



<b>Company</b>	Templeton Global Growth Fund Limited
<b>Code</b>	TGG
<b>Meeting</b>	AGM
<b>Date</b>	29 October 2020
<b>Venue</b>	Virtual Meeting - Lumi Platform
<b>Monitor</b>	Frank Thompson

<b>Number attendees at meeting</b>	Virtual - unknown
<b>Number of holdings represented by ASA</b>	21
<b>Value of proxies</b>	\$838,300
<b>Number of shares represented by ASA</b>	731,476
<b>Market capitalisation</b>	\$199.7m
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM-Meeting?</b>	No

## A Small Ex Australia LIC Struggling – Questions Avoided and Unanswered

Templeton Global Growth Fund, a listed investment company (LIC), invests in a globally diversified portfolio of international equities. The Company outsources its investment management and administration functions to Franklin Templeton Investments Australia Limited, a member of Franklin Resources Inc. The primary objective of the Company is to increase total shareholder returns through the achievement of superior investment performance. All meeting resolutions were carried on a poll. All ASA Proxies were voted in favour.

The meeting was conducted on the Lumi platform without video or photos. This made it feel very disconnected from shareholders and impersonal. It was conducted with little time for questions and really no time at all for follow up questions. Questions were fully presented but were largely addressed in a very superficial way, totally lacking in depth or substance. The lack of any ability to ask follow-up questions left them “hanging”, avoided and unanswered.

The ASA put 3 questions:

### 1. Strategic Review

TGG announced on Oct. 6 that it was undertaking a Strategic Structural Review. Additionally, it was noted that TGG’s MER is towards the top end of LICs. Regarding the review please advise:

- The full scope of this review and how it is expected to reflect in the performance of Shareholder Total Return including reduction in MER?
- Is the relationship with Franklin Templeton Investments Australia included and how the quality and cost (\$2.3m in 2020) of the services provided will be “Market Tested” to ensure value for money?
- When will the review be completed, including an implementation plan and what can be expected to be announced to shareholders?

## **2. Environment, Social and Governance (ESG)**

I noted little or no reference to ESG principles in the Annual Report. Please comment on TGG’s view regarding these principles, including how they impact on the long-term success of investments and how TGG include ESG principles in investment decisions.

## **3. Remuneration Report**

It was noted that the senior executives’ salaries/other payments are not detailed, but are included in the “Administration Fees”, as they are Franklin Templeton Investments Australia employees. This makes it impossible to make any assessment of the reasonableness of these salaries and how they ensure alignment of senior executives to TGG goals and the shareholder’s interests. Further, this makes it extremely difficult to fully assess the Remuneration Report. Will TGG consider disclosure in this area in future Annual Reports?

All were responded to. The first question regarding the Strategic Review was partially covered in the chair’s presentation but specifics of scope, relationships, value for money and implementation were either avoided or ignored by the chair. The second regarding ESG was held over for the Portfolio Managers presentation. The third regarding the Remuneration report was completely avoided and it would not be expected that future Annual Reports would change. Lack of time for questions and particularly follow up questions left a feeling of disempowerment and frustration with the ASA representative.

The meeting concluded with a 20 min presentation from the Portfolio Manager. In contrast to the answering of questions this was comprehensive, detailed and well presented. It fully and competently covered the second question on ESG noting that ESG is an important and comprehensive part of portfolio selection.