

Templeton Global Growth Fund AGM

26 October 2011

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Templeton Global Equities



Agenda

Our perspective on Europe

European and global equity valuations

TGG's portfolio

Healthcare, Telecommunications and Financials reviewed

Time Tested Philosophy and Approach



VALUE

Absolute value investors
Buy companies at discount prices

PATIENCE

Rolling 5-year investment horizon
Perspective and discipline leads to value recognition
Historical turnover consistently low

BOTTOM UP

Stock-by-stock original analysis
Focus on businesses within their global
competitive environment

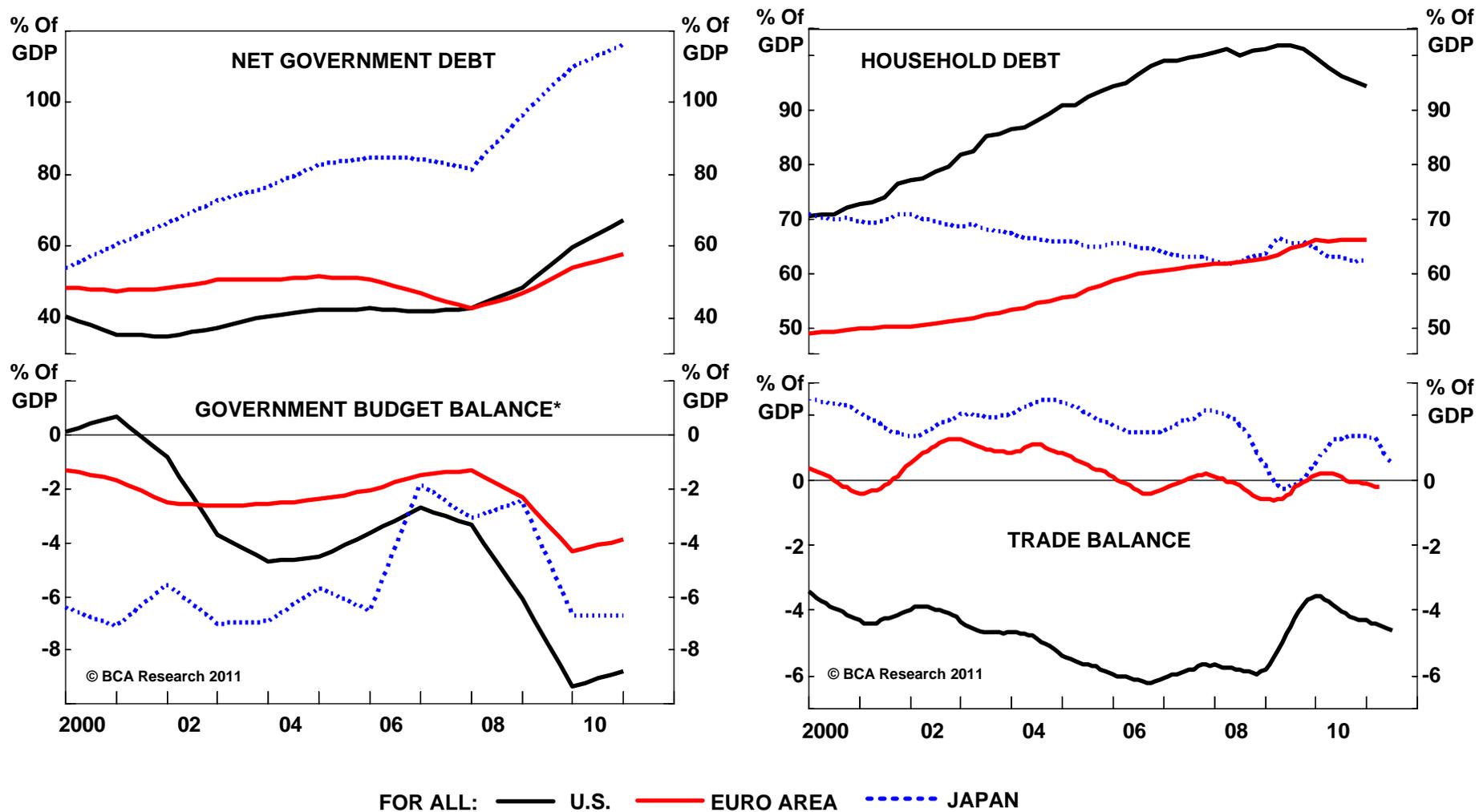
“Too many investors focus on outlook and trend. Therefore, more profit is made by focusing on value. In the stock market the only way to get a bargain is to buy what most investors are selling”.

– Sir John Templeton

Europe: What are our views?

- Sovereign debt levels in the Eurozone
 - Italy and Spain will be able to meet their debt obligations
 - Ireland and Portugal will probably be able to meet their debt obligations, but may get some debt forgiveness
 - Greece is insolvent and will “default”, by one name or another
- A broad break-up of the Euro will not happen
 - Greece is unlikely to leave the Euro, but
 - While this is the sensible economic decision, politics could get in the way
 - The cost of break-up significantly outweighs the cost of bailout
 - If not the €, then what?
- “We are all in the Euro” Sir Michael Rake, Chairman of BT Plc.

Europe: Sovereign Debt Levels

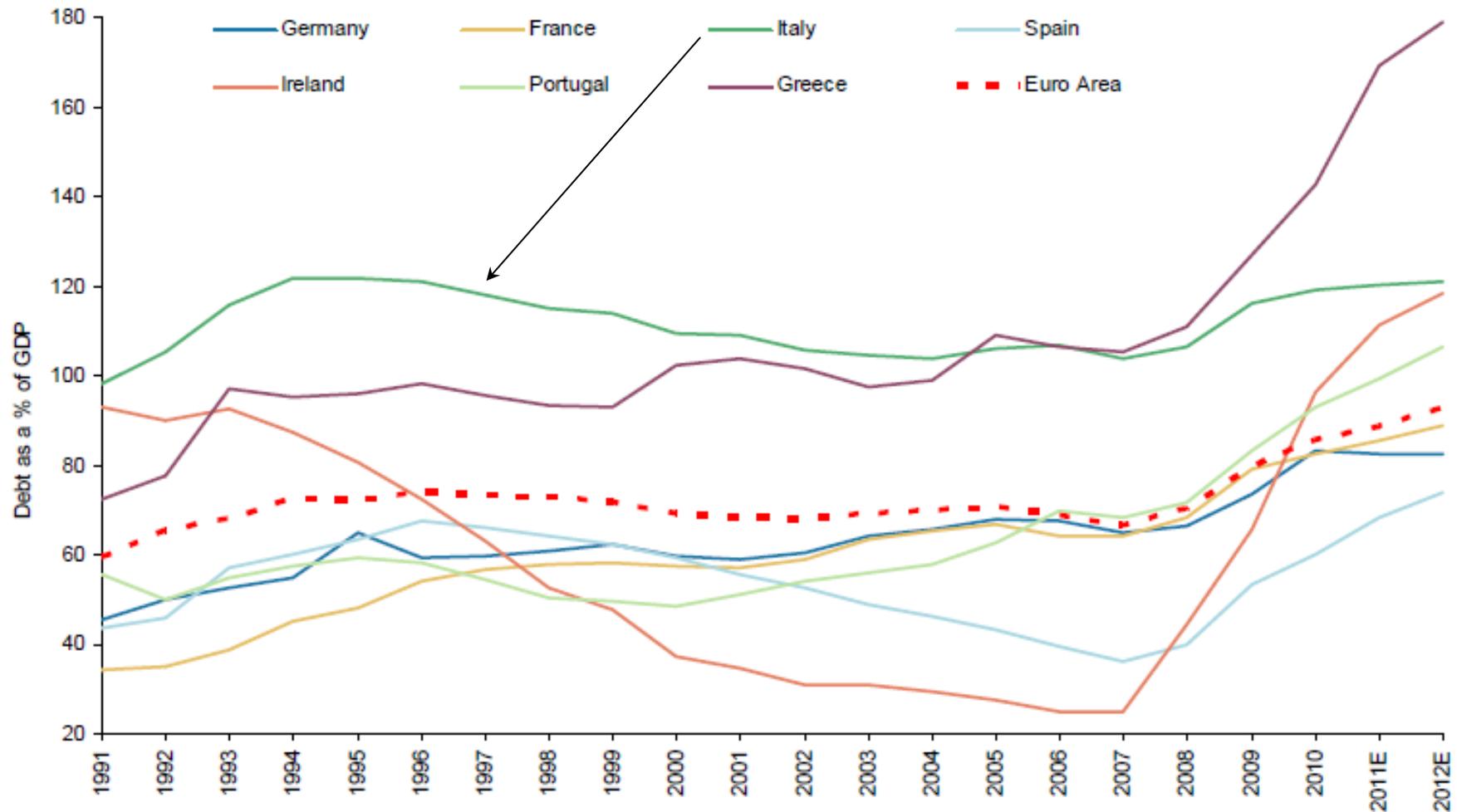


Source: BCA Research, OECD, August 2011.

*Shown as Cyclically-Adjusted General Government Net Lending.

