

TEMPLETON GLOBAL GROWTH FUND LTD.

A.B.N. 44 006 558 149

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Securities Exchange Announcement

18 February 2021

Appendix 4D and Half Year Financial Report

Templeton Global Growth Fund Limited (ASX:TGG) is pleased to provide the following documents:

- Appendix 4D for the half year ended 31 December 2020; and
- Financial Report for the half year ended 31 December 2020.

This announcement has been authorised for release by the Board of Templeton Global Growth Fund Limited.

For further information, please contact:

Mat Sund

General Manager

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Templeton Global Growth Fund Limited (“Company”)

ABN 44 006 558 149

ASX Disclosure - Appendix 4D

Half Year Report

(provided to the ASX under listing Rule 4.2A.3)

Reporting Period

The financial information contained within this report pertains to the reporting period 1 July 2020 to 31 December 2020. Comparative information pertains to the previous corresponding period (“pcp”) 1 July 2019 to 31 December 2019. The information contained in this half-year report should be read in conjunction with the annual financial report for the year ended 30 June 2020.

Results for Announcement to the Market

Revenue for the reporting period was \$1.911m (2019: \$4.142m *) a decrease of \$2.231m.

Net profit from ordinary activities after tax attributable to the members for the reporting period was \$0.464m (2019: \$1.662m) a decrease of \$1.198m.

During the reporting period, a fully franked final dividend of 3.5 cents per share was declared and was paid on 25 September 2020.

A fully franked interim dividend of 1.0 cent per share has been declared in respect of the half year to 31 December 2020.

The record date for this dividend is 26 February 2021 and will be paid to shareholders on 12 March 2021.

* Net foreign currency loss of \$0.023m in pcp has been reclassified from Investment expenses and has been included in Revenue.

Additional Explanation:

The Company reports realised and unrealised gains or losses on its investment portfolio, net of tax, in equity and discloses these movements as other comprehensive income in the statement of comprehensive income and not in the income statement. In the reporting period other comprehensive income was a gain of \$31.867m compared to a gain of \$14.909m in the pcp.

Dividend Information

On 28 August 2020 the Directors declared a fully franked final dividend in respect of the year end 30 June 2020 of 3.5 cents per share, which was paid from retained earnings.

The dividend was paid to shareholders on 25 September 2020.

A fully franked interim dividend of 1.0 cent per share has been declared in respect of the half year to 31 December 2020. The record date is 26 February 2021 and pay date is 12 March 2021 .

Dividend Reinvestment

The Company dividend reinvestment plan was not in operation for the final dividend for the year ended 30 June 2020, and due to the current buyback, will not be in operation for the upcoming interim dividend.

Net Tangible Assets per Security

During the reporting period the Company's net tangible asset backing ("NTA") before tax increased from 132 cents per share at 30 June 2020 to 152 cents per share at 31 December 2020. This increase is after the payment of a 3.5 cent per share dividend to shareholders in September 2020. The NTA at the end of the pcw was 151 cents per share.

On Market Share Buy-Back

The Company had an on-market share buy-back facility in place for the current reporting period. There were 1,584,187 shares (pcp: 5,066,727) at cost of \$1.813m (pcp: \$6.282m) purchased for the half-year ended 31 December 2020.

Controlled Entities

The Company at no time in the reporting period or in the pcw gained or lost control of any entity.

Associates and Joint Ventures

The Company at no time in the reporting period or in the pcw had any associate or joint venture relationships.

Audit

There are no items in dispute with the auditors and the review report on the half-year financial report is not subject to qualification.

**DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

The Directors of Templeton Global Growth Fund Ltd (“Company”) submit their report for the half-year ended 31 December 2020 (“the reporting period”).

DIRECTORS

The following persons were Directors of the Company during the half-year and up to the date of this report:

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

GREGORY E. McGOWAN, JD – Non-Executive Director

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

JOANNE DAWSON, CA, FAICD – Non-Executive Director

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

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

RESULTS AND REVIEW OF OPERATIONS

In March 2020, COVID-19 was declared a global pandemic and had significant impact on world equity, debt and commodity markets, with increased volatility in global markets due to economic uncertainty. During the reporting period, management are monitoring the ongoing impacts of COVID-19 on global markets and economic activity.

The Company invests in a globally diversified portfolio of international securities. The Company has not hedged the underlying currencies in which the portfolio is invested. The Company’s operations did not change during the reporting period.

The key elements of this half-year report are referred to below.

