

**CONTACT DETAILS**
**Templeton Global Growth Fund Ltd**

Level 19  
101 Collins Street  
Melbourne 3000

Phone: 03 9603 1207

E-mail:  
mwarwick@templeton.com

**INVESTMENT MANAGER**

The Investment Manager of the Company's investment portfolio is Franklin Templeton Investments Australia Ltd. The Company's portfolio is managed in accordance with the investment philosophy of the Templeton Global Equities Group ("Templeton"), which forms part of the Franklin Templeton Investments group a large U.S. based investment management organisation. Templeton is one of the pioneers in global investing and its successful investment philosophy has been refined over more than 50 years. The Templeton investment process endeavours to identify undervalued securities through fundamental company analysis, using a global industry focus and a long term investment horizon.

**INVESTMENT APPROACH**

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

**PERFORMANCE DATA<sup>1</sup> (AS OF 30/06/13)**
**Average Annual Total Returns—Templeton Global Growth Fund Ltd (AUD%)**

	Quarter	1 Year	3 Years	5 Years	10 Years
Templeton Global Growth Fund Ltd (TGG) — Net of Fees <sup>2</sup>	16.7	41.2	11.5	4.2	4.6
MSCI All Country World Free Index <sup>3</sup>	13.6	31.3	10.0	3.8	4.8

**Net Tangible Assets (NTA) - Unaudited**

	31 March 2013	30 June 2013
TGG share price (cents)	0.87	1.05
NTA per share before tax (\$) <sup>4</sup>	1.01	1.18
Premium/(Discount) to NTA before tax (%)	(14)	(11)
NTA per share after tax (\$) <sup>4</sup>	1.01	1.18
Premium/(Discount) to NTA after tax (%)	(14)	(11)

The market value of the portfolio represents prices quoted on overseas stock markets in foreign currencies converted to Australian currency. The rate used for conversion of values of US currency securities was USD0.91535 for June and USD0.95875 in March.

The NTA excludes deferred tax assets which include unrealized losses in the portfolio of investments. As at June 2013 there was a total of 4.6 cents per share of tax benefits potentially available to reduce future tax liabilities.

**QUARTERLY MARKET REVIEW**

Investors digested mixed economic news during the second quarter of 2013 and reacted nervously to prospects of reduced policy support in the United States. What began as a calm quarter with positive underlying market trends became increasingly unsettled as the period progressed. Renewed policy uncertainty in the U.S., where the Federal Reserve Board (Fed) indicated it may begin tapering monthly bond purchases, and Japan, where investors tempered their enthusiasm for experimental monetary policy, led to a sudden spike in bond yields. Turmoil in Chinese interbank lending markets as policymakers attempted to rein in the country's burgeoning shadow banking system further exacerbated regional weakness. The result was the biggest monthly outflow from emerging markets on record and worst quarterly performance for Treasuries since early last year.

**INVESTMENT OUTLOOK AND STRATEGY**

While we continue to analyse the long term earnings, cash flow and asset growth potential of individual businesses, the market will likely continue to fixate on the headlines, not least of all the thorny subject of stimulus withdrawal. When policymakers first introduced coordinated and experimental easing measures in response to the global financial crisis, investors objected to their profligacy. Now that they're considering scaling them back, investors appear equally as incredulous at the prospects of it ending. Fortunately, central bankers have their own mandates, which in most places combine price stability with some measure of economic equilibrium. Maligned and imperfect though they may be, central bankers have restored systemic stability and rekindled economic activity following the worst recession in modern history. Financial repression also comes with costs – capital misallocation, moral hazard, sovereign fiscal impairment - that will likely manifest themselves in future volatility. With support from both valuations and fundamentals, we expect equities will weather this volatility.

# Templeton Global Growth Fund Ltd

## PORTFOLIO CHARACTERISTICS – TEMPLETON GLOBAL GROWTH FUND LTD (AS AT 30/06/13)

	TEMPLETON GLOBAL GROWTH FUND LTD	MSCI All Country World Free Index
Weighted Average market Cap (AUD Million)	77,264	73,418
Number of Securities	101	2,362

