

富蘭克林坦伯頓成長基金
Templeton Growth Fund, Inc.
年度財務報告中文簡譯本

2019年8月31日

本基金年報中文簡譯本僅供參考。
中文簡譯本之內容與英文年報若有歧異，以英文年報之內容為準。

富蘭克林坦伯頓成長基金

財務重點

	截至 8 月 31 日止之年度				
	2019	2018	2017	2016	2015
A 股					
每單位股份操作績效					
(針對持續全年流通在外之股份)					
期初淨資產價值	\$27.08	\$26.26	\$22.67	\$22.60	\$26.05
來自投資操作之收益 ^a ：					
淨投資收益 ^b	0.51	0.47	0.38	0.35	0.42
淨實現及未實現利得(損失)	(3.96)	0.84	3.55	0.08	(3.20)
來自投資操作之收益總額	(3.45)	1.31	3.93	0.43	(2.78)
扣除配息：					
來自淨投資收益	(0.45)	(0.49)	(0.34)	(0.36)	(0.67)
來自淨實現利得	(2.22)	—	—	—	—
配息總額	(2.67)	(0.49)	(0.34)	(0.36)	(0.67)
期末淨資產價值	\$20.96	\$27.08	\$26.26	\$22.67	\$22.60
總報酬 ^c	(13.02)%	4.99%	17.49%	1.97%	(10.76)%
對應平均淨資產比率					
費用 ^d	1.06%	1.03%	1.06% ^e	1.07% ^e	1.05%
淨投資收益	2.20%	1.75%	1.55%	1.60%	1.74%
補充資料					
期末淨資產(000's)	\$8,604,624	\$10,711,345	\$10,880,427	\$10,524,247	\$11,506,800
投資組合資金週轉率	25.30 %	28.77 %	29.17 %	23.05 %	18.47 %

a. 視與基金所獲取的收益以及/或是基金投資市值的變動相關的基金股份出售與購回的時間點，於此期間內流通在外股份所顯示的金額可能與此期間的經營業績表所實現的金額無關聯。

b. 以每日平均流通在外股數為基礎。

c. 總報酬並不反映銷售酬佣或是或有遞延銷售手續費（如適用）。

d. 關係企業支付或減免款項的利益四捨五入到小於 0.01%。

e. 費用減少的利益四捨五入到小於 0.01%。

富蘭克林坦伯頓成長基金

資產負債表

2019年8月31日

資產：

證券投資：

成本 - 非關係企業上市公司

\$11,635,147,228

價值 - 非關係企業上市公司

\$10,692,081,873

現金

2,431,276

外幣價值 (成本 \$6,402,626)

6,446,017

應收款項：

證券投資銷售款

17,173,764

股本銷售款

2,869,266

股利

42,891,745

歐盟稅款回收

15,190,744

其他資產

6,139

資產合計

10,779,090,824

負債：

應付款項：

投資證券買入款

5,074,852

股本贖回款

8,976,291

管理費用

6,315,463

配銷費用

1,995,033

股務代理機構費用

1,286,267

遞延稅

2,473,699

預提費用及其他負債

1,125,890

負債合計

27,247,495

淨資產價值

\$10,751,843,329

淨資產包含：

實收資本

\$11,049,311,810

可分配盈餘(損失)合計

(297,468,481)

淨資產價值

\$10,751,843,329

富蘭克林坦伯頓成長基金

資產負債表 (承續前表)

2019年8月31日

A股：

淨資產價值	\$8,604,624,440
流通在外股份	410,448,478
每股淨資產價值 ^a	\$20.96
每股最高售價 (每股淨資產價值除以 94.50%)	\$22.18

a. 贖回價格等於淨資產價值減掉任何由本基金所提取的或有遞延銷售手續費(如適用)。

富蘭克林坦伯頓成長基金

經營業績表

截至 2019 年 8 月 31 日止之年度

投資收益：

股利：(扣除外國稅額) *

非關係企業上市公司 \$ 380,754,035

利息：

非關係企業上市公司 10,529,934

來自借出證券的收益：

非關係企業上市公司 (扣除費用以及回扣) 432,937

非控制關係企業上市公司(附註 3f) 273,733

投資收益總額 391,990,639

費用：

管理費用(附註 3a) 82,385,615

配銷費用(附註 3c)

A 股 24,094,930

C 股 2,310,914

R 股 374,645

股務代理機構費用(附註 3e)

A 股 9,317,881

C 股 223,716

R 股 72,766

R6 股 343,050

Advisor 股 458,849

保管機構費用(附註 4)

股東報告書費用 943,761

註冊與申報費用 637,465

專業人士費用 190,904

董事酬金與費用 250,761

其他 448,602

總費用 122,301,547

由關係企業減免/支付的費用(附註 3f 及 3g) (49,086)

淨費用 122,252,461

淨投資收益 269,738,178

實現與未實現利得(損失)：

淨實現利得(損失)來自：

投資：

非關係企業上市公司 523,832,115

賣出選擇權 3,188,934

外幣交易 (2,981,349)

淨實現利得(損失) 524,039,700

淨未實現溢價(折價)在：

投資：

非關係企業上市公司 (2,493,768,334)

以外幣計價之其他資產與負債換算 (1,393,829)

賣出選擇權 19,974

遞延稅的淨未實現溢價 (2,473,699)

淨未實現溢價(折價) (2,497,615,888)

淨實現與未實現利得(損失) (1,973,576,188)

淨資產在投資操作上的淨增加(減少) \$(1,703,838,010)

*外國稅收扣繳股利 \$ 28,610,481

富蘭克林坦伯頓成長基金

淨資產變動表

	截至 8 月 31 日止之年度	
	2019	2018
淨資產增加(減少)：		
投資操作：		
淨投資收益	\$ 269,738,178	\$ 244,979,349
淨實現利得(損失)	524,039,700	1,286,442,041
淨未實現溢價(折價)變動	(2,497,615,888)	(835,168,379)
淨資產在投資操作上的淨增加(減少)	(1,703,838,010)	696,253,011
對股東的配息：(附註 1f)		
A 股	(1,060,271,255)	(195,191,280)
C 股	(17,987,523)	(6,311,761)
R 股	(8,302,520)	(1,537,795)
R6 股	(179,538,473)	(40,254,398)
Advisor 股	(53,290,298)	(10,062,504)
對股東的配息總額	(1,319,390,069)	(253,357,738)
股本交易：(附註 2)		
A 股	318,262,962	(513,628,560)
C 股	(344,726,383)	(58,357,823)
R 股	(6,907,043)	(14,099,627)
R6 股	115,423,472	(112,349,997)
Advisor 股	13,713,825	(6,104,141)
股本交易總額	95,766,833	(704,540,148)
淨資產的增加(減少)	(2,927,461,246)	(261,644,875)
淨資產		
年度期初	13,679,304,575	13,940,949,450
年度期末(附註 1f)	\$10,751,843,329	\$13,679,304,575

富蘭克林坦伯頓成長基金

財務報告附註

1. 組織結構與重要會計政策

富蘭克林坦伯頓成長基金（以下稱本基金）是依據美國 1940 年投資公司法案（簡稱為 1940 法案）註冊成立的開放式投資公司並且採行美國一般公認會計原則（U.S. GAAP）之專業會計和報導指南。本基金提供五種股份類別：A 股、C 股、R 股、R6 股與 Advisor 股。自 2018 年 10 月 19 日開始，C 股在持有 10 年後將自動轉為 A 股。各股份類別的首次銷售手續費、或有遞延銷售手續費、對單一股份具影響之事件的投票權、轉換權益、不同約定之分銷費用及股務代理機構費用皆有所不同。

2018 年 10 月 5 日生效，所有 C1 股轉換為 C 股。

本基金重要會計政策摘要如下：

a. 財務工具評價

本基金為每日以公平價值(fair value)評價投資的財務工具。公平價值是市場參與者於秩序交易中，賣出資產或轉移負債於衡量日所被買賣參與者接受的價格。本基金在每個營業日的美東時間下午四點或紐約證券交易所(NYSE)正常排定的收盤時間計算每股淨資產價值(NAV)，以較早者為準。在本基金董事會所核准的政策及程序下，本基金的行政經理公司負責監控及評價的範圍包括：主導具有交叉功能之評價委員會(the Valuation Committee(VC))。本基金得以利用獨立定價服務、來自證券和財務工具的交易商所提供的報價及其他市場資訊來決定公平價值。

在證券交易所或那斯達克交易系統掛牌之股票及衍生性金融工具是分別以最後公告售價或當日官方收盤價格計價。外國證券是以證券主要交易之外國證券交易所或是東部時間下午四點的收盤價估值，其價格將以外國證券依東部時間下午四點的收盤匯率被轉換成美元後的價值而定。店頭市場交易證券其估值則不超過最近一次的買賣報價範圍。同時在多個市場或多個交易所進行交易的證券，其估值則以最具廣度和代表性之市場的報價為準。某些股權證券是以類似證券的基本特徵或關係為評價基礎。

投資於開放式共同基金是以結算後的淨資產價值評價。投資於定期存款是以成本評價，其成本接近公平價值。

當財務工具缺乏可以信賴或是無法獲得市場價格時，本基金採用一些程序來決定其公平價值。在這些程序下，本基金主要使用市場基礎法（market-based approach），即使用相關或可比較之資產或負債、近期交易、市場乘數、帳面價值及其他相關資訊來決定投資之公平價值。收益基礎衡量法（income-based valuation approach）也可用於投資之預期未來現金流量折價以計算公平價值。由於處分投資的限制的本質或是存續期間，可能也使用折價來計算。由於此類投資評價固有的不確定性，其公平價值與交易市場的價格可能會有顯著的差異。

於外國證券交易所及店頭交易市場掛牌證券的交易，可能早於東部時間下午四點時間。此外，某些外國市場的交易並不會發生在每一個基金的營業日內。有時候，在外國證券交易完畢與東部時間下午四點之間的時間裡發生的事件可能對本基金所持有之投資組合證券價值的可信度造成影響。因此，由外國市場收盤後所決定之基金組合證券價格與東部時間下午四點最近的價格間，可能會產生差異。為了最小化這些潛在的差異，VC 會利用一系列的國家特定市場工具（例如一籃子的美國存託憑證、期貨契約與指數股票型基金）來監控外國股市收盤後的價格變動。價格的變動將以各個特定市場工具設定的觸發點來協助衡量是否有可能對本基金所持有之外國證券價值的可信度造成影響的事件發生。若此類事件發生，證券將以公平價值

富蘭克林坦伯頓成長基金

1. 組織結構與重要會計政策(承續前文)

a. 財務工具評價(承續前文)

程序來定價，包括使用獨立定價服務。在截至 2019 年 8 月 31 日，發生過市場事件導致本基金所持有之部分證券係以公平價值程序來定價。

當申報期間的最後一日為非營業日時，某些外國市場是在基金的淨值未被計算時營業，此可能造成基金投資組合證券的價值在申報期間的最後營業日及最後日曆日間所有差異。任何因外國市場開市所造成之顯著證券價值變動將被基金為反映財務申報目的而進行調整和反映。

b. 外幣轉換

投資組合中以外幣結算的證券以及其他資產與負債，是在估值日以這類外幣對美元的匯率轉換成美元來定價。本基金得簽訂外匯契約協助以外幣計價的交易。以外幣結算之證券的申購與銷售，收益與費用項目是以在交易日生效的匯率轉換成美元來定價。以外幣計價之投資組合證券、資產及負債包含這些外幣相對於美元價值下跌的風險。有時候，事件的發生可能影響外幣對美元匯率的可獲得性或可信度。若有此類事件發生，將以本基金董事會所建立並核准之程序來確定該匯率的公平價值。

本基金不會單獨報告由於持有證券的市價變動而引起的外幣匯率變動的結果。這類的變動已包含在經營業績表的淨實現與未實現投資利益或損失中。

已實現的匯兌利得或損失來自於外幣銷售、在證券的交易日與交割日之間所實現的貨幣利得或損失及股利、利息、外國預扣稅的紀錄金額與其實際交付的等值美元金額之間的差異。淨未實現匯兌利得或損失來自於在報告期末除所持有的投資證券之外，以外幣結算之資產與負債的外幣匯率變動。

c. 衍生性金融商品

本基金投資於衍生性金融商品係為了管理風險或是增加對不同的其他投資或市場之曝險。衍生性金融商品為依標的資產或其名目金額為基礎之金融契約，其無須原始投資金額或其原始淨投資金額小於一般對市場因素改變有相似反應的投資金額，及其需要或允許淨額交割。衍生性金融商品存在許多風險，包含交易對手可能無法履行基於契約條款之義務、難於次級市場變現之可能性、以及/或是於市場波動時使本基金之利得或損失曝險於超過資產負債表所列金額之可能性。這些契約在本期間之已實現利得和損失及未實現溢價及折價皆已列示於經營業績表中。

