



FRANKLIN TEMPLETON
INVESTMENTS

Annual Report

April 30, 2017

TEMPLETON GROWTH FUND, LTD



Templeton Growth Fund, Ltd.

Dear Investor,

I am pleased to present the Annual Report for Templeton Growth Fund, Ltd., containing the audited financial statements for the fiscal year ended April 30, 2017.

Legacy is an important, but sometimes overlooked, quality in the financial services industry. In this first year in my new role as President and CEO of Templeton Growth Fund, Ltd., I find that the 60-plus-year history of this portfolio provides invaluable perspective on both where we have been as investors and where we are going.

Templeton Growth Fund, Ltd., was launched here in Canada in 1954. I feel privileged to be part of an investment organization that has delivered solid returns from world markets to Canadians for decades and throughout all types of economic and market cycles. Whether conditions were good, bad or uncertain for global equity investors, Templeton has been there.

Current market conditions have been generally favourable, especially in the past fiscal year. Yet numerous risk factors remain an acute focus for policymakers and everyday investors alike. The growth-friendly policies of the Donald Trump administration in the United States have boosted stocks, but have also increased worries about protectionism. Europe has been exhibiting some encouraging economic indicators, but the effects of populist movements in the region and the future unfolding of Brexit remain to be seen.

As investors, we are in a time of incredible change, but also uncertainty. Such conditions bring about opportunities that can often be best accessed through active management with a long-term focus. From its very beginnings, this Fund has been based on the philosophy of seeking value in markets and sectors that most other investors are overlooking.

It may seem that the pace of change in the world now is unprecedented. However, the Fund, with the investment principles it was founded upon, has experienced changes of this scale before, and has built upon them throughout our long history. I invite you to read the Message to Shareholders from Lead Manager James Harper to see how the Fund's long-term active management strategy has been applied and what opportunities it has uncovered. I also encourage you to review the Fund's annual Management Report of Fund Performance, which also contains important information on the Fund's activities in the past year and its outlook.

On behalf of Franklin Templeton Investments, I wish you all the best and thank you for your continued investment with us.

Sincerely,



Duane Green
President and Chief Executive Officer
Templeton Growth Fund, Ltd.

Templeton Growth Fund, Ltd.

MESSAGE TO SHAREHOLDERS

Dear Shareholder,

The words of Sir John Templeton, the founder of Templeton Growth Fund, Ltd., seem to ring louder whenever we as investors experience a flurry of global change. In the past 12 months, we have seen a majority of voters in the United Kingdom choosing Brexit, a U.S. presidential election result considered unexpected by many and the mounting human cost of conflict in the Middle East, plus many other pivotal events.

Sir John was famous for much quotable wisdom with respect to investing, but one phrase in particular stands out to us at this juncture: “To get a bargain price, you’ve got to look for where the public is most frightened and pessimistic.”

The many news events occurring during the Fund’s fiscal year have given the broad market many reasons to be overly pessimistic in some areas. At Templeton, we are active, fundamentals-based, stock-by-stock investors, and therefore focus more on where our research has identified compelling opportunities rather than where the general public is temporarily the most fearful. Our adherence to this time-tested investment mandate has helped the Fund generate gross-of-fees relative outperformance over the past 12 months.

A good example of this discipline can be found in the strong performance of our Information Technology holdings. It’s likely you remember that in late 2016, Samsung Electronics Co. Ltd. recalled its handset product, the Galaxy Note 7. This product recall represented a serious safety and consumer protection issue, and understandably it resulted in a souring of public opinion against Samsung. Shares of the company also sold off on the bad news, in addition to other pressures affecting the sector as whole. While we were similarly concerned about the recall, we never forgot the reasons we remained investors in the company: our analysis indicated that its share price did not take into account its prime position in major markets, its diverse business and its shareholder-friendly policies, with the broader market seemingly focussing only on the recall and other issues we viewed as important but temporary. Samsung bounced back during the past 12 months on strong earnings, and delivered good returns for our investors.

Canadian investors are also no stranger to the ups and downs of oil markets and the Energy sector. This is another area where a downturn in sentiment, stemming largely from global supply–demand imbalances, caused the broad market to overlook companies in this sector. However, our view has been that oil price declines would be temporary, and the agreements among members of the Organization of the Petroleum Exporting Countries and other nations on production cuts will eventually help resolve the supply–demand problems. Energy can be a volatile sector, and we will continue to monitor our holdings closely as economic conditions change, but overall we are continuing to find value in companies that adapted to the low-price environment and are poised to emerge stronger in a more balanced market.

In contrast, there are other sectors that have not performed as well for us, and where we as investors need to be patient to see the value we had previously identified come to fruition. Over the past 12 months, it has been hard to avoid the sensationalist media coverage of the U.S. presidential election, and one of the most talked-about issues in that election and in its aftermath has been health care. Political wrangling over matters of drug pricing and public policy reforms created significant uncertainty in the Health Care sector, which impacted our holdings along with company-specific concerns.

However, our position is to look beyond the media noise and focus on companies that exhibit the qualities of innovation that can meet future needs of the market, and that can benefit from secular drivers such as increased pharmaceuticals sales in the United States, the “greying” of the world’s population and the move of emerging markets towards greater health care spending.

All of the overlooked opportunities previously discussed, and others that generated solid returns this year, were made possible by our active management and long-term value-focussed mandate. The past 12 months have been indicative of times when a brief spate of bad news or excessive worry can create temporary dislocations in stock markets. Recognizing and capitalizing on those dislocations is one of the best ways for investors to position themselves for returns above those of the general market.

Templeton Growth Fund, Ltd.

We maintain that a long-term focus is better suited to this task than other types of investment strategies, especially as we enter a period following record-high markets where the potential for similarly robust future gains is less certain. We thank you for continually making active management and long-term thinking part of your investment portfolio, and wish you all the best for the next year.

Regards,

A handwritten signature in black ink that reads "James Harper". The signature is written in a cursive, flowing style.

James Harper, CFA
Templeton Global Advisors Limited
Lead Portfolio Manager
Templeton Growth Fund, Ltd.

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Templeton Growth Fund, Ltd.

SCHEDULE OF INVESTMENTS As at April 30, 2017

	Shares	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 94.44%			
COMMON STOCKS: 94.24%			
United States: 33.79%			
Allergan PLC.....	46,886	\$ 11,340	\$ 15,606
Alphabet Inc., A.....	24,560	18,756	30,992
American International Group Inc.....	174,700	10,289	14,524
AmerisourceBergen Corp.....	74,780	7,716	8,375
Amgen Inc.....	109,140	6,161	24,329
Apache Corp.....	198,790	13,043	13,197
Apple Inc.....	230,640	29,697	45,221
Baker Hughes Inc.....	69,890	3,171	5,663
Capital One Financial Corp.....	173,170	15,893	18,999
CF Industries Holdings Inc.....	197,100	7,631	7,194
Citigroup Inc.....	292,260	8,706	23,583
Comcast Corp., A.....	648,260	12,250	34,676
DXC Technology Co.....	51,124	4,713	5,257
Eastman Chemical Co.....	79,640	7,379	8,669
Eli Lilly & Co.....	79,850	8,787	8,943
Gilead Sciences Inc.....	206,020	4,208	19,276
Halliburton Co.....	84,495	3,855	5,291
Hewlett Packard Enterprise Co.....	595,130	7,752	15,133
JPMorgan Chase & Co.....	256,640	11,460	30,475
Knowles Corp.....	455,250	7,974	11,017
LyondellBasell Industries NV, A.....	64,600	7,583	7,474
Medtronic PLC.....	173,980	7,256	19,731
Microsoft Corp.....	358,200	10,603	33,471
Navistar International Corp.....	260,770	9,585	9,578
NetScout Systems Inc.....	96,390	3,722	4,953
Oracle Corp.....	573,820	23,976	35,213
Perrigo Co. PLC.....	134,130	14,892	13,536
Twenty-First Century Fox Inc., A.....	446,630	7,005	18,617
United Parcel Service Inc., B.....	48,313	3,476	7,086
Voya Financial Inc.....	292,660	11,248	14,932
Walgreens Boots Alliance Inc.....	134,130	6,439	15,843
Zebra Technologies Corp., A.....	97,790	8,151	12,583
		<u>314,717</u>	<u>539,437</u>
United Kingdom: 9.69%			
Aviva PLC.....	993,308	14,624	9,211
Barclays PLC.....	1,552,263	8,078	5,825
BP PLC.....	3,521,500	29,307	27,549
Cobham PLC.....	3,557,860	7,660	8,335
Cobham PLC, Rights, 5/4/2017.....	1,423,144	—	1,434
HSBC Holdings PLC.....	1,731,522	25,190	19,522
Johnson Matthey PLC.....	156,890	7,789	8,263
LivaNova PLC.....	126,080	7,526	9,069
Man Group PLC.....	3,052,644	7,838	8,295
Royal Dutch Shell PLC, A.....	8,225	—	291
Royal Dutch Shell PLC, B.....	489,651	18,071	17,768
Standard Chartered PLC.....	1,135,011	18,015	14,472

The accompanying notes are an integral part of these financial statements.

