TEMPLETON GLOBAL GROWTH FUND LTD.
A.B.N. 44 006 558 149

Level 25, 360 Collins Street
Melbourne, Victoria 3000

Telephone : (03) 9603 1207
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The Secretary
Australian Stock Exchange Limited
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sirs,

Re: Preliminary Final Report for the Year Ended 30 June 2009

Templeton Global Growth Fund Ltd is pleased to provide its preliminary final report to the ASX as required under listing rule 4.3A, including:

- Results for Announcement to the Market
- Directors' Report
- Financial Statements
- Auditor's Report
- Investment Manager's Report
- List of Investments

Yours Faithfully,

Templeton Global Growth Fund Ltd.

Martin F. Warwick
Company Secretary
26 August 2009

Appendix 4E

Templeton Global Growth Fund Ltd ("TGG")
ABN 44 006 558 149

Preliminary Final Report
Provided to the ASX under listing rule 4.3A

Reporting Period

The financial information contained within this report pertains to the reporting period 1 July 2008 to 30 June 2009 and is drawn from the audited financial statements of the Company for the year then ended. Comparative information pertains to the previous corresponding period ("pcp") 1 July 2007 to 30 June 2008.

Results for Announcement to the Market

	2009 $	2008 $	Increase / (Decrease)	Change %
Revenue	6,551,493	6,813,574	(262,081)	(3.8%)
Net capital gains/(losses)	(2,036,288)	4,137,895	(6,174,183)	(149.2%)
Profit / (Loss) from ordinary activities after tax attributable to members	(20,006,639)	(20,043,499)	36,860	0.2%
Net Profit / (Loss) attributable to members	(20,006,639)	(20,043,499)	36,860	0.2%

Dividends

In respect to the reporting period, no interim dividend was paid and the Directors have not declared a final dividend.

Additional explanation

During the financial year ended 30 June 2009, global equity markets remained weak resulting in the market value of the Company's investment portfolio declining from $157,061,185 at 1 July 2008 to $129,590,793 at 30 June 2009.

In accordance with the Company's application of Australian Accounting Standard AASB139 Financial Instruments: Recognition and Measurement ("AASB139") an impairment charge of $30.7M was recorded in the Income Statement for the twelve months to 30 June 2009.

The Company's investment philosophy encompasses a long term view of the securities in which TGG invests. AASB139 has the effect of requiring the Company to record shorter term impairments in its income statement notwithstanding the company's long term investment outlook.

AASB139 does not allow the reversal of impairment charges to be recorded through the income statement. As a result, future increases in the value of equity investments will be recorded to equity in the balance sheet as an increase (net of tax) to the investment revaluation reserve.

Dividend Reinvestment

The Company operates a dividend reinvestment plan (DRP).

Net Tangible Assets Per Security

Net tangible assets per security at the end of the period were 92 cents compared to 108 cents per security at the end of the pcp.

Controlled Entities

The Company at no time in the reporting period or in the previous corresponding reporting period gained or lost control of an entity. The Company has no controlled entities.

Associates and Joint Ventures

The Company at no time in the reporting period or in the previous corresponding reporting period had any associate or joint venture relationships.

Audit

There are no items in dispute with the auditors. The audit report on the financial report for the year ended 30 June 2009 is unqualified.

The Directors of Templeton Global Growth Fund Ltd ("the Company") submit their report for the year ended 30 June 2009.

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

DAVID A. WALSH, LLB – Non-Executive Chairman
Appointed as a Director in August 1998. Appointed Chairman in September 1999. Non-Executive Director of the Company. Chairman of the Review Committee. Former partner of Mallesons Stephen Jaques, Solicitors, Melbourne. Previous roles have included a director of Malcolm Moore Industries Ltd and Asia Pacific Specialty Chemicals Ltd.
During the past three years Mr. Walsh has also served as a director of the following other listed companies:

- PaperlinX Ltd (appointed July 2000- resigned December 2007)
- Macquarie Infrastructure Investment Management Ltd.* (the responsible entity for Macquarie Infrastructure Group) (appointed March 2004)
- Dyno Nobel Limited (appointed February 2006 – resigned June 2008)

*denotes current directorship

GEOFFREY N. WEBB – Non-Executive Deputy Chairman
Appointed as a Director in January 1991. Executive Director of the Company until 30 June 2005 and since 1 July 2005 a Non-Executive Director of the Company. A former Executive Director of Franklin Templeton Investments Australia Limited. A member of the Review and Audit Committees. Previously a senior partner/director in several stockbroking firms. He was also heavily involved in the formation and listing of the Company.

JAMES A. (TONY) KILLEN, BA., FAIM, FAICD – Non-Executive Director
Appointed as a Director in March 2003. Non-executive Director of the Company. Member of the Review Committee. Member of the Audit Committee since his appointment as Director and Chairman of the Audit Committee since 1 July 2004. Former roles included Group Managing Director and Chief Executive Officer of Axa Asia Pacific Holdings Limited, Chairman of St Vincents and Mercy Private Hospital Ltd, St Vincents Hospital Melbourne Ltd, Caritas Christi Hospice Ltd and Prague House Ltd. Mr. Killen was also Chairman of Sisters of Charity Health Service Ltd and Sisters of Charity Healthcare Australia Ltd. He is a Director of Sisters of Charity Community Care Ltd, Catholic Church Insurances Ltd and CCI Investment Management Ltd.
During the past three years. Mr. Killen has also served as a director of the following other listed companies:

- Equity Trustees Limited* (appointed September 2002)
- IRESS Market Technology Ltd* (appointed September 2000)

* denotes current directorship

GREGORY E. McGOWAN, JD – Non-Executive Director
Appointed as a Director in January 1999. Non-Executive Director of the Company. Director, Executive Vice President, and General Counsel of Templeton International Inc., Director of Franklin Templeton Investments Australia Limited.

JOHN F HARVEY, LL.B, B. Juris (Monash) Dip Grad Acc, FCA – Non-executive Director
Appointed as a Director on 1 July 2004. Member of the Audit Committee. Director and Chairman of the Audit Committee of David Jones Ltd, Non-Executive Board member & Chairman of the Audit Committee of Australian Infrastructure Fund Ltd. A Director of Fed Square Pty Ltd. A Non-executive Chairman of APN Property Group Ltd and a Director of APN Funds Management Ltd. Former roles included Partner and CEO of PricewaterhouseCoopers, Board member of PricewaterhouseCoopers worldwide firm, member of the Federal Board of Taxation, Chairman of the State Government Review of Business Taxation in Victoria (The Harvey Report), CEO of the Mt.Eliza Business School, and Board member of the Docklands Authority.
During the past three years Mr. Harvey has served as a director of the following other listed companies:

- David Jones Ltd* (appointed October 2001)
- Australian Infrastructure Fund Ltd* (appointed July 2004)
- APN Property Group Ltd* (appointed April 2007)

* denotes current directorship

JENNIFER J BOLT, BA (Economics) – Non-executive Director
Appointed as a Director on 7 September 2007. Non-executive Director of the Company. Executive Vice President of Operations and Technology for Franklin Resources Inc.. A member of The Board of Keynote Systems Inc..

COMPANY SECRETARY

MARTIN F. WARWICK, CA, MBA, ACIS, BSc
Appointed as a Secretary on 18 February 2004. Mr. Warwick has been a Chartered Accountant for over 14 years. Appointed General Manager of the Company on 1 July 2005.

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**
D.A. WALSH	62,500
G.N. WEBB	343,974
J.J. BOLT	-
J.F. HARVEY	32,000
J.A.(TONY) KILLEN	166,600
G.E. McGOWAN	-

LOSS PER SHARE

	Cents
Basic	(13.7)
Diluted	(13.7)

DIVIDENDS

	Cents	$
Final dividends recommended:		
• on ordinary shares	0.0	nil
Dividends paid in the year		
Interim for the year		
• on ordinary shares	0.0	nil
Final for 2008 as recommended in the 2008 financial report		
• on ordinary shares	0.0	nil

CORPORATE INFORMATION

Corporate Structure
Templeton Global Growth Fund Ltd is a company limited by shares that is incorporated and domiciled in Australia.

Principal activities
The principal activity of the Company is to invest in securities, primarily equity securities, listed on the world's stock exchanges. The Company seeks long-term appreciation from a globally diversified portfolio of investments that is managed in accordance with the investment philosophy of the Templeton Global Equities Group (part of the Franklin Templeton group).

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

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

OPERATING AND FINANCIAL REVIEW

Overview

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

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

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 hedge the underlying currencies of its portfolio of investments.

Performance Indicators

The Company uses as its primary reference for performance of its portfolio of investments the MSCI All Countries World Index ("the Index").

For the year ended 30 June 2009 the underlying performance of the Company's portfolio of investments was negative 13.5% compared to the Index for the same period of negative 15.5%.

The following table illustrates the performance of the Company's investment portfolio compared to the Index in each of the past five years:

Investment Performance % ($Aust.)

Year to 30 June	**2009**	**2008**	**2007**	**2006**	**2005**
TGG*	-13.5	-26.6	11.5	21.3	2.4
MSCI AC World Index	-15.5	-19.4	10.3	21.5	2.2

* Returns are based on movements in the Company's net assets per share (after deducting investment management fees), before all taxes, with dividends reinvested, adjusted for share issues and share buy-backs.

Operating Results for the Year

The net loss for the year after income tax was $20,006,639 compared with a net loss after tax of $20,043,499 in the previous corresponding year ("pcy"). During the financial year ended 30 June 2009, global equity markets remained weak. The market value of the Company's investment portfolio declined from $157,061,185 at 1 July 2008 to $129,590,793 at 30 June 2009.

Revenue from investments amounted to $6,551,493 in the current financial year as compared with $6,813,574 in the pcy.

The net tangible asset backing of the Company's shares, based on market values, over the previous five years has been:

	Net Tangible Assets - cents per share	
As at 30 June	After Actual Tax*	After Estimated Tax**
2005	131	131
2006	153	148
2007	154	148
2008^	108	108
2009^	92	92

* 'Actual Tax' is all Australian and Foreign income tax for which a liability has arisen.

