

ANNUAL REPORT AND SHAREHOLDER LETTER

TEMPLETON INTERNATIONAL BOND FUND

A Series of Templeton Income Trust

December 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 December 31, 2019, global economic growth moderated amid ongoing U.S.-China trade disputes, but interest-rate reductions by many central banks and easing trade tensions near period-end contributed to a generally positive investment environment for stocks and bonds worldwide. Among major central banks, the U.S. Federal Reserve reduced its federal funds rate range by 0.25% three times in 2019, and the European Central Bank announced new stimulus measures including a cut to its deposit rate and a restart of its quantitative easing program. In this environment, global government bonds, as measured by the FTSE World Government Bond Index, posted total returns of +5.90% and +6.00% in U.S. dollar and local currency terms, respectively.

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. 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 International Bond 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,



Michael Hasenstab, Ph.D.
Executive Vice President,
Chief Investment Officer of Templeton Global Macro

This letter reflects our analysis and opinions as of December 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.

Not FDIC Insured | May Lose Value | No Bank Guarantee

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

ANNUAL REPORT

Templeton International Bond Fund

This annual report for Templeton International Bond Fund covers the fiscal year ended December 31, 2019.

Your Fund's Goal and Main Investments

The Fund seeks current income with capital appreciation and growth of income. Under normal market conditions, the Fund invests at least 80% of its net assets in "bonds." The Fund invests predominantly in bonds issued by governments, government-related entities and government agencies located outside of the U.S. Bonds include debt obligations of any maturity, such as bonds, notes, bills and debentures.

Performance Overview

For the 12 months under review, the Fund's Class A shares posted a +2.17% cumulative total return. In comparison, the Fund's benchmark, the FTSE Non-USD World Government Bond Index (WGBI), which measures performance of investment-grade, non-U.S. world government bond markets, posted a cumulative total return of +5.32% in U.S. dollar terms for the same period.¹ You can find more of the Fund's performance data in the Performance Summary beginning on page 7.

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

Global financial markets started 2019 on a positive note, with rallies in risk assets through much of the first quarter after a volatile end to 2018. However, escalating trade tensions between the U.S. and China sporadically resurfaced throughout the year, leading to broad resurgences in global risk aversion that intermittently affected market valuations. Both the U.S. Federal Reserve (Fed) and the European Central Bank (ECB) increasingly cited trade uncertainties and global risks as policy concerns during the year, with the

Portfolio Composition*

Based on Total Net Assets as of 12/31/19



*Figures represent the net Fund exposure and include certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of any derivatives or other factors.

**Includes foreign government and agency securities, money market funds and other net assets less liabilities (including derivatives).

Fed building a case for rate cuts and the ECB signaling that additional monetary accommodation could arrive in the Fall.

The Fed took a dovish turn at its January 2019 meeting, halting its series of rate hikes from 2018 and removing its prior statement that "some further gradual increases in the target range for the federal funds rate" would be consistent with economic activity and inflation objectives. Policy guidance turned even further dovish at the March meeting as the Fed kept rates unchanged and moderately downgraded U.S. growth forecasts for 2019 and 2020. The Fed ultimately kept the federal funds target rate unchanged at its May and June meetings before cutting rates for the first time in more than a decade at its July meeting. The rate cut was 25 basis points (bps). In August, the Fed discontinued its monthly pace of balance sheet unwinding, two months earlier than originally forecast. It then consecutively cut rates 25 bps at its September and October meetings to a range of 1.50% to 1.75%, before signaling that it would likely keep rates unchanged going forward, barring a material change in the economic outlook.

The shifts in monetary policy affected the shape of the U.S. Treasury (UST) yield curve throughout the year. A yield curve inversion from the three-month UST bill to the 10-year UST note took hold in May, reaching a low of 50 bps of spread inversion in late August. However, the Fed provided updated

1. Source: Morningstar.

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.

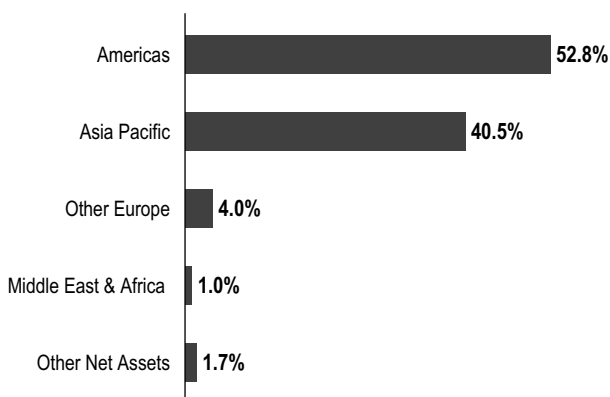
See www.franklintempletondatasources.com for additional data provider information.

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 16.

forward guidance in September and October that enabled the curve to steepen, erasing the inversion as the front end rallied lower while longer-term UST yields rose. The curve continued to steepen through the end of the year, as the Fed kept rates unchanged at its December meeting with the first 10-0 consensus policy vote since May. The updated dot plot in December indicated that a strong majority of Fed officials expected rates to remain unchanged through the end of 2020.

Geographic Composition*

Based on Total Net Assets as of 12/31/19



*Figures represent the net Fund exposure and include certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of any derivatives or other factors.

In our view, longer-term USTs appeared vulnerable to a potential rate shock given rising deficit spending, rising debt issuance and over-levered financial markets. Additionally, inflation risks remained significantly underpriced, in our view, given supply chain disruptions, immigration restrictions and exceptional tightness in the labor market. Given each of these factors, we believed longer-term USTs remained highly overvalued. The Fed can control short-term rates, but it cannot always control the economic and technical pressures on the longer end of the curve. We believed the yield curve inversion was overdone and that longer-term UST yields would rise.

Despite escalating trade disputes between the U.S. and China during much of the year, including a peak in retaliatory measures by each country in August, the U.S. and China appeared to reach agreement on a “phase one” trade deal in December, expected to be ratified on January 15. The potential resolution bolstered market sentiment, driving risk asset valuations higher in several markets across the globe. However, we continued to monitor the broader implications of trade tensions on multiple fronts and the potential ramifications to risk assets in various regions. Despite the

positive developments on trade policy, risks for additional disputes remained elevated, in our view.

In Europe, the ECB kept its policy rate unchanged (0.0% main refinancing operations, -0.40% deposit facility) for most of the reporting period, but delivered on an anticipated stimulus package at its September meeting, dropping the deposit rate to -0.5% and scheduling the re-start of its quantitative easing (QE) program in November, at a pace of €20 billion in bond purchases per month. Mario Draghi kept rates unchanged at his final meeting as ECB president in October, before Christine Lagarde took over the post in November. Lagarde held her first policy meeting in December, keeping rates and the QE program unchanged, as largely expected. During the reporting period, it appeared Lagarde would maintain continuity with the policy framework she inherited from her predecessor, indicating her support for negative rates by commenting that the ECB has “done the right thing to act in favor of jobs and growth rather than the protection of savers.” We expected the euro to weaken against the U.S. dollar during the period on continued monetary accommodation from the ECB, as well as unresolved structural vulnerabilities in the eurozone.

The Bank of Japan (BOJ) kept monetary policy unchanged during the reporting period, retaining its 0.0% yield target on the 10-year Japanese government bond and its -0.1% target on the overnight rate. However, BOJ Governor Haruhiko Kuroda increasingly indicated a willingness to cut rates at future meetings if there were risks to achieving the 2.0% inflation target. We expected monetary policy to remain highly accommodative during the reporting period, but our expectations for weakness in the Japanese yen against the U.S. dollar shifted to expectations for strength on softer policy divergence between the Fed and BOJ, and the yen’s potential to rally as a perceived safe haven during periods of risk aversion, given Japan’s strong external balances.

A number of central banks around the world followed the dovish directions of the Fed and the ECB in 2019, taking the opportunity to cut their own domestic rates. Notably, Mexico and Indonesia cut their policy rates by 100 bps, India cut by 135 bps and Brazil cut by 200 bps. Overall, sovereign bond yields declined across much of the world during the reporting period. The yield on the 10-year UST note finished the period 77 bps lower at 1.92%, and the yield on the 10-year German Bund fell 43 bps to finish at -0.19%, after reaching its lowest level on record in August (-0.71%). On the whole, long-duration exposures tended to perform well in most markets, while currency valuations were more idiosyncratic to individual country dynamics.