Revenue:

Revenue is represented by dividends from investments, net foreign currency gains and other sundry receipts. In total, revenue for the reporting period was \$1.911 million, down from \$4.142 million in the previous corresponding period (“pcp”). Dividend income for the reporting period was \$1.890 million compared to \$3.617 million in the pcp.

Profit after income tax for the half-year:

The profit after tax for the reporting period was \$0.464 million compared to a profit after tax of \$1.662 million in the pcp.

Other comprehensive income:

The after-tax effect of realised and unrealised capital gains or losses are recorded directly to equity and disclosed in the statement of comprehensive income. In the reporting period \$31.867 million of net capital gains, comprising realised capital gains (net of tax) and unrealised capital gains (net of tax), were reported as other comprehensive gains compared to realised capital gains (net of tax) and unrealised capital gains (net of tax) of \$14.909 million in the pcp.

Net tangible asset backing per share (“NTA”):

The NTA increased from \$1.32 per share at 30 June 2020 to \$1.52 per share at 31 December 2020. This was after the payment of a 3.5 cent per share final dividend.

The NTA over the previous five years has been:

As at 31 December	NTA cents per share	
	After Actual Tax*	After Estimated Tax**
2020	152	145
30 June 2020	132	132 [^]
2019	151	146
2018	133	133 [^]
2017	154	146
2016	143	138

* ‘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. However, the company is a long-term investor and does not intend to dispose of its total investment portfolio.
[^] NTA at 31 December 2018 and 30 June 2020 are unchanged between After Actual Tax and After Estimated Tax as there were insufficient net unrealised gains to affect the “After Estimated Tax” NTA.

INVESTMENT PERFORMANCE

The value of the Company’s investment portfolio increased by \$34.895 million over the reporting period after allowing for a dividend payment of \$6.933 million on 25 September 2020 and shares bought back to the value of \$1.813 million. When taking into account the impact of the dividend paid and the on-market share buy-back, the investment performance for the period was 18.54% gross of expenses and 18.02% net of expenses, compared to the MSCI All Country World Index (“index”) of 10.65% over the six months to 31 December 2020.

DIVIDENDS

On 28 August 2020 the Directors declared a final dividend in respect of the year ended 30 June 2020 of 3.5 cents per share fully franked.

An interim dividend of 1 cent per share fully franked has been declared in respect of the half-year to 31 December 2020 (31 December 2019: 2 cents).

Since 2015 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 which equates to 4.0 cents per share. This policy is subject to prevailing market conditions. The dividend will be paid from retained earnings.

EVENTS OCCURRING AFTER THE HALF-YEAR END

There have been no matters or occurrences that have arisen subsequent to 31 December 2020 that materially affect or will materially affect in future reporting periods the operations of the Company.

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.

CAPITAL MANAGEMENT

The Company has in place an on-market share buy-back which operated during the reporting period. There were 1,584,187 shares (2019: 5,066,727) purchased at a cost of \$1,813,230 for the half-year ended 31 December 2020 (2019: \$6,282,235).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Directors are not aware of any significant changes in the state of affairs of the Company that will adversely affect the results in subsequent years, however, the environment in which the Company operates continues to be severely affected by COVID-19 which was declared a global pandemic by the World Health Organisation. This has resulted in ongoing significant volatility in global and domestic financial markets.

There is continued uncertainty around the likely duration and ultimate impact that COVID-19 will have on world economies. The Directors with the help of the Investment Manager will continue to monitor the effect on the Company.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration given under Section 307C of the *Corporations Act 2001* forms part of the Directors' Report for the half-year ended 31 December 2020.

Signed in accordance with a resolution of the Directors.



Christopher R Freeman
Chairman

Melbourne
18 February 2021



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**Building a better
working world**

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

As lead auditor for the review of the half-year financial report of Templeton Global Growth Fund Limited for the half-year ended 31 December 2020, 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 review; and
- b.) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized font.

Ernst & Young

A handwritten signature in black ink, appearing to be 'Hayley Watson', written in a cursive style.