** '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 effect the "after estimated tax" NTA.

Share Issues During the Year

The Company's dividend reinvestment plan ("DRP") continues to operate. However, as no dividend was declared during the financial year, no additional shares were issued under the DRP.

The Company operated an on-market share buy-back during the year and 30,881 shares were bought back. The number of ordinary shares on issue, therefore, decreased over the period from 145,414,719 to 145,383,838.

Borrowings

The Company has no external borrowings or undrawn borrowing facilities at the date of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Except for the matters noted in the Operating and Financial Review the Directors are not aware of any significant change in the state of affairs of the Company during the financial year.

MATTERS ARISING SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Directors are not aware of any matter or circumstance 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 financial years after the financial year.

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

Insurance cover is maintained for these purposes. The premiums are partly paid by the Company. The confidentiality provisions of the relevant insurance contracts prohibit further disclosure of the material items of the insurance policies.

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive 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 six Directors of the Company and the Secretary/General Manager. The KMP are the only employees 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.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

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 an aggregate amount of $350,000.

Within the limit of the 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 of Franklin Templeton group. In the year ended 30 June 2009, this policy was maintained and neither Ms J J Bolt nor Mr G E McGowan, who are officers 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 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 2009 were the Chairman, Mr. D A Walsh, Deputy Chairman, Mr. G N Webb, and Messrs J F Harvey, and J A Killen.

The Board does not pay bonuses or issue shares or options to Directors as components of their remuneration. Neither does it make loans to Directors or employees, 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.

Prior to 30 June 2003, the Company provided retirement benefits for non-executive Directors. With effect from 30 June 2003, the Board resolved to remove retirement benefits for Directors except for existing entitlements, which were frozen at the amounts accrued and provided for at that date. Mr. Walsh's accrued entitlement as at 30 June 2003 was $90,120 and is the maximum retirement benefit to which he may become entitled on his retirement. Retirement benefits will not be paid to any other Directors.

Details of the remuneration for non-executive Directors for the year ended 30 June 2009 are set out in Table 1 at the end of this Report.

Executive's Remuneration

The remuneration provided by the Company to executives is reviewed annually by the Board.

In the year ended 30 June 2009, the only executive directly remunerated by the Company was the Secretary and General Manager, Mr. M F Warwick.

Fixed Remuneration

Management of the Company's investment portfolio is delegated to the Investment Manager and the Company's performance and results are principally attributable to the performance and results achieved by the Investment Manager in managing the investment portfolio.

Having regard to this, the Board has determined that the remuneration of executives should principally take the form of a fixed amount of remuneration which is reviewed by the Board in each year and does not at this time include a performance based or incentive component.

Executives are given the option of receiving their fixed amount of remuneration in a variety of forms including cash and fringe benefits. The objective is, so far as reasonably practical, to permit the remuneration to be received in a manner that will be optimal for the executive without creating additional cost to the Company.

The level of the fixed remuneration for an executive is determined having regard to market relativities and the executive's responsibilities, accountability and performance.

Variable Remuneration

At present there are no short term or long term incentives in place for the remuneration of executives.

Employment Contract

The Secretary and General Manager, Mr. M F Warwick is employed under contract. The current employment contract commenced 1 July 2008 and terminates on 30 June 2010, by which time the Company may choose to commence negotiations to enter into a new employment contract with Mr. M F Warwick.

Both the Company and Mr. M F Warwick may terminate the contract at any time by giving six month's notice in writing to the other party. Where the Company terminates the contract a payment equivalent to the notice period is required to be paid, or at the Company's discretion Mr. M F Warwick can be required to work through all or part of his notice period. The Company also has the right to summarily terminate the contract without notice, or payment in lieu of notice of termination, for matters such as serious misconduct.

Table 1: Director remuneration for the years ended 30 June 2008 and 30 June 2009.

		Short – Term	Post employment		
		Directors Salary and Fees	Superannuation	Retirement Benefits	Total
Director	**Year**	**$**	**$**	**$**	**$**
D A Walsh	2009	-	85,020	-	85,020
	2008	21,225	63,795	-	85,020
J F Harvey	2009	46,988	4,242	-	51,230
	2008	46,997	4,233	-	51,230
J A Killen	2009	26,860	32,000	-	58,860
	2008	26,862	31,998	-	58,860
G E McGowan	2009	-	-	-	-
	2008	-	-	-	-
G N Webb	2009	-	51,230	-	51,230
	2008	-	51,230	-	51,230
J J Bolt	2009	-	-	-	-
	2008	-	-	-	-
Total	2009	73,848	172,492	-	246,340
	2008	95,084	151,256	-	246,340

Table 2: Remuneration of the executives who receive the highest remuneration for the years ended 30 June 2008 and 30 June 2009.

The only executive officer of the Company during the year ended 30 June 2009 was the Secretary and General Manager, Mr. M. F. Warwick. The remuneration of the executive is not linked to the performance of the Company. Details of the performance of the Company is set out in the Operating and Financial Review in the Directors' Report.

Executive Officers	**Year**	**Short-Term Salaries and Fees $**	**Post employment Superannuation $**	**Total $**
M F Warwick	2009	154,128	13,872	168,000
	2008	148,165	13,334	161,499

DIRECTORS' MEETINGS

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

	Directors' Meetings	Audit Committee	Review Committee
Number of meetings held:	6	7	4
Number of meetings attended:			
D A Walsh	6	5	4
G N Webb	5	6	3
J F Harvey	5	7	4
J A Killen	6	7	4
G E McGowan	5	1	-
J J Bolt	5	1	-

Committee Membership

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

Members acting on these committees of the Board during the year were:

Audit	Review
J.A. Killen (c)	D.A.Walsh (c)
G.N.Webb	G.N.Webb
J.F. Harvey	J.F. Harvey
	J.A. Killen

(c) indicates Chairman of the committee

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 10 and forms part of the Directors' Report for the year ended 30 June 2009.

Non-Audit Services

There were no non-audit related services provided by the entity's auditor, Ernst & Young.

Signed in accordance with a resolution of the Directors.

D.A. WALSH
Chairman

Melbourne
26 August 2009

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

In relation to our audit of the financial report of Templeton Global Growth Fund Ltd for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

T M Dring
Partner
Melbourne

26 August 2009

TEMPLETON GLOBAL GROWTH FUND LTD

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009	2008
		$	$
Revenue	6	6,551,493	6,813,574
Net capital gain	6	-	4,137,895
		6,551,493	10,951,469
Investment expenses	7	(1,708,232)	(2,071,831)
Diminution in market value of investments	3	(30,745,756)	(36,805,743)
Net capital loss		(2,036,288)	-
Salaries and employee benefit expenses		(415,266)	(408,767)
Shareholder and regulatory costs		(96,223)	(138,280)
Other expenses		(160,241)	(197,773)
Loss before income tax		(28,610,514)	(28,670,925)
Income tax benefit	8	8,603,874	8,627,426
Loss after income tax		(20,006,639)	(20,043,499)
Net loss for the period		(20,006,639)	(20,043,499)
LOSS PER SHARE (cents)	18		
• Basic for loss for the year attributable to ordinary equity holders		(13.7)	(13.8)
• Diluted for loss for the year attributable to ordinary equity holders		(13.7)	(13.8)
Dividends per share (cents)	9	0.0	5.0

BALANCE SHEET
AT 30 JUNE 2009

	Notes	30 June 2009 $	30 June 2008 $
CURRENT ASSETS			
Cash and cash equivalents		4,847,167	1,857,543
Receivables	10	1,179,719	703,199
Total current assets		6,026,886	2,560,742
NON-CURRENT ASSETS			
Investments – available for sale	11	129,590,793	157,061,185
Deferred tax assets	8	18,707,002	11,084,152
Total non-current assets		148,297,795	168,145,337
Total assets		154,324,681	170,706,079
CURRENT LIABILITIES			
Payables	12	224,980	243,924
Provisions	13	14,500	14,500
Current tax liabilities		165,444	1,666,031
Total current liabilities		404,924	1,924,455
NON-CURRENT LIABILITIES			
Provisions	13	90,120	90,120
Deferred tax liability	8	85,300	80,790
Total non-current liabilities		175,420	170,910
Total liabilities		580,344	2,095,365
NET ASSETS		153,744,337	168,610,714
EQUITY			
Contributed equity	14	184,826,243	184,848,556
Reserves	15	10,388,014	6,650,840
Accumulated losses	15	(41,469,920)	(22,888,682)
TOTAL EQUITY		153,744,337	168,610,714

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Issued Capital $	Retained Profits/ Accumulated Losses $	Investment Revaluation Reserve $	Investment Realisation Reserve $	Total Equity $
At 1 July 2007	183,192,515	3,029,050	20,178,583	7,963,622	214,363,770
Decrease in investment revaluation reserve	-	-	(28,826,547)	-	(28,826,547)
Tax effect of increments to investment revaluation reserve	-	-	8,647,964	-	8,647,964
Net income recognised directly in equity	-	-	(20,178,583)	-	(20,178,583)
Loss after income tax	-	(20,043,499)	-	-	(20,043,499)
Total income and expense for the year	-	(20,043,499)	(20,178,583)	-	(40,222,082)
Net gains on investments	-	(2,900,114)	-	2,900,114	-
Shares issued	1,654,609	-	-	-	1,654,609
Transaction benefits on share issues	1,432	-	-	-	1,432
Prior period taxation adjustment	-	25,881	-	-	25,881
Equity dividends	-	(3,000,000)	-	(4,212,896)	(7,212,896)
At 30 June 2008	184,848,556	(22,888,682)	-	6,650,840	168,610,714
Increase in investment revaluation reserve	-	-	7,375,107	-	7,375,107
Tax effect of increments to investment revaluation reserve	-	-	(2,212,532)	-	(2,212,532)
Net income derecognised directly in equity	-	-	5,162,575	-	5,162,575
Loss after income tax	-	(20,006,639)	-	-	(20,006,639)
Total income and expense for the year	-	(20,006,639)	5,162,575	-	(14,844,064)
Net gain on investments	-	1,425,401	-	(1,425,401)	-
Shares bought back	(22,240)	-	-	-	(22,240)
Transaction costs on share buy-back	(73)	-	-	-	(73)
At 30 June 2009	184,826,243	(41,469,920)	5,162,575	5,225,439	153,744,337

STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2009

	Notes	2009 $ Inflows (Outflows)	2008 $ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends and distributions received		5,546,783	6,084,287
Interest received		317,836	217,920
Custodian fees paid		(36,772)	(95,742)
Goods and services tax refunded		138,327	185,974
Investment manager's fees paid		(1,666,815)	(2,034,032)
Income taxes paid		(2,155,230)	(1,139,990)
Administrative, regulatory, legal and other payments in the normal course of operations		(544,965)	(825,521)
Net cash flows from operating activities	16(a)	1,599,164	2,392,896
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchase of:			
Listed Shares		(22,079,510)	(27,131,167)
Proceeds received from realisation of:			
Listed shares		23,808,562	23,149,498
Net cash inflow/(outflow) from investing activities		1,729,052	(3,981,669)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Buy Back		(22,313)	-
Dividend paid		-	(5,558,288)
Net cash flows used in financing activities		(22,313)	(5,558,288)
Net increase/(decrease) in cash held		3,305,903	(7,147,061)
Add opening cash brought forward		1,857,543	9,058,279
Effects of exchange rate changes on cash		(316,279)	(53,675)
CLOSING CASH CARRIED FORWARD	**16(b)**	**4,847,167**	**1,857,543**

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009

1. CORPORATE INFORMATION

The financial report of Templeton Global Growth Fund Ltd ("the Company") for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 26 August 2009.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

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

The financial report is presented in Australian dollars.

(a) Compliance with IFRS

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

(b) New accounting standards and interpretations

The AASB has issued new standards, amendments and interpretations that were available for adoption but not mandatory, for the 30 June 2009 reporting period. In some cases, these amendments relate to items which are not applicable to the Company. Those amendments which are applicable and which are likely to have an impact on the Company's disclosures but have not yet been applied by the Company in preparing this financial report are:.

Reference	Title	Summary	Application date of standard*	Impact on Company's financial report	Application date for the Company*
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	The application of this standard is expected to impact the manner in which segment information is presented.	1 July 2009

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards and interpretations (continued)

AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	The adoption of this standard will result in changes to the manner in which the results of the company's operating result will be reported.	1 July 2009

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards and interpretations (continued)

AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: • Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); • Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and • Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the International Accounting Standards Board (IASB) in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Beginning 1 January 2009 that end on or after 30 April 2009.	All investments of the Company are listed on foreign exchanges for which quoted prices are available. This will be disclosed as the source of input under the three-level hierarchy. No other significant impact on disclosures expected.	1 July 2009

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Foreign currency translation

(i) Functional and presentation currency
Both the functional and presentation currency of the Company is Australian dollars ($).

(ii) Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

(d) Trade and other receivables

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

(e) Cash and cash equivalents

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

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

(f) Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets.

When financial assets are recognised initially, they are measured at fair value, plus in the case of investments not at fair value through profit and loss, directly attributable transaction costs.

All the Company's investments in securities that are actively traded on organised financial markets are classified as available-for-sale investments. In determining the categorisation of its financial assets, the Company also considers established case law, Australian Taxation Office rulings and the historical average holding period of investments.

Available-for-sale investments ("Investments")
Available-for-sale investments are those non-derivative financial assets, principally equity securities, that are designated as available-for-sale or are not classified as financial assets at fair value through profit and loss, loans and receivables or held-to-maturity investments. After initial recognition investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values 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. The fair value of units in unlisted unit trusts is determined based on the redemption value of those units at balance date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of Investments

If there is objective evidence that an investment is impaired (ie there is a significant or prolonged decline in fair value below cost), an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit or loss. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(h) Trade and other payables

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

(i) Provisions and employee leave benefits

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

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

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(j) **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.

(k) **Income tax and other taxes**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit not taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax to be utilised.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes
Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) **Earnings per share**

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

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest 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.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues using the effective interest method. This is a method of calculating the amortised costs of financial assets and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the Company's right to receive the payment is established.

Net Capital Gains

Net capital gains represent amounts received on the sale of available for sale investments. Revenue from net capital gains is recognised when the Company's right to receive the payment is established.

(n) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(o) Segment reporting

A business segment is a distinguishable component of the Company that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is a distinguishable component of the Company that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

The Company operates in only one business and geographic sector.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

3. RECOGNITION AND MEASUREMENT OF EQUITY INVESTMENTS

The accounts for the financial year ended 30 June 2009 included an impairment charge of $30.7M of which $20.3M was accrued at 31 December 2008. This charge arises out of the Company's interpretation of AASB139 *Financial Instruments: Recognition and Measurement* (AASB139). The Company classifies its equity investments as "available for sale" in accordance with AASB139. As a result, the Company is required to assess the level of impairment of equity investments at each balance date in terms of both the "significance" of the impairment or whether the impairment is "prolonged".

The Company has adopted the policy that significant is a decline in fair market value of below 30% to its book cost, and prolonged is a decline in book value below cost for a period of 12 months.

TGG is an investment company which has been in operation for over 20 years and adopts an investment philosophy of value investment whereby stocks are identified as being undervalued compared to their perceived long-term potential.

Keeping in mind the Company's long term investment frame work, AASB139 has had the effect of requiring the Company to record shorter term impairment in its profit and loss statement notwithstanding the Company's long term outlook.

The standard also does not allow the reversal of impairment charges through the profit and loss account. Any increases in the value of equity investments are taken to equity in the balance sheet to the investment revaluation reserve.

The standard as currently written and interpreted has the effect that TGG and indeed other listed investment companies will record lower profits than in the past while increasing the equity component of the balance sheet.

A review of AASB139 by the International Accounting Standards Board ("IASB") is currently underway. The outcome of this review is not yet known. However, it is likely that the review will again change the manner and extent to which profits of listed investment companies are disclosed. It is possible that AASB139 will be amended and made available for early adoption in the coming financial year. The Company will assess whether to early adopt the revised standard as the revised standard becomes available.

Shareholders should note that the reporting of impairments, profits on sale of assets and changes in the revaluation reserve have no impact on the net tangible asset ("NTA") backing per share of the Company.

4. 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 exposed primarily to market risk, liquidity risk, interest rate risk and credit risk.

Financial instruments of the Company comprise investments in financial assets for the purpose of generating a return on the investment made by shareholders, in addition to cash and cash equivalents, net assets attributable to shareholders, and other financial instruments such as trade debtors and creditors, which arise directly from its operations.

Management is responsible for identifying and controlling the risks that arise from these financial instruments.

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

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

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

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

(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 Franklin Templeton Investments Australia Ltd ("FTI") who manage market risk by diversification of the investment portfolio over geographic and industry sectors. The Board and Board committees monitor FTI's management of market risk by reference to the performance of the portfolio of the investments compared to the performance of an appropriate benchmark index.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Market risk (continued)

Foreign currency exchange 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.

Investors in the Company should be aware that the Company does not hedge its foreign currency exposure to its underlying investments.

The table below indicates the currencies to which the Company had significant exposure at 30 June 2009 on its equity assets and forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Australian dollar on the value of the portfolio of investments, with all other variables held constant.

Accounting Assumptions – Variability of foreign currency

The sensitivity is based on management's estimate of volatility of change probable in global currencies in which the portfolio of investments is significantly invested and in the absence of impairment.

	2009				2008			
Currency	AUD equivalent in exposure by currency $,000	Change in currency rate in %	Effect on loss before tax $,000	Effect on equity after tax $,000	AUD equivalent in exposure by currency $,000	Change in currency rate in %	Effect on profit before tax $,000	Effect on equity $,000
USD	38,523	20/(20)	0/0	4,341/(4,341)	45,517	15/(15)	0/0	4,780/(4,780)
EUR	37,662	20/(20)	0/0	3,021/(3,021)	42,405	15/(15)	0/0	4,453/(4,453)
GBP	17,433	20/(20)	0/0	1,189/(1,189)	26,901	15/(15)	0/0	2,825/(2,825)

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.

The effect on net assets attributable to shareholders and operating profit before distribution due to reasonably possible changes in market factors, as represented by equity indices, with all other variables held constant is indicated in the table below.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Accounting Assumptions – Variability of equity price

The sensitivity is based on management's estimate of the possible volatility of change in the investments of the Company in various significant geographical locations and in the absence of impairment.

	2009			2008		
Location	**Change in location %**	**Effect on loss before tax $,000**	**Effect on equity after tax $,000**	**Change in equity price %**	**Effect on profit before tax $,000**	**Effect on equity $,000**
US	20/(20)	0/0	5,393/(5,393)	20/(20)	0/0	6,372/(6,372)
UK	20/(20)	0/0	2,441/(2,441)	20/(20)	0/0	3,745/(3,745)
Europe	20/(20)	0/0	1,984/(1,984)	20/(20)	0/0	2,044/(2,044)

(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 FTI, 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.

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 and financial reports.

Maturity analysis for financial liabilities

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

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

Interest rate risk

The nature of the Company's business operations are such that the only exposure to financial instruments with interest rate risk exposure is to cash and cash equivalents. Cash and cash equivalents are restricted to investment in "at-call" or short-term to maturity deposits. At balance date cash and cash equivalents were valued at $4,847,167 (2008: $1,857,543), the interest rate applicable to cash and cash equivalents at balance date was 4.2% (2008:5.4%).

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Balance Sheet. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date. 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 and it may adjust the amount of dividends paid, issue new shares or sell assets.

