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

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Melbourne, Victoria 3000

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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 2010

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
25 August 2010

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 2009 to 30 June 2010 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 2008 to 30 June 2009.

Results for Announcement to the Market

	2010 $	2009 $	Increase / (Decrease)	Change %
Revenue	4,330,171	6,551,493	(2,221,322)	(33.9)
Net capital gains/(losses)	1,775,669	(2,036,288)	3,811,957	187.2
Profit / (Loss) from ordinary activities after tax attributable to members	2,676,650	(6,455,834)	9,132,484	141.5
Net Profit / (Loss) attributable to members	2,676,650	(6,455,834)	9,132,484	141.5
Other comprehensive income	702,500	(8,338,231)	9,040,731	108.4
Total comprehensive income	3,379,150	(14,844,065)	18,223,215	122.8

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 2010, global equity markets strengthened which assisted in the Company's investment portfolio appreciating from $129,590,795 at 1 July 2009 to $136,027,567 at 30 June 2010.

From 7 December 2009, the Company early adopted Australian accounting standard AASB 9 Financial Instruments. Resulting from the adoption of AASB 9 the company now prepares a statement of comprehensive income The adoption of AASB 9 also resulted from 7 December 2009 in the Company not being required to record impairment to financial assets to the income statement as was previously required under Australian Accounting Standard AASB139 Financial Instruments: Recognition and Measurement ("AASB139").

Dividend Reinvestment

The Company operates a dividend reinvestment plan (DRP). The DRP offers shareholders the opportunity to reinvest part or all of their dividend payments at a discount of 2.5% to market price as determined under the DRP rules.

Net Tangible Assets Per Security

Net tangible assets per security at the end of the period were 94 cents compared to 92 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 2010 is unqualified.

The Directors of Templeton Global Growth Fund Ltd ("the Company") submit their report for the year ended 30 June 2010.

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)
- Intoll Management Ltd* (previously Macquarie Infrastructure Investment Management Ltd), the responsible entity for Intoll Group (previously Macquarie Infrastructure Group) (appointed March 2004)
- Macquarie Atlas Roads Ltd* (appointed December 2009) (Chairman)
- Macquarie Atlas Roads International Ltd* (appointed February 2010)
- 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 Chairman of Sisters of Charity Community Care Ltd and CCI Investment Management Ltd and a Director of Catholic Church Insurances 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) (Chairman)
- 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, LLB, 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. Chairman of Fed Square Pty Ltdand 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. Chief Operating Officer and 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 15 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	-

PROFIT/(LOSS) PER SHARE

	Cents
Basic	1.8
Diluted	1.8

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 2009 as recommended in the 2009 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 currently hedge the underlying currencies of its portfolio of investments.

Performance Indicators

For the year ended 30 June 2010 the underlying performance of the Company's portfolio of investments was 2.3% compared to the MSCI All Countries World Index ("the Index") for the same period of 7.5%.

Over the ten year period to 30 June 2010, the performance of the Company's portfolio of investments was negative 1.3% compared to the Index's performance of negative 3.1%.

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	**2010**	**2009**	**2008**	**2007**	**2006**
TGG*	2.3	-13.5	-26.6	11.5	21.3
MSCI AC World Index	7.5	-15.5	-19.4	10.3	21.5

* 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 profit for the year after income tax was $2,676,650 compared with a net loss after tax of $6,455,834 in the previous corresponding year ("pcy"). During the financial year ended 30 June 2010, global equity markets recovered some of the value lost over the past two financial years. The market value of the Company's investment portfolio increased from $129,590,793 at 1 July 2009 to $136,027,567 at 30 June 2010.

Revenue from investments amounted to $4,330,171 in the current financial year as compared with $6,551,493 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**
2006	153	148
2007	154	148
2008^	108	108
2009^	92	92
2010^	94	94

* '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 affect 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 on-market share buy-backs during the year and 829,917 shares were bought back. The number of ordinary shares on issue, therefore, decreased over the period from 145,383,838 to 144,553,921.

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 2001*, 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 2010, 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 2010 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 2010 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 2010, 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.

Details of the remuneration of executives for the year ended 30 June 2010 are set out in Table 2 at the end of this report.

Employment Contract

The Secretary and General Manager, Mr. M F Warwick is employed under contract. The current employment contract commenced 1 July 2010 and terminates on 30 June 2012, 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 2009 and 30 June 2010.

Director	Year	Short – Term Directors Salary and Fees $	Post employment Superannuation $	Retirement Benefits $	Total $
D A Walsh	2010	48,275	36,745	-	85,020
	2009	-	85,020	-	85,020
J F Harvey	2010	47,000	4,230	-	51,230
	2009	46,988	4,242	-	51,230
J A Killen	2010	50,700	8,160	-	58,860
	2009	26,860	32,000	-	58,860
G E McGowan	2010	-	-	-	-
	2009	-	-	-	-
G N Webb	2010	36,122	15,108	-	51,230
	2009	-	51,230	-	51,230
J J Bolt	2010	-	-	-	-
	2009	-	-	-	-
Total	2010	182,097	64,243	-	246,340
	2009	73,848	172,492	-	246,340

Table 2: Remuneration of the executives who receive the highest remuneration for the years ended 30 June 2009 and 30 June 2010.

The only executive officer of the Company during the year ended 30 June 2010 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	2010	154,128	13,872	168,000
	2009	154,128	13,872	168,000

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:	5	6	4
Number of meetings attended:			
D A Walsh	5	4	3
G N Webb	5	6	3
J F Harvey	5	5	2
J A Killen	5	6	4
G E McGowan	4	-	-
J J Bolt	5	-	-

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 2010.

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
25 August 2010

ERNST & YOUNG

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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 2010, 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

25 August 2010

TEMPLETON GLOBAL GROWTH FUND LTD

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 $	2009 $
Revenue	6	4,330,171	6,551,493
Investment expenses	7	(1,578,481)	(1,708,232)
Salaries and employee benefit expenses		(417,456)	(415,266)
Shareholder and regulatory costs		(111,536)	(96,223)
Other expenses		(210,797)	(160,241)
Profit before income tax		2,011,901	4,171,531
Income tax expense*		(578,219)	(1,230,739)
Profit after income tax before net realised gains		1,433,682	2,940,792
Impairment revaluation charge on securities sold before 7 December 2009		-	(11,387,463)
Income tax (expense)/benefit*		-	3,416,239
Realised gains/(losses) on sale of investments before tax (expense)/benefit		1,775,669	(2,036,288)
Income tax (expense)/benefit*		(532,701)	610,886
Net realised gains/(losses) on sale of investments after tax		1,242,968	(9,396,626)
Profit after income tax for the period		2,676,650	(6,455,834)
EARNINGS/(LOSSES) PER SHARE	18	**Cents**	**Cents**
• Basic for profit/(loss) for the year attributable to ordinary equity holders		1.8	(4.4)
• Diluted for profit/(loss) for the year attributable to ordinary equity holders		1.8	(4.4)
		$	**$**
*Total tax (expense)/benefit	8	(1,110,920)	2,796,386

The above income statement should be read in conjunction with the accompanying notes.

TEMPLETON GLOBAL GROWTH FUND LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	2010 $	2009 $
Profit/(Loss) for the year after tax	2,676,650	(6,455,834)
Other comprehensive income		
Revaluation of investments	507,461	(24,908,751)
Deferred tax (expense)/benefit on the above	(152,238)	7,472,625
Gains/(Losses) on investments realised before 7 December 2009 for the period	1,304,477	(498,187)
Income tax (expense)/benefit on the above	(391,343)	149,456
Gains on investments realised after 7 December 2009	967,302	-
Income tax expense on the above	(290,191)	-
Transfer to income statement of impairment charge	-	11,387,463
Income tax benefit on the above	-	(3,416,239)
Transfer to income statement of cumulative (gains)/losses on investments realised before 7 December 2009^	(1,775,669)	2,036,288
Income tax expense/(benefit) on the above	532,701	(610,886)
Total other comprehensive income after tax	702,500	(8,388,231)
Total comprehensive income after tax	3,379,150	(14,844,065)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.
^ Represents the gains/(losses) on investments sold prior to 7 December 2009 based on their “cost” price as determined under AASB 139 as at 30 June 2009.

BALANCE SHEET
AT 30 JUNE 2010

	Notes	30 June 2010 $	30 June 2009 (restated) $	1 July 2008 (restated) $
CURRENT ASSETS				
Cash and cash equivalents	16	1,038,647	4,847,167	1,857,543
Receivables	10	433,833	1,179,719	703,199
Total current assets		1,472,480	6,026,886	2,560,742
NON-CURRENT ASSETS				
Investments	11	136,027,567	129,590,793	157,061,185
Deferred tax assets	8	18,332,452	18,707,002	11,084,152
Total non-current assets		154,360,019	148,297,795	168,145,337
Total assets		155,832,499	154,324,681	170,706,079
CURRENT LIABILITIES				
Payables	12	257,781	224,980	243,924
Provisions	13	14,500	14,500	14,500
Current tax liabilities		-	165,444	1,666,031
Total current liabilities		272,281	404,924	1,924,455
NON-CURRENT LIABILITIES				
Provisions	13	90,120	90,120	90,120
Deferred tax liability	8	80,979	85,300	80,790
Total non-current liabilities		171,099	175,420	170,910
Total liabilities		443,380	580,344	2,095,365
NET ASSETS		155,389,119	153,744,337	168,610,714
EQUITY				
Contributed equity	14	184,161,381	184,826,243	184,848,556
Reserves	15	(36,022,074)	(20,516,330)	(10,702,698)
Retained profits	15	7,249,812	(10,565,576)	(5,535,144)
TOTAL EQUITY		155,389,119	153,744,337	168,610,714

