

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

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**INVESTMENT MANAGER**

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

**INVESTMENT APPROACH**

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

**PERFORMANCE DATA<sup>1</sup> (AS OF 31/3/14)**
**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>	-0.9	41.8	16.7	12.8	5.4
MSCI All Country World Free Index <sup>3</sup>	-2.3	31.8	13.2	11.8	5.5

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

	31 December 2013	31 March 2014
TGG share price (cents)	1.42	1.30
NTA per share before tax (\$) <sup>4</sup>	1.42	1.37
Premium/(Discount) to NTA before tax (%)	0	(5)
NTA per share after tax (\$) <sup>4</sup>	1.39	1.35
Premium/(Discount) to NTA after tax (%)	2.2	(4)

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 USD0.927 for March and USD0.895 for December. NTA is calculated on issued capital of 165.3 million ordinary shares and before the allotment of 33.1 additional ordinary shares under the Company's rights issue at a cost of \$1.25 per share.

**QUARTERLY MARKET REVIEW**

Heightened volatility characterised global equity markets in the first quarter as economic reports were mixed, the Ukrainian crisis increased geopolitical risks and the US Federal Reserve continued to taper its asset-purchase program. Global stock markets advanced during the quarter, with developed-market equity outperforming emerging-market stock and US and European equity markets outperforming their Asian and Latin American counterparts. Gross domestic product growth in the eurozone advanced in the fourth quarter of 2013 as exports and investments increased. However, consumer price growth in the eurozone remained weak, raising the risk of deflation. The US and Europe imposed limited sanctions on Russia and suspended it from the G8 following its annexation of Crimea. China's purchasing managers' index fell to an eight-month low in February, but rebounded in March. Japan's economic growth was tepid in the fourth quarter of 2013 due to weaker exports. The Australian dollar rose slightly relative to the US dollar during the first quarter of 2014, with most of the gain coming in the last few days of March.

**INVESTMENT OUTLOOK AND STRATEGY**

We believe the transition from a generally high-debt, low-growth and policy-dependent world to a more "normal" environment of market-derived interest rates, organic economic demand and fiscal sustainability is unlikely to proceed smoothly. While significant imbalances remain, we are encouraged by the progress made in key regions and sectors as global financial conditions appear to be slowly normalising. Most importantly, we continue to find companies around the world trading at significant discounts to our estimation of their long-term intrinsic value. Sir John Templeton once remarked, "The best bargains are not stocks whose prices are down most, but rather those stocks that have the lowest prices in relation to the possible earning power of future years." We continue to believe that Templeton's conception of value creates the most sensible framework through which to understand equity markets and investment opportunities. Value remains our compass as we navigate market crosscurrents in 2014.

# Templeton Global Growth Fund Ltd

## PORTFOLIO CHARACTERISTICS – TEMPLETON GLOBAL GROWTH FUND LTD (AS AT 31/03/14)

	TEMPLETON GLOBAL GROWTH FUND LTD	MSCI All Country World Free Index
Weighted Average market Cap (AUD Million)	81,239	92,082
Number of Securities	104	2,433

### Price to Earnings

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	15.0x	16.1x

### Dividend Yield

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	2.5%	2.4%

### Price to Cash Flow

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	13.4x	14.6x

### Price to Book Value

	Templeton Global Growth Fund Ltd	MSCI All Country World Free Index
Weighted Average	1.5x	1.9x