本基金買入或賣出交易所交易之選擇權契約主要係為了管理曝險於股票價格風險。選擇權是一種契約給予持有者以特定價格買入或賣出某一資產的股份或單位的特定金額，或交換契約之名目金額。買入選擇權認列為資產，而賣出選擇權則認列為負債。當履行選擇權時，所收取或給付的任何權利金將調整於標的投資的買入成本或賣出收益。當選擇權到期時，所收取或給付的任何權利金則認列為已實現利得或損失。當非經由履行或到期而結清選擇權時，權利金與結清選擇權部位之成本的差額則認列為已實現利得或損失。

請參照附註 8 有關其他衍生性金融商品資訊之說明。

d. 證券借貸

本基金參與一項代理機構基礎之證券借貸計劃以賺取額外的收益。本基金收取相當於所借出證券之公平價值至少 102% 的金額之現金擔保品。在此借貸的存續期間內擔保品的金額不低於

富蘭克林坦伯頓成長基金

1. 組織結構與重要會計政策(承續前文)

d. 證券借貸(承續前文)

該借出證券公平價值（在基金各營業日結束時評定）的 100%，任何因證券價值變動而須追加的擔保品必須於次一營業日交付給本基金。與其他基金存入聯合現金帳戶的擔保品習慣被投資於富蘭克林顧問公司（本基金之關係企業）所管理的貨幣市場基金裡。本基金收取來自現金擔保品的投資收益，以及從借貸者收取出借費用與回扣。來自借出證券的收益，扣除支付予證券借貸機構以及/或是第三方供應商的費用，已分別記錄於經營業績表中。本基金承擔有關擔保品投資與證券借出的市場風險，以及代理機構違反其對本基金義務的風險。如果借貸者違反其應返還借出證券的義務，本基金有權利運用所收取的擔保品於公開市場再買回這些證券。證券借貸機構已同意賠償本基金由第三方借入者產生的違約風險。截至 2019 年 8 月 31 日，本基金沒有借出證券。

e. 所得稅及遞延稅

按照基金政策，本基金必須符合美國稅務法對於投資公司的規定，對股東分配幾乎所有的應稅收益與淨實現利益以免於繳納聯邦所得稅及特許權稅，因此無需預提美國聯邦所得稅。

本基金在外國管轄區域的投資所收取的收益、證券售出的資本利得以及一些外匯交易可能須繳納外國稅捐。如有外國稅捐，其金額將依據本基金所投資之外國市場實施的稅務法規與稅率申報。如外國對淨實現利得加以課稅，本基金將記錄預估的遞延稅賦義務，其金額相當於當證券在評價日交易須支付的稅額。

由於遍及歐盟一些國家的幾個訴訟案件結果，本基金已經為以前在這些國家所賺取股利的代扣稅款申報追加的回收稅款（歐盟回收）。這些追加申請案須遵從歐盟範圍內當地稅務主管機關的各種行政訴訟以及一些相關的司法程序。已認可收益，若有的話，這些歐盟回收金額是以其他收益反映於經營業績表中，而任何相關應收款項，若有的話，是以歐盟稅款回收反映於資產負債表中。當這些訴訟的最終裁決、取得這些回收稅款的可能性以及付款的可能時間安排尚存有不確定性時，則無金額得以被反映於財務報表中。就美國所得稅目的，本基金所收取的歐盟回收稅款，若有的話，將減少外國稅捐金額而使本基金股東得在個人所得稅申報單中作為稅收抵免。

只有當稅務機關基於稅項的技術優勢進行依據美國一般公認會計原則(U.S.GAAP)審查時認為不明確稅項低於 50%的可能性將持續的情況下，本基金才會承認不明確稅項的賦稅利益。於截至 2019 年 8 月 31 日止及所有開放稅賦年度，本基金認為沒有因被要求於納稅申報表所揭有關不明確稅項之納稅申報（或預計在未來進行納稅申報）之未承認賦稅利益而產生的負債。開放稅賦年度為基於稅賦管轄權之法定時效限制下仍須接受審查的年度。

f. 證券交易、投資收益、費用及配息

證券交易是在交易日作入帳。證券交易之已實現利得或損失則決定於特定基礎。利息收入與預估費用則每日計提。利息收入包括債券折價及溢價攤銷。股利收入是在除息日入帳，除了某些來自外國證券的股利是在本基金接獲除息日通知才立即認定。對股東的配息是在除息日入帳並且依據所得稅法（稅基）確定。以稅基所決定的可分配盈餘可能不同於依照一般美國公認會計準則所紀錄的盈餘。這些差異可能是永久或是暫時的。在資本帳戶中，永久性差異將被重新分類以反映其稅賦特性。這些重新分類對淨資產或是經營業績並不會造成影響。暫時性差異則不用重新分類，因為差異在後續期間將會迴轉*。

已實現與未實現利得與損失以及淨投資收益（股份等級特定費用除外），是依照個別股份等級年度財務報告/附屬的財務報表附註是財務報表的一部份

富蘭克林坦伯頓成長基金

1. 組織結構與重要會計政策(承續前文)

f. 證券交易、投資收益、費用及配息(承續前文)

的淨資產之相對比重而每日分配到個別股份等級。股份等級的費用差異可能導致各股份等級每股配息款項的差異。

* 在本報告期內生效，在淨資產變動表中不再需要列出某些項目。為受此變動影響項目的前一期間金額列示如下，其與上一年度淨資產變動表所揭相同。

在截至2018年8月31日，對股東的配息如下：

來自淨投資收益的配息：

A股	\$(195,191,280)
C股	(6,311,761)
R股	(1,537,795)
R6股	(40,254,398)
Advisor股	(10,062,504)

在截至2018年8月31日，包含於淨資產的未分配淨投資收益為\$184,997,376美元。

g. 會計估計

管理階層依照美國一般公認的會計準則編制財務報表時需要做出會計估計與假設。這些會計估計與假設會影響於財務報表日的資產與負債金額以及在財務報表期間的收入與費用金額。實際結果可能與估計值不同。

h. 保證及賠償

在本基金的組織文件規定下，本基金同意免除其主管與董事在某些超越其職責範圍而發生的負債的責任。此外，在正常業務狀況下，本基金代表本基金與服務提供機構簽訂契約也包含責任免除條款。本基金在這些免責條款下的最大風險是未知的，因為涉及未來可能對本基金發生的被訴訟索賠。目前，本基金預期損失的風險是很小的。

2. 基金股份

在截至2019年8月31日，本基金經授權發行的股份為27億股(每股面值\$0.01)。本基金股份的交易如下表：

	截至8月31日止之年度		截至8月31日止之年度	
	2019		2018	
	股份	金額	股份	金額
A股：				
股份銷售 ^a	35,476,942	\$ 849,722,463	14,913,291	\$ 460,252,074
配息轉入再投資之股份發行	42,861,541	923,666,190	6,012,472	161,659,231
組織重組之股份發行	—	—	12,926,845	295,023,084
股份贖回	(63,390,104)	(1,455,125,691)	(52,618,740)	(1,430,562,949)
淨增加(減少)	14,948,379	\$ 318,262,962	(18,766,132)	\$ (513,628,560)

^a可能包含部分C股其被自動轉為A股。

富蘭克林坦伯頓成長基金

3. 與關係企業的交易

富蘭克林公司作為控股公司，與其各附屬公司合稱為富蘭克林坦伯頓基金集團。本基金的部分主管與董事也是下列附屬公司的主管以及/或是董事：

附屬公司	與本基金的關係
Templeton Global Advisors Limited (Global Advisors)	投資經理公司
Franklin Templeton Services, LLC (FT Services)	行政經理公司
Franklin Templeton Distributors, Inc. (Distributors)	主辦承銷商
Franklin Templeton Investor Services, LLC (Investor Services)	股務代理機構

a. 管理費用

本基金按基金的平均每日淨資產價值所適用之年率標準支付 Global Advisors 投資管理費用，年率標準詳如下表：

年化費率	淨資產
0.780%	不超過（含）二億美元
0.765%	超過二億美元，不超過（含）七億美元
0.730%	超過七億美元，不超過（含）十億美元
0.715%	超過十億美元，不超過（含）十二億美元
0.690%	超過十二億美元，不超過（含）五十億美元
0.675%	超過五十億美元，不超過（含）一百億美元
0.655%	超過一百億美元，不超過（含）一百五十億美元
0.635%	超過一百五十億美元，不超過（含）二百億美元
0.615%	超過二百億美元，不超過（含）二百五十億美元
0.605%	超過二百五十億美元，不超過（含）三百億美元
0.595%	超過三百億美元，不超過（含）三百五十億美元
0.585%	超過三百五十億美元，不超過（含）四百億美元
0.575%	超過四百億美元，不超過（含）四百五十億美元
0.565%	超過四百五十億美元

截至 2019 年 8 月 31 日，有效投資管理總額費率為基金平均每日淨資產的 0.685%。

b. 行政費用

依據與 Global Advisors 的契約，FT Services 對本基金提供行政管理服務。按本基金的每日平均淨資產由 Global Advisors 支付行政管理服務費用，其並不是本基金額外的費用。

c. 配銷費用

除了 R6 股及 Advisor 股以外，本基金董事會遵循美國 1940 年投資公司法案的規則 12b-1，對於各股皆採用配銷計劃。配銷費用在本基金 A 股的償還配銷計劃下，每年本基金將向 Distributors 償付不超過 A 股的最高年度計劃費率的費用，用以彌補其銷售與配銷本基金股份所帶來的費用。在 A 股的償還配銷計劃下，當期計劃年度的費用超出最高償還額度的部分不會在後續期間得到償還。此外，在本基金 C 股及 R 股的補償配銷計劃下，每年本基金將向 Distributors 支付不超過各股的最高年度計劃費率的費用，用以彌補其服務、銷售與配銷本基金股份所招致的費用。為監控最高年度計劃費率之遵循情形，該計劃年度為 2 月 1 日至 1 月 31 日的整個期間。

富蘭克林坦伯頓成長基金

3. 與關係企業的交易(承續前文)

c. 配銷費用(承續前文)

按本基金的平均每日淨資產的特定比例，各股的最高年度計劃費率列示如下：

A 股	0.25%
C 股	1.00%
R 股	0.50%

d. 銷售手續費/承銷合約

前收型銷售手續費以及或有遞延銷售手續費 (CDSC) 不是本基金的費用。這些手續費在投資之前就從基金股份銷售款項中扣除，或是在贖回收益匯出之前被扣除 (若適用)。承銷商 (Distributors) 已告知本基金下列有關本期間基金股份銷售與贖回的交易佣金：

扣除支付給非關係企業的交易商/經紀商佣金後的銷售手續費	\$285,914
保留的或有遞延銷售手續費	\$ 12,213

自 2018 年 9 月 10 日起生效，董事會已同意 A 股的某些前收銷售手續費和代銷公司報酬之變動。進一步細節已揭露在本基金的公開說明書。

e. 股務代理機構費用

每個基金股份為 Investor Services 對股東服務範圍的績效支付股務代理機構費用義務。費用基礎為年化資產費用的 0.02% 加上交易基礎費用。此外，除了 R6 股，每個股份償付 Investor Services 的墊付款項以及支付予第三方的股東服務費用。這些費用將以各個股份淨資產的相對比例為基礎每日配置於各該股份。R6 股僅對該股支付 Investor Services 股務代理機構費用。

在截至 2019 年 8 月 31 日止之年度，本基金支付股務代理機構的費用為 \$10,416,262，其中 \$5,903,605 是用以支付 Investor Services。

f. 投資於關係企業管理投資公司

本基金投資於一家或數家關係企業管理投資公司除了執行對管理或政策的控制影響力的目的外。本基金可減免投資於關係企業管理投資公司的資產所對應的管理費用已標示於經營業績表中，但金額不超過每一個關係企業直接或間接所支付的管理費用和行政費用。在截至 2019 年 8 月 31 日止之年度，本基金投資在關係企業管理投資公司明細如下：

	期初 價值	申購	出售	已實現利得 (虧損)	未實現溢價 (折價)淨變動	期末 價值	期末 持有股數	來自借出 證券收益
非控制關係上 市公司								
Institutional Fiduciary Trust Money Market Portfolio, 1.85%	\$—	\$654,054,599	\$(654,054,599)	\$—	\$—	\$—	—	\$273,733

g. 免除與費用償還

Investor Services 已事先簽約同意免除或是限制其收取的費用，所以 R6 股的股務代理機構費用直到 2019 年 12 月 31 日將不會超過基於該股份平均淨資產的 0.03%。

在 2019 年 1 月 1 日前，R6 股的股務代理機構費用限制不超過該股份平均淨資產的 0.02%。

富蘭克林坦伯頓成長基金

3. 與關係企業的交易(承續前文)

h. 其他關聯交易

在 2019 年 8 月 31 日，富蘭克林基金 Allocator 系列其中一檔或多檔基金持有本基金在外流通股
份合計達 13.1%。

i. 基金間交易

本基金通過具有共同投資經理公司(或關係企業投資經理公司)、董事、受託人或管理人員的
基金或其他帳戶從事投資的買賣。在截至 2019 年 8 月 31 日止之年度，這些申購及出售交易
總額分別為 7,221,547 美元和 591,896 美元。