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

Year Ended 30 June 2010	**Issued Capital $**	**Retained Profits/ (Accumulated) Losses $**	**Investment Revaluation Reserve $**	**Investment Realisation Reserve $**	**Total Equity $**
Total equity at the beginning of the year as reported	184,826,243	(41,469,920)	5,162,575	5,225,439	153,744,337
Adoption of AASB 9	-	30,904,344	(30,904,344)	-	-
Restated total equity at the beginning of the year	184,826,243	(10,565,576)	(25,741,769)	5,225,439	153,744,337
Profit after tax	-	1,433,682	-	1,242,968	2,676,650
Transfer of impairment revaluations to realisation reserve	-	16,381,705	-	(16,381,705)	-
Other comprehensive income					
Net unrealised gains on investments held at 30 June 2010	-	-	355,223	-	355,223
Net gains for the period on securities realised before 7 December 2009	-	-	913,134	-	913,134
Net gains for the period on securities realised after 7 December 2009	-		677,111	-	677,111
Transfer to income statement of cumulative gains on investments realised during the period	-	-	(1,242,968)	-	(1,242,968)
Net realised losses for the period	-	-	-	(1,069,506)	(1,069,506)
Other comprehensive income for the year	-	-	702,500	(1,069,506)	(376,006)
Shares bought back	(662,808)	-	-	-	(662,808)
Transaction costs on buy back	(2,054)	-	-	-	(2,054)
At 30 June 2010	184,161,381	7,249,812	(25,039,270)	(10,982,804)	155,389,119

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010 (Continued)

Year Ended 30 June 2009	**Issued Capital $**	**Retained Profits/ (Accumulated) Losses $**	**Investment Revaluation Reserve $**	**Investment Realisation Reserve $**	**Total Equity $**
Total equity at the beginning of the year as reported	184,848,556	(22,888,682)	-	6,650,840	168,610,714
Adoption of AASB 9	-	17,353,538	(17,353,538)	-	-
Restated total equity at the beginning of the year	184,848,556	(5,535,144)	(17,353,538)	6,650,840	168,610,714
Profit after tax	-	(5,030,432)	-	(1,425,401)	(6,455,833)
Other comprehensive income					
Net unrealised losses on investments held at 30 June 2009	-	-	(9,464,901)	-	(9,464,901)
Transfer to income statement of cumulative losses on investments realised during the period	-	-	(348,731)	-	(348,731)
Net realised losses for the period	-	-	1,425,401	-	1,425,401
Other comprehensive income for the year	-	-	(8,388,231)	-	(8,388,231)
Shares bought back	(22,240)	-	-	-	(22,240)
Transaction costs on buy back	(73)	-	-	-	(73)
At 30 June 2009	184,826,243	(10,565,576)	(25,741,769)	5,225,439	153,744,337

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2010

	Notes	2010 $ Inflows (Outflows)	2009 $ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends and distributions received		3,857,617	5,546,783
Interest received		25,234	317,836
Custodian fees paid		(53,102)	(36,772)
Goods and services tax refunded		121,679	138,327
Investment manager's fees paid		(1,581,717)	(1,666,815)
Income taxes paid		(374,348)	(2,155,230)
Administrative, regulatory, legal and other payments in the normal course of operations		(684,591)	(544,965)
Net cash flows from operating activities	16(a)	1,310,772	1,599,164
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchase of:			
Listed Shares		(26,586,688)	(22,079,510)
Proceeds received from realisation of:			
Listed shares		22,255,979	23,808,562
Net cash inflow/(outflow) from investing activities		(4,330,709)	1,729,052
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Buy Back		(664,862)	(22,313)
Dividend paid		-	-
Net cash flows used in financing activities		(664,862)	(22,313)
Net increase/(decrease) in cash held		(3,684,799)	3,305,903
Add opening cash brought forward		4,847,167	1,857,543
Effects of exchange rate changes on cash		(123,721)	(316,279)
CLOSING CASH CARRIED FORWARD	**16(b)**	**1,038,647**	**4,847,167**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010

1. CORPORATE INFORMATION

The financial report of Templeton Global Growth Fund Ltd ("the Company") for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 25 August 2010.

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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 2010 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 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5,8,101,107,117,118,136 &139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting except for the following: The amendment to AASB 101 stipulates that the terms of a liability that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification. The amendment to AASB 107 explicitly states that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities.	1 January 2010	The impact of this Standard on the current disclosures of the Company are expected to be minimal.	1 July 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards and interpretations (continued)

AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137, 139,1023 & 1031 and Interpretations 2,4,16,1039 & 1052]	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.	1 January 2011	No significant impact on the Company's financial statements is expected	1 July 2011

AASB 101 (revised): Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements.

The Company has adopted revised Accounting Standard AASB 101 with effect from 1 July 2009. This standard requires certain information regarding unrealised gains/(losses) in the portfolio of investments, along with the associated deferred tax charge, previously disclosed in the Statement of Changes in Equity to be reported in a Statement of Comprehensive Income. The adoption of this standard has no impact on the valuation of the Company's net assets.

AASB 8: Operating Segments

The Company has adopted AASB 8 *Operating Segments* ("AASB 8") from 1 July 2009. This standard requires that segment information be identified consistent with the manner in which it is identified when reporting internally to the Chief Operating Decision Maker ("CODM").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 9: Financial Instruments

The Company has elected to early adopt AASB 9 *Financial Instruments* ("AASB 9") from 7 December 2009, the earliest date available for adoption of the standard. One of the effects of this standard is that the Company now designates its investments at "fair value through other comprehensive income". The Company has adopted the standard as it considers that the reporting under the new standard will provide readers of the financial statements with a clearer understanding of the results of operations of the Company.

Under the previous Accounting Standard AASB 139 *Financial Instruments: Recognition and Measurement* ("AASB 139") the Company was required to account for the impact of impairments to individual investments in the Company's portfolio of investments through the income statement. Under AASB 9 there are no such impairment provisions and decreases in the value of investments are recorded in the asset revaluation reserve in the equity component of the balance sheet. These amounts are also shown in the statement of other comprehensive income.

As stated above, the earliest date of adoption of AASB 9 is 7 December 2009. As a result sales of investments which occurred prior to 7 December 2009 are accounted for under accounting standard AASB 139. The difference in accounting treatment and disclosure is that sales of investments occurring prior to 7 December are recorded through the income statement and then transferred to the Company's asset realisation reserve. Sales of investments occurring after 7 December 2009 are recorded through the asset revaluation reserve in equity prior to being transferred to the asset realisation reserve.

Comparative figures in the accounts have been restated where necessary for the adoption of AASB 9 as of 7 December 2009.

(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.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010 (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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

Until 7 December 2009 Financial Instruments of the Company were accounted for and reported under Australian Accounting Standard AASB 139. From 7 December 2009 Financial Instruments of the Company are accounted for under AASB 9.

Financial assets in the scope of AASB 139 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.

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

Up to 7 December 2009, under AASB 139 the notion of impairment of investments was applied.

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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 2010 (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 2010 (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 up until 7 December 2009. Revenue from net capital gains is recognised when the Company's right to receive the payment is established.

(n) Borrowing costs

Borrowing costs not directly attributed to the purchase or construction of a qualifying asset are recognised as an expense when incurred.

(o) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision-Maker ("CODM"). The CODM is the Review Committee. The Company operates as a listed investment company in Australia and has no reportable operating segments.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010 (continued)

3. RECOGNITION AND MEASUREMENT OF EQUITY INVESTMENTS

The Company has early adopted AASB 9 with effect from 7 December 2009. Prior to 7 December 2009 the Company classified its equity investments as “available for sale” in accordance with AASB 139. The change in standard affects the manner in which the performance of equity investments are disclosed

Prior to 7 December 2009 under AASB 139:

- The Company was required to assess the level of impairment of equity investments at each balance date in terms of “significance” of the impairment or whether the impairment is “prolonged”. The Company adopted the policy that significant is a decline in the fair market value of below 30% to its book cost, and prolonged a decline in book value below cost for a period of 12 months.
- Required impairments deemed as significant or prolonged to be recorded in the income statement.
- Reversals of impairments were not reversed through the income statement.
- Increases in the value of equity investments are taken to the investment revaluation reserve as equity in the balance sheet.

From 7 December 2009 under AASB 9:

- The Company’s equity investments are designated at fair value through other comprehensive income.
- There are no impairment provisions.
- Realised and unrealised gains or losses on equity investments are reported through other comprehensive income in the statement of comprehensive income.
- Realised gains or profit are recorded in equity and do not form part of the Company’s profit or loss in the income statement.

Transitional provisions:

- Comparatives have been restated to the extent required to account for the early adoption of AASB 9 from 7 December 2009 except where impaired equity investments were sold prior to 7 December 2009.
- Gains or losses on equity investments sold prior to 7 December are recorded under AASB 139 and are found in the income statement.
- Gains or losses on equity investments sold from 7 December to the end of the period are recorded under AASB 9 and are found in the statement of other comprehensive income and reported in equity.

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 prudent diversification of the investment portfolio. 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 index.

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010 (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 2010 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.

	2010				2009			
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 loss before tax $,000**	**Effect on equity after tax $,000**
EUR	43,191	20/(20)	0/0	(7,198)/10,797	37,662	20/(20)	(7,532)/0	0/5,272
USD	35,749	20/(20)	0/0	(5,958)/8,937	38,523	20/(20)	(7,704)/0	0/5,393
GBP	15,383	20/(20)	0/0	(2,563)/3,845	17,433	20/(20)	(3,486)/0	0/2,440

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 2010 (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.