Europe: Sovereign Debt Levels

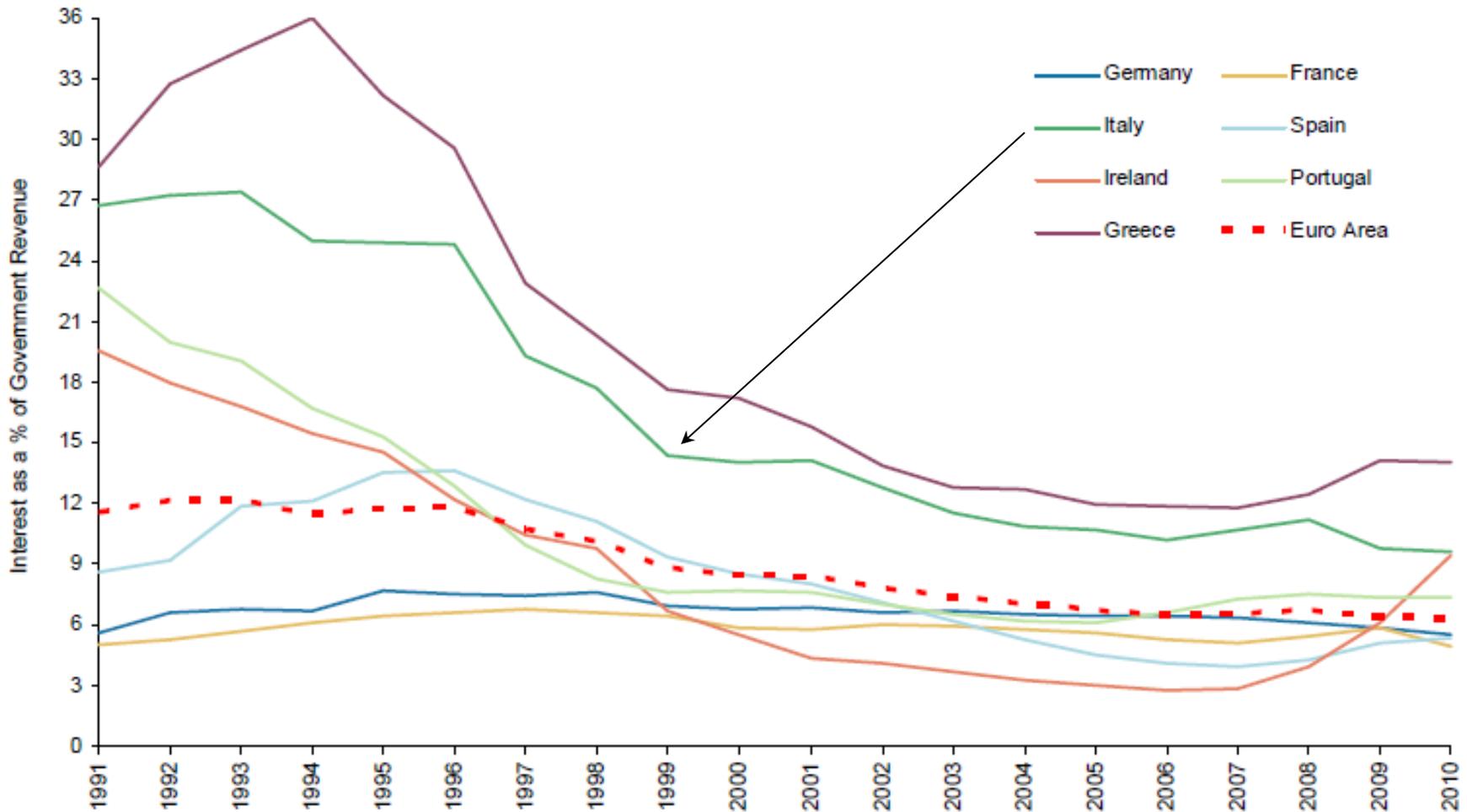
Gross Government Debt to GDP



Source: AMECO, Eurostat, Haver, Morgan Stanley Research
 *Uses Eurostat for 2000-present; AMECO for 1991-2000

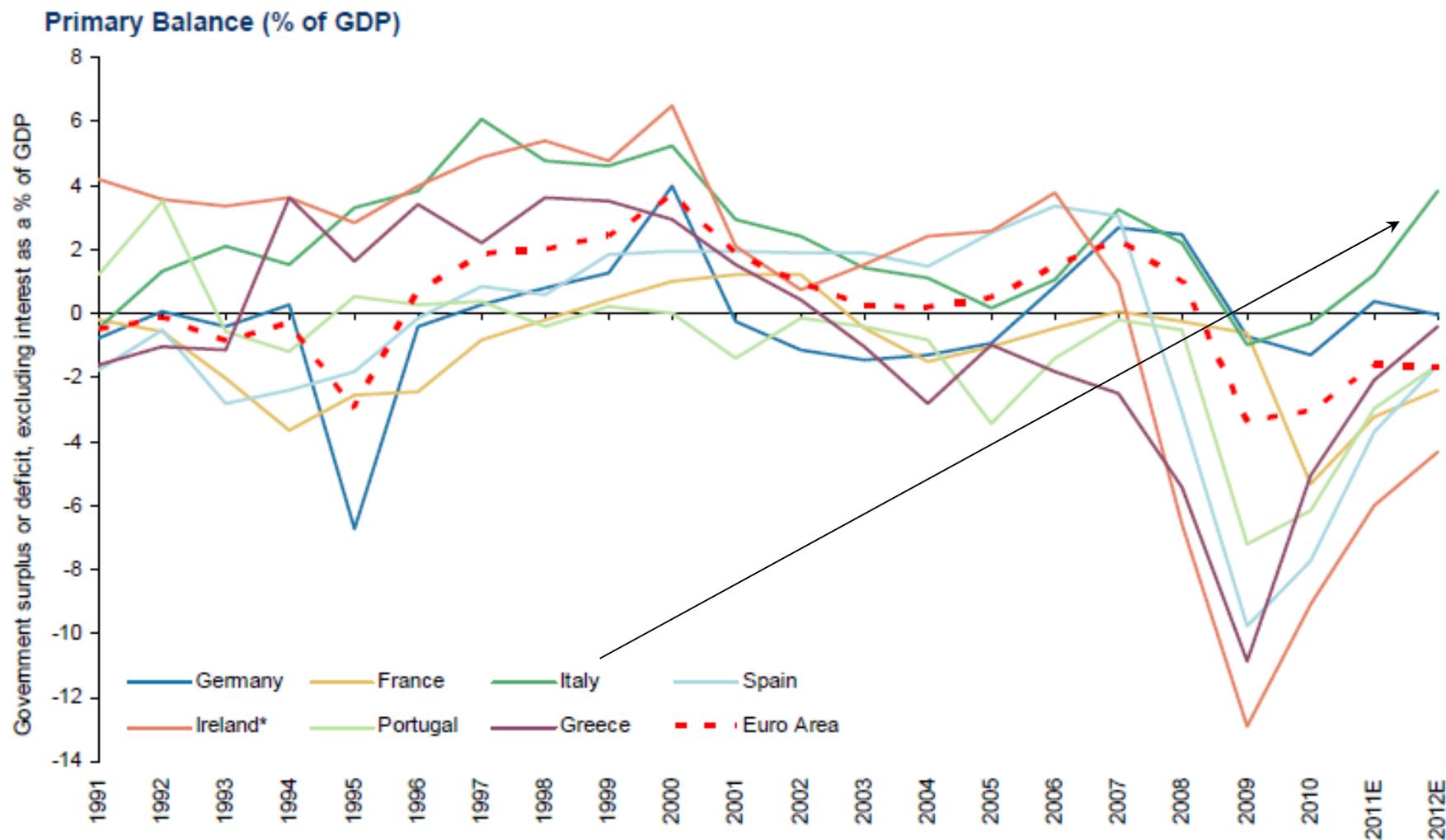
Europe: Sovereign Debt Levels

Interest Payments as a % of Government Revenue



Source: OECD Outlook, AMECO, Eurostat, Haver, Morgan Stanley Research
 *Uses Eurostat for 2000-present; AMECO & OECD Outlook for 1991-2000

Europe: Sovereign Debt Levels



Source: OECD Outlook, AMECO, Eurostat, Haver, Morgan Stanley Research

*Ireland primary and budget balance exclude €31bn of promissory notes issued in 2010

**Uses Eurostat for 2000-present; AMECO & OECD Outlook for 1991-2000

Europe: Sovereign Debt Levels

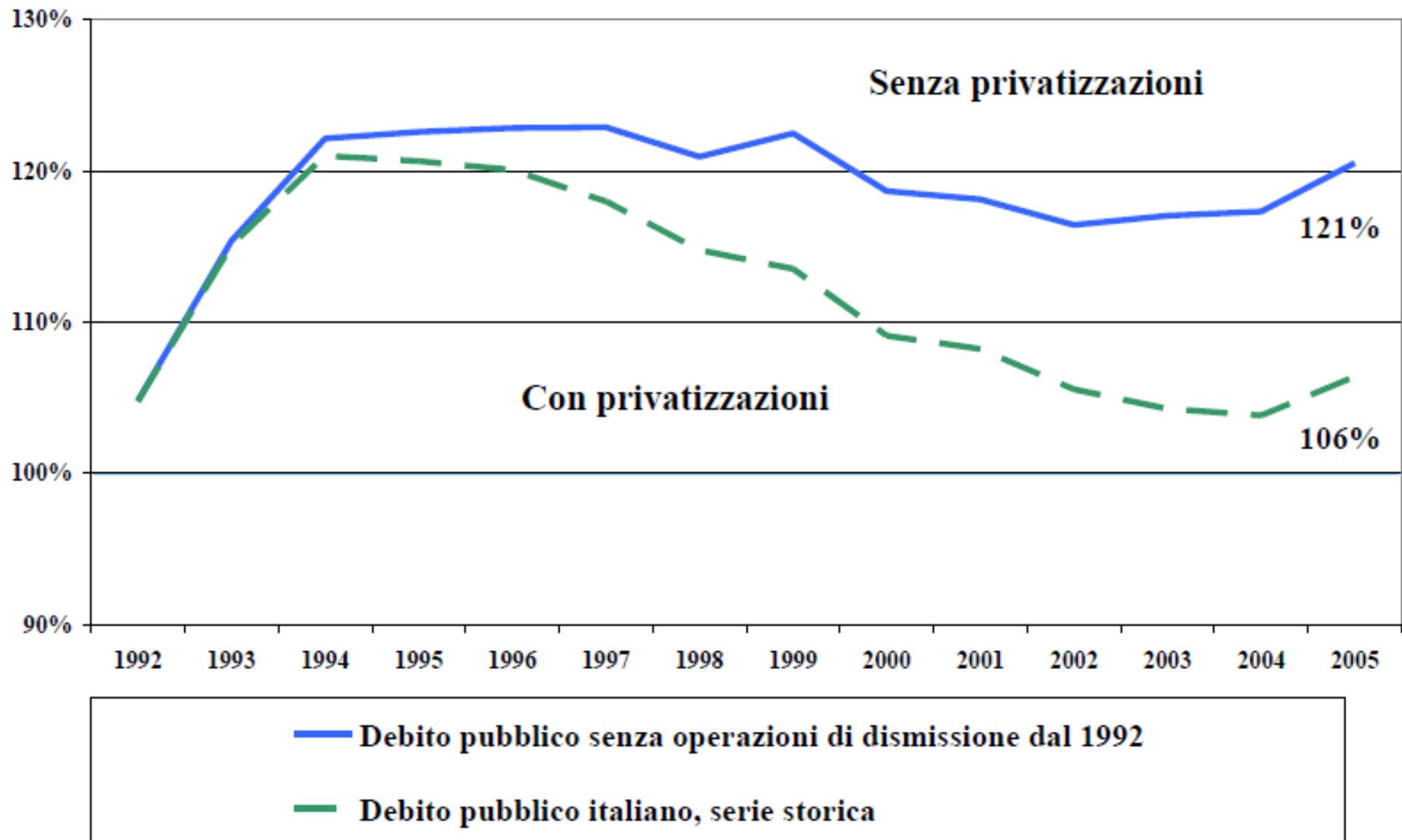
Conto patrimoniale

Attivo*	Stima valore di mercato (mld €)	Passivo**	
Cassa e disponibilità	276	Debito Pubblico:	
Crediti e anticipazioni attive	240	Stato	1.732
Intangibles	78	Enti Locali	111
Partecipazioni	132	Enti di previdenza	37
Immobili	425	Patrimonio netto (deficit patrimoniale)	-28
Infrastrutture	386		
Risorse naturali	176		
Beni culturali	37		
Beni mobili	48		
Totale	1.815	1.843	

Patrimonio Fruttifero
675

* MEF Conto Patrimoniale della PA. Stime 2001-2004. ** Banca d'Italia, dati 2010.

Europe: Sovereign Debt Levels



Europe: Sovereign Debt Levels

But...



