



FRANKLIN TEMPLETON
INVESTMENTS

Semi-Annual Report

October 31, 2017

TEMPLETON GROWTH FUND, LTD



Templeton Growth Fund, Ltd.

MESSAGE TO SHAREHOLDERS

Dear Shareholder,

In the first six months of the fiscal year of Templeton Growth Fund, Ltd., investors found themselves in a period of significant change in global markets. Overall, volatility has been low by historical standards, and an environment of rising rates and/or a gradual return to healthy inflation levels has been further established worldwide, particularly in developed economies.

Such a scenario can generate many valid questions from investors. Is the current market cycle in a mature phase? Can global stocks continue to generate gains? Which regions or sectors might these gains come from?

For more than 60 years, we've actively managed money for Canadian investors using a disciplined, bottom-up investment strategy. We do not base our investments on momentum and where markets have been; instead, our focus on fundamentals has led us to uncover opportunities to invest in shares of companies that can outperform in the future.

Often, that requires patiently investing in stocks in market sectors that are currently out of favour. For example, we have established many positions in pharmaceuticals companies in the Health Care sector that have recently experienced some performance challenges. Many of these challenges are based on concerns about patent expiries and pricing pressures on the industry. In addition, the shifting landscape in the political battles over health care reform in the United States has been a headwind for these stocks in general.

However, we believe the broad market continues to undervalue the long-term growth prospects of select pharmaceuticals companies, particularly those that exhibit high levels of innovation and products that are more non-discretionary in nature, according to our analysis. Israel's Teva Pharmaceutical Industries Ltd. is one such company that has been pressured by both industry-wide and company-specific concerns. However, we note that this company remains highly cash-generative, and has what we view as a leading global generic franchise that offers the potential for growth at various stages of a given market cycle.

In other cases, investing in previously unpopular sectors or regions has led to strong contributions to our relative returns. Some good examples can be found in the positions we initiated in Financials and Energy during past periods when investor sentiment was particularly negative on these sectors. In Financials, we purchased stocks in European banks when both the region and the industry were at crisis-level lows in valuations. This disciplined move resulted in significant gains over the past six months. Similarly, we bought into Energy stocks during the retreat in oil prices of past years. Our investments in fundamentally strong companies that had the capital fortitude to weather these challenging conditions have also continued to generate strong returns for our investors.

One such company is Galp Energia SGPS SA, a Portugal-based integrated oil and gas company. The company's shares have performed extremely well during recent recoveries in oil prices, and our analysis indicates that Galp has one of the best production-growth profiles among its peers. With much of its future production based on low-cost offshore oil assets in Brazil, Galp has the ability to generate cash flow in a variety of commodity-market scenarios, in our view.

The late Sir John Templeton, the iconic founder of this Fund, always advised investors to avoid buying into what's popular, and instead focus on finding potential bargains among the unpopular. This value-based investment style has served Canadian investors well for decades, and we see further affirmation of Sir John's wisdom today. Currently, investors have an unprecedented level of choice in where to place their hard-earned assets. However, we believe that active management with a long-term focus remains one of the best ways to be ready to capitalize on tomorrow's market leaders.

Templeton Growth Fund, Ltd.

Rising-rate market environments tend to be ones where the share-price performances of companies begin to be more clearly differentiated due to factors such as management quality, innovation and valuations. Fundamentals-focused investment strategies, such as that of our Fund, should be well positioned against such a backdrop.

We thank you for continuing to invest with us, and wish you all the best in the new 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 October 31, 2017 (Unaudited)