	2010			2009		
Location	**Change in location %**	**Effect on profit before tax $,000**	**Effect on equity after tax $,000**	**Change in equity price %**	**Effect on profit before tax $,000**	**Effect on equity $,000**
Dow Jones	20/(20)	0/0	5,393/(5,393)	20/(20)	(7,704)/0	0/5,393
London FTSE	20/(20)	0/0	2,441/(2,441)	20/(20)	(3,486)/0	0/2,441
Paris CAC	20/(20)	0/0	1,984/(1,984)	20/(20)	(2,820)/0	0/1,974

(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 $1,038,647 (2009: $4,847,167), the interest rate applicable to cash and cash equivalents at balance date was 3.3% (2009:4.2%).

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010 (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.

The Company had in place an On Market Share Buy-Back which operated during the year. There were no other changes to the capital management of the Company.

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 2010 (continued)

	2010 $	2009 $
6. REVENUE AND NET CAPITAL GAIN		
Revenue		
Dividends and distributions – other corporations	4,248,827	6,119,237
Interest – other person/corporations	39,320	317,768
Other investment income	42,024	114,488
	4,330,171	6,551,493
7. EXPENSES AND LOSSES		
Investment Expenses		
Investment management fees	1,478,855	1,520,014
Custodian fees	51,280	46,345
Net foreign currency losses	48,346	141,873
	1,578,481	1,708,232

8. INCOME TAX

The major components of income tax are:

	2010 $	2009 $
Income Statement		
Current income tax		
Current income tax charge	(1,136,271)	2,763,666
Deferred income tax		
Relating to origination and reversal of temporary differences	25,351	20,720
Income tax expense/(benefit) reported in the income statement	(1,110,920)	2,796,386
Amounts changed or credited directly to equity		
Deferred income tax related to items charged or credited directly to equity		
Net unrealised gain/(loss) on investments	(152,238)	7,472,625
Income tax (expense)/benefit reported in equity	(152,238)	7,472,625

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010 (continued)

8. INCOME TAX (continued)

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

	2010 $	2009 $
Profit/(loss) before income tax	3,787,570	(9,252,220)
Prima facie income tax (expense)/benefit at statutory rate	(1,136,271)	2,775,666
Tax effect of:		
- Unrealised foreign exchange (gains)/losses	(3,378)	1,253
- Other items	(21,973)	(21,973)
Income tax (expense)/benefit attributable to ordinary activities	(1,110,920)	2,796,386

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

	Balance sheet			Income statement	
	2010 $	2009 $	2008 $	2010 $	2009 $
Deferred tax liabilities					
Dividends receivable	80,979	85,300	80,790	(4,321)	4,510
	80,979	85,300	80,790		
Deferred tax asset					
Directors retirement benefit	27,036	27,036	27,036	-	-
Long service leave accrued	4,350	4,350	4,350	-	-
Audit fee accrued	11,811	11,811	11,043	(829)	(768)
Net unrealised loss on investments and impairments	10,731,116	14,448,426	11,041,723	3,717,310	(3,406,700)
Realised loss on investments	7,557,311	4,215,379	-	(3,341,932)	(4,215,379)
	18,332,452	18,707,002	11,084,152		
Deferred tax income/(expense)				370,228	(7,618,337)

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010 (continued)

9. DIVIDENDS PAID OR PROVIDED FOR

	2010 $	2009 $
(a) Dividends paid during the year:		
(i) *Previous year's final*		
Final Dividend – 0.0 cents per share (2009 – 0.0 cents per share fully franked)	-	-
(ii) *Current year interim*		
Interim Dividend – 0.0 cents per share fully franked. (2009 – 0.0 cents per share fully franked)	-	-
	-	-

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

(b) Franking credit balance

	2010 $	2009 $
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%	7,455,623	7,081,276
– franking credits that will arise from the payment of income tax payable as at the end of the financial year	-	165,444
	7,455,623	7,246,720
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.	-	-
	7,455,623	7,246,720

10. RECEIVABLES (CURRENT)

	2010 $	2009 $	2008 $
Receivables	433,833	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 2010 (continued)

	2010 $	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	171,797,952	177,752,215	193,866,928
Aggregate quoted market value at balance date of securities listed on a prescribed stock exchange	136,027,567	129,590,795	157,061,185

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

	2010 $	2009 $	2008 $
12. TRADE AND OTHER PAYABLES (CURRENT)			
Trade payables	142,163	99,141	94,353
Payables due to related parties:			
- Director related entities – refer note 22(b)	115,617	125,840	149,571
	257,780	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.

	2010 $	2009 $	2008 $
13. PROVISIONS			
Current			
Long service leave	14,500	14,500	14,500
Non-current			
Directors' retirement allowance	90,120	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 2010 (continued)

	2010 $	2009 $
14. CONTRIBUTED EQUITY		
(a) Issued and Paid-Up Capital		
Ordinary shares fully paid	184,161,381	184,826,243

	2010 No. of shares	2010 $	2009 No. of shares	2009 $
(b) Movements in ordinary shares on issue				
Beginning of financial year	145,383,838	184,826,243	145,414,719	184,848,556
On market share buy back ("Buy Back")	(829,917)	(662,808)	(30,881)	(22,240)
Transaction cost of Buy Back	-	(2,054)	-	(73)
End of the financial year	144,553,921	184,161,381	145,383,838	184,826,243

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	30 June 2010 $	30 June 2009 $	30 June 2008 $
15. RESERVES AND RETAINED PROFITS				
Investment Realisation	15(a)	(10,982,804)	5,225,439	6,650,840
Investment Revaluation	15(b)	(25,039,270)	(25,741,769)	(17,353,538)
		(36,022,074)	(20,516,330)	(10,702,698)
Retained profits/(Accumulated losses)	15(c)	7,249,812	(10,565,576)	(5,535,144)

(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				
Balance at beginning of year		5,225,439	6,650,840	7,963,622
Transfer from retained profits of net profit/(loss) on realisation of investments		1,242,968	(1,425,401)	2,900,114
Transfer of net realised capital losses from retained profits/(accumulated losses)		(16,381,705)	-	-
Net realised losses for the period		(1,069,506)		
Dividends paid		-	-	(4,212,896)
Balance at end of year		(10,982,804)	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				
Balance at the beginning of the year		(25,741,769)	(17,353,538)	28,589,065
Revaluation increments/(decrements) on revaluation of listed securities.		507,461	(13,521,287)	(65,632,290)
Tax effect of increments to revaluation reserve		(152,238)	4,056,386	19,689,687
Transfer of net realised capital losses to the investment realisation reserve		(1,242,968)	1,425,401	-
Transfer to income statement of net cumulative losses on investments realised during the period		-	(348,731)	-
Net gains on securities realised before 7 December		913,134	-	-
Net gains on securities realised after 7 December		677,111	-	-
Balance at the end of year		(25,039,270)	(25,741,769)	(17,353,538)

(c) Retained Profits

Movements in Retained Profits				
Balance at the beginning of year		(10,565,576)	(5,535,144)	(5,381,432)
Net profit attributable to members of Templeton Global Growth Fund Ltd		1,433,682	(5,030,432)	5,720,521
Aggregate of amounts transferred to Investment Realisation Reserve		-	-	(2,900,114)
Transfer of impairment revaluations to realisation reserve		16,381,705		
Prior period taxation adjustment		-	-	25,881
		7,249,812	(10,565,576)	(2,535,144)
Dividends provided for or paid		-	-	(3,000,000)
Balance at the end of year		7,249,812	(10,565,576)	(5,535,144)

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010 (continued)

	2010 $	2009 $
16. STATEMENT OF CASH FLOWS		
(a) Reconciliation of the net profit after tax to the net cash flows from operations		
Net profit/(loss)	2,676,650	(6,455,834)
Adjusted for:		
Net loss on foreign exchange	46,766	141,876
Net (gain)/loss on realisation of investments	(1,242,968)	9,395,088
Changes in assets and liabilities		
- Receivables	(33,541)	32,286
- Payables	14,861	(27,210)
- Provision for taxation	(165,444)	(1,500,587)
- Deferred tax asset on income statement	829	769
- Deferred tax liability on income statement	(4,321)	4,510
- Provision for employee entitlements	17,940	8,266
Net cash flow from operating activities	1,310,772	1,599,164

(b) Reconciliation of cash

	2010 $	2009 $
Cash comprises:		
Cash at Bank	1,038,647	4,847,167

Disclosure of non-cash financing activities

The company did not issue shares under a dividend reinvestment plan.

17. EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS

Employee Benefits

	2010 $	2009 $
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 PER SHARE

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

	2010 $	2009 $
Net profit/(loss) used in calculating basic and diluted earnings per share.	2,676,650	(6,455,834)
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	145,041,366	145,411,949

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 2010 (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

	2010 $	2009 $
Short-Term	336,225	227,976
Post Employment	78,115	186,364
Total	414,340	414,340

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010 (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 2010 or the year ended 30 June 2009.

(d) Shares issued on exercise of compensation options

No shares were issued on exercise of compensation options during the year ended 30 June 2010 or the year ended 30 June 2009.

(e) Option holdings of directors and the executive

No options are held by key management personnel during the year ended 30 June 2010 or the year ended 30 June 2009.

(f) Shareholdings of key management personnel

Shares held in the Company *(number)*	**Balance 1 July 2009**	**Net Change Other**	**Balance 30 June 2010**
	Ord	Ord	Ord
Directors			
D.A. Walsh	62,500	-	62,500
G N Webb	343,974	-	343,974
J.F. Harvey	32,000	-	32,000
J.A. (Tony) Killen	166,600	-	166,600
G.E. McGowan	-	-	-
J.J Bolt	-	-	-
Executive			
M.F. Warwick	22,960	-	22,960
Total	**628,034**	**-**	**628,034**

Shares held in the Company *(number)*	**Balance 1 July 2008**	**Net Change Other**	**Balance 30 June 2009**
	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**

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 2010 (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 2010.

(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 $25,376 for providing legal advisory services on normal terms and conditions for the 12 months to 30 June 2010 (2009: $18,512).