Europe: Euro Break-up

- A weak country seceding (using Greece, Port, Spain and Italy) costs as % of GDP

	Assumption	Impact
Cost to bank depositors	Enforced conversion prior to 60% depreciation, after 50% flight	27 to 34%
Currency change	60% depreciation	-8 to -10% (i.e. a benefit)
Risk Premium	700 bp increase	14 to 18%
Loss of trade – EU departure	50% loss of volume	7 to 8%
TOTAL		40 – 50%

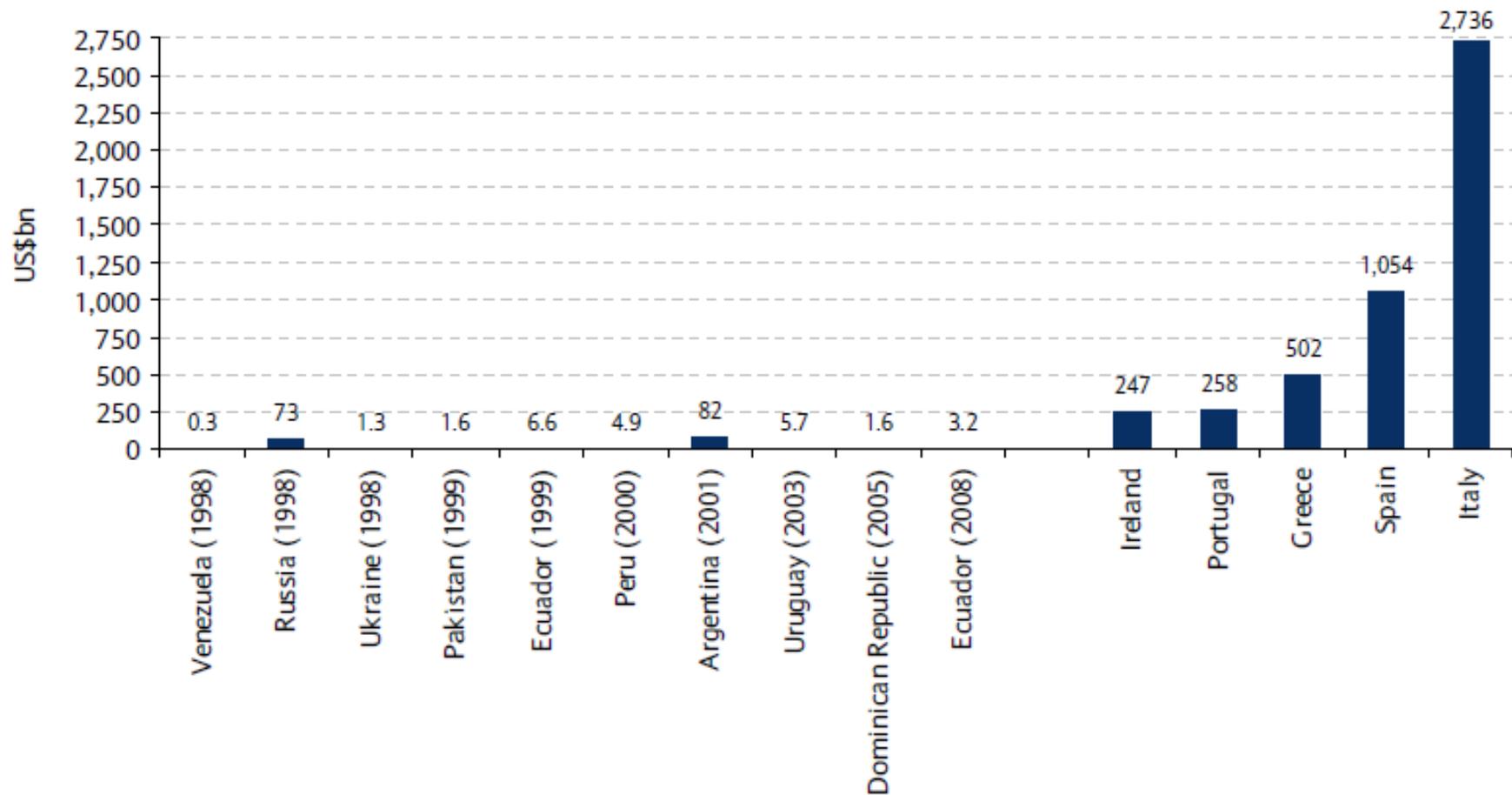
- A strong country seceding (using Germany) costs as % of GDP

	Assumption	Impact
Cost to bank depositors	Recap for 40% loss on non-domestic Euro assets	9 to 11%
Currency change	40% appreciation	5 to 6%
Risk Premium	200 bp increase	4 to 5%
Loss of trade – EU departure	20% loss of volume	3%
TOTAL		20-25%

- €9,500-11,500 per person in exiting country up front, plus annual cost of €3,000-4,000
- €6-8,000 per person in Germany up front, plus annual cost of €3,500-4,500
- But the cost of buying all Greek, Irish and Portuguese debt at 50c in the \$ is only €1,000 per German citizen

Europe: “We’re all in the Euro”

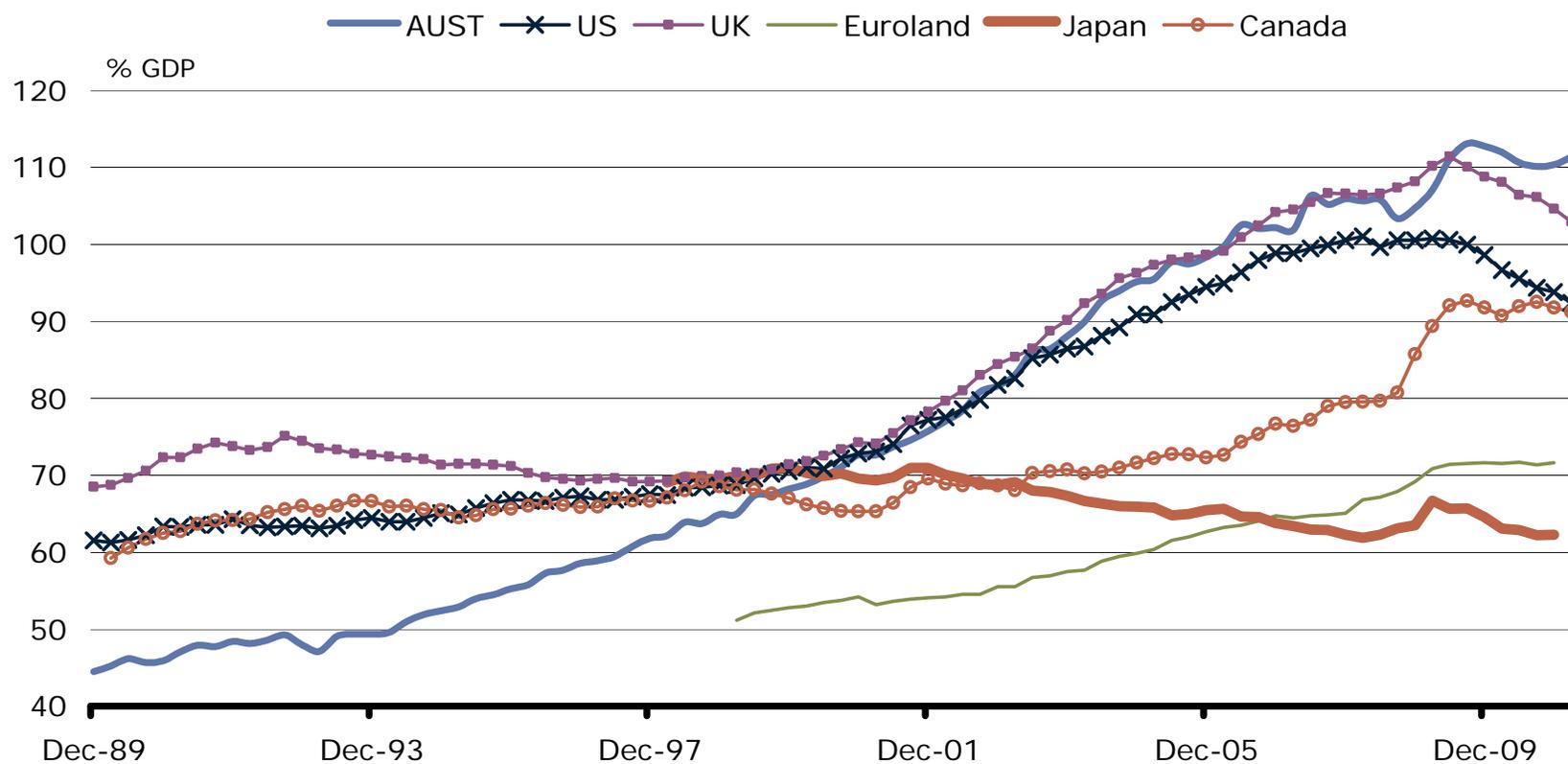
Sovereign Debt Defaults Since 1983 & Current Sovereign Debt of SGIIIP



Source: Barclays Capital

Household debt

Household Sector Debt

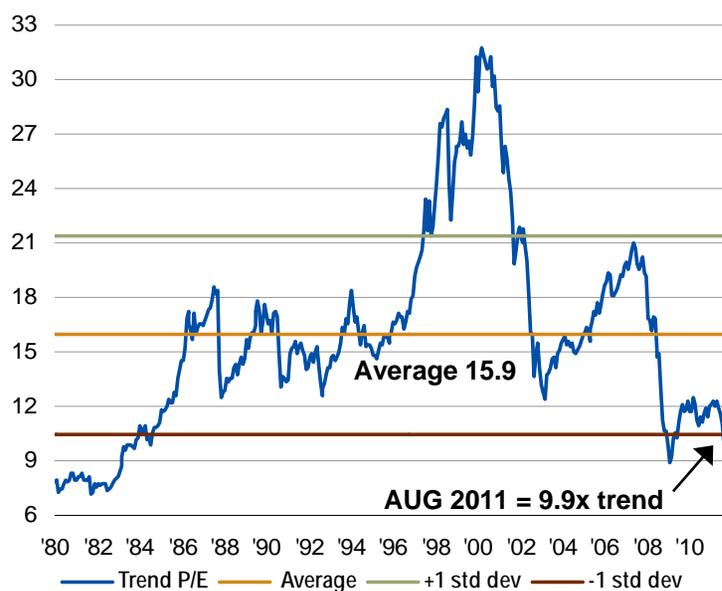


Source: Datastream, BoJ, Goldman Sachs

Europe looks under-valued next to the US and its own history

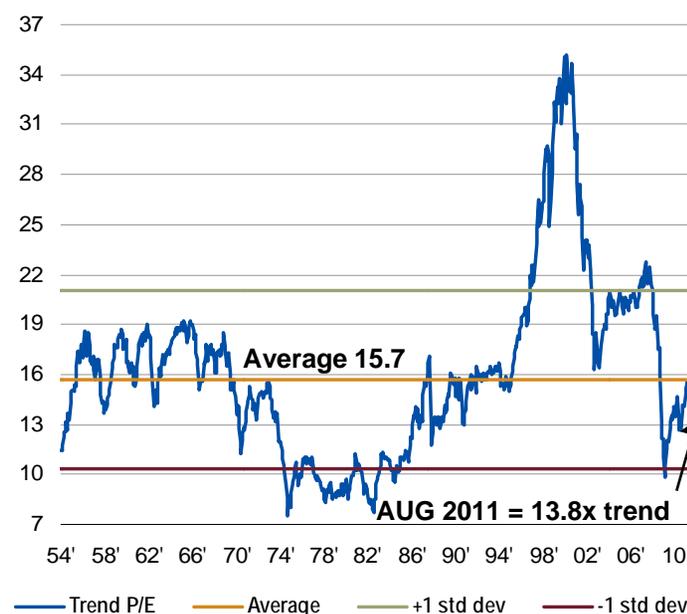
European Market (MSCI Europe): Trend P/E¹

January 31, 1980 to August 31, 2011 (monthly)



US S&P 500[®]: Trend P/E²

January 31, 1954 to August 31, 2011 (monthly)



Source: FactSet, Bloomberg.