	Shares	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 96.52%			
COMMON STOCKS: 96.52%			
United States: 33.88%			
Allergan PLC.....	46,886	\$ 11,340	\$ 10,716
Ally Financial Inc.	375,230	11,748	12,644
Alphabet Inc., A.....	24,560	18,756	32,718
American International Group Inc.....	141,390	8,327	11,780
AmerisourceBergen Corp.....	74,780	7,716	7,421
Amgen Inc.	109,140	6,161	24,661
Apache Corp.....	288,270	17,650	15,379
Apple Inc.....	117,970	15,190	25,716
Capital One Financial Corp.	173,170	15,893	20,585
Celgene Corp.	45,110	6,931	5,874
CF Industries Holdings Inc.	197,100	7,631	9,653
Citigroup Inc.	126,240	3,761	11,965
Comcast Corp., A.....	648,260	12,250	30,120
CommScope Holding Co. Inc.....	317,170	15,663	13,145
Coty Inc., A.....	624,660	15,432	12,405
DXC Technology Co.	51,124	1,927	6,034
Eastman Chemical Co.....	79,640	7,379	9,326
Eli Lilly & Co.	79,850	8,787	8,437
Gilead Sciences Inc.	206,020	4,208	19,915
Helmerich & Payne Inc.	247,630	15,902	17,343
Jones Lang LaSalle Inc.....	52,310	8,077	8,735
JPMorgan Chase & Co.	160,660	7,174	20,844
Knowles Corp.	455,250	7,974	9,722
LyondellBasell Industries NV, A.....	64,600	7,583	8,625
Medtronic PLC.....	173,980	7,256	18,065
Microsoft Corp.	250,280	7,408	26,846
Navistar International Corp.	240,540	8,796	13,124
NetScout Systems Inc.....	96,390	3,722	3,530
Oracle Corp.	573,820	23,976	37,664
Perrigo Co. PLC.....	134,130	14,892	14,009
Tapestry Inc.....	128,810	7,880	6,802
Twenty-First Century Fox Inc., A.....	446,630	7,005	15,061
United Parcel Service Inc., B.....	48,313	3,476	7,322
Voya Financial Inc.....	345,280	13,722	17,881
Walgreens Boots Alliance Inc.....	222,620	16,105	19,025
		<u>357,698</u>	<u>533,092</u>
United Kingdom: 13.22%			
BAE Systems PLC.....	768,710	7,631	7,816
Barclays PLC.....	3,579,823	14,356	11,403
BP PLC.....	3,521,500	29,307	30,779
Cobham PLC.....	4,981,004	9,541	11,861
HSBC Holdings PLC.....	1,731,522	25,190	21,810
Johnson Matthey PLC.....	156,890	7,789	9,087
Kingfisher PLC.....	1,534,520	7,779	8,218
LivaNova PLC.....	126,080	7,526	12,015
Man Group PLC.....	3,151,080	8,110	10,451

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

Templeton Growth Fund, Ltd.

SCHEDULE OF INVESTMENTS As at October 31, 2017 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
United Kingdom: 13.22% (Continued)			
Royal Dutch Shell PLC, A.....	8,225	\$ —	\$ 333
Royal Dutch Shell PLC, B	489,651	18,072	20,312
Shire PLC.....	124,120	7,644	7,912
Standard Chartered PLC.....	1,921,031	28,020	24,695
Travis Perkins PLC	460,740	12,746	11,997
Vodafone Group PLC.....	5,248,999	24,293	19,387
		<u>208,004</u>	<u>208,076</u>
Japan: 8.11%			
IHI Corp.....	426,798	13,457	19,681
Nissan Motor Co. Ltd.....	593,160	6,217	7,391
Panasonic Corp.....	1,198,130	15,773	23,112
Ryohin Keikaku Co. Ltd.	24,940	7,774	9,449
SoftBank Group Corp.	191,450	14,765	21,602
Sumitomo Metal Mining Co. Ltd.....	248,265	8,086	12,549
Sumitomo Mitsui Financial Group Inc.	261,490	11,753	13,399
Suntory Beverage & Food Ltd.	346,130	13,767	20,378
		<u>91,592</u>	<u>127,561</u>
France: 6.31%			
AXA SA	455,930	13,837	17,762
BNP Paribas SA.....	240,770	11,485	24,250
Cie Generale des Etablissements Michelin, B.....	44,040	5,575	8,218
Compagnie de Saint-Gobain.....	110,618	5,111	8,369
Sanofi	94,430	8,710	11,533
Total SA	226,620	17,681	16,298
Veolia Environnement SA.....	422,710	12,452	12,918
		<u>74,851</u>	<u>99,348</u>
China: 5.30%			
Baidu Inc., American Depositary Receipt	69,560	15,252	21,882
China Life Insurance Co. Ltd., H	4,009,650	16,352	17,100
China Longyuan Power Group Corp.....	7,769,000	7,862	7,423
China Mobile Ltd.	1,036,500	12,824	13,424
China Telecom Corp. Ltd., H	23,950,000	15,488	15,479
NetEase Inc., American Depositary Receipt	22,160	7,712	8,056
		<u>75,490</u>	<u>83,364</u>
Netherlands: 4.07%			
Aegon NV.....	2,033,075	18,719	15,480
Akzo Nobel NV	67,364	3,894	7,868
Flow Traders.....	206,650	8,503	6,628
ING Groep NV	340,547	7,536	8,115
NN Group NV	335,380	16,099	18,119
QIAGEN NV.....	179,892	4,390	7,858
		<u>59,141</u>	<u>64,068</u>
South Korea: 4.04%			
KB Financial Group Inc.	325,990	17,038	21,957
Samsung Electronics Co. Ltd.	13,097	7,699	41,601
		<u>24,737</u>	<u>63,558</u>