	2010 $	2009 $
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	63,532	57,511
• other services in relation to the Company	-	-
	63,532	57,511

21. SEGMENT INFORMATION

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.

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision-Maker ("CODM"). The CODM is the Review Committee.

The Company operates as a listed investment company in Australia and has no reportable operating segments.

The internal reporting provided to management is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards. There were no changes to the reportable segments during the reporting period.

The Company invests in a portfolio of investments in companies listed on international stock exchanges. The Review Committee regularly reviews reports on the portfolio of investments assessing the portfolio of investments as a whole and not on any specific sector basis.

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 $1,478,853 for the 12 months to 30 June 2010 (2009 $1,520,014). As at the end of the financial year $115,617 (2009: $116,415) 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 2010) 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 2010 (continued)

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows financial instruments recorded at fair value, analysed between those whose fair value is based on quoted market prices (“Level 1”), those involving valuation techniques where all the model inputs are observable in the market (“Level 2”) and those where the valuation technique involves the use of non-market observable inputs (“Level 3”). All of the Company’s financial assets are investments in listed securities (Level 1). The Company has no financial instrument liabilities.

	30 June 2010		30 June 2009	
	Level 1	Total	Level 1	Total
Financial assets at fair value through other comprehensive income				
Listed equity securities	136,027,567	136,027,567	129,590,793	129,590,793
Total	136,027,567	136,027,567	129,590,793	129,590,793

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of listed equity is based on quoted market bid prices at the reporting date, without any deduction for transaction costs.

Other disclosures – Investment portfolio

The following disclosures result from the Company’s early adoption of AASB 9, and apply only to investments held by the Company on 7 December 2009 and subsequent to this date.

The Company’s portfolio of investments has, since the Company’s inception, consisted of securities chosen on the basis of their long term appreciation potential. The Company is a long term holder of investments. Accordingly each investment within the portfolio of investments on early adoption of AASB 9 was designated to be measured at fair value through other comprehensive income.

The fair value of each investment held at fair value through other comprehensive income is disclosed at note 27.

Dividend income for the period on those investments designated at fair value through other comprehensive income held at year end was $4,077,104, and dividend income of those investments designated at fair value through other comprehensive income and derecognised from 7 December 2009 to the end of the year was $171,723.

The value of investments derecognised in the normal course of the Company’s business as a Listed Investment Company during for the period 7 December 2009 to year end was $8,544,697. The cumulative loss on these derecognised investments after tax was $677,111 which has been transferred from the investment revaluation reserve to the investment realisation reserve (refer to the statement of changes in equity).

24. EXPENDITURE COMMITMENTS

Remuneration commitments

	2010 $	2009 $
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	185,000	168,000
After one year but not more than five years	185,000	-
Longer than five years	-	-
Total	370,000	168,000

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 affects the operations of the Company.

26. EFFECT OF CHANGES IN ACCOUNTING STANDARDS

The effect of the adoption of Australian accounting standard AASB 9 on net profit after tax, other comprehensive income, the allocation of the Company's reserves and of the classification of the Company's financial asset is shown below.

a)Net profit after tax	2009 $
Loss after income tax (as reported last year)	(20,006,639)
Impairment charge	30,745,756
Tax effect on above	(9,223,727)
Impairment revaluation charge of securities sold prior to 7 December 2009	(11,387,463)
Tax effect on the above	3,416,239
Restated net profit after tax	(6,455,834)

	Cents Basic
Earnings/(Losses) per share (as reported last year)	(13.7)
Restated earnings/(losses) per share	(4.4)

26. EFFECT OF CHANGES IN ACCOUNTING STANDARDS (continued)

b) Other comprehensive income

	2009
	$
Other comprehensive income (as reported last year)	-
Revaluation of investments	(24,908,751)
Deferred tax (expense)/benefit on the above	7,472,625
Gains/(Losses) on investments realised before 7 December 2009	(498,187)
Income tax (expense)/benefit on the above	149,456
Transfer to income statement of impairment charge	11,387,463
Income tax benefit on the above	(3,416,239)
Transfer to income statement of cumulative (gains)/losses on investments realised before 7 December 2009	2,036,288
Income tax expense/(benefit) on the above	(610,886)
Other comprehensive income (restated)	(8,388,231)

c) Shareholders' equity

The Company recorded impairment charges under Australian accounting standard AASB 139 in the financial years ended 30 June 2008 and 2009. With the adoption from 7 December of Australian accounting standard AASB 9, which does not have provision for impairment, the Company is required to restate the Company's reserves to adjust for impairments to investments held at 7 December,2009 and for which impairments were booked in the year ended 30 June 2009.

The result of these restatements on the elements of shareholder equity as at 30 June 2009 are shown below.

	As previously reported	Restatement amounts	Restated balance
	$	$	$
Share capital	184,826,243	-	184,826,243
Investment realisation reserve	5,225,439	-	5,225,439
Investment revaluation reserve	5,162,575	(30,904,344)	(25,741,769)
Accumulated losses	(41,469,920)	30,904,344	(10,565,576)
Total shareholders equity	153,744,337	-	153,744,337

d) Reclassification of investments

The early adoption of AASB 9 also resulted in a change to the classification of the Company's investments.

Investments that were sold prior to the adoption of AASB 9 on 7 December 2009 have not been reclassified as assets at fair value through comprehensive income as the AASB 9 does not have retrospective application for those investments.

The table below shows the effect of the reclassification of investments as at 30 June 2009.

AIFRS classification of investments	As previously reported	Restated balance
	$	$
Available for sale assets	129,590,793	15,445,313
Assets at fair value through other comprehensive income	-	114,145,480
Total portfolio of investments	129,590,793	129,590,793

27. SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AT 30 JUNE 2010

Listed below is the investment portfolio all of which are held at fair value through other comprehensive income.

Investments in the portfolio change from year to year as some holdings are added to, others derecognised and as the quoted market price of those securities alter.

Company	30 June 2010 $	30 June 2009 $
Accenture Ltd	-	1,757,742
Accenture Plc	1,941,859	
Ace Ltd	1,795,538	1,609,924
Alstom	690,551	-
American Express Co	971,016	594,475
Amgen Inc	2,719,519	3,367,789
AON Corp US	-	509,321
Autogrill Spa	1,341,375	979,940
Aviva Plc	514,136	-
AXA	1,401,517	1,447,663
BAE Systems Plc	839,195	1,022,032
Banco Santander	-	637,872
Bank of America	956,599	527,116
Bank of New York Mellon	1,283,435	1,230,480
Bayer Motoren Werk	1,654,416	2,112,498
Biogen Idec Inc	705,849	-
Boston Scientific	-	822,538
BP Plc	1,486,142	2,489,626
British Sky Broadcasting	1,106,809	1,408,954
Cadence Design Systems	-	347,455
Carnival Corp	1,014,623	1,132,866
Check Point Software	-	905,954
Chesapeake Energy	947,115	-
Cheung Kong Holdings	1,305,680	1,350,964
Chevron Corp	1,730,327	1,765,890
China Telecom Corp	2,107,113	1,748,791
Cisco Systems	1,498,679	1,370,246
Compal Electronic	1,266,153	889,976
Compass Group Plc	-	1,031,804
Covidien Plc	1,214,204	1,378,674
Credit Agricole	1,674,779	591,315
CRH Plc	1,147,722	1,265,189
CVS/Caremark Corp	1,349,979	-
Dell Inc	1,099,929	-
Deutsche Post	1,163,551	1,078,135
Dr Pepper Snapple	946,297	1,193,109
E.ON Ag	1,298,148	939,142
Egypt Mobile Phone	1,353,369	2,110,204
Eni Spa	1,290,758	1,707,336
Enso OYJ “R”	-	494,681
Flextronics International Ltd	968,439	545,289
Foschini Ltd	1,128,748	915,670
France Telecom	2,352,982	3,184,708
Fujifilm Holdings	716,328	1,306,486
Gazprom ADR	1,020,724	767,582
GDF Suez	548,104	-
General Electric Co	1,474,862	1,252,853

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010 (continued)

27. SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AT 30 JUNE 2010 (Continued)

Company	30 June 2010 $	30 June 2009 $
Glaxosmithkline Plc	1,624,644	1,684,148
Home Depot Inc	1,211,597	-
HSBC Holdings Plc	1,570,773	1,466,046
Iberdrola	724,003	995,252
ING Groep	1,667,002	1,246,934
Itochu Corp	1,102,015	-
JD Group Limited	991,877	1,027,413
KB Financial Group	1,160,563	971,326
KT Corp	-	624,479
Lite-On Technology	-	537,224
Luftansa	1,071,926	-
Macquarie Korea Infrastructure	1,090,257	1,182,231
Medtronic Inc	702,942	-
Merck & Co Inc	1,831,284	-
Merck KGAA	635,755	598,512
Michelin	1,769,297	1,462,689
Microsoft Corp	3,304,659	3,571,222
Mitsubishi UFJ	513,492	1,435,801
Morgan Stanley	624,473	802,174
Munchener Ruckver AG	844,756	698,754
Nestle	1,742,239	1,660,692
News Corp – CL B	1,745,495	1,390,453
Nomura Holdings	377,908	605,256
Novartis	974,237	844,622
OAO Gazrprom ADR	-	364,235
Omnicare Inc	1,149,802	1,305,327
Oracle Systems Corp	2,981,643	3,112,247
Petrobras	1,099,353	1,284,635
Pfizer Inc	2,023,292	2,223,663
Philips Electronic	1,664,474	1,057,115
Premier Foods Plc	426,328	933,051
Reed Elsevier NV	1,950,279	1,330,781
Roche Holdings	1,427,440	687,070
Royal Dutch Shell – B shares	2,367,622	2,436,921
Royal Bank of Scotland	-	605,127
Samsung Electronics	3,253,082	2,489,267
Sanofi-Aventis	2,513,510	2,542,721
SAP AG	1,506,133	-
SBM Offshore NV	1,275,212	1,517,654
Siemens AG	1,725,960	1,378,013
Singapore Telecom	2,494,988	2,472,913
Stratoilhydro ASA	1,053,010	506,376
Swiss Reinsurance	1,657,822	1,380,528
Takeda Chemical	-	624,974
Telefonica SA	1,405,206	1,775,948