Templeton Growth Fund, Ltd.

SCHEDULE OF INVESTMENTS As at April 30, 2017 (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
United Kingdom: 9.69% (Continued)			
Vodafone Group PLC.....	7,024,689	\$ 32,511	\$ 24,721
		<u>176,609</u>	<u>154,755</u>
France: 8.04%			
AXA SA	455,930	13,837	16,615
BNP Paribas SA.....	334,430	15,953	32,210
Cie Generale des Etablissements Michelin, B.....	136,420	17,270	24,329
Compagnie de Saint-Gobain.....	229,758	10,615	16,926
Sanofi	94,430	8,710	12,160
Total SA, B.....	372,920	29,095	26,154
		<u>95,480</u>	<u>128,394</u>
Japan: 7.79%			
IHI Corp.....	4,267,980	13,457	19,760
Konica Minolta Inc.	654,400	6,961	7,895
Nissan Motor Co. Ltd.....	1,775,190	18,607	23,015
Panasonic Corp.....	1,198,130	15,774	19,526
SoftBank Group Corp.	191,450	14,765	19,796
Sumitomo Mitsui Financial Group Inc.	261,490	11,753	13,209
Suntory Beverage & Food Ltd.	346,130	13,767	21,134
		<u>95,084</u>	<u>124,335</u>
South Korea: 4.48%			
Hyundai Motor Co.	45,990	8,275	7,947
KB Financial Group Inc.	325,990	17,038	19,598
Samsung Electronics Co. Ltd.	16,427	9,657	43,977
		<u>34,970</u>	<u>71,522</u>
Netherlands: 4.43%			
Aegon NV.....	2,033,075	18,718	14,143
Akzo Nobel NV	92,704	5,359	11,065
ASR Nederland NV	250,260	7,085	10,104
ING Groep NV.....	946,657	20,949	21,035
QIAGEN NV.....	351,452	8,576	14,344
		<u>60,687</u>	<u>70,691</u>
Germany: 4.23%			
Bayer AG	55,190	8,401	9,322
Deutsche Lufthansa AG	506,420	12,478	11,927
Lanxess AG.....	120,980	7,427	11,925
Merck KGaA.....	93,080	4,700	14,918
MorphoSys AG	91,320	8,642	7,565
Siemens AG	60,370	5,642	11,812
		<u>47,290</u>	<u>67,469</u>
China: 4.20%			
Baidu Inc., American Depositary Receipt	111,260	24,395	27,370
China Life Insurance Co. Ltd., H.....	4,009,650	16,352	16,640
China Mobile Ltd.	1,036,500	12,824	15,087
China Telecom Corp. Ltd., H.....	12,022,000	7,556	8,016
		<u>61,127</u>	<u>67,113</u>

The accompanying notes are an integral part of these financial statements.

Templeton Growth Fund, Ltd.

SCHEDULE OF INVESTMENTS As at April 30, 2017 (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Italy: 2.32%			
Eni SpA	638,150	\$ 15,596	\$ 13,539
Tenaris SA	326,590	5,492	6,982
UniCredit SpA	739,883	52,907	16,435
		<u>73,995</u>	<u>36,956</u>
Switzerland: 2.06%			
ABB Ltd.	406,140	6,498	13,570
Roche Holding AG	54,300	8,916	19,387
		<u>15,414</u>	<u>32,957</u>
Singapore: 1.92%			
Singapore Telecommunications Ltd.	4,727,140	11,173	17,272
United Overseas Bank Ltd.	625,630	12,017	13,324
		<u>23,190</u>	<u>30,596</u>
Hong Kong: 1.60%			
AIA Group Ltd.	1,040,960	2,952	9,836
CK Hutchison Holdings Ltd.	919,938	13,946	15,683
		<u>16,898</u>	<u>25,519</u>
Denmark: 1.45%			
DONG Energy AS.	218,110	10,434	11,727
H. Lundbeck AS.	163,840	4,624	11,462
		<u>15,058</u>	<u>23,189</u>
Canada: 1.17%			
Silver Wheaton Corp.	284,370	7,151	7,746
Suncor Energy Inc.	254,600	9,345	10,892
		<u>16,496</u>	<u>18,638</u>
Norway: 1.16%			
Telenor ASA	667,160	13,511	14,724
Yara International ASA	75,390	3,743	3,827
		<u>17,254</u>	<u>18,551</u>
Portugal: 1.04%			
Galp Energia SGPS SA, B	785,370	12,524	16,663
Israel: 1.02%			
Teva Pharmaceutical Industries Ltd., American Depositary Receipt.	376,540	16,390	16,230
Belgium: 0.98%			
UCB SA	146,590	13,171	15,596
Sweden: 0.91%			
Getinge AB, B	541,640	17,414	14,447
Thailand: 0.79%			
Bangkok Bank PCL, Foreign Traded Security	1,704,910	11,400	12,580
Ireland: 0.75%			
CRH PLC	240,208	6,718	11,955
Luxembourg: 0.42%			
SES SA, International Depositary Receipt	225,271	6,901	6,724
Total Common Stocks:		<u>1,148,787</u>	<u>1,504,317</u>

The accompanying notes are an integral part of these financial statements.

Templeton Growth Fund, Ltd.

SCHEDULE OF INVESTMENTS As at April 30, 2017 (Continued)

	Units/ Shares	Average Cost (000s)	Fair Value (000s)
UNDERLYING FUNDS: 0.20%			
Templeton China Opportunities Fund, AS†	156,370	\$ 1,605	\$ 3,189
Total Underlying Funds:		<u>1,605</u>	<u>3,189</u>
Total Investments:		<u>1,150,392</u>	<u>1,507,506</u>
		Principal Amount in Currency of Issue	
SHORT-TERM SECURITIES: 5.37%			
Bank of Montreal, Term Deposit, 0.40%, 5/1/2017	85,800,000 CAD	85,800	85,800
Total Short-Term Securities:		<u>85,800</u>	<u>85,800</u>
TOTAL INVESTMENTS: 99.81%		<u>\$ 1,236,192</u>	1,593,306
NET UNREALIZED LOSS ON DERIVATIVES:			(12)
OTHER ASSETS, less liabilities: 0.19%			<u>3,028</u>
TOTAL NET ASSETS: 100.00%			<u>\$ 1,596,322</u>

† A sub-fund of Franklin Templeton Investments funds, which are managed by an affiliate of the Manager and organized under the laws of Luxembourg as a Société d'Investissement à Capital Variable (SICAV), an open-end investment company.

