



TEMPLETON GLOBAL GROWTH FUND LTD

ANNUAL REPORT 2021

ABN 44 006 558 149



MISSION STATEMENT

Templeton Global Growth Fund Ltd (“TGG”) was established to provide Australian residents with a well managed and cost effective investment vehicle through which they could gain access to world equity markets.

TGG outsources certain of its investment management functions to Franklin Templeton Investments Australia Ltd, a member of the Franklin Resources Inc. and relies upon the integrity and professional competence of that organization for the prudent and successful management of the Company’s global investment portfolio. Franklin Resources Inc. has a long established record of investing in global equity markets.

The primary objective of TGG is to increase shareholders’ total returns through the achievement of superior investment performance.

CONTENTS

Chairman’s Message	1
2021 Investment Manager’s Report	2
Templeton Investment Approach	7
Directors’ Report	8
Auditor’s Independence Declaration	19
Income Statement	20
Statement of Comprehensive Income	21
Balance Sheet	22
Statement of Changes in Equity	23
Statement of Cash Flows	25
Notes to the Financial Statements	26
Directors’ Declaration	54
Independent Auditor’s Report	55
Five Year Summary of Financial Information	59
Additional ASX Information	60
List of Investments	62

The Corporate Governance Statement is available for review on the Company website: www.tggf.com.au



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Growth Fund Ltd** ABN 44 006 558 149
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CHAIRMAN'S MESSAGE

It's been another significant year for Templeton Global Growth Fund, as we moved towards our 35th year of delivering a global equity solution to Australian Investors via a listed investment company and we completed the strategic review we announced in October 2020.

These are the key operational points that I want to highlight from the last year:

- **Investment Returns** were very encouraging in absolute terms at 32.3% gross of fees and expenses for the year, against an index return of 27.5% for the year;
- **Net Tangible Assets** rose during the year to \$1.67 per share, after paying fully franked dividends in FY'21 of 4.5 cents per share;
- **Earnings per share** were lower than the prior year at 0.5 cents per share although total comprehensive income, which captures realised and unrealised gains on Investments, increased to 27.5 cents per share;
- The **Management Expense Ratio (MER)** decreased from the prior period level of 1.28% to 1.02%. (This was due in large part to the re-negotiation of our Investment Management Agreement with Franklin Templeton Investment Australia, see note below); and
- The **on-market share buyback** program saw us purchase almost 1% of shares outstanding at an average discount of approximately 16% adding value for shareholders while also providing liquidity for investors.

Please refer to the Financial Statements for the full details of the financial results for the year.

OUTCOME OF THE STRATEGIC REVIEW

As advised in our ASX announcement of 6 October 2020, in response to shareholder feedback, the board conducted a strategic review of the company. The issues we sought to address were a persistent share price discount to NTA, despite our share buy-back programme, and long-term disappointing investment performance. Following that review, the board has recommended to shareholders a merger with Wilson Asset Management group members (WGB).

The merger offers shareholders two options. Firstly a merger with Wilson Asset Management group members where TGG shareholders will receive WGB scrip or secondly TGG shareholders can elect to receive cash via a buy-back of their TGG shares at NTA less costs. The directors believe this is in the best interests of TGG shareholders, subject to (as is usual for these types of transactions) both the independent expert we have appointed to review the merger providing a favourable conclusion and in the absence of a superior proposal.

Finally, I thank all of our shareholders for their support, and especially our longer-term shareholders for their continued loyalty.

Christopher R Freeman
Chairman

25 August 2021



PERFORMANCE COMMENTARY

The year to June 30, 2021, was a remarkably strong period for global equity markets. The Company's portfolio returned 32.3% gross of fees and expenses for the year, against an index return of 27.5% for the year. This absolute return belies the strength in global stocks for the year with the index return in US dollar terms up a stellar 39%. The difference being the appreciation of the Australian dollar over the period as the portfolio is unhedged for currency (it should be noted the Australian dollar depreciated over the previous financial year and protected absolute returns).

The US market was again the best performing major market globally, continuing an extraordinary run of outperformance since the financial crisis over a decade ago. Asia (excluding Japan) was next strongest market followed by Europe. The UK however lagged due to its COVID-19 struggles during the period. Japan, while still delivering solid returns, was unable to keep pace with other global markets. At the sector level it was another strong period for the technology sector. Although the best performing sectors were financials and materials, reflecting the expectation of a return to inflation and potential increase of interest rates (after years of ultra-low interest rates). Both financials and materials are beneficiaries of a return to inflation.

Given the portfolio is underweight the US market (although exposure to US stocks was increased significantly in 2019) and overweight Japan, the outperformance above the index for the year was meritorious, driven predominantly by positive stock selection. Below are six of the Company's key holdings and their performance for the year (returns are in local currency), highlighting diversity across sectors and geography:

- Taiwan Semiconductor Manufacturing Co – the world's largest semiconductor manufacturer, returned +93%
- Hitachi Ltd – Japanese IT services company undergoing structural reform, returned +90%
- A.P. Moller, Maersk – one of the world's largest shipping company based in Denmark, returned +137%
- United Parcel Service – US logistics and delivery company, returned +90%
- HCA Healthcare – well managed US private hospital company, returned +114%
- Walt Disney Company – well known US entertainment company, returned +58%

MARKET COMMENTS

Equities advanced strongly over the period with tailwinds provided by central bank liquidity, fiscal stimulus, vaccine progress, reopening momentum, corporate earnings recovery and equity inflows. Inflation was the dominant theme in the second half of the year as supply chain disruptions, higher raw-materials costs, shipping constraints and tightening labor markets combined with low base effects to produce surging inflation data. The price of goods leaving China's factories rose 9% in May from a year earlier, its fastest pace since the 2008 financial crisis. In the US, headline prices were up 5.0% y/y in May, the biggest increase since June 2008, while core prices were up 3.8% y/y, the biggest increase since June 1992. Despite growing concerns about inflation overshooting policy targets, members of the US Federal Reserve Board (the Fed) maintained that price rises would be transitory. Nevertheless, the Fed did take a more hawkish stance, increasing the median "dot plot" to show two interest rate hikes in 2023, up from zero in March. US politicians agreed on the framework for a physical infrastructure package, though the

2021 INVESTMENT MANAGER'S REPORT CONTINUED

path to additional fiscal stimulus remained complicated by the Democrats' demands that the Senate also pass a separate package via reconciliation that includes initiatives around climate change and social policies.

All eyes are now on the bond market, with the 10-Yr US Treasury yield reversing course to finish the year well below the psychologically important 1.5% level. Near the end of period, a narrative of "peak everything" began to take shape. The combination of low base effects from the COVID scare a year earlier and an unexpectedly hawkish Fed message left investors pondering if recently strong growth, profit and inflation data might prove to be as good as it gets. Market internals underscored the growing concern that the reopening trade had run its course. The headline for the quarter may have been solid gains on subdued volatility, but that masked significant turbulence below the surface.

FED BALANCE SHEET VS. MSCI ACWI



It took the Federal Reserve 107 years to grow its balance sheet to US\$4 trillion. But, it took little more than a year (since last March) to add another US\$4 trillion. The left-hand chart shows the total return of the MSCI All Country World Index plotted against the total assets on the Federal Reserve's balance sheet over the past year. Through the first half of the year, the Fed bought on average \$10 billion of bonds, the US government conducted \$20 billion of fiscal spending and global equities added \$73 billion in market cap every single day.

More than one-third of Russell 2000 companies currently make negative earnings, the highest level ever. Yet, credit spreads in the junk bond market are near historic lows and a record number of non-profitable companies have been issuing equity over the past year. It's difficult for us to imagine a scenario where stimulus is removed or policy rates raised that doesn't correct these incongruities and bring significant volatility to asset markets.

2021
INVESTMENT
MANAGER'S
REPORT
CONTINUED

INVESTING FOR THE NEXT DECADE

Public equity market returns over the last 30 years have been driven by a series of themes that have generated strong returns within subsets of the investment universe. From the mid-1990s we had the TMT boom (and bust). The 2000s were dominated by the “rise” of China, globalization and the so-called commodity super-cycle. Monetary policy in the wake of the financial crisis then created an environment in which “quality” became an asset class and sales growth could be acquired at low cost. The COVID crisis then amplified those trends. The background to all of this has been a world of increasingly low inflation and interest rates.

It should be no surprise that the most “fashionable” investment strategies of recent years have been growth/quality focused, and have tended to be large-cap focused and very concentrated. This is simply because large cap quality and growth factors have outperformed. Templeton was a major beneficiary of the outperformance of the value “factor” in the 1990s and the aftermath of the TMT bubble bursting, so it would be churlish to complain too much. As we contemplate the next decade and beyond it is clearly important to think through what we believe the key drivers of markets will be and how to structure an investment process to most effectively take advantage of them.

The core building block of our process has been in place for many years. Our analysts produce very formal stock recommendations based on deep business analysis and the construction of proprietary financial models. All recommendations include a forecast for the “FY6 PE” which is the current price of a stock divided by our forecast of earnings in six years’ time. We aim to purchase the securities of companies that are priced cheaply relative to their medium-term earnings power. Empirical analysis shows that this is a particularly versatile approach to valuation because it is forward-looking. The “value versus growth” debate often defaults to dividing the market into halves based on current accounting metrics. We do not think a stock is “value” just because it is priced at a discount to the market on current earnings or book value. We believe a stock is “value” if it is priced at a discount to its future fundamentals, which may not resemble current or historic levels at all. We know that with “perfect foresight” the FY6 PE framework is incredibly versatile. It provides a level playing field for assessing stocks that others would define as “value” or “growth.”

As we look forward to the next decade of investing, we envisage a world in which traditional growth, quality and value investing all struggle for traction. We believe it is going to be harder to manufacture growth with cheap capital; quality investing is going to be more susceptible to multiple erosion; and value investing through the rear-view mirror will become increasingly dangerous in a changing world. In our view, we are entering a period in which factor investing is going to get much harder as serial correlation erodes. We believe our “types of value” framework allows us to put price into context with the other drivers of return and leverage the diversification available to create portfolios that are more resilient to economic conditions.

2021
INVESTMENT
MANAGER'S
REPORT
CONTINUED

We coined the phrase “compound value” to describe our approach to investing and to differentiate it from what others associate with “value investing.” Compound value is a better way to think about the approach to investing that Sir John Templeton pioneered. The key is to be forward-looking.