### Price to Earnings

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	14.5X	15.6x

### Dividend Yield

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	2.7%	2.6%

### Price to Cash Flow

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	5.8x	9.3x

### Price to Book Value

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

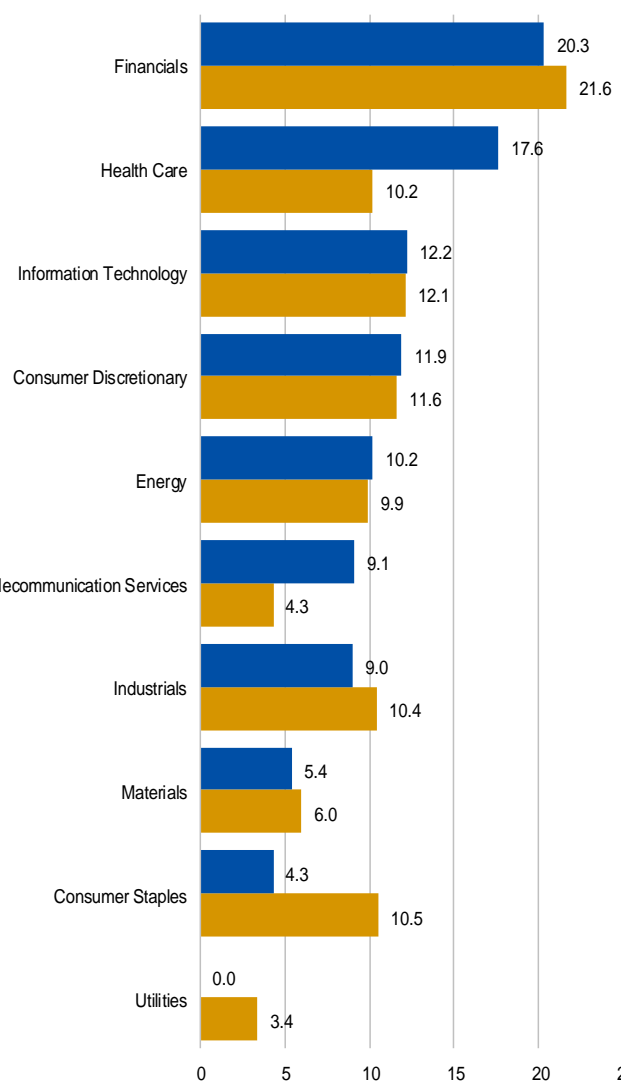
## PORTFOLIO DIVERSIFICATION – TEMPLETON GLOBAL GROWTH FUND LTD (AS AT 30/06/13)

### Top Ten Holdings<sup>5</sup>

SECURITY	COUNTRY	INDUSTRY GROUP
MICROSOFT CORP	United States	Software & Services
SANOFI	France	Pharmaceuticals, Biotechnology & Life Sciences
GLAXOSMITHKLINE PLC	United Kingdom	Pharmaceuticals, Biotechnology & Life Sciences
PFIZER INC	United States	Pharmaceuticals, Biotechnology & Life Sciences
CISCO SYSTEMS INC	United States	Technology Hardware & Equipment
ROCHE HOLDING AG	Switzerland	Pharmaceuticals, Biotechnology & Life Sciences
AMGEN INC	United States	Pharmaceuticals, Biotechnology & Life Sciences
SAMSUNG ELECTRONICS CO LTD	South Korea	Semiconductors & Semiconductor Business
MEDTRONIC INC	United States	Health Care Equipment & Services
VODAFONE GROUP PLC	United Kingdom	Telecommunication Services

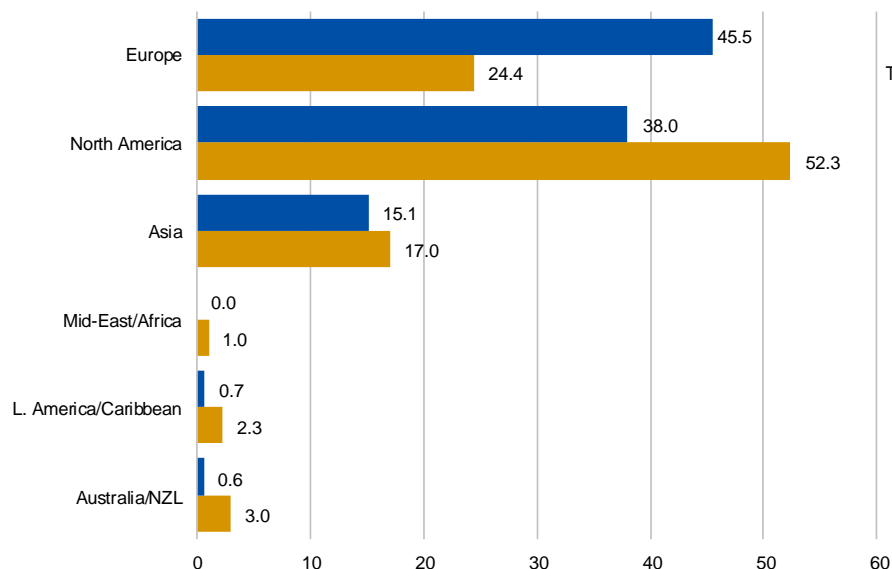
### Portfolio Sector Weighting vs. MSCI All Country World Index (%)

Percent of Equity Ranked by Fund Weighting



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

Percent of Equity Ranked by Fund Weighting



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

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

**COUNTRY ALLOCATION (AS AT 30/06/13)**

The Company's portfolio of listed investments was spread over the following countries as at 30 June 2013.