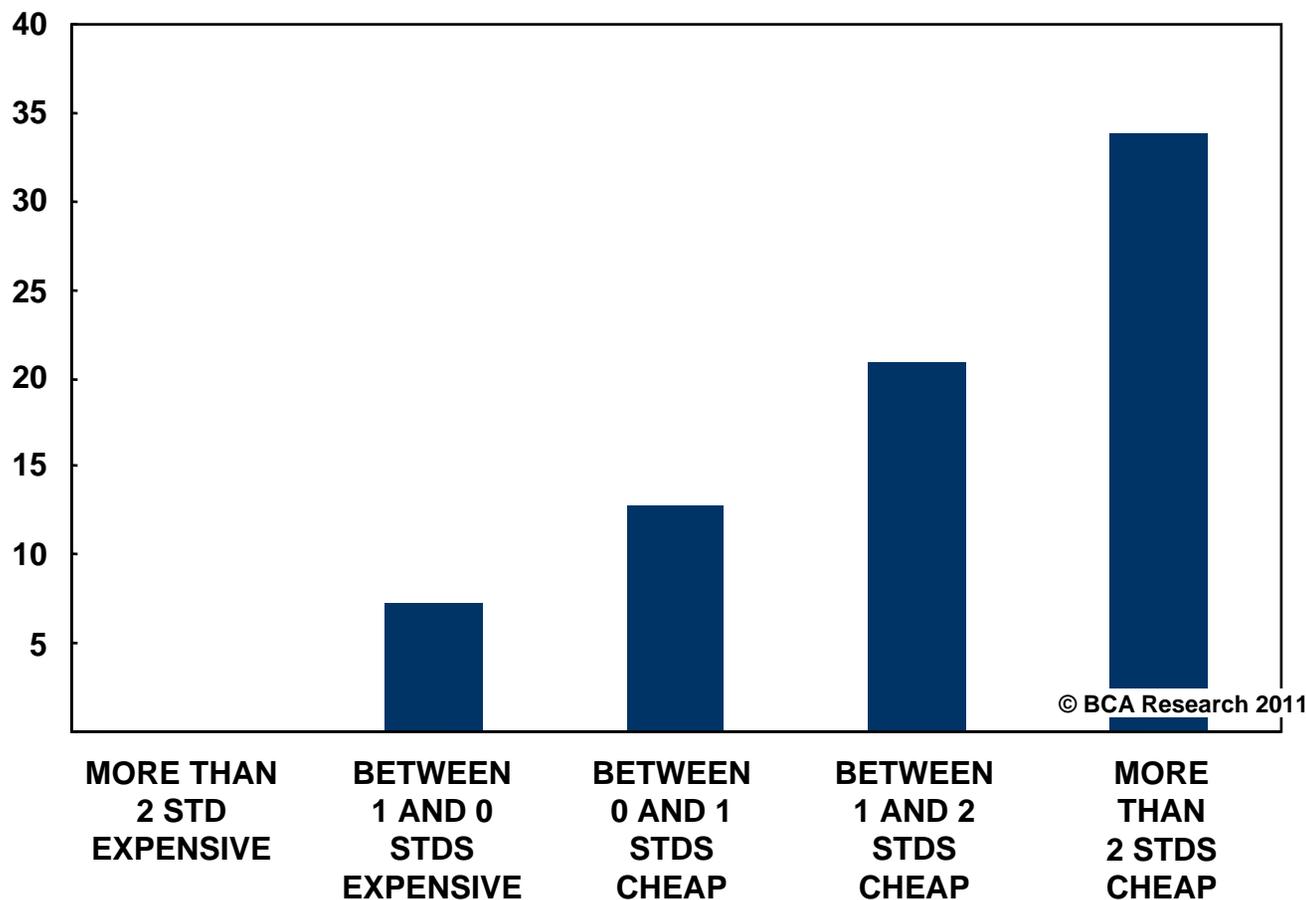
1. Source: Morgan Stanley Capital International (MSCI). All MSCI data is provided "as is." The composite described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the composite described herein. Copying or redistributing the MSCI data is strictly prohibited.

2. STANDARD & POOR'S[®], S&P[®], and S&P 500[®] are registered trademarks of Standard & Poor's Financial Services LLC. Standard & Poor's does not sponsor, endorse, sell, or promote any S&P index-based product.

Methodology: The stock's trend P/E is established by dividing its absolute share price history by its trend EPS line.

Strong Equity Returns Follow Low Valuations

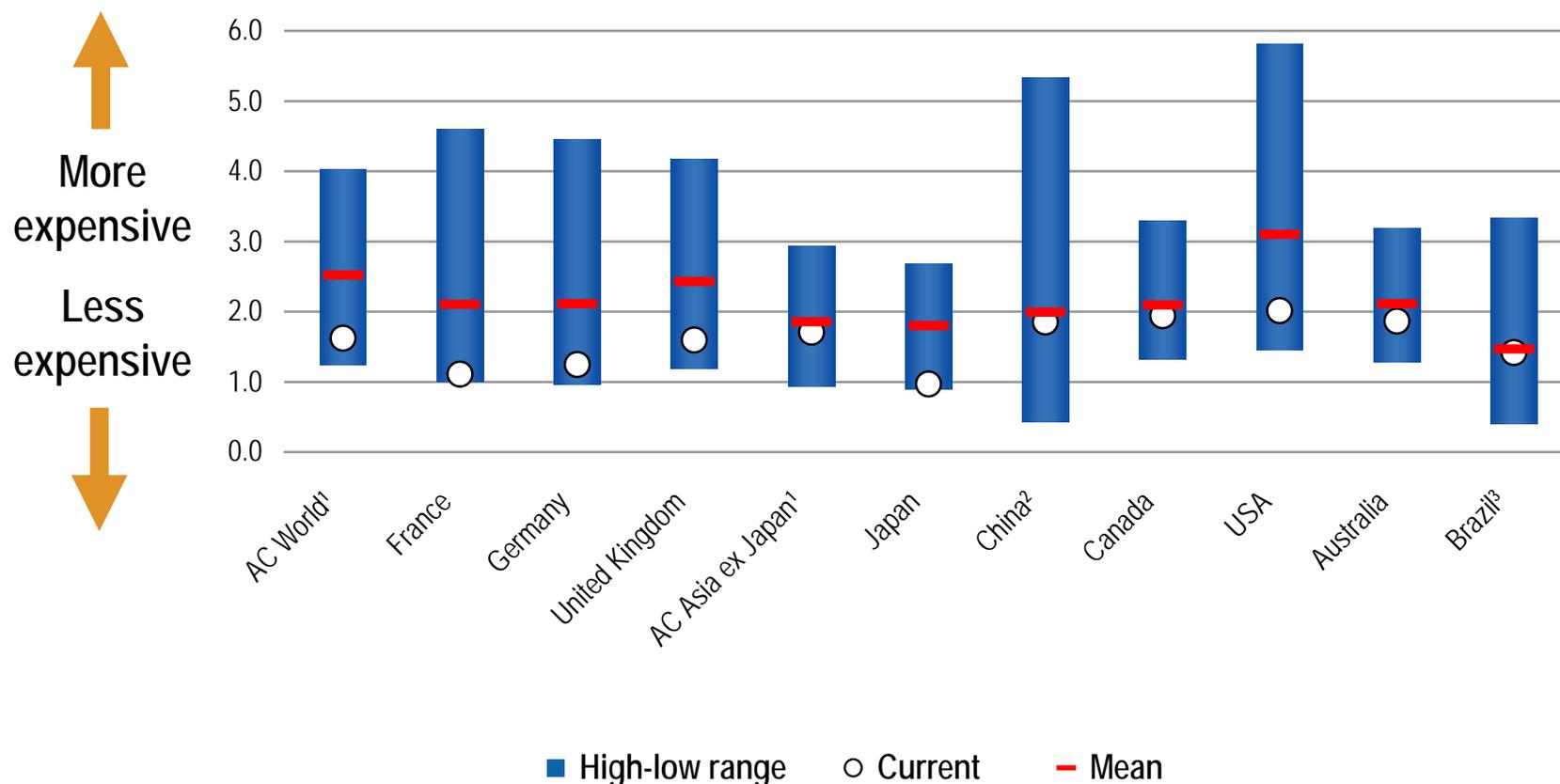
Subsequent Annualized 10-year Real Total Return Based on Initial Normalized P/E



Global Valuations Are Selectively Attractive

Price-to-Book Value, Last 20 Years (monthly)

August 31, 1991 to August 31, 2011 (monthly)