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

Templeton Growth Fund, Ltd.

SCHEDULE OF INVESTMENTS As at October 31, 2017 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Germany: 3.54%			
Bayer AG	55,190	\$ 8,400	\$ 9,262
Lanxess AG	120,980	7,427	12,192
Merck KGaA	93,080	4,700	12,850
MorphoSys AG	91,320	8,642	10,229
Siemens AG	60,370	5,642	11,111
		<u>34,811</u>	<u>55,644</u>
Italy: 2.38%			
Eni SpA	638,150	15,596	13,461
Tenaris SA	326,590	5,492	5,765
UniCredit SpA	739,883	52,907	18,264
		<u>73,995</u>	<u>37,490</u>
Canada: 2.17%			
Alamos Gold Inc., A	841,740	7,926	6,860
Barrick Gold Corp.	347,650	7,859	6,478
Suncor Energy Inc.	254,600	9,345	11,152
Tahoe Resources Inc.	323,820	3,578	2,004
Wheaton Precious Metals Corp.	284,370	7,151	7,613
		<u>35,859</u>	<u>34,107</u>
Singapore: 1.99%			
Singapore Telecommunications Ltd.	4,727,140	11,173	16,774
United Overseas Bank Ltd.	625,630	12,017	14,576
		<u>23,190</u>	<u>31,350</u>
Denmark: 1.80%			
H. Lundbeck AS	163,840	4,624	12,557
Orsted AS	218,110	10,434	15,764
		<u>15,058</u>	<u>28,321</u>
Norway: 1.78%			
Telenor ASA	667,160	13,510	18,280
Yara International ASA	159,950	7,760	9,795
		<u>21,270</u>	<u>28,075</u>
Portugal: 1.20%			
Galp Energia SGPS SA, B	785,370	12,524	18,832
Switzerland: 1.03%			
Roche Holding AG	54,300	8,916	16,178
Hong Kong: 0.96%			
CK Hutchison Holdings Ltd.	919,938	13,946	15,062
Belgium: 0.87%			
UCB SA	146,590	13,171	13,762
Sweden: 0.87%			
Getinge AB, B	541,640	17,414	13,748
Thailand: 0.85%			
Bangkok Bank PCL, Foreign Traded Security	1,704,910	11,400	13,303
Ireland: 0.74%			
CRH PLC	240,208	6,718	11,682

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Templeton Growth Fund, Ltd.

SCHEDULE OF INVESTMENTS As at October 31, 2017 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Luxembourg: 0.71%			
SES SA, International Depositary Receipt	529,460	\$ 15,767	\$ 11,104
Israel: 0.70%			
Teva Pharmaceutical Industries Ltd., American Depositary Receipt.....	616,260	20,865	10,967
Total Common Stocks:		<u>1,216,417</u>	<u>1,518,692</u>
		Principal Amount in Currency of Issue	
SHORT-TERM SECURITIES: 3.28%			
Bank of Montreal, Term Deposit, 0.90%, 11/1/2017.....	51,658,000 CAD	51,658	51,658
Total Short-Term Securities:		<u>51,658</u>	<u>51,658</u>
TOTAL INVESTMENTS: 99.80%		<u>\$ 1,268,075</u>	1,570,350
NET UNREALIZED LOSS ON DERIVATIVES:			(10)
OTHER ASSETS, less liabilities: 0.20%			<u>3,134</u>
TOTAL NET ASSETS: 100.00%			<u>\$ 1,573,474</u>