NOTES TO FINANCIAL STATEMENTS 30 JUNE 2010 (continued)

27. SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AT 30 JUNE 2010 (Continued)

Telefonica SA BDR	849,570	1,087,136
Telekom Austria	932,394	888,245
Telenor ASA	2,803,676	1,771,762
Tesco	1,111,054	-
Time Warner Cable	2,177,749	1,384,125
Total SA	2,393,940	2,981,498
Toyota Motor Corp	1,020,295	764,814
Turk Iletisim	1,596,177	1,786,306
Tyco Electronics Ltd	1,204,296	922,165
Tyco International	1,126,450	867,621
UBS AG	674,646	642,787
Unicredito Ital SPA	1,786,381	1,568,830
Unilever Plc	1,699,958	1,526,493
UPM-Kymmene	-	1,176,701
USS Co Ltd	1,759,902	1,497,946
Vale Rio Doce ADR	918,356	698,715
Viacom Inc	-	1,133,807
Vivendi Universal	755,219	915,630
Vodafone Group Plc	2,636,444	2,409,063
Watson Pharm Inc	1,298,138	1,411,844
Total	**136,027,567**	**129,590,795**

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 2010 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 2010.

3. The Directors draw attention to note 2(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

On behalf of the Board

D.A. WALSH
Chairman

Melbourne 25 August 2010

ERNST & YOUNG

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Melbourne VIC 3000 Australia
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Independent auditor's report to the members 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 2010, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 entity'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 entity'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 2010 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 the directors' report for the year ended 30 June 2010. 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 2010, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

T M Dring
Partner

25 August 2010

Franklin Templeton Investments Australia Limited
ABN 87 006 972 247

Level 25, 360 Collins Street
Melbourne, Victoria 3000
Tel: 61 (3) 9603-1200
Fax: 61 (3) 9603-1299

2010 INVESTMENT MANAGER'S REPORT

Markets recovered during the early part of fiscal year 2010 driven by a brief revival in consumer confidence and an upturn in economic conditions. However, in the last six months concerns about mounting government debt and unsustainable budget deficits cast a pall over global, and more specifically, European markets.

In terms of relative performance, Templeton Global Growth Fund Ltd ("TGG") posted a 2.3% return for the year compared to 7.5% for the MSCI All Country World Free Index ("Index"). The divergence in returns was predominantly due to the portfolio's substantial exposure to stocks in Europe.

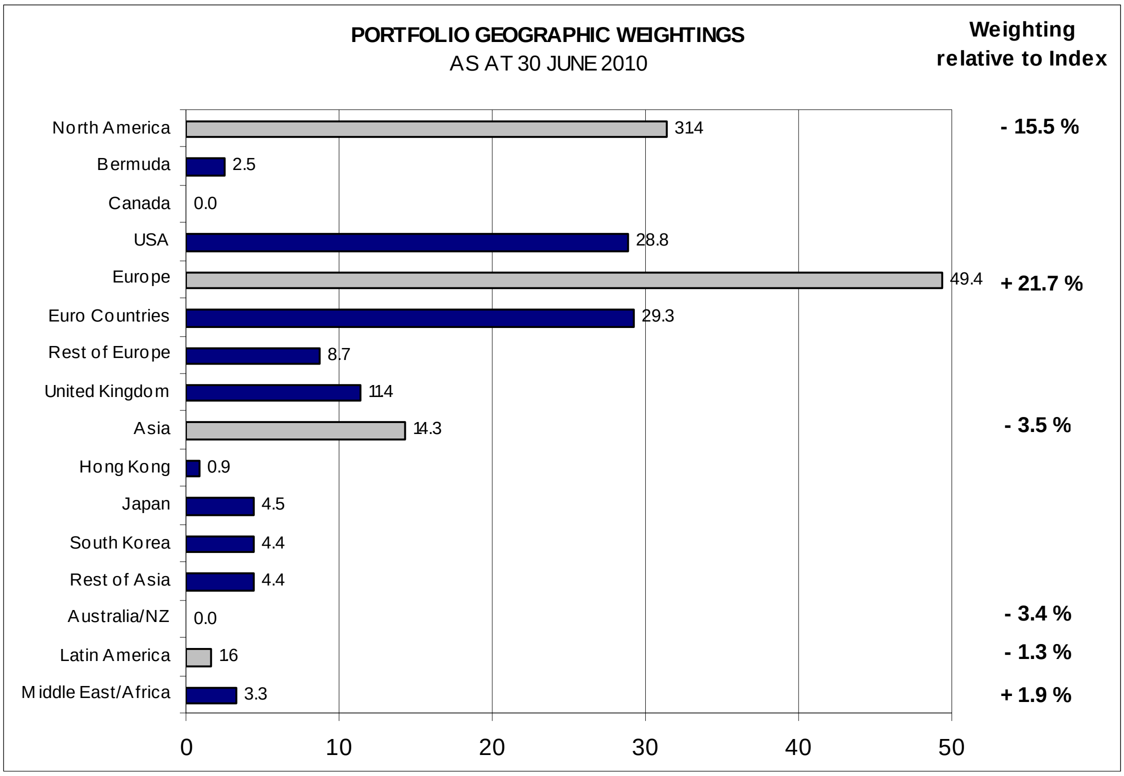
PERFORMANCE SUMMARY TO 30 JUNE 2010 - $A

	Latest 6 mths %	Latest 12 mths %	Latest 3 yrs[2] %	Latest 5 yrs[2] %	Latest 10 yrs[2] %	Since Inception[2] %
TGG[1]	-7.6	2.3	-13.4	-2.6	-1.3	6.0
MSCI All Country World Free Index	-3.2	7.5	-9.9	-0.4	-3.2	5.1[3]
		1 yr to 30/6/10 %	1 yr to 30/6/09 %	1 yr to 30/6/08 %	1 yr to 30/6/07 %	1 yr to 30/6/06 %
TGG[1]		2.3	-13.5	-26.6	11.5	21.3
MSCI All Country World Free Index		7.5	-15.6	-19.4	10.3	21.5

[1] 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.
[2] Annualised
[3] 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

2010 IN REVIEW

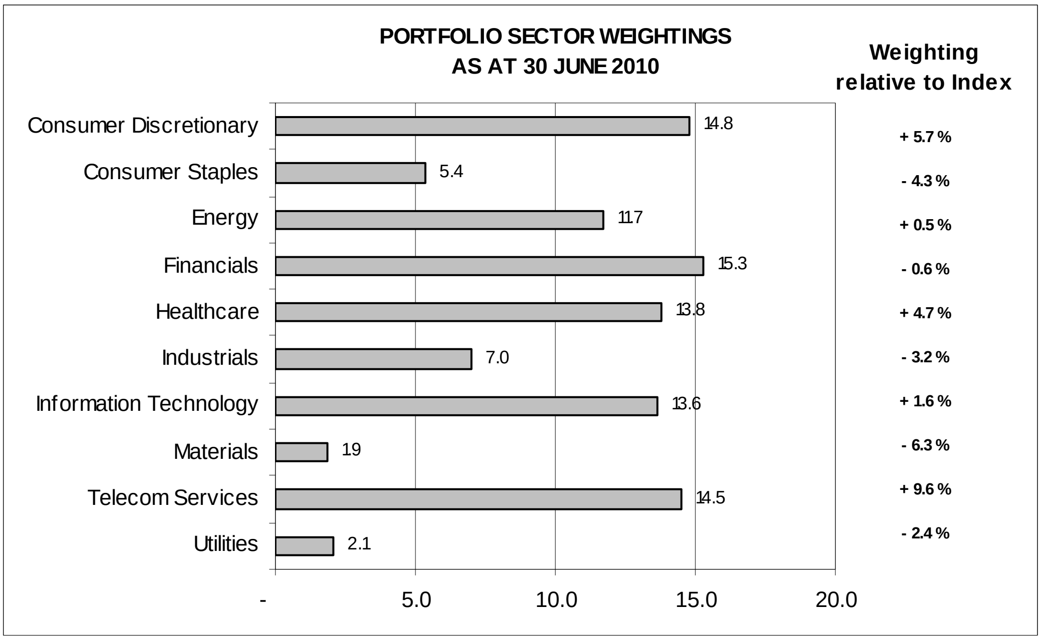
The key story in 2010 has been increasing apprehension about the sustainability of the fiscal positions of various countries within the Eurozone. What started as a concern about Greece expanded to a more sizable problem when Portugal, Ireland and Spain (the "PIGS") were thrown into the same pot. If treated in isolation, Greek problems, at 2% of Eurozone GDP, are probably manageable. However, the addition of the other three countries and most notably of Spain, expands the list of problem sovereigns to 18% of the region's GDP, an entirely less comfortable proposition. We shall explore this issue further in our comments below, but suffice to say that stock and currency markets took fright at the rising concerns, resulting in the European region as a whole lagging North American returns by 7% for the last twelve months, and almost 12% in the last six months. The stockmarket declines in the "PIGS" markets for the year ranged from 11% in Ireland to 49% in Greece. Additionally, even though some European nations outside the Eurozone (such as Norway and Switzerland) posted decent returns, the region overall was clearly weighed down by the crisis. As TGG's portfolio was heavily weighted to European stocks this was a drag on returns in the period.