Investment Strategy

We invest selectively in non-U.S. bonds around the world based upon our assessment of changing market, political and economic conditions. While seeking opportunities, we monitor various factors including changes in interest rates, currency exchange rates and credit risks. For purposes of pursuing its investment goals, the Fund regularly enters into various currency-related transactions involving derivative instruments, principally currency and cross currency forwards, but it may also use currency and currency index futures contracts and currency options. The Fund may also enter into various other transactions involving derivatives, including interest-rate/bond futures and swap agreements (which may include interest rate and credit default swaps).

What is a currency forward contract?

A currency forward contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency in exchange for another currency at a specific exchange rate on a future date. Currency forward contracts are privately traded in the interbank market, not on a centralized exchange.

What is a currency option?

A currency option is a derivative financial instrument that gives the owner the right but not the obligation to exchange money denominated in one currency at a pre-agreed exchange rate on a specified date.

Manager's Discussion

During the reporting period, the strategy continued to seek select duration exposures in countries that have attractive risk-adjusted yields, strong or improving economic fundamentals and prudent fiscal and monetary policies. Several emerging markets continued to offer significantly higher yields than those available in the developed markets. The strategy also maintained negative duration exposure to longer-term U.S. Treasuries as the team believed that inflation pressures, rising deficit spending and surging levels of debt issuance were significantly underpriced risks in the longer-term U.S. Treasury markets. The strategy also increased its allocations to undervalued safe-haven assets to hedge against global financial market risks associated with geopolitical tensions and price distortions from ongoing loose monetary policy across the developed world, notably including the Japanese yen, Swiss franc, Swedish krona and Norwegian krone. The strategy held a net-negative position in the euro to hedge against broad-based U.S. dollar strength and unresolved structural risks across Europe, and a net-negative position in the Australian dollar to hedge against

broad emerging market risks. During the period, we used forward currency exchange contracts to actively manage exchange currencies. We also used interest-rate swaps to tactically manage duration exposures.

What is an interest-rate swap?

An interest-rate swap is an agreement between two parties to exchange interest-rate payment obligations, generally one based on an interest rate fixed to maturity and the other based on an interest rate that changes in accordance with changes in a designated benchmark (for example, LIBOR, prime, commercial paper or other benchmarks).

What is duration?

Duration is a measure of a bond's price sensitivity to interest-rate changes. In general, a portfolio of securities with a lower duration can be expected to be less sensitive to interest-rate changes than a portfolio with a higher duration.

During the period, the Fund's positive absolute performance was primarily attributable to currency positions. Interest-rate strategies detracted from absolute results, while sovereign credit exposures had a largely neutral effect. Among currencies, the Fund's net-negative position in the euro contributed to absolute performance, as did its position in the Indonesian rupiah. However, currency positions in Latin America detracted from absolute results (the Argentine peso detracted, while the Mexican peso contributed). The Fund maintained a defensive approach regarding interest rates in developed markets, while holding duration exposures in select emerging markets. Negative duration exposure to U.S. Treasuries detracted from absolute results, while select duration exposures in Asia ex-Japan (Indonesia and India) and Latin America (Brazil) contributed.

On a relative basis, the Fund underperformed its benchmark due to interest-rate strategies. Currency positions contributed to relative results, while sovereign credit exposures had a largely neutral effect. Underweighted duration exposures in the U.S. and Japan detracted from relative performance, as did select underweighted duration exposures in Europe and a lack of duration exposure in the U.K. However, select overweighted duration exposures in Asia ex-Japan (Indonesia and India) and Latin America (Brazil) contributed to relative results. Among currencies, the Fund's underweighted position in the euro contributed to relative performance, as did its overweighted position in the Indonesian rupiah. However, overweighted currency positions in Latin America detracted from relative results (the Argentine peso detracted, while the Mexican peso contributed).

Currency Composition*

12/31/19

	% of Total Net Assets
Americas	84.9%
U.S. Dollar	65.6%
Brazilian Real	9.3%
Mexican Peso	7.4%
Argentine Peso	1.3%
Colombian Peso	1.3%
Canadian Dollar	0.0%**
Asia Pacific	29.2%
Japanese Yen	30.5%
Thai Baht	4.5%
Indonesian Rupiah	4.3%
Indian Rupee	0.2%
South Korean Won	0.1%
Singapore Dollar	0.0%**
Australian Dollar	-10.4%
Middle East & Africa	1.0%
Ghanaian Cedi	1.0%
Europe	-15.0%
Norwegian Krone	7.9%
Swiss Franc	5.2%
Swedish Krona	4.3%
Euro	-32.4%

*Figures represent the net Fund exposure and include certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of any derivatives or other factors.

**Rounds to less than 0.1%.

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



Michael Hasenstab, Ph.D.
Lead Portfolio Manager



Calvin Ho
Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of December 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 December 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 12/31/19¹

*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 3.75% and the minimum is 0%. **Class A:** 3.75% 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	+2.17% ⁵	-1.71%
5-Year	+6.98%	+0.58%
10-Year	+30.73%	+2.32%
Advisor		
1-Year	+2.43% ⁵	+2.43%
5-Year	+8.32%	+1.61%
10-Year	+34.33%	+2.99%

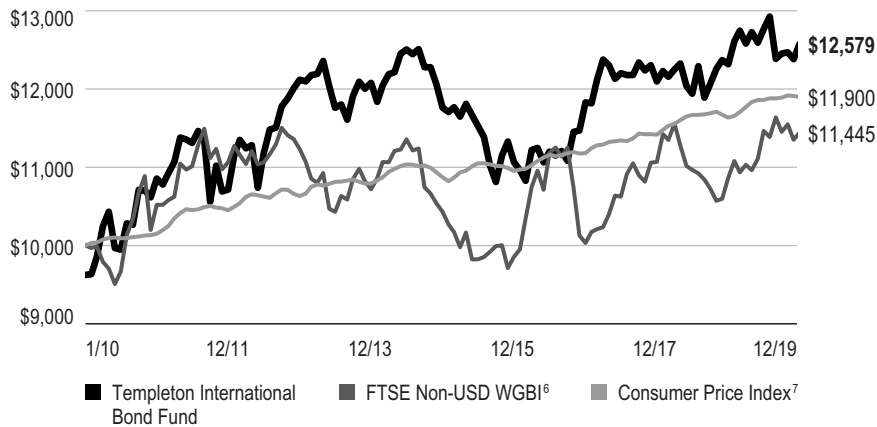
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 9 for Performance Summary footnotes.

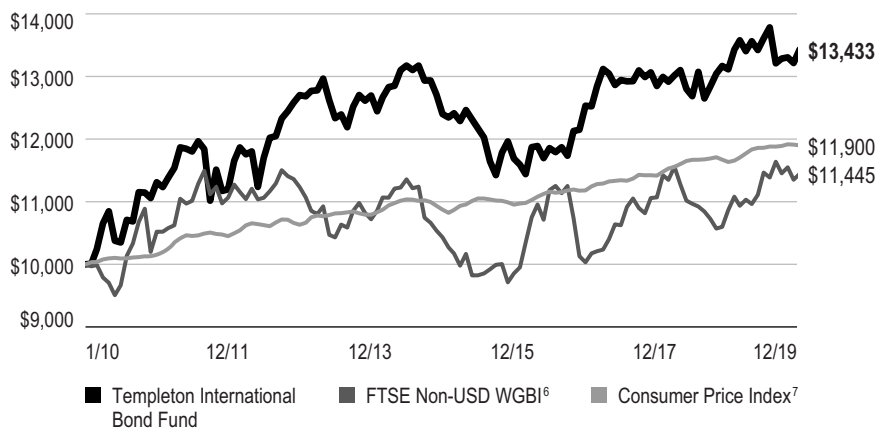
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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 indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

Class A (1/1/10–12/31/19)



Advisor Class (1/1/10–12/31/19)



See page 9 for Performance Summary footnotes.