Hayley Watson
Partner
Melbourne
18 February 2021

**INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Notes	6 months to 31 December 2020 \$'000	6 months to 31 December 2019 \$'000
Revenue			
Dividends and distributions		1,890	3,617
Interest income		2	63
Net foreign currency gains/(losses)**		19	(23)
Other income*		-	485
Total revenue		<u>1,911</u>	<u>4,142</u>
Expenses			
Investment expenses**	3	(928)	(1,353)
Salaries and employee benefit expenses		(124)	(150)
Shareholder and regulatory costs		(78)	(110)
Other expenses		(116)	(145)
Profit before income tax		665	2,384
Income tax expense	4	(201)	(722)
Profit after income tax for the half-year		464	1,662
Earnings per share (cents)			
Basic and diluted earnings per share		0.2	0.8
Dividend paid per share (cents)	5	3.5	5.0

*Other income in prior period to December 2019 includes proceeds from class action settlement from Petrobras litigation of \$0.463m.

** Net foreign currency loss of \$0.023m in pcp has been reclassified from Investment expenses and has been included in Revenue. As a result, the comparative disclosures for Investment Expenses, Total Revenue are immaterially different from the published December 2019 financial statements.

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	6 months to 31 December 2020 \$'000	6 months to 31 December 2019 \$'000
Profit after income tax for the half-year	464	1,662
Other comprehensive income <i>Items that will not be recycled through the Income Statement</i>		
Unrealised gains on investments in the portfolio at 31 December	43,051	14,972
Income tax benefit/(expense) on the above	(12,915)	(4,492)
Realised gains on investments during the period	2,473	6,327
Income tax benefit/(expense) on the above	(742)	(1,898)
Total other comprehensive income/(loss) after tax	31,867	14,909
Total comprehensive income/(loss) after tax	32,331	16,571

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

**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Notes	As at 31 December 2020 \$'000	As at 30 June 2020 \$'000
CURRENT ASSETS			
Cash and cash equivalents	6	14,340	10,437
Receivables		783	3,566
Total current assets		15,123	14,003
NON-CURRENT ASSETS			
Investments	9	286,727	251,832
Deferred tax asset		-	46
Total non-current assets		286,727	251,878
Total assets		301,850	265,881
CURRENT LIABILITIES			
Payables		277	1,260
Current tax liabilities		429	588
Total current liabilities		706	1,848
NON-CURRENT LIABILITIES			
Deferred tax liability		13,526	-
Total non-current liabilities		13,526	-
Total liabilities		14,232	1,848
NET ASSETS		287,618	264,033
EQUITY			
Contributed equity	7	253,735	255,548
Reserves		26,584	(5,283)
Retained profits		7,299	13,768
TOTAL EQUITY		287,618	264,033

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	<i>Issued Capital \$'000</i>	<i>Retained Profits \$'000</i>	<i>Investment Revaluation Reserve \$'000</i>	<i>Investment Realisation Reserve \$'000</i>	<i>Total Equity \$'000</i>
At 1 July 2020	255,548	13,768	7,455	(12,738)	264,033
Profit after income tax for the half-year	-	464	-	-	464
Other comprehensive income/(loss)					
Net revaluation increment on the investment portfolio	-	-	31,867	-	31,867
Transfer of net cumulative realised gains for the half- year	-	-	(1,731)	1,731	-
Total other comprehensive income for the period	-	-	30,136	1,731	31,867
Transactions with shareholders					
Dividends paid	-	(6,933)	-	-	(6,933)
Shares bought back	(1,813)	-	-	-	(1,813)
At 31 December 2020	253,735	7,299	37,591	(11,007)	287,618

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020 (Cont.)**

	<i>Issued Capital \$'000</i>	<i>Retained Profits \$'000</i>	<i>Investment Revaluation Reserve \$'000</i>	<i>Investment Realisation Reserve \$'000</i>	<i>Total Equity \$'000</i>
At 1 July 2019	271,900	14,226	12,370	5,578	304,074
Profit after income tax for the half-year	-	1,662	-	-	1,662
Other comprehensive income					
Net revaluation increment on the investment portfolio	-	-	14,909	-	14,909
Transfer of net cumulative realised gains for the half- year	-	-	(4,429)	4,429	-
Total other comprehensive income for the period	-	-	10,480	4,429	14,909
Transactions with shareholders					
Dividends paid	-	-	-	(10,572)	(10,572)
Shares bought back	(6,282)	-	-	-	(6,282)
At 31 December 2019	265,618	15,888	22,850	(565)	303,791