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

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Management has identified the following critical accounting policies for which significant judgments, estimates or assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(i) Significant accounting judgments

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Classification of and valuation of investments
The Company classifies assets and liabilities as held for sale when its carrying amount will be recovered through a sale transaction. The assets and liabilities must be available for immediate sale and the Company must be committed to selling the asset or liability either through the entering into a contractual sale agreement or the activation and commitment to a program to locate a buyer and dispose of the assets or liabilities. It is the act of classification which requires accounting judgment to be applied.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

	2009 $	2008 $
6. REVENUE AND NET CAPITAL GAIN		
Revenue		
Dividends and distributions – other corporations	6,119,237	6,571,678
Interest – other person/corporations	317,768	217,975
Other investment income	114,488	23,921
	6,551,493	6,813,574
Net capital gain		
Net gain on disposal of investments	-	4,137,895
	6,551,493	10,951,469

	2009 $	2008 $
7. EXPENSES AND LOSSES		
Investment Expenses		
Investment management fees	1,520,014	1,857,999
Custodian fees	46,345	66,491
Net foreign currency losses	141,873	147,341
	1,708,232	2,071,831
Net capital loss		
Net loss on disposal of investments	2,036,288	-
	3,744,520	2,071,831

8. INCOME TAX

The major components of income tax are:

	2009 $	2008 $
Income Statement		
Current income tax		
Current income tax charge	(985,537)	2,460,717
Deferred income tax		
Relating to origination and reversal of temporary differences	(7,618,337)	(11,088,143)
Income tax benefit reported in the income statement	(8,603,874)	(8,627,426)
Statement of Changes in Equity		
Deferred income tax related to items charged or credited directly to equity		
Net unrealised gain/(loss) on investments	(2,212,532)	(8,647,964)
Income tax reported in equity	(2,212,532)	(8,647,964)

8. INCOME TAX (continued)

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

	2009 $	2008 $
Loss before income tax	(28,610,514)	(28,670,925)
Prima facie income tax benefit at statutory rate	(8,583,154)	(8,601,277)
Tax effect of:		
- Indexation of capital gains	-	(3,060)
- Unrealised foreign exchange (gains)/losses	1,253	(1,116)
- Other items	(21,973)	(21,973)
Income tax benefit attributable to ordinary activities	(8,603,874)	(8,627,426)

Deferred income tax
Deferred income tax at 30 June relates to the following:

	Balance sheet		Income statement	
	2009 $	2008 $	2009 $	2008 $
Deferred tax liabilities				
Dividends receivable	85,300	80,790	4,510	(43,181)
	85,300	80,790		
Deferred tax asset				
Directors retirement benefit	27,036	27,036	-	-
Long service leave accrued	4,350	4,350	-	-
Audit fee accrued	11,811	11,043	(768)	(3,239)
Net unrealised loss on investments and impairments	14,448,426	11,041,723	(3,406,700)	(11,041,723)
Realised loss on investments	4,215,379	-	(4,215,379)	-
	18,707,002	11,084,152		
Deferred tax income/(expense)			(7,618,337)	(11,088,143)

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

	2009 $	2008 $
9. DIVIDENDS PAID OR PROVIDED FOR		
(a) Dividends paid during the year:		
(i) *Previous year's final and special*		
Final Dividend – 0.0 cents per share (2008 – 3.5 cents per share fully franked)	-	5,049,021
Special Dividend – 0.0 cents per share fully franked (2008 – 1.5 cents per share)	-	2,163,875
(ii) *Current year interim*		
Interim Dividend – nil cents per share fully franked. (2008 – 0.0 cents per share fully franked)	-	-
	-	7,212,896

The tax rate at which dividends have or will be franked is 30%

(b) Franking credit balance

	2009	2008
The amount of franking credits available for the subsequent financial year are:		
– franking account balance as at the end of the financial year at the tax rate of 30%	7,081,276	4,926,046
– franking credits that will arise from the payment of income tax payable as at the end of the financial year	165,444	1,666,031
	7,246,720	6,592,077
The amount of franking credits available for future reporting periods:		
– impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period.	-	-
	7,246,720	6,592,077

	2009	2008
10. RECEIVABLES (CURRENT)		
Receivables	1,179,719	703,199

Receivables consist principally of sales of securities not yet settled or dividends declared not yet received. Proceeds from unsettled sale of securities are generally received within 30 days and dividends declared not yet received are generally received within 60 days.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

	2009 $	2008 $
11. INVESTMENTS (NON-CURRENT)		
Investments are classified as available-for-sale financial assets.		
Securities listed on a prescribed stock exchange at cost:		
Shares	177,752,215	193,866,928
Aggregate quoted market value at balance date of securities listed on a prescribed stock exchange	129,590,795	157,061,185

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

	2009 $	2008 $
12. TRADE AND OTHER PAYABLES (CURRENT)		
Trade payables	99,141	94,353
Payables due to related parties:		
- Director related entities – refer note 22(b)	125,840	149,571
	224,981	243,924

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

	2009 $	2008 $
13. PROVISIONS		
Current		
Long service leave	14,500	14,500
Non-current		
Directors' retirement allowance	90,120	90,120

Prior to 30 June 2003, the Company provided retirement benefits for independent non-executive Directors. With effect from 30 June 2003, the Board resolved to remove retirement benefits except for existing entitlements, which were frozen at the amounts accrued at that date.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

	2009 $	2008 $
14. CONTRIBUTED EQUITY		
(a) Issued and Paid-Up Capital		
Ordinary shares fully paid	184,826,243	184,848,556

	2009 No. of shares	2009 $	2008 No. of shares	2008 $
(b) Movements in shares on Issue				
Beginning of financial year	145,414,719	184,848,556	144,257,731	183,192,515
Issued during the year:				
- dividend reinvestment plan ("DRP")	-	-	1,156,988	1,654,609
- Transaction costs of DRP	-	-	-	(6,365)
- Transaction costs/(benefits) of rights issue	-	-	-	7,797
- On market share buy back (Buy Back)	(30,881)	(22,240)	-	-
- Transaction cost of buy back	-	(73)	-	-
End of the financial year	145,383,838	184,826,243	145,414,719	184,848,556

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly the Company does not have authorised capital nor par value shares in respect of its issued capital.

(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 TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

15. RESERVES AND RETAINED PROFITS

	Notes	2009 $	2008 $
Investment Realisation	15(a)	5,225,439	6,650,840
Investment Revaluation	15(b)	5,162,575	-
		10,388,014	6,650,840
Retained profits/(Accumulated losses)	15(c)	(41,469,920)	(22,888,682)

(a) Investment Realisation Reserve

(i) Nature and purpose of reserve

The investment realisation reserve is used to accumulate realised capital profits. The reserve can be used to pay dividends.

(ii) Movements in Reserve

	2009	2008
Balance at beginning of year	6,650,840	7,963,622
Transfer from retained profits of net profit/(loss) on realisation of investments	(1,425,401)	2,900,114
Dividends paid	-	(4,212,896)
Balance at end of year	5,225,439	6,650,840

(b) Investment Revaluation Reserve

(i) Nature and purpose of Reserve

The investment revaluation reserve is used to accumulate unrealised capital profits. The reserve can only be used in limited
circumstances for payment of dividends

(ii) Movement in Reserve

	2009	2008
Balance at the beginning of the year	-	20,178,583
Net revaluation increments/(decrements) on revaluation of listed securities.	7,375,107	(28,826,547)
Tax effect of increments to revaluation reserve	(2,212,532)	8,647,964
Balance at the end of year	5,162,575	-

(c) Retained Profits/(Accumulated Losses)

Movements in Retained Profit/(Accumulated Losses)

	2009	2008
Balance at the beginning of year	(22,888,682)	3,029,050
Net loss attributable to members of Templeton Global Growth Fund Ltd	(20,006,639)	(20,043,499)
Aggregate of amounts transferred to Investment Realisation Reserve	1,425,401	(2,900,114)
Prior period taxation adjustment	-	25,881
	(41,469,920)	(19,888,682)
Dividends provided for or paid	-	(3,000,000)
Balance at the end of year	(41,469,920)	(22,888,682)

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

	2009 $	2008 $
16. STATEMENT OF CASH FLOWS		
(a) Reconciliation of the net profit after tax to the net cash flows from operations		
Net loss	(20,006,639)	(20,043,499)
Adjusted for:		
Diminution in market value of investments and impairments	30,745,756	36,805,743
Net loss on foreign exchange	141,876	-
Net (gain)/loss on realisation of investments	2,036,288	(4,234,175)
Tax effect of revaluations on investments direct to equity	(2,212,532)	-
Changes in assets and liabilities		
- Receivables	32,286	124,348
- Payables	(27,210)	121,659
- Provision for taxation	(1,500,587)	688,519
- Deferred tax asset	(7,622,850)	(11,044,962)
- Deferred tax liability	4,510	(43,181)
- Provision for employee entitlements	8,266	18,444
Net cash flow from operating activities	1,599,164	2,392,896
(b) Reconciliation of cash		
Cash comprises:		
Cash at Bank	4,847,167	1,857,543

Disclosure of non-cash financing activities

The company issued shares under a dividend reinvestment plan. Refer note 15(b)

17. EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS

Employee Benefits

	2009 $	2008 $
The aggregate employee benefit liability is comprised of:		
Accrued wages, long service leave, salaries, superannuation and on costs (current)	14,500	14,500
Provisions (non-current)	90,120	90,120
	104,620	104,620

18. EARNINGS/(LOSSES) PER SHARE

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

	2009 $	2008 $
Net loss used in calculating basic and diluted losses per share.	(20,006,639)	(20,043,499)
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings/(losses) per share.	145,411,949	145,139,697

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

19. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) Directors

D.A. Walsh	Chairman (non-executive)
G.N. Webb	Deputy Chairman (non-executive)
J.J. Bolt	Director (non-executive)
J.F. Harvey	Director (non-executive)
J.A. (Tony) Killen	Director (non-executive)
G.E. McGowan	Director (non-executive)

(ii) Executive

M.F. Warwick	Company Secretary and General Manager

(b) Compensation of Key Management Personnel

	2009 $	2008 $
Short-Term	227,976	243,249
Post Employment	186,384	164,590
Total	414,360	407,839

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

19. KEY MANAGEMENT PERSONNEL (continued)

(c) Compensation options : Granted and vested during the year

No options were granted to, or vested with, key management personnel during the year ended 30 June 2009 or the year ended 30 June 2008.