SCHEDULE OF DERIVATIVE INSTRUMENTS (As at April 30, 2017)

FORWARD FOREIGN EXCHANGE CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency to be Delivered (000s)	Par Value in Canadian Dollars (000s)	Currency to be Received (000s)	Par Value in Canadian Dollars (000s)	Contract Price	Unrealized Gain (Loss) (000s)
HSBC BANK PLC	AA-	May 29, 2017	616 JPY	\$ 8	8 CAD	\$ 8	\$0.0123	\$ —
Total Number of Contracts								\$ —
BANK OF AMERICA, N.A.	A+	May 30, 2017	22 GBP	39	38 CAD	38	1.7416	(1)
BARCLAYS BANK PLC	A-	May 29, 2017	7 EUR	11	11 CAD	11	1.4845	—
BARCLAYS BANK PLC	A-	May 29, 2017	200 EUR	298	297 CAD	297	1.4845	(1)
BARCLAYS BANK PLC	A-	May 29, 2017	7,044 JPY	86	86 CAD	86	0.0122	—
BARCLAYS BANK PLC	A-	May 30, 2017	37 GBP	65	64 CAD	64	1.7416	(1)
BARCLAYS BANK PLC	A-	May 30, 2017	129 USD	177	176 CAD	176	1.3575	(1)
CITIBANK NA	A+	May 29, 2017	14 EUR	20	20 CAD	20	1.4834	—
CITIBANK NA	A+	May 29, 2017	5,355 JPY	65	65 CAD	65	0.0122	—
CREDIT SUISSE INTERNATIONAL	A	May 30, 2017	24 GBP	43	42 CAD	42	1.7418	(1)
HSBC BANK PLC	AA-	May 29, 2017	4,652 JPY	57	57 CAD	57	0.0122	—
HSBC BANK PLC	AA-	May 30, 2017	29 GBP	51	50 CAD	50	1.7412	(1)
HSBC BANK PLC	AA-	May 30, 2017	540 USD	737	733 CAD	733	1.3576	(4)
JPMORGAN CHASE BANK, N.A.	A+	May 30, 2017	34 USD	46	46 CAD	46	1.3575	—
UBS AG	A+	May 29, 2017	196 EUR	292	291 CAD	291	1.4837	(1)
UBS AG	A+	May 29, 2017	825 HKD	145	144 CAD	144	0.1746	(1)
UBS AG	A+	May 30, 2017	4 USD	6	6 CAD	6	1.3579	—
UBS AG	A+	May 30, 2017	13 GBP	22	22 CAD	22	1.7416	—
UBS AG	A+	May 30, 2017	55 USD	75	75 CAD	75	1.3579	—
Total Number of Contracts								\$(12)
Net Unrealized Loss on Forward Exchange Contracts								\$(12)

The accompanying notes are an integral part of these financial statements.

Templeton Growth Fund, Ltd.

STATEMENTS OF FINANCIAL POSITION

	As at April 30, 2017 <u>(000s)</u>	As at April 30, 2016 <u>(000s)</u>
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 1,593,306	\$ 1,442,563
Cash		
Canadian	458	255
Foreign	—	233
Receivables		
Subscription of redeemable shares	114	94
Dividends, interest and withholding tax	6,015	6,380
Refundable income taxes (Note 3(i))	184	478
Current income taxes (Note 3(i))	2,270	—
Unrealized gain on derivatives	—	19
	<u>1,602,347</u>	<u>1,450,022</u>
Liabilities		
Current liabilities		
Payables		
Investment securities purchased	536	—
Redemption of redeemable shares	948	934
Management fees	2,042	2,044
Fixed administration fees	399	406
Current income taxes (Note 3(i))	—	2,784
Future income taxes (Note 3(i))	2,088	2,190
Unrealized loss on derivatives	12	5
Other liabilities (Note 5(f))	—	1
	<u>6,025</u>	<u>8,364</u>
Net assets attributable to holders of redeemable shares	<u>\$ 1,596,322</u>	<u>\$ 1,441,658</u>
Net assets attributable to holders of redeemable shares per series (000s)		
Series A	\$ 1,164,017	\$ 1,123,797
Series A (Hedged)	2,772	5,448
Series F	22,550	54,364
Series I	55,067	44,459
Series PF (formerly Series M)	78,326	10,092
Series O	273,590	203,498
Number of redeemable shares outstanding (Note 4)		
Series A	60,912,162	73,300,636
Series A (Hedged)	195,211	461,104
Series F	1,011,804	3,073,038
Series I	2,454,051	2,496,451
Series PF (formerly Series M)	6,708,492	1,092,606
Series O	9,654,836	9,173,922
Net assets attributable to holders of redeemable shares per share — CAD		
Series A	\$ 19.11	\$ 15.33
Series A (Hedged)	14.20	11.81
Series F	22.29	17.69
Series I	22.44	17.81
Series PF (formerly Series M)	11.68	9.24
Series O	28.34	22.18
Net assets attributable to holders of redeemable shares per share — USD		
Series A	\$ 14.00	\$ 12.22
Series F	16.33	14.11
Series I	16.44	14.20
Series PF (formerly Series M)	8.56	7.37
Series O	20.76	17.69

Signed on behalf of Templeton Growth Fund., Ltd.

(Signed) Linda Currie
Director

(Signed) Stuart Douglas
Director

The accompanying notes are an integral part of these financial statements.

Templeton Growth Fund, Ltd.

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended April 30, 2017 and 2016

	2017	2016
	(000s)	(000s)
Income		
Dividends	\$ 41,319	\$ 49,888
Interest for distribution purposes (Note 3(h))	205	174
Net realized and/or unrealized foreign exchange gain (loss)	568	(1,212)
Net realized gain (loss) on investments and derivatives	94,666	157,727
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	<u>236,125</u>	<u>(298,046)</u>
Total income (loss), net	<u>372,883</u>	<u>(91,469)</u>
Expenses		
Management fees (Note 5(a))	24,461	27,378
Fixed administration fees (Note 5(b))	4,844	5,408
Directors' fees	145	190
Investor meeting costs	264	290
Independent review committee fees	<u>2</u>	<u>2</u>
Operating expenses before amounts waived/paid by Manager	29,716	33,268
Operating expenses waived/paid by Manager (Note 5(b))	<u>(57)</u>	<u>(62)</u>
Total expenses, net	<u>29,659</u>	<u>33,206</u>
Net income (loss) before income taxes	343,224	(124,675)
Income taxes		
Current	5,467	8,096
Future	<u>(102)</u>	<u>54</u>
Total income taxes	<u>5,365</u>	<u>8,150</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>\$ 337,859</u>	<u>\$ (132,825)</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per series (000s)		
Series A	\$ 250,995	\$ (109,712)
Series A (Hedged)	731	(513)
Series F	10,152	(4,656)
Series I	11,569	(3,752)
Series PF (formerly Series M)	9,019	(513)
Series O	55,393	(13,679)
Weighted average number of shares outstanding		
Series A	67,650,771	77,950,588
Series A (Hedged)	336,521	350,853
Series F	2,357,175	2,969,353
Series I	2,502,194	2,508,865
Series PF (formerly Series M)	3,284,824	543,126
Series O	8,957,487	9,430,009
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share		
Series A	\$ 3.71	\$ (1.41)
Series A (Hedged)	2.17	(1.47)
Series F	4.31	(1.57)
Series I	4.62	(1.50)
Series PF (formerly Series M)	2.74	(0.95)
Series O	6.18	(1.45)

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Templeton Growth Fund, Ltd.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the periods ended April 30, 2017 and 2016 (in 000s)

	All Series		Series A		Series A (Hedged)	
	2017	2016	2017	2016	2017	2016
Net assets attributable to holders of redeemable shares at beginning of period	\$1,441,658	\$1,717,722	\$1,123,797	\$1,382,975	\$ 5,448	\$ 4,309
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	337,859	(132,825)	250,995	(109,712)	731	(513)
Distributions to holders of redeemable shares						
From net investment income	—	(1,202)	—	(965)	—	(3)
From net realized gains on investments	—	—	—	—	—	—
From return of capital	—	—	—	—	—	—
Total distributions to holders of redeemable shares	—	(1,202)	—	(965)	—	(3)
Redeemable shares transactions						
Subscriptions	161,927	104,557	30,030	41,729	416	1,732
Reinvestments	—	1,141	—	922	—	—
Redemptions	(345,122)	(247,735)	(240,805)	(191,152)	(3,823)	(77)
Net increase (decrease) from redeemable shares transactions	(183,195)	(142,037)	(210,775)	(148,501)	(3,407)	1,655
Increase (decrease) in net assets attributable to holders of redeemable shares	154,664	(276,064)	40,220	(259,178)	(2,676)	1,139
Net assets attributable to holders of redeemable shares at end of period	<u>\$1,596,322</u>	<u>\$1,441,658</u>	<u>\$1,164,017</u>	<u>\$1,123,797</u>	<u>\$ 2,772</u>	<u>\$ 5,448</u>