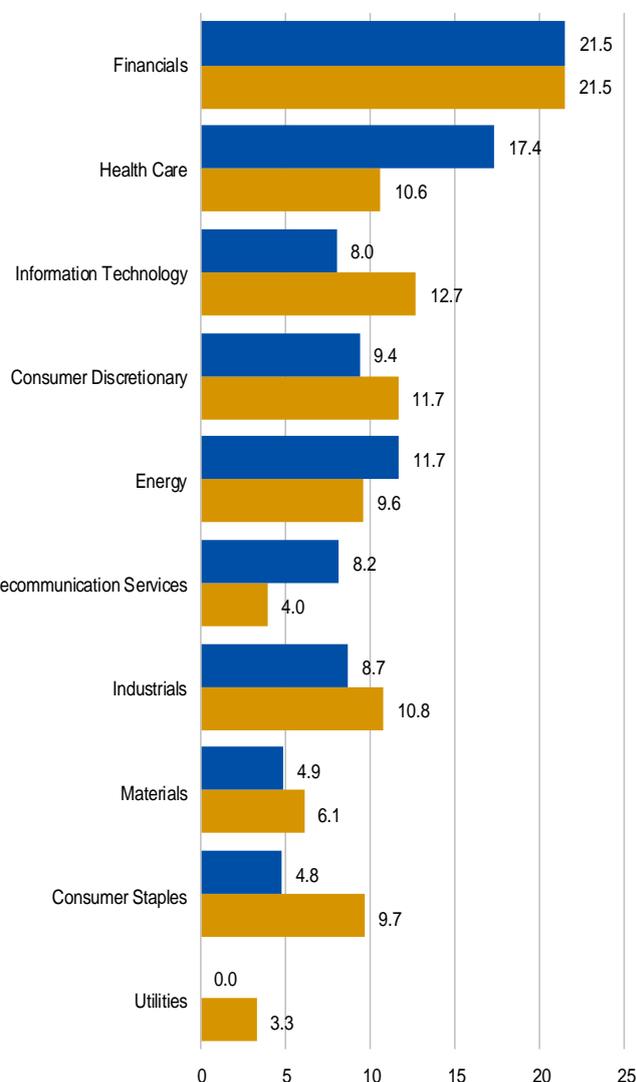
## PORTFOLIO DIVERSIFICATION – TEMPLETON GLOBAL GROWTH FUND LTD (AS AT 31/3/14)

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

SECURITY	COUNTRY	INDUSTRY GROUP
SAMSUNG ELECTRONICS	South Korea	Semiconductors & Semiconductor Equipment
MICROSOFT CORP	United States	Software & Services
AMGEN INC	United States	Pharmaceuticals, Biotechnology & Life Sciences
SANOFI SA	France	Pharmaceuticals, Biotechnology & Life Sciences
GLAXOSMITHKLINE PLC	United Kingdom	Pharmaceuticals, Biotechnology & Life Sciences
PFIZER INC	United States	Pharmaceuticals, Biotechnology & Life Sciences
ROCHE HOLDING AG	Switzerland	Pharmaceuticals, Biotechnology & Life Sciences
UNICREDIT SPA	Italy	Financials
FOREST LABORATORIES INC	United States	Pharmaceuticals, Biotechnology & Life Sciences
CREDIT AGRICOLE SA	France	Financials

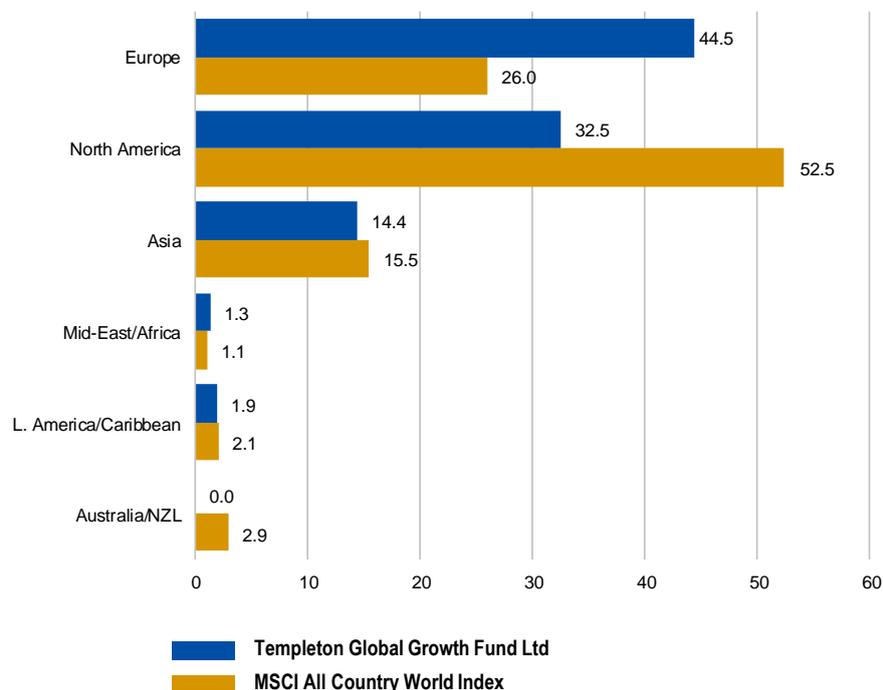
### Portfolio Sector Weighting vs. MSCI All Country World Index (%)

Percent of Equity Ranked by Fund Weighting



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

Percent of Equity Ranked by Fund Weighting



**COUNTRY ALLOCATION (AS AT 31/3/14)**

The Company's portfolio of listed investments was spread over the following countries as at 31 March 2014.