SCHEDULE OF DERIVATIVE INSTRUMENTS (As at October 31, 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)
BARCLAYS BANK PLC	A	November 28, 2017	10 CAD	\$ 10	6 GBP	\$ 10	\$0.5893	\$ —
BARCLAYS BANK PLC	A	November 28, 2017	165 EUR	248	250 CAD	250	1.5150	2
CITIBANK NA	A+	November 28, 2017	25 EUR	38	38 CAD	38	1.5147	—
UBS AG	A+	November 28, 2017	188 EUR	283	285 CAD	285	1.5151	2
Total Number of Contracts		4						\$ 4
BANK OF AMERICA, N.A.	A+	November 28, 2017	22 GBP	37	37 CAD	37	1.6958	—
BARCLAYS BANK PLC	A	November 28, 2017	53 GBP	91	90 CAD	90	1.6956	(1)
BARCLAYS BANK PLC	A	November 28, 2017	158 USD	204	202 CAD	202	1.2799	(2)
BARCLAYS BANK PLC	A	November 28, 2017	5,818 JPY	66	66 CAD	66	0.0113	—
CITIBANK NA	A+	November 28, 2017	82 HKD	13	13 CAD	13	0.1641	—
CITIBANK NA	A+	November 28, 2017	6,456 JPY	74	73 CAD	73	0.0113	(1)
CREDIT SUISSE INTERNATIONAL	A	November 28, 2017	24 GBP	41	41 CAD	41	1.6958	—
HSBC BANK PLC	AA-	November 28, 2017	46 GBP	80	79 CAD	79	1.6957	(1)
HSBC BANK PLC	AA-	November 28, 2017	462 USD	596	592 CAD	592	1.2800	(4)
HSBC BANK PLC	AA-	November 28, 2017	7,030 JPY	80	79 CAD	79	0.0113	(1)
JPMORGAN CHASE BANK, N.A.	A+	November 28, 2017	92 USD	118	117 CAD	117	1.2806	(1)
JPMORGAN CHASE BANK, N.A.	A+	November 28, 2017	879 JPY	10	10 CAD	10	0.0113	—
UBS AG	A+	November 28, 2017	4 USD	5	5 CAD	5	1.2800	—
UBS AG	A+	November 28, 2017	39 GBP	66	65 CAD	65	1.6962	(1)
UBS AG	A+	November 28, 2017	46 HKD	8	8 CAD	8	0.1652	—
UBS AG	A+	November 28, 2017	114 USD	146	145 CAD	145	1.2800	(1)
UBS AG	A+	November 28, 2017	864 HKD	143	142 CAD	142	0.1641	(1)
Total Number of Contracts		17						\$(14)
Net Unrealized Loss on Forward Exchange Contracts								\$(10)

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

Templeton Growth Fund, Ltd.

STATEMENTS OF FINANCIAL POSITION As at October 31, 2017 (Unaudited) and April 30, 2017

	<u>2017</u> <u>(000s)</u>	<u>2017</u> <u>(000s)</u>
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 1,570,350	\$ 1,593,306
Cash		
Canadian	—	458
Receivables		
Subscription of redeemable shares	26	114
Dividends, interest and withholding tax	5,792	6,015
Refundable income taxes (Note 3(i))	299	184
Current income taxes (Note 3(i))	3,407	2,270
Unrealized gain on derivatives	4	—
Other assets (Note 5(e))	3	—
	<u>1,579,881</u>	<u>1,602,347</u>
Liabilities		
Current liabilities		
Cash overdraft		
Canadian	1,347	—
Payables		
Investment securities purchased	—	536
Redemption of redeemable shares	572	948
Management fees	1,996	2,042
Fixed administration fees	391	399
Future income taxes (Note 3(i))	2,087	2,088
Unrealized loss on derivatives	14	12
	<u>6,407</u>	<u>6,025</u>
Net assets attributable to holders of redeemable shares	<u>\$ 1,573,474</u>	<u>\$ 1,596,322</u>
Net assets attributable to holders of redeemable shares per series (000s)		
Series A	\$ 1,118,134	\$ 1,164,017
Series A (Hedged)	2,840	2,772
Series F	26,832	22,550
Series I	54,436	55,067
Series O	283,905	273,590
Series PF	87,327	78,326
Number of redeemable shares outstanding (Note 4)		
Series A	57,281,518	60,912,162
Series A (Hedged)	190,279	195,211
Series F	1,172,190	1,011,804
Series I	2,362,211	2,454,051
Series O	9,688,180	9,654,836
Series PF	7,271,682	6,708,492
Net assets attributable to holders of redeemable shares per share — CAD		
Series A	\$ 19.52	\$ 19.11
Series A (Hedged)	14.93	14.20
Series F	22.89	22.29
Series I	23.04	22.44
Series O	29.30	28.34
Series PF	12.01	11.68
Net assets attributable to holders of redeemable shares per share — USD		
Series A	\$ 15.14	\$ 14.00
Series F	17.75	16.33
Series I	17.87	16.44
Series O	22.72	20.76
Series PF	9.31	8.56