	Series F		Series I		Series PF (formerly Series M)	
	2017	2016	2017	2016	2017	2016
Net assets attributable to holders of redeemable shares at beginning of period	\$ 54,364	\$ 52,586	\$ 44,459	\$ 48,170	\$10,092	\$ —
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	10,152	(4,656)	11,569	(3,752)	9,019	(513)
Distributions to holders of redeemable shares						
From net investment income	—	(39)	—	(36)	—	—
From net realized gains on investments	—	—	—	—	—	—
From return of capital	—	—	—	—	—	—
Total distributions to holders of redeemable shares	—	(39)	—	(36)	—	—
Redeemable shares transactions						
Subscriptions	15,981	19,049	3,735	8,556	63,471	11,883
Reinvestments	—	36	—	27	—	—
Redemptions	(57,947)	(12,612)	(4,696)	(8,506)	(4,256)	(1,278)
Net increase (decrease) from redeemable shares transactions	(41,966)	6,473	(961)	77	59,215	10,605
Increase (decrease) in net assets attributable to holders of redeemable shares	(31,814)	1,778	10,608	(3,711)	68,234	10,092
Net assets attributable to holders of redeemable shares at end of period	<u>\$ 22,550</u>	<u>\$ 54,364</u>	<u>\$ 55,067</u>	<u>\$ 44,459</u>	<u>\$78,326</u>	<u>\$10,092</u>

	Series O	
	2017	2016
Net assets attributable to holders of redeemable shares at beginning of period	\$ 203,498	\$ 229,682
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	55,393	(13,679)
Distributions to holders of redeemable shares		
From net investment income	—	(159)
From net realized gains on investments	—	—
From return of capital	—	—
Total distributions to holders of redeemable shares	—	(159)
Redeemable shares transactions		
Subscriptions	48,294	21,608
Reinvestments	—	156
Redemptions	(33,595)	(34,110)
Net increase (decrease) from redeemable shares transactions	14,699	(12,346)
Increase (decrease) in net assets attributable to holders of redeemable shares	70,092	(26,184)
Net assets attributable to holders of redeemable shares at end of period	<u>\$ 273,590</u>	<u>\$ 203,498</u>

The accompanying notes are an integral part of these financial statements.

Templeton Growth Fund, Ltd.

STATEMENTS OF CASH FLOWS

For the periods ended April 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
	(000s)	(000s)
Cash flows from operating activities		
Interest received	\$ 205	\$ 174
Dividends received, net of withholding taxes	35,059	38,009
Proceeds from sale and maturity of investments	601,925	414,212
Purchases of investments	(416,669)	(278,127)
Receipts on settlement of derivative activities	559	640
Payments on settlement of derivative activities	(684)	(813)
Realized foreign exchange gain/(loss)	(1,481)	(278)
Taxes paid	(6,660)	(580)
Taxes refunded	345	3,806
Operating expenses paid	(29,667)	(34,236)
Net cash from/(used in) operating activities	<u>182,932</u>	<u>142,807</u>
Cash flows from financing activities		
Proceeds from issuances of redeemable shares	161,909	104,592
Amounts paid on redemption of redeemable shares	(345,125)	(247,465)
Distributions paid to holders of redeemable shares, net of reinvested distributions	—	(61)
Net cash from/(used in) financing activities	<u>(183,216)</u>	<u>(142,934)</u>
Net increase (decrease) in cash	(284)	(127)
Cash at beginning of period	488	607
Effect of exchange rate changes	254	8
Cash at end of year	<u>\$ 458</u>	<u>\$ 488</u>

The accompanying notes are an integral part of these financial statements.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016

1. Organization

(a) Inception and Financial Reporting Dates

Templeton Growth Fund, Ltd. (the "Fund"), is an open-ended mutual fund corporation incorporated under the laws of Canada on September 1, 1954 and continued under the *Canada Business Corporations Act* on July 20, 1979.

Franklin Templeton Investments Corp., a corporation duly incorporated under the laws of the Province of Ontario (hereinafter called the "Manager"), having an office at 200 King Street West, Suite 1500, Toronto, Ontario M5H 3T4 and an indirectly wholly owned subsidiary of Franklin Resources Inc. ("FRI"), a United States Securities and Exchange Commission (SEC) registered company listed on the New York Stock Exchange, is the Manager and Transfer Agent of the Fund.

The Fund launched Series A shares on November 29, 1954, Series F, I and O shares on November 24, 2000, Series A (Hedged) on March 22, 2013 and Series PF (formerly Series M) on June 15, 2015.

The Fund seeks to provide long-term capital appreciation by investing primarily in equity securities of companies around the world, and fixed income securities issued by governments or companies of any country. Series A (Hedged) seeks to provide long-term capital appreciation, while attempting to reduce the potential effects of exchange rate fluctuations between the Canadian dollar and global currencies within the Fund's portfolio by investing in forward contracts.

The financial statements of the Fund include the Schedule of Investments and Schedule of Derivative Instruments as at April 30, 2017. The Statements of Financial Position as at April 30, 2017 and April 30, 2016. The Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Shares and Cash Flows for the Fund are for the periods ended April 30, 2017 and 2016.

These financial statements have been authorized for issue by the Board of Directors of Templeton Growth Fund, Ltd. on May 23, 2017.

(b) Fund Events

The Fund commenced the offering of Series M shares on June 15, 2015. Effective October 3, 2016, Series M was renamed as Series PF.

2. Basis of Presentation of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities (including derivatives) at fair value through profit or loss.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented.

3. Summary of Significant Accounting Policies

The significant accounting policies are as follows:

(a) Classification of financial assets and liabilities — The Fund's financial assets and financial liabilities, other than derivatives, are designated at fair value through profit or loss at inception, as those financial assets and liabilities are managed together and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. Derivatives are classified as held for trading and measured at fair value through profit or loss. Unrealized gains (losses) arising on derivatives, are shown on the Statements of Financial Position and such amounts are included in the Statements of Comprehensive Income in net change in unrealized appreciation (depreciation) in value of investments and derivatives, where applicable. Realized gains (losses) arising on derivatives during a period are included in the Statements of Comprehensive Income in net realized gain (loss) on investments and derivatives, where applicable. Refer to Note 12(b) for net gains (losses) on financial instruments by category.

The Fund's obligation for net assets attributable to holders of redeemable shares is presented at the redemption amount. All other financial assets and liabilities are carried at amortized cost which approximates fair value due to their short-term nature.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

3. Summary of Significant Accounting Policies (Continued)

The net asset value ("NAV") is the value of the total assets of the Fund less the value of its total liabilities determined, on each valuation day, in accordance with Part 14 of National Instrument (NI) 81-106 *Investment Fund Continuous Disclosure* for the purpose of processing shareholder transactions (herein called the "Trading NAV"). Net assets are determined in accordance with IFRS (herein called the "IFRS NAV") and may differ to the Fund's Trading NAV. Where the Fund's Trading NAV is not equal to its IFRS NAV, a reconciliation is shown in Note 11.

- (b) **Classification of redeemable shares** — The Fund's outstanding redeemable shares' entitlements include a contractual obligation to distribute any net income and net realized capital gains annually in cash (at the request of the shareholder) and therefore the ongoing redemption feature is not the shares' only contractual obligation. In addition, the Fund has multiple features across the different series of the Fund. Consequently, the Fund's outstanding redeemable shares are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 "*Financial Instruments: Presentation*".
- (c) **Valuation of series** — A separate net assets per share is calculated for each series of shares in the Fund. The net assets of a series is computed by calculating the series' proportionate share of the assets and liabilities of the Fund common to all series, adjusted for the assets and liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses, investment income, realized and unrealized capital and foreign exchange gains and losses are allocated proportionately to each series based upon the relative net assets of each series with the exception of gains and losses arising from the hedging strategy, utilizing forward foreign exchange contracts, which is allocated to Series A (Hedged) only.
- (d) **Valuation of investments** — Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value of equity securities and derivative financial instruments (derivatives) traded in active markets is measured at quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will review and apply a price within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Over the counter ("OTC") securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Fund uses multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, a market-based approach utilizing quotes from market makers is used to determine fair value. In instances where sufficient market activity may not exist or is limited, proprietary valuation models are used, which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing or principal repayments, underlying collateral and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

The Fund has procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Under these fair valuation procedures, the Fund primarily employs a market-based approach, which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine its fair value. The Fund may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Investments in Templeton China Opportunities Fund ("TCOF") are made in Series F1, denominated in USD, and valued at the CAD equivalent of the closing net asset value on valuation day.