The recent rotations in equity market leadership do reflect uncertainty about the future, but to us a lot can also be explained by short-termism and the increasing impact of retail flows on stock returns. This noise is creating threats and opportunities.

VALUE THREAT

The value factor has outperformed the broader market so far in 2021, even despite June’s massive style reversal into growth. Value’s outperformance year-to-date is the result of two things. First, the valuation gap between value and quality/growth factors reached such extreme levels that some reversion was perhaps inevitable. And second, positive vaccine news combined with supportive government policies ignited a strong cyclical recovery, which tends to favor value factors. This was amplified by the idea that government stimulus would result in modestly rising inflation and interest rates, but against the backdrop of strong economic growth—the perfect environment for many traditional value stocks. The challenge as we see it today is that many so-called value stocks are not cheap on a historic basis, and are only cheap on a forward basis if we are entering a long period of above-trend economic growth. The risks to this scenario are significant, in our view.

Value factors tend to underperform in economic downturns and significant market corrections. The “cheapest” half of the market based on current accounting metrics as defined by value indices comprises many low-quality companies that have taken on excessive debt. Currently, credit markets are acting in the belief they are underwritten by governments. The reality is there are only two potential scenarios—either the economic recovery is sufficiently strong to bail out the balance sheets of lower-quality companies or they will underperform. We are in the latter camp.

QUALITY OPPORTUNITY

We have worked hard over the past two years to upgrade the quality of the Company’s holdings while maintaining price discipline. Within the context of our investment process, “quality” is a label we ascribe to a company when we believe it is appropriate to take an unusually long-term view. A quality company will generally have an attractive and sustainable profit margin, long-term pricing power and a defensible moat around its business. Predictability is perhaps the key ingredient to quality.

From a valuation perspective, we are comfortable paying a premium of around 20-30% to own genuinely high-quality businesses. Historically, quality has often been associated with being “safe,” and often as a tradeoff for faster growth. Quality factors underperformed significantly in the mid-2000s for example, when markets were driven by the commodity super-cycle and the rise of China. Since the financial crisis, quality has almost become its own asset class. Initially, the desire to invest in relatively undervalued safe companies was entirely understandable. In a world of increased sovereign risk and (paradoxically) low interest rates, the free cash flow yields available on companies deemed quality were very attractive; stocks fitting the definition were re-rated accordingly. Over the last decade, a whole universe of investment managers that focus on quality as an investment style has emerged. These managers often position quality as an “all weather” way to benefit from low risk and high long-term upside. As quality-oriented investment strategies became

2021
INVESTMENT
MANAGER'S
REPORT
CONTINUED

fashionable, valuations moved well beyond our tolerance levels. However, the reality is that quality as a factor exposure in portfolios has often had a deep cycle historically. Its strong performance over much of the last decade was supported by low interest rates with the idea being that the dependable cashflows from quality companies are akin to the coupon on a long duration bond. So, the rising inflationary expectations through much of the first half of this year has been a headwind for the quality factor (discount rate rising on long-term cashflows). The irony for us is that, as traditional value stocks have outperformed, the valuations of higher-quality companies have become more attractive. We have been net sellers of cyclical and buyers of quality as a result.

RE-OPENING CONUNDRUM

Attitudes towards COVID currently vary wildly depending on where people live around the world. In Florida, the masks were coming off late in the year just as Japan and Australia essentially declared new states of emergency. We are very confident the world has turned the corner on COVID. The vaccines work better than we dared hope, but misinformation abounds. We remain confident in our “vaccine recovery” stocks. That said, we are cautious of over-committing because there are risks to the broader economic recovery and valuations on an absolute basis are less attractive.

COMING BACK INTO FASHION?

We know until the past year the way we invest had become deeply unfashionable. We employ 35 seasoned analysts that build company models based on proven methodologies for valuing companies. We cover the whole market from the largest to the smallest companies and across all industries and geographies. Our approach to value investing isn't driven by index definitions but by forward-looking fundamental research. With so much of the market's energies focused on macro factors that drive the performance of style factors and simple themes, we believe the opportunities for us as stock pickers are growing by the day.

Our continued focus on diversification across types of value and greater resilience to economic conditions has yielded improving returns for the Company over the past year while, in our opinion, taking substantially less risk than value indices. We own good quality and improving companies that are priced much more attractively than quality or growth indices. In our view, we should outperform value peers in a correction and are confident we are positioned to beat the broad market long term.



Templeton's long-term record of investment management performance is achieved by adherence to its time tested investment philosophy and process.

The Templeton equity investment approach focuses on long-term capital growth from a globally diversified portfolio of investment securities. Securities are selected for their potential earning power over the longer term which is significant.

Templeton adopts a 'buy and hold' investment philosophy, whereby securities are typically held for five years or more. This approach recognises that it takes patience and discipline to wait for investor interest to return to securities that were once out of favour.

Templeton are value investors which focuses on securities that are considered to be underpriced relative to their future earning potential. Undervalued equity securities are identified using a rigorous bottom up approach which focuses on a company's intrinsic strengths and weaknesses.

Templeton's investment portfolio is structured in a manner which provides for prudent diversification. Although common equity stock are our primary form of investment, we seek opportunities in all forms of securities that are available in an open market.

There are no geographic limits on the allocation of the portfolio.

Templeton does not presently consider it appropriate to enter into any hedging transaction to protect the Australian dollar value of the portfolio against the decline arising from currency value fluctuations.

In summary, the Templeton investment approach is founded on three underlying tenets:

VALUE

Investment in undervalued securities with a focus on a stock's potential earning power of the long-term.

PATIENCE

Long-term appreciation with a low turnover of the portfolio.

BOTTOM-UP

Value can be identified through rigorous fundamental, bottom-up analysis.

The differentiating characteristics of the Templeton style of investing are:

- Original research
- Global industry research focus
- Long-term investment horizon
- Adherence to time-tested investment philosophy and process
- Long-term record of superior performance

Overseas investments are not hedged.

**DIRECTORS'
REPORT
FOR THE
YEAR ENDED
30 JUNE 2021**

The Directors of Templeton Global Growth Fund Ltd. ("the Company") submit their report for the year ended 30 June 2021.

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

CHRISTOPHER R. FREEMAN, CA, MAICD – Non-Executive Chairman

Appointed as a Director on 11 January 2017. Appointed as Chairman on 22 February 2017. Chair of the Review Committee and member of the Audit and Risk Committee. Currently Senior Strategic Advisor to the BT Financial Group. Former roles include General Manager Adviser Distribution for the BT Financial Group, Head of Equities for Bankers Trust Australia Limited, Head of Distribution for BT Financial Group and Head of BT Wealth and Wrap Solutions.

GREGORY E. McGOWAN, JD – Non-Executive Director

Appointed as a Director on April 1992. Non-Executive Director of the Company. Senior Strategic Advisor of Franklin Templeton Investments. Former Director, Executive Vice President, and General Counsel of Templeton International Inc., former Director of Franklin Templeton Investments Australia Limited.

MARTIN F. WARWICK, CA, MBA, ACIS, AGIA, BSc, MAICD – Non-Executive Director

Appointed as a Director on 1 July 2014. Member of the Review and Audit and Risk Committees. Former General Manager and Company Secretary of the Company. Currently the Director of a Melbourne accounting practice and a Hong Kong based investment advisory firm as well as a number of Cayman Island domiciled investment funds.

**STEVEN J. FAHEY, BEc, F FIN – Non-Executive Director
(Appointed 29/10/20)**

Appointed as a Director on 29 October 2020. Former roles include Lead Analyst, Investment Manager and Deputy Managing Director at Balanced Equity Management (acquired by Franklin Templeton Investments Australia), and Senior Equity Analyst and Global Equity Strategy at National Mutual Life Association of Australasia.

JOANNE DAWSON, CA, FAICD – Non-Executive Director

Appointed 9 May 2012. Chair of the Audit and Risk Committee and member of the Review Committee. Non-Executive Director of Vision Super and Bank First Ltd. Former roles include senior roles at National Australia Bank and Deloitte and directorships of Catholic Church Insurance Ltd and Film Victoria. Other listed company directorships - PSC Insurance Group Ltd (from June 2021).

**DIRECTORS'
REPORT
FOR THE
YEAR ENDED
30 JUNE 2021
CONTINUED**

ALOK SETHI, B.Com, ACA – Non-Executive Director (Resigned 14/08/20)

Appointed as a Director on 22 February 2017. Non-Executive Director of the Company. Executive Vice President Technology and Operations for Franklin Resources, Inc. (FRI). He is also responsible for Franklin Templeton International Services (India) Private Limited (FTIS) and Franklin Templeton Investments Poland SP.z.o.o., both are subsidiaries of Franklin Resources Inc. (FRI) and are a microcosm of most functions performed within FRI companies worldwide.

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
C R FREEMAN	120,000
G E MCGOWAN	–
M F WARWICK	41,440
S FAHEY (Appointed 29/10/20)	5,085,671
J DAWSON	37,700
A SETHI (Resigned 14/08/20)	–

COMPANY SECRETARY

ELIZABETH MCGREGOR, BA, MBA, FGIA, MAICD – Company Secretary

Appointed as Company Secretary on 1 July 2020. Company Secretary for a number of ASX listed entities. Non-Executive Director of Exopharm Limited.

EARNINGS PER SHARE

	Cents
Basic	0.5
Diluted	0.5

DIVIDENDS

Directors do not intend to declare a final dividend for the year ended 30 June 2021.

However, as disclosed to shareholders via an announcement to the Australian Securities Exchange (ASX) on 29 June 2021, the Company has entered into a Scheme Implementation Agreement with WAM Global Ltd (WGB) to merge the two entities. In accordance with the terms of the Scheme Implementation Agreement, those shareholders that elect to participate in the scheme may be entitled to a WGB dividend in respect of the financial year ended 30 June 2021.

Should for any reason scheme participants not be entitled to receive a WGB dividend then TGG may at its absolute discretion determine to pay and declare and pay to TGG shareholders a dividend in respect of the 30 June 2021 financial year.