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.

STATEMENT OF COMPREHENSIVE INCOME For the six months ended October 31, 2017 and 2016 (Unaudited)

	2017 (000s)	2016 (000s)
Income		
Dividends	\$ 19,503	\$ 21,194
Interest for distribution purposes (Note 3(h))	215	92
Net realized and/or unrealized foreign exchange gain (loss)	(484)	321
Net realized gain (loss) on investments and derivatives	90,849	17,706
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	(54,837)	111,010
Total income (loss), net	55,246	150,323
Expenses		
Management fees (Note 5(a))	12,116	12,098
Fixed administration fees (Note 5(b))	2,371	2,415
Directors' fees	87	96
Investor meeting costs	249	261
Independent review committee fees	1	1
Operating expenses before amounts waived/paid by Manager	14,824	14,871
Operating expenses waived/paid by Manager (Note 5(b))	(57)	(49)
Net operating expenses after amounts waived/paid by Manager	14,767	14,822
Transaction costs (Note 9)	954	473
Total expenses, net	15,721	15,295
Net income (loss) before income taxes	39,525	135,028
Income taxes		
Current	2,884	4,154
Future	(1)	(683)
Total income taxes	2,883	3,471
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	\$ 36,642	\$ 131,557
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per series (000s)		
Series A	\$ 22,551	\$ 99,240
Series A (Hedged)	140	352
Series F	714	5,484
Series I	1,441	4,381
Series O	9,325	20,796
Series PF	2,471	1,304
Weighted average number of shares outstanding		
Series A	59,083,929	70,793,645
Series A (Hedged)	192,390	439,269
Series F	1,098,626	3,149,694
Series I	2,392,755	2,507,293
Series O	9,688,042	8,933,254
Series PF	7,049,513	1,449,775
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share		
Series A	\$ 0.39	\$ 1.39
Series A (Hedged)	0.73	0.80
Series F	0.65	1.73
Series I	0.61	1.75
Series O	0.96	2.33
Series PF	0.35	0.90

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

Templeton Growth Fund, Ltd.