Distributions (1/1/19–12/31/19)

Share Class	Net Investment Income
A	\$0.5600
C	\$0.5193
R	\$0.5363
R6	\$0.5987
Advisor	\$0.5861

Total Annual Operating Expenses⁸

Share Class	With Fee Waiver	Without Fee Waiver
A	1.08%	1.34%
Advisor	0.83%	1.09%

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. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio, which may result in significant volatility and cause the Fund to participate in losses on an amount that exceeds the Fund's initial investment. The Fund may not achieve the anticipated benefits, and may realize losses when a counterparty fails to perform as promised. The markets for particular securities or types of securities are or may become relatively illiquid. Reduced liquidity will have an adverse impact on the security's value and on the Fund's ability to sell such securities when necessary to meet the Fund's liquidity needs or in response to a specific market event. Foreign securities involve special risks, including currency fluctuations (which may be significant over the short term) and economic and political uncertainties; investments in emerging markets involve heightened risks related to the same factors. Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a government entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due. Investments in lower rated bonds include higher risk of default and loss of principal. Bond prices generally move in the opposite direction of interest rates. As the prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. The Fund's prospectus also includes a description of the main investment risks.

1. The Fund has an expense reduction and a fee waiver associated with any investments it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 4/30/20. Fund investment results reflect the expense reduction and fee waiver; without these reductions, 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 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, 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 3.75%.
5. Total return information is based on net asset values calculated for shareholder transactions. Certain adjustments were made to the net asset values of the Fund at 12/31/19 for financial reporting purposes. Accordingly, adjusted total returns have been disclosed in the Financial Highlights and differ from those reported here.
6. Source: Morningstar. The FTSE Non-USD WGBI is a market capitalization-weighted index consisting of investment-grade world government bond markets; it includes all WGBI countries except the U.S. and is stated in U.S. dollar terms.
7. Source: Bureau of Labor Statistics, bls.gov/cpi. The Consumer Price Index (CPI) is a commonly used measure of the inflation rate.
8. 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 7/1/19	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 12/31/19	Expenses Paid During Period 7/1/19–12/31/19 ^{1, 2}	Ending Account Value 12/31/19	Expenses Paid During Period 7/1/19–12/31/19 ^{1, 2}	
A	\$1,000	\$985.80	\$4.91	\$1,020.27	\$4.99	0.98%
C	\$1,000	\$983.90	\$6.90	\$1,018.25	\$7.02	1.38%
R	\$1,000	\$984.30	\$6.15	\$1,019.00	\$6.26	1.23%
R6	\$1,000	\$988.80	\$2.96	\$1,022.23	\$3.01	0.59%
Advisor	\$1,000	\$987.10	\$3.66	\$1,021.53	\$3.72	0.73%

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

Templeton International Bond Fund

	Year Ended December 31,			Year Ended August 31,		
	2019	2018	2017	2016 ^a	2016	2015
Class A						
Per share operating performance (for a share outstanding throughout the year)						
Net asset value, beginning of year	\$10.14	\$10.57	\$10.61	\$10.07	\$10.03	\$11.86
Income from investment operations ^b :						
Net investment income ^c	0.42	0.40	0.42	0.12	0.34	0.30
Net realized and unrealized gains (losses).	(0.23)	(0.22)	(0.18)	0.44	(0.17)	(1.68)
Total from investment operations	0.19	0.18	0.24	0.56	0.17	(1.38)
Less distributions from:						
Net investment income and net foreign currency gains	(0.56)	(0.59)	(0.28)	—	(0.04)	(0.45)
Net realized gains	—	(0.01)	—	—	—	—
Tax return of capital	—	(0.01)	—	(0.02)	(0.09)	—
Total distributions.	(0.56)	(0.61)	(0.28)	(0.02)	(0.13)	(0.45)
Net asset value, end of year	\$ 9.77	\$10.14	\$10.57	\$10.61	\$10.07	\$10.03
Total return ^d	1.86%	1.82%	2.25%	5.54%	1.70%	(11.90)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates and expense reduction	1.20%	1.26%	1.44%	1.58%	1.27%	1.17%
Expenses net of waiver and payments by affiliates.	1.00%	0.99%	0.99%	1.00%	0.99%	1.04%
Expenses net of waiver and payments by affiliates and expense reduction	0.98%	0.98%	0.99% ^f	0.99%	0.99% ^f	1.04% ^f
Net investment income	4.18%	3.93%	3.87%	3.48%	3.28%	2.72%
Supplemental data						
Net assets, end of year (000's)	\$39,532	\$38,856	\$71,262	\$84,766	\$92,981	\$84,779
Portfolio turnover rate	24.26%	43.13%	88.62%	31.37%	105.96%	43.49%

^aFor the period September 1, 2016 to December 31, 2016.

^bThe 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, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

^cBased on average daily shares outstanding.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

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

Templeton International Bond Fund (continued)

	Year Ended December 31,			Year Ended August 31,		
	2019	2018	2017	2016 ^a	2016	2015
Class C						
Per share operating performance (for a share outstanding throughout the year)						
Net asset value, beginning of year	\$10.16	\$10.58	\$10.62	\$10.08	\$10.04	\$11.87
Income from investment operations ^b :						
Net investment income ^c	0.39	0.36	0.38	0.11	0.29	0.26
Net realized and unrealized gains (losses).	(0.25)	(0.21)	(0.18)	0.43	(0.16)	(1.68)
Total from investment operations	0.14	0.15	0.20	0.54	0.13	(1.42)
Less distributions from:						
Net investment income and net foreign currency gains	(0.52)	(0.55)	(0.24)	—	(0.03)	(0.41)
Net realized gains	—	(0.01)	—	—	—	—
Tax return of capital	—	(0.01)	—	(—) ^d	(0.06)	—
Total distributions.	(0.52)	(0.57)	(0.24)	—	(0.09)	(0.41)
Net asset value, end of year	\$ 9.78	\$10.16	\$10.58	\$10.62	\$10.08	\$10.04
Total return ^e	1.35%	1.52%	1.84%	5.36%	1.30%	(12.20)%
Ratios to average net assets^f						
Expenses before waiver and payments by affiliates and expense reduction	1.60%	1.66%	1.84%	1.98%	1.66%	1.51%
Expenses net of waiver and payments by affiliates.	1.40%	1.39%	1.39%	1.40%	1.38%	1.38%
Expenses net of waiver and payments by affiliates and expense reduction	1.38%	1.38%	1.39% ^g	1.39%	1.38% ^g	1.38% ^g
Net investment income	3.78%	3.53%	3.47%	3.08%	2.89%	2.38%
Supplemental data						
Net assets, end of year (000's)	\$6,694	\$8,654	\$9,733	\$11,563	\$11,906	\$15,559
Portfolio turnover rate	24.26%	43.13%	88.62%	31.37%	105.96%	43.49%

^aFor the period September 1, 2016 to December 31, 2016.

^bThe 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, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

^cBased on average daily shares outstanding.

^dAmount rounds to less than \$0.01 per share.

^eTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^fRatios are annualized for periods less than one year.

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

Templeton International Bond Fund (continued)

	Year Ended December 31,			Year Ended August 31,		
	2019	2018	2017	2016 ^a	2016	2015
Class R						
Per share operating performance (for a share outstanding throughout the year)						
Net asset value, beginning of year	\$10.14	\$10.56	\$10.61	\$10.08	\$10.03	\$11.87
Income from investment operations ^b :						
Net investment income ^c	0.41	0.39	0.40	0.11	0.30	0.28
Net realized and unrealized gains (losses).	(0.25)	(0.22)	(0.19)	0.43	(0.15)	(1.70)
Total from investment operations	0.16	0.17	0.21	0.54	0.15	(1.42)
Less distributions from:						
Net investment income and net foreign currency gains	(0.54)	(0.57)	(0.26)	—	(0.03)	(0.42)
Net realized gains	—	(0.01)	—	—	—	—
Tax return of capital	—	(0.01)	—	(0.01)	(0.07)	—
Total distributions.	(0.54)	(0.59)	(0.26)	(0.01)	(0.10)	(0.42)
Net asset value, end of year	\$ 9.76	\$10.14	\$10.56	\$10.61	\$10.08	\$10.03
Total return ^d	1.52%	1.67%	1.92%	5.44%	1.44%	(12.16)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates and expense reduction	1.45%	1.51%	1.69%	1.83%	1.52%	1.37%
Expenses net of waiver and payments by affiliates.	1.25%	1.24%	1.24%	1.25%	1.24%	1.24%
Expenses net of waiver and payments by affiliates and expense reduction	1.23%	1.23%	1.24% ^f	1.24%	1.24% ^f	1.24% ^f
Net investment income	3.93%	3.68%	3.62%	3.23%	3.03%	2.52%
Supplemental data						
Net assets, end of year (000's)	\$254	\$300	\$286	\$1,010	\$1,005	\$1,001
Portfolio turnover rate	24.26%	43.13%	88.62%	31.37%	105.96%	43.49%

^aFor the period September 1, 2016 to December 31, 2016.