All security valuation techniques are periodically reviewed by the Valuation Committee of the Manager and are approved by the Manager. The Valuation Committee provides administration and oversight of the Fund's valuation policies and procedures. These procedures allow the Valuation Committee to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

3. Summary of Significant Accounting Policies (Continued)

(e) **Derivatives** — The Fund may invest in derivatives in order to manage risk or gain exposure to various other investments or markets. Derivatives may be used for trading purposes where the Portfolio Manager believes this would be more effective than investing directly in the underlying financial instruments. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial investment that is smaller than would normally be required to have similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements, which expose the Fund to gains and losses in excess of the amounts shown on the Statements of Financial Position. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statements of Comprehensive Income.

(i) **Foreign/Forward exchange contracts** — In the case of Series A (Hedged), a hedging strategy is used that seeks to reduce, as far as possible, the influence of changes in the exchange rate between the Canadian dollar and the currencies of securities held by the Fund's portfolio on the portion of the Fund's net assets attributable to Series A (Hedged) shares outstanding by investing in forward foreign exchange contracts. A foreign exchange contract is an agreement between two parties to exchange different currencies at an agreed upon exchange rate at a future date. The gains or losses on the contracts accrue solely to the Series A (Hedged).

(f) **Offsetting of derivative financial instruments** — Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association ("ISDA") master agreements with certain counterparties. These agreements contain various provisions, including but not limited to enforceable master netting arrangements, collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Fund include failure of the Fund to maintain certain net asset levels and/or, limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded to one net amount, payable by one counterparty to the other, however, absent an event of default or early termination, OTC derivatives assets and liabilities are settled on a gross basis, presented gross, and not offset in the Statements of Financial Position. Early termination by the counterparty may result in an immediate payment by the Fund of any net liability owed to that counterparty under ISDA agreement.

See Note 12(a) for details of derivative assets and liabilities presented gross, amounts available for offset and collateral amounts pledged or held in trust for the Fund.

(g) **Transaction costs** — Transaction costs, such as brokerage commissions, incurred on the purchase and sale of a security are included in the cost of a security.

Investments in Underlying Funds, managed by the Manager or an affiliate of the Manager ("Underlying Funds"), do not incur transaction costs on those transactions.

(h) **Security transactions, investment income, expenses and distributions** — Security transactions are recorded on the trade date. Estimated expenses are accrued daily. Dividend income, distributions received from Underlying Funds and distributions to shareholders are recorded on the ex-dividend date.

Interest in distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund and is accrued daily.

Realized and unrealized gains or losses on security transactions are determined on an average cost basis.

(i) **Taxes** — The Fund presently qualifies as a "mutual fund corporation" as defined in the *Income Tax Act* (Canada) (the "Act") and the *Ontario Corporations Tax Act*.

As a mutual fund corporation, taxable dividends received from taxable Canadian corporations are subject to a tax of 38 1/3%. Such taxes are fully refundable upon payment of taxable dividends to its share holders on a basis of \$1 for every \$2.61 of dividends paid. Any such tax paid is reported as an amount receivable until recovered through the payment to shareholders of dividends out of net investment income. Interest income and foreign dividends, net of applicable expenses, are taxed at full corporate rates with credits, subject to certain limitations, for foreign taxes paid.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

3. Summary of Significant Accounting Policies (Continued)

Future income tax liabilities are recorded in the financial statements due to temporary differences related to accrued dividend income.

For the years ended April 30, 2017 and April 30, 2016, the Fund was subject to tax at full corporate rates on 50% of its net realized capital gains. This tax can be eliminated by "capital gains redemptions" [as defined in the Act] by the Fund, or within 60 days of its financial year, by making payment to its shareholders of a capital gains dividend out of the Fund's realized but undistributed capital gains, or by a combination of both. Where capital gains redemptions in a given year are not sufficient to eliminate this tax, it is the Fund's policy to apply capital losses against capital gains or pay a capital gains dividend sufficient to do so. Consequently, no amount has been included for this tax in the provision for income taxes in the current or prior year.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a foreign capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation day.

Pursuant to changes in the Tax Act announced in the March 22, 2016 Federal Budget, effective January 1, 2017 the switching of shares between Series A Hedged and another series of the Fund, will be considered a disposition for tax purposes and shareholders will realize a capital gain or loss at the time of the switch.

(j) Functional and presentation currency — The Fund's functional currency is the Canadian Dollar ("CAD") which is the currency of the primary economic environment in which it operates. The Fund is distributed within Canada with the subscriptions and redemptions primarily denominated in CAD. Accordingly, the Manager has determined that the functional currency of the Fund is CAD. The Fund's presentation currency is also CAD.

(k) Foreign currency translation — Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into the functional currency based on the mid exchange rate on the valuation date. Purchases and sales of securities and income items denominated in foreign currencies are translated into the functional currency at the exchange rate in effect on the transaction date. When an exchange rate is unavailable or unreliable, it will be determined using procedures established and accepted by the Board of Directors and the Manager.

Realized foreign exchange gains or losses arise from sales of foreign currencies, changes between the trade date and settlement date values on foreign securities and foreign capital transactions, and the difference between the recorded amounts of foreign currency denominated dividends, interest, withholding taxes, and U.S. short-term holdings, and the functional currency equivalent of the amounts actually received or paid. These gains or losses are reported on the Statements of Comprehensive Income as net realized and/or unrealized foreign exchange gain (loss).

(l) Unconsolidated structured entities — The Fund invests in TCOF, an underlying fund determined to be an unconsolidated structured entity, as decision making in the Underlying Fund is not governed by the voting right or other similar right held by the Fund. The investments in the Underlying Fund are subject to the terms and conditions of the Underlying Fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of the Underlying Fund. The Underlying Fund's objectives are generally to achieve long-term capital appreciation and/or current income by investing in a portfolio of securities and other funds in line with its documented investment strategy. The Underlying Fund applies various investment strategies to accomplish its investment objectives.

The Underlying Fund finances their operations by issuing redeemable units which are puttable at the holder's option, and entitle the holder to a proportional stake in the Fund's net assets.

The Manager has determined that the Fund is an investment entity in accordance with IFRS 10 "Consolidated Financial Statements", since the Fund meets the following criteria:

(i) The Fund obtains funds from one or more investors for the purpose of providing those investors with investment management services.

(ii) The Fund commits to its investors that its business purpose is to invest funds solely for the returns from capital appreciation, investment income or both and

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

3. Summary of Significant Accounting Policies (Continued)

(iii) The Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

Therefore the Fund does not consolidate its investment in the Underlying Fund but accounts for the investments at fair value. The fair value of the investments in the Underlying Fund is included in the Schedule of Investments and included in non-derivative investments at fair value through profit or loss in the Fund's Statements of Financial Position. The change in fair value of the investment held in the Underlying Fund is included in the net change in unrealized appreciation (depreciation) in value of investments in the Statements of Comprehensive Income.

(m) Increase (decrease) in net assets from operations per share — This calculation is based on the increase (decrease) in net assets from operations attributable to each series divided by the weighted average number of shares of that series outstanding during the period.

(n) Accounting judgements, estimates and assumptions— The preparation of financial statements in accordance with IFRS may require the Manager to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expense reported during the periods. Actual results may differ from those estimates.

The key areas where judgement is applied is in the determination of the functional currency of the Fund, as discussed in Note 3(j), the determination of whether the Fund meets the definition of an investment entity and whether the Fund's investments are made in structured entities as discussed in Note 3(l). Assumptions and estimates are made in the classification of financial instruments and in the determination of fair values of financial instruments not traded on an active market as discussed in Note 3(d).