Major Region Returns (yr to 30 June 2010)	Index (%)	TGG (%)
North America	9.7	8.4
Europe	2.5	(0.5)
Asia	6.0	9.7

Notwithstanding the rising economic uncertainty of the last six months, the strongest returns were posted by the more cyclical sectors as investors began taking heed of the positive economic momentum and strong corporate profit announcements from around the world (including Europe). Consumer staples also did relatively well while energy was a weak performer against this trend.

In TGG's portfolio, solid performances in the consumer discretionary sector were noted. The returns were broad based with the portfolio's media holdings rising by almost 25%, retailers by 23%, and the Euro based export businesses of BMW and Michelin each benefiting from currency weakness, with those stocks rising by more than 20% in A$ terms. The under-performance in the energy, financials, telecoms and utilities sectors can largely be attributed to the high exposure to Eurozone corporates within those sectors, and the portfolio's holding in BP was an additional negative influence on the energy sector's performance.



Sector Returns (yr to 30 June 2010)	Index (%)	TGG (%)
Consumer Discretionary	15.6	20.5
Consumer Staples	12.8	9.9
Energy	(3.7)	(13.3)
Financials	5.0	(2.7)
Healthcare	5.5	0.5
Industrials	15.1	21.0
Information Technology	10.3	12.1
Materials	13.6	12.6
Telecommunications	2.4	0.2
Utilities	(2.8)	(23.2)

INVESTMENT OUTLOOK AND PORTFOLIO STRATEGY

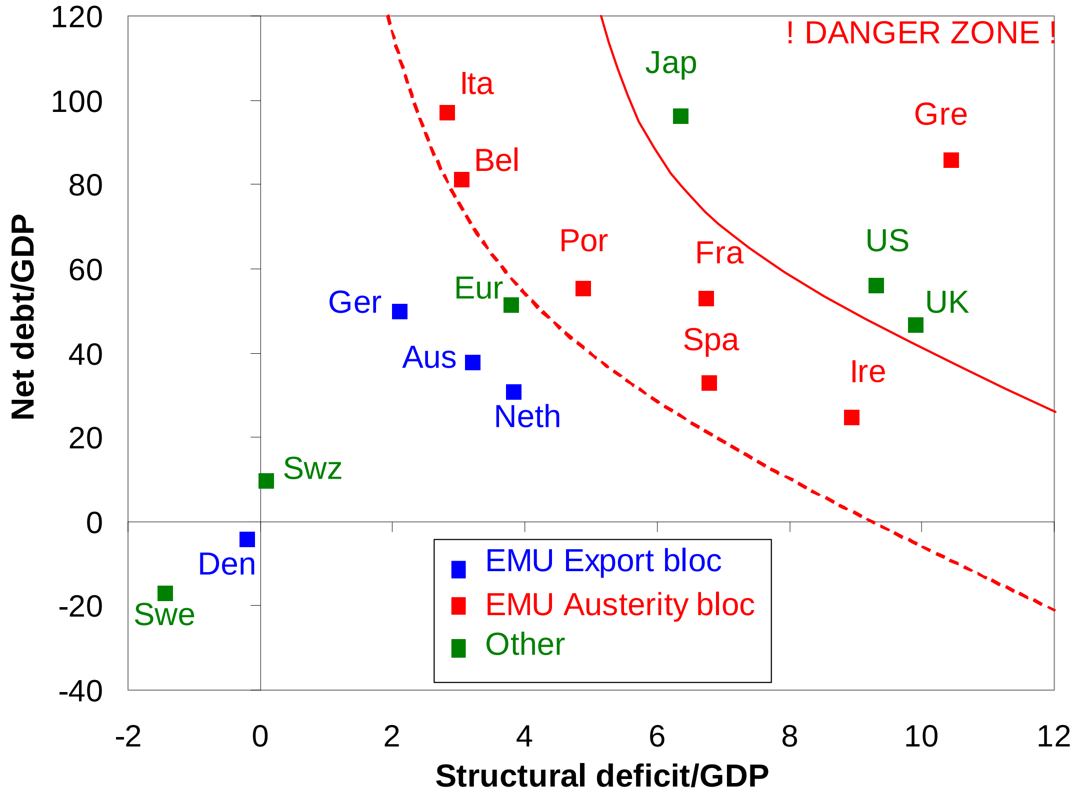
There are two clear investment opportunities that we have positioned TGG's portfolio to take advantage of, namely European and quality stocks. These are not, however, mutually exclusive groupings as we would classify many of TGG's European companies as high quality.

The markets have cast their votes in the last six months and decided that the risks to European economies were too great to bear, meaning that selling European stocks en masse was seen to be the right way to go. Such a sheer focus on pessimism and fear has been the common theme proclaimed in the media as highlighted by one recent cover of The Economist magazine endeavouring to "Wake Europe Up" or decried as a "Euroshambles" in another edition, while Newsweek proclaimed "The End of the Euro" in one of its issues.

We beg to differ. Firstly, we believe the risks to Europe are overstated. Secondly, notwithstanding the macro-economic outlook, European companies are not solely dependent on European economies, and have access to attractive growth opportunities from all around the world. Finally, whatever the economic outlook, European stocks stand out as about the cheapest in the World.

The market's focus swung to Greece in the latter half of calendar year 2009 and then intensified in the early months of this year as the country's projected budget deficit was revised substantially upwards reaching 14% of GDP for 2009. With the country's already high levels of net debt, this looked to be a very potent combination. However, the rest of the Eurozone is in decidedly better shape; indeed, markedly stronger than a number of other countries, as illustrated by this chart from Independent Strategy using OECD data. Greece stands out, but the next three countries flagged as in the danger zone are the US, UK and Japan. A range of Euro-based economies follow. This is not to understate that there remain serious problems in Spain, Portugal and Ireland, but with the moves that governments in these countries are making to rein in their respective budget deficits, they should emerge from the crisis with sustainable levels of debt. Overall, the dogmatic focus on problems within the EU looks to be decidedly exaggerated and misplaced to us.

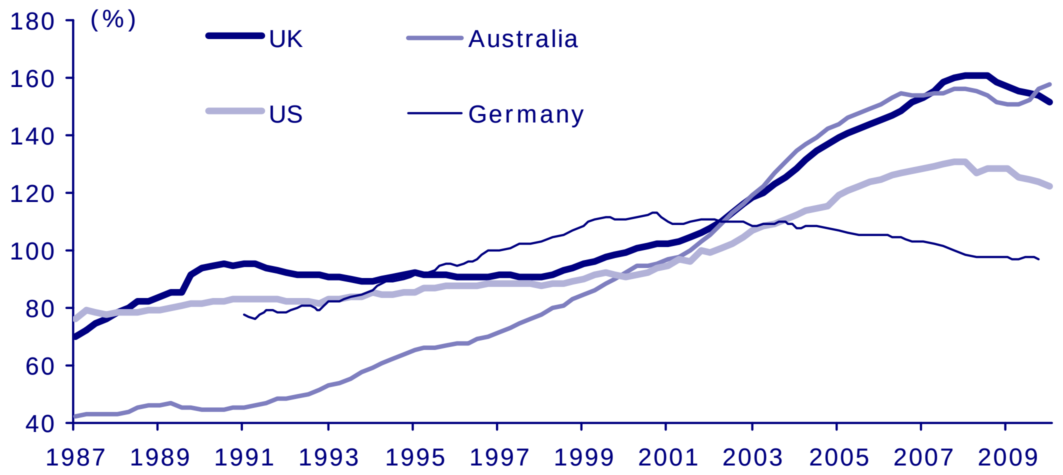
Net government debt and structural budget deficits, 2009 (% of GDP)



Source: Independent Strategy

While government net debt is one component of the problem, household debt is another. In this regard Euro-zone economies look to be in decidedly better shape than the US or the UK (or on this measure Australia). The next chart illustrates this point using Germany, as an example. If we were to compare the next three largest Euro-zone economies, Spain would have around the same level of debt as the US, whereas France and Italy have less household debt than even Germany. Accordingly, the consumer debt overhang does not seem to us to be a problem for the major Euro economies. So, all in all, the European economic outlook looks mixed, rather than dire, and we do not see it as an impediment to solid returns from European stocks.

Chart: Household Debt as a percentage of Disposable Income



Source: CLSA

The European banking system has also seen to be under significant stress in recent times. Commentators have lamented that the European banks have greatly lagged their peers in raising capital and marking their losses to market. Some cite the IMF's Global Financial Stability Report's forecasts for cumulative losses over the 2007 to 2010 period and contrast this with the losses realised to date as evidence of the unsatisfactory provisions accounted for by the European banks. On this measure it is true that Eurozone banks have only recognised 60% of their projected losses in contrast with the 75% recognised by US banks. While this is so, it must be noted that the cumulative loss rates for the two banking systems differ greatly. The US banking system is projected to post losses of 7% of loans/securities over the period, in contrast to Europe's substantially lower 2.9% loss rate. This leaves Euro banks with 1.1% of losses left to be realised, whereas the US system still faces write-offs of 1.7%, casting a rather different light on the situation. The substantially higher rate of bad debts in the US is the key to why, according to UBS, the US system has reported total retained earnings of only $5bn between 2007 and 2009 (not counting losses at defunct institutions such as Lehman Brothers), whereas Eurozone banks have reported retained earnings of $144bn in the same period.

In the context of the relative health of the banking system, it has been helpful that the "stress test" by European regulators, released in July, failed to uncover any substantial holes. Any exercise such as this is sure to have its flaws (in the European case most notably the lack of stress applied to sovereign government debt) but overall it has been a reassuring exercise for the markets and has helped to increase visibility and confidence in the system.

As the market's travails have again caused the financial sector to sell-off in 2010 we have increased TGG's holdings in a number of European financial stocks, initiating a position in Aviva and adding to Axa, Credit Agricole, ING, Munich Re and Unicredit. We've also increased TGG's holdings in US securities Bank of America and BNY-Mellon.