^bThe 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, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

^cBased on average daily shares outstanding.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

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

Templeton International Bond Fund (continued)

	Year Ended December 31,		
	2019	2018	2017 ^a
Class R6			
Per share operating performance (for a share outstanding throughout the year)			
Net asset value, beginning of year	\$10.15	\$10.57	\$10.78
Income from investment operations ^b :			
Net investment income ^c	0.45	0.45	0.18
Net realized and unrealized gains (losses)	(0.23)	(0.22)	(0.24)
Total from investment operations	0.22	0.23	(0.06)
Less distributions from:			
Net investment income and net foreign currency gains	(0.60)	(0.63)	(0.15)
Net realized gains	—	(0.01)	—
Tax return of capital	—	(0.01)	—
Total distributions	(0.60)	(0.65)	(0.15)
Net asset value, end of year	\$ 9.77	\$10.15	\$10.57
Total return ^d	2.14%	2.28%	(0.61)%
Ratios to average net assets^e			
Expenses before waiver and payments by affiliates and expense reduction	1.24%	1.09%	0.99%
Expenses net of waiver and payments by affiliates	0.62%	0.66%	0.68%
Expenses net of waiver and payments by affiliates and expense reduction	0.60%	0.65%	0.68% ^f
Net investment income	4.56%	4.26%	4.39%
Supplemental data			
Net assets, end of year (000's)	\$3,878	\$904	\$414
Portfolio turnover rate	24.26%	43.13%	88.62%

^aFor the period August 1, 2017 (effective date) to December 31, 2017.

^bThe 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, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

^cBased on average daily shares outstanding.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

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

Templeton International Bond Fund (continued)

	Year Ended December 31,			Year Ended August 31,		
	2019	2018	2017	2016 ^a	2016	2015
Advisor Class						
Per share operating performance (for a share outstanding throughout the year)						
Net asset value, beginning of year	\$10.15	\$10.58	\$10.62	\$10.08	\$10.04	\$11.87
Income from investment operations ^b :						
Net investment income ^c	0.45	0.44	0.45	0.13	0.35	0.33
Net realized and unrealized gains (losses).	(0.23)	(0.23)	(0.18)	0.43	(0.16)	(1.68)
Total from investment operations	0.22	0.21	0.27	0.56	0.19	(1.35)
Less distributions from:						
Net investment income and net foreign currency gains	(0.59)	(0.62)	(0.31)	—	(0.04)	(0.48)
Net realized gains	—	(0.01)	—	—	—	—
Tax return of capital	—	(0.01)	—	(0.02)	(0.11)	—
Total distributions.	(0.59)	(0.64)	(0.31)	(0.02)	(0.15)	(0.48)
Net asset value, end of year	\$ 9.78	\$10.15	\$10.58	\$10.62	\$10.08	\$10.04
Total return ^d	2.12%	2.07%	2.51%	5.59%	1.95%	(11.63)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates and expense reduction	0.95%	1.01%	1.19%	1.33%	1.02%	0.87%
Expenses net of waiver and payments by affiliates.	0.75%	0.74%	0.74%	0.75%	0.74%	0.74%
Expenses net of waiver and payments by affiliates and expense reduction	0.73%	0.73%	0.74% ^f	0.74%	0.74% ^f	0.74% ^f
Net investment income	4.43%	4.18%	4.12%	3.73%	3.53%	3.02%
Supplemental data						
Net assets, end of year (000's)	\$393,873	\$346,303	\$276,074	\$249,190	\$248,750	\$307,449
Portfolio turnover rate	24.26%	43.13%	88.62%	31.37%	105.96%	43.49%

^aFor the period September 1, 2016 to December 31, 2016.

^bThe 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, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

^cBased on average daily shares outstanding.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

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

Statement of Investments, December 31, 2019

Templeton International Bond Fund

	Principal Amount*		Value
Foreign Government and Agency Securities 58.0%			
Argentina 1.1%			
^a Argentina Treasury Bill,			
Strip, 3/30/20	80,499,500	ARS \$	964,378
Strip, 4/28/20	62,893,300	ARS	962,750
Strip, 5/28/20	2,052,400	ARS	27,593
Strip, 7/29/20	34,324,500	ARS	488,877
Strip, 10/29/20	12,425,580	ARS	133,145
^a Argentine Bonos del Tesoro,			
18.20%, 10/03/21	73,832,000	ARS	393,982
16.00%, 10/17/23	171,501,000	ARS	823,533
senior note, 15.50%, 10/17/26	153,089,000	ARS	690,107
Government of Argentina,			
^{a,b} FRN, 52.564%, (ARS Badlar + 2.00%), 4/03/22	5,808,000	ARS	50,053
^{a,c} Index Linked, 4.00%, 3/06/20	356,000	ARS	6,845
senior note, 4.50%, 2/13/20	927,000		469,609
			<u>5,010,872</u>
Brazil 10.5%			
Letra Tesouro Nacional,			
Strip, 7/01/21	25,274 ^d	BRL	5,854,969
Strip, 1/01/22	22,000 ^d	BRL	4,938,810
Nota do Tesouro Nacional,			
10.00%, 1/01/23	8,407 ^d	BRL	2,325,527
10.00%, 1/01/25	51,600 ^d	BRL	14,750,464
10.00%, 1/01/27	64,330 ^d	BRL	18,854,477
			<u>46,724,247</u>
Colombia 1.3%			
Government of Colombia,			
senior bond, 7.75%, 4/14/21	378,000,000	COP	118,679
senior bond, 4.375%, 3/21/23	57,000,000	COP	16,990
senior bond, 9.85%, 6/28/27	91,000,000	COP	34,806
Titulos de Tesoreria,			
senior bond, B, 11.00%, 7/24/20	746,000,000	COP	236,109
senior bond, B, 7.00%, 5/04/22	11,196,000,000	COP	3,563,396
senior bond, B, 10.00%, 7/24/24	4,505,000,000	COP	1,625,726
			<u>5,595,706</u>
Ghana 1.0%			
Government of Ghana,			
21.00%, 3/23/20	90,000	GHS	16,057
24.75%, 3/01/21	180,000	GHS	33,848
16.25%, 5/17/21	1,510,000	GHS	258,694
24.50%, 6/21/21	50,000	GHS	9,332
24.75%, 7/19/21	280,000	GHS	51,268
18.75%, 1/24/22	2,910,000	GHS	496,416
17.60%, 11/28/22	80,000	GHS	13,115
19.75%, 3/25/24	2,910,000	GHS	492,718
19.00%, 11/02/26	8,740,000	GHS	1,392,693

Templeton International Bond Fund (continued)