4. 費用抵銷約定

本基金已與保管機構簽訂合約，將未投資的現金部分所獲得的收益用以抵償本基金的部分保
管機構費用。截至 2019 年 8 月 31 日止之年度內，沒有費用得以免除。

5. 所得稅

在截至 2019 年與 2018 年 8 月 31 日止會計年度內已支付的配息之稅賦性質如下表所示：

	2019	2018
所支付的配息來自：		
一般收益	\$ 237,589,826	\$253,357,738
長期資本利得	1,081,800,243	—
	<u>\$1,319,390,069</u>	<u>\$253,357,738</u>

基於所得稅目的，於 2019 年 8 月 31 日，本基金之投資成本、淨未實現溢價(折價)以及未分配
一般收益如下表所示：

投資成本	\$11,587,333,049
未實現溢價	<u>\$ 993,863,882</u>
未實現折價	(1,889,115,058)
淨未實現溢價(折價)	<u>\$ (895,251,176)</u>
可分配盈餘：	
未分配一般收益	\$ 233,651,496
未分配長期資本利得	351,620,138
可分配盈餘合計	<u>\$ 585,271,634</u>

收益以及/或是資本利得在帳面基礎與稅賦基礎上有所不同，主要是因為對企業活動及沖銷性
交易的處理不同而影響分配的特性所致。

本基金利用稅務會計慣例將部分贖回的資本所得款項視為已實現資本利得的收益分配。

6. 投資交易

截至 2019 年 8 月 31 日止之年度內買入與賣出(不包括短期證券)的交易額分別為\$2,938,413,042
美元及\$3,701,875,032 美元。

富蘭克林坦伯頓成長基金

7. 集中風險

投資於外國證券可能含有特定風險，須考量的因素也與投資美國證券的一般相關事項不同，例如貨幣價值的波動及當地與地區經濟、政治及社會情況的變動等，該因素可能導致大幅度的市場波動。此外，個別外國證券的流動性可能低於美國證券。

8. 其他衍生性商品資訊

截至 2019 年 8 月 31 日止，衍生性金融商品契約在本基金經營業績表的影響如下表所示：

不計入衍生性商品契約之避險工具	經營業績表位置	淨實現利得(損失) 年度期間	經營業績表位置	淨未實現溢價(折價) 年度期間
	淨實現利得(損失)來自：		未實現溢價(折價)	
	賣出選擇權		淨變動：	
股權契約	賣出選擇權	\$3,188,934	賣出選擇權	\$19,974

截至 2019 年 8 月 31 日會計年度底，選擇權的平均每月底之名目金額代表為 267,885 股份。

參照附註 1(c)有關衍生性金融商品。

9. 信用工具

本基金與富蘭克林坦伯頓基金集團所管理的其他美國註冊以及外國投資基金（全體地，以下稱「全體借用人」）共同簽定一項於 2020 年 2 月 7 日到期之貸款總額為 20 億美元的優先無擔保聯合全球信用貸款（以下稱「全球信用工具」）。全球信用工具其為一項資金來源，以提供予全體借用人因應暫時與緊急目的，包括有能力去應付未來無預期或不尋常的大量贖回需求。

依據全球信用工具條款，本基金除了應負擔所動用任何貸款的利息，以及由本基金所產生的其他成本之外，尚須依據本基金佔全體借用人淨資產總額的相對持份比例，分攤履行及維持全球信用工具所產生的費用及支出，包括全球信用工具未使用部位的 0.15% 年度承諾費用。這些費用已反映於經營業績表的其他費用中。截至 2019 年 8 月 31 日止，本基金並未動用全球信用工具貸款。

10. 公平價值衡量

本基金採用公平價值的等級，其係用來區別從獨立來源所取得的市場資料(可觀察信息)與基金自行的市場假設(不可觀察信息)。這些信息被用於決定基金投資的價值，並得概述於以下之公平價值的等級：

- 等級 1—用同一證券的現行活躍市場報價
- 等級 2—其他重要的明顯信息(包括對於相類似證券的報價、利率、預付款項速度及信用風險等)
- 等級 3—重要的不可觀察信息(包括基金以自行假設決定投資的公平價值)

用以評價證券的信息或方法，並非暗示該等級上與投資該證券有關的風險或流動性。

富蘭克林坦伯頓成長基金

10. 公平價值衡量(承續前文)

以下為截至 2019 年 8 月 31 日止，評估本基金資產之公平價值所包含的輸入等級概要：

	等級 1	等級 2	等級 3	合計
資產：				
證券投資： ^a				
中國	\$ 132,916,417	\$ 497,791,377	\$ —	\$ 630,707,794
香港	—	233,073,378	—	233,073,378
英國	989,147,246	103,700,287	—	1,092,847,533
其他股權投資	8,269,453,168	—	—	8,269,453,168
短期投資	—	466,000,000	—	466,000,000
證券投資總額	\$ 9,391,516,831	\$ 1,300,565,042	\$ —	\$10,692,081,873

a. 詳細的產業敘述，請參考檢附之投資明細表。

11. 期後事項

本基金已評量截至本財報公告日期間的期後事項，確定沒有發生應行揭露的事項。

富蘭克林坦伯頓成長基金

翻譯自獨立註冊會計師事務所簽證英文報告原文

致富蘭克林坦伯頓成長基金的全體董事與股東

財務報表之意見

我們已查核富蘭克林坦伯頓成長基金（以下簡稱「基金」）前附截至 2019 年 8 月 31 日之包括投資明細表在內的資產負債表、截至 2019 年 8 月 31 日之相關經營業績表、截至 2019 年 8 月 31 日之兩年的淨資產變動表（包括相關附註）以及截至 2019 年 8 月 31 日之五年的財務重點（以下簡稱「財務報表」）。我們認為，財務報表在所有重大方面，公允反映了基金於 2019 年 8 月 31 日的財務狀況、年度的經營成果、截至 2019 年 8 月 31 日之兩年的淨資產變動情況，以及截至 2019 年 8 月 31 日之五年各期末的財務重點，並符合美國公認會計準則的規定。

意見之基礎

這些財務報表的編制是基金管理者的責任。我們的責任是在我們查核的基礎上對這些財務報表表示意見。我們是公開發行會計公司，在公開發行公司會計監督委員會(美國)（“PCAOB”）註冊，並且被要求必須獨立於基金，符合美國聯邦證券法、美國證券交易委員會和 PCAOB 的適用規則和條例。

我們依據 PCAOB 的標準對這些財務報表進行查核。這些準則要求我們計劃與執行查核工作，以合理確信這些財務報表是否不存在重大誤述，無論是由於錯誤還是欺詐。

我們的查核工作包括評估財務報表重大誤述風險的執程序，無論是由於錯誤或是欺詐，以及執行應對這些風險的程序。這些程序包括在抽查的基礎上檢查支持財務報表金額與相關財務公開的證據。我們的查核工作也包括在評價管理當局在編制財務報表時採用的會計政策和作出的重大會計估計，以及評價財務報表的整體表達。我們相信，我們的查核工作（包括於 2019 年 8 月 31 日與保管銀行、股務代理商及經紀商確認的證券餘額狀況）為所表示的意見提供了合理的基礎。

PricewaterhouseCoopers LLP 會計師事務所

舊金山·加州

2019 年 10 月 17 日

自 1948 年以來，我們一直擔任富蘭克林坦伯頓投資基金的一家或多家投資公司之會計師。

所附財務報表並非意圖顯現其財務立場和營運結果符合美國以外地區接受的一般會計原則之標準。這些財務報表之查核的標準、程序和實務運作為美國當地接受和應用。

This version of our report is a translation from the original report, which was prepared in English. In all matters of interpretation of information, views or opinions, the original English language version of our report takes precedence over this translation.

中文簡譯本之內容與英文年報若有歧異，以英文年報之內容為準。

ANNUAL REPORT AND SHAREHOLDER LETTER

TEMPLETON GROWTH FUND, INC.

August 31, 2019



FRANKLIN
TEMPLETON

Internet Delivery of Fund Reports Unless You Request Paper Copies: Effective January 1, 2021, as permitted by the SEC, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request them from the Fund or your financial intermediary. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you have not signed up for electronic delivery, we would encourage you to join fellow shareholders who have. You may elect to receive shareholder reports and other communications electronically from the Fund by calling (800) 632-2301 or by contacting your financial intermediary.

You may elect to continue to receive paper copies of all your future shareholder reports free of charge by contacting your financial intermediary or, if you invest directly with a Fund, calling (800) 632-2301 to let the Fund know of your request. Your election to receive reports in paper will apply to all funds held in your account.

FRANKLIN TEMPLETON

Successful investing begins with ambition. And achievement only comes when you reach for it. That's why we continually strive to deliver better outcomes for investors. No matter what your goals are, our deep, global investment expertise allows us to offer solutions that can help.

During our more than 70 years of experience, we've managed through all kinds of markets—up, down and those in between. We're always preparing for what may come next. It's because of this, combined with our strength as one of the world's largest asset managers that we've earned the trust of millions of investors around the world.

Dear Shareholder:

During the 12 months ended August 31, 2019, the global economy expanded despite some regional weakness. Upbeat economic data, healthy corporate earnings and hopes for a U.S.-China trade deal helped global markets, as did the U.S. Federal Reserve's (Fed's) patient stance and rate cut in July 2019. However, global stocks reflected concerns about the Fed's prior interest-rate hikes and unwinding of the European Central Bank's stimulus program, and other concerns included U.S. and European Union political uncertainties and unresolved U.S.-China trade issues. In this environment, global developed and emerging market stocks had marginally positive returns, as measured by the MSCI All Country World Index.

We are committed to our long-term perspective and disciplined investment approach as we conduct a rigorous, fundamental analysis of securities with a regular emphasis on investment risk management.

Historically, patient investors have achieved rewarding results by evaluating their goals, diversifying their assets globally and maintaining a disciplined investment program, all hallmarks of the Templeton investment philosophy developed more than 60 years ago. We continue to recommend investors consult their financial advisors and review their portfolios to design a long-term strategy and portfolio allocation that meet their individual needs, goals and risk tolerance.

Templeton Growth Fund's annual report includes more detail about prevailing conditions and a discussion about investment decisions during the period. Please remember all securities markets fluctuate, as do mutual fund share prices.

We thank you for investing with Franklin Templeton, welcome your questions and comments, and look forward to serving your investment needs in the years ahead.

Sincerely,



Norman J. Boersma, CFA
President and Chief Executive Officer –
Investment Management
Templeton Growth Fund, Inc.

This letter reflects our analysis and opinions as of August 31, 2019, unless otherwise indicated. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

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Contents

Annual Report

Templeton Growth Fund, Inc.	3
Performance Summary	8
Your Fund's Expenses	11
Financial Highlights and Statement of Investments	12
Financial Statements	21
Notes to Financial Statements	25
Report of Independent Registered Public Accounting Firm	35
Tax Information	36
Board Members and Officers	37
Shareholder Information	42

Visit **franklintempleton.com** for fund updates, to access your account, or to find helpful financial planning tools.

ANNUAL REPORT

Templeton Growth Fund, Inc.

This annual report for Templeton Growth Fund, Inc. covers the fiscal year ended August 31, 2019.

Your Fund's Goal and Main Investments

The Fund seeks long-term capital growth. Under normal market conditions, the Fund invests predominantly in the equity securities of companies located anywhere in the world, including developing markets.

Performance Overview

The Fund's Class A shares posted a -13.02% cumulative total return for the 12 months under review. In comparison, the Fund's benchmark, the MSCI All Country World Index (ACWI), which measures stock performance in global developed and emerging markets, posted a +0.28% total return.¹ For the 10-year period ended August 31, 2019, the Fund's Class A shares posted a +78.07% cumulative total return, compared with the MSCI ACWI's +140.83% cumulative total return for the same period.¹ Please note index performance information is provided for reference and we do not attempt to track the index but rather undertake investments on the basis of fundamental research. You can find more performance data in the Performance Summary beginning on page 8.

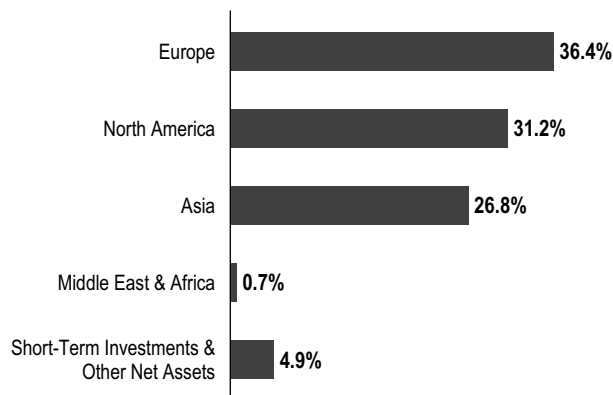
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Economic and Market Overview

The global economy expanded during the 12 months ended August 31, 2019, despite weakness in certain regions. Global stocks were aided by upbeat economic data in some regions, encouraging corporate earnings reports and periods of optimism about a potential U.S.-China trade deal. The U.S. Federal Reserve's (Fed's) patient approach to its monetary policy in early 2019, July rate cut and indications it

Geographic Composition

Based on Total Net Assets as of 8/31/19



will act appropriately to sustain U.S. economic expansion and achieve its inflation objective aided market sentiment.