1 Data available from 9/29/1995.

2 Data available from 10/31/1995.

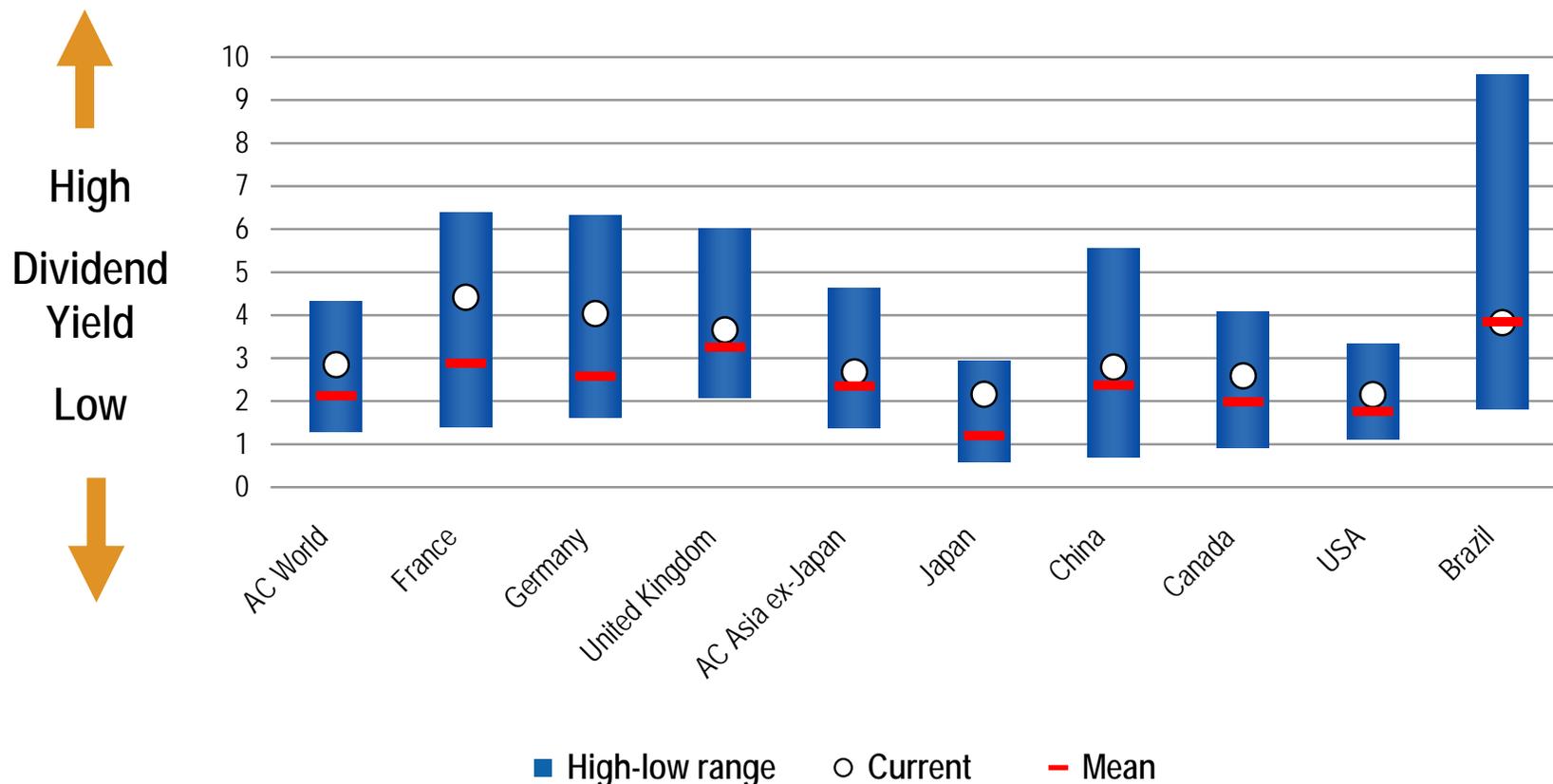
3 Data available from 8/31/1994.

Source: MSCI, FactSet. All MSCI data is provided "as is." In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data describe herein. Copying or redistributing the MSCI data is strictly prohibited.

Global Valuations Are Selectively Attractive

Dividend Yield, Last 15 Years

August 31, 1996 to August 31, 2011 (monthly)

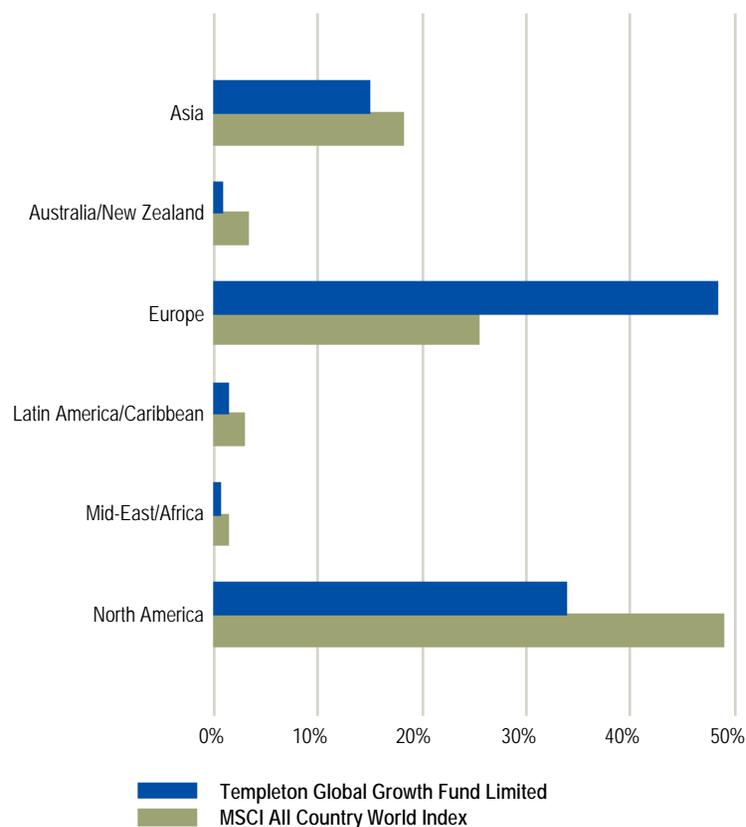


Source: MSCI, FactSet. All MSCI data is provided "as is." In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data describe herein. Copying or redistributing the MSCI data is strictly prohibited.

Templeton Global Growth Fund - Geographic Allocation

Templeton Global Growth Fund vs. MSCI All Country World Index

As of 30 September 2011



	Portfolio %	Index %	Over/Under
Asia	14.9	18.1	-3.2
China	2.3	2.2	0.2
Hong Kong	1.1	1.0	0.1
Japan	4.2	8.8	-4.6
Singapore	3.3	0.7	2.6
South Korea	3.2	1.9	1.4
Taiwan	0.7	1.5	-0.8
Other	0.0	2.1	-2.1
Australia/New Zealand	0.9	3.3	-2.4
Australia	0.9	3.2	-2.4
New Zealand	0.0	0.1	-0.1
Europe	48.3	25.5	22.8
France	10.2	3.5	6.7
Germany	6.1	3.0	3.1
Ireland	0.9	0.1	0.8
Italy	1.8	0.9	0.9
Netherlands	4.2	0.9	3.2
Norway	2.8	0.3	2.5
Spain	2.4	1.3	1.1
Sweden	0.0	1.1	-1.1
Switzerland	4.9	3.3	1.6
Turkey	0.9	0.2	0.7
United Kingdom	12.9	8.5	4.5
Other	1.4	2.4	-1.0
Latin America/Caribbean	1.4	2.9	-1.5
Brazil	1.4	1.9	-0.5
Other	0.0	1.0	-1.0
Mid-East/Africa	0.7	1.3	-0.7
Other	0.7	1.3	-0.6
North America	33.9	48.9	-15.0
Canada	0.0	4.6	-4.6
United States	33.9	44.4	-10.5
Emerging Markets Exposure	10.0	12.8	-2.8

Geographic diversification information is historical and may not reflect current or future portfolio characteristics.

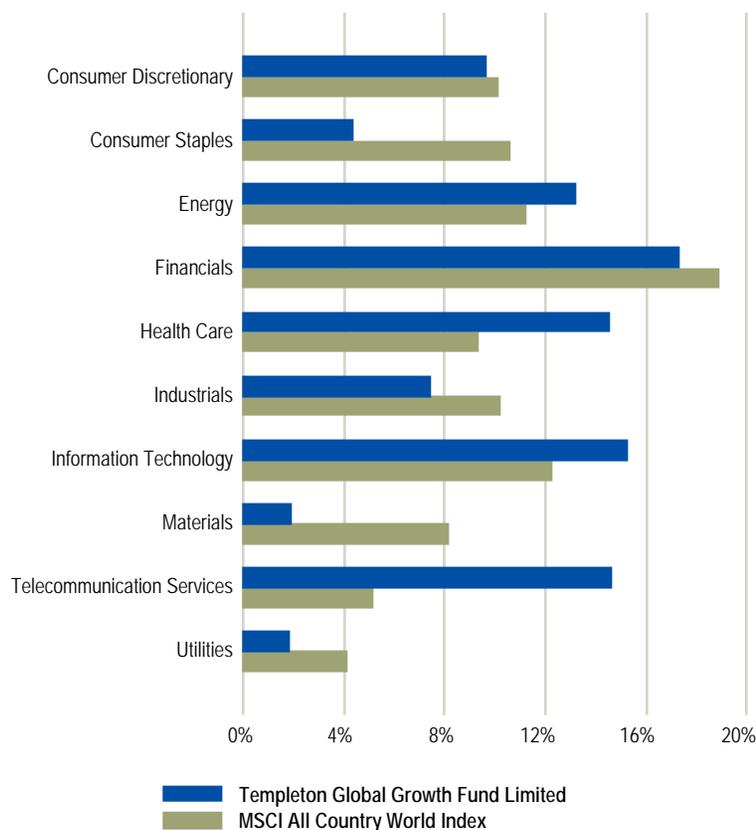
Weightings as percent of equity. Percentage may not equal 100% due to rounding.

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Templeton Global Growth Fund - Sector Allocation

Templeton Global Growth Fund vs. MSCI All Country World Index

As of 30 September 2011



	Portfolio %	Index %	Over/Under
Consumer Discretionary	9.6	10.1	-0.5
Automobiles & Components	3.0	2.5	0.4
Consumer Durables & Apparel	0.0	1.5	-1.5
Consumer Services	0.0	1.4	-1.4
Media	3.9	2.1	1.8
Retailing	2.8	2.6	0.2
Consumer Staples	4.4	10.6	-6.2
Food & Staples Retailing	2.4	2.3	0.1
Food Beverage & Tobacco	2.0	6.5	-4.6
Household & Personal Products	0.0	1.7	-1.7
Energy	13.2	11.2	1.9
Energy	13.2	11.2	1.9
Financials	17.3	18.9	-1.6
Banks	5.0	8.8	-3.8
Diversified Financials	7.3	3.9	3.4
Insurance	4.2	3.7	0.5
Real Estate	0.7	2.4	-1.7
Health Care	14.5	9.3	5.2
Health Care Equipment & Services	1.5	2.3	-0.9
Pharmaceuticals Biotechnology & Life Sciences	13.1	7.0	6.1
Industrials	7.5	10.2	-2.8
Capital Goods	6.1	7.5	-1.4
Commercial & Professional Services	0.0	0.7	-0.7
Transportation	1.4	2.0	-0.6
Information Technology	15.2	12.3	3.0
Semiconductors & Semiconductor Equipment	2.0	2.2	-0.2
Software & Services	7.9	5.2	2.7
Technology Hardware & Equipment	5.3	4.9	0.5
Materials	1.9	8.2	-6.3
Materials	1.9	8.2	-6.3
Telecommunication Services	14.6	5.1	9.5
Telecommunication Services	14.6	5.1	9.5
Utilities	1.9	4.1	-2.3
Utilities	1.9	4.1	-2.3

Weightings as percent of equity.