	Principal Amount*		Value
Foreign Government and Agency Securities (continued)			
Ghana (continued)			
Government of Ghana, (continued)			
senior bond, 19.75%, 3/15/32	8,740,000	GHS \$	1,404,871
senior note, 21.50%, 3/09/20	200,000	GHS	35,207
senior note, 18.50%, 6/01/20	100,000	GHS	17,377
senior note, 18.25%, 9/21/20	160,000	GHS	28,543
senior note, 16.50%, 3/22/21	360,000	GHS	62,344
			<u>4,312,483</u>
India 9.0%			
Government of India,			
senior bond, 8.20%, 2/15/22	19,000,000	INR	277,726
senior bond, 8.35%, 5/14/22	30,400,000	INR	446,503
senior bond, 8.08%, 8/02/22	673,000,000	INR	9,860,417
senior bond, 8.13%, 9/21/22	51,000,000	INR	749,498
senior bond, 9.15%, 11/14/24	227,000,000	INR	3,505,764
senior note, 7.80%, 4/11/21	196,900,000	INR	2,827,378
senior note, 8.79%, 11/08/21	110,000,000	INR	1,614,812
senior note, 8.15%, 6/11/22	82,000,000	INR	1,199,632
senior note, 6.84%, 12/19/22	12,000,000	INR	170,898
senior note, 7.16%, 5/20/23	19,100,000	INR	273,880
senior note, 8.83%, 11/25/23	257,900,000	INR	3,908,312
senior note, 7.68%, 12/15/23	302,000,000	INR	4,407,546
senior note, 7.59%, 1/11/26	512,000,000	INR	7,474,963
senior note, 6.79%, 5/15/27	232,300,000	INR	3,247,414
			<u>39,964,743</u>
Indonesia 4.3%			
Government of Indonesia,			
senior bond, FR39, 11.75%, 8/15/23	1,040,000,000	IDR	87,946
senior bond, FR40, 11.00%, 9/15/25	1,060,000,000	IDR	91,733
senior bond, FR42, 10.25%, 7/15/27	6,831,000,000	IDR	579,349
senior bond, FR44, 10.00%, 9/15/24	686,000,000	IDR	56,249
senior bond, FR47, 10.00%, 2/15/28	4,555,000,000	IDR	383,627
senior bond, FR52, 10.50%, 8/15/30	7,950,000,000	IDR	707,239
senior bond, FR56, 8.375%, 9/15/26	53,156,000,000	IDR	4,119,229
senior bond, FR64, 6.125%, 5/15/28	159,000,000	IDR	10,821
senior bond, FR70, 8.375%, 3/15/24	168,376,000,000	IDR	12,975,223
			<u>19,011,416</u>
Mexico 10.1%			
Government of Mexico,			
senior bond, M, 8.00%, 6/11/20	4,433,950 ^e	MXN	23,594,274
senior bond, M, 6.50%, 6/10/21	958,380 ^e	MXN	5,049,154
senior bond, M, 6.50%, 6/09/22	391,000 ^e	MXN	2,056,679
senior bond, M, 8.00%, 12/07/23	312,600 ^e	MXN	1,721,246
senior note, M, 7.25%, 12/09/21	2,306,200 ^e	MXN	12,294,659
			<u>44,716,012</u>

Templeton International Bond Fund (continued)

	Principal Amount*		Value
Foreign Government and Agency Securities (continued)			
Norway 3.3%			
^{f,g} Government of Norway,			
144A, Reg S, 3.75%, 5/25/21	41,042,000	NOK	\$ 4,832,202
144A, Reg S, 2.00%, 5/24/23	39,398,000	NOK	4,577,821
144A, Reg S, 3.00%, 3/14/24	33,051,000	NOK	4,011,870
144A, Reg S, 1.75%, 3/13/25	12,526,000	NOK	1,453,872
			<u>14,875,765</u>
Singapore 1.4%			
Government of Singapore, senior note, 2.00%, 7/01/20	8,447,000	SGD	6,290,227
South Korea 11.5%			
Korea Monetary Stabilization Bond, senior note, 2.05%, 10/05/20	24,580,000,000	KRW	21,374,834
Korea Treasury Bond,			
senior note, 1.75%, 6/10/20	4,202,000,000	KRW	3,641,297
senior note, 1.75%, 12/10/20	30,200,000,000	KRW	26,223,808
			<u>51,239,939</u>
Thailand 4.5%			
Bank of Thailand Bond,			
senior note, 1.34%, 2/26/20	299,760,000	THB	10,073,074
senior note, 1.77%, 3/27/20	293,000,000	THB	9,859,002
			<u>19,932,076</u>
Total Foreign Government and Agency Securities (Cost \$280,116,900)			<u>257,673,486</u>
	Number of Contracts	Notional Amount*	
Options Purchased 0.3%			
Calls - Over-the-Counter			
Currency Options 0.1%			
AUD/JPY, Counterparty CITI, January Strike Price 79.00 JPY, Expires 1/23/20	1	4,435,000 AUD	657
AUD/JPY, Counterparty CITI, February Strike Price 79.45 JPY, Expires 2/12/20	1	2,370,000 AUD	918
AUD/JPY, Counterparty CITI, February Strike Price 82.35 JPY, Expires 2/12/20	1	374,000 AUD	10
AUD/JPY, Counterparty CITI, April Strike Price 79.30 JPY, Expires 4/22/20	1	1,998,000 AUD	4,602
AUD/JPY, Counterparty CITI, May Strike Price 84.00 JPY, Expires 5/06/20	1	1,663,000 AUD	355
AUD/JPY, Counterparty CITI, May Strike Price 86.63 JPY, Expires 5/06/20	1	1,829,000 AUD	141
AUD/JPY, Counterparty CITI, May Strike Price 78.75 JPY, Expires 5/07/20	1	1,663,000 AUD	6,150
AUD/JPY, Counterparty CITI, May Strike Price 85.50 JPY, Expires 5/07/20	1	6,653,000 AUD	738
AUD/JPY, Counterparty CITI, November Strike Price 84.33 JPY, Expires 11/12/20	1	1,247,000 AUD	1,897
AUD/JPY, Counterparty CITI, December Strike Price 82.15 JPY, Expires 12/21/20	1	4,990,000 AUD	18,438
AUD/USD, Counterparty HSBK, April Strike Price \$0.77, Expires 4/30/20	1	2,078,000 AUD	472
AUD/USD, Counterparty HSBK, May Strike Price \$0.77, Expires 5/04/20	1	2,620,000 AUD	748
AUD/USD, Counterparty HSBK, May Strike Price \$0.77, Expires 5/07/20	1	1,663,000 AUD	357
AUD/USD, Counterparty MSCO, May Strike Price \$0.77, Expires 5/12/21	1	2,993,000 AUD	16,357
USD/JPY, Counterparty CITI, March Strike Price 111.15 JPY, Expires 3/20/20	1	8,271,000	10,967
USD/JPY, Counterparty CITI, March Strike Price 111.40 JPY, Expires 3/30/20	1	9,650,000	12,796

Templeton International Bond Fund (continued)

