



Templeton Global Growth Fund Ltd
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Media Release

Templeton Global Growth Fund Ltd Posts Solid Result and Announces Special Dividend

Thursday, 23 August 2018:

Templeton Global Growth Fund Ltd (ASX Ticker: TGG), an Australian listed investment company (LIC) providing investors with access to world equity markets, has delivered a strong result as at 30 June 2018, with key highlights including:

- A total shareholder return of 9.6%;
- A fully franked ordinary dividend of 4.5 cents per share and a special dividend delivering an additional 3.5 cents per share, also fully franked; and
- The benefit of LIC capital gains of 8.0 cents per share over both dividends to eligible shareholders.

TGG Non-Executive Chairman, Chris Freeman, said: “The board has remained focused on its strategy of improving investor confidence, which has included a greater level of engagement with shareholders, improved communications to the market along with an increasing media profile, and a share buy-back program. We are pleased to see that this strategy is paying off, as evidenced by the solid numbers we have seen in this result.”

“With a pre-tax discount to Net Tangible Assets of around 8%*, we believe TGG’s current share price represents a potentially good buying opportunity for investors. The board remains committed to narrowing the discount further,” added Mr. Freeman.

Time for value investing in non-US equities

Looking at global markets trends going forward, TGG continues to see a clear investing opportunity for value stocks outside the US.

TGG Portfolio Manager Peter Wilmshurst said: “As value style investors, we are not finding sufficient value on a bottom-up basis to justify benchmark-level exposure to the US. The market has benefited from high-tech exposure, pro-business reform and declining capital intensity, but we believe these trends are at risk of reversing. Critically, corporate earnings and stock market valuations look to be close to peak levels to us, and this seems a risky time to have a concentrated exposure in the US.”

European equities are experiencing their most extreme and sustained underperformance against the US in at least half a century, and the region is trading near its cheapest levels on record relative to the US.

“We have been identifying value opportunities in Europe, particularly in financial and energy stocks, and both the equity market rally and the economic recovery in Europe remain less mature than in the US, and we believe it has much more room to run. Highly valued growth and momentum stocks look most vulnerable to us in a climate of rising inflation and interest rates”, added Mr. Wilmshurst.

TGG listed in 1987 and is one of the oldest and lowest cost LICs in the global equities sector in Australia.

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About Templeton Global Growth Fund Ltd

Templeton Global Growth Fund Ltd [TGG] is a listed investment company on the Australian Stock Exchange (ASX). TGG was founded in 1987 to provide Australian investors with access to global equity markets. The investment manager of the company's investment portfolio is Franklin Templeton Investments Australia Limited. The investment portfolio is managed in accordance with the investment philosophy of the Templeton Global Equity Group, an investment group which is part of Franklin Resources, Inc. (NYSE:BEN), a global investment management organization operating as Franklin Templeton Investments.

For more information on TGG please visit www.tggf.com.au.

About Franklin Templeton Investments

Franklin Templeton Investments provides global and domestic investment management to retail, institutional and sovereign wealth clients in over 170 countries. Through specialized teams, the company has expertise across all asset classes—including equity, fixed income, alternative and custom solutions. The company's more than 650 investment professionals are supported by its integrated, worldwide team of risk management professionals and global trading desk network. With offices in over 30 countries, the California-based company has 70 years of investment experience and over A\$978 billion in assets under management as of June 30, 2018.

For more information, please visit www.franklintempleton.com.au.

*As at close of trade Friday, 17 August 2018

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