**DIRECTORS'
REPORT
FOR THE
YEAR ENDED
30 JUNE 2021
CONTINUED**

	\$'000
<i>Dividends paid during the year ended 30 June 2021 were as follows:</i>	6,933
Final dividend for the year ended 30 June 2020 of 3.5 cents per share fully franked paid on 25 September 2020	
Interim dividend of 1.0 cent per share fully franked paid on 12 March 2021	<u>1,981</u>
	<u>8,914</u>

CORPORATE INFORMATION

Corporate Structure

Templeton Global Growth Fund Ltd. is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange ("ASX").

Principal Activities

The Company invests in a globally diversified portfolio of international equities.

The Company outsources its investment management and administration functions to Franklin Templeton Investments Australia Limited ("FTIAL" or "Investment Manager"), a member of Franklin Resources Inc. The primary objective of the Company is to increase total shareholder returns through the achievement of superior investment performance.

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. At 30 June 2021 all the investments were in listed equity securities.

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 2021, the Company's portfolio of investments returned positive 32.3% compared to the MSCI All Countries World Index ("the Index") which returned 27.5% for the same period.

**DIRECTORS'
REPORT
FOR THE
YEAR ENDED
30 JUNE 2021
CONTINUED**

The following tables illustrate the performance of the Company's investment portfolio compared to the Index since inception.

Investment Performance % (\$Aust.)						
	Latest 6 Mths	Latest 12 Mths	Latest 3 Yrs*	Latest 5 Yrs*	Latest 10 Yrs*	Since Inception*
TGG [^]	11.6	32.3	10.1	13.2	13.1	7.0
TGG [†]	10.7	30.7	8.8	11.8	11.6	7.5
MSCI AC World Index	16.2	27.5	14.4	14.6	14.7	7.4 [#]
[^] Returns are pre-fees and expenses and based on movements in the Company's net tangible assets per share, before taxes, with adjustments for dividends, share issues and share buy-backs. [†] Returns are post-fees and expenses and based on movements in the Company's net tangible assets per share, before taxes, with adjustments for dividends, share issues and share buy-backs. [#] Since inception disclosed for the Index blends the use of the MSCI World (net dividend) as AC World was not in existence at TGG's inception * Annualised The Index is presented with net dividends reinvested						

Operating Results for the Year

The net profit after income tax for the year was \$0.911 million compared with a net profit after tax of \$3.633 million in the previous corresponding year ("pcy") and the investment portfolio returned positive 32.3% for the year.

The net asset value of the Company increased over the 12 months to 30 June 2021 (after taking into account the payment of the 2020 final dividend and the interim dividend paid in March 2021) from \$264.033 million at 30 June 2020 to \$307.864 million at 30 June 2021. This is primarily a result of increases in the value of TGG's investments and is after expending \$1.813 million buying back shares under the Company's share buy-back program.

Revenue amounted to \$5.112 million in the current financial year as compared with \$8.378 million in the pcy.

The net tangible asset ("NTA") backing of the Company's shares is calculated, in accordance with ASX guidelines, by dividing the net tangible assets of the Company (net assets less the deferred tax assets/liabilities), at a particular date, by the number of shares on issue at that date. It is an ASX requirement that the NTA backing of the Company be released to the market monthly. In addition to the monthly (unaudited) NTA announcement, the Company also releases a weekly (unaudited) NTA to improve transparency of the NTA throughout the month.

**DIRECTORS'
REPORT
FOR THE
YEAR ENDED
30 JUNE 2021
CONTINUED**

Over the previous five years the NTA at 30 June has been:

As at 30 June	Net Tangible Assets - cents per share	
	After Actual Tax*	After Estimated Tax**
2021	167	156
2020 [^]	132	132
2019	145	143
2018	156	150
2017	148	143
* 'Actual Tax' is all Australian and Foreign income tax for which a liability has arisen and therefore excludes deferred tax assets and liabilities arising from unrealised gains or losses.		
** 'Estimated Tax' is estimated tax if the Company disposed of its total investment portfolio at its market value.		
[^] There were insufficient net unrealised gains to affect the "After Estimated Tax" NTA		

Share Issues and Buy-Back during the Year

The Company's dividend reinvestment plan ("DRP") was not in operation in the 2021 financial year.

The Company undertook an on-market share buy-back program during the year. There were 1.584 million (2020: 13.525 million) shares bought back at an average price of \$1.14 (2020: \$1.21) per share and an average discount to NTA of 16.20% (2020: 14.4%).

The number of ordinary shares on issue after accounting for cancellation of shares as a result of share buy-back, decreased over the year from 199.681 million to 198.097 million.

Borrowings

The Company's financing consists predominantly of shareholder funds. The Company has no external borrowings or undrawn borrowing facilities at the date of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 29 June 2021, the Company announced it had entered into a Scheme Implementation Agreement with WAM Global Ltd to merge the two entities.

It is proposed, subject to shareholder vote and regulatory approval that WGB acquire 100% of the shares in the company it does not already own. Under the Scheme, TGG shareholders will receive WGB shares and options, based on the relative net tangible assets (NTA) per share of WGB and TGG, before deferred tax. Under the Scheme Implementation Agreement, TGG will also offer to buy-back shares in TGG based on the NTA per share after all current and deferred taxed and associated transaction costs, providing TGG shareholders with a cash alternative to the WGB offer.

Scheme meetings to vote on this proposal are expected to occur in September 2021.

MATTERS ARISING SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

It is the Directors' understanding, subject to the completion of the Scheme Implementation Agreement, that TGG will de-list from the ASX although will continue operating and remain solvent for at least 12 months from the date of TGG's Directors' signing these financial statements. As at the date of the authorisation of this financial report there are no plans to alter the operations of TGG in a way that would impact TGG's ability to continue as a going concern for the foreseeable future.

**DIRECTORS'
REPORT
FOR THE
YEAR ENDED
30 JUNE 2021
CONTINUED**

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Should the merger of TGG and WGB be approved by shareholders and receive regulatory approval Franklin Templeton Investments Australia Ltd will cease to be the investment manager of the company.

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, 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's Constitution permits the Company to indemnify any current or former Director, secretary or officer of the Company against any liability, and permits the Company to make payments in respect of certain legal costs in connection with proceedings or the proper discharge of that individual's duties, where the liability or legal costs are incurred as Director, secretary or officer of the Company (as applicable) to the maximum extent permitted by law.

As permitted under the Company's Constitution, 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, 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.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as a part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

The insurance policies prohibit disclosure of the nature of the liabilities insured and the amount of the premium.

ENVIRONMENTAL REGULATION

The Company's operations are such that they are not directly affected by any material environmental regulation.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the financial year ended 30 June 2021 is available on the Company's website at <https://www.tggf.com.au/investor/our-company/governance>.

**DIRECTORS'
REPORT
FOR THE
YEAR ENDED
30 JUNE 2021
CONTINUED**

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director 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 Directors 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.

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 a maximum aggregate amount of \$350,000. The amount paid in 2021 was \$269,195 which was below the threshold set.

Within the limit of the maximum 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 or consultants of the Franklin Templeton group. During the year ended 30 June 2021, this policy was maintained and neither Mr G E McGowan nor Mr A Sethi (resigned 14/08/20), who are officers or consultants 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 the 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.

**DIRECTORS'
REPORT
FOR THE
YEAR ENDED
30 JUNE 2021
CONTINUED**

The non-executive Directors who received remuneration in the year ended 30 June 2021 were Chairman Mr C R Freeman, Mr M F Warwick, Mr S J Fahey and Ms J Dawson.

The Board does not pay bonuses or issue shares or options to Directors as components of their remuneration, nor does it make loans to Directors, 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 Directors’ fees and have them paid wholly or partly as further superannuation contributions.

Details of the remuneration for non-executive Directors for the year ended 30 June 2021 are set out in Table 1 at the end of this Report.

Employment Arrangements

The Company had no employees during the year ended 30 June 2021. The executive staff are not paid by the Company. The executive staff are remunerated and employed by FTIAL and provide services pursuant to the Administrative Services Agreement.

**TABLE 1: DIRECTOR REMUNERATION FOR THE YEARS ENDED 30 JUNE 2021
AND 30 JUNE 2020**

Director	Year	Short -Term Directors' Salary and Fees	Post Employment Superannuation	Total
		\$	\$	\$
C R Freeman (Chairman)	2021	82,381	7,826	90,207
	2020	82,381	7,826	90,207
M F Warwick	2021	59,364	5,640	65,004
	2020	59,364	5,640	65,004
S J Fahey (Appointed 29/10/20)	2021	40,026	3,802	43,828
	2020	–	–	–
J Dawson	2021	64,068	6,088	70,156
	2020	64,068	6,088	70,156
M J O'Brien (Resigned 20/02/2020)	2021	–	–	–
	2020	38,041	3,614	41,655
Total	2021	245,839	23,356	269,195
	2020	243,854	23,168	267,022

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021
CONTINUED

TABLE 2: SHAREHOLDINGS OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Shares Held in the Company (number)	Balance 1 July 2020	Net Change Other	Balance 30 June 2021
	Ord	Ord	Ord
Directors			
C R Freeman	120,000	–	120,000
G E McGowan	–	–	–
M F Warwick	41,440	–	41,440
J Dawson	37,700	–	37,700
S J Fahey (Appointed 29/10/20)*	–	5,085,671	5,085,671
A Sethi (Resigned 14/08/20)	–	–	–
Total	199,140	5,085,671	5,284,811

All equity transactions with Directors have been entered into on-market under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

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 the date of this report.

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:

	Board of Directors		Audit and Risk Committee		Review Committee	
Number of meetings held:	12		6		3	
Number of meetings attended:	A	B	A	B	A	B
C R Freeman	12	12	5	6	3	3
G E McGowan**	12	12	–	–	–	–
M F Warwick	12	12	6	6	3	3
S J Fahey (Appointed 29/10/20)*	6	6	3	3	2	2
J Dawson	12	12	6	6	3	3
A Sethi (Resigned 14/08/20)#	–	–	–	–	–	–
A = Number of meetings attended.						
B = Number of meetings held during the time the Director held office or was a member of the Committee during the year and to which they were entitled to attend.						
* S J Fahey appointed on 29/10/20, all shares acquired prior to appointment.						
** Not a member of the relevant committee.						
# A Sethi resigned before Board Meeting took place.						