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

For the six months ended October 31, 2017 and 2016 (Unaudited) (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	\$1,596,322	\$1,441,658	\$1,164,017	\$1,123,797	\$ 2,772	\$ 5,448
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	36,642	131,557	22,551	99,240	140	352
Distributions to holders of redeemable shares						
From net investment income	—	—	—	—	—	—
From net realized gains on investments	—	—	—	—	—	—
From return of capital	—	—	—	—	—	—
Total distributions to holders of redeemable shares	—	—	—	—	—	—
Redeemable shares transactions						
Subscriptions	52,339	33,350	14,916	11,655	64	271
Reinvestments	—	—	—	—	—	—
Redemptions	(111,829)	(125,515)	(83,350)	(97,802)	(136)	(2,977)
Net increase (decrease) from redeemable shares transactions	(59,490)	(92,165)	(68,434)	(86,147)	(72)	(2,706)
Increase (decrease) in net assets attributable to holders of redeemable shares	(22,848)	39,392	(45,883)	13,093	68	(2,354)
Net assets attributable to holders of redeemable shares at end of period	\$1,573,474	\$1,481,050	\$1,118,134	\$1,136,890	\$ 2,840	\$ 3,094
	Series F		Series I		Series O	
	2017	2016	2017	2016	2017	2016
Net assets attributable to holders of redeemable shares at beginning of period	\$ 22,550	\$ 54,364	\$ 55,067	\$ 44,459	\$273,590	\$203,498
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	714	5,484	1,441	4,381	9,325	20,796
Distributions to holders of redeemable shares						
From net investment income	—	—	—	—	—	—
From net realized gains on investments	—	—	—	—	—	—
From return of capital	—	—	—	—	—	—
Total distributions to holders of redeemable shares	—	—	—	—	—	—
Redeemable shares transactions						
Subscriptions	10,088	6,971	356	2,657	15,348	5,896
Reinvestments	—	—	—	—	—	—
Redemptions	(6,520)	(5,459)	(2,428)	(2,486)	(14,358)	(16,217)
Net increase (decrease) from redeemable shares transactions	3,568	1,512	(2,072)	171	990	(10,321)
Increase (decrease) in net assets attributable to holders of redeemable shares	4,282	6,996	(631)	4,552	10,315	10,475
Net assets attributable to holders of redeemable shares at end of period	\$ 26,832	\$ 61,360	\$ 54,436	\$ 49,011	\$283,905	\$213,973
	Series PF					
	2017	2016				
Net assets attributable to holders of redeemable shares at beginning of period	\$ 78,326	\$ 10,092				
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	2,471	1,304				
Distributions to holders of redeemable shares						
From net investment income	—	—				
From net realized gains on investments	—	—				
From return of capital	—	—				
Total distributions to holders of redeemable shares	—	—				
Redeemable shares transactions						
Subscriptions	11,567	5,900				
Reinvestments	—	—				
Redemptions	(5,037)	(574)				
Net increase (decrease) from redeemable shares transactions	6,530	5,326				
Increase (decrease) in net assets attributable to holders of redeemable shares	9,001	6,630				
Net assets attributable to holders of redeemable shares at end of period	\$ 87,327	\$ 16,722				

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

Templeton Growth Fund, Ltd.

STATEMENTS OF CASH FLOWS

For the six months ended October 31, 2017 and 2016 (Unaudited)

	<u>2017</u> <u>(000s)</u>	<u>2016</u> <u>(000s)</u>
Cash flows from operating activities		
Interest received	\$ 217	\$ 92
Dividends received, net of withholding taxes	21,464	22,221
Proceeds from sale and maturity of investments	374,986	299,175
Purchases of investments	(323,074)	(208,911)
Receipts on settlement of derivative activities	207	382
Payments on settlement of derivative activities	(131)	(472)
Realized foreign exchange gain/(loss)	593	(63)
Taxes paid	(1,446)	(6,660)
Operating expenses paid	<u>(14,822)</u>	<u>(14,830)</u>
Net cash from/(used in) operating activities	<u>57,994</u>	<u>90,934</u>
Cash flows from financing activities		
Proceeds from issuances of redeemable shares	52,425	33,394
Amounts paid on redemption of redeemable shares	<u>(112,199)</u>	<u>(124,866)</u>
Net cash from/(used in) financing activities	<u>(59,774)</u>	<u>(91,472)</u>
Net increase (decrease) in cash	(1,780)	(538)
Cash at beginning of period	458	488
Effect of exchange rate changes	(25)	246
Cash /(bank overdraft) at end of period	<u>\$ (1,347)</u>	<u>\$ 196</u>

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

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended October 31, 2017 (Unaudited) and April 30, 2017

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 October 31, 2017. The Statements of Financial Position as at October 31, 2017 and April 30, 2017. 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 October 31, 2017 and 2016.

These financial statements have been authorized for issue by the Board of Directors of Templeton Growth Fund, Ltd. on December 5, 2017.

(b) Fund Events

Effective October 3, 2016, Series M was renamed as Series PF. Series M was launched on June 15, 2015.

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 October 31, 2017 (Unaudited) and April 30, 2017 (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 of 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") were 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.

- (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,

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended October 31, 2017 (Unaudited) and April 30, 2017 (Continued)

3. Summary of Significant Accounting Policies (Continued)

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 charged as an expense for the period and shown on the Statements of Comprehensive Income.

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.

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

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended October 31, 2017 (Unaudited) and April 30, 2017 (Continued)

3. Summary of Significant Accounting Policies (Continued)

For the years ended April 30, 2017 and 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.