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

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	6 months to 31 December 2020 \$'000 Inflows/(Outflows)	6 months to 31 December 2019 \$'000 Inflows/(Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends and distributions received	1,890	3,483
Interest received	2	69
Other income	-	489
Custodian fees paid	(6)	(14)
Investment manager's fees paid	(973)	(1,548)
Goods and services tax refunded	99	189
Income taxes paid	(200)	(1,156)
Administrative, regulatory, legal and other payments in the normal course of operations	(316)	(396)
Net cash inflow from operating activities	496	1,116
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchase of listed shares	(109,574)	(65,651)
Proceeds received from realisation of listed shares	121,523	77,116
Net cash inflow from investing activities	11,949	11,465
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares purchased (on-market buy-back)	(1,813)	(6,242)
Dividend paid	(6,933)	(10,572)
Net cash outflow from financing activities	(8,746)	(16,814)
Net increase/(decrease) in cash and cash equivalents	3,699	(4,233)
Cash and cash equivalents at the beginning of the half-year	10,437	16,500
Effects of exchange rate changes on cash and cash equivalents	204	108
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	14,340	12,375

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

NOTES TO AND FORMING PART OF THE HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2020

1. CORPORATE INFORMATION

The financial statements of Templeton Global Growth Fund Ltd. (“the Company”) for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 18 February 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 those shares are publicly traded on the Australian Securities Exchange (“ASX”).

The nature of the operations and principal activities of the Company are described in Note 8.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with the requirements of the AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The half-year financial statements have been prepared on a historical cost basis, except for financial assets (“Investments”) which have been measured at fair value through other comprehensive income.

The financial report complies with Australian Accounting Standards applicable to interim reporting as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (“IFRS”) applicable to interim reporting as issued by the International Accounting Standards Board.

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

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.

The financial statements are presented in Australian dollars.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

NOTES TO AND FORMING PART OF THE HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

New accounting standards or amendments

Changes in accounting standards

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2020, except for the adoption of new standards effective as of 1 July 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

There are no new standards and interpretations that are issued, but not yet effective up to the date of issuance of the Company's interim financial statements that, in the opinion of the Board would materially impact the Company.

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

The nature and impact of each 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 interpretation from 1 July 2020. The application of this interpretation did not have an impact on the Company's interim financial statements.

**NOTES TO AND FORMING PART OF THE HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2020**

3. INVESTMENT EXPENSES

	6 months to 31 December 2020 \$'000	6 months to 31 December 2019 \$'000
Investment management fees	910	1,332
Custodian fees	18	21
	<hr/>	<hr/>
Total investment expenses	928	1,353
	<hr/>	<hr/>

4. INCOME TAX EXPENSE

The major components of income tax expense for the half-year ended 31 December 2020 and 31 December 2019 are:

Income Statement	6 months to 31 December 2020 \$'000	6 months to 31 December 2019 \$'000
<i>Current income tax</i>		
Current income tax charge	200	715
<i>Deferred income tax</i>		
Relating to originating and reversal of temporary differences	1	7
	<hr/>	<hr/>
Income tax reported in the income statement	201	722
	<hr/>	<hr/>

**NOTES TO AND FORMING PART OF THE HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2020**

5. DIVIDENDS PAID OR PROPOSED

	6 months to 31 December 2020 \$'000	6 months to 31 December 2019 \$'000
(a) Dividends declared and paid during the half-year:		
Final dividend for the financial year 30 June 2020: 3.5 cents per share fully franked (2019: 5.0 cents per share fully franked)	6,933	10,572
(b) Dividends proposed but not yet paid during the half- year:		
Interim dividend for the financial year 30 June 2021: 1.0 cent per share fully franked (2020: 2.0 cents per share)	1,981	4,163
(c) Listed investment company (LIC) capital gain account		
Balance of the LIC capital gain account	18,565	22,994
This equates to an attributable amount of	26,521	32,849

The attributable amount is effectively the pre-tax capital gain amount.

6. CASH AND CASH EQUIVALENTS

For the purpose of the half-year cash flow statement, cash and cash equivalents are comprised of the following:

	31 December 2020 \$'000	30 June 2020 \$'000
Cash at Bank	14,340	10,437

**NOTES TO AND FORMING PART OF THE HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2020**

7. CONTRIBUTED EQUITY

	31 December 2020 \$'000	30 June 2020 \$'000
<i>(a) Issued and paid-up capital</i>		
Ordinary shares fully paid	<u>253,735</u>	<u>255,548</u>

	No. of Shares '000	\$'000
<i>(b) Movements in ordinary shares on issue</i>		
At 1 July 2020	199,681	255,548
Shares cancelled via share buy-back	(1,584)	(1,813)
At 31 December 2020	<u><u>198,097</u></u>	<u><u>253,735</u></u>

(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 holders to one vote, either in person or by proxy, at a meeting of the Company.

