



## Templeton Global Growth Fund Ltd (“Company”) Distribution Policy

The intention of the Company is to pay annual distributions equivalent to not less than 3% of the value of the Company's pre-estimated tax Net Tangible Assets (“NTA”) at 30 June of the prior year. The distributions will comprise dividends franked to the extent possible. Where necessary to meet the minimum distribution levels, a return of capital may be distributed to make up the balance.

This policy reflects that in some circumstances the Corporations Act 2001 (Cth) may prevent or cast doubt on the ability of the Company to pay franked dividends other than out of profits.

### **DISTRIBUTION SOURCES:**

The dividends will be sourced from profits, and will be franked to the extent possible having regard to the Company's franking credit account balance. Where the profits from which the dividend may be sourced include net capital gains, and there are LIC capital gain amounts available, then these amounts will be paid to the extent possible. Any further distribution required to meet the 3% minimum annual distribution will be sourced from shareholders' funds and may require shareholder approval.

### **RATIONALE:**

The Company believes shareholders would welcome some level of certainty about the annual distribution expected from their investment. The Distribution Policy recognizes that the average dividend yield from international shares is lower than the average dividend yield on Australian shares.

The distributions made under this policy may be made as a final distribution at the time the Company declares its results for the financial year. This acknowledges the seasonality of the Company's dividend income, with a large proportion of dividend income being received in the later months of the Company's financial year. Where considered to be in the best interests of the Company, an interim distribution may be made.

The Dividend Reinvestment Plan (DRP) will be maintained for those shareholders who wish to reinvest in the Company, unless the Board deems it to not be in the best interests of the Company, and all shareholders, for a particular distribution. Generally, the DRP is not maintained while the Company is undertaking a buy-back.

Finally, this Distribution Policy will be subject to on-going review in light of experience and of the state of markets from time to time and shall be reviewed at least annually by the Board.

**Approved by the Templeton Global Growth Fund Ltd Board on 7 April 2020.**