However, markets reflected concerns about the Fed's interest-rate hikes and the European Central Bank's (ECB's) unwinding of its bond purchase program in 2018, political uncertainties in the U.S. and the European Union, and the impact of U.S. trade disputes with China and other trading partners on global growth and corporate earnings. In this environment, global developed and emerging market stocks, as measured by the MSCI ACWI, posted a +0.28% total return for the 12-month period.¹

The U.S. economy grew during the period. After moderating for two consecutive quarters, the economy grew significantly faster in 2019's first quarter. However, the economy moderated again in the second quarter, due to weakness in inventory investment, exports, housing investment and business investment. The unemployment rate decreased slightly from 3.8% in August 2018 to 3.7% at period-end.² The annual inflation rate, as measured by the Consumer Price Index, decreased from 2.7% in August 2018 to 1.7% at period-end.²

The Fed raised its target range for the federal funds rate by 0.25% at its September and December 2018 meetings, to

1. Source: Morningstar. As of 8/31/19, the Fund's Class A 10-year average annual total return not including the maximum sales charge was +5.94%, compared with the MSCI ACWI's 10-year average annual total return of +9.19%.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

2. Source: U.S. Bureau of Labor Statistics.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI). The SOI begins on page 17.

2.25%–2.50%. However, at its July 2019 meeting, the Fed lowered the federal funds target rate for the first time since December 2008, to 2.00%–2.25%, citing muted inflation pressures and the potential effects of global trade tensions on economic growth. Furthermore, the Fed ended its balance sheet normalization program earlier than previously indicated.

Top 10 Sectors/Industries

8/31/19

	% of Total Net Assets
Banks	15.6%
Pharmaceuticals	13.4%
Oil, Gas & Consumable Fuels	8.8%
Food & Staples Retailing	5.4%
Diversified Telecommunication Services	5.4%
Wireless Telecommunication Services	4.4%
Industrial Conglomerates	3.5%
Media	3.3%
Food Products	3.1%
Multi-Utilities	2.8%

In Europe, the U.K.’s quarterly gross domestic product (GDP) growth moderated in 2018’s fourth quarter and accelerated in 2019’s first quarter, but contracted in the second quarter as Brexit uncertainties weighed on business sentiment. The Bank of England kept its key policy rate unchanged during the period and lowered its 2019 and 2020 U.K. economic growth forecasts. The eurozone’s quarterly GDP growth accelerated in 2018’s fourth quarter and 2019’s first quarter, before moderating in the second quarter. The bloc’s annual inflation rate decreased during the period. The ECB concluded its bond purchase program at the end of 2018 and kept its benchmark interest rate unchanged. After providing details of its new stimulus in June 2019, the ECB signaled in July the potential for a rate cut and additional stimulus to support economic expansion.

In Asia, Japan’s quarterly GDP growth accelerated in 2018’s fourth quarter and 2019’s first quarter, but moderated in the second quarter. The Bank of Japan (BOJ) left its benchmark interest rate unchanged and continued its stimulus measures during the period. In July 2019, the BOJ expressed its openness to increase stimulus in an effort to sustain economic growth and achieve its inflation goal.

In larger emerging markets, Brazil’s quarterly GDP growth slowed in 2018’s fourth quarter, contracted in 2019’s first quarter and accelerated in the second quarter. The Central Bank of Brazil lowered its benchmark interest rate in July

2019. Russia’s annual GDP growth accelerated in 2018’s fourth quarter, moderated in 2019’s first quarter and reaccelerated in the second quarter. The Bank of Russia cut its key interest rate twice toward period-end after increasing it twice earlier in the period. China’s annual GDP growth rate moderated in 2018’s fourth quarter, held steady in 2019’s first quarter and moderated again in the second quarter. The People’s Bank of China implemented an interest-rate reform in August, designating the loan prime rate as the new benchmark for household and business loans, effectively lowering interest rates. Overall, global emerging market stocks, as measured by the MSCI Emerging Markets Index, posted a -3.99% total return during the 12-month period.¹

Investment Strategy

Our investment strategy employs a bottom-up, value-oriented, long-term approach. We focus on the market price of a company’s securities relative to our evaluation of the company’s long-term earnings, asset value and cash flow potential. Our analysis includes an assessment of the potential impacts of material environmental, social and governance (ESG) factors on the long-term risk and return profile of a company. We also consider the company’s price/earnings ratio, price/cash flow ratio, profit margins and liquidation value.

In addition, the Fund may, from time to time, engage in currency-related derivatives to seek to hedge (protect) against currency risks. The Fund also may, from time to time, engage in equity-related derivatives, such as buying and selling (writing) put and call options on individual securities (including exchange-traded funds) and indexes, to seek to hedge against market risk, gain exposure to individual securities or generate additional income for the Fund.

What is an option?

An option is a contract to buy or sell a specific financial product known as the option’s underlying instrument at a specific price. The buyer of an option has the right, but not the obligation, to buy or sell the underlying instrument at or until a specified expiration date. Conversely, the seller (“writer”) of an option who opens a transaction is obligated to buy or sell the underlying instrument should the option holder exercise that right.

Manager's Discussion

The Fund underperformed its benchmark, the MSCI ACWI, during the 12 months under review. During the period, global value stocks extended their longest and deepest period of underperformance relative to global growth stocks on record. This adverse trend remained a significant headwind for Templeton's value-oriented investment strategies, albeit one we are taking numerous decisive measures to remedy. We believe we have upgraded the quality of the portfolio to own more defensive, dividend-paying holdings in a late-cycle, low-rate environment; allocated resources toward uncovering opportunities in overlooked market segments; and made selective enhancements to our investment process and team structure.

Relative weakness during the period was partly attributable to stock selection and an overweighting in the financials sector, where our exposure to beleaguered European and emerging market lenders trailed a benchmark index weighted more toward resilient U.S. banks.³ Dutch lender ING Groep led the sector lower as investors disregarded solid customer growth and worried about the margin impact of falling interest rates and rising compliance costs. We believe that following the divestiture of its insurance and asset management businesses, ING today is a pure-play European bank with a competitive cost position and fast-growing online platform in attractive markets such as Germany, Spain and Poland, as well as in its core Benelux markets. With a diversified business model supporting book value-per-share growth through the credit cycle, as well as limited credit risk, improving operational leverage, a strong capital position and shareholder-friendly return profile, we continue to view ING as a core bank holding with solid long-term return potential. Within the financials sector more broadly, we have continued to rotate out of the riskier banks facing excessive macro headwinds and focused instead on higher-quality banks with unique competitive advantages, strong balance sheets and attractive end markets.

Stock selection and an overweighting in the health care sector and stock selection and an underweighting in the information technology (IT) sector also notably detracted from relative performance.⁴ From the health care sector, Israeli generic drugmaker Teva Pharmaceutical Industries' share price declined amid investor concerns about challenging industry conditions, litigation risk and a bloated balance sheet. Our investment thesis on Teva has been

Top 10 Holdings

8/31/19

Company Sector/Industry, Country	% of Total Net Assets
Kellogg Co. <i>Food Products, U.S.</i>	3.1%
Allergan PLC <i>Pharmaceuticals, U.S.</i>	2.8%
Gilead Sciences Inc. <i>Biotechnology, U.S.</i>	2.5%
Roche Holding AG <i>Pharmaceuticals, Switzerland</i>	2.4%
Singapore Telecommunications Ltd. <i>Diversified Telecommunication Services, Singapore</i>	2.3%
Walgreens Boots Alliance Inc. <i>Food & Staples Retailing, U.S.</i>	2.3%
BNP Paribas SA <i>Banks, France</i>	2.2%
Samsung Electronics Co. Ltd. <i>Technology Hardware, Storage & Peripherals, South Korea</i>	2.2%
Bayer AG <i>Pharmaceuticals, Germany</i>	2.2%
SES SA <i>Media, Luxembourg</i>	2.2%

impaired by unforeseen legal and regulatory challenges, and we continue to monitor the volatile stock for a more favorable exit point. We have found more attractive pharmaceuticals companies elsewhere in the sector that, in our analysis, combined solid growth prospects and defensive earnings characteristics with modest valuations. From the IT sector, shares of U.S. communications equipment firm CommScope Holding slumped after investors overlooked better-than-expected cash flow and profits and focused instead on disappointing guidance attributed to weaker anticipated spending from cable operators. We believe the market is overreacting, as major cable operators have indicated that declines in capital expenditures (capex) are temporary and more associated with the timing of investments than with any structural change to capex programs. The stock has also been pressured by weak results from the recently acquired ARRIS business, though we believe this deal presents attractive opportunities for synergies and leverage over a long-term investment horizon.

3. The financials sector comprises banks, capital markets, consumer finance and insurance in the SOI.

4. The health care sector comprises biotechnology, health care equipment and supplies, health care providers and services, and pharmaceuticals in the SOI. The IT sector comprises communications equipment; software; and technology hardware, storage and peripherals in the SOI.

Turning to contributors, stock selection and an under-weighted position in the materials sector helped relative performance.⁵ Precious metals stocks led the sector, with Canadian gold and silver streaming company Wheaton Precious Metals finishing as the Fund’s top contributor. We believe precious metals stocks can play an important role in a diversified portfolio, particularly late in the economic cycle when a combination of rising macro risks, ultra-low interest rates and renewed accommodative policy stance amplifies gold’s relative attractiveness. From a structural standpoint, we have also noted with interest the sharp increase in central bank gold buying, particularly among export-dependent emerging market countries looking for reserve stability and a possible alternative to U.S. dollar hegemony. Wheaton Precious Metals was our preferred exposure to this theme at period-end, based on our assessment that its asset-light streaming (that is, mine financing) model offers price and exploration optionality without the vicissitudes commonly associated with operating actual mines.

From a regional standpoint, stock selection and an unfavorable underweighting in the U.S. notably detracted from relative performance during the 12-month review period. Meanwhile, stock selection and an overweighting in Europe hurt relative results, due largely to U.K. and Dutch holdings, while stock selection and an overweighting in Asia, led lower by China and Japan, hindered results.

Top 10 Countries

8/31/19

	% of Total Net Assets
U.S.	28.7%
U.K.	10.2%
Japan	9.6%
France	7.8%
Germany	6.5%
China	5.9%
South Korea	3.4%
Switzerland	3.3%
Netherlands	2.8%
Canada	2.5%

It is important to recognize the effect of currency movements on the Fund’s performance. In general, if the value of the U.S. dollar goes up compared with a foreign currency, an investment traded in that foreign currency will go down in value because it will be worth fewer U.S. dollars. This can

have a negative effect on Fund performance. Conversely, when the U.S. dollar weakens in relation to a foreign currency, an investment traded in that foreign currency will increase in value, which can contribute to Fund performance. For the 12 months ended August 31, 2019, the U.S. dollar rose in value relative to most currencies. As a result, the Fund’s performance was negatively affected by the portfolio’s investment primarily in securities with non-U.S. currency exposure.

Thank you for your continued participation in Templeton Growth Fund. We look forward to serving your future investment needs.



Norman J. Boersma, CFA
Co-Lead Portfolio Manager



Peter M. Moeschter, CFA
Co-Lead Portfolio Manager

Herbert J. Arnett, Jr.
Heather Arnold, CFA
Christopher James Peel, CFA
Warren Pustam, CFA

Portfolio Management Team

5. The materials sector comprises construction materials and metals and mining in the SOI. See www.franklintempletondatasources.com for additional data provider information.

The foregoing information reflects our analysis, opinions and portfolio holdings as of August 31, 2019, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of August 31, 2019

The performance table and graphs do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 8/31/19¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
1-Year	-13.02%	-17.81%
5-Year	-2.37%	-1.60%
10-Year	+78.07%	+5.34%
Advisor		
1-Year	-12.79%	-12.79%
5-Year	-1.12%	-0.22%
10-Year	+82.68%	+6.21%

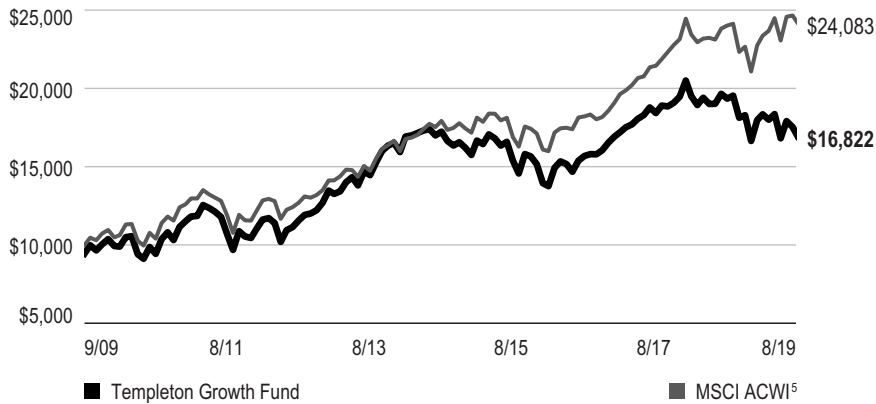
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 10 for Performance Summary footnotes.