	Number of Contracts	Notional Amount*		Value
Options Purchased (continued)				
Calls - Over-the-Counter (continued)				
Currency Options (continued)				
USD/JPY, Counterparty CITI, September Strike Price 112.24 JPY, Expires 9/22/20	1	10,683,000	\$	37,711
USD/MXN, Counterparty CITI, March Strike Price 20.78 MXN, Expires 3/09/20 . .	1	1,513,000		1,192
USD/MXN, Counterparty CITI, March Strike Price 18.40 MXN, Expires 3/30/20 . .	1	908,000		37,543
USD/MXN, Counterparty CITI, March Strike Price 21.92 MXN, Expires 3/30/20 . .	1	1,362,000		595
USD/MXN, Counterparty CITI, May Strike Price 20.50 MXN, Expires 5/11/20 . . .	1	3,040,000		13,489
USD/MXN, Counterparty CITI, May Strike Price 20.09 MXN, Expires 5/12/20 . . .	1	2,782,000		19,199
USD/MXN, Counterparty CITI, May Strike Price 20.92 MXN, Expires 5/12/20 . . .	1	1,086,000		3,274
USD/MXN, Counterparty CITI, May Strike Price 20.87 MXN, Expires 5/14/20 . . .	1	6,124,000		19,983
USD/MXN, Counterparty CITI, May Strike Price 20.58 MXN, Expires 5/15/20 . . .	1	1,911,000		8,307
USD/MXN, Counterparty CITI, July Strike Price 21.03 MXN, Expires 7/30/20 . . .	1	969,000		6,500
USD/MXN, Counterparty CITI, September Strike Price 21.94 MXN, Expires 9/03/20	1	3,783,000		18,302
USD/MXN, Counterparty CITI, September Strike Price 21.70 MXN, Expires 9/08/20	1	3,780,000		21,928
USD/MXN, Counterparty CITI, September Strike Price 20.85 MXN, Expires 9/17/20	1	6,087,000		66,111
USD/MXN, Counterparty GSCO, March Strike Price 21.20 MXN, Expires 3/12/20	1	3,600,000		1,890
USD/MXN, Counterparty JPHQ, April Strike Price 20.11 MXN, Expires 4/24/20 . .	1	3,062,000		16,477
USD/MXN, Counterparty JPHQ, May Strike Price 20.47 MXN, Expires 5/13/20 . .	1	3,499,000		16,400
USD/MXN, Counterparty JPHQ, July Strike Price 20.90 MXN, Expires 7/27/20 . .	1	1,750,000		12,537
USD/MXN, Counterparty MSCO, February Strike Price 19.65 MXN, Expires 2/20/20	1	6,053,000		15,950
USD/MXN, Counterparty MSCO, February Strike Price 20.98 MXN, Expires 2/20/20	1	3,027,000		763
USD/MXN, Counterparty MSCO, March Strike Price 21.58 MXN, Expires 3/05/20	1	3,027,000		805
USD/MXN, Counterparty MSCO, March Strike Price 24.81 MXN, Expires 3/05/20	1	1,513,000		30
USD/MXN, Counterparty MSCO, March Strike Price 21.36 MXN, Expires 3/10/20	1	5,675,000		2,310
USD/MXN, Counterparty MSCO, March Strike Price 20.90 MXN, Expires 3/12/20	1	1,000,000		753
USD/MXN, Counterparty MSCO, June Strike Price 21.45 MXN, Expires 6/15/20 .	1	1,000,000		2,886
USD/MXN, Counterparty MSCO, September Strike Price 22.33 MXN, Expires 9/04/20	1	3,027,000		11,823
USD/MXN, Counterparty MSCO, September Strike Price 25.97 MXN, Expires 9/04/20	1	3,027,000		2,385
				414,746
Puts - Over-the-Counter				
Currency Options 0.2%				
AUD/JPY, Counterparty CITI, May Strike Price 69.54 JPY, Expires 5/06/20	1	1,331,000	AUD	2,956
AUD/JPY, Counterparty CITI, May Strike Price 70.65 JPY, Expires 5/06/20	1	832,000	AUD	2,489
AUD/JPY, Counterparty CITI, May Strike Price 74.48 JPY, Expires 5/06/20	1	1,330,000	AUD	11,839
AUD/JPY, Counterparty CITI, May Strike Price 75.05 JPY, Expires 5/06/20	1	831,000	AUD	8,766
AUD/JPY, Counterparty CITI, May Strike Price 65.55 JPY, Expires 5/07/20	1	831,000	AUD	685

Templeton International Bond Fund (continued)

	Number of Contracts	Notional Amount*		Value
Options Purchased (continued)				
Puts - Over-the-Counter (continued)				
Currency Options (continued)				
AUD/JPY, Counterparty CITI, May Strike Price 73.25 JPY, Expires 5/07/20	1	2,772,000	AUD \$	17,353
AUD/JPY, Counterparty CITI, July Strike Price 72.00 JPY, Expires 7/21/20	1	9,978,000	AUD	75,541
AUD/JPY, Counterparty CITI, November Strike Price 66.78 JPY, Expires 11/12/20	1	624,000	AUD	3,208
AUD/JPY, Counterparty CITI, November Strike Price 69.18 JPY, Expires 11/12/20	1	374,000	AUD	2,852
AUD/JPY, Counterparty CITI, November Strike Price 72.78 JPY, Expires 11/12/20	1	1,559,000	AUD	22,062
AUD/JPY, Counterparty CITI, November Strike Price 74.00 JPY, Expires 11/12/20	1	1,123,000	AUD	19,708
AUD/JPY, Counterparty CITI, December Strike Price 65.85 JPY, Expires 12/21/20	1	2,495,000	AUD	13,299
AUD/USD, Counterparty HSBK, April Strike Price \$0.68, Expires 4/30/20	1	2,772,000	AUD	9,066
AUD/USD, Counterparty HSBK, May Strike Price \$0.68, Expires 5/04/20	1	3,464,000	AUD	9,644
AUD/USD, Counterparty HSBK, May Strike Price \$0.66, Expires 5/05/20	1	2,772,000	AUD	4,542
AUD/USD, Counterparty HSBK, May Strike Price \$0.65, Expires 5/07/20	1	3,326,000	AUD	3,197
AUD/USD, Counterparty HSBK, May Strike Price \$0.68, Expires 5/07/20	1	1,663,000	AUD	5,017
AUD/USD, Counterparty MSCO, August Strike Price \$0.67, Expires 8/12/20	1	9,425,000	AUD	45,551
USD/JPY, Counterparty CITI, March Strike Price 100.11 JPY, Expires 3/20/20	1	8,271,000		4,582
USD/JPY, Counterparty CITI, March Strike Price 105.29 JPY, Expires 3/20/20	1	16,542,000		51,810
USD/JPY, Counterparty CITI, March Strike Price 104.61 JPY, Expires 3/30/20	1	19,299,000		56,411
USD/JPY, Counterparty CITI, September Strike Price 104.48 JPY, Expires 9/22/20	1	21,367,000		254,225
USD/MXN, Counterparty CITI, March Strike Price 18.35 MXN, Expires 3/06/20	1	1,613,000		1,816
USD/MXN, Counterparty CITI, March Strike Price 18.68 MXN, Expires 3/09/20	1	1,135,000		4,130
USD/MXN, Counterparty CITI, May Strike Price 18.31 MXN, Expires 5/14/20	1	1,531,000		3,726
USD/MXN, Counterparty CITI, September Strike Price 19.11 MXN, Expires 9/03/20	1	1,892,000		27,122
USD/MXN, Counterparty GSCO, March Strike Price 18.57 MXN, Expires 3/12/20	1	610,000		1,551
USD/MXN, Counterparty JPHQ, January Strike Price 18.50 MXN, Expires 1/27/20	1	1,313,000		759
USD/MXN, Counterparty MSCO, March Strike Price 18.92 MXN, Expires 3/10/20	1	757,000		5,841
				<u>669,748</u>
Total Options Purchased (Cost \$3,487,021)				<u>1,084,494</u>
Total Investments before Short Term Investments (Cost \$283,603,921)				<u>258,757,980</u>

Templeton International Bond Fund (continued)

	Principal Amount*		Value
Short Term Investments 40.0%			
Foreign Government and Agency Securities 13.2%			
Argentina 0.1%			
^a Argentina Treasury Bill,			
^h 2/26/20 - 5/13/20	25,714,300	ARS	\$ 298,250
Strip, 8/27/20	6,315,370	ARS	72,295
^{a,b} Government of Argentina, FRN, 70.253%, (ARPP7DRR), 6/21/20	3,236,050	ARS	28,306
			<u>398,851</u>
Japan 4.1%			
^h Japan Treasury Discount Bill, 1/14/20 - 9/23/20	2,005,100,000	JPY	18,455,586
Mexico 2.8%			
^h Mexico Treasury Bill, 1/02/20 - 6/18/20	23,691,880 ⁱ	MXN	12,333,880
Norway 0.7%			
^{f,g,h} Norway Treasury Bill, 144A, Reg S, 3/18/20 - 9/16/20	28,025,000	NOK	3,178,949
Singapore 3.0%			
Government of Singapore, senior bond, 3.25%, 9/01/20	18,025,000	SGD	13,549,033
South Korea 2.5%			
Korea Monetary Stabilization Bond,			
senior note, 2.16%, 2/02/20	1,492,000,000	KRW	1,291,572
senior note, 2.14%, 6/02/20	11,147,000,000	KRW	9,674,417
			<u>10,965,989</u>
Total Foreign Government and Agency Securities			<u>58,882,288</u>
(Cost \$58,033,178)			
Total Investments before Money Market Funds			<u>317,640,268</u>
(Cost \$341,637,099)			
		Shares	
Money Market Funds (Cost \$118,942,853) 26.8%			
United States 26.8%			
^{j,k} Institutional Fiduciary Trust Money Market Portfolio, 1.26%	118,942,853		118,942,853
Total Investments (Cost \$460,579,952) 98.3%			436,583,121
Options Written (0.4)%			(1,880,353)
Other Assets, less Liabilities 2.1%			9,528,877
Net Assets 100.0%			<u>\$444,231,645</u>
	Number of Contracts	Notional Amount*	
^l Options Written (0.4)%			
Calls - Over-the-Counter			
Currency Options (0.2)%			
AUD/JPY, Counterparty CITI, January Strike Price 76.70 JPY, Expires 1/23/20	1	3,878,000	AUD (12,511)
AUD/JPY, Counterparty CITI, February Strike Price 75.90 JPY, Expires 2/12/20	1	2,370,000	AUD (21,403)
AUD/JPY, Counterparty CITI, February Strike Price 77.28 JPY, Expires 2/12/20	1	1,247,000	AUD (4,035)

