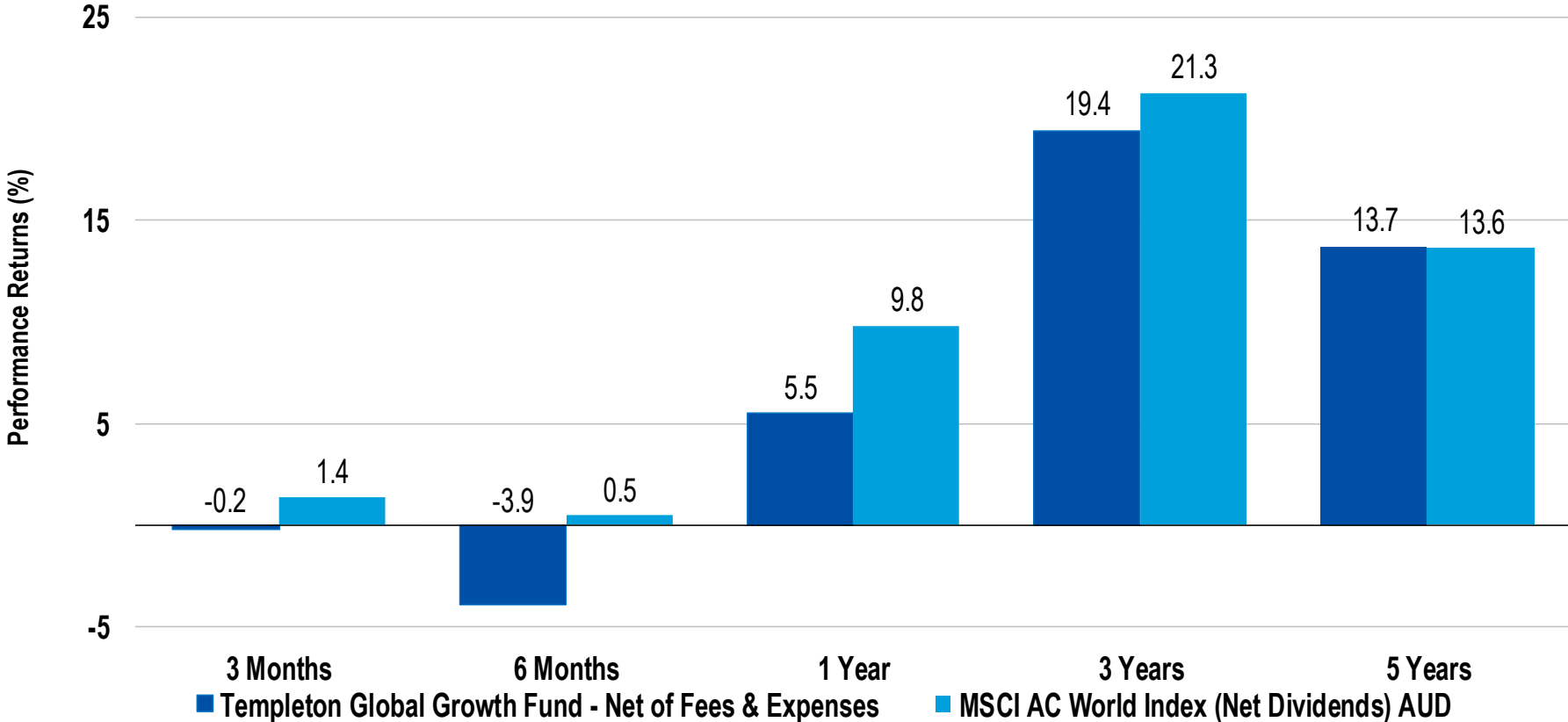
Templeton Global Growth Fund

Performance



Templeton Global Growth Fund vs. MSCI All Country World Index

As at 31st December, 2015



Periods of more than one year are annualised. Benchmark is presented net dividends.
 Past performance does not guarantee future results and results may differ over future time periods.

Templeton Global Growth Fund

Performance vs. Peers



Templeton Global Growth Fund vs. Morningstar Global Equity Large Value

	31st Dec, 15	6 Months	1 Year	3 Year	5 Year	10 Year
Perf (% , pa)	(3.9%)	5.5%	19.4%	13.7%	4.0%	
Rank	47/53	45/53	29/46	13/45	8/29	
Percentile	12%	15%	38%	73%	75%	

Summary

- China's economy remains resilient despite its moderation in growth
- Credit - it's not 2007 all over again
- Global growth stable and core inflation on the rise
- Looking at opportunities:
 - we remain positive on Europe
 - abundant value among energy producers and their services partners
 - favour lowly valued biotech firms with innovative pipelines
 - European financials (and those in the Rest of the World) continue to look attractive
- Eventual normalisation of economic and policy trends to be supportive of value-oriented equities after this pronounced period of underperformance

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.

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