**DIRECTORS'
REPORT
FOR THE
YEAR ENDED
30 JUNE 2021
CONTINUED**

COMMITTEE MEMBERSHIP

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

The members of these committees of the Board during the year were:

Audit and Risk

J Dawson (c)

C R Freeman

M F Warwick

S J Fahey (Appointed 29/10/20)

(c) indicates Chairman of the Committee.

Review

C R Freeman (c)

J Dawson

M F Warwick

S J Fahey (Appointed 29/10/20)

ROUNDING OF AMOUNTS

The Company is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to rounding in the Directors' Report. All amounts have been rounded to the nearest thousand dollars (\$'000), in accordance with that instrument, unless otherwise stated.

**DIRECTORS'
REPORT
FOR THE
YEAR ENDED
30 JUNE 2021
CONTINUED**

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 2021.

NON-AUDIT SERVICES

The Company may decide to engage the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

Prior to any non-audit services being contracted through the Company's auditor, the Board of Directors, after receiving advice from the Audit and Risk Committee, would satisfy itself that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The auditor, Ernst & Young, did not provide any services which are incompatible with their role as independent auditor for the period.

The tax consultant, PricewaterhouseCoopers provided tax compliance services and did not provide any services which are incompatible with their role as tax consultant for the period.

Details of the amounts paid or payable to the auditor for audit and non-audit services during the year and amounts paid or payable to the tax consultant are set out in Note 16.

Signed in accordance with a resolution of the Directors.



Christopher R Freeman
Chairman

Melbourne
11 August 2021



**Building a better
working world**

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**AUDITOR'S
INDEPENDENCE
DECLARATION
TO THE
DIRECTORS OF
TEMPLETON
GLOBAL GROWTH
FUND LTD**

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

As lead auditor for the audit of the financial report of Templeton Global Growth Fund Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Hayley Watson
Partner
Melbourne
11 August 2021

TEMPLETON GLOBAL GROWTH FUND LTD

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
Revenue			
Dividends and distributions	4	5,109	7,716
Interest income		2	74
Other income*		1	588
Total revenue		5,112	8,378
Expenses			
Investment expenses	5	(2,036)	(2,490)
Salaries and employee benefit expenses		(269)	(267)
Shareholder and regulatory costs		(150)	(167)
Consulting and other expenses		(1,272)	(238)
Total Expenses		(3,727)	(3,162)
Profit before income tax		1,385	5,216
Income tax expense	6	(474)	(1,583)
Profit after income tax for the year		911	3,633
		Cents	Cents
Earnings per share	14		
• Basic and diluted earnings per share		0.5	1.8

* Other income for the prior reporting period includes proceeds from class action settlement from Petrobras litigation of \$462,810 filed in 2015.

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 2021

	2021 \$'000	2020 \$'000
Profit after income tax for the year	911	3,633
Other comprehensive income		
<i>Items that will not be recycled through the Income Statement</i>		
Unrealised gains/(losses) on investments in the portfolio at 30 June	62,824	(7,021)
Income tax benefit/(expense) on the above	(18,847)	2,106
Realised (losses)/gains on investments during the year	13,814	(11,063)
Income tax benefit/(expense) on the above	(4,144)	3,319
Total other comprehensive income/(loss) after tax	53,647	(12,659)
Total comprehensive income/(loss) after tax	54,558	(9,026)

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

TEMPLETON GLOBAL GROWTH FUND LTD

BALANCE SHEET AS AT 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	13	19,727	10,437
Receivables	8	938	3,566
Total current assets		20,665	14,003
Non-Current assets			
Investments	9	310,237	251,832
Deferred tax asset	6	–	46
Total non-current assets		310,237	251,878
Total assets		330,902	265,881
Current liabilities			
Payables	10	399	1,260
Current tax liabilities	6	553	588
Total current liabilities		952	1,848
Non-Current liabilities			
Deferred tax liability	6	22,086	–
Total non-current liabilities		22,086	–
Total liabilities		23,038	1,848
Net assets		307,864	264,033
Equity			
Contributed equity	11	253,735	255,548
Reserves	12	48,364	(5,283)
Retained profits	12	5,765	13,768
TOTAL EQUITY		307,864	264,033

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

Year ended 30 June 2021	Notes	Contributed Equity \$'000	Retained Profits \$'000	Investment Revaluation Reserve \$'000	Investment Realisation Reserve \$'000	Total Equity \$'000
Total equity at the beginning of the year as reported		255,548	13,768	7,455	(12,738)	264,033
Profit/(loss) after income tax for the year		–	911	–	–	911
Other comprehensive income/(loss)						
Net revaluation increment on the investment portfolio		–	–	53,647	–	53,647
Transfer of net cumulative realised gains for the year	12(a),12(b)	–	–	(9,670)	9,670	–
Total other comprehensive income/(loss) for the year (after tax)		–	–	43,977	9,670	53,647
Transactions with shareholders						
Dividends paid	7	–	(8,914)	–	–	(8,914)
Shares bought back	11	(1,813)	–	–	–	(1,813)
Total transactions with shareholders		(1,813)	(8,914)	–	–	(10,727)
Total equity at 30 June 2021		253,735	5,765	51,432	(3,068)	307,864

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021 CONTINUED

Year ended 30 June 2020	Notes	Contributed Equity \$'000	Retained Profits \$'000	Investment Revaluation Reserve \$'000	Investment Realisation Reserve \$'000	Total Equity \$'000
Total equity at the beginning of the year as reported		271,900	14,226	12,370	5,578	304,074
Profit/(loss) after income tax for the year		–	3,633	–	–	3,633
Other comprehensive income/(loss)						
Net revaluation decrement on the investment portfolio		–	–	(12,659)	–	(12,659)
Transfer of net cumulative realised losses for the year	12(a),12(b)	–	–	7,744	(7,744)	–
Total other comprehensive income/(loss) for the year (after tax)		–	–	(4,915)	(7,744)	(12,659)
Transactions with shareholders						
Dividends paid	7	–	(4,091)	–	(10,572)	(14,663)
Shares bought back	11	(16,352)	–	–	–	(16,352)
Total transactions with shareholders		(16,352)	(4,091)	–	(10,572)	(31,015)
Total equity at 30 June 2020		255,548	13,768	7,455	(12,738)	264,033

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

STATEMENT OF
CASH FLOWS
FOR THE
YEAR ENDED
30 JUNE 2021

	Notes	2021 \$'000 Inflows (Outflows)	2020 \$'000 Inflows (Outflows)
Cash flows from Operating Activities			
Dividends and distributions received		4,555	7,392
Interest received		2	88
Other income		1	562
Custodian fees paid		(21)	(39)
Goods and services tax refunded		219	256
Investment manager's fees paid		(2,130)	(2,599)
Income taxes paid		(694)	(9,886)
Administrative, regulatory, legal and other payments in the normal course of operations		(1,624)	(689)
Net cash inflow/(outflow) from operating activities	13(a)	308	(4,915)
Cash flows from Investing Activities			
Cash paid for purchase of listed shares		(191,061)	(267,987)
Proceeds received from realisation of listed shares		210,486	298,069
Net cash inflow/(outflow) from investing activities		19,425	30,082
Cash flows from Financing Activities			
Shares purchased (on-market buy-back)		(1,813)	(16,352)
Dividend paid		(8,914)	(14,663)
Net cash inflow/(outflow) from financing activities		(10,727)	(31,015)
Net increase/(decrease) in cash and cash equivalents		9,006	(5,848)
Cash and cash equivalents at the beginning of the year		10,437	16,500
Effects of exchange rate changes on cash and cash equivalents		284	(215)
Cash and Cash Equivalents at Year End	13(b)	19,727	10,437

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

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021

1. CORPORATE INFORMATION

The financial report of Templeton Global Growth Fund Ltd. (“the Company”) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 11 August 2021. The Directors of the Company have the power to amend and reissue the financial statements.

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 Directors’ Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, and with the *Corporations Act 2001*. Templeton Global Growth Fund Ltd. is a for-profit entity for the purposes of preparing the financial statements.

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).

In accordance with AASB 101 *Presentation of Financial Statements*, the Company has presented current and non-current assets, and current and non-current liabilities, as separate classifications in the Balance Sheet. AASB 101 does not require a specific order of the two classifications. The Company has elected to present current assets before non-current assets and current liabilities before non-current liabilities. AASB 101 requires entities to present assets and liabilities in order of liquidity when this presentation is reliable and more relevant.

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 (“AASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

(b) Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied, for the first time certain standards and amendments, which are effective for annual periods on or after 1 July 2020.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(b) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

The nature and impact of new standard and amendment is described below:

Amendments to AASB 101 and AASB 108: *Definition of Material*

In October 2018, the IASB issued amendments to AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Estimates and Errors*, to align the definition of 'material' across the standards and to clarify certain aspects of the new definition. The new definition states that 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The Company has applied the amendment from 1 July 2020. The application of this interpretation did not have an impact on the Company's financial statements.

Accounting Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, and considered relevant to the Company up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

***AASB 101 *Presentation of Financial Statements* through AASB 2020-1
Amendments to Australian Accounting Standards – Classification of Liabilities
as Current or Non-current***

In January 2020, the IASB issued amendments to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company does not believe the amendments will have an impact on current practice.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(c) Foreign currency translation

(i) Functional and presentation currency

These financial statements are presented in Australian dollars (\$) which is the functional currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on investments held at fair value through other comprehensive income are recognised in the Statement of Comprehensive Income as part of the fair value gain or loss.

(d) Trade and other receivables

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

(e) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet and the Statement of Cash Flows 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.

(f) Investments and other financial assets

Classification

Equity securities within the investment portfolio are accounted for at trade date and classified as 'Financial assets measured at fair value through other comprehensive income' and are designated as such upon initial recognition in accordance with AASB 9 *Financial Instruments*.

The designation of securities within the investment portfolio as 'Financial assets measured at fair value through other comprehensive income' is consistent with the Directors' view of these assets as being held for the long-term for both capital growth and for the provision to the Company of dividends and distribution income rather than to make a profit from the sale of such securities. If any investments held deviate from serving the objective of long-term appreciation, they are disposed.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(f) Investments and other financial assets (continued)

Measurement and Valuation

Securities are initially brought to account at fair value, which is the cost of acquisition including directly attributable transaction costs and are re-valued to fair value continuously. The fair value 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. Increments and decrements on equity instruments are recognised in the Statement of Comprehensive Income and taken to the Investment Revaluation Reserve. Gains and losses are not subsequently reclassified to the Income Statement.

