



Company	Templeton Global Growth Fund
Code	TGG
Meeting	AGM
Date	22 October 2019
Venue	The Westin Melbourne
Proxy collector	John Whittington

Number attendees at meeting	Approximately 40
Number of holdings represented by ASA	29
Value of proxies	\$1.5m
Number of shares represented by ASA	1.247m (equivalent to 9th largest holder in Top 20)
Market capitalisation	\$254m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	No

A big protest vote but for what?

The meeting was a fairly reserved affair with the Chair outlining the key results of the year.

These were:

- Fully franked dividends of 5 and 2 cents per share and a yield of 5.8%
- Challenging year where performance was disappointing at 2.7% net of fees
- Net profit after tax (NPAT) was up to \$4.2m from \$3.5m
- Earnings per share (EPS) up slightly
- Management expense ratio down slightly
- Continued on-market buyback at an average 12% discount to NTA
- Renewed the investment management agreement for 3 years with a management fee reduction from 1% to 0.75% based on market capitalisation not NTA and a performance fee of 20% of excess performance above benchmark with total fee capped at 2%
- They now have a more concentrated portfolio of fewer holdings

The ASA asked how TGG votes their shareholdings. The decision on voting is made by the individual security analyst but influenced by proxy advisors. They have their own detailed proxy voting guidelines which are used in the decision. Voting is disclosed to the board but not to shareholders.

The meeting got more interesting when it came to the items requiring voting. Both directors up for election had proxies received before the meeting approximately balanced with the voting at the meeting giving a small majority in support of both of them so they were re-elected. Similarly, the vote on the remuneration report which only covers four non-executive directors who do not seem to be overpaid, was evenly balanced on proxies with the final result giving a small majority in favour but sufficient votes against to record a strike against the remuneration report. The resolution on the change of Auditor (following an Audit tender) was easily passed.

One the formal part of the meeting concluded the Portfolio Manager gave an outline of their current investment approach which was interesting and seemed to be appreciated by those there.

Following the meeting we discussed the protest votes with the Chair who indicated that he knew of no specific reasons for them but believed a major shareholder may have been involved.