It should also be noted that when looking at the domicile of any company it may reveal little about the geographic exposure of its revenue stream. For example, TGG's top seven European holdings at 30 June were Telenor, Vodafone, Sanofi-Aventis, Total, Shell, France Telecom and Telefonica, comprising 25% of the portfolio's total holdings in Europe. The average proportion of revenues that these companies derive from outside Europe is 42%. Or alternatively their average exposure to emerging markets revenues is almost 40%. This serves to illustrate that the performance of European shares will not necessarily be inextricably linked to the performance of the Euro-zone economies and that exposure to a more diverse range of economic drivers seems to be the norm for many companies in today's globalised marketplace.

Finally, looking to valuation, the average forward P/E ratio for the above seven stocks is 9 times, the dividend yield is in excess of 6 % and they trade at roughly 1.8 times book value. For such a range of diverse companies that sort of valuation is compelling. A 6 % dividend yield may not sound outstanding to an Australian investor, as that type of return is available on a bank account with a government guarantee, however for a French investor France Telecom’s 9% yield (which management has recently committed to maintain for at least the next three years) represents a tremendous premium to the 1% available return in a Euro bank account or the 3% available from a French Government ten year bond. That is a fairly compelling yield advantage and as the fear in markets starts to subside we believe equities will be an attractive investment.

Perhaps the right way to close a discussion about Europe is to quote our founder, Sir John Templeton: “People are always asking me where the outlook is good, but that’s the wrong question. The right question is: Where is the outlook most miserable”, as that is where you are likely to find the most undervalued securities.

With respect to the view that “quality” stocks are among the cheapest in the market, there seems to be relatively less debate on this point. Nor is there a ready explanation for why this is the case or indeed what may induce a turn-around in the relative performance of such shares. In the market downturn of 2008 quality shares held up relatively well, but subsequently gave up much of the out-performance in the rebound. Europe is home to many of these “quality” companies, including TGG’s top seven European holdings mentioned above (which generate an average return on equity of 17 %). Other quality holdings in TGG’s portfolio include US tech heavyweights such as Microsoft, Oracle and Cisco, media companies including Time Warner Cable, Comcast, BSkyB and Reed Elsevier and consumer powerhouses like Nestle, Unilever and BMW. While quality is difficult to define precisely, we consider the term synonymous with companies exhibiting strong franchises and having some degree of pricing power, solid balance sheets and good corporate governance.

By way of illustration, the largest 100 companies in the World are trading at around a 20% discount to their historic relative Price-to-Earnings ratio of the last twenty years. While some investors are bunkering down, content with 3% yields on government bonds, the security and stability of the returns available from investing in some of the world’s best corporations seems to have been generally overlooked in the market.

The tables below highlight that TGG’s portfolio holdings remain largely the same as the ones reported six months ago with telecoms, consumer discretionary, healthcare and information technology stocks featuring prominently. Likewise, the portfolio appears to remain substantially undervalued at a Price to Earnings ratio and a Price to Book value of only 12.8 and 1.4 times, respectively. In terms of regional positioning we purchased a net 5% of the portfolio’s holdings in Europe over the past six months, taking advantage of various buying opportunities in the midst of the crisis, while selling a net 1.4% in the US.

OUTLOOK

In summary, the crisis in Europe has provided us with further buying opportunities and the prospect of taking advantage of historically undervalued stocks. As such, we are confident our strategy of looking beyond short term noise to focus on long term fundamentals has placed us in a promising position for when markets recover.

TOP 15 PORTFOLIO HOLDINGS			
As At 30 June 2010			
Security	Sector	Country	% of portfolio
MICROSOFT	Information Technology	United States	2.4
SAMSUNG ELECTRONICS	Information Technology	South Korea	2.4
ORACLE	Information Technology	United States	2.2
TELENOR	Telecommunication Services	Norway	2.0
AMGEN	Health Care	United States	2.0
VODAFONE	Telecommunication Services	United Kingdom	1.9
SANOFI-AVENTIS	Health Care	France	1.8
SINGAPORE TELECOMMUNICATIONS	Telecommunication Services	Singapore	1.8
TOTAL	Energy	France	1.7
ROYAL DUTCH SHELL	Energy	United Kingdom	1.7
FRANCE TELECOM	Telecommunication Services	France	1.7
TELEFONICA	Telecommunication Services	Spain	1.7
TIME WARNER CABLE	Consumer Discretionary	United States	1.6
CHINA TELECOM	Telecommunication Services	China	1.5
PFIZER	Health Care	United States	1.5
			27.9

INDICATIVE PORTFOLIO CHARACTERISTICS		
TGG vs MSCI AC World Free Index As At 30 June 2010		
Historic Valuation Measures		
Weighted Avg – Stocks Held	TGG	MSCI AC World
Price to Earnings (times)	12.8	14.1
Price to Cash Flow (times)	6.3	7.1
Price to Book Value (times)	1.4	1.7
Dividend Yield (%)	2.2	1.6
Market Capitalisation ($Aust m.)	59,614	56,809

FIVE YEAR SUMMARY						
		2010	2009	2008	2007	2006
Sector Weightings (%)						
Consumer Discretionary		14.8	14.3	16.4	15.5	13.2
Consumer Staples		5.4	4.1	2.9	1.9	2.5
Energy		11.7	12.2	10.2	7.6	7.6
Financials		15.3	15.4	19.9	27.7	29.1
Health Care		13.8	14.7	11.3	11.1	10.7
Industrials		7.0	6.1	8.1	10.2	10.7
Information Technology		13.6	13.7	12.0	8.5	9.4
Materials		1.9	2.8	2.4	2.5	3.8
Telecommunication Services		14.5	15.4	15.8	13.4	13.2
Utilities		2.1	1.5	1.0	1.5	2..7
Geographic Weightings (%)						
North America		31.4	29.8	29.0	31.4	28.2
Europe - ex UK		38.0	37.1	34.0	35.0	33.5
UK		11.4	13.1	17.1	16.4	18.3
Asia - ex Japan		9.8	9.9	10.1	8.5	10.2
Japan		4.5	4.8	7.0	6.0	8.9
Australia/NZ		0.0	0.0	0.0	0.0	0.0
L. America/Caribbean		1.6	1.5	0.0	0.0	0.9
Mid-East/Africa		3.3	3.9	2.9	2.8	0.0
Fundamental Characteristics						
Price to Earnings	TGG	12.8x	10.4x	10.2x	14.4x	14.0x
	MSCI AC	14.1x	16.8x	14.3x	16.9x	16.5x
Price to Book	TGG	1.4x	1.4x	1.6x	2.2x	2.0x
	MSCI AC	1.7x	1.7x	2.1x	2.7x	2.5x
Price to Cash Flow	TGG	6.3x	4.4x	5.3x	7.5x	6.9x
	MSCI AC	7.1x	7.6x	9.2x	11.2x	10.5x
Dividend Yield	TGG	2.2%	3.5%	4.1%	2.8%	2.8%
	MSCI AC	1.6%	3.0%	2.8%	2.1%	2.2%
Year to 30 June Performance						
	TGG	2.3%	-13.5%	-26.6%	11.5%	21.3%
	MSCI AC	7.5%	-15.6%	-19.4%	10.3%	21.5%
Market Cap (A$m)						
	TGG	59,614	67,873	76,792	99,406	84,935
	MSCI AC	56,809	59,114	68,527	81,680	81,801

PETER M WILMSHURST CFA
Portfolio Manager
10 August 2010

LIST OF INVESTMENTS AS AT 30 JUNE 2010

(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.	70,460	932,395	
		932,395	0.7
BRAZIL			
Energy			
PETROBRAS: Multinational energy company.	31,160	1,099,352	
Mining			
VALE SA: Global mining company.	36,920	918,356	
		2,017,708	1.5
CHINA			
Telecommunication Services			
CHINA TELECOM: Principal activity is the provision of wireline telecommunications services in provinces throughout Southern China and mobile services nationally.	3,686,000	2,107,114	
		2,107,114	1.5
EGYPT			
Telecommunication Services			
EGYPTIAN MOBILE PHONE: Mobile service provider	39,462	1,353,370	
		1,353,370	1.0
FRANCE			
Automobiles & Components			
MICHELIN (CGDE): Manufactures tyres for automobiles, trucks and special vehicles.	21,141	1,769,297	
Banking			
CREDIT AGRICOLE SA: Banking group also operating in asset management and insurance.	133,743	1,674,779	
Energy			
GDF SUEZ SA: Active in the fields of electricity generation and distribution, natural gas and renewable energy.	16,090	548,104	
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	2,393,940	
Industrials			
ALSTOM: Develops, constructs, markets and provides systems, components, and support in the fields of transport and energy infrastructure.	12,710	690,551	

Insurance			
AXA SA: A Company providing insurance (life and non-life), financial services and real estate services in Europe, Asia and North America.	75,948	1,401,517	
Media			
VIVENDI SA: Media and telecommunication conglomerate	30,980	755,220	
Pharmaceuticals & Biotechnology			
SANOFI - AVENTIS: The Company's principal activity is the provision of products and services for health and nutrition.	35,036	2,513,510	
Telecommunications			
FRANCE TELECOM SA: Mobile and fixed line service provider with operations in a number of European countries.	113,623	2,352,982	
		14,099,900	10.4
GERMANY			
Automobiles & Components			
BAYER MOTOREN WERK: BMW manufactures and sells cars and motorcycles worldwide including BMW, Mini and Rolls Royce brands.	28,560	1,654,416	
Industrials			
LUFTHANSA AG: Airline operating both domestically and internationally.	65,010	1,071,926	
Information Technology			
SAP AG NPV: Corporation providing enterprise software applications and support.	28,330	1,506,133	
Insurance			
MUENCHENER RUECKV: Large insurance and reinsurance company.	5,650	844,756	
Pharmaceuticals			
MERCK KGAA: Global pharmaceutical and chemical enterprise	7,320	635,755	
Transportation			
DEUTSCHE POST AG: Provides German domestic mail delivery, international parcel and mail delivery, freight delivery and logistics services	66,890	1,163,551	
Technology Hardware & Equipment			
SIEMENS AG: Produces a wide range of industrial and consumer products including trains, electricity generation, medical equipment, building controls.	16,140	1,725,960	
Utilities			
E.ON AG: This conglomerate is one of Germany's largest electrical utilities, with interests in chemical plants, trading and transport services	40,450	1,298,148	
		9,900,645	7.3