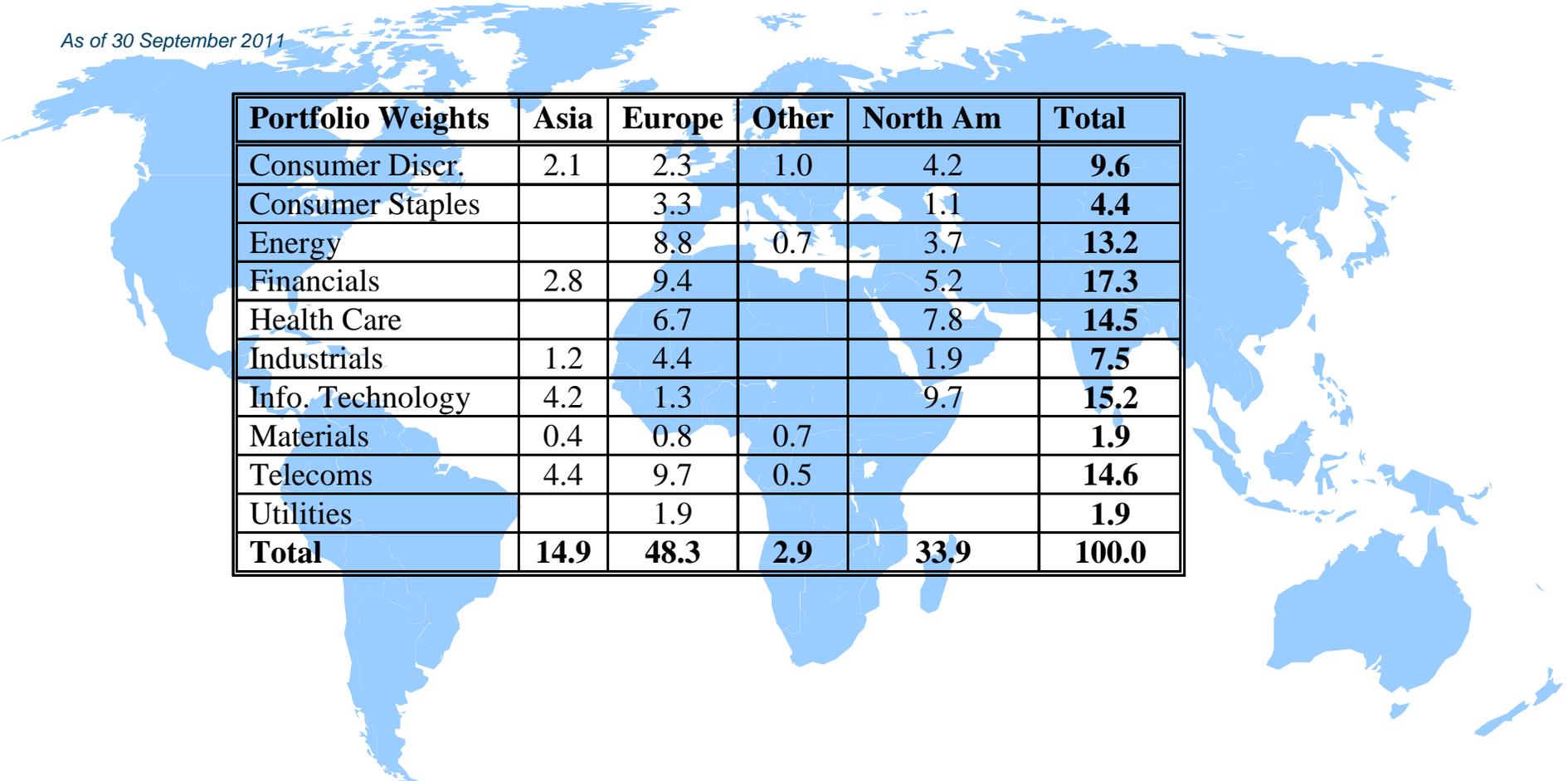
Percentage may not equal 100% due to rounding. Sector and industry diversification information is historical and may not reflect current or future portfolio characteristics.

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Templeton Global Growth Fund – Weights

As of 30 September 2011



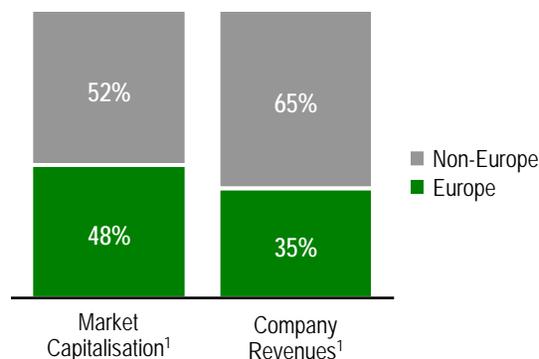
Portfolio Weights	Asia	Europe	Other	North Am	Total
Consumer Discr.	2.1	2.3	1.0	4.2	9.6
Consumer Staples		3.3		1.1	4.4
Energy		8.8	0.7	3.7	13.2
Financials	2.8	9.4		5.2	17.3
Health Care		6.7		7.8	14.5
Industrials	1.2	4.4		1.9	7.5
Info. Technology	4.2	1.3		9.7	15.2
Materials	0.4	0.8	0.7		1.9
Telecoms	4.4	9.7	0.5		14.6
Utilities		1.9			1.9
Total	14.9	48.3	2.9	33.9	100.0

European Global Companies

- Globally diversified, high-quality companies in Europe can offer value potential³



Templeton Global Growth Fund
30 September 2011



Templeton Global Growth Fund: Largest European Holdings
30 September 2011

Company ^{2,3}	Company Headquarters	Sector	% of Total	Source of Revenues	
				Non-Europe	Emerging Markets
vodafone	United Kingdom	Telecom	2.3	33%	31%
Shell	United Kingdom	Energy	2.3	65%	40%
sanofi aventis	France	Pharma	2.0	59%	25%
telenor group	Norway	Telecom	2.0	33%	50%
gsk GlaxoSmithKline	United Kingdom	Pharma	1.9	72%	14%
Roche	Switzerland	Pharma	1.8	54%	20%
Telefonica	Spain	Telecom	1.7	43%	47%

Source: FactSet.

1. Market capitalisation and company revenues information for the Representative Account is historical and may change depending on factors such as market and economic conditions and may not reflect current or future portfolio characteristics.

2. Companies listed are the largest European headquartered companies within holdings of the Representative Account as of 30/09/2011.

3. As of 30/9/2011, the Representative Account largest holdings reflect our conviction. Percentages may differ due to rounding. Holdings of the same issuer have been combined. This information is historical and may not reflect current or future portfolio characteristics of the Fund. All portfolio holdings subject to change.

Information provided is not a recommendation to purchase, sell or hold any particular security. The securities identified do not represent an account's entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in an account's portfolio, or that securities sold will not be repurchased. In addition, it should not be assumed that any securities transactions discussed were or will prove to be profitable. Please see accompanying full performance presentation prepared in accordance with the Global Investment Performance Standards (GIPS®). Past performance does not guarantee future results and results may differ over future time periods.

Pharmaceuticals: Attractively Valued Companies

Pharmaceutical companies were once typical growth stocks, demanding pricey multiples reflecting lofty expectations. Since the late 1990s, many of these growth stories have become value propositions and, in the recent couple years, been trading at all-time lows. We believe, in many ways, these lower multiples are deserved and the re-rating of the industry reflects industry realities. However, within the industry our analysts have found attractive companies that may have been overly punished by negative market sentiment that overlooks what we believe to be potential opportunities.

Major World Pharmaceuticals P/E

03-JAN-85 to 21-Jun-2011



Information shown is for illustrative purposes only and does not represent or predict current or future characteristics of portfolio holdings. Past performance does not guarantee future results and results may differ over future time periods.

1. Source: FactSet Aggregates, FactSet Research Systems.

Indexes are unmanaged and one cannot invest directly in an index.

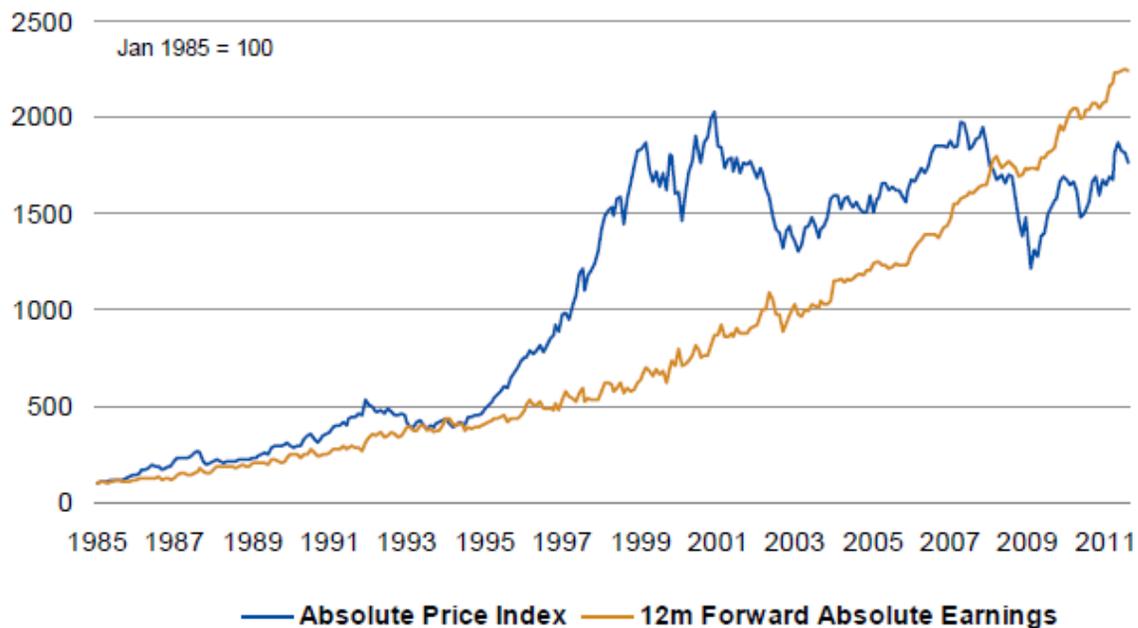
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Pharmaceuticals: Price & Earnings Indices