The switching of shares between Series A Hedged and another series of the Fund, is 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 invested 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 its operations by issuing redeemable units which are puttable at the holder's option, and entitle the holder to a proportional stake in the Underlying 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

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

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended October 31, 2017 (Unaudited) and April 30, 2017 (Continued)

3. Summary of Significant Accounting Policies (Continued)

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	
	October 31, 2017	April 30, 2017	October 31, 2017	April 30, 2017	October 31, 2017	April 30, 2017
Outstanding shares — beginning	60,912,162	73,300,636	195,211	461,104	1,011,804	3,073,038
Subscriptions	788,804	1,767,433	4,486	34,112	456,984	816,172
Reinvestments	—	—	—	—	—	—
Redemptions	(4,419,448)	(14,155,907)	(9,418)	(300,005)	(296,598)	(2,877,406)
Outstanding shares — ending	<u>57,281,518</u>	<u>60,912,162</u>	<u>190,279</u>	<u>195,211</u>	<u>1,172,190</u>	<u>1,011,804</u>

	Series I		Series O		Series PF	
	October 31, 2017	April 30, 2017	October 31, 2017	April 30, 2017	October 31, 2017	April 30, 2017
Outstanding shares — beginning	2,454,051	2,496,451	9,654,836	9,173,922	6,708,492	1,092,606
Subscriptions	15,932	198,004	544,586	1,850,572	1,004,169	6,009,838
Reinvestments	—	—	—	—	—	—
Redemptions	(107,772)	(240,404)	(511,242)	(1,369,658)	(440,979)	(393,952)
Outstanding shares — ending	<u>2,362,211</u>	<u>2,454,051</u>	<u>9,688,180</u>	<u>9,654,836</u>	<u>7,271,682</u>	<u>6,708,492</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 October 31, 2017 (Unaudited) and April 30, 2017 (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, PF 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:

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

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

Over C\$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. 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 October 31, 2017 (Unaudited) and April 30, 2017 (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. 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 October 31, 2017 and April 30, 2017.

	<u>October 31, 2017</u>	<u>April 30, 2017</u>
Series A (Hedged)	83,133	83,133

(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* are recoverable expenses from operation.

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 Fund invested in an Underlying Fund, an unconsolidated structured entity and was measured at fair value through profit and loss.

As at October 31, 2017, the Fund no longer held an investment in the Underlying Fund. The Fund's interest in the Underlying Fund in dollar and percentage terms as at April 30, 2017 was \$3,189,000 which represented 20.71% of the Underlying Fund.

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.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended October 31, 2017 (Unaudited) and April 30, 2017 (Continued)

8. Financial Risk Management (Continued)

(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 Investments, 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	October 31, 2017		April 30, 2017	
	Amount (000s)	As % of net assets	Amount (000s)	As % of net assets
EUR	\$ 313,976	19.95%	\$ 356,210	22.31%
GBP	174,184	11.07%	125,855	7.88%
HKD	90,357	5.74%	84,639	5.30%
JPY	128,084	8.14%	125,039	7.83%
USD	598,390	39.19%	594,746	37.26%
Other	196,349	12.47%	205,920	12.91%
	<u>\$1,501,340</u>	<u>96.56%</u>	<u>\$1,492,409</u>	<u>93.49%</u>
Impact on net assets from 5% currency movement	\$ 75,067	4.83%	\$ 74,620	4.67%

(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.

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 October 31, 2017 and April 30, 2017.

(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.

October 31, 2017		April 30, 2017	
Sensitivity on Net Assets (000s)	% Impact on Net Assets	Sensitivity on Net Assets (000s)	% Impact on Net Assets
\$75,935	4.83%	\$75,375	4.72%

(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

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended October 31, 2017 (Unaudited) and April 30, 2017 (Continued)

8. Financial Risk Management (Continued)

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 October 31, 2017 and April 30, 2017.

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 October 31, 2017 and April 30, 2017, 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 October 31, 2017 and April 30, 2017.

