FRANKLIN TEMPLETON

Templeton Growth Fund, Inc.

Advisor Class: TGADX Class A: TEPLX | **Commentary | as of June 30, 2026**

Key Takeaways

- **Markets:** Global equities rebounded strongly in the second quarter of 2026, reversing the weakness seen at the end of the first quarter as markets recovered from the March energy shock.
- **Detractors:** The fund (Advisor Class shares without sales charges) underperformed its benchmark, the MSCI All Country World Index-NR, for the quarter, primarily due to holdings in the information technology, consumer discretionary and health care sectors.
- **Contributors:** Holdings in the industrials, communication services and consumer staples sectors contributed to relative performance for the quarter.
- **Outlook:** We continue to see opportunities in health care, financials, particularly non-bank financials, defense, utilities and high-quality companies that have been overlooked during the AI-led rally.

Performance Review

- Global equities rebounded strongly in the second quarter of 2026, reversing the weakness seen at the end of the first quarter as markets recovered from the March energy shock. The quarter was shaped initially by the partial unwinding of that shock, with periods of ceasefire optimism and then the signing of a memorandum of understanding between the United States and Iran helping to ease fears around the Strait of Hormuz, lower oil prices and restore risk appetite. Regional performance still diverged, with Asia Pacific emerging as the strongest major region, the United States also delivering a powerful recovery, and Europe lagging as its greater sensitivity to energy prices and weaker macro data continued to weigh on sentiment.
- The fund (Advisor Class shares without sales charges) underperformed its benchmark, the MSCI All Country World Index-NR, for the quarter, primarily due to holdings in the information technology, consumer discretionary and health care sectors.
- BYD, a leading electric vehicle (EV) and battery manufacturer in China, was the top detractor for the quarter. BYD's share price started falling following the release of its first-quarter results at the end of April. Competitive pressures and weak domestic orders weighed on results. Nonetheless, we remain optimistic as the company's increasing share of exports in total sales, better pricing power with its newly-launched flash charging models, and sequential improvement in China's auto market would improve the financial performance of the company.
- Holdings in the industrials, communication services and consumer staples sectors contributed to relative performance for the quarter.
- Infineon, a German semiconductor manufacturer, was the top contributor for the quarter. Shares benefited as earnings expectations rose further on its potential role in distributed power for artificial intelligence data centers. The company delivered results in line with expectations and provided confident guidance on various emerging trends that benefit its business.
- Geographically, stock selection in the United States was the largest detractor from relative performance for the quarter. Stock selection in the eurozone contributed to relative results.

Outlook

- We believe the portfolio is well positioned if market leadership continues to broaden beyond AI. Further progress on Iran would be particularly helpful for aerospace but should also support rate-sensitive and cyclical holdings that would benefit from improved macro conditions and lower inflation pressure. We continue to see opportunities in health care, financials, particularly non-bank financials, defense, utilities and high-quality companies that have been overlooked during the AI-led rally. While we remain believers in the long-term AI growth story, we think parts of the trade need time to digest recent gains, and that better returns may increasingly be available elsewhere. We retain full confidence in our investment process and believe the portfolio is well placed for an improved second half.

Top Equity Issuers (% of Total)

Holding	Fund
NVIDIA CORP	4.44
ALPHABET INC	3.82
APPLE INC	3.63
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	3.21
AMAZON.COM INC	3.00
ROLLS-ROYCE HOLDINGS PLC	2.71
LINDE PLC	2.52
SAMSUNG ELECTRONICS CO LTD	2.44
MICROSOFT CORP	2.36
THERMO FISHER SCIENTIFIC INC	2.23

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns and fund expenses (%) - as of June 30, 2026

			Without Sales Charge							With Maximum Sales Charge							Expenses		Sales Charges		Inception
Class	CUSIP	Ticker	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDSC	Date
Advisor Class	880199302	TGADX	10.48	4.39	13.70	13.75	7.58	7.98	11.42	10.48	4.39	13.70	13.75	7.58	7.98	11.42	0.78	0.78	—	—	11/29/1954
Class A	880199104	TEPLX	10.42	4.28	13.45	13.47	7.31	7.71	11.29	4.36	-1.44	7.22	11.35	6.11	7.10	11.21	1.03	1.03	5.50	—	11/29/1954
Benchmark	—	—	14.93	11.25	23.67	19.69	10.98	12.79	—	14.93	11.25	23.67	19.69	10.98	12.79	—	—	—	—	—	—

Benchmark(s)

Benchmark =MSCI All Country World Index-NR

Performance data quoted represents past performance, which does not guarantee future results. *Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit franklintempleton.com.*
The fund began offering Advisor Class shares on 1/2/1997. Performance quotations have been calculated as follows: (a) for Advisor Class periods prior to 1/2/1997, a restated figure is used based on the fund's Class A performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges. (b) For periods after share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.
The total annual operating expenses are as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.

What are the Risks?

All investments involve risks, including possible loss of principal. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. To the extent the fund invests in companies in a specific **country or region**, the fund may experience greater volatility than a fund that is more broadly diversified geographically. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

Important Information

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

MSCI All Country World Index-NR reflects performance of the MSCI All Country World Index (gross returns) from fund inception through 12/31/2000 and the MSCI All Country World Index-NR thereafter. The **MSCI All Country World Index** is a market capitalization-weighted index that is designed to measure equity market performance of developed and emerging markets.

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Holdings are provided for informational purposes only and should not be construed as a recommendation to purchase or sell any security.

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.

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