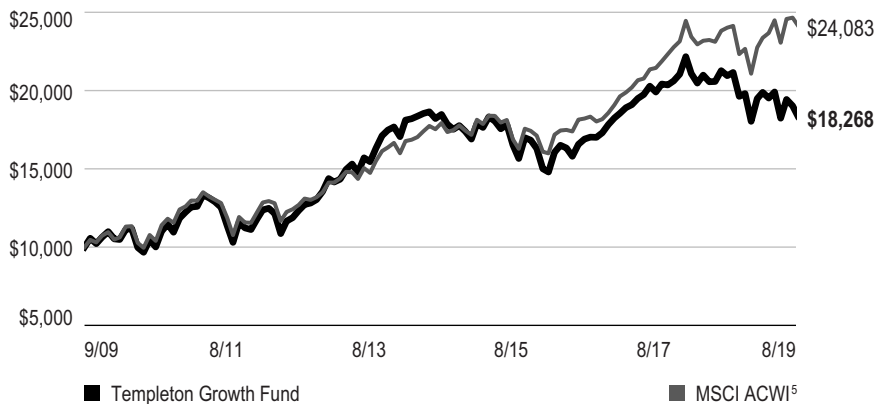
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged index includes reinvestment of any income or distributions. It differs from the Fund in composition and does not pay management fees or expenses. One cannot invest directly in an index.

Class A (9/1/09–8/31/19)



Advisor Class (9/1/09–8/31/19)



See page 10 for Performance Summary footnotes.

Distributions (9/1/18–8/31/19)

Share Class	Net Investment Income	Short-Term Capital Gain	Long-Term Capital Gain	Total
A	\$0.4464	\$0.0296	\$2.1922	\$2.6682
C	\$ —	\$0.0296	\$2.1922	\$2.2218
R	\$0.3707	\$0.0296	\$2.1922	\$2.5925
R6	\$0.5266	\$0.0296	\$2.1922	\$2.7484
Advisor	\$0.5135	\$0.0296	\$2.1922	\$2.7353

Total Annual Operating Expenses⁶

Share Class	With Fee Waiver	Without Fee Waiver
A	1.03%	1.03%
Advisor	0.78%	0.78%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments; investments in emerging markets involve heightened risks related to the same factors. Because the Fund may invest its assets in companies in a specific region, including Europe, it is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of securities held by the Fund. Current political uncertainty surrounding the European Union (EU) and the financial instability of some countries in the EU may increase market volatility and the economic risk of investing in companies in Europe. Derivatives involve costs and can create economic leverage which may result in significant volatility and cause the Fund to participate in losses (and enable gains) on an amount that exceeds the Fund's initial investment. In addition, smaller-company stocks have historically experienced more price volatility than larger-company stocks, especially over the short term. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

1. The Fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 12/31/19. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Source: Morningstar. The MSCI ACWI is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global developed and emerging markets.
6. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 3/1/19	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 8/31/19	Expenses Paid During Period 3/1/19–8/31/19 ^{1, 2}	Ending Account Value 8/31/19	Expenses Paid During Period 3/1/19–8/31/19 ^{1, 2}	
A	\$1,000	\$917.30	\$5.17	\$1,019.81	\$5.45	1.07%
C	\$1,000	\$913.80	\$8.78	\$1,016.03	\$9.25	1.82%
R	\$1,000	\$916.50	\$6.38	\$1,018.55	\$6.72	1.32%
R6	\$1,000	\$918.90	\$3.53	\$1,021.53	\$3.72	0.73%
Advisor	\$1,000	\$918.70	\$3.97	\$1,021.07	\$4.18	0.82%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

Financial Highlights

	Year Ended August 31,				
	2019	2018	2017	2016	2015
Class A					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$27.08	\$26.26	\$22.67	\$22.60	\$26.05
Income from investment operations ^a :					
Net investment income ^b	0.51	0.47	0.38	0.35	0.42
Net realized and unrealized gains (losses)	(3.96)	0.84	3.55	0.08	(3.20)
Total from investment operations	(3.45)	1.31	3.93	0.43	(2.78)
Less distributions from:					
Net investment income	(0.45)	(0.49)	(0.34)	(0.36)	(0.67)
Net realized gains	(2.22)	—	—	—	—
Total distributions	(2.67)	(0.49)	(0.34)	(0.36)	(0.67)
Net asset value, end of year	\$20.96	\$27.08	\$26.26	\$22.67	\$22.60
Total return ^c	(13.02)%	4.99%	17.49%	1.97%	(10.76)%
Ratios to average net assets					
Expenses ^d	1.06%	1.03%	1.06% ^e	1.07% ^e	1.05%
Net investment income	2.20%	1.75%	1.55%	1.60%	1.74%
Supplemental data					
Net assets, end of year (000's)	\$8,604,624	\$10,711,345	\$10,880,427	\$10,524,247	\$11,506,800
Portfolio turnover rate	25.30%	28.77%	29.17%	23.05%	18.47%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^dBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^eBenefit of expense reduction rounds to less than 0.01%.

	Year Ended August 31,				
	2019	2018	2017	2016	2015
Class C					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$26.31	\$25.52	\$22.04	\$21.96	\$25.32
Income from investment operations ^a :					
Net investment income ^b	0.25	0.26	0.19	0.18	0.23
Net realized and unrealized gains (losses)	(3.78)	0.81	3.45	0.08	(3.11)
Total from investment operations	(3.53)	1.07	3.64	0.26	(2.88)
Less distributions from:					
Net investment income	—	(0.28)	(0.16)	(0.18)	(0.48)
Net realized gains	(2.22)	—	—	—	—
Total distributions	(2.22)	(0.28)	(0.16)	(0.18)	(0.48)
Net asset value, end of year	\$20.56	\$26.31	\$25.52	\$22.04	\$21.96
Total return ^c	(13.68)%	4.20%	16.61%	1.20%	(11.44)%
Ratios to average net assets					
Expenses ^d	1.81%	1.78%	1.81% ^e	1.82% ^e	1.80%
Net investment income	1.45%	1.00%	0.80%	0.85%	0.99%
Supplemental data					
Net assets, end of year (000's)	\$152,392	\$554,889	\$594,594	\$634,175	\$724,843
Portfolio turnover rate	25.30%	28.77%	29.17%	23.05%	18.47%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^dBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^eBenefit of expense reduction rounds to less than 0.01%.

TEMPLETON GROWTH FUND, INC.
FINANCIAL HIGHLIGHTS

	Year Ended August 31,				
	2019	2018	2017	2016	2015
Class R					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$26.81	\$26.00	\$22.45	\$22.37	\$25.78
Income from investment operations ^a :					
Net investment income ^b	0.44	0.40	0.31	0.29	0.36
Net realized and unrealized gains (losses)	(3.91)	0.83	3.52	0.08	(3.17)
Total from investment operations	(3.47)	1.23	3.83	0.37	(2.81)
Less distributions from:					
Net investment income	(0.37)	(0.42)	(0.28)	(0.29)	(0.60)
Net realized gains	(2.22)	—	—	—	—
Total distributions	(2.59)	(0.42)	(0.28)	(0.29)	(0.60)
Net asset value, end of year	\$20.75	\$26.81	\$26.00	\$22.45	\$22.37
Total return	(13.21)%	4.73%	17.18%	1.72%	(10.97)%
Ratios to average net assets					
Expenses ^c	1.31%	1.28%	1.31% ^d	1.32% ^d	1.30%
Net investment income	1.95%	1.50%	1.30%	1.35%	1.49%
Supplemental data					
Net assets, end of year (000's)	\$62,515	\$88,560	\$99,389	\$104,180	\$119,665
Portfolio turnover rate	25.30%	28.77%	29.17%	23.05%	18.47%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^dBenefit of expense reduction rounds to less than 0.01%.

	Year Ended August 31,				
	2019	2018	2017	2016	2015
Class R6					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$27.10	\$26.29	\$22.69	\$22.63	\$26.08
Income from investment operations ^a :					
Net investment income ^b	0.59	0.56	0.46	0.43	0.51
Net realized and unrealized gains (losses)	(3.97)	0.83	3.56	0.08	(3.20)
Total from investment operations	(3.38)	1.39	4.02	0.51	(2.69)
Less distributions from:					
Net investment income	(0.53)	(0.58)	(0.42)	(0.45)	(0.76)
Net realized gains	(2.22)	—	—	—	—
Total distributions	(2.75)	(0.58)	(0.42)	(0.45)	(0.76)
Net asset value, end of year	\$20.97	\$27.10	\$26.29	\$22.69	\$22.63
Total return	(12.73)%	5.33%	17.94%	2.34%	(10.41)%
Ratios to average net assets					
Expenses ^c	0.73%	0.70%	0.71% ^d	0.70% ^d	0.70%
Net investment income	2.53%	2.08%	1.90%	1.97%	2.09%
Supplemental data					
Net assets, end of year (000's)	\$1,504,941	\$1,791,152	\$1,843,276	\$1,859,796	\$1,977,253
Portfolio turnover rate	25.30%	28.77%	29.17%	23.05%	18.47%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^dBenefit of expense reduction rounds to less than 0.01%.

TEMPLETON GROWTH FUND, INC.
FINANCIAL HIGHLIGHTS

	Year Ended August 31,				
	2019	2018	2017	2016	2015
Advisor Class					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$27.15	\$26.33	\$22.73	\$22.66	\$26.13
Income from investment operations ^a :					
Net investment income ^b	0.57	0.54	0.45	0.40	0.49
Net realized and unrealized gains (losses)	(3.98)	0.83	3.55	0.09	(3.22)
Total from investment operations	(3.41)	1.37	4.00	0.49	(2.73)
Less distributions from:					
Net investment income	(0.51)	(0.55)	(0.40)	(0.42)	(0.74)
Net realized gains	(2.22)	—	—	—	—
Total distributions	(2.73)	(0.55)	(0.40)	(0.42)	(0.74)
Net asset value, end of year	\$21.01	\$27.15	\$26.33	\$22.73	\$22.66
Total return	(12.79)%	5.24%	17.78%	2.25%	(10.54)%
Ratios to average net assets					
Expenses ^c	0.81%	0.78%	0.81% ^d	0.82% ^d	0.80%
Net investment income	2.45%	2.00%	1.80%	1.85%	1.99%
Supplemental data					
Net assets, end of year (000's)	\$427,371	\$533,358	\$523,263	\$388,677	\$396,094
Portfolio turnover rate	25.30%	28.77%	29.17%	23.05%	18.47%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^dBenefit of expense reduction rounds to less than 0.01%.

Statement of Investments, August 31, 2019

	Industry	Shares	Value
Common Stocks 95.1%			
Canada 2.5%			
Husky Energy Inc.	Oil, Gas & Consumable Fuels	7,530,600	\$ 50,268,084
Wheaton Precious Metals Corp.	Metals & Mining	7,297,821	214,583,774
			<u>264,851,858</u>
China 5.9%			
^a Baidu Inc., ADR	Interactive Media & Services	998,180	104,279,865
China Life Insurance Co. Ltd., H.	Insurance	75,933,000	177,484,619
China Mobile Ltd.	Wireless Telecommunication Services	14,949,900	123,702,575
China Telecom Corp. Ltd., ADR	Diversified Telecommunication Services	641,069	28,636,552
China Telecom Corp. Ltd., H	Diversified Telecommunication Services	223,514,575	99,876,091
Kunlun Energy Co. Ltd.	Gas Utilities	111,270,700	96,728,092
			<u>630,707,794</u>
Denmark 1.0%			
A.P. Moeller-Maersk AS, B.	Marine	94,489	100,525,695
The Drilling Co. of 1972 AS	Energy Equipment & Services	188,978	10,389,605
			<u>110,915,300</u>
France 7.8%			
BNP Paribas SA.	Banks	5,353,139	241,434,970
Compagnie de Saint-Gobain	Building Products	2,034,606	73,393,249
Credit Agricole SA	Banks	10,939,226	124,922,124
Sanofi	Pharmaceuticals	2,706,164	232,355,825
Veolia Environnement SA	Multi-Utilities	6,928,754	165,634,813
			<u>837,740,981</u>
Germany 6.5%			
Bayer AG.	Pharmaceuticals	3,177,496	235,177,269
Deutsche Telekom AG.	Diversified Telecommunication Services	2,826,063	47,138,567
E.ON SE	Multi-Utilities	14,515,246	134,888,595
Merck KGaA	Pharmaceuticals	1,116,563	119,358,874
Siemens AG	Industrial Conglomerates	1,581,963	158,138,000
Siemens AG, ADR	Industrial Conglomerates	65,018	3,245,048
			<u>697,946,353</u>
Hong Kong 2.2%			
CK Asset Holdings Ltd.	Real Estate Management & Development	942,900	6,385,553
CK Hutchison Holdings Ltd.	Industrial Conglomerates	24,881,500	216,287,699
Value Partners Group Ltd.	Capital Markets	20,445,000	10,400,126
			<u>233,073,378</u>
India 2.0%			
Bharti Airtel Ltd.	Wireless Telecommunication Services	31,310,779	151,968,121
Hero Motocorp Ltd.	Automobiles	1,932,181	69,551,540
			<u>221,519,661</u>
Ireland 0.3%			
Bank of Ireland Group PLC	Banks	8,134,777	30,953,512
Israel 0.7%			
^a Teva Pharmaceutical Industries Ltd., ADR	Pharmaceuticals	10,979,246	75,756,797
Italy 1.4%			
Eni SpA.	Oil, Gas & Consumable Fuels	10,332,692	155,359,137