(d) Shares issued on exercise of compensation options

No shares were issued on exercise of compensation options during the year ended 30 June 2009 or the year ended 30 June 2008.

(e) Option holdings of directors and the executive

No options are held by key management personnel during the year ended 30 June 2009 or the year ended 30 June 2008.

(f) Shareholdings of key management personnel

Shares held in the Company *(number)*	**Balance 1 July 2008**	**Net Change Other**	**Balance 30 June 2009**
	Ord	Ord	Ord
Directors			
D.A. Walsh	62,500	-	62,500
G N Webb	343,974	-	343,974
J.F. Harvey	81,000	(49,000)	32,000
J.A. (Tony) Killen	166,600	-	166,600
G.E. McGowan	-	-	-
J.J Bolt	-	-	-
Executive			
M.F. Warwick	12,960	10,000	22,960
Total	**667,034**	**(39,000)**	**628,034**

Shares held in the Company *(number)*	**Balance 1 July 2007**	**Net Change Other**	**Balance 30 June 2008**
	Ord	Ord	
Directors			
D.A. Walsh	25,000	37,500	62,500
G N Webb	332,353	11,621	343,974
J.F. Harvey	81,000	-	81,000
J.A. (Tony) Killen	166,600	-	166,600
G.E. McGowan	-	-	-
J.J. Bolt	-	-	-
Executive			
M.F. Warwick	12,960	-	12,960
Total	**617,913**	**49,121**	**667,034**

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

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

19. KEY MANAGEMENT PERSONNEL (continued)

(g) 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 2009.

(h) Other transactions and balances with key management personnel

Messrs Mallesons Stephen Jaques, Solicitors, a firm in which Mr. David Walsh is a former partner, was paid $18,512 for providing legal advisory services on normal terms and conditions for the 12 months to 30 June 2009 (2008: $26,830).

	2009 $	2008 $
20. AUDITORS' REMUNERATION		
The auditor of the Company is Ernst & Young.		
Amounts received or due and receivable by Ernst & Young (Australia) for:		
• an audit or review of the financial report of the Company	57,511	58,440
• other services in relation to the Company	-	-
	57,511	58,440

21. SEGMENT INFORMATION

The Company is domiciled and incorporated in Australia.

The Company's principal activity is investment in quoted equities and other securities on a worldwide basis. Details of these investments are disclosed in the Investment Manager's Report and the List of Investments.

The Company operates in only one business and geographic sector.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

22. RELATED PARTY DISCLOSURE

(a) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 18.

(b) Transactions with related parties
Management fees paid to Franklin Templeton Investments Australia Limited

The Company's Investment Manager is Franklin Templeton Investments Australia Limited ("**Investment Manager**"). The Investment Manager is a member of the Franklin Templeton group.

In accordance with the Investment Management Agreement, the Investment Manager is entitled to a fee in respect of the management of the investment portfolio of the Company. This fee is calculated at the rate of 1% per annum payable monthly on the value of the net tangible assets of the Company less the value of the investments in unlisted trusts managed by the Investment Manager. For those services, the Investment Manager was paid a fee of $1,520,014 for the 12 months to 30 June 2009 (2008 $1,857,999). As at the end of the financial year $116,415 (2008: $149,571) was owing to the Investment Manager.

The Company has the following relationships with the Investment Manager:

Mr. G N Webb, Ms J J Bolt and Mr. G E McGowan 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 continues as at 30 June 2009) unless otherwise specified.

- Mr. G E McGowan is a director of the Investment Manager.
- Mr. G E McGowan and Ms J J Bolt are employed by companies related to the Investment Manager.

Neither the Investment Manager nor any of the funds for which the Investment Manager is responsible are shareholders in Templeton Global Growth Fund Ltd.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2009 (continued)

23. FAIR VALUE

Fair values
All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

24. EXPENDITURE COMMITMENTS

Remuneration commitments

	2009 $	2008 $
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	168,000	168,000
After one year but not more than five years	-	168,000
Longer than five years	-	-
Total	168,000	336,000

Amounts disclosed as remuneration commitments arise from the service contract with the General Manager referred to in the Remuneration Report of the Directors' Report. The above amount is not recognised as a liability and is not included in the compensation of key management personnel.

25. EVENTS AFTER THE BALANCE SHEET DATE

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

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Templeton Global Growth Fund Ltd. ("the Company") I state that -

1. In the opinion of the directors of the Company:

   a) the financial statements. notes and the additional disclosures included in the Director's Report designated as audited, of the Company are in accordance with the *Corporations Act 2001*, including:

      - giving a true and fair view of the Company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and

      - complying with Accounting Standards and Corporations Regulations 2001; 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.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2009.

On behalf of the Board

D.A. WALSH
Chairman

Melbourne 26 August 2009

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Independent auditor's report to the shareholders of Templeton Global Growth Fund Ltd

Report on the Financial Report

We have audited the accompanying financial report of Templeton Global Growth Fund Ltd (the "company"), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flows statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the company's preparation and fair presentation of the financial report 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

ERNST & YOUNG

Auditor's Opinion

In our opinion:

1. the financial report of Templeton Global Growth Fund Ltd is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the financial position of Templeton Global Growth Fund Ltd as at 30 June 2009 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report 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 2009. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Templeton Global Growth Fund Ltd for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

T M Dring
Partner
Melbourne

26 August 2009

2009 INVESTMENT MANAGER'S REPORT

2009 was a difficult year for global markets with the MSCI All Country World Free Index ("Index") falling by 15% for the year. Had it not been for the sharp fall in the Australian dollar the decline would have been much worse, as markets reacted to the fear of another Great Depression. Templeton Global Growth Fund Ltd ("TGG") performed slightly better than the Index, but still saw a negative return of 13.5% for the year.

PERFORMANCE SUMMARY TO 30 JUNE 2009 - $A						
	Latest 6 mths %	Latest 12 mths %	Latest 3 yrs* %	Latest 5 yrs* %	Latest 10 yrs* %	Since Inception* %
TGG ^	-8.2	-13.5	-10.9	-2.5	-0.7	6.1
MSCI All Country World Free Index	-5.5	-15.6	-9.1	-1.4	-1.8	5.0#
		1 yr to 30/6/09 %	1 yr to 30/6/08 %	1 yr to 30/6/07 %	1 yr to 30/6/06 %	1 yr to 30/6/05 %
TGG ^		-13.5	-26.6	11.5	21.3	2.4
MSCI All Country World Free Index		-15.6	-19.4	10.3	21.5	2.2

^ Returns are based on movements 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 share buy-backs.
* Annualised
\# Since inception Index uses MSCI World as AC World was not in existence at TGG's inception
Shareholders should note that past performance is not necessarily an indicator of future performance

2009 in Review

If 2008 was a traumatic year for economies and markets, it was subsequently eclipsed by 2009. While much of the writing was on the wall in the middle of calendar 2008, the collapse of Lehman Brothers on 15 September 2008 sent credit markets into a tailspin with inter-bank markets almost ceasing to function and corporate credit yields soaring to levels unseen since the Great Depression. Banks were unsure of the security of each other's finances and stopped providing credit to one another. Global trade and industrial production promptly collapsed. For instance, by January 2009, Japanese exports to each of the US, the EU and Asia were down between 40% and 60% year-on-year. Industrial production in the US and the Euro zone fell between 10% and 20%. Retail sales, by contrast, remained relatively resilient (with the exception of petrol sales and big ticket items, such as autos), leading to a fall in inventories.

Corporations reacted to the worsening economic news by substantially reducing their levels of production and inventory. This had a compounding effect on economic confidence, which had already been shaken by the downturn in housing prices and share markets.

This sequence of events led to a range of extra-ordinary fiscal and monetary activity by governments around the World. Intervention in the banking market has ranged from Government guarantees of various bank debts and proposals to acquire securities and loans from financial institutions, through to equity investments in the financial institutions themselves. The fiscal response has taken a Keynesian approach to macro-economics by aiming to support economic demand through tax cuts, and spending and investment programmes. In the long-run, it is likely there will also be substantial changes to the regulatory framework for financial institutions and security markets.

Markets reacted to this backdrop in a very negative manner in the period until early March 2009. Since then, markets have turned sharply higher. "Risk" assets around the World have rallied, with commodities, equities, corporate bonds, etc having risen substantially with, generally speaking, the "riskier" the asset, the sharper the rise. This has also been replicated in currency markets with the Australian dollar having risen from around 63c to the US dollar in early March to above 80c now.

