



Securities Exchange Announcement

13 September 2021

Correction to Explanatory Memorandum

Templeton Global Growth Fund Limited (ASX: TGG) (“**TGG**” or the “**Company**”) refers to its announcement dated 26 August 2021 which attached a copy of the explanatory statement (“**Explanatory Memorandum**”) in relation to the proposed scheme of arrangement under which: (i) TGG has agreed to undertake a buy-back of fully paid ordinary shares in TGG (“**TGG Shares**”) (“**Buy-Back**”) and (ii) WAM Global has agreed to acquire all TGG Shares (other than TGG Shares held by eligible TGG shareholders who have validly accepted the Buy-Back offer) (“**Scheme**”) (together, “**Transaction**”).

Correction of typographical errors

There are two typographical errors in the numerical inputs to the worked example appearing on page 128 of the Explanatory Memorandum under the subheading “*Capital gain calculation for the receipt of New WAM Global Options*”. Despite these errors, the outcome of the two relevant calculations shown on page 128 is correct.

A revised version of the worked example on page 128, showing marked corrections, is attached.

TGG regrets any confusion this error may have caused.

Further Information

TGG encourages all TGG Shareholders to read the Explanatory Memorandum in its entirety before deciding whether to vote in favour of the Scheme at the Scheme Meeting or the Buy-Back Resolution at the General Meeting. For further information, shareholders should contact the Shareholder Information Line on 1300 145 831 (within Australia) and +61 3 9415 4832 (outside Australia) which is open between Monday and Friday from 8.30am to 5.30pm (Sydney time), or visit the FAQ page at www.tggftransaction.com.au.

– ENDS –

This announcement has been authorised for release by the TGG Board.

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- (iv) the date of acquisition for CGT purposes will be the Implementation Date. This date will be relevant for any future qualifications for the CGT discount with respect to CGT events happening to the New WAM Global Shares or New WAM Global Options.

It is expected that the specific allocation methodology will be provided in the ATO Class Ruling.

Example

Assuming TGG Shareholder A held 100 TGG Shares and has made an election to participate in the Scheme. TGG Shareholder A acquired the TGG Shares at \$1.60 per TGG Share and therefore has a total cost base of \$160.

Assuming the Exchange Ratio for the Scrip Consideration was 0.62, accordingly, TGG Shareholder A was given 62 New WAM Global Shares and 62 New WAM Global Options in exchange for their TGG Shares. The total market value of the New WAM Global Shares is \$162.44 (market value of \$2.62 per TGG Share x 62 shares) and the total market value of the New WAM Global Options is \$4.96 (market value of \$0.08 per option x 62 options).

Capital gain calculation for the receipt of New WAM Global Options

- (i) Cost base of TGG Shares attributable to the acquisition of New WAM Global Options
 $= \$160 \times \frac{\$4.96}{\$162.44} / (\$162.44 + \$4.96) = \4.74
- (ii) Capital proceeds of New WAM Global Options = \$4.96
- (iii) Assessable capital gain from the disposal of TGG Shares for the New WAM Global Options (before any eligible CGT discount) = $\$4.96 - \$4.74 = \$0.22$
- (iv) Capital gain attributable to the receipt of New WAM Global Options is not eligible to the CGT scrip for scrip roll-over. Accordingly, the capital gain should be taken into account in calculating TGG Shareholder A's net capital gain amount for the income year in which the Implementation Date is related to.

Capital gain calculation for the receipt of New WAM Global Shares

- (i) Cost base of TGG Shares attributable to the acquisition of New WAM Global Shares
 $= \$160 \times \frac{\$162.44}{\$162.44 + \$4.96} = \$155.26$
- (ii) Capital proceeds of New WAM Global Shares = \$162.44
- (iii) Assessable capital gain from the disposal of TGG Shares for the New WAM Global Shares = $\$162.44 - \$155.26 = \$7.18$
- (iv) TGG Shareholder A has chosen to apply the CGT scrip for scrip roll-over relief to the capital gains attributable to the receipt of the New WAM Global Shares.
- (v) Accordingly, the capital gain attributable to the receipt of the New WAM Global Shares is disregarded.

8.3.3 Non-resident TGG Shareholders

Non-resident TGG Shareholders who hold their TGG Shares on capital account should generally not be subject to the CGT rules in Australia on the disposal of their TGG Shares, provided their TGG Shares are not taxable Australian property.

The TGG Shares will only be taxable Australian property for non-resident TGG Shareholders who:

- (a) hold their TGG Shares in carrying on a business at or through a permanent establishment in Australia; or
- (b) are individuals who made an election to disregard a CGT event, capital gain or capital loss in respect of their TGG Shares when they ceased to be an Australian tax resident.