8. SEGMENT INFORMATION

(a) Operating segment

The Company is domiciled and incorporated in Australia. The Company has a single operating segment which is the business of investing in and managing a worldwide portfolio of investments listed on international stock exchanges.

**NOTES TO AND FORMING PART OF THE HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2020**

(b) Segment reporting

The Company reports net profit (or loss) after income tax. This excludes the impact of realised and unrealised gains or losses in the value of investments which are reported in the statement of comprehensive income.

	6 months to 31 December 2020 \$'000	6 months to 31 December 2019 \$'000
Profit after income tax (excluding realised and unrealised gains/(losses))*	464	1,662

* This is a non-IFRS measurement.

The Company also reports the net asset value per share both before and after provision for deferred tax on realised and unrealised gains or losses in the value of the Company's investment portfolio.

	31 December 2020 cents	30 June 2020 cents
Net tangible asset backing per share		
After actual tax	152	132
After estimated tax	<u>145</u>	<u>132</u>

(c) Other segment information

Segment revenue

Revenue from external parties is derived from the receipt of dividend income.

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

**NOTES TO AND FORMING PART OF THE HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2020**

8. SEGMENT INFORMATION (cont.)

(c) Other segment information (cont.)

Dividend revenue by geographic location:

	6 months to 31 December 2020 \$'000	6 months to 31 December 2019 \$'000
Country		
Canada	33	46
France	-	45
Germany	62	-
Hong Kong	273	177
Ireland	-	36
Italy	-	115
Japan	453	329
Netherlands	-	145
Singapore	-	401
South Korea	132	289
Taiwan	108	-
United Kingdom	-	915
United States of America	829	1,119
Total	<u>1,890</u>	<u>3,617</u>

9. 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 the 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 \$286.727 million (30 June 2020: \$251.832 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 31 December 2020 (30 June 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.

NOTES TO AND FORMING PART OF THE HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2020

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

Other disclosures – Investment portfolio

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

The value of investments realised in the normal course of the Company's business as a Listed Investment Company during the half-year was \$119.168 million (2019: \$71.615 million). The cumulative gain on these realised investments after tax was \$1.731 million (2019: \$4.429 million) which has been transferred from the investment revaluation reserve to the investment realisation reserve (refer to the Statement of Changes in Equity).

10. RELATED PARTY DISCLOSURE

Shareholding of related party entities

During the half-year, Franklin Resources Inc. and/or affiliates held shares in the Company.

The Company's Investment Manager is Franklin Templeton Investments Australia Limited ("Investment Manager") which is a wholly owned subsidiary of Franklin Resources Inc. The Company pays management fees to the Investment Manager, which is considered an arm's length transaction. The amount of Investment Management Fees paid by the Company during the period to the Investment Manager is disclosed in Note 3, which includes \$169,620 payable at 31 December 2020. The provision of administration services to the Company is also required under the terms of an Administrative Service Agreement.

Shares held in the Company

(number)

	Balance 1 July 2020 Ord	Net Change Other Ord	Balance 31 December 2020 Ord
<i>Franklin Resources Inc. and/or affiliates</i>	10,278,210	677,617	10,955,827

11. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets.

12. EVENTS AFTER THE BALANCE SHEET DATE

On 18 February 2021 the Directors determined to pay an interim dividend of 1 cent per share fully franked on ordinary shares in respect of the half-year ended 31 December 2020.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Templeton Global Growth Fund Ltd ("the Company"), I state that:

In the Directors' opinion:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, 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.

On behalf of the Board.



Christopher R Freeman
Chairman

Melbourne
18 February 2021



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Independent auditor's review report to the members of Templeton Global Growth Fund Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Templeton Global Growth Fund Limited (the 'Company'), which comprises the condensed statement of financial position as at 31 December 2020, the condensed income statement, condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, other information as set out in Appendix 4D to the Australian Securities Exchange (ASX) Listing Rules and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Company is not in accordance with:

- a. The *Corporations Act 2001*, including:
 - i Giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
 - ii Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b. The ASX Listing Rules as they relate to Appendix 4D.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and complies with the ASX Listing Rules as they relate to Appendix 4D. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and the ASX Listing Rules as they relate to Appendix 4D. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Hayley Watson
Partner
Melbourne
18 February 2021