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	1,305,680	
		1,305,680	1.0
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.	46,500	1,147,722	
Healthcare			
COVIDIEN PLC: Engaged in the development, manufacture and sale of healthcare products for use in clinical and home settings.	25,550	1,214,204	
Information Technology			
ACCENTURE PLC: Management consulting, technology services and outsourcing company.	42,470	1,941,859	
		4,303,785	3.2
ITALY			
Banks			
UNICREDIT GROUP: Provides consumer and corporate banking and wealth management services in Italy. Now also operates in Germany, Austria and Eastern Europe.	670,200	1,786,381	
Energy			
ENI SPA: An Italian integrated oil and gas company with operations in 75 countries	58,750	1,290,757	
Retail			
AUTOGRILL SPA: A leading food and retail operator focused on the travel segment.	94,529	1,341,375	
		4,418,513	3.2
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.	24,800	1,020,295	
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	377,908	

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..	95,000	513,492	
Diversified Retail			
USS CO LTD ORD JPY NPV: Principally involved in the automobile auction business. The company operates three business segments in second hand car auctions, purchases and sales and recycling.	20,650	1,759,902	
Industrials			
ITOCHU CORP: General trading concern comprising textile, materials, machinery, aerospace, energy, chemical, food and finance divisions.	117,000	1,102,015	
Materials			
FUJIFILM HOLDINGS: Manufactures film for general, medical, printing, office and movie production. Has a joint venture with Xerox for office equipment.	20,704	716,328	
		5,489,940	4.0
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	1,664,474	
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.	186,125	1,667,002	
Media			
REED ELSEVIER NV: An international publishing and information provider.	147,445	1,950,278	
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.	74,489	1,275,212	
		6,556,966	4.8
NORWAY			
Telecommunication Services			
TELENOR ASA: The leading telecom operator in Norway with mobile operations in countries such as Russia, Ukraine, Denmark, Hungary, Malaysia and Bangladesh	187,010	2,803,676	
Petrochemicals:			
STATOILYHYDRO ASA: Oil and gas field operator, also involved in refining of petroleum products and an operator of fueling stations.	45,760	1,053,010	
		3,856,686	2.8

RUSSIA			
Energy			
GAZPROM: Natural gas extractor.	45,210	1,020,724	
		1,020,724	0.8
SINGAPORE			
Consumer Durables			
FLEXTRONICS INTERNATIONAL: Contract electronics manufacturer.	146,070	968,439	
Telecommunication Services			
SINGAPORE TELECOMMUNICATIONS LIMITED: Operates and provides telecommunications services in Singapore, Australia, India, Indonesia, Philippines, Thailand and Bangladesh.	971,000	2,494,988	
.		3,463,427	2.5
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	991,878	
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	1,128,748	
		2,120,626	1.6
SOUTH KOREA			
Banks			
KB FINANCIAL GROUP: 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.	25,218	1,160,563	
Diversified Industrials			
MACQUARIE KOREA INFRASTRUCTURE FUND: Invests in infrastructure assets in the Republic of Korea.	249,510	1,090,257	
Technology Hardware & Equipment			
SAMSUNG ELECTRONICS CO LTD: One of the world's leading DRAM and NAND memory manufacturers and a leading manufacturer of consumer electronics, displays and telecommunications equipment.	4,338	3,253,082	
		5,503,902	4.0

SPAIN			
Energy			
IBERDROLA SA: Electric and renewable energy operator.	107,829	724,004	
Telecommunication Services			
TELEFONICA SA BDR: The largest telephone company in Spain with primary markets in Spain, Latin America and Europe.	63,519	1,405,206	
- Ordinary	40,282	849,570	
- BDR			
		2,978,780	2.2
SWITZERLAND			
Diversified Financials			
UBS AG: A bank with a focus on investment banking and wealth management/private banking.	42,525	674,646	
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.	30,400	1,742,239	
Healthcare			
ROCHE HOLDINGS: Global healthcare company.	8,720	1,427,439	
Information Technology			
TYCO ELECTRONICS LTD: Design and manufacture relays, circuit breakers, fibre optic components and wireless products.	40,190	1,204,296	
Insurance			
SWISS REINSURANCE CO: Offers property/casualty, life and health insurance-based management sevices worldwide.	33,773	1,657,822	
ACE LTD: Provider of property and casualty insurance and reinsurance.	29,460	1,795,538	
Manufacturing			
TYCO INTERNATIONAL: Diversified global manufacturing company.	27,030	1,126,450	
Pharmaceuticals			
NOVARTIS AG: Multinational pharmaceutical company.	16,870	974,237	
		10,602,667	7.8
TAIWAN			
Technology Hardware & Equipment			
COMPAL ELECTRONICS: Manufacture and sale of computer equipment, mobile telephones and various electronic parts.	890,239	1,266,152	
		1,266,152	0.9
TURKEY			
Telecommunication Services			
TURKCELL: Offers mobile communication services in Turkey and other countries.	104,270	1,596,177	
		1,596,177	1.2

UNITED KINGDOM

Banking			
HSBC HOLDINGS PLC: Provides a range of financial services including : personal financial services, commercial banking, investment banking and private banking services.	142,211	1,570,773	
Capital Goods			
BAE SYSTEMS PLC: One of the leading global defence contractors.	151,175	839,195	
Consumer Staples			
TESCO PLC: Global grocery and general merchandising.	165,070	1,111,055	
Financials			
AVIVA PLC: Insurance group which provides life and general insurance.	92,441	514,136	
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. Affiliate of the News Corp Group.	89,267	1,106,809	
Pharmaceuticals & Biotechnology			
GLAXOSMITHKLINE PLC: Created from the December 2000 merger between GlaxoWellcome and SmithKline Beecham.	80,282	1,624,644	
Energy			
BP PLC: One of the leading global oil and petrochemicals companies with operations in over 100 countries.	263,142	1,486,142	
ROYAL DUTCH SHELL: Global energy and petrochemical group.	81,980	2,367,622	
Food Beverage			
UNILEVER PLC: One of the world's leading companies involved in the manufacture, marketing and sale of branded and packaged consumer goods.	53,319	1,699,958	
PREMIER FOODS PLC : Food producer, manufacturing and supplying products for the food service industry.	1,254,908	426,328	
Telecommunication Services			
VODAFONE GROUP PLC: Global mobile telecommunications services group.	1,070,059	2,636,444	
		15,383,106	11.3

UNITED STATES OF AMERICA

Banking		
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.	56,306	956,598
BANK OF NEW YORK MELLON: Global financial services company.	43,960	1,283,435
Consurmer Discretionary		
HOME DEPOT INC: Home improvement specialty retailer.	36,510	1,211,597
Consumer Durables and Apparel		
MORGAN STANLEY CO: A global financial services firm that provides products and services to a diversified group of clients and customers, including corporations, governments, financial institutions and individuals.	22,755	624,473
Electronics		
CISCO SYSTEMS INC: Supplier of networking equipment and network management for the internet.	59,430	1,498,679
GENERAL ELECTRIC COMPANY: Multinational conglomerate	86,570	1,474,862
Energy		
CHESAPEAKE ENERGY Natural gas producer.	38,240	947,115
Financials		
AMERICAN EXPRESS CO: Diversified global financial services company.	20,680	971,016
Health Care		
BIOGEN IDEC INC: Global biotechnology company.	12,570	705,849
CVS CAREMARK CORP: Retail pharmacy and health care corporation.	38,930	1,349,979
MEDTRONIC INC: Medical devices technology company.	16,370	702,942
Information Technology		
DELL INC: A multinational information technology corporation.	77,100	1,099,929
Leisure and Recreation		
CARNIVAL CORP: One of the world’s largest cruise companies.	28,340	1,014,623
Media		
NEWSCORP: Diversified media and entertainment company operating in the areas of filmed entertainment, television, cable network programming, satellite television, magazines and newspapers.	106,450	1,745,495
TIME WARNER CABLE : Media and entertainment conglomerate.	35,333	2,177,749

Petrochemicals			
CHEVRON CORP: Engages in oil and gas exploration, refining and marketing of oil, lubricants and fuels	21,550	1,730,327	
AMGEN INC: Discovers, develops, manufactures, and markets human therapeutics based on cellular and molecular biology.	43,670	2,719,519	
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	1,831,284	
Food and Beverage			
DR PEPPER SNAPPLE GROUP INC: Manufactures, markets and a range of carbonated soft drinks, juices, ready to drink teas, mixers and other premium beverages.	21,400	946,297	
OMNICARE INC: Provides professional pharmacy, related consulting, and data management services	41,030	1,149,802	
PFIZER INC: A research-based, global pharmaceutical company that discovers, develops, makes and markets prescription medicines for humans and animals.	119,928	2,023,292	
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.	27,040	1,298,138	
Software & Services			
MICROSOFT CORP: Computer software provider. Core offerings include Windows, Office, Windows Server. Newer products include Xbox and Windows Mobile.	121,360	3,304,659	
ORACLE CORP: Supplier of software and hardware for information technology management.	117,410	2,981,643	
		35,749,303	26.3
Total of investments		**136,027,567**	**100.0**