Recognition and derecognition

When securities classified at fair value through other comprehensive income are sold, the accumulated fair value adjustments recognised in the Statement of Comprehensive Income are disclosed in equity as gains or losses, net of tax, in the realisation of investments reserve. The purchase and the sale of securities are accounted for at the date of trade.

(g) Trade and other payables

Trade payables and other payables are carried at amortised cost and due to their short-term nature are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Provisions

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.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined, or publicly recommended and no longer at the discretion of the Company on or before the reporting date.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(i) 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. Where the Company buys back shares through an on-market buy-back, the cost of the shares bought back and incremental costs of the buy-back are deducted from equity.

(j) Income tax and other taxes

The income tax expense for the year is the tax payable on the current year's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge, using an effective rate of 30%, is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income. In this case, the tax is also recognised directly in the Statement of Comprehensive Income.

Deferred tax assets are recognised for deductible temporary differences and carried forward tax losses to the extent it is probable that future taxable amounts will be available to utilise those temporary differences. In assessing the likelihood of probable recoverability of the deferred tax asset, regard is given to the value and composition of the deferred tax asset, economic conditions, and economic indicators.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(j) Income tax and other taxes (continued)

Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority.

Cash flows are included in the Statement of Cash Flows 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.

(k) Earnings per share

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

Diluted EPS is calculated as net profit attributable to shareholders, adjusted for the following, where applicable:

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

(l) Revenue

Interest income

Interest income is recognised using the effective interest method.

Dividends and distributions

Dividends and distributions are recognised when the Company's right to receive the payment is established.

(m) 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 a single reportable operating segment.

(n) Rounding of amounts

The Company is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to rounding in the financial statements. All amounts have been rounded to the nearest thousand dollars (\$'000), in accordance with that instrument, unless otherwise stated.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

3. 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 primarily exposed to market risk, liquidity risk, and credit risk.

Financial instruments of the Company comprise the investment portfolio, cash and cash equivalents, receivables and payables.

Under the supervision of the Board, the Investment Manager 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.

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

Geographical concentration of risk

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.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
CONTINUED

(a) Financial Risk Management Objectives, Policies and Processes (continued)

Investments by geographic location:

Country	2021 \$'000	2020 \$'000
Canada	6,331	9,124
China	5,330	14,199
Denmark	3,337	5,900
France	8,037	6,424
Germany	28,383	23,275
Hong Kong	4,744	4,208
Hungary	3,106	–
Ireland	3,439	–
Japan	61,964	57,436
Netherlands	7,206	5,433
South Korea	18,600	8,437
Switzerland	–	8,834
Taiwan	13,077	7,096
United Kingdom	21,609	–
United States	125,074	101,466
Total	310,237	251,832

(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 FTIAL who manage market risk by prudent diversification of the investment portfolio and by reference to the performance of the portfolio of the investments compared to the performance of an appropriate index. This is monitored by the Board and Board committees. Market risk is also managed through Investment Management decisions with respect to current market conditions.

Foreign currency 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.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
CONTINUED

(b) Market risk (continued)

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.

Interest rate risk

The nature of the Company's business operations is 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. This risk is not considered to be significant to the Company.

Value-at-Risk ("VaR")

Value at Risk (VaR) is a measure of expected variability of investment returns. It measures how much a set of investments might move, over a certain time period given market movements consistent with past experience. VaR represents the estimated maximum reasonable gain or loss that an investor could expect during a certain time period, based on a confidence level i.e. a given probability.

In order to evaluate this future market risk, VaR uses a statistical analysis of historical prices, trends and volatilities to estimate future portfolio returns and uses characteristics of a normal distribution to estimate the distribution of the possible future losses or gains.

To calculate VaR, the Company uses the historic price volatility and correlations of current portfolio holdings to calculate both the historic average return and the historic standard deviation of returns around the average.

The following table summarises the estimated potential market risk impact on the investment portfolio of the Company. The historic volatility incorporates market price movement, which incorporates currency and interest rate factors into an overall return risk.

The VaR calculation represented here for the Company uses a 99% confidence interval and assumes a 3 month holding period, i.e. based on the current portfolio and historic price volatility and correlations of price movement, we estimate with 99% confidence the return of the portfolio in the following 3 months will move between -12.74% and +12.74% from its current level.

Please be advised that historical data is not always an appropriate proxy for current market conditions.

	VaR Factor %	Net Assets \$'000	Impact to Net Assets \$'000
30 June 2021	12.74	307,864	+/- 39,222
30 June 2020	21.85	264,033	+/- 57,691

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
CONTINUED

(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 FTIAL, 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 and share buy-backs where appropriate.

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, regular share buy-back 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 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.

(d) Credit Risk

Credit risk represents the risk that the counterparty to a certain type of financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. Although the Company has a concentration of counterparty risk through its single custodian, JP Morgan Chase Bank, credit risk is not considered to be significant to the Company.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
CONTINUED

(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. The Company controls the dividend policy, the issue and buy-back of shares and the purchase or sale of investments.

The Company has a Dividend Policy with the objective of providing shareholders with a level of certainty around expected dividends. The policy states that the Dividends declared will not be less than 3% of the net tangible assets ("NTA") value per share of the Company as at 30 June of the prior year. However, this policy is subject to prevailing market conditions.

The Company had in place an on-market share buy-back which operated during the year. There were 1.6 million shares at cost of 1.8 million purchased during the year, compared to 13.5 million shares at cost of 16.4 million in the previous financial year.

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

	2021	2020
	\$'000	\$'000

4. DIVIDENDS AND DISTRIBUTIONS

Income from securities held in investment portfolio at 30 June	3,559	2,987
Income from securities sold during the year	1,550	4,729
Total dividends and distributions	5,109	7,716

5. INVESTMENT EXPENSES

Investment management fees	1,980	2,263
Custodian fees	37	35
Net foreign currency losses/(gains)	19	192
Total investment expenses	2,036	2,490

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

	2021 \$'000	2020 \$'000
6. INCOME TAX		
The major components of income tax are:		
Income Statement		
<i>Current income tax</i>		
Current income tax charge	(416)	(1,565)
Income tax charge for prior years	242	(8)
Non-deductible expenses	(300)	–
<i>Deferred income tax</i>		
Relating to origination and reversal of differences	–	(10)
Income tax benefit/(expense) attributable to profit	(474)	(1,583)
Amounts charged or credited directly to equity		
<i>Deferred income tax related to items charged or credited directly to equity in respect of:</i>		
Net unrealised (gains)/losses on investments	(22,992)	5,425
Income tax benefit/(expense) reported in equity	(22,992)	5,425
A reconciliation between the income tax expense and accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:		
Profit/(loss) before income tax	1,385	5,216
Prima facie income tax expense at statutory rate of 30% (2020: 30%)	(416)	(1,565)
Income tax charge for prior years	242	(8)
Tax effect of:		
– Unrealised foreign exchange gains/(losses)	–	(10)
– Non-deductible	(300)	–
Income tax expense	(474)	(1,583)

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

	2021 \$'000	2020 \$'000
6. INCOME TAX CONTINUED		
Deferred income tax		
Deferred income tax at 30 June relates to the following:		
<i>Deferred tax liabilities/(assets)</i>		
The balance comprises temporary differences attributable to:		
Receivables	57	119
Payables	(12)	(18)
Difference between tax and accounting	(1)	(23)
Unrealised gains/(losses) on investments	22,042	3,195
Realised capital (losses)	–	(3,319)
	22,086	(46)
Opening balance at 1 July	(46)	5,553
Charged/(credited) to the income statement	(35)	(205)
Charged/(credited) to equity	22,167	(5,394)
Closing balance at 30 June	22,086	(46)
Opening balance at 1 July	588	9,521
Income tax attributable to profit	474	1,583
Tax payments	(745)	(9,885)
Realised gains/(losses)	825	–
Tax credits available	(664)	(722)
Accounting to tax differences	75	91
Closing balance at 30 June	553	588

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

	2021 \$'000	2020 \$'000
7. DIVIDENDS PAID OR PROPOSED		
(a) Dividends paid during the year:		
Final Dividend for the year ended 30 June 2020 – 3.5 cents per share fully franked (2019: 5.0 cents per share fully franked)	6,933	10,572
Interim dividend for year ended 30 June 2021 – 1.0 cent per share fully franked (2020: 2.0 cents per share fully franked)	1,981	4,091
	<u> </u>	<u> </u>
(b) Franking credit balance		
The amount of franking credits available for subsequent financial years are:		
– franking account balance as at the end of the financial year at the tax rate of 30% (2020: 30%)	(155)	2,871
– franking credits that will arise from the payment of income tax payable as at the end of the financial year	553	588
	<u> </u>	<u> </u>
	398	3,459
The amount of franking credits available for future reporting periods:		
– impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year	–*	(2,995)
	<u> </u>	<u> </u>
	398	464
	<u> </u>	<u> </u>

* The Directors do not intend to declare a final dividend for the year ended 30 June 2021.

(c) Dividend information

Directors do not intend to declare a final dividend for the year ended 30 June 2021.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

7. DIVIDENDS PAID OR PROPOSED CONTINUED

(c) Dividend information (continued)

However, as disclosed to shareholders via an announcement to the Australian Securities Exchange (ASX) on 29 June 2021, the Company has entered into a Scheme Implementation Agreement with WAM Global Ltd (WGB) to merge the two entities. In accordance with the terms of the Scheme Implementation Agreement, those shareholders that elect to participate in the scheme may be entitled to a WGB dividend in respect of the financial year ended 30 June 2021.

Should for any reason scheme participants not be entitled to receive a WGB dividend then TGG may in its absolute discretion determine to pay and declare and pay to TGG shareholders a dividend in respect of the 30 June 2021 financial year.

2021	2020
\$'000	\$'000

8. RECEIVABLES (CURRENT)

Receivables	938	3,566
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Receivables consist principally of sales of securities not yet settled, withholding tax reclaims receivable and dividends declared not yet received. Proceeds from unsettled sale of securities are generally received within 5 days and dividends declared not yet received are generally received within 30-90 days.