Templeton International Bond Fund (continued)

	Number of Contracts	Notional Amount*		Value
Options Written (continued)				
Calls - Over-the-Counter (continued)				
Currency Options (continued)				
AUD/JPY, Counterparty CITI, February Strike Price 78.18 JPY, Expires 2/12/20	1	748,000	AUD \$	(1,043)
AUD/JPY, Counterparty CITI, April Strike Price 75.95 JPY, Expires 4/22/20	1	1,998,000	AUD	(26,005)
AUD/JPY, Counterparty CITI, May Strike Price 76.00 JPY, Expires 5/06/20	1	3,492,000	AUD	(46,722)
AUD/JPY, Counterparty CITI, May Strike Price 76.50 JPY, Expires 5/07/20	1	3,326,000	AUD	(36,602)
AUD/JPY, Counterparty CITI, May Strike Price 77.35 JPY, Expires 5/07/20	1	1,663,000	AUD	(12,558)
AUD/JPY, Counterparty CITI, December Strike Price 75.70 JPY, Expires 12/21/20	1	4,990,000	AUD	(111,185)
AUD/USD, Counterparty HSBK, April Strike Price \$0.71, Expires 4/30/20	1	2,078,000	AUD	(16,009)
AUD/USD, Counterparty HSBK, May Strike Price \$0.71, Expires 5/04/20	1	2,620,000	AUD	(24,753)
AUD/USD, Counterparty HSBK, November Strike Price \$0.71, Expires 11/05/20	1	1,663,000	AUD	(24,144)
AUD/USD, Counterparty HSBK, November Strike Price \$0.80, Expires 11/05/20	1	3,326,000	AUD	(2,836)
AUD/USD, Counterparty HSBK, May Strike Price \$0.78, Expires 5/05/21	1	2,772,000	AUD	(11,940)
AUD/USD, Counterparty MSCO, August Strike Price \$0.74, Expires 8/12/20	1	3,534,000	AUD	(15,257)
AUD/USD, Counterparty MSCO, May Strike Price \$0.74, Expires 5/12/21	1	5,986,000	AUD	(67,600)
USD/JPY, Counterparty CITI, March Strike Price 108.91 JPY, Expires 3/20/20	1	16,542,000		(108,383)
USD/JPY, Counterparty CITI, March Strike Price 109.16 JPY, Expires 3/30/20	1	19,299,000		(117,261)
USD/JPY, Counterparty CITI, September Strike Price 108.77 JPY, Expires 9/22/20	1	21,367,000		(262,024)
USD/MXN, Counterparty CITI, January Strike Price 19.96 MXN, Expires 1/30/20	1	484,000		(223)
USD/MXN, Counterparty CITI, March Strike Price 21.82 MXN, Expires 3/06/20	1	941,000		(204)
USD/MXN, Counterparty CITI, March Strike Price 19.95 MXN, Expires 3/30/20	1	1,816,000		(7,598)
USD/MXN, Counterparty CITI, May Strike Price 19.34 MXN, Expires 5/12/20	1	1,391,000		(23,274)
USD/MXN, Counterparty CITI, May Strike Price 22.85 MXN, Expires 5/14/20	1	3,062,000		(2,260)
USD/MXN, Counterparty CITI, May Strike Price 22.91 MXN, Expires 5/21/20	1	586,000		(458)
USD/MXN, Counterparty CITI, September Strike Price 23.00 MXN, Expires 9/03/20	1	1,892,000		(5,131)
USD/MXN, Counterparty CITI, September Strike Price 24.30 MXN, Expires 9/08/20	1	1,260,000		(1,949)
USD/MXN, Counterparty CITI, September Strike Price 20.06 MXN, Expires 9/17/20	1	3,044,000		(59,175)
USD/MXN, Counterparty CITI, September Strike Price 22.40 MXN, Expires 9/17/20	1	3,044,000		(12,758)
USD/MXN, Counterparty GSCO, March Strike Price 19.49 MXN, Expires 3/12/20	1	1,210,000		(7,502)
USD/MXN, Counterparty GSCO, March Strike Price 22.11 MXN, Expires 3/12/20	1	1,210,000		(249)
USD/MXN, Counterparty JPHQ, May Strike Price 21.54 MXN, Expires 5/13/20	1	2,188,000		(3,960)
USD/MXN, Counterparty JPHQ, July Strike Price 22.30 MXN, Expires 7/27/20	1	1,750,000		(4,967)
USD/MXN, Counterparty MSCO, February Strike Price 20.15 MXN, Expires 2/20/20	1	9,080,000		(8,780)
USD/MXN, Counterparty MSCO, March Strike Price 22.56 MXN, Expires 3/05/20	1	2,270,000		(234)
USD/MXN, Counterparty MSCO, March Strike Price 20.49 MXN, Expires 3/10/20	1	1,892,000		(2,259)
USD/MXN, Counterparty MSCO, March Strike Price 22.87 MXN, Expires 3/12/20	1	700,000		(74)
USD/MXN, Counterparty MSCO, June Strike Price 24.20 MXN, Expires 6/15/20	1	500,000		(259)

Templeton International Bond Fund (continued)

	Number of Contracts	Notional Amount*	Value
Options Written (continued)			
Calls - Over-the-Counter (continued)			
Currency Options (continued)			
USD/MXN, Counterparty MSCO, September Strike Price 24.56 MXN, Expires 9/04/20	1	4,540,000	\$ (6,088)
USD/MXN, Counterparty MSCO, September Strike Price 22.46 MXN, Expires 9/10/20	1	378,000	(1,439)
			<u>(1,071,112)</u>
Puts - Over-the-Counter			
Currency Options (0.2)%			
AUD/JPY, Counterparty CITI, July Strike Price 68.00 JPY, Expires 7/21/20	1	4,435,000 AUD	(14,224)
AUD/USD, Counterparty MSCO, August Strike Price \$0.64, Expires 8/12/20	1	2,356,000 AUD	(3,663)
USD/JPY, Counterparty CITI, March Strike Price 102.84 JPY, Expires 3/20/20	1	16,542,000	(21,670)
USD/JPY, Counterparty CITI, March Strike Price 100.13 JPY, Expires 3/30/20	1	9,650,000	(7,025)
USD/JPY, Counterparty CITI, September Strike Price 100.03 JPY, Expires 9/22/20	1	10,683,000	(54,665)
USD/MXN, Counterparty CITI, March Strike Price 18.96 MXN, Expires 3/06/20	1	1,512,000	(12,441)
USD/MXN, Counterparty CITI, March Strike Price 19.38 MXN, Expires 3/06/20	1	907,000	(19,732)
USD/MXN, Counterparty CITI, March Strike Price 19.37 MXN, Expires 3/09/20	1	2,270,000	(48,430)
USD/MXN, Counterparty CITI, May Strike Price 19.55 MXN, Expires 5/11/20	1	3,040,000	(82,071)
USD/MXN, Counterparty CITI, May Strike Price 19.69 MXN, Expires 5/12/20	1	1,086,000	(34,964)
USD/MXN, Counterparty CITI, May Strike Price 19.24 MXN, Expires 5/14/20	1	4,593,000	(77,695)
USD/MXN, Counterparty CITI, May Strike Price 20.58 MXN, Expires 5/15/20	1	1,911,000	(134,892)
USD/MXN, Counterparty CITI, May Strike Price 19.09 MXN, Expires 5/21/20	1	586,000	(7,576)
USD/MXN, Counterparty CITI, September Strike Price 19.76 MXN, Expires 9/03/20	1	3,783,000	(115,782)
USD/MXN, Counterparty GSCO, March Strike Price 19.40 MXN, Expires 3/12/20	1	1,500,000	(33,384)
USD/MXN, Counterparty JPHQ, January Strike Price 19.00 MXN, Expires 1/27/20	1	3,500,000	(27,034)
USD/MXN, Counterparty JPHQ, April Strike Price 19.36 MXN, Expires 4/24/20	1	3,062,000	(62,306)
USD/MXN, Counterparty MSCO, March Strike Price 19.05 MXN, Expires 3/12/20	1	700,000	(7,389)
USD/MXN, Counterparty MSCO, June Strike Price 19.05 MXN, Expires 6/15/20	1	700,000	(8,769)
USD/MXN, Counterparty MSCO, September Strike Price 19.76 MXN, Expires 9/10/20	1	1,135,000	(35,529)
			<u>(809,241)</u>
Total Options Written (Premiums received \$2,565,586)			<u>(1,880,353)</u>