(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	October 31, 2017 (%)	April 30, 2017 (%)	Asset Class Weightings	October 31, 2017 (%)	April 30, 2017 (%)
Banks	13.02	13.92	Common Stocks	96.52	94.24
Oil, Gas & Consumable Fuels	8.05	7.90	Underlying Funds	—	0.20
Pharmaceuticals	7.65	8.59	Short-term securities and all other	3.48	5.56
Insurance	5.10	5.71	assets, net		
Technology Hardware, Storage & Peripherals	4.27	7.03			
Others	58.43	51.29			

(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

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended October 31, 2017 (Unaudited) and April 30, 2017 (Continued)

8. Financial Risk Management (Continued)

- 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.
- 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 October 31, 2017 and April 30, 2017.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended October 31, 2017 (Unaudited) and April 30, 2017 (Continued)

8. Financial Risk Management (Continued)

	October 31, 2017				April 30, 2017			
	Level 1 (000s)	Level 2 (000s)	Level 3 (000s)	Total (000s)	Level 1 (000s)	Level 2 (000s)	Level 3 (000s)	Total (000s)
Equities — Long	\$ 1,518,692	\$ —	\$ —	\$ 1,518,692	\$ 1,502,883	\$ —	\$ —	\$ 1,502,883
Convertible Equities	—	—	—	—	1,434	—	—	1,434
Mutual Funds/Unit Trusts/ETFs	—	—	—	—	3,189	—	—	3,189
Short-term securities	—	51,658	—	51,658	—	85,800	—	85,800
Total Investments	<u>\$ 1,518,692</u>	<u>\$ 51,658</u>	<u>\$ —</u>	<u>\$ 1,570,350</u>	<u>\$ 1,507,506</u>	<u>\$ 85,800</u>	<u>\$ —</u>	<u>\$ 1,593,306</u>
Derivative assets	\$ —	\$ 4	\$ —	\$ 4	\$ —	\$ —	\$ —	\$ —
Derivative liabilities	—	14	—	14	—	12	—	12

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 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 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 October 31, 2017 and April 30, 2017, 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 periods ended October 31, 2017 and October 31, 2016 amounted to \$1.0 million and \$0.5 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 periods ended October 31, 2017 and October 31, 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 October 31, 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 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.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended October 31, 2017 (Unaudited) and April 30, 2017 (Continued)

10. Taxes (Continued)

(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	1.55	(6.54)

11. Trading 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 October 31, 2017 and April 30, 2017 the Fund 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 October 31, 2017 and April 30, 2017 and amounts available for offset. The "Net Amount" represents the impact to the Fund if all set-off rights were exercised.

October 31, 2017

Counterparty	Amounts available for offset				Amounts available for offset			
	Gross Assets	Financial Instruments	Collateral Held in Trust	Net Amount	Gross Liabilities	Financial Instruments	Collateral Pledged	Net Amount
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
CITIBANK NA	\$—	\$—	\$—	\$—	\$ 1	\$—	\$—	\$ 1
HSBC BANK PLC	—	—	—	—	6	—	—	6
JPMORGAN CHASE BANK, N.A.	—	—	—	—	1	—	—	1
Others ^(a)	4	—	—	4	6	—	—	6
Total	<u>\$ 4</u>	<u>—</u>	<u>—</u>	<u>\$ 4</u>	<u>\$14</u>	<u>—</u>	<u>—</u>	<u>14</u>

April 30, 2017

Counterparty	Amounts available for offset				Amounts available for offset			
	Gross Assets	Financial Instruments	Collateral Held in Trust	Net Amount	Gross Liabilities	Financial Instruments	Collateral Pledged	Net Amount
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(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>

^(a)Represents contracts for which there are no ISDA agreements with the counterparties and for which are centrally cleared over-the-counter derivatives.

Templeton Growth Fund, Ltd.

NOTES TO FINANCIAL STATEMENTS For the periods ended October 31, 2017 (Unaudited) and April 30, 2017 (Continued)

12. Other Information (Continued)

(b) Financial instruments classification

As discussed in Note 3(a), the Fund 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 periods ended October 31, 2017 and 2016.

October 31, 2017			October 31, 2016		
Held for Trading	Designated at Inception	Total	Held for Trading	Designated at Inception	Total
(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
\$78	\$55,168	\$55,246	\$59	\$150,264	\$150,323

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 shares 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. Future Accounting Changes

IFRS 9, *Financial Instruments*, has replaced IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after January 1, 2018. 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.

Based on the Manager's assessment of IFRS 9, the classification of the Fund's financial assets and financial liabilities will be consistent with the classification category prior to the transition to IFRS 9, with the exception of derivatives which will be categorized as fair value through profit and loss. Derivatives were classified as held for trading under IAS 39. The Manager does not anticipate changes in the measurement attributes of any of the financial assets and financial liabilities of the Fund.



Semi-Annual Report

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