9. INVESTMENTS (NON-CURRENT)

Securities listed on a prescribed stock exchange at cost:

Shares	236,763	241,182
	236,763	241,182

Aggregate quoted market value of securities at balance date	310,237	251,832
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The Company has no material exposures to a single listed equity investment. For a detailed list of the fair values of the Securities in the investment portfolio, refer to Note 23.

10. TRADE AND OTHER PAYABLES (CURRENT)

	Notes	2021 \$'000	2020 \$'000
Securities purchased payable		–	1,035
Other payables		212	81
Investment management fees	18(b)	187	144
Total trade and other payable		399	1,260

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

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

			2021 \$'000	2020 \$'000
11. CONTRIBUTED EQUITY				
(a) Issued and Paid-Up Capital				
Ordinary shares fully paid			253,735	255,548
	2021 No. of shares '000	2021 \$'000	2020 No. of shares '000	2020 \$'000
(b) Movements in ordinary shares on issue				
Beginning of financial year	199,681	255,548	213,206	271,900
Share cancelled via share buy-back	(1,584)	(1,813)	(13,525)	(16,352)
End of the financial year	198,097	253,735	199,681	255,548

Share buy-back:

The Company has an on-market buy-back program. During the year ended 30 June 2021, 1.6 million shares were bought back (2020: 13.5 million).

Dividend Reinvestment Plan ("DRP")

The Company's dividend reinvestment plan ("DRP") was not in operation in the 2021 financial year.

(c) Terms and Conditions of Contributed Capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of (and amounts paid up on) shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

	Notes	2021 \$'000	2020 \$'000
12. RESERVES AND RETAINED PROFITS			
Investment Realisation Reserve	12(a)	(3,068)	(12,738)
Investment Revaluation Reserve	12(b)	51,432	7,455
		<u>48,364</u>	<u>(5,283)</u>
Retained profits	12(c)	5,765	13,768
(a) Investment Realisation Reserve			
(i) Nature and purpose of reserve			
The investment realisation reserve is used to accumulate realised capital profits/(losses) arising from the sale of securities in the investment portfolio.			
(ii) Movements in Reserve			
		2021 Realised gains/losses (net of tax) for the year \$'000	2021 Other movements for the year \$'000
			2021 Total \$'000
Opening balance			(12,738)
Cumulative taxable realised gain for the year	13,814	–	13,814
Income tax benefit/(expense) on the above	(4,144)	–	(4,144)
Total movements for the year	<u>9,670</u>	<u>–</u>	<u>9,670</u>
30 June			<u>(3,068)</u>
		2020 Realised gains/(losses) (net of tax) for the year \$'000	2020 Other movements for the year \$'000
			2020 Total \$'000
Opening balance			5,578
Cumulative taxable realised gains for the year	(11,063)	–	(11,063)
Income tax benefit/(expense) on the above	3,319	–	3,319
Dividend paid	–	(10,572)	(10,572)
Total movements for the year	<u>(7,744)</u>	<u>(10,572)</u>	<u>(18,316)</u>
30 June			<u>(12,738)</u>

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

	2021 \$'000	2020 \$'000
12. RESERVES AND RETAINED PROFITS CONTINUED		
(b) Investment Revaluation Reserve		
(i) Nature and purpose of Reserve		
The investment revaluation reserve is used to accumulate unrealised capital profits/(losses) arising on from the revaluation of the investment portfolio.		
(ii) Movement in Reserve		
Balance at the beginning of the year	7,455	12,370
Revaluation increase/(decrease) on revaluation of listed securities	76,639	(18,084)
Tax effect of increase/(decrease) to revaluation reserve	(22,992)	5,425
Transfer of net realised capital (gains)/losses to the investment realisation reserve	(9,670)	7,744
Balance at the end of the year	51,432	7,455
(c) Retained Profits		
Movements in Retained Profits		
Balance at the beginning of the year	13,768	14,226
Net profit after tax for the year	911	3,633
Dividends paid	(8,914)	(4,091)
Balance at the end of the year	5,765	13,768

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

	2021 \$'000	2020 \$'000
13. STATEMENT OF CASH FLOWS		
(a) Reconciliation of the net profit after tax to the net cash flows from operations		
Net profit after tax	911	3,633
<i>Adjusted for:</i>		
Net (gains)/ losses on foreign exchange	19	192
Changes in assets and liabilities		
– Receivables	(554)	(335)
– Payables	(542)	(9,988)
– Taxation commitments	474	1,583
Net cash inflow/(outflow) from operating activities	308	(4,915)
(b) Reconciliation of cash		
Cash comprises:		
Cash at Bank	19,727	10,437
14. EARNINGS PER SHARE		
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit after tax used in calculating basic and diluted earnings per share	911	3,633
	Number '000	Number '000
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	198,175	207,039
	Cents	Cents
Basic and diluted earnings per share	0.5	1.8
Realised gains earnings per share after tax*^	4.9	(3.7)

* Net cumulative realised gains per the statement of changes in equity proportioned per weighted number of average shares for the period.

^This is a non-IFRS measurement.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

15. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

Directors

C R Freeman	Chairman (non-executive)
G E McGowan	Director (non-executive)
M F Warwick	Director (non-executive)
S J Fahey (Appointed 29/10/20)	Director (non-executive)
J Dawson	Director (non-executive)
A Sethi (Resigned 14/08/20)	Director (non-executive)

(b) 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 2021 (2020: nil).

2021	2020
\$	\$

16. AUDITOR'S REMUNERATION

The auditor of the Company is Ernst and Young

During the year the following fees were paid or payable for services provided by the auditor:

Audit and assurance services

Audit and review of the financial report	73,674	72,072
Other assurance services*	8,008	8,008

The tax consultant of the Company is PricewaterhouseCoopers

During the year the following fees were paid or payable for services provided by the tax consultant:

Tax compliance services**	22,440	14,249
	<u>102,203</u>	<u>94,329</u>

* The other services include work regarding the Company's compliance with its Australian Financial Services license. Prior year numbers reclassified between other assurance services and audit and review of the financial statements.

** Tax compliance services fees are paid by FTIAL on behalf of the Company as per the Administration Services Agreement.

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

17. SEGMENT INFORMATION

(a) Operating segment

The Company has a single operating segment which is a business of investing in and managing a worldwide portfolio of investments listed on international stock exchanges. Under the supervision of the Board, responsibility for day to day decisions about making and managing investments in specific securities is delegated to and undertaken by the Investment Manager.

The operating results of the business are regularly reviewed by the Board, and by the Review Committee on behalf of the Board. Decisions about allocation of resources to the business are made by the Board, based on a single, integrated strategy, and performance of the business is assessed by the Board on an overall basis, considering the portfolio of investments as a whole.

(b) Segment reporting

Internal reporting to the Board and Review Committee about the Company's assets, liabilities and performance is prepared and provided for the business as a single operating segment and is on a basis that is consistent with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax (as reported in the Company's Net Tangible Assets announcements to the ASX).

The Company reports net profit after tax. This excludes the impact of realised and unrealised gains and losses in the value of investments.

	2021 \$'000	2020 \$'000
Profit after income tax	911	3,633

The Company reports net asset value per share both before and after provision for deferred tax on realised and unrealised gains and losses in the value of the Company's investment portfolio. Deferred tax is calculated as set out in Note 2(j). The relevant amounts as at 30 June 2021 and 30 June 2020 were as follows:

	2021 Cents	2020 Cents
Net tangible asset backing per share		
After actual tax*^	167	132
After estimated tax**^	156	132

* 'Actual Tax' is all Australian and Foreign income tax for which a liability has arisen and therefore excludes the deferred tax assets and liabilities.

** '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.

^ 'These are non-IFRS measurements.'

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

17. SEGMENT INFORMATION CONTINUED

(c) Other Segment Information

Segment Revenue

Revenues from external parties are derived from the receipt of dividend, distribution and interest income.

The Company is domiciled in Australia and all of the Company's dividend and distribution income is from entities which maintain a listing on a stock exchange, the Company has a diversified portfolio of investments.

Dividend revenue by geographic location:

Country	2021 \$'000	2020 \$'000
Canada	71	87
Denmark	23	133
France	108	374
Germany	594	383
Hong Kong	321	400
Hungary	90	–
Ireland	–	36
Italy	–	259
Japan	1,319	1,183
Netherlands	–	145
Singapore	–	400
South Korea	556	408
Switzerland	240	330
Taiwan	214	84
United Kingdom	76	1,372
United States	1,497	2,122
Total	5,109	7,716

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

18. RELATED PARTY DISCLOSURES

(a) Key management personnel

Key Management Personnel Compensation
Year ended 30 June 2021

	Short-term benefits	Superannuation	Total
	\$	\$	\$
Directors			
C R Freeman	82,381	7,826	90,207
G E McGowan	—	—	—
M F Warwick	59,364	5,640	65,004
S J Fahey (Appointed 29/10/20)	40,026	3,802	43,828
J Dawson	64,068	6,088	70,156
A Sethi (Resigned 14/08/20)	—	—	—
Total	245,839	23,356	269,195

Year ended 30 June 2020

Directors			
C R Freeman	82,381	7,826	90,207
G E McGowan	—	—	—
M F Warwick	59,364	5,640	65,004
M J O'Brien (Resigned 20/02/20)	38,041	3,614	41,655
J Dawson	64,068	6,088	70,156
A Sethi (resigned 14/08/20)	—	—	—
Total	243,854	23,168	267,022

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

18. RELATED PARTY DISCLOSURES CONTINUED

(b) Transactions with related parties

Management fees paid to Franklin Templeton Investments Australia Limited

The Company's Investment Manager is FTIAL. 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 of 0.75% per annum using the market capitalisation amount (shares available for sale multiplied by month-end closing share price on ASX).

For those services, the Investment Manager earned a fee (net of GST) of \$1,979,827 for the 12 months to 30 June 2021 (2020: \$2,262,531). As at the end of the financial year \$186,954 (2020: \$143,931) was owing to the Investment Manager. All transactions with FTIAL are on normal commercial terms.

The Company has the following relationships with the Investment Manager:

Mr A Sethi (Resigned 14/08/20) has 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 continue as at 30 June 2021) unless otherwise specified.

- Mr G E McGowan is a consultant of companies related to the Investment Manager.
- Mr A Sethi (Resigned 14/08/20) was employed by companies related to the Investment Manager.