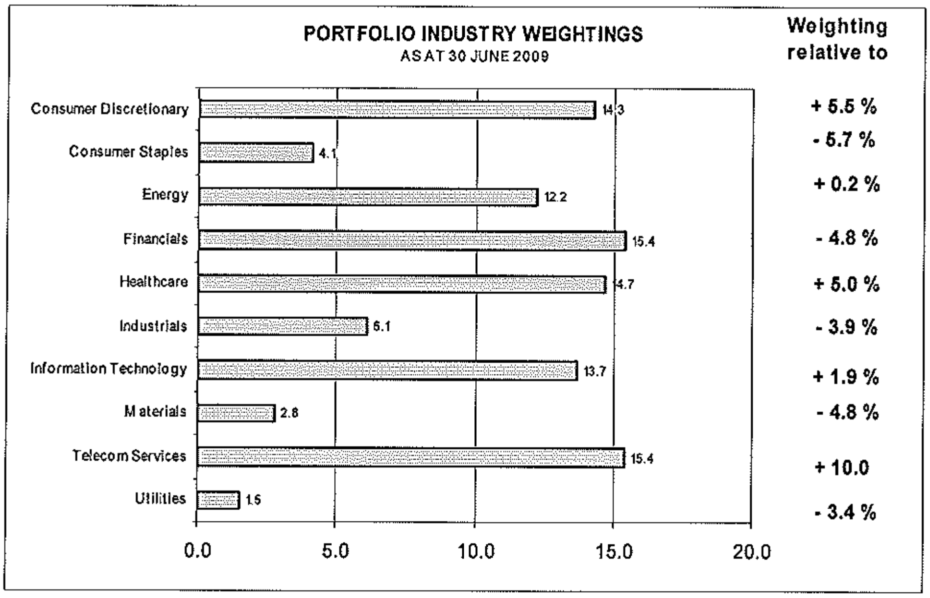
As is often the case at such turning points, even with hindsight, it is difficult to pinpoint the reason for the shift that began around 9 March 2009. The US Federal Reserve's Stress Test for US banks, had been announced two weeks earlier and was not completed until early May. The Bank of England announced the purchase of a further £150bn of debt securities the week before. At about the same time, from a macro-economic perspective, statistics tended to take a turn to the positive. Overall, however, there does not seem to have been any one landmark event, but rather a number of factors that lead to a reduction in the likelihood of the economic free-fall, that markets had been previously fearing.

More positive news on the economic front evident today is largely linked to a rebuild in inventory levels and an improvement in industrial production, with production heading back towards the level of underlying demand. The recovery in activity levels should be sustainable, and indeed, across the economies of most countries a more stable level of activity seems to be emerging. The next major test will occur as governments start to deal with the necessity of unwinding some of the extra-ordinary fiscal and monetary stimulus which has been enacted to get economies moving.

The US savings rate has risen to almost 7% in May 2009 from zero, but total compensation of US employees is flat year-on-year. The increase in the savings rate has been driven by Government largesse which is not sustainable at current levels as the US fiscal deficit is likely to reach US$1.8tn this year, or more than 12% of GDP. Other nations face a similar issue, to a greater or lesser degree.

Sector Returns

Of the six sectors in which TGG had a weighting of more than 10% throughout the period (i.e. Consumer Discretionary, Energy, Financials, Healthcare, Information Technology and Telecommunications), TGG's holdings outperformed the Index returns in five, while noticeably lagging in the Financials sector. Over the year as a whole Consumer Staples and Healthcare stood out as the two sectors able to deliver positive returns, albeit only able to do that in Australian dollar terms. Returns in local currencies in all sectors were solidly negative.



Sector Returns (yr to 30 June 2009)	Index (%)	TGG (%)
Consumer Discretionary	(5.7)	(1.5)
Consumer Staples	2.8	(4.2)
Energy	(28.3)	(19.5)
Financials	(21.0)	(36.2)
Healthcare	3.0	10.3
Industrials	(21.1)	(29.7)
Information Technology	(7.1)	(5.2)
Materials	(32.5)	(21.2)
Telecommunications	(8.2)	(2.3)
Utilities	(15.2)	(35.4)

The Financials sector remained the most difficult area of the market for the last six months and two of TGG's holdings have seen a permanent loss in value, AIG and Royal Bank of Scotland (RBS). The terms of the recapitalisation plans for these two companies were substantially dilutive to existing shareholders. We have now sold both holdings, RBS after 30 June. In the case of TGG's other financial holdings recapitalisations have in some cases been slightly dilutive, but have generally not been on overly onerous terms and as financial markets recover we would expect to substantially recover our investment in these securities.

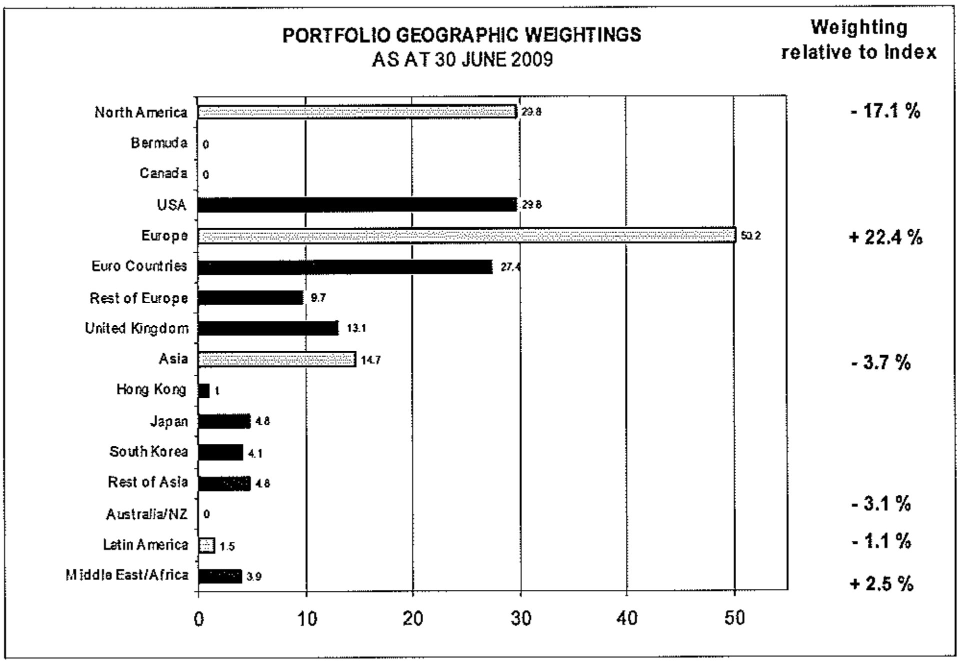
The relatively strong performance of Consumer Discretionary stocks is perhaps counter-intuitive given the general weakness of cyclical shares. The sector is, however, the most difficult to interpret given the range of companies it captures. Stocks within the sector in TGG's portfolio range from automobile manufacturers, such as BMW and Toyota, to two South African retailers and a Japanese used car auctioneer. The largest industry in TGG's holdings in this sector is Media, with a diverse range of holdings, but with a substantial exposure to subscription revenues from companies such as Time Warner Cable, BSkyB, Reed Elsevier.

The 10% return delivered by TGG's Healthcare holdings has been pleasing. TGG's pharmaceuticals holdings have performed best, with Watson Pharmaceuticals and Amgen the two strongest contributors, supported by Pfizer and Sanofi. Holdings in the sector have generally continued to deliver resilient operating performance and we remain very encouraged by their ongoing attractive valuation.

The Telecommunications sector remains about the largest component of TGG's portfolio and we have been pleased to see the operating and stock price performance posted by many of our holdings. Notwithstanding the fact that emerging economies have not proved to be decoupled from developed markets, the emerging market operations of many of our telecom holdings have continued to post solid growth. By way of example, Egyptian Company for Mobile Services has just posted 24% EBITDA growth in the June quarter on the back of 11% revenue growth.

Regional Returns

Europe was clearly the worst performing major region for the year, falling more than 20%. TGG's holdings performed about in line with the Index in Europe, slightly behind in Asia and ahead in North America. All of the under-performance in Asia came from the holding in Satyam, where the share price fell sharply after the Chairman unveiled massive fraud. The main reason for the out-performance in the US was due to the strong showing from the portfolio's healthcare and technology holdings in that market.



Major Region Returns (yr to 30/6/2009)	Index (%)	TGG (%)
North America	(13.6)	(6.8)
Europe	(23.1)	(21.6)
Asia	(5.9)	(9.0)

Portfolio Strategy

Over the year TGG's financials exposure declined, mostly through the under-performance of the sector. We were reasonably active, however, exiting a number of holdings where we thought the long-term outlook was challenged, while purchasing companies where the market was excessively discounting a difficult short-term outlook. To this end we sold positions in AIG, Discover Financial Services, Standard Life, Torchmark and XL Capital, but initiated positions in American Express, Bank of NY Mellon, Credit Agricole and Munich Re. We also increased our positions in ING, Swiss Re and Unicredit. Overall we have ended up with a more diversified set of financial holdings.

We have increased the portfolio's exposure to the <u>Energy</u> sector, with the profitability of the new holdings more sensitive to the oil price than that of TGG's existing investments. These include Russian Gazprom, Brazilian Petrobras and Norwegian Statoil.

Among other cyclical stocks where we have established or increased TGG's holding are tech firms Cisco and Flextronics, Irish-based building materials group CRH, French tyre maker Michelin and Brazilian iron ore major Vale.

Most of the new cyclical exposures were added in the period prior to March 2009. Since then the rebound in cyclical stocks has taken many cyclical shares away from prices at which we believe they represent compelling value. While we remain on the search for new bargains in this area we have become more attracted in recent months to some of the more defensive names that have missed out on the rebound.

Outlook

We have experienced a savage bear market over the last couple of years. Such periods often provide attractive bargains. Despite the significant market rebound in recent months many value opportunities remain with a range of Healthcare, Technology, Telecommunications, and Media stocks continuing to trade at or near historical valuation troughs. We believe that the earnings, cash flows and dividends of these companies will be resilient and that the shares will provide attractive returns.

As the tables which follow will illustrate, fundamentally TGG's portfolio holdings remain substantially under-valued with the investments trading at an average multiple of only 1.4 times book value. A valuation of only slightly over ten times historic earnings is also attractive. Both point to more promising times ahead.