Templeton International Bond Fund (continued)

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

^aSecurities denominated in Argentine Peso have been designated as Level 3 investments. See Note 12 regarding fair value measurements.

^bThe coupon rate shown represents the rate at period end.

^cRedemption price at maturity and coupon payment are adjusted for inflation. See Note 1(f).

^dPrincipal amount is stated in 1,000 Brazilian Real Units.

^ePrincipal amount is stated in 100 Mexican Peso Units.

^fSecurity was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. At December 31, 2019, the aggregate value of these securities was \$18,054,714, representing 4.1% of net assets.

^gSecurity was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2019, the aggregate value of these securities was \$18,054,714, representing 4.1% of net assets.

^hThe security was issued on a discount basis with no stated coupon rate.

ⁱPrincipal amount is stated in 10 Mexican Peso Units.

^jSee Note 3(f) regarding investments in affiliated management investment companies.

^kThe rate shown is the annualized seven-day effective yield at period end.

^lSee Note 1(c) regarding written options.

At December 31, 2019, the Fund had the following forward exchange contracts outstanding. See Note 1(c).

Forward Exchange Contracts

Currency	Counterparty ^a	Type	Quantity	Contract Amount [*]	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts							
Norwegian Krone	DBAB	Buy	7,740,000	847,857	1/03/20	\$ 33,956	\$ —
Norwegian Krone	DBAB	Sell	7,740,000	842,293	1/03/20	—	(39,519)
Indian Rupee	BNDP	Sell	115,477,000	1,610,446	1/07/20	—	(7,407)
Indian Rupee	BNDP	Sell	32,488,000	445,361	1/13/20	—	(9,683)
Australian Dollar	JPHQ	Sell	2,990,000	219,313,480	JPY 1/14/20	—	(79,028)
Australian Dollar	JPHQ	Buy	3,574,810	2,428,275	1/15/20	80,965	—
Australian Dollar	JPHQ	Sell	3,574,810	2,504,565	1/15/20	—	(4,676)
Indian Rupee	CITI	Sell	268,157,000	3,661,846	1/16/20	—	(93,612)
Euro	SCNY	Sell	327,000	363,333	1/17/20	—	(3,781)
Euro	DBAB	Sell	3,464,889	3,945,884	1/23/20	54,447	—
South Korean Won	DBAB	Buy	600,000,000	502,218	1/30/20	17,127	—
South Korean Won	DBAB	Sell	57,386,667,500	48,975,180	1/30/20	—	(697,344)
Brazilian Real	DBAB	Buy	8,737,100	1,950,681	EUR 1/31/20	—	(19,286)
Euro	JPHQ	Buy	5,133,700	5,740,364	2/03/20	29,311	—
Euro	JPHQ	Sell	5,133,700	5,802,313	2/03/20	32,637	—
Indian Rupee	HSBK	Sell	302,361,437	4,211,903	2/03/20	—	(18,151)
Brazilian Real	JPHQ	Sell	9,229,200	2,241,893	2/04/20	—	(52,568)
Indian Rupee	HSBK	Sell	266,162,267	3,699,225	2/05/20	—	(23,585)
Indian Rupee	BNDP	Sell	116,441,000	1,624,422	2/06/20	—	(4,059)
Indian Rupee	HSBK	Sell	143,826,000	2,014,793	2/06/20	3,320	—
Swiss Franc	UBSW	Buy	2,771,268	2,522,086	EUR 2/10/20	36,594	—
Swiss Franc	GSCO	Buy	2,719,732	2,475,995	EUR 2/12/20	35,047	—
Swedish Krona	DBAB	Buy	29,307,000	2,745,181	EUR 2/13/20	48,610	—
Indian Rupee	HSBK	Sell	72,097,335	995,930	2/14/20	—	(11,502)
Indian Rupee	HSBK	Sell	187,203,000	2,582,288	2/18/20	—	(32,394)
Indian Rupee	JPHQ	Sell	264,945,940	3,656,570	2/20/20	—	(43,146)
Australian Dollar	JPHQ	Sell	3,574,810	255,818,731	JPY 2/21/20	—	(150,568)
Euro	SCNY	Sell	388,000	435,472	2/24/20	—	(1,149)

Templeton International Bond Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counterparty ^a	Type	Quantity	Contract Amount [*]	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
Australian Dollar	CITI	Sell	8,970,177	641,289,199	JPY 2/25/20	\$ —	\$ (382,871)
Euro	HSBK	Sell	3,273,651	386,302,624	JPY 2/25/20	—	(118,136)
Japanese Yen	CITI	Buy	456,484,500	4,346,234	2/26/20	—	(132,186)
Japanese Yen	CITI	Sell	456,484,500	4,297,191	2/26/20	83,143	—
Norwegian Krone	DBAB	Buy	18,969,500	2,118,385	2/26/20	43,210	—
Norwegian Krone	DBAB	Sell	18,969,500	2,064,370	2/26/20	—	(97,224)
Indian Rupee	SCNY	Sell	127,703,000	1,729,104	2/27/20	—	(52,781)
Japanese Yen	CITI	Buy	311,263,700	2,960,649	2/27/20	—	(87,047)
Japanese Yen	CITI	Sell	311,263,700	2,921,682	2/27/20	48,080	—
Japanese Yen	JPHQ	Buy	307,641,100	2,926,096	2/27/20	—	(85,938)
Japanese Yen	JPHQ	Sell	29,245,000	273,677	2/27/20	3,686	—
Euro	BZWS	Sell	2,023,992	2,274,451	2/28/20	—	(3,719)
Indian Rupee	SCNY	Sell	153,361,000	2,081,998	2/28/20	—	(57,669)
Japanese Yen	CITI	Buy	597,753,000	5,725,683	2/28/20	—	(206,884)
Japanese Yen	CITI	Sell	597,753,000	5,611,139	2/28/20	92,340	—
Brazilian Real	JPHQ	Sell	11,572,200	2,802,365	3/03/20	—	(69,793)
Indian Rupee	SCNY	Sell	319,050,200	4,326,750	3/03/20	—	(122,330)
Australian Dollar	CITI	Sell	10,100,000	723,337,093	JPY 3/06/20	—	(417,197)
Euro	CITI	Sell	2,047,790	2,286,358	3/06/20	—	(19,636)
Japanese Yen	HSBK	Buy	217,459,310	2,049,732	3/06/20	—	(41,200)
Japanese Yen	HSBK	Sell	217,459,310	2,074,142	3/06/20	65,611	—
Japanese Yen	JPHQ	Buy	206,531,830	1,948,837	3/06/20	—	(41,236)
Euro	DBAB	Sell	3,493,966	3,893,502	3/09/20	—	(41,781)
Euro	BOFA	Sell	926,408	1,032,297	3/10/20	—	(11,192)
Singapore Dollar	HSBK	Buy	16,053,000	11,580,580	3/10/20	360,877	—
Singapore Dollar	HSBK	Sell	24,790,000	18,217,225	3/10/20	—	(223,485)
Singapore Dollar	SCNY	Sell	18,025,000	