4. Capital Risk Management

The capital of the Fund is comprised of its net assets attributable to holders of redeemable shares. The Fund's capital is managed in accordance with its respective investment objectives and policies, and there are no externally imposed restrictions in relation to the Fund's shares. Changes in capital during the period are reflected in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares for the Fund. The Fund has no specific restrictions or capital requirements on the subscriptions and redemption of shares, other than minimum subscription requirements. The Fund endeavors to manage capital by maintaining a strong capital base to support the investment activities of the Fund while maintaining sufficient liquidity to meet redemptions.

Changes in issued shares are summarized as follows:

	Series A		Series A (Hedged)		Series F	
	April 30, 2017	April 30, 2016	April 30, 2017	April 30, 2016	April 30, 2017	April 30, 2016
Outstanding shares — beginning	73,300,636	82,320,280	461,104	320,554	3,073,038	2,742,822
Subscriptions	1,767,433	2,528,002	34,112	147,145	816,172	998,374
Reinvestments	—	54,865	—	15	—	1,859
Redemptions	(14,155,907)	(11,602,511)	(300,005)	(6,610)	(2,877,406)	(670,017)
Outstanding shares — ending	<u>60,912,162</u>	<u>73,300,636</u>	<u>195,211</u>	<u>461,104</u>	<u>1,011,804</u>	<u>3,073,038</u>
	Series I		Series PF (formerly Series M)		Series O	
	April 30, 2017	April 30, 2016	April 30, 2017	April 30, 2016	April 30, 2017	April 30, 2016
Outstanding shares — beginning	2,496,451	2,495,022	1,092,606	—	9,173,922	9,684,704
Subscriptions	198,004	448,755	6,009,838	1,223,676	1,850,572	925,806
Reinvestments	—	1,400	—	—	—	6,543
Redemptions	(240,404)	(448,726)	(393,952)	(131,070)	(1,369,658)	(1,443,131)
Outstanding shares — ending	<u>2,454,051</u>	<u>2,496,451</u>	<u>6,708,492</u>	<u>1,092,606</u>	<u>9,654,836</u>	<u>9,173,922</u>

5. Related Party Transactions

The Manager is the principal distributor, registrar and transfer agent of the Fund. The Manager and/or its affiliates provides or arranges for the provision of all management and administrative services for day-to-day Fund operations, including marketing, promotion and distribution of the Fund, portfolio advisory services and the provision of key management personnel to the Fund.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

5. Related Party Transactions (Continued)

As a principal distributor of the Fund, the Manager markets the Fund and arranges for the sale of the Fund through dealers across Canada. The Manager may retain certain companies to assist in the sale of the Fund under the deferred sales charge option. The Manager's affiliate, FTC Investor Services ("FTC ISI") also acts as a principal distributor for Series F and O units of the Fund. For acting as principal distributor of the applicable series, FTC ISI receives an inter-company service fee of 0.20% from the Manager with respect to those units.

In addition to management services, the Manager acts as registrar and transfer agent of the Fund. These services are in the normal course of operations and are covered by a fixed administration fee, as discussed in Note 5(b), paid by the Fund to the Manager.

Franklin Templeton Services, LLC ("FTS") provides fund accounting and portfolio valuation services in connection with the Fund, and provides certain back office administration services to the Manager. These services are in the normal course of operations and are covered by a fixed administration fee, as discussed in Note 5(b), paid by the Fund to the Manager.

(a) Management and investment advisory fees ("management fees")

The Fund pays an aggregate monthly fee for management and investment advisory services to the Manager calculated monthly at the rate set out below on the average daily net assets of the Fund, plus applicable taxes:

Series A 1/12 of 1.85%

Series A (Hedged) 1/12 of 1.85%

Series F 1/12 of 0.85%

Series I 1/12 of 1.10%

Series PF 1/12 of 0.80%

The Manager has agreed to waive a portion of the management fees on certain series of shares (the "Management Fee Waiver"). This Management Fee Waiver is applied to the following Series at the specified rate:

Series I: 0.23%

The management fee for Series O is paid for by the shareholder directly to the Manager as follows:

First \$200,000 to under \$2.5 million 0.95%

Next \$2.5 million to under \$5.0 million 0.80%

Over \$5.0 million 0.75%

Certain institutional and ultra-high-net-worth investors may negotiate the management fee by written agreement with Franklin Templeton.

The Manager is the portfolio advisor of the Fund. The Manager has engaged Templeton Global Advisors Limited, Bahamas an affiliate of the Manager, as sub-advisor (the "Sub-Advisor"). The Sub-Advisor provides investment analysis and recommendations to the Manager and executes and arranges for brokers to execute portfolio transactions in respect of the Fund. A portion of the management fee payable by the Fund to the Manager is paid by the Manager to the Sub-Advisor with respect to portfolio advisory services.

(b) Fixed administration fees

The Manager pays the operating expenses of the Fund, other than certain fund costs ("Fund Costs"), such as borrowing and interest costs, investor meeting costs (as permitted by Canadian securities regulation), the fees and expenses of the Independent Review Committee, directors' fees and expenses, any costs and expenses associated with litigation for the benefit of the Fund or brought to pursue rights on behalf of the Fund and the cost of compliance with any new government and regulatory requirements, in exchange for a payment by the Fund of an annual fixed administration rate, except for Series O. The operating expenses payable by the Manager include but are not limited to, transfer agent fees, custodian fees, legal and audit fees. As such, the Fund did not directly pay these costs; hence line items for these amounts are not shown on the Statements of Comprehensive Income.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

5. Related Party Transactions (Continued)

The Manager may, in some years and in certain cases, waive a portion of a series' Administration Fee or absorb certain Fund Costs. The decision to waive the Administration Fee or absorb certain Fund Costs, or a portion thereof, is determined at the discretion of the Manager. In addition, the Manager pays all operating expenses of Series O.

The monthly fixed administration fee is calculated as 1/12 of the annual rate of 0.35% applied against the monthly average daily net assets of each series, plus applicable taxes, except for Series PF and Series O. Series PF is charged an annual fixed administration fee rate of 0.15% against the monthly average daily net assets of that series. Series O is not charged an administration fee. The fixed administration fee payable at the period ends are shown in the Statements of Financial Position of the Fund.

(c) Manager holdings

The Manager held the following shares in the Fund as at April 30, 2017 and April 30, 2016.

	April 30, 2017	April 30, 2016
Series A (Hedged)	83,133	300,000

(d) Other services

In addition to providing administration and other management services in connection with the distribution of the Fund's shares, the Manager acts as registrar and transfer agent for the Fund. In consideration of these services, the Manager charges a fixed administration fee as discussed in Note 5(b).

(e) Other Assets

The principal amounts in *other assets*, if any, are recoverable expenses from the Manager as discussed in Note 5(b).

(f) Other Liabilities

The principal amounts in *other liabilities* are amounts owed to the Manager relating to expenses paid for and incurred on behalf of the Fund as discussed in Note 5(b).

6. Sales Charges

The sales charge incurred by shareholders of Series A (including Series A (Hedged)) shares is dependent on the purchase option selected at the time of purchase.

Under the front-load sales option, a negotiable fee of up to 6% of the purchase price is payable by the Series A investors to their dealers. Under the low-load option, the Series A investors will pay a redemption fee to the Manager if they redeem their shares within three years of purchasing them. This redemption fee is based on a declining percentage of the original cost of the investor's shares and how long the investor has held them, ranging from 3% to 0%. Up to 10% of an investor's investment in Series A shares may be redeemed in each calendar year without a redemption charge. Under the deferred sales charge option, the Series A investors will pay a redemption fee to the Manager if they redeem their shares within six years of purchasing them. This redemption fee is based on a declining percentage, ranging from 6% to 0%, of the original cost of the investor's shares and how long the investor has held them. Series I shareholders negotiate a fee of up to 2% with their dealers.

7. Interests in Other Entities

As discussed in Note 3(l), the Underlying Fund is an unconsolidated structured entity and is measured at fair value through profit and loss.