The provision of administration services to the Company are also contained in the terms of the Administrative Service Agreement, which includes the provision of a Company Secretary and General Manager with suitable knowledge and experience to undertake the requirements of the respective roles. These requirements have been fulfilled as follows:

- Mr Mat R Sund acting as General Manager,
- Ms Elizabeth McGregor was appointed as Company Secretary on 1 July 2020

Neither the Investment Manager nor any of the funds for which the Investment Manager is responsible, are shareholders in the Company.

(c) Shareholding of related party entities

During the year, Franklin Resources Incorporated and/or affiliates held shares in the Company.

Shares held in the Company (number)	Balance 1 July 2020 Ord	Net Change Other Ord	Balance 30 June 2021 Ord
Franklin Resources Inc. and/or affiliates.	10,278,210	677,617	10,955,827

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with AASB 13 Fair Value, balances recorded at fair value are classified into three levels of Fair Value Hierarchy based on observability of the inputs to each valuation.

All investments held by the Company are classified as Level 1 securities. Level 1 is defined as the fair value of listed equity is based on quoted market bid prices at the reporting date, without any deduction for transaction costs. The total current period fair value is 310.2 million (2020: 251.8 million).

The Company has no financial liabilities measured at fair value.

All instruments are included in Level 1. There were no transfers between levels during the period. The Company did not hold any level 2 or level 3 investments as at 30 June 2021 (2020: \$nil).

The fair values of other financial instruments, including cash and cash equivalents, receivables, and payables, are a reasonable approximation of carrying amounts largely due to the short-term nature of these balances.

20. PERFORMANCE BOND

Under the terms of its Australian Financial Services licence, the Company has in place a performance bond in favour of the Australian Securities and Investments Commission ("ASIC"), payable on demand to ASIC.

21. CONTINGENCIES

At balance date Directors are not aware of any material contingent liabilities or contingent assets (2020: nil).

22. EVENTS AFTER THE BALANCE SHEET DATE

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

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

23. SECURITIES AT FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME

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 realised and as the quoted market price of those securities alter.

Company	30 June 2021 \$'000	30 June 2020 \$'000
Investments in listed equity securities		
A.P. Moller - Maersk A/S Class B	–	5,900
Adidas AG	6,167	4,052
AIA Group Ltd.	4,744	4,208
Air Liquide SA	5,848	–
Albemarle Corp. Co.	5,912	5,411
Alibaba Group Holding Ltd.	–	6,439
Allfunds Group Ltd	2,189	–
Alphabet Inc. Class A	–	6,672
American Express Co.	13,157	5,085
Astrazeneca PLC	8,025	–
Bayer AG	–	8,866
Berkshire Hathaway Inc. Class B	6,844	2,617
Booking Holdings Inc	9,303	3,643
China Mengniu Dairy Co Ltd.	5,330	–
Comcast Corp. Class A	6,757	8,174
Dollar Tree Inc.	–	2,571
E.ON SE	3,392	–
Epam Systems Inc.	–	1,171
F5 Networks Inc. Com	7,207	5,485
Fanuc Corp. NPV	–	4,690
Fresenius Medical Care AG & Co KGAA NPV	–	5,423
HCA Healthcare Inc.	4,100	2,844
Hitachi Ltd.	6,266	5,284
Hondo Motor Co. Ltd.	6,908	–
Icon PLC	3,439	–
Infineon Technologies Org.	6,143	4,934

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

23. SECURITIES AT FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME CONTINUED

Company	30 June 2021 \$'000	30 June 2020 \$'000
Johnson & Johnson Co.	–	5,015
JPMorgan Chase & Co.	14,308	4,518
Just Eat Takeaway.com	4,922	–
Kddi Corp.	–	4,042
Keurig Dr Pepper Inc.	3,211	–
Kroger Co.	7,759	8,400
Kyocera Corp.	–	2,619
Laboratory Corp. of America Holdings	–	5,754
Lenovo Group Ltd.	–	5,110
LG Chem Ltd.	4,933	–
Matsumotokiyoshi Holdings Co. Ltd.	–	4,683
Medtronic PLC	4,893	3,432
Midea Group Co. Ltd.	–	2,650
Mitsubishi Logistics Corp. NPV	2,425	4,100
NXP Semiconductors NV	7,206	5,433
Panasonic Corp.	–	3,042
Prudential PLC	3,332	–
Richter Gedeon NYRT	3,106	–
Roche Holding Ltd. Genusssch	–	8,834
Samsung Electronics Co. Ltd.	13,667	8,437
Shin-Etsu Chemical Co. Ltd.	3,210	–
Siemens AG	7,759	–
Smith & Nephew PLC	3,607	–
Sony Corp.	5,833	6,876
Sumitomo Metal Mining Co. Ltd.	8,957	6,711
Sumitomo Mitsui Financial Group Inc.	10,089	–
Sundrug Co Ltd.	3,198	–
Taiwan Semiconductors Manufacturing Co. Ltd.	13,077	7,096
Takeda Pharmaceutical Co. Ltd.	–	5,161
TJX Cos Inc.	–	2,768

NOTES TO
FINANCIAL
STATEMENTS
30 JUNE 2021
CONTINUED

23. SECURITIES AT FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME CONTINUED

Company	30 June 2021 \$'000	30 June 2020 \$'000
T-Mobile US Inc.	8,122	–
Tokyo Broadcasting System Holdings Inc.	–	3,004
Tokyo Electron Ltd.	6,297	4,183
Topcon Corp	3,510	–
Toyota Industries Corp.	5,271	3,041
Unilever PLC	6,645	–
United Parcel Service Inc. Class B	8,403	8,156
UnitedHealth Group Inc.	5,813	3,509
Veolia Environnement SA	–	6,424
Verizon Communications Inc.	–	7,396
Vestas Wind Systems A/S	3,337	–
Visa Inc. NPV Class A	–	5,220
Walt Disney Co.	8,872	3,625
Westinghouse Air Brake Technologies Corp. Com	10,413	–
Wheaton Precious Metals Corp.	6,331	9,124
Total	310,237	251,832



**Templeton Global
Growth Fund Ltd.** ABN 44 006 558 149

Level 19
101 Collins Street
Melbourne, Victoria 3000
Telephone (03) 9603 1209
Facsimile (03) 9603 1299

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 20 to 53 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, *Corporations Regulations 2001* and other mandatory professional requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; 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..

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Christopher R Freeman
Chairman

Melbourne
11 August 2021



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**INDEPENDENT
AUDITOR'S
REPORT TO THE
MEMBERS OF
TEMPLETON
GLOBAL GROWTH
FUND LTD**

**Independent Auditor's Report to the Members of Templeton Global
Growth Fund Limited**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Templeton Global Growth Fund Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- a) Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEMPLETON GLOBAL GROWTH FUND LTD

procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Existence and Valuation of the Investment Portfolio

Why significant

The Company's investment portfolio at 30 June 2021 consists of listed marketable securities.

Whilst there is no significant judgment involved in the valuation of Level 1 securities as their value is based on observable market inputs in accordance with AASB 13 Fair Value Measurement, investments (\$310m) represent a key measure of the Company's performance and represent 94% of total assets.

Due to the significance of the investment portfolio's value to the Company's performance, we considered this to be a key audit matter.

How our audit addressed the key audit matter

Our audit procedures for listed investments, included the following:

- ▶ Obtained and inspected the assurance report over the control environment at the Company's custodian.
- ▶ Obtained independent confirmation from the Company's custodian of securities held in each investment.
- ▶ Agreed all listed investment prices to independent market pricing sources.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 annual report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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**INDEPENDENT
AUDITOR'S
REPORT TO THE
MEMBERS OF
TEMPLETON
GLOBAL GROWTH
FUND LTD**

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEMPLETON GLOBAL GROWTH FUND LTD

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Templeton Global Growth Fund Limited for the year ended 30 June 2021 complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

Ernst & Young

Hayley Watson
Partner
Melbourne
11 August 2021

FIVE YEAR SUMMARY OF FINANCIAL INFORMATION

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
INCOME STATEMENT					
Investment and other income*	5,112	8,378	9,938	9,205	8,884
Expenses*	(3,727)	(3,162)	(3,919)	(4,069)	(3,695)
Profit before income tax	1,385	5,216	6,019	5,136	5,189
Income tax expense	(474)	(1,583)	(1,795)	(1,601)	(1,531)
Operating profit after tax	911	3,633	4,224	3,535	3,658
Other comprehensive (loss)/ income after tax	53,647	(12,659)	1,121	21,198	39,601
Total other comprehensive income/(loss) after tax	54,558	(9,026)	5,345	24,733	43,259
BALANCE SHEET					
Assets					
Cash and receivables	20,665	14,003	23,610	12,609	11,672
Investments	310,237	251,832	298,962	341,184	329,244
Deferred tax asset	–	46	–	–	–
Total Assets	330,902	265,881	322,572	353,793	340,916
Liabilities					
Payables	399	1,260	3,424	381	373
Provisions	553	588	9,521	7,657	4,273
Deferred tax liability	22,086	–	5,553	14,083	12,307
Total Liabilities	23,038	1,848	18,498	22,121	16,953
Net assets	307,864	264,033	304,074	331,672	323,963
Shares on issue	198,097	199,681	213,206	221,684	226,579
Earnings per share (cents)	0.5	1.8	1.9	1.6	1.6
Realised gain/loss per share (cents)	4.9	(3.7)	9.7	7.8	4
Dividends per share (cents)	3.5	7.0	7.0	4.5	4.5

* Net foreign currency gain of \$59k in 2019 has been reclassified from Revenue and has been offset directly under Investment Expenses. As a result, the comparative disclosures for Investment Expenses, Total Revenue and Total Expenses are immaterially different to the published 2019 financial report.

ADDITIONAL ASX INFORMATION

SHAREHOLDING INFORMATION

Shareholdings at 31 July 2021	Number of Holders	Number of Shares
Distribution of Holders		
1 to 1,000 shares	318	113,643
1,001 to 5,000 shares	660	2,122,051
5,001 to 10,000 shares	754	5,926,306
10,001 to 100,000 shares	2,280	72,279,867
100,001 and over	244	117,655,194
Total	4,256	198,097,061

Shareholders with less than a marketable parcel of shares: 164

All ordinary shares carry one vote per share without restriction.