TOP 15 PORTFOLIO HOLDINGS As At 30 June 2009			
Security	Sector	Country	% of portfolio
Microsoft	Information Technology	United States	2.7
Amgen	Health Care	United States	2.6
France Telecom	Telecommunication Services	France	2.5
Oracle	Information Technology	United States	2.4
Total	Energy	France	2.3
Telefonica	Telecommunication Services	Spain	2.2
BP	Energy	United Kingdom	1.9
Sanofi-Aventis	Health Care	France	1.9
Samsung	Information Technology	South Korea	1.9
Royal Dutch Shell	Energy	United Kingdom	1.9
Singapore Telecommunications	Telecommunication Services	Singapore	1.9
Vodafone	Telecommunication Services	United Kingdom	1.9
Pfizer	Health Care	United States	1.7
BMW	Consumer Discretionary	Germany	1.6
Egyptian Mobile	Telecommunication Services	Egypt	1.6
			31.1

INDICATIVE PORTFOLIO CHARACTERISTICS TGG vs MSCI AC World Free Index As At 30 June 2009 Historic Valuation Measures		
Weighted Avg – Stocks Held	TGG	MSCI AC World
Price to Earnings (times)	10.4	16.8
Price to Cash Flow (times)	4.4	7.6
Price to Book Value (times)	1.4	1.7
Dividend Yield (%)	3.5	3.0
Market Capitalisation ($Aust m.)	67,873	59,114

Five Year Summary

As at 30 June		2009	2008	2007	2006	2005
Sector Weightings (%)						
Consumer Discretionary		14.3	16.4	15.5	13.2	12.6
Consumer Staples		4.1	2.9	1.9	2.5	3.5
Energy		12.2	10.2	7.6	7.6	7.9
Financials		15.4	19.9	27.7	29.1	20.7
Health Care		14.7	11.3	11.1	10.7	11.7
Industrials		6.1	8.1	10.2	10.7	12.3
Information Technology		13.7	12.0	8.5	9.4	9.8
Materials		2.8	2.4	2.5	3.8	5.0
Telecommunication Services		15.4	15.8	13.4	13.2	11.8
Utilities		1.5	1.0	1.5	2..7	4.7
Geographic Weightings (%)						
North America		29.8	29.0	31.4	28.2	28.2
Europe - ex UK		37.1	34.0	35.0	33.5	32.2
UK		13.1	17.1	16.4	18.3	18.7
Asia - ex Japan		9.9	10.1	8.5	10.2	10.0
Japan		4.8	7.0	6.0	8.9	8.0
Australia/NZ		0.0	0.0	0.0	0.0	1.1
L. America/Caribbean		1.5	0.0	0.0	0.9	1.8
Mid-East/Africa		3.9	2.9	2.8	0.0	0.0
Fundamental Characteristics						
Price to Earnings	TGG	10.4x	10.2x	14.4x	14.0x	14.2x
	MSCI AC	16.8x	14.3x	16.9x	16.5x	17.2x
Price to Book	TGG	1.4x	1.6x	2.2x	2.0x	2.0x
	MSCI AC	1.7x	2.1x	2.7x	2.5x	2.5x
Price to Cash Flow	TGG	4.4x	5.3x	7.5x	6.9x	6.7x
	MSCI AC	7.6x	9.2x	11.2x	10.5x	10.1x
Dividend Yield	TGG	3.5%	4.1%	2.8%	2.8%	2.6%
	MSCI AC	3.0%	2.8%	2.1%	2.2%	2.2%
Year to 30 June Performance						
	TGG	-13.5%	-26.6%	11.5%	21.3%	2.4%
	MSCI AC	-15.6%	-19.4%	10.3%	21.5%	2.2%
Market Cap($Am)						
	TGG	67,873	76,792	99,406	84,935	57,482
	MSCI AC	59,114	68,527	81,680	81,801	77,220

Peter M Wilmshurst CFA
Portfolio Manager
26 August 2009

LIST OF INVESTMENTS AS AT 30 JUNE 2009

(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	% Of Total
AUSTRIA			
Telecommunication Services			
TELEKOM AUSTRIA AG: Mobile and fixed line service provider with operations in a number of European countries.	45,670	888,245	
		888,245	0.69
BRAZIL			
Energy			
PETROBRAS: Multinational energy company.	31,160	1,284,634	
Mining			
VALE SA: Global mining company.	36,920	698,715	
		1,983,349	1.53
CHINA			
Telecommunication Services			
CHINA TELECOM: Principal activity is the provision of wireline telecommunications services in provinces throughout Southern China.	2,846,000	1,748,791	
		1,748,791	1.35
EGYPT			
Telecommunication Services			
EGYPTIAN MOBILE PHONE: Mobile service provider	50,199	2,110,204	
		2,110,204	1.63
FINLAND			
Materials			
ENSO OYU "R": Integrated forest products company producing magazines, newsprint, fine papers, packaging boards and wood products.	75,830	494,681	
UPM-KYMMENE OY: Manufactures pulp and paper for newspapers and magazines, plywood, and timber.	109,214	1,176,701	
		1,671,382	1.29
FRANCE			
Automobiles & Components			
MICHELIN (CGDE): Manufactures all-purpose tyres, wheels, steel cables maps and tourist guides.	20,770	1,462,689	

Banking			
CREDIT AGRICOLE: Large retail banking group.	38,402	591,315	
Energy			
TOTAL SA: Explores for, produces, refines, transports and markets oil and natural gas. The company also operates a chemical division which produces polypropylene, polyethylene, polystyrene, rubber, paint, ink, adhesives, and resins.	44,670	2,981,498	
Insurance			
AXA SA: A Company providing insurance (life and non-life), financial services and real estate services in Europe, Asia and North America.	62,338	1,447,664	
Media			
VIVENDI SA: Media conglomerate	30,980	915,630	
Pharmaceuticals & Biotechnology			
SANOFI - AVENTIS: The Company's principal activity is the provision of products and services for health and nutrition.	35,036	2,542,721	
Telecommunications			
FRANCE TELECOM SA: Telecommunications operator	113,623	3,184,707	
		13,126,224	10.13
GERMANY			
Automobiles & Components			
BAYER MOTOREN WERK: BMW manufactures and sells cars and motorcycles worldwide including BMW, Mini and Rolls Royce brands.	45,390	2,112,498	
Insurance			
MUENCHENER RUECKV: Large insurance and reinsurance company.	4,180	698,754	
Pharmaceuticals			
MERCK KGAA: Global pharmaceutical and chemical enterprise	4,770	598,512	
Transportation			
DEUTSCHE POST AG: Provides German domestic mail delivery, international parcel and mail delivery, freight delivery and logistics services	66,890	1,078,135	
Technology Hardware & Equipment			
SIEMENS AG: Produces a wide range of industrial and consumer products including trains, electricity generation, medical equipment, building controls etc.	16,140	1,378,013	
Utilities			
E.ON AG: This conglomerate is one of Germany's largest electrical utilities, with interests in chemical plants, trading and transport services	21,480	939,142	
		6,805,054	5.25

HONG KONG			
Real Estate			
CHEUNG KONG HLDGS LTD: One of the largest property development companies in Hong Kong, with interests in telecommunications, shipping related services, trading, energy, finance and miscellaneous investments through its affiliate Hutchison Whampoa.	95,000	1,350,964	
		1,350,964	1.04
IRELAND			
Building and Construction			
CRH PLC: Core business involve primary materials production, value added building products and specialist building materials distribution. Operates in over 30 countries.	44,900	1,265,189	
Healthcare			
COVIDIEN PLC: Engaged in the development, manufacture and sale of healthcare products for use in clinical and home settings.	29,770	1,378,674	
		2,643,863	2.04
ISRAEL			
Software & Services			
CHECK POINT SOFTWARE TECHNOLOGIES LTD: Provides internet security services including enterprise and personal firewalls, data security and VPN's.	31,180	905,954	
		905,954	0.70
ITALY			
Banks			
UNICREDITO ITAL SPA: Provides consumer and corporate banking and wealth management services in Italy. Now also operates in Germany, Austria and Eastern Europe following the acquisition of HypoVereinsbank.	504,875	1,568,830	
Energy			
ENI SPA: An Italian integrated oil and gas company with operations in 75 countries	58,750	1,707,336	
Retail			
AUTOGRILL SPA: A leading food and retail operator focused on the travel segment.	94,529	979,940	
		4,256,106	3.28
JAPAN			
Automobile Manufacturers			
TOYOTA MOTOR CORP: Manufactures, sells, leases and repairs passenger cars, trucks, buses and their related parts worldwide. The Company also operates financing services through their subsidiaries. Toyota Motor builds homes, produces pleasure boats, and develops intelligent transportation systems including radar cruise control and electronic toll collection systems.	16,300	764,814	
Diversified Financials			
NOMURA HOLDINGS INC: A securities company, which is active in a wide range of financial services including research, dealing, brokerage, underwriting and distribution of securities.	58,000	605,256	

MITSUBISHI UFJ FINANCIAL GROUP INC: A holding company established through the merger of Mitsubishi Tokyo Financial Group and UFJ Holdings. As a financial group, the company provides a variety of financial and investment services including commercial banking, and trust banking..	187,600	1,435,801	
Materials			
FUJIFILM HOLDINGS: Manufactures film for general, medical, printing, office and movie production. Has a joint venture with Xerox for office equipment.	33,304	1,306,486	
Diversified Retail			
USS CO LTD ORD JPY NPV: Principally involved in the automobile auction business. The company operates three business segments. The automobile auction segment is engaged in the operation of automobile auctions targeting secondhand car dealers, the operation of satellite telecast television auctions as well as the sale of video auction terminals. The secondhand automobile segment is engaged in the purchase and sale of secondhand cars. The other business segment is engaged in the recycling of end-of-life vehicles and waste rubber.	23,510	1,497,946	
Pharmaceuticals & Biotechnology			
TAKEDA CHEMICALS: Manufactures and sell pharmaceuticals, food supplements and chemical products.	13,000	624,974	
		6,235,277	4.81
NETHERLANDS			
Consumer Durables			
KONINKLIJKE PHILIPS ELECTRONICS NV: One of Europe's largest producers of lighting and consumer electronics as well as medical devices, and industrial electronics.	46,440	1,057,115	
Diversified Financials			
ING GROEP NV: A life and general insurance group that offers a wide range of financial services to individuals, companies and institutions throughout the world.	100,223	1,246,934	
Media			
REED ELSEVIER NV: An international publishing and information provider.	97,835	1,330,781	
Oil and Gas			
SBM OFFSHORE NV:Engineers, supplies and installs most types of offshore terminals and related equipment. Also owns and operates a fleet of floating production storage and offloading units.	71,965	1,517,654	
		5,152.484	3.98
NORWAY			
Telecommunication Services			
TELENOR ASA: The leading telecom operator in Norway with mobile operations in countries such as Russia, Ukraine, Denmark, Hungry, Malaysia and Bangladesh	187,010	1,771,762	