COUNTRY	%	COUNTRY	%
AUSTRALIA	0.6	NETHERLANDS	6.2
AUSTRIA	0.3	NORWAY	1.1
BELGIUM	0.9	RUSSIA	0.3
BRAZIL	0.7	SINGAPORE	2.4
CANADA	1.2	SOUTH KOREA	3.3
CHINA	1.8	SPAIN	0.9
FRANCE	10.7	SWITZERLAND	4.8
GERMANY	4.9	TURKEY	0.7
IRELAND	1.7	UNITED KINGDOM	10.6
ITALY	2.4	UNITED STATES	36.8
JAPAN	7.7		

**QUARTERLY PERFORMANCE ATTRIBUTION**

Outperformance during the quarter was primarily attributable to stock selection as our bottom-up investment discipline was beneficial in an improving environment and many of our long-held convictions continued to materialise. Throughout most of the quarter until volatility resurfaced in June, equity correlations fell and investors seemed to refocus on fundamentals, benefiting Templeton's value discipline.

In the US, overall valuations are not especially compelling, and though our absolute allocation to the region was material at 36.8% of the portfolio, we remained underweight relative to the benchmark as of the end of the quarter.

While emerging markets with high embedded growth expectations have offered relatively few bottom-up values to us in recent years, lowly-esteemed European markets have provided them in abundance. According to our analysis, peak-to-trough market declines in peripheral Europe averaged -71% in the aftermath of the global financial crisis with attrition as bad as the Nikkei Index (-78%) in the early '90s and the NASDAQ in the early '00s (-74%). This proved fertile ground for heeding Sir John's advice, and encouragingly, our European holdings have begun to significantly contribute to returns.

Our continued underweight to Japan relative to the benchmark detracted from relative performance during the quarter, although currency weakness mitigated the negative effect. Our main concern is that reform will stop shy of the structural changes needed for corporate Japan to gain competitiveness and improve profitability. At 26x last year's earnings, the Nikkei is one of the most expensive developed markets in the world on economic cash flows. Paying a hefty P/E premium for companies half as profitable as the global average is not an overly compelling investment proposition and we remain cautious and selective, focused mostly on export oriented Japanese companies.

**TEMPLETON INVESTMENT PHILOSOPHY AND PROCESS**

**Templeton's Investment Philosophy**

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

**Value**

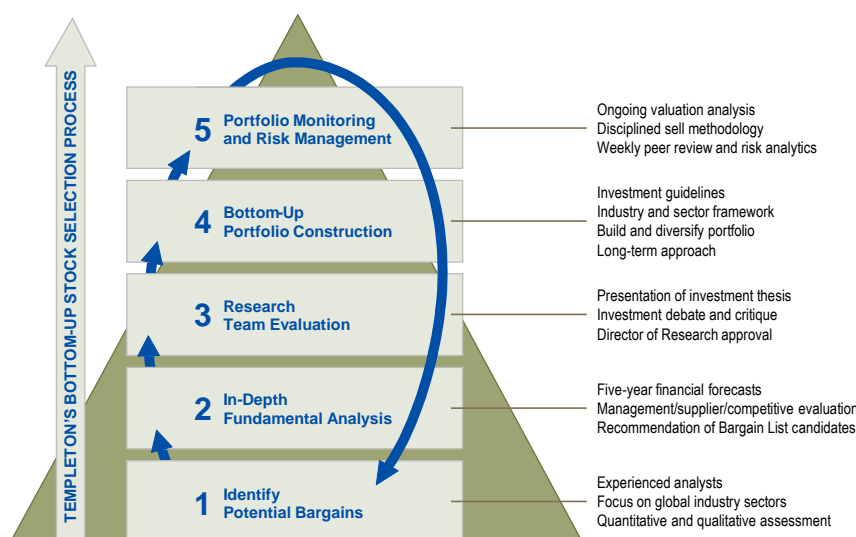
Templeton seeks companies that it believes are trading at a discount to what their research indicates the company may be worth.

**Patience**

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

**Bottom-Up**

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



# Templeton Global Growth Fund

## INVESTMENT AND PRODUCT MANAGEMENT TEAM

TEMPLETON GLOBAL EQUITY MANAGEMENT TEAM	Years with Firm	Years Experience
Norman Boersma, CFA, Chief Investment Officer	21	27
Heather Arnold, CFA, Director of Research	8	29
Cindy Sweeting, CFA, Director of Portfolio Management	16	29
Peter Wilmshurst, CFA, Portfolio Manager/Research Analyst	15	20

TEMPLETON GLOBAL EQUITY TEAM	Number of Members	Average Years Experience
Portfolio Managers/Analysts	23	23
Research Analysts	15	9

ADDITIONAL RESOURCES		
Global Research Library	Junior Research Analysts	Global Trading Platform
Research Technology Group	Portfolio Analysis and Investment Risk Group	Global Portfolio Compliance Group

PORTFOLIO SPECIALISTS	Years with Firm	Years Experience
Iris Glikin, CFA	7	12

## COMPLIANCE STATEMENT AND OTHER INFORMATION

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

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### Explanatory Notes:

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

### IMPORTANT LEGAL INFORMATION

All investments involve risks including loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with their smaller size and lesser liquidity. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate more dramatically over the short term. The use of derivatives and foreign currency techniques involve special risks, as such techniques may not achieve the anticipated benefits and/or may result in losses.

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