LIST OF INVESTMENTS AS AT 31 DECEMBER 2020 (Unaudited)

	Shares/Units Held	AUD Value \$'000	% of Total
CANADA			
Wheaton Precious Metals Corp.	107,597	5,806	
		<u>5,806</u>	2.02
CHINA			
S.F. Holding Co. Ltd. Class A	252,594	4,416	
		<u>4,416</u>	1.54
DENMARK			
A.P. Moller - Maersk A/S Class B	1,107	3,212	
		<u>3,212</u>	1.12
FRANCE			
Air Liquide SA	25,074	5,338	
		<u>5,338</u>	1.86
GERMANY			
Adidas AG	12,464	5,905	
Fresenius Medical Care AG & Co. KGaA	62,605	6,800	
Infineon Technologies AG	124,907	6,251	
Just Eat Takeaway.com N.V.	32,115	4,700	
Siemens AG	48,734	9,112	
		<u>32,768</u>	11.43
HONG KONG			
AIA Group Ltd.	199,000	3,160	
		<u>3,160</u>	1.10
INDIA			
Reliance Industries Limited Sponsored GDR 144A	53,153	3,768	
		<u>3,768</u>	1.31
JAPAN			
Fanuc Corp.	18,100	5,755	
Hitachi Ltd.	147,400	7,519	
Koito Manufacturing Co. Ltd.	36,700	3,229	
Mitsubishi Logistics Corp.	72,100	2,792	
NEXON Co. Ltd.	79,100	3,157	
Sony Corp.	69,300	8,946	
Sumitomo Metal Mining Co. Ltd.	206,500	11,869	
Tokyo Electron Ltd.	14,170	6,823	
Topcon Corp.	176,400	2,836	
Toyota Industries Corp.	45,700	4,692	
		<u>57,618</u>	20.10

NETHERLANDS

NXP Semiconductors NV	26,300	<u>5,420</u>	
		<u>5,420</u>	1.89

SOUTH KOREA

LG Chem Ltd.	3,332	3,275	
Samsung Electronics Co. Ltd.	143,182	<u>13,836</u>	
		<u>17,111</u>	5.97

SWITZERLAND

Roche Holding Ltd.	18,859	<u>8,543</u>	
		<u>8,543</u>	2.98

TAIWAN

Taiwan Semiconductor Manufacturing Co. Ltd.	460,520	<u>11,236</u>	
		<u>11,236</u>	3.92

UNITED STATES

Albemarle Corp.	33,660	6,435	
American Express Co.	59,779	9,364	
Berkshire Hathaway Inc. Class B	18,500	5,558	
Booking Holdings Inc.	3,195	9,202	
Comcast Corp. Class A	144,460	9,810	
Dollar Tree Inc.	23,000	3,217	
EPAM Systems Inc.	7,300	3,387	
F5 Networks Inc.	29,000	6,612	
HCA Healthcare Inc.	14,900	3,175	
JPMorgan Chase & Co.	69,100	11,369	
Kroger Co.	152,100	6,258	
Medtronic PLC	29,600	4,490	
T-Mobile US Inc.	42,100	7,352	
United Parcel Service Inc. Class B	48,530	10,580	
UnitedHealth Group Inc.	6,400	2,907	
Visa Inc. Class A	24,283	6,877	
Walt Disney Co.	37,907	8,896	
Westinghouse Air Brake Technologies Corp.	95,022	9,014	
Zendesk Inc.	20,600	<u>3,828</u>	
		<u>128,331</u>	44.76
		<u>286,727</u>	<u>100.00</u>

ADDITIONAL INFORMATION REQUIRED FOR LISTED COMPANIES

REGISTERED OFFICE

Level 19
101 Collins Street
Melbourne 3000
Telephone +61 3 9603 1209
Facsimile +61 3 9603 1266

SECRETARY

Elizabeth McGregor

GENERAL MANAGER

M R Sund

AUDITOR

Ernst & Young

SOLICITOR

King & Wood Mallesons

INVESTMENT MANAGER

Franklin Templeton Investments Australia Ltd
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101 Collins Street
Melbourne 3000
Telephone +61 3 9603 1200
Facsimile +61 3 9603 1266

SHARE REGISTRAR

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067
Telephone 1300 850 505
International Enquiries: +61 3 9415 4000
Facsimile +61 3 9473 2500

STOCK EXCHANGE LISTINGS

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

WEBSITE

www.tggf.com.au