Petrochemicals: STATOILYHYDRO ASA: Oil and gas field operator, also involved in refining of petroleum products and an operator of fueling stations.	20,830	506,377	
		2,278,139	1.76
RUSSIA **Energy** GAZPROM: Natural gas extractor.	45,210	1,131,817	
		1,131,817	0.87
SINGAPORE **Consumer Durables** FLEXTRONICS INTERNATIONAL: Contract electronics manufacturer.	107,260	545,288	
Telecommunication Services SINGAPORE TELECOMMUNICATIONS LIMITED: Operates and provides telecommunications systems and services in Singapore, Australia, India, Indonesia, Philippines, Thailand and Bangladesh.	971,000	2,472,913	
		3,018,201	2.33
SOUTH AFRICA **Retail – Consumer Goods** JD GROUP LIMITED: Sells furniture, appliances, and home entertainment products through six retail chains. The group's chain store brands include Bradlows, Russells, Joshua Doore, and Price N Pride.	158,576	1,027,413	
FOSCHINI LTD: Consists of 13 trading divisions dealing in lifestyle products that range from fashion, jewellery, accessories, cosmetics, sporting and outdoor apparel and equipment to homewares.	114,107	915,670	
		1,943,083	1.50
SOUTH KOREA **Banks** KOOKMIN BANK: Involved in the provision of commercial and personal banking services, which include remittances, deposits, foreign investments, corporate financing, financial advisory and mid-long term funding.	23,401	971,326	
Diversified Industrials MACQUARIE KOREA INFRASTRUCTURE FUND: Invests in infrastructure assets in the Republic of Korea.	249,510	1,182,231	
Technology Hardware & Equipment SAMSUNG ELECTRONICS CO LTD: One of the world's leading DRAM manufacturers and a leading manufacturer of consumer electronics, displays and telecommunications equipment.	4,338	2,489,267	
Telecommunication Services KT CORP: A leading provider of telecommunication services in Korea offering local, long distance, wireless and data communication services.	35,231	624,479	
		5,267,303	4.06

SPAIN			
Banks			
BANCO SANTANDER CENTRAL HISPANO: Main business areas are retail banking, wholesale banking and asset management and insurance.	42,950	637,872	
Energy			
IBERDROLA SA: Electric and renewable energy operator.	99,331	995,252	
Telecommunication Services			
TELEFONICA SA BDR: The largest telephone company in Spain with primary markets in Spain and Latin America.			
- Ordinary	63,519	1,775,948	
- BDR	40,282	1,087,136	
		4,496,208	3.47
SWITZERLAND			
Diversified Financials			
UBS AG: A bank with a focus on investment banking and wealth management/private banking.	42,525	642,787	
Food Beverage & Tobacco			
NESTLE SA: The Group's principal activity is the manufacture of Beverages; Prepared dishes and cooking aids; Milk products, nutrition and ice cream; Pet care Products; Chocolate and Confectionery; and Pharmaceutical Products.	35,700	1,660,692	
Healthcare			
ROCHE HOLDINGS: Global healthcare company.	4,090	687,070	
Insurance			
SWISS REINSURANCE CO: Offers property/casualty, life and health insurance-based management sevices worldwide.	33,773	1,380,528	
ACE LTD: Provider of property and casualty insurance and reinsurance.	29,460	1,609,924	
Manufacturing			
TYCO INTERNATIONAL: Diversified global manufacturing company.	27,030	867,621	
Pharmaceuticals			
NOVARTIS AG: Multinational pharmaceutical company.	16,870	844,622	
		7,693,244	5.94
TAIWAN			
Computer Services			
LITE-ON TECHNOLOGY: Provider of imaging products, enclosures, power supplies and LEDs.	500,879	537,225	
Technology Hardware & Equipment			
COMPAL ELECTRONICS: Manufacture and sale of computer equipment, mobile telephones and various electronic parts.	885,810	889,976	
		1,427,201	1.10

TURKEY			
Telecommunication Services			
TURKCELL: Offers cellular telephone, voice and data communication services through its GSM network in Turkey.	104,270	1,786,306	
		1,786,306	1.38
UNITED KINGDOM			
Banks			
ROYAL BANK OF SCOTLAND: Banking, insurance and financial services in the UK and USA..	768,891	605,127	
HSBC HOLDINGS PLC: Provides a range of financial services including : personal financial services, commercial banking, investment banking and private banking services.	139,917	1,466,046	
Media			
BRITISH SKY BROADCASTING GROUP PLC: The Group's principal activity is the operation of a pay television broadcasting service to customers in the United Kingdom and the Republic of Ireland. Part of the News Corp Group.	152,098	1,408,954	
Capital Goods			
BAE SYSTEMS PLC: One of the leading global defence contractors, with operations in civil aerospace including a holding in EADS, the holding company for Airbus.	148,329	1,022,032	
Pharmaceuticals & Biotechnology			
GLAXOSMITHKLINE PLC: Created from the December 2000 merger between GlaxoWellcome and SmithKline Beecham. Glaxo's ranks second in the world pharmaceutical industry behind Pfizer.	77,412	1,684,148	
Energy			
BP PLC: One of the global leading oil and petrochemicals companies with operations in over 100 countries.	255,819	2,489,627	
ROYAL DUTCH SHELL: Global group of energy and petrochemical companies.	78,446	2,436,921	
Food Beverage			
UNILEVER PLC: One of the world's leading companies involved in the manufacture, marketing and sale of branded and packaged consumer goods.	52,661	1,526,493	
PREMIER FOODS PLC : Food producer, manufacturing and supplying products for the food service industry.	1,254,908	933,051	
COMPASS GROUP PLC: Provision of food and vending services on client's premises.	148,322	1,031,804	
Telecommunication Services			
VODAFONE GROUP PLC: Provides mobile telecommunications services to over 100 countries and across 230 networks.	1,009,497	2,409,063	
		17,013,266	13.13

UNITED STATES

Banks		
BANK OF AMERICA CORP: A bank holding company that provides a diversified range of banking and nonbanking financial services and products both within the US and internationally.	32,456	527,116
BANK OF NEW YORK MELLON: Global financial services company.	33,940	1,230,480
Computer Services		
ACCENTURE LTD: Global management consulting and technology services company.	42,470	1,757,741
Consumer Durables and Apparel		
MORGAN STANLEY DEAN WITTER & CO: A global financial services firm that provides products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals.	22,755	802,174
Electronics		
CISCO SYSTEMS INC: Supplier of networking equipment and network management for the internet.	59,430	1,370,246
GENERAL ELECTRIC COMPANY: Multinational technology and services conglomerate	86,570	1,252,853
TYCO ELECTRONICS LTD: Manufacturer of passive and electronic components.	40,190	922,165
Insurance		
AMERICAN INTERNATIONAL GROUP: Engaged in insurance and insurance-related activities. The company's primary activities include both general and life insurance operations. Other significant activities include financial services, retirement services and asset management.	20,680	594,475
AON CORP: An insurance services holding company comprised of insurance brokerage, consulting, and warranty and consumer insurance companies.	10,873	509,321
Health Care Equipment & Services		
BOSTON SCIENTIFIC: Develops products for minimally invasive surgical procedures. Products include stents and defibrillators.	65,580	822,538
Leisure and Recreation		
CARNIVAL CORP: World's largest cruise company operating under seven cruise brands and with 45 vessels.	35,540	1,132,866
Technology Hardware & Equipment		
CADENCE DESIGN SYSTEMS: Provides software technology and comprehensive design and consulting services and technology. The Company also supplies electronic design automation software and services to the global electronics market.	47,691	347,455

Media NEWSCORP: Diversified media and entertainment company operating in the areas of filmed entertainment, television, cable network programming, satellite television, magazines and newsprint.	106,450	1,390,453	
TIME WARNER: Media and entertainment conglomerate.	35,333	1,384,125	
VIACOM INC: Global entertainment content company.	40,380	1,133,806	
Petrochemicals CHEVRON CORP: Engages in oil and gas exploration, refining and marketing of oil, lubricants and fuels. Conducts business activities in over 180 countries.	21,550	1,765,690	
AMGEN INC: Discovers, develops, manufactures, and markets human therapeutics based on cellular and molecular biology.	51,420	3,367,789	
MERCK & CO: Global research pharmaceutical company that discovers, develops, manufactures and markets a broad range of innovative products to improve human and animal health.	44,270	1,529,422	
Food and Beverage DR PEPPER SNAPPLE GROUP INC: Manufactures, markets and distributes more than 50 brands of carbonated soft drinks, juices, ready to drink teas, mixers and other premium beverages.	45,520	1,193,109	
OMNICARE INC: Provides professional pharmacy, related consulting, And data management services	41,030	1,305,327	
PFIZER INC: A research-based, global pharmaceutical company that discovers, develops, makes and markets prescription medicines for humans and animals.	119,928	2,223,663	
WATSON PHARMACEUTICALS INC: Develops, manufactures, and sells proprietary and off-patent pharmaceutical products. The company develops drugs in the therapeutic areas of primary care, women's health, dermatology, and neurology/psychiatry.	33,930	1,411,844	
Software & Services MICROSOFT CORP: Computer software provider. Core offerings include Windows, Office, Windows Server. Newer products include Xbox and Windows Mobile.	121,360	3,571,222	
ORACLE CORP: Supplier of software for information management	117,410	3,112,250	
		34,658,130	26.74
Total of investments		**129,590,795**	**100.00**