A Decade on, paying less for more than twice the earnings

Major World Pharmaceuticals

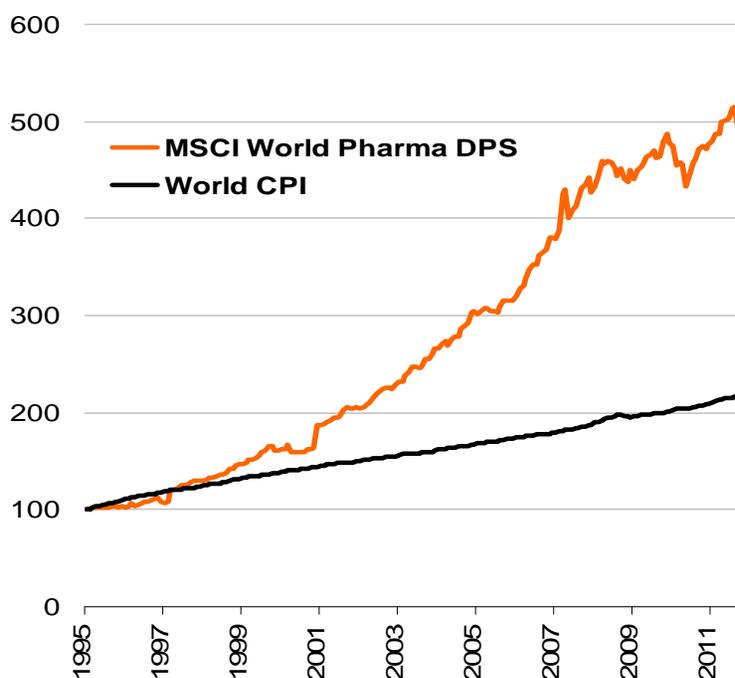
January 31, 1985 to August 31, 2011



Pharmaceuticals: Dividend Growth & Yield Comparisons

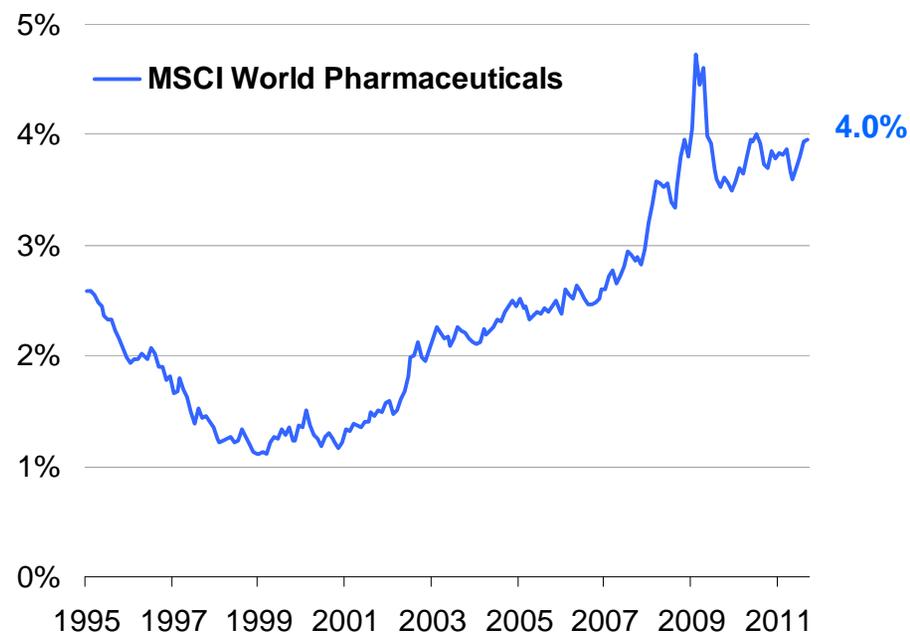
World Dividend Growth for Pharmaceuticals and Inflation Rate

31-Jan-1995 to 30-Sep-2011

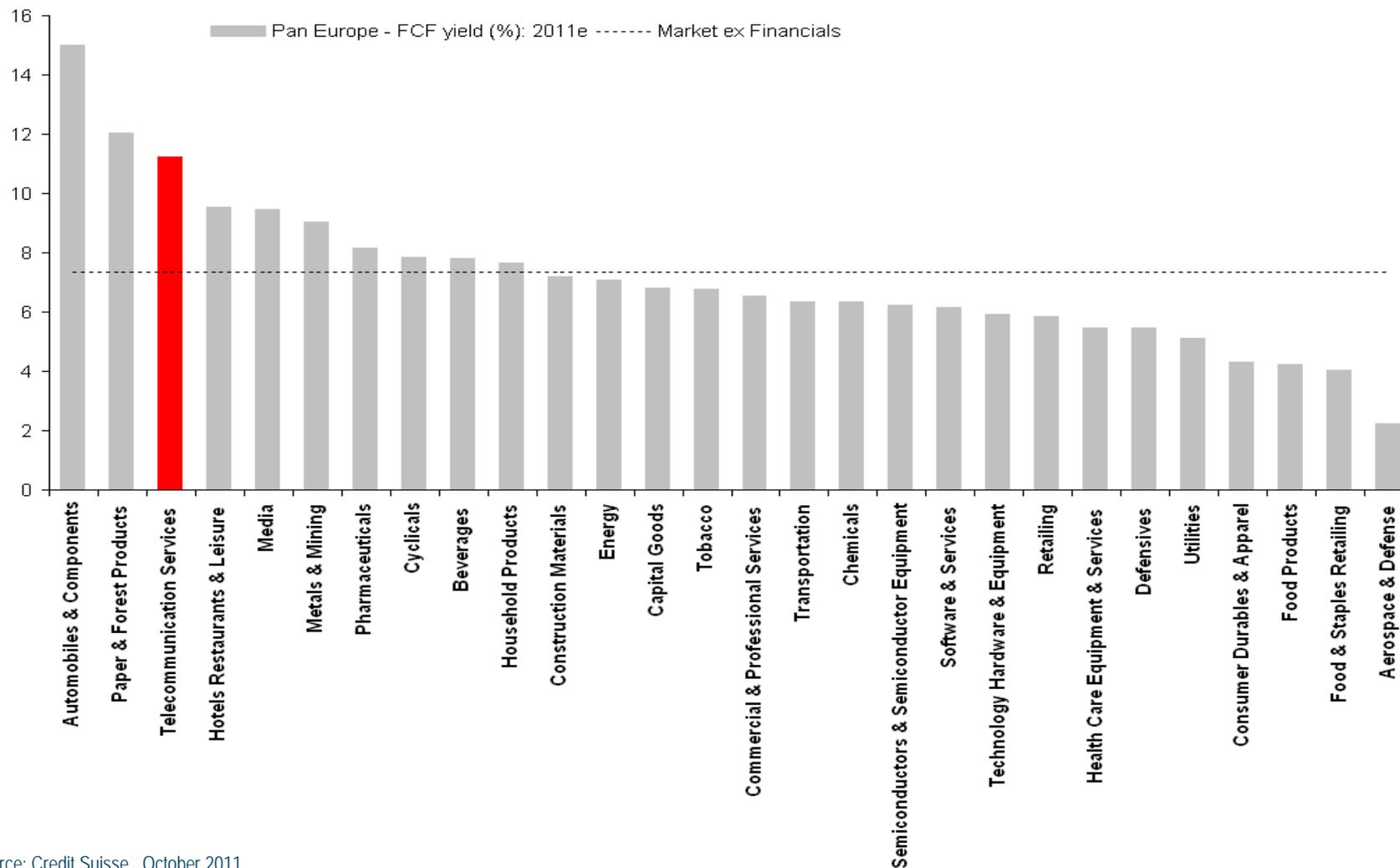


World Pharmaceuticals Dividend Yield

31-Jan-1995 to 30-Sep-2011 (Monthly)



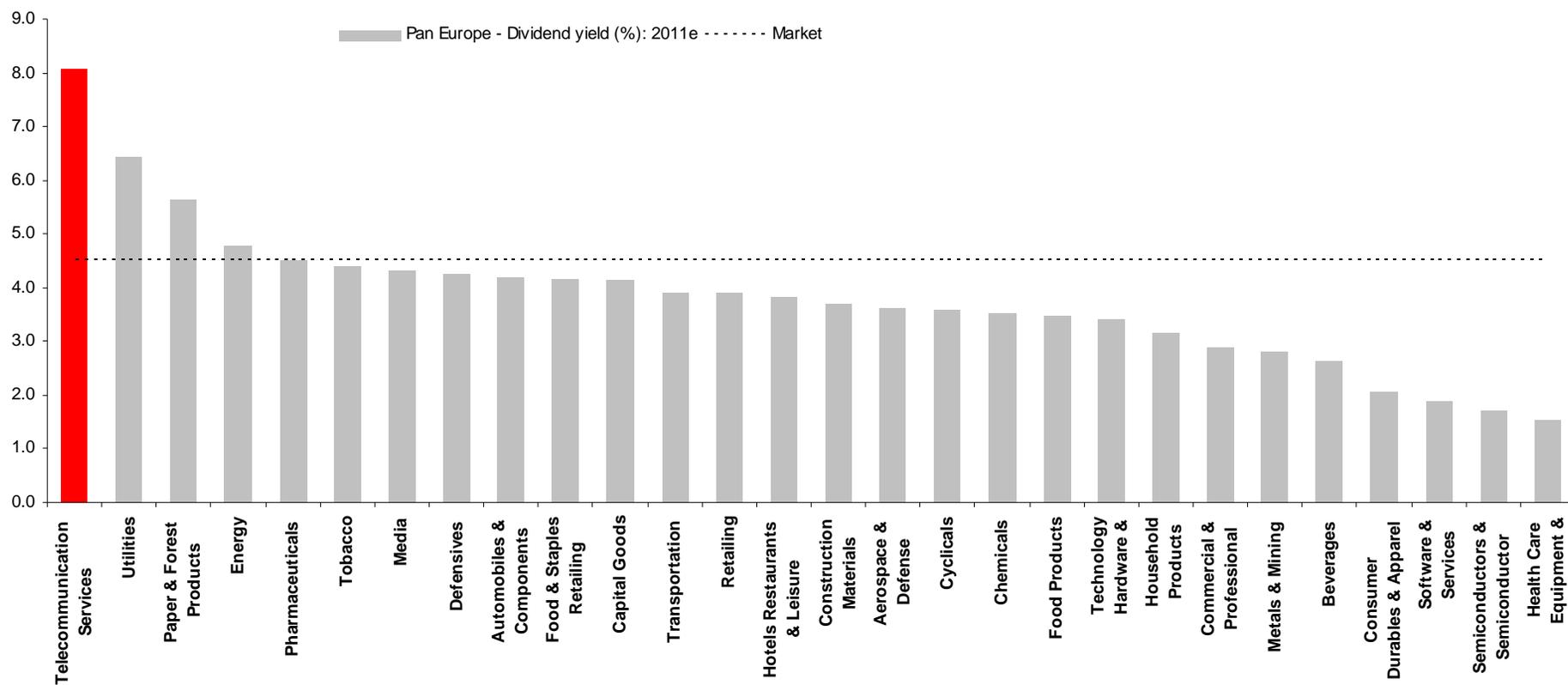
Telecommunications: Generate Strong Free Cash Flow