TEMPLETON GROWTH FUND, INC.
STATEMENT OF INVESTMENTS

	Industry	Shares	Value
Common Stocks (continued)			
Japan 9.6%			
Kirin Holdings Co. Ltd.	Beverages	4,907,000	\$ 96,929,821
Mitsui Fudosan Co. Ltd.	Real Estate Management & Development	5,429,100	130,112,379
Panasonic Corp.	Household Durables	21,778,300	168,121,465
Seven & i Holdings Co. Ltd.	Food & Staples Retailing	3,333,594	117,892,527
Sumitomo Mitsui Financial Group Inc.	Banks	4,263,556	139,824,249
Suntory Beverage & Food Ltd.	Beverages	2,371,000	102,218,478
Taiheiyo Cement Corp.	Construction Materials	1,989,400	50,224,227
Takeda Pharmaceutical Co. Ltd.	Pharmaceuticals	6,718,150	227,026,484
			1,032,349,630
Luxembourg 2.2%			
SES SA, IDR	Media	14,561,549	234,547,396
Netherlands 2.8%			
Aegon NV	Insurance	24,389,063	92,829,246
ING Groep NV	Banks	21,993,703	210,235,012
			303,064,258
Singapore 2.3%			
Singapore Telecommunications Ltd.	Diversified Telecommunication Services	108,261,100	247,289,010
South Korea 3.4%			
KB Financial Group Inc.	Banks	4,022,815	131,934,799
Samsung Electronics Co. Ltd.	Technology Hardware, Storage & Peripherals	6,555,891	238,299,535
			370,234,334
Spain 0.9%			
Telefonica SA.	Diversified Telecommunication Services	13,973,040	96,769,300
Switzerland 3.3%			
Alcon Inc.	Health Care Equipment & Supplies	87,983	5,359,777
Roche Holding AG	Pharmaceuticals	939,607	256,864,832
UBS Group AG	Capital Markets	8,712,173	91,975,762
			354,200,371
Thailand 1.4%			
Bangkok Bank PCL, fgn.	Banks	18,820,900	105,431,466
Bangkok Bank PCL, NVDR	Banks	8,099,000	45,236,943
			150,668,409
United Kingdom 10.2%			
Barclays PLC	Banks	44,549,188	74,035,213
BP PLC	Oil, Gas & Consumable Fuels	33,964,938	206,691,373
HSBC Holdings PLC	Banks	14,001,330	100,872,441
Kingfisher PLC	Specialty Retail	64,267,213	152,035,586
Royal Dutch Shell PLC, B	Oil, Gas & Consumable Fuels	7,108,214	195,873,885
Standard Chartered PLC (GBP Traded).	Banks	22,112,122	167,328,009
Standard Chartered PLC (HKD Traded).	Banks	376,516	2,827,846
Vodafone Group PLC	Wireless Telecommunication Services	102,286,387	193,183,180
			1,092,847,533

	Industry	Shares	Value
Common Stocks (continued)			
United States 28.7%			
Allergan PLC	Pharmaceuticals	1,866,559	\$ 298,126,803
AmerisourceBergen Corp.	Health Care Providers & Services	1,243,724	102,321,173
Apache Corp.	Oil, Gas & Consumable Fuels	7,945,280	171,379,690
Capital One Financial Corp.	Consumer Finance	1,280,877	110,949,566
Cardinal Health Inc.	Health Care Providers & Services	2,086,957	90,010,455
Citigroup Inc.	Banks	2,449,999	157,657,436
Comcast Corp., A.	Media	2,653,327	117,436,253
^a CommScope Holding Co. Inc.	Communications Equipment	4,523,500	48,582,390
Coty Inc., A	Personal Products	8,168,682	78,010,913
Exxon Mobil Corp.	Oil, Gas & Consumable Fuels	2,419,400	165,680,512
Gilead Sciences Inc.	Biotechnology	4,197,800	266,728,212
Kellogg Co.	Food Products	5,248,682	329,617,230
The Kroger Co.	Food & Staples Retailing	8,957,100	212,104,128
^a Mattel Inc.	Leisure Products	9,207,200	90,230,560
^a Navistar International Corp.	Machinery	3,410,883	78,450,309
Oracle Corp.	Software	3,512,851	182,879,023
United Parcel Service Inc., B	Air Freight & Logistics	1,158,540	137,472,356
Verizon Communications Inc.	Diversified Telecommunication Services	966,100	56,188,376
Walgreens Boots Alliance Inc.	Food & Staples Retailing	4,818,910	246,680,003
Wells Fargo & Co.	Banks	3,108,900	144,781,473
			3,085,286,861
Total Common Stocks (Cost \$11,169,147,228)			10,226,081,873
		Principal Amount*	
Short Term Investments 4.3%			
Time Deposits 4.3%			
Australia 0.5%			
National Australia Bank Ltd, 2.00%, 9/03/19		\$ 59,000,000	59,000,000
Canada 3.8%			
Bank of Montreal, 1.95%, 9/03/19		60,000,000	60,000,000
National Bank of Canada, 2.05%, 9/03/19		280,000,000	280,000,000
Royal Bank of Canada, 2.10%, 9/03/19		67,000,000	67,000,000
			407,000,000
Total Time Deposits (Cost \$466,000,000)			466,000,000
Total Investments (Cost \$11,635,147,228) 99.4%			10,692,081,873
Other Assets, less Liabilities 0.6%			59,761,456
Net Assets 100.0%			\$10,751,843,329

TEMPLETON GROWTH FUND, INC.
STATEMENT OF INVESTMENTS

See Abbreviations on page 34.

*The principal amount is stated in U.S. dollars unless otherwise indicated.

^aNon-income producing.

Statement of Assets and Liabilities

August 31, 2019

Assets:

Investments in securities:

Cost - Unaffiliated issuers	\$11,635,147,228
Value - Unaffiliated issuers	\$10,692,081,873
Cash	2,431,276
Foreign currency, at value (cost \$6,402,626)	6,446,017

Receivables:

Investment securities sold	17,173,764
Capital shares sold	2,869,266
Dividends	42,891,745
European Union tax reclaims	15,190,744
Other assets	6,139

Total assets	10,779,090,824
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Liabilities:

Payables:

Investment securities purchased	5,074,852
Capital shares redeemed	8,976,291
Management fees	6,315,463
Distribution fees	1,995,033
Transfer agent fees	1,286,267
Deferred tax	2,473,699
Accrued expenses and other liabilities	1,125,890

Total liabilities	27,247,495
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Net assets, at value	\$10,751,843,329
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Net assets consist of:

Paid-in capital	\$11,049,311,810
Total distributable earnings (loss)	(297,468,481)
Net assets, at value	\$10,751,843,329

Statement of Assets and Liabilities (continued)

August 31, 2019

Class A:	
Net assets, at value	\$8,604,624,440
Shares outstanding	410,448,478
Net asset value per share ^a	\$20.96
Maximum offering price per share (net asset value per share ÷ 94.50%)	\$22.18
Class C:	
Net assets, at value	\$ 152,391,968
Shares outstanding	7,412,534
Net asset value and maximum offering price per share ^a	\$20.56
Class R:	
Net assets, at value	\$ 62,515,128
Shares outstanding	3,013,265
Net asset value and maximum offering price per share	\$20.75
Class R6:	
Net assets, at value	\$1,504,940,902
Shares outstanding	71,765,430
Net asset value and maximum offering price per share	\$20.97
Advisor Class:	
Net assets, at value	\$ 427,370,891
Shares outstanding	20,342,386
Net asset value and maximum offering price per share	\$21.01

^aRedemption price is equal to net asset value less contingent deferred sales charges, if applicable.

Statement of Operations

for the year ended August 31, 2019

Investment income:	
Dividends: (net of foreign taxes)*	
Unaffiliated issuers	\$ 380,754,035
Interest:	
Unaffiliated issuers	10,529,934
Income from securities loaned:	
Unaffiliated issuers (net of fees and rebates)	432,937
Non-controlled affiliates (Note 3f)	273,733
Total investment income	<u>391,990,639</u>
Expenses:	
Management fees (Note 3a)	82,385,615
Distribution fees: (Note 3c)	
Class A	24,094,930
Class C	2,310,914
Class R	374,645
Transfer agent fees: (Note 3e)	
Class A	9,317,881
Class C	223,716
Class R	72,766
Class R6	343,050
Advisor Class	458,849
Custodian fees (Note 4)	943,761
Reports to shareholders	637,465
Registration and filing fees	190,904
Professional fees	250,761
Directors' fees and expenses	448,602
Other	247,688
Total expenses	122,301,547
Expenses waived/paid by affiliates (Note 3f and 3g)	(49,086)
Net expenses	<u>122,252,461</u>
Net investment income	<u>269,738,178</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	523,832,115
Written options	3,188,934
Foreign currency transactions	(2,981,349)
Net realized gain (loss)	<u>524,039,700</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(2,493,768,334)
Translation of other assets and liabilities	
denominated in foreign currencies	(1,393,829)
Written options	19,974
Change in deferred taxes on unrealized appreciation	(2,473,699)
Net change in unrealized appreciation (depreciation)	<u>(2,497,615,888)</u>
Net realized and unrealized gain (loss)	(1,973,576,188)
Net increase (decrease) in net assets resulting from operations	<u>\$(1,703,838,010)</u>
*Foreign taxes withheld on dividends	\$ 28,610,481

Statements of Changes in Net Assets

	Year Ended August 31,	
	2019	2018
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 269,738,178	\$ 244,979,349
Net realized gain (loss)	524,039,700	1,286,442,041
Net change in unrealized appreciation (depreciation)	(2,497,615,888)	(835,168,379)
Net increase (decrease) in net assets resulting from operations	(1,703,838,010)	696,253,011
Distributions to shareholders: (Note 1f)		
Class A	(1,060,271,255)	(195,191,280)
Class C	(17,987,523)	(6,311,761)
Class R	(8,302,520)	(1,537,795)
Class R6	(179,538,473)	(40,254,398)
Advisor Class	(53,290,298)	(10,062,504)
Total distributions to shareholders	(1,319,390,069)	(253,357,738)
Capital share transactions: (Note 2)		
Class A	318,262,962	(513,628,560)
Class C	(344,726,383)	(58,357,823)
Class R	(6,907,043)	(14,099,627)
Class R6	115,423,472	(112,349,997)
Advisor Class	13,713,825	(6,104,141)
Total capital share transactions	95,766,833	(704,540,148)
Net increase (decrease) in net assets	(2,927,461,246)	(261,644,875)
Net assets:		
Beginning of year	13,679,304,575	13,940,949,450
End of year (Note 1f)	\$10,751,843,329	\$13,679,304,575

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Templeton Growth Fund, Inc. (Fund) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). The Fund offers five classes of shares: Class A, Class C, Class R, Class R6 and Advisor Class. Beginning on October 19, 2018, Class C shares automatically convert to Class A shares after they have been held for 10 years. Each class of shares may differ by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees.

Effective October 5, 2018, all Class C1 shares were converted to Class C.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. 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 Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Fund's Board of Directors (the Board), the Fund's administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities and derivative financial instruments listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. 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.

Investments in open-end mutual funds are valued at the closing NAV. Investments in time deposits are valued at cost, which approximates fair value.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these 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 the fair value of the investment. An income-based valuation approach may also be used 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. 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.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Occasionally, events occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, the VC monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market proxy to assist in determining if an event has occurred that may call into question the reliability of the values of the foreign securities held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent

1. Organization and Significant Accounting

Policies (continued)

a. Financial Instrument Valuation (continued)

pricing services. At August 31, 2019, a market event occurred resulting in a portion of the securities held by the Fund being valued using fair value procedures.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any significant security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from

changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Derivative Financial Instruments

The Fund invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a 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 or losses in excess of the amounts shown in the Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

The Fund purchased or wrote exchange traded option contracts primarily to manage and/or gain exposure to equity price risk. An option is a contract entitling the holder to purchase or sell a specific amount of shares or units of an asset or notional amount of a swap (swaption), at a specified price. When an option is purchased or written, an amount equal to the premium paid or received is recorded as an asset or liability, respectively. Upon exercise of an option, the acquisition cost or sales proceeds of the underlying investment is adjusted by any premium received or paid. Upon expiration of an option, any premium received or paid is recorded as a realized gain or loss. Upon closing an option other than through expiration or exercise, the difference between the premium received or paid and the cost to close the position is recorded as a realized gain or loss.

