



ASX Announcement

18 October 2019

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

Templeton Global Growth Fund Ltd (ASX:TGG) announces Investment Management Agreement

Templeton Global Growth Fund Ltd (Company) has entered into a new Investment Management Agreement with incumbent manager Franklin Templeton Investments Australia Limited (FTIAL) which includes a reduction in management fees with a revised fee structure, better aligning the interests of the Investment Manager with the Company.

Effective 1 November 2019, the Investment Management Agreement is for a term of three years substantially on the same terms as the previous agreement but with a lower annual management fee of 0.75% that will be charged on the Company's market capitalisation and a capped performance fee.

The revised management fee represents a significant reduction in the previous management fee of 1.0% of net tangible assets (NTA). Further, by aligning the management fee with market capitalisation rather than the Net Asset Value (NAV) of the portfolio, the Board believes that the investment manager's interests are better aligned with shareholder interests and this also provides an additional incentive to reduce the discount to NTA.

To further align the investment manager with shareholder interests, FTIAL will receive a performance fee of 20% of outperformance against the MSCI World All Countries (Net Dividends) Index after allowing for management fees paid. This performance fee will be determined based on a three-year rolling period but will not commence until year three of the Investment Management Agreement. The total fees will also be capped at a maximum of 2% of net asset value (as at the end a financial year).

As part of its regular review of investment management services, the Board engaged an independent asset consultant to provide a review of the Company against its peers.

Based on the findings of the independent review and feedback from shareholders, the Board considered that most shareholders have invested to access the Templeton Global Equity long-term, value-based investment philosophy and therefore remaining with that philosophy and investment approach would continue to best serve shareholders' interests.

By order of the Board
Templeton Global Growth Fund Ltd

Chris Freeman
Chairman