



Stock Exchange Announcement



12 October 2017

The Manager
ASX Markets Announcements Office
Australian Securities Exchange Limited
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

2017 Annual General Meeting **Chairman's Address**

To be delivered by Chris Freeman at the 31st Annual General Meeting of Templeton Global Growth Fund Limited ("TGG") to be held at the Hotel Windsor, Canberra Room, 111 Spring Street, Melbourne on Thursday 12 October 2017 at 11.00am (Melbourne time).

The year ended 30 June 2017 was a significant, and successful, year for TGG. Not only did we celebrate our 30th anniversary as a Listed Investment Company, but investment returns were also substantially above the index, and the share price to NTA discount was also narrowed significantly.

At 30 June 2017 the net tangible asset backing per share of the company's shares ("NTA") was 148 cents, up from 128 cents at 30 June 2016. This was after the payment of a dividend of 4.5 cents per share in September 2016.

Net profit after tax for the financial year ended 30 June 2017 was \$3,658,002, compared with \$3,775,042 in 2016. The decrease in profit was principally the result of a reduction in funds invested as a result of the on-market share buyback.

The financial year ended 30 June 2017 was a period of recovery for value stocks. They also formed growth stocks, and the active decisions by the portfolio manager saw the portfolio return above the index across all major geographic sectors. As a result, the TGG portfolio return for the year was 23.3% gross of fees, compared to the index of 15.3%.

The share price for the year increased from \$1.155 per share at 30 June 2016 to \$1.36 per share at the end of the financial year.

The management expense ratio, or MER for the year was 1.16%, down slightly from 1.20% in 2016. The slight decrease was as a result of market movement and a positive tax ruling

that the company has obtained, which have seen some expense reduced in the current year for GST reimbursements.

The company continued its on-market buyback program during the year ended 30 June 2017.

During the financial year ended 30 June 2017, there were 13,837,445 shares bought back at an average price of \$1.22 per share. This equated to an average share price discount of 12.0%.

A fully franked dividend of 4.5 cents per share was paid on the 22nd of September 2017, which included LIC capital gains attributable of 6.4 cents per share. This dividend is in excess of the 3.8 cents per share as per the dividend policy, as the directors wanted to ensure the continuity of the dividend rate.

The LIC capital gain component is a result of the company having paid tax on sufficient realised capital gains. Eligible shareholders are entitled to a tax deduction referable to the LIC capital gains component of their dividend. This enables those shareholders to benefit from the CGT discount on assets disposed of by the company as if they held and disposed of them directly.

The target dividend/distribution for the financial year ended 30 June 2018 is 4.5 cents per share, as determined by our existing distribution policy of a dividend of 3% of the NTA at the 30th of June in the prior period.

I would like to highlight some of the initiatives that the board has introduced, or continued, throughout the year to improve shareholder engagement, and to try and reduce the share price discount to NTA.

In March, we conducted our second annual investor briefings in Perth, Sydney and Melbourne, and expanded this year to reach shareholders in Adelaide and Brisbane. We have continued with our quarterly mail outs of the investment manager's quarterly review, and publishing NTA figures on a weekly basis. The monthly NTA disclosure was also improved to provide more information about the company to our shareholders.

The company has also increased the market exposure that it receives, with appearances by the portfolio manager in the financial press, and on television, to continue to tell the Templeton story.

As noted earlier, the company also continued an on-market buyback of up to 10% of the company's share capital, which was actively pursued at a range of discounts to the NTA.