The names of the twenty largest shareholders of quoted shares as at 31 July 2021 are:

	Number of Shares	Percentage of Total
1 Citicorp Nominees Pty Ltd.	29,191,598	14.74
2 HSBC Custody Nominees (Australia) Ltd.	15,115,065	7.63
3 J P Morgan Nominees Australia Pty Ltd.	12,207,129	6.16
4 LSND Super Pty Ltd. <SF Superannuation A/C>	3,351,863	1.69
5 BNP Paribas Nominees Pty Ltd. <Pitcher Partners Drp>	3,322,741	1.68
6 Australian Executor Trustees Ltd. <IPS Super A/C>	2,433,043	1.23
7 CS Third Nominees Pty Ltd. <HSBC Cust Nom AU Ltd 13 A/C>	1,793,822	0.91
8 Ms Gabrielle Rosa Baron & Mr Peter Michael Wilmshurst	1,760,830	0.89
9 Mr Steven John Fahey	1,733,808	0.88
10 Netwealth Investments Ltd. <Super Services A/C>	1,212,874	0.61
11 Nendar Pty Ltd. <The Little Family S/F A/C>	1,007,131	0.51
12 Trustees Of Our Lady's Nurses Of The Poor <Rose Wilson Bequest A/C>	832,000	0.42
13 Dixon Trust Pty Ltd. <No 1 A/C>	788,458	0.40
14 National Cooper Pty Ltd. <Spencer Fam SF A/C>	744,361	0.38
15 Mr David Ward & Mrs Jeanette Ward <D & J Ward Family S/F A/C>	694,849	0.35
16 Takita Exploration Pty Ltd.	612,000	0.31
17 BNP Paribas Nominees Pty Ltd. Hub24 Custodial Serv Ltd. <Drp A/C>	581,516	0.29
18 Australian Executor Trustees Ltd. <No 1 Account>	476,236	0.24
19 Netwealth Investments Ltd. <Wrap Services A/C>	442,561	0.22
20 Mr Andrew James Laird & Ms Catherine Nicole Bunard <Laird & Bunard Super A/C>	430,000	0.22
20 Maju Enterprises Pty Ltd. <Rusbatch Family S/Fund A/C>	430,000	0.22

ADDITIONAL ASX INFORMATION CONTINUED

SUBSTANTIAL SHAREHOLDERS

The following entities are recorded in the Company's Register of Substantial shareholders as at 31 July 2021.

Wilson Asset Management Group entities	29,081,293
Franklin Templeton Investments – Singapore	10,955,827
City of London Investment Management Company Limited	11,980,857

A person may be a substantial shareholder of the Company by virtue of the person or their associates holding a "relevant interest" in shares in the Company. A person may hold a "relevant interest" in shares in the Company even though they are not a shareholder.

STOCK EXCHANGE LISTINGS

The Company's shares are listed on the Australian Securities Exchange Ltd.

INVESTMENT DEALINGS

A list of all investments held as at 30 June 2021 is set out on the following pages.

During the year to 30 June 2021 the Company completed 386 transactions in equity investments and the total brokerage paid or accrued on these transactions was \$235,116.

During the year to 30 June 2021 management fees paid or accrued for the management of the Company's investment portfolio was \$1,979,827 - refer Note 18(b).

LIST OF INVESTMENTS AS AT 30 JUNE 2021

(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 '000	% of Total
CANADA			
Materials			
WHEATON PRECIOUS METALS CORP: Precious metals streaming company, reselling precious metal by-products of mining.	107,938	6,331	
		<u>6,331</u>	2.04
CHINA			
Consumer Staples			
CHINA MENGNIU DAIRY CO LTD: Chinese manufacturer and distributor of dairy products.	664,000	5,330	
		<u>5,330</u>	1.72
DENMARK			
Industrials			
VESTAS WIND SYSTEMS A/S: Manufacturer of wind turbines.	64,245	3,337	
		<u>3,337</u>	1.08
FRANCE			
Financials			
ALL FUNDS GROUP LTD: Largest fund distribution network globally.	94,400	2,189	
Materials			
AIR LIQUIDE SA: Worldwide producer of industrial and health care gases.	25,074	5,848	
		<u>8,037</u>	2.59

	Shares Held	AUD Value '000	% of Total
GERMANY			
Consumer Discretionary			
ADIDAS AG: German based apparel designer and manufacturer.	12,464	6,167	
JUST EAT TAKEAWAY.COM: Global online food ordering company.	40,015	4,922	
Industrials			
SIEMENS AG: Multinational manufacturer and engineering company.	36,671	7,759	
Information Technology			
INFINEON TECHNOLOGIES ORG: German semiconductor manufacturer.	114,972	6,143	
Utilities			
E.ON SE: Integrated utility company operating in US and Europe.	219,517	3,392	
		<u>28,383</u>	9.15
HONG KONG			
Financials			
AIA GROUP LTD: Largest public listed pan-Asian life insurance group.	286,600	4,744	
		<u>4,744</u>	1.53
HUNGARY			
Health Care			
RITCHER GEDEON NYRT: Global producer of cardiovascular, central nervous system, contraceptive, and gastrointestinal drugs.	87,270	3,106	
		<u>3,106</u>	1.00
IRELAND			
Health Care			
ICON PLC: Global provider of contract clinical research services to pharmaceutical industry.	12,503	3,439	
		<u>3,439</u>	1.11

	Shares Held	AUD Value '000	% of Total
JAPAN			
Consumer Discretionary			
HONDA MOTOR CO. LTD: Japanese company for automobiles and power products.	162,150	6,908	
SONY CORP: Japanese multinational conglomerate.	45,000	5,833	
TOYOTA INDUSTRIES CORP: Japanese machine maker.	45,700	5,271	
Consumer Staples			
SUNDRUG CO LTD: Japanese drugstore chain with operations in real estate.	75,700	3,198	
Financials			
SUMITOMO MITSUI FINANCIAL GROUP INC.: One of the largest banks in Japan.	219,500	10,089	
Industrials			
HITACHI LTD: Japanese multinational conglomerate.	82,296	6,266	
MITSUBISHI LOGISTICS CORP NPV: Japanese logistics company.	61,600	2,425	
Information Technology			
TOKYO ELECTRON LTD: Japanese electronics and semiconductor company.	10,920	6,297	
TOPCON CORP: Japanese manufacturer of medical equipment and industrial products.	33,200	3,510	
Materials			
SHIN-ETSU CHEMICAL CO LTD: Japanese producer and distributor of chemical products and electronic materials.	14,400	3,210	
SUMITOMO METAL MINING CO LTD: Develops and mines non-ferrous metals, producing and marketing copper, gold, nickel, and other precious metals.	172,600	8,957	
		<u>61,964</u>	19.97
NETHERLANDS			
Information Technology			
NXP SEMICONDUCTORS NV: Leading semiconductor supplier for the secure identification, automotive and digital networking industries.	26,300	7,206	
		<u>7,206</u>	2.32

	Shares Held	AUD Value '000	% of Total
SOUTH KOREA			
Information Technology			
SAMSUNG ELECTRONICS CO LTD: DRAM and NAND memory manufacturer, also involved in the manufacture of consumer electronics, displays and telecommunications equipment.	143,182	13,667	
Materials			
LG CHEM LTD: Korean chemicals manufacturer.	4,912	4,933	
		18,600	6.00
TAIWAN			
Information Technology			
TAIWAN SEMICONDUCTORS MANUFACTURING CO LTD: Manufacturer and global supplier of semiconductors.	460,520	13,077	
		13,077	4.22
UNITED KINGDOM			
Consumer Staples			
UNILEVER PLC: Global consumer goods company.	85,360	6,645	
Financials			
PRUDENTIAL PLC: Provider of insurance and investment products and services globally.	131,901	3,332	
Health Care			
ASTRAZENECA PLC: Global pharmaceutical company.	50,229	8,025	
SMITH & NEPHEW PLC: Medical equipment manufacturing company.	125,460	3,607	
		21,609	6.97
UNITED STATES OF AMERICA			
Communication Services			
COMCAST CORP CLASS A: Provides media and television broadcasting services.	88,960	6,757	
T-MOBILE US INC: US wireless carrier.	42,100	8,122	
WALT DISNEY CO: American mass media and entertainment conglomerate.	37,907	8,872	
Consumer Discretionary			
BOOKING HOLDINGS INC: World's largest online travel agent.	3,195	9,303	
Consumer Staples			
KEURIG DR PEPPER INC: US beverage producer.	68,400	3,211	
KROGER CO: Supermarket chain and general retailer founded in the USA.	152,100	7,759	

	Shares Held	AUD Value '000	% of Total
UNITED STATES OF AMERICA (CONT.)			
Financials			
AMERICAN EXPRESS CO: American multinational financial services company.	59,779	13,157	
BERKSHIRE HATHAWAY INC CLASS B: Holding company owning subsidiaries in a variety of business sectors, principal operations are insurance business conducted nationwide on a primary basis and worldwide on a reinsurance basis.	18,500	6,844	
JPMORGAN CHASE & CO: American multinational investment bank and financial services company.	69,100	14,309	
Healthcare			
HCA HEALTHCARE INC: American operator of healthcare facilities	14,900	4,100	
MEDTRONIC PLC: Medical device company.	29,600	4,893	
UNITEDHEALTH GROUP INC: US health care company.	10,900	5,813	
Industrials			
UNITED PARCEL SERVICE INC CLASS B: American multinational package delivery and supply chain management company.	30,330	8,403	
WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP COM: Global provider of products and services for the rail industry.	95,022	10,413	
Information technology			
F5 NETWORKS INC: Market leader in application delivery controllers.	29,000	7,207	
Materials			
ALBERMARLE CORP CO: American based chemical company.	26,360	5,912	
		125,075	40.32
Total of investments		310,237	100.00

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DIRECTORY

DIRECTORS

C R Freeman (Chairman)

J Dawson

G E McGowan

M F Warwick

S J Fahey

SECRETARY

E McGregor

GENERAL MANAGER

M R Sund

REGISTERED OFFICE

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INVESTMENT MANAGER

Franklin Templeton Investments Australia Ltd

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Telephone (03) 9603 1200

Facsimile (03) 9603 1299

AUDITOR

Ernst & Young

SOLICITOR

King & Wood Mallesons

SHARE REGISTRAR

Computershare Investor Services Pty Ltd

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