Source: Credit Suisse. October 2011

Telecommunications:and High Dividends

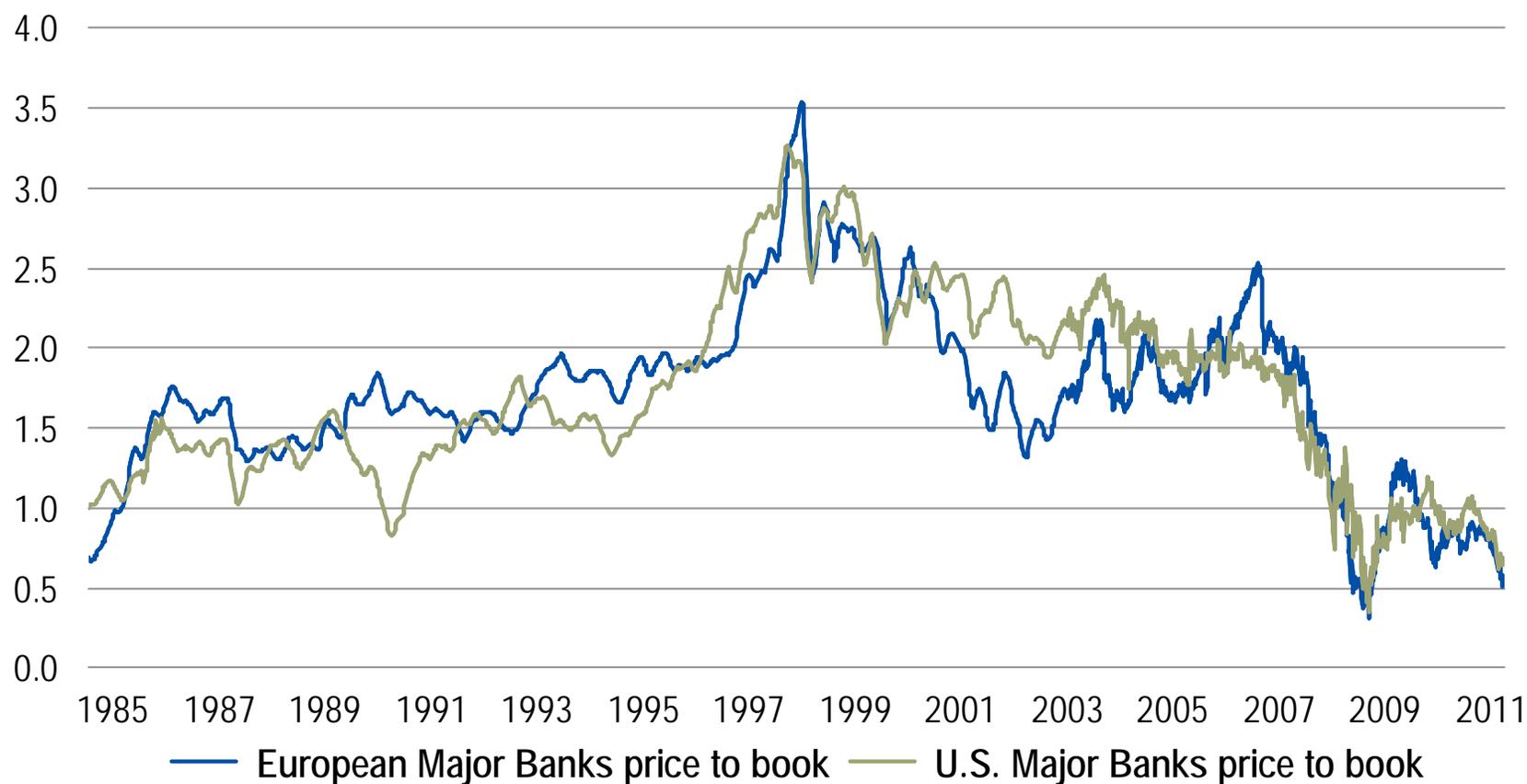
Telecoms have the highest 2011E dividend yield in Europe



Financials: Valuations

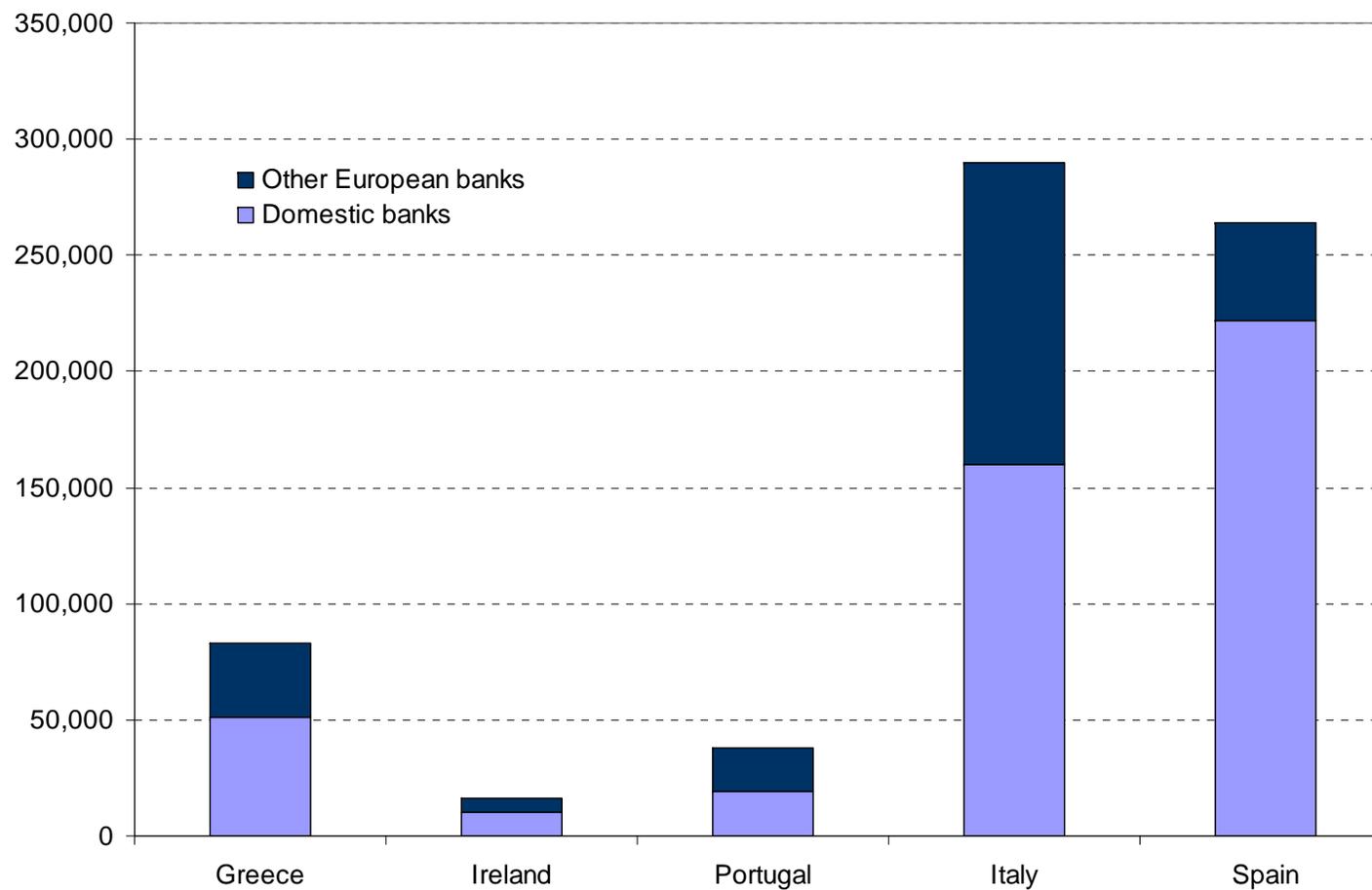
U.S. and Europe Major Banks—Price to Book

From 03-JAN-85 to 19-SEP-11 (daily)



Financials: Sovereign Debt Exposure

Sovereign debt owned by European banks (EUR'm)



Financials: European vs Australian Banking Characteristics

	 BNP PARIBAS	HSBC 	 nab
LT credit rating (S&P / Fitch / Moody's)	AA / AA- / Aa2	AA- / AA / Aa2	AA / AA- / Aa2
Credit Default Swap¹	226 bps	110 bps	176 bps
Bond Yield¹	3.6%	3.4%	3.4%
Core Tier 1 Ratio²	9.2%	10.5%	6.8%
Loan / Deposit ratio	118%	79%	125%
Industry borrowing from US MMF (end Sep'11)	US\$93bn	US\$142bn	US\$110bn
12m Total Return (local currency)	-38%	-17%	3%
P/TBV (2011E)	0.6x	1.2x	1.7x
P/E (2011E)	4.7x	8.7x	10x

Source: Company Reports, Franklin Templeton Investments, Bloomberg and FactSet Research Systems

¹ 5yr senior unsecured (in EUR) as at 21 October 2011

²2011 estimates under Basel II standards

Templeton Top Ten Holdings

Templeton Global Growth Fund

As of 30 September 2011

	Name of Issuer	Country	Industry	% of Total
1.	MICROSOFT CORP	United States	Software & Services	2.4
2.	VODAFONE GROUP PLC	United Kingdom	Telecommunication Services	2.3
3.	ROYAL DUTCH SHELL	United Kingdom	Energy	2.3
4.	AMGEN INC	United States	Pharmaceuticals, Biotechnology & Life Sciences	2.1
5.	SINGAPORE TELECOMMUNICATIONS LTD	Singapore	Telecommunication Services	2.1
6.	SANOFI	France	Pharmaceuticals, Biotechnology & Life Sciences	2.0
7.	SAMSUNG ELECTRONICS CO LTD	South Korea	Semiconductors & Semiconductor Equipment	2.0
8.	TELENOR ASA	Norway	Telecommunication Services	2.0
9.	GLAXOSMITHKLINE PLC	United Kingdom	Pharmaceuticals, Biotechnology & Life Sciences	1.9
10.	PFIZER INC	United States	Pharmaceuticals, Biotechnology & Life Sciences	1.9
	Total			20.9

Percentages may differ due to rounding. Holdings of the same issuer have been combined. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

The information provided is not a recommendation to purchase, sell, or hold any particular security. The securities identified do not represent the Portfolio's/Fund's entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in the Fund or that securities sold will not be purchased. In addition, it should not be assumed that any securities transactions discussed were or will prove to be profitable. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.

Templeton Portfolio Characteristics

Templeton Global Growth Fund vs. MSCI All Country World Index

As of 30 September 2011

Price to Earnings		
	<u>Portfolio</u>	<u>Benchmark</u>
Weighted Average	10.1x	11.9x
Median	11.4x	12.7x

Price to Cash Flow		
	<u>Portfolio</u>	<u>Benchmark</u>
Weighted Average	4.9x	7.2x
Median	5.9x	8.2x

Market Capitalization Breakdown in AUD	
	<u>Portfolio</u>
<1.5 Billion	1.2%
1.5-5.0 Billion	5.2%
5.0-25.0 Billion	26.1%
25.0-50.0 Billion	21.6%
>50.0 Billion	44.6%
N/A	1.4%

Price to Book Value		
	<u>Portfolio</u>	<u>Benchmark</u>
Weighted Average	1.3x	1.5x
Median	1.4x	1.5x

Dividend Yield		
	<u>Portfolio</u>	<u>Benchmark</u>
Weighted Average	3.9%	3.1%
Median	3.5%	2.5%

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

Index statistics calculated by FactSet Research Systems, Inc.

1. Source: Franklin Templeton Investments.

Please see Important Information page in the Appendix.

Information is supplemental to the Historical Performance page.

Historical Performance

Templeton Global Growth Fund vs. MSCI All Country World Index

Average Annual Returns (AUD%)

As of 30 September 2011

	3 Months	6 Months	1 Year ¹	3 Years ¹	5 Years ¹	10 Years ¹
Templeton Global Growth Fund – Net of Fees/Expenses	-9.7	-11.6	-6.1	-7.3	-8.5	-2.4
MSCI All Country World Free Index	-8.9	-11.6	-5.9	-5.7	-6.2	-1.9

1. Annualised

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

Summary

- European sovereign debt issues continue to weigh on markets, but have led to attractive valuations and investment opportunities in Europe
- The fund's European holdings include many globally diversified, high quality companies
- Valuations look attractive on a number of metrics
- Templeton continues to find value in information technology, healthcare and telecommunication services sectors; but opportunities exist across the market
- Patience and long term focus will deliver returns for investors

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