COUNTRY	%	COUNTRY	%
BELGIUM	0.8	NORWAY	1.1
BRAZIL	2.0	RUSSIA	0.6
CANADA	1.1	SINGAPORE	2.9
CHINA	1.7	SOUTH KOREA	3.7
FRANCE	12.7	SPAIN	0.8
GERMANY	3.9	SWEDEN	0.4
IRELAND	1.4	SWITZERLAND	4.7
ISRAEL	1.4	THAILAND	0.4
ITALY	2.9	TURKEY	0.6
JAPAN	6.6	UNITED KINGDOM	10.1
NETHERLANDS	7.0	UNITED STATES	33.2

**QUARTERLY PERFORMANCE ATTRIBUTION**

Health care holdings were the largest contributors to relative performance for the quarter. The pharmaceuticals industry has recovered from a period of extreme pessimism following fears of patent expiries and diminished productivity, while biotechnology stocks are finally getting credit for their innovative potential.

Stock selection in financials and consumer discretionary also contributed to relative performance for the quarter. European banks remained strong performers as ongoing restructuring efforts at the company level and stability at the macro level helped regional lenders rebuild capital and begin to restore profitability.

Consumer staples holdings detracted from relative performance for the quarter. We believe the sector is characterised by stable global franchises, but that investors have bid the valuations of these companies up to very high levels. We continue to watch for opportunities, but remain cautious.

Stock selection in telecommunications, as well as an underweight in utilities, also detracted from relative performance for the quarter. However, conditions in the telecommunications sector appear to be improving as market forces begin to facilitate consolidation and improve pricing dynamics.

**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**

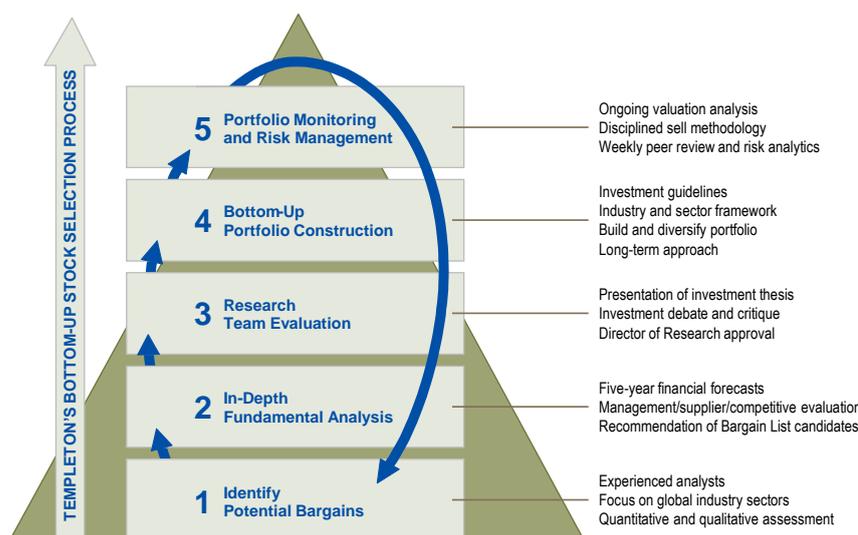
Templeton seeks companies that it believes are trading at a discount to what their research indicates the company may be worth.

**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	22	28
Heather Arnold, CFA, Director of Research	9	30
Cindy Sweeting, CFA, Director of Portfolio Management	17	30
Peter Wilmshurst, CFA, Portfolio Manager/Research Analyst	16	21
TEMPLETON GLOBAL EQUITY TEAM	Number of Members	Average Years Experience
Portfolio Managers/Analysts	24	24
Research Analysts	16	8
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	8	13

## 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.**