See Note 8 regarding other derivative information.

d. Securities Lending

The Fund participates in an agency based securities lending program to earn additional income. The Fund receives cash collateral against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any

additional collateral required due to changes in security values is delivered to the Fund on the next business day. The collateral is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Fund. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statement of Operations. The Fund bears the market risk with respect to the collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower. At August 31, 2019, the Fund had no securities on loan.

e. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

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 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 date.

As a result of several court cases, in certain countries across the European Union, the Fund filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). These additional filings are subject to various administrative proceedings by the local jurisdictions' tax authorities within the European Union, as well as a number of related judicial proceedings. Income recognized, if any, for EU reclaims is reflected as other income in the Statement of Operations and any related

receivable, if any, is reflected as European Union tax reclaims in the Statement of Assets and Liabilities. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, EU reclaims received by the Fund, if any, reduce the amounts of foreign taxes Fund shareholders can use as tax credits in their individual income tax returns.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of August 31, 2019, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

f. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.*

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of

1. Organization and Significant Accounting Policies (continued)

f. Security Transactions, Investment Income, Expenses and Distributions (continued)

net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

g. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make 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 expenses during the reporting period. Actual results could differ from those estimates.

*Effective during the current reporting period, it is no longer required to present certain line items in the Statements of Changes in Net Assets. The below prior period amounts affected by this change are shown as they were in the prior year Statements of Changes in Net Assets.

For the year ended August 31, 2018, distributions to shareholders were as follows:

Distributions from net investment income:

Class A	\$(195,191,280)
Class C	(6,311,761)
Class R	(1,537,795)
Class R6	(40,254,398)
Advisor Class	(10,062,504)

For the year ended August 31, 2018, undistributed net investment income included in net assets was \$184,997,376.

2. Capital Stock

At August 31, 2019, there were 2.7 billion shares authorized (\$0.01 par value). Transactions in the Fund's shares were as follows:

	Year Ended August 31,			
	2019		2018	
	Shares	Amount	Shares	Amount
Class A Shares:				
Shares sold ^a	35,476,942	\$ 849,722,463	14,913,291	\$ 460,252,074
Shares issued in reinvestment of distributions	42,861,541	923,666,190	6,012,472	161,659,231
Shares issued on reorganization	—	—	12,926,845	295,023,084
Shares redeemed	(63,390,104)	(1,455,125,691)	(52,618,740)	(1,430,562,949)
Net increase (decrease)	14,948,379	\$ 318,262,962	(18,766,132)	\$ (513,628,560)

Year Ended August 31,

	2019		2018	
	Shares	Amount	Shares	Amount
Class C Shares:				
Shares sold	22,174,939	\$ 573,341,752	1,474,870	\$ 43,187,826
Shares issued in reinvestment of distributions	825,367	17,539,045	236,589	6,212,817
Shares issued on reorganization	—	—	976,810	21,658,991
Shares redeemed ^a	(36,675,969)	(935,607,180)	(4,897,184)	(129,417,457)
Net increase (decrease)	(13,675,663)	\$ (344,726,383)	(2,208,915)	\$ (58,357,823)
Class R Shares:				
Shares sold	295,764	\$ 6,681,869	321,464	\$ 8,628,044
Shares issued in reinvestment of distributions	382,358	8,167,160	56,467	1,505,423
Shares redeemed	(967,947)	(21,756,072)	(897,264)	(24,233,094)
Net increase (decrease)	(289,825)	\$ (6,907,043)	(519,333)	\$ (14,099,627)
Class R6 Shares:				
Shares sold	2,539,704	\$ 55,702,723	4,163,216	\$ 112,061,006
Shares issued in reinvestment of distributions	8,089,986	173,934,703	1,451,754	38,965,075
Shares redeemed	(4,962,578)	(114,213,954)	(9,634,039)	(263,376,078)
Net increase (decrease)	5,667,112	\$ 115,423,472	(4,019,069)	\$ (112,349,997)
Advisor Class Shares:				
Shares sold	3,116,210	\$ 71,643,262	4,058,128	\$ 113,359,292
Shares issued in reinvestment of distributions	2,226,548	47,982,115	335,044	9,012,671
Shares issued on reorganization	—	—	743,643	17,009,388
Shares redeemed	(4,647,256)	(105,911,552)	(5,365,950)	(145,485,492)
Net increase (decrease)	695,502	\$ 13,713,825	(229,135)	\$ (6,104,141)

^aMay include a portion of Class C shares that were automatically converted to Class A.

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and directors of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Templeton Global Advisors Limited (Global Advisors)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Templeton Distributors, Inc. (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

3. Transactions with Affiliates (continued)

a. Management Fees

The Fund pays an investment management fee to Global Advisors based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.780%	Up to and including \$200 million
0.765%	Over \$200 million, up to and including \$700 million
0.730%	Over \$700 million, up to and including \$1 billion
0.715%	Over \$1 billion, up to and including \$1.2 billion
0.690%	Over \$1.2 billion, up to and including \$5 billion
0.675%	Over \$5 billion, up to and including \$10 billion
0.655%	Over \$10 billion, up to and including \$15 billion
0.635%	Over \$15 billion, up to and including \$20 billion
0.615%	Over \$20 billion, up to and including \$25 billion
0.605%	Over \$25 billion, up to and including \$30 billion
0.595%	Over \$30 billion, up to and including \$35 billion
0.585%	Over \$35 billion, up to and including \$40 billion
0.575%	Over \$40 billion, up to and including \$45 billion
0.565%	In excess of \$45 billion

For the year ended August 31, 2019, the gross effective investment management fee rate was 0.685% of the Fund's average daily net assets.

b. Administrative Fees

Under an agreement with Global Advisors, FT Services provides administrative services to the Fund. The fee is paid by Global Advisors based on the Fund's average daily net assets, and is not an additional expense of the Fund.

c. Distribution Fees

The Board has adopted distribution plans for each share class, with the exception of Class R6 and Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's Class A reimbursement distribution plan, the Fund reimburses Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate. Under the Class A reimbursement distribution plan, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Fund's Class C and R compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate for each class. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

The maximum annual plan rates, based on the average daily net assets, for each class, are as follows:

Class A	0.25%
Class C	1.00%
Class R	0.50%

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. These charges are deducted from the proceeds of sales of Fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. Distributors has advised the Fund of the following commission transactions related to the sales and redemptions of the Fund's shares for the year:

Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$285,914
CDSC retained	\$ 12,213

Effective September 10, 2018, the Board approved changes to certain front-end sales charges and dealer commissions on Class A shares. Further details are disclosed in the Fund's Prospectus.

e. Transfer Agent Fees

Each class of shares pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations. The fees are based on an annualized asset based fee of 0.02% plus a transaction based fee. In addition, each class reimburses Investor Services for out of pocket expenses incurred and, except for Class R6, reimburses shareholder servicing fees paid to third parties. These fees are allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees specific to that class.

For the year ended August 31, 2019, the Fund paid transfer agent fees of \$10,416,262, of which \$5,903,605 was retained by Investor Services.

f. Investments in Affiliated Management Investment Companies

The Fund invests in one or more affiliated management investment companies for purposes other than exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended August 31, 2019, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Income from securities loaned
Non-Controlled Affiliates								
Institutional Fiduciary Trust Money Market Portfolio, 1.85%	\$ —	\$654,054,599	\$(654,054,599)	\$ —	\$ —	\$ —	—	\$273,733

g. Waiver and Expense Reimbursements

Investor Services has contractually agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.03% based on the average net assets of the class until December 31, 2019.

Prior to January 1, 2019, the Class R6 transfer agent fees were limited to 0.02% based on the average net assets of the class.

h. Other Affiliated Transactions

At August 31, 2019, one or more of the funds in Franklin Fund Allocator Series owned 13.1% of the Fund's outstanding shares.

3. Transactions with Affiliates (continued)

i. Interfund Transactions

The Fund engaged in purchases and sales of investments with funds or other accounts that have common investment managers (or affiliated investment managers), directors, trustees or officers. During the year ended August 31, 2019, these purchase and sale transactions aggregated \$7,221,547 and \$591,896, respectively.

4. Expense Offset Arrangement

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended August 31, 2019, there were no credits earned.

5. Income Taxes

The tax character of distributions paid during the years ended August 31, 2019 and 2018, was as follows:

	2019	2018
Distributions paid from:		
Ordinary income	\$ 237,589,826	\$ 253,357,738
Long term capital gain	1,081,800,243	—
	<u>\$1,319,390,069</u>	<u>\$ 253,357,738</u>

At August 31, 2019, the cost of investments, net unrealized appreciation (depreciation), undistributed ordinary income and undistributed long term capital gains for income tax purposes were as follows:

Cost of investments	<u>\$11,587,333,049</u>
Unrealized appreciation	\$ 993,863,882
Unrealized depreciation	<u>(1,889,115,058)</u>
Net unrealized appreciation (depreciation)	<u>\$ (895,251,176)</u>
Distributable earnings:	
Undistributed ordinary income	\$ 233,651,496
Undistributed long term capital gains	<u>351,620,138</u>
Total distributable earnings	<u>\$ 585,271,634</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of corporate actions and wash sales.

The Fund utilized a tax accounting practice to treat a portion of the proceeds from capital shares redeemed as a distribution from realized capital gains.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended August 31, 2019, aggregated \$2,938,413,042 and \$3,701,875,032, respectively.

7. Concentration of Risk

Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local, regional and global economic, political and social conditions, which may result in greater market volatility. Current political and financial uncertainty surrounding the European Union may increase market volatility and the economic risk of investing in securities in Europe. In addition, certain foreign securities may not be as liquid as U.S. securities.

8. Other Derivative Information

For the year ended August 31, 2019, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Year	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Year
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity contracts	Written options	\$3,188,934	Written options	\$19,974

For the year ended August 31, 2019, the average month end notional amount of options represented 267,885 shares.

See Note 1(c) regarding derivative financial instruments.

9. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2 billion (Global Credit Facility) which matures on February 7, 2020. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the year ended August 31, 2019, the Fund did not use the Global Credit Facility.

10. Fair Value Measurements

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)

10. Fair Value Measurements (continued)

- Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of August 31, 2019, in valuing the Fund’s assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments in Securities: ^a				
Equity Investments:				
China	\$ 132,916,417	\$ 497,791,377	\$ —	\$ 630,707,794
Hong Kong	—	233,073,378	—	233,073,378
United Kingdom	989,147,246	103,700,287	—	1,092,847,533
All Other Equity Investments	8,269,453,168	—	—	8,269,453,168
Short Term Investments	—	466,000,000	—	466,000,000
Total Investments in Securities	<u>\$ 9,391,516,831</u>	<u>\$ 1,300,565,042</u>	<u>\$ —</u>	<u>\$ 10,692,081,873</u>

^aFor detailed categories, see the accompanying Statement of Investments.

11. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

Abbreviations

Currency	Selected Portfolio
GBP British Pound	ADR American Depositary Receipt
HKD Hong Kong Dollar	IDR International Depositary Receipt
	NVDR Non-Voting Depositary Receipt

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Templeton Growth Fund, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of Templeton Growth Fund, Inc. (the "Fund") as of August 31, 2019, the related statement of operations for the year ended August 31, 2019, the statement of changes in net assets for each of the two years in the period ended August 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended August 31, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of August 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended August 31, 2019 and the financial highlights for each of the five years in the period ended August 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of August 31, 2019 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, California
October 17, 2019

We have served as the auditor of one or more investment companies in the Franklin Templeton funds since 1948.

Tax Information (unaudited)

Under Section 852(b)(3)(C) of the Internal Revenue Code, the Fund hereby reports the maximum amount allowable but no less than \$1,096,550,091 as a long term capital gain dividend for the fiscal year ended August 31, 2019.

Under Section 871(k)(2)(C) of the Internal Revenue Code, the Fund hereby reports the maximum amount allowable but no less than \$14,606,919 as a short term capital gain dividend for purposes of the tax imposed under Section 871(a)(1)(A) of the Internal Revenue Code for the fiscal year ended August 31, 2019.

Under Section 854(b)(1)(A) of the Internal Revenue Code, the Fund hereby reports 37.35% of the ordinary income dividends as income qualifying for the dividends received deduction for the fiscal year ended August 31, 2019.

Under Section 854(b)(1)(B) of the Internal Revenue Code, the Fund hereby reports the maximum amount allowable but no less than \$342,094,111 as qualified dividends for purposes of the maximum rate under Section 1(h)(11) of the Internal Revenue Code for the fiscal year ended August 31, 2019. Distributions, including qualified dividend income, paid during calendar year 2019 will be reported to shareholders on Form 1099-DIV by mid-February 2020. Shareholders are advised to check with their tax advisors for information on the treatment of these amounts on their individual income tax returns.