The tables below show the Fund's interest in the unconsolidated structured entity in dollar and percentage terms as at April 30, 2017 and April 30, 2016.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

7. Interests in Other Entities (Continued)

Investee Fund	Fair Value of Underlying Fund/ ETF (000s)	Investments in Underlying Fund/ ETF at Fair Value ^(a) (000s)	% Held of Underlying Fund/ ETF
Templeton China Opportunities Fund AS			
April 30, 2017	\$15,396	\$ 3,189	20.71%
April 30, 2016	67,095	13,894	20.71%

^(a) Represents fair value of financial assets included in investments at fair value through profit and loss in the Statements of Financial Position.

8. Financial Risk Management

Risks arising from holding financial instruments are inherent in the Fund's activities and is managed through a process of ongoing measurement and monitoring. These financial risks may include, among others, market risk (including currency risk, interest rate risk and other price risk), liquidity risk, credit risk and concentration risk. All investments result in a risk of loss of capital. These risks are moderated through careful selection of securities and other financial instruments within the Fund's investment guidelines by the respective portfolio advisors. The risks are measured using a method that reflects the expected impact on the results and net assets attributable to shareholders of the Fund from reasonably possible changes in the relevant risk variables.

(a) Currency risk

The Fund holds assets and liabilities denominated in currencies other than its functional currency, and are therefore exposed to currency risk as the values of such assets and liabilities will fluctuate due to changes in exchange rates.

The Advisor monitors the Fund's currency risk position, and may enter into forward exchange contracts to manage foreign exchange exposure as described in Note 3(e) and disclosed in the Fund's Schedule of Derivative Instruments, as applicable.

The table below summarizes the Fund's exposure to currency risk, where applicable. Amounts shown are based on the carrying value of monetary and non-monetary assets, less liabilities and derivatives. Where individual currencies held are less than 5% of net assets, that currency has been included in "other". The table also illustrates the expected decrease or increase in net assets had the functional currency strengthened or weakened by 5% in relation to all foreign currencies, with all other variables held constant. Actual results may differ from this sensitivity analysis and the difference could be material.

Currency	April 30, 2017		April 30, 2016	
	Amount (000s)	As % of net assets	Amount (000s)	As % of net assets
EUR	\$ 356,210	22.31%	\$ 300,684	20.86%
GBP	125,855	7.88%	176,966	12.28%
HKD	84,639	5.30%	60,792	4.22%
JPY	125,039	7.83%	66,597	4.62%
USD	594,746	37.26%	579,751	40.21%
Other	<u>205,920</u>	<u>12.91%</u>	<u>196,688</u>	<u>13.64%</u>
	<u>\$1,492,409</u>	<u>93.49%</u>	<u>\$1,381,478</u>	<u>95.83%</u>
Impact on net assets from 5% currency movement	\$ 74,620	4.67%	\$ 69,074	4.79%

(b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of interest bearing financial instruments. The portfolio advisors monitor overall interest rate sensitivity on a periodic basis.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

8. Financial Risk Management (Continued)

The Fund is not directly exposed to interest rate risk as no significant interest bearing securities (excluding overnight term deposits) were held by the Fund as at April 30, 2017 and April 30, 2016.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk). Those changes may be caused by factors specific to the individual financial instrument or its issuer, or factors affecting a market or market segment. Other assets and liabilities are monetary items that are short-term in nature, and as such they are not subject to other price risk.

The table below illustrates the expected increase or decrease in net assets if the value of the Fund's investments had increased or decreased by 5%, with all other variables held constant. Actual results may differ from this sensitivity analysis and the difference could be material.

April 30, 2017		April 30, 2016	
Sensitivity on Net Assets	% Impact on Net Assets	Sensitivity on Net Assets	% Impact on Net Assets
(000s)		(000s)	
\$75,375	4.72%	\$69,408	4.81%

(d) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet liabilities as they fall due. As the Fund is exposed to daily cash redemption of shares, the assets of the Fund are invested mainly in securities which are traded in active markets and can be readily disposed of. In addition, sufficient cash and cash equivalents are maintained to meet normal operating requirements. The Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions. The Fund has a non-committed redemption line of credit agreement with a Schedule 1 bank in Canada from which these amounts can be borrowed, if necessary. The loans are issued at prime rate and are payable on demand. There were no loans issued or outstanding as of April 30, 2017 and April 30, 2016.

The Fund also has a policy to purchase an illiquid asset only to the extent that immediately after purchase, the value of the illiquid securities held by the Fund does not account for more than 10% of the net assets of the Fund.

The Fund's financial liabilities which include redemptions payable, accrued liabilities and derivative liabilities are due within 3 months. Redeemable shares are redeemable on demand at the holder's option. However the Manager does not expect that the contractual maturity disclosed above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

In accordance with the Fund's investment objectives, the Manager monitors the Fund's liquidity position on an ongoing basis.

(e) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. This risk is generally lower if the issuer has a high credit rating from an independent credit rating agency, while the risk is generally higher if the issuer has a low credit rating or no credit rating. Where applicable, credit ratings have been disclosed at the end of the Schedule of Investments.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. However, there are risks involved in dealing with custodians or prime brokers who settle trades and in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

As at April 30, 2017 and April 30, 2016, the Fund had no significant investments in debt instruments and/or derivatives.

All cash and trading transactions are carried out by banks rated A or higher by Standard & Poor's as at April 30, 2017 and April 30, 2016.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

8. Financial Risk Management (Continued)

(f) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. Below is a summary of the Fund's concentration risk.

Industries	April 30, 2017 (%)	April 30, 2016 (%)	Asset Class Weightings	April 30, 2017 (%)	April 30, 2016 (%)
Banks	13.92	13.46	Common Stocks	94.24	95.33
Pharmaceuticals	8.59	9.21	Underlying Funds	0.20	0.96
Oil, Gas & Consumable Fuels	7.90	8.13	Short-term securities and all other assets, net	5.56	3.71
Technology Hardware, Storage & Peripherals	7.03	3.30			
Insurance	5.71	6.21			
Energy Equipment & Services	1.12	5.70			
Others	50.17	50.28			

(g) Fair value estimation

The Fund classifies fair value measurements of investments held using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1—quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2—inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)
- Level 3—inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The determination of what constitutes “observable” requires significant judgement by the Manager. The Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. These may include private equity and corporate debt securities. As observable prices are not available for these securities, the Manager has used valuation techniques to derive the fair value.

The Fund's investments are generally classified as follows:

- Equities — The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. The Fund's equities may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.
- Bonds and short-term investments — Debt securities generally trade in the OTC market rather than on a securities exchange. The inputs that are significant to valuation are generally observable such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of repayments, underlying collateral and other unique security features in order to estimate the relevant cash flows. Therefore the Fund's bonds and short-term investments have been classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.
- Investments in mutual funds/unit trusts and exchange traded funds — The Fund's positions in the mutual funds / unit trusts and exchange traded funds are typically in positions that are actively traded and a reliable price is observable and as such is classified as Level 1. Where the determination of fair value requires significant unobservable data the measurement is classified as Level 3.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

8. Financial Risk Management (Continued)

- Derivative assets and liabilities — Derivative assets and liabilities consist of foreign currency forward contracts which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

The carrying values of cash, capital shares sold receivable, dividend and interest receivable, receivable for investments sold, payable for investments purchased, capital shares redeemed payable, distributions payable, accrued liabilities and the Fund's obligation for net assets attributable to holders of redeemable shares approximate their fair values due to their short-term nature.

The following table shows the classification of the Fund's financial assets and liabilities measured at fair value as at April 30, 2017 and April 30, 2016.