At August 31, 2019, more than 50% of the Fund's total assets were invested in securities of foreign issuers. In most instances, foreign taxes were withheld from income paid to the Fund on these investments. The Fund elects to treat foreign taxes paid as allowed under Section 853 of the Internal Revenue Code. This election will allow shareholders of record as of the 2019 distribution date, to treat their proportionate share of foreign taxes paid by the Fund as having been paid directly by them. The shareholder shall consider these amounts as foreign taxes paid in the tax year in which they receive the Fund distribution.

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Fund, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Director	Since 1992	138	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Ann Torre Bates (1958) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Director	Since 2008	35	Ares Capital Corporation (specialty finance company) (2010-present), United Natural Foods, Inc. (distributor of natural, organic and specialty foods) (2013-present), Allied Capital Corporation (financial services) (2003-2010), SLM Corporation (Sallie Mae) (1997-2014) and Navient Corporation (loan management, servicing and asset recovery) (2014-2016).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Executive Vice President and Chief Financial Officer, NHP Incorporated (manager of multifamily housing) (1995-1997); and Vice President and Treasurer, US Airways, Inc. (until 1995).				
Mary C. Choksi (1950) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Director	Since 2016	138	Avis Budget Group Inc. (car rental) (2007-present), Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Edith E. Holiday (1952) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Lead Independent Director	Director since 2000 and Lead Independent Director since 2007	138	Hess Corporation (exploration of oil and gas) (1993-present), Canadian National Railway (railroad) (2001-present), White Mountains Insurance Group, Ltd. (holding company) (2004-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).
Principal Occupation During at Least the Past 5 Years: Director or Trustee of various companies and trusts; and formerly , Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison—United States Treasury Department (1988-1989).				
J. Michael Luttig (1954) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Director	Since 2009	138	Boeing Capital Corporation (aircraft financing) (2006-2013).
Principal Occupation During at Least the Past 5 Years: Executive Vice President, Counselor and Senior Advisor to Boeing Chairman and Board of Directors, The Boeing Company (aerospace company) (May 2019); and formerly , General Counsel and member of the Executive Council, The Boeing Company (2006-2019) and Federal Appeals Court Judge, U.S. Court of Appeals for the Fourth Circuit (1991-2006).				
David W. Niemiec (1949) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Director	Since 2005	35	Hess Midstream Partners LP (oil and gas midstream infrastructure) (2017-present).
Principal Occupation During at Least the Past 5 Years: Advisor, Saratoga Partners (private equity fund); and formerly , Managing Director, Saratoga Partners (1998-2001) and SBC Warburg Dillon Read (investment banking) (1997-1998); Vice Chairman, Dillon, Read & Co. Inc. (investment banking) (1991-1997); and Chief Financial Officer, Dillon, Read & Co. Inc. (1982-1997).				
Larry D. Thompson (1945) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Director	Since 2005	138	The Southern Company (energy company) (2014-present; previously 2010-2012), Graham Holdings Company (education and media organization) (2011-present) and Cbeyond, Inc. (business communications provider) (2010-2012).
Principal Occupation During at Least the Past 5 Years: Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and formerly , Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Constantine D. Tseretopoulos (1954) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Director	Since 2000	22	None
Principal Occupation During at Least the Past 5 Years: Physician, Chief of Staff, owner and operator of the Lyford Cay Hospital (1987-present); director of various nonprofit organizations; and formerly , Cardiology Fellow, University of Maryland (1985-1987); and Internal Medicine Resident, Greater Baltimore Medical Center (1982-1985).				
Robert E. Wade (1946) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Director	Since 2006	35	El Oro Ltd (investments) (2003-June 2019).
Principal Occupation During at Least the Past 5 Years: Attorney at law engaged in private practice as a sole practitioner (1972-2008) and member of various boards.				

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
**Gregory E. Johnson (1961) One Franklin Parkway San Mateo, CA 94403-1906	Director	Since 2007	150	None
Principal Occupation During at Least the Past 5 Years: Chairman of the Board, Member – Office of the Chairman, Director and Chief Executive Officer, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 42 of the investment companies in Franklin Templeton; Vice Chairman, Investment Company Institute; and formerly , President, Franklin Resources, Inc. (1994-2015).				
**Rupert H. Johnson, Jr. (1940) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board, Director and Vice President	Chairman of the Board and Director since 2013 and Vice President since 1996	138	None
Principal Occupation During at Least the Past 5 Years: Vice Chairman, Member – Office of the Chairman and Director, Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 40 of the investment companies in Franklin Templeton.				
Alison E. Baur (1964) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Deputy General Counsel, Franklin Templeton; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 44 of the investment companies in Franklin Templeton.				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Norman J. Boersma (1957) Lyford Cay Nassau, Bahamas	President and Chief Executive Officer – Investment Management	Since 2012	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Chairman of the Board, President and Chief Executive Officer, Templeton Global Advisors Ltd.; Chief Investment Officer of Templeton Global Equity Group; officer of five of the investment companies in Franklin Templeton; and formerly , Executive Vice President, Franklin Templeton Investments Corp. (1993-2014).				
Aliya S. Gordon (1973) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Vice President and Secretary, Franklin Resources, Inc.; and officer of 44 of the investment companies in Franklin Templeton.				
Steven J. Gray (1955) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Vice President, Franklin Templeton Distributors, Inc. and FASA, LLC; and officer of 44 of the investment companies in Franklin Templeton.				
Matthew T. Hinkle (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; officer of 44 of the investment companies in Franklin Templeton; and formerly , Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).				
Robert G. Kubilis (1973) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since 2017	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Treasurer, U.S. Fund Administration & Reporting and officer of 16 of the investment companies in Franklin Templeton.				
Robert Lim (1948) One Franklin Parkway San Mateo, CA 94403-1906	Vice President – AML Compliance	Since 2016	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Vice President, Franklin Templeton Companies, LLC; Chief Compliance Officer, Franklin Templeton Distributors, Inc. and Franklin Templeton Investor Services, LLC; and officer of 44 of the investment companies in Franklin Templeton.				
Kimberly H. Novotny (1972) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President	Since 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Vice President and Corporate Secretary, Fiduciary Trust International of the South; Vice President, Templeton Investment Counsel, LLC; Assistant Secretary, Franklin Resources, Inc.; and officer of 44 of the investment companies in Franklin Templeton.				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Robert C. Rosselot (1960) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Compliance Officer	Since 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director, Global Compliance, Franklin Templeton; Vice President, Franklin Templeton Companies, LLC; officer of 44 of the investment companies in Franklin Templeton; and formerly , Senior Associate General Counsel, Franklin Templeton (2007-2013); and Secretary and Vice President, Templeton Group of Funds (2004-2013).				
Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Associate General Counsel and officer of 44 of the investment companies in Franklin Templeton.				
Craig S. Tyle (1960) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2005	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: General Counsel and Executive Vice President, Franklin Resources, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 44 of the investment companies in Franklin Templeton.				
Lori A. Weber (1964) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President and Secretary	Vice President since 2011 and Secretary since 2013	Not Applicable	Not Applicable

Principal Occupation During at Least the Past 5 Years:
Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of 44 of the investment companies in Franklin Templeton.

*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton fund complex. These portfolios have a common investment manager or affiliated investment managers.

**Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and major shareholder of Resources.

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the U.S. Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated each of Ann Torre Bates and David W. Niemiec as an audit committee financial expert. The Board believes that Ms. Bates and Mr. Niemiec qualify as such an expert in view of their extensive business background and experience. Ms. Bates has served as a member of the Fund Audit Committee since 2008. She currently serves as a director of Ares Capital Corporation (2010-present) and United Natural Foods, Inc. (2013-present) and was formerly a director of Navient Corporation from 2014 to 2016, SLM Corporation from 1997 to 2014 and Allied Capital Corporation from 2003 to 2010, Executive Vice President and Chief Financial Officer of NHP Incorporated from 1995 to 1997 and Vice President and Treasurer of US Airways, Inc. until 1995. Mr. Niemiec has served as a member of the Fund Audit Committee since 2005, currently serves as an Advisor to Saratoga Partners and was formerly its Managing Director from 1998 to 2001 and serves as a director of Hess Midstream Partners LP (2017-present). Mr. Niemiec was formerly a director of Emeritus Corporation from 1999 to 2010 and OSI Pharmaceuticals, Inc. from 2006 to 2010, Managing Director of SBC Warburg Dillon Read from 1997 to 1998, and was Vice Chairman from 1991 to 1997 and Chief Financial Officer from 1982 to 1997 of Dillon, Read & Co. Inc. As a result of such background and experience, the Board believes that Ms. Bates and Mr. Niemiec have each acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Bates and Mr. Niemiec are independent Board members as that term is defined under the applicable U.S. Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

Shareholder Information

Board Approval of Investment Management Agreements

TEMPLETON GROWTH FUND, INC. (Fund)

At an in-person meeting held on May 21, 2019 (Meeting), the Board of Directors (Board) of the Fund, including a majority of the directors who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Directors), reviewed and approved the continuance of the investment management agreement between Templeton Global Advisors Limited (Manager) and the Fund (Management Agreement) for an additional one-year period. The Independent Directors received advice from and met separately with Independent Director counsel in considering whether to approve the continuation of the Management Agreement.

In considering the continuation of the Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Director counsel on behalf of the Independent Directors in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Directors held a telephonic contract renewal meeting at which the Independent Directors conferred amongst themselves and Independent Director counsel about contract renewal matters. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of the Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of the Management Agreement, the Board, including a majority of the Independent Directors, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of such Management Agreement is in the interests of the Fund and its shareholders. While attention was given to all information furnished, the following

discusses some primary factors relevant to the Board’s determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Fund and its shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for the Fund; reports on expenses, shareholder services, marketing support payments made to financial intermediaries and third party servicing arrangements; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Fund to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements in response to a guidance update in 2016 from the US Securities and Exchange Commission (SEC) relating to mutual fund distribution and sub-accounting fees. The Board noted management’s continuing efforts and expenditures in establishing effective business continuity plans and developing strategies to address areas of heightened concern in the mutual fund industry, such as cybersecurity and liquidity risk management. The Board also recognized management’s commitment to facilitating Board oversight of liquidity through the designation of a liquidity/risk administrator and the development of reports that highlight the amount of illiquid investments for the Fund.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the Franklin Templeton family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager’s parent, and its commitment to the mutual fund business as evidenced by its continued introduction of new funds, reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Fund by the FT organization.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Fund and its shareholders.

Fund Performance

The Board reviewed and considered the performance results of the Fund over various time periods ended February 28, 2019. The Board considered the performance returns for the Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of the Fund's performance results is below.

The Performance Universe for the Fund included the Fund and all retail and institutional global multi-cap value funds. The Board noted that the Fund's annualized total return for the one-, three-, five- and 10-year periods was below the median of its Performance Universe. The Board discussed the Fund's performance with management and management explained that overweight health care holdings, underweight positions in the technology and consumer discretionary sectors, and underweight positions in U.S. securities detracted from the Fund's performance over the one-, three- and five-year periods. The Board further noted management's recent enhancements to its investment process and portfolio management team. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, and the enhancements monitored.

Comparative Fees and Expenses

The Board reviewed and considered information regarding the Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of the Fund in

comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges, and the actual total expense ratio, for comparative consistency, was shown for Class A shares for funds with multiple classes of shares. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Fund included the Fund, three global multi-cap core funds and three global multi-cap growth funds. The Board noted that the Management Rate for the Fund was equal to the median of its Expense Group. The Board also noted that the actual total expense ratio for the Fund was below the median of its Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

Profitability

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis provided by the Manager that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to each of the individual funds during the 12-month period ended September 30, 2018, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Fund's profitability report presentations from prior years. Additionally, PricewaterhouseCoopers LLP, auditor to FRI and certain Franklin Templeton funds, has been engaged by the Manager to periodically review and assess the allocation

methodologies to be used solely by the Fund's Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. The Board also noted management's expenditures in improving shareholder services provided to the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent SEC and other regulatory requirements.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

Economies of Scale

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints, which operate generally to share any economies of scale with the Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Manager's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the Franklin Templeton family of funds as a whole. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

Conclusion

Based on its review, consideration and evaluation of all

factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement for an additional one-year period.

Proxy Voting Policies and Procedures

The Fund's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Fund uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Fund's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Fund's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Statement of Investments

The Fund files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding of Reports and Prospectuses

You will receive the Fund's financial reports every six months as well as an annual updated summary prospectus (prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



Annual Report and Shareholder Letter
Templeton Growth Fund, Inc.

Investment Manager
Templeton Global Advisors
Limited

Distributor
Franklin Templeton Distributors, Inc.
(800) DIAL BEN® / 342-5236
franklintempleton.com

Shareholder Services
(800) 632-2301