	April 30, 2017				April 30, 2016			
	Level 1 (000s)	Level 2 (000s)	Level 3 (000s)	Total (000s)	Level 1 (000s)	Level 2 (000s)	Level 3 (000s)	Total (000s)
Equities — Long	\$ 1,502,883	\$ —	\$ —	\$ 1,502,883	\$ 1,374,269	\$ —	\$ —	\$ 1,374,269
Convertible equities	1,434	—	—	1,434	—	—	—	—
Mutual funds/Unit trusts/ETFs	3,189	—	—	3,189	13,894	—	—	13,894
Short-term securities	—	85,800	—	85,800	—	54,400	—	54,400
Total Investments	<u>\$ 1,507,506</u>	<u>\$ 85,800</u>	<u>\$ —</u>	<u>\$ 1,593,306</u>	<u>\$ 1,388,163</u>	<u>\$ 54,400</u>	<u>\$ —</u>	<u>\$ 1,442,563</u>
Derivative assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 19	\$ —	\$ 19
Derivative liabilities	—	12	—	12	—	5	—	5

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of the instruments fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Fund's policy is to recognise transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

In accordance with the Fund's valuation policy, the Fund may apply fair value adjustment factors when quoted market prices are deemed to have been affected by significant market events which exceed pre-determined thresholds.

As at April 30, 2017 and 2016, there were no significant market events to cause the pre-determined tolerances to be breached; hence there were no transfers between Level 1 and Level 2.

9. Broker Commissions

Commissions paid to brokers for portfolio transactions during the years ended April 30, 2017 and April 30, 2016 amounted to \$0.9 million and \$0.9 million, respectively. A portion of commissions paid may include payment for goods and services that are used to assist with investment or trading decisions such as investment research, analysis and reports ("research services"). Where ascertainable, the value of the research services included in the commission paid for the years ended April 30, 2017 and April 30, 2016 amounted to \$0.3 million and \$0.2 million, respectively.

10. Taxes

(a) Capital and non-capital losses

The Fund has accumulated \$177.3 million of capital loss carry forwards and no unused non-capital losses for income tax purposes as of April 30, 2017. Capital losses can be carried forward indefinitely and applied against future years' capital gains.

Temporary differences between the carrying value of certain assets and liabilities for accounting and income tax purposes give rise to deferred tax assets and liabilities. The most significant temporary difference is that between the reported fair value of the investment portfolio and its adjusted cost base ("ACB") for income tax purposes. To the extent that the fair value of a portfolio exceeds its ACB, a deferred tax liability arises. Since capital gains taxes payable by the Fund are refundable under the relevant provisions of the Act, the

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

10. Taxes (Continued)

future tax liability is fully offset by the future refundable taxes available to a mutual fund corporation. Conversely, when the ACB exceeds the portfolio's fair value, a deferred tax asset is generated. In such cases, no benefit is recorded given the uncertainty that such future tax assets will ultimately be realized. Any unused capital and non-capital losses disclosed above represent a future tax asset to the Fund for which no benefit has been recorded in these financial statements as there is no certainty that the losses are more likely than not to be utilized in future periods.

(b) Effective tax rates

The Fund's statutory corporate tax rate on net investment income (excluding Canadian dividend income) for the year ended April 30, 2017 was 39.50%: (2016: 39.50%). The actual effective tax rate for the year ended April 30, 2017 was 1.55%: (2016: (6.54%)). The effective tax rate includes the tax effect of income related foreign exchange gains/losses included in net realized gains/losses.

	April 30, 2017 %	April 30, 2016 %
Statutory Tax Rate.....	39.50	39.50
Realized and Unrealized Gain (Loss) on Investments	(38.13)	(44.56)
Canadian Dividends	(0.04)	0.07
Foreign Taxes (grouped)	0.11	(1.25)
Other.....	0.11	(0.30)
Effective Tax Rate	<u>1.55</u>	<u>(6.54)</u>

11. Net Asset Value

As discussed in Note 3(a), the Trading NAV per unit may differ from the IFRS NAV per unit as shown in the Statements of Financial Position. As at April 30, 2017 and April 30, 2016 the Fund's Trading NAV per unit did not differ from the IFRS NAV per unit.

12. Other Information

(a) Offsetting of derivative financial information

As discussed in Note 3(f) the Fund held derivatives that were subject to enforceable netting arrangements, in the form of ISDA agreements, with certain counterparties.

Absent an agreement, or an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statements of Financial Position.

The following tables present the gross derivative assets and liabilities, not offset as at April 30, 2017 and April 30, 2016 and amounts available for offset. The "Net Amount" represents the impact to the Fund if all set-off rights were exercised.

April 30, 2017

Counterparty	Amounts available for offset				Amounts available for offset			
	Gross Assets (000s)	Financial Instruments (000s)	Collateral Held in Trust (000s)	Net Amount (000s)	Gross Liabilities (000s)	Financial Instruments (000s)	Collateral Pledged (000s)	Net Amount (000s)
HSBC BANK PLC.....	\$—	\$—	\$—	\$—	\$ 5	\$—	\$—	\$ 5
Others ^(a)	—	—	—	—	7	—	—	7
Total	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$12</u>	<u>—</u>	<u>—</u>	<u>\$12</u>

April 30, 2016

Counterparty	Amounts available for offset				Amounts available for offset			
	Gross Assets (000s)	Financial Instruments (000s)	Collateral Held in Trust (000s)	Net Amount (000s)	Gross Liabilities (000s)	Financial Instruments (000s)	Collateral Pledged (000s)	Net Amount (000s)
Others ^(a)	\$19	—	—	\$19	\$5	—	—	\$5
Total	<u>\$19</u>	<u>\$—</u>	<u>\$—</u>	<u>\$19</u>	<u>\$5</u>	<u>—</u>	<u>—</u>	<u>\$5</u>

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended April 30, 2017 and 2016 (Continued)

12. Other Information (Continued)

(b) Financial instruments classification

As discussed in Note 3(a), the Fund's financial instruments are designated at fair value through profit or loss at inception, other than derivatives which are classified as held for trading. The following table presents the net gain (losses) on financial instruments by category for the years ended April 30, 2017 and 2016.

April 30, 2017			April 30, 2016		
Held for Trading	Designated at Inception	Total	Held for Trading	Designated at Inception	Total
(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
\$(152)	\$373,035	\$372,883	\$204	\$(91,673)	\$(91,469)

13. Financial Statement Presentation

The amounts shown on the Statements of Financial Position, the Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable shares and Cash Flows are rounded to the nearest thousand. As a result, balances reported may include amounts rounded to zero. Per share amounts and number of units outstanding shown are actual amounts.

14. Currency Legend

Below is a list of currency abbreviations that may be used throughout the financial statements.

CAD	Canadian Dollar	KRW	South-Korean Won
CHF	Switzerland Franc	NOK	Norwegian Kroner
DKK	Denmark Krone	SEK	Swedish Krona
EUR	Euro	SGD	Singapore Dollar
GBP	United Kingdom Pound	THB	Thai Baht
HKD	Hong Kong Dollar	USD	United States Dollar
JPY	Japanese Yen		

15. Comparative figures

Certain comparative figures on the Statements of Financial Position and Statements of Comprehensive Income have been reclassified to conform to the presentation for the year ended April 30, 2017.

16. Future Accounting Changes

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Manager is in the process of assessing the impact of IFRS 9 and will adopt the new standard on May 1, 2018.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by Franklin Templeton Investments Corp., (the "Manager"), as Manager of Templeton Growth Fund., Ltd (the "Fund") and are approved by the Board of Directors of the Fund.

The Manager is responsible for the information and representations contained in these financial statements and the other sections of the Annual Report. The Manager also maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements are prepared in compliance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which the Manager believes are appropriate for the Fund are described in Note 4 to the financial statements. Financial information published with the Annual Report is consistent with that in the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting. The Board of Directors appoints an Audit Committee comprised of a majority of Non-management Directors. The Audit Committee reviews the financial statements, adequacy of internal controls, the audit process and financial reporting with management and the external auditors. The Audit Committee reports to the Board of Directors prior to the approval of the audited financial statements for publication.

PricewaterhouseCoopers LLP are the external auditors of the Fund, appointed by the Shareholders. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Their report is set out on the following page.

D. GREEN
Chief Executive Officer,
Templeton Growth Fund, Ltd.

D. BUCHANAN
Fund Treasurer,
Templeton Growth Fund, Ltd.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

Templeton Growth Fund, Ltd. (the Fund)

We have audited the accompanying financial statements of the Fund, which comprise the statements of financial position as at April 30, 2017 and 2016 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the periods then ended and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Fund present fairly, in all material respects, the financial position of the Fund as at April 30, 2017 and 2016, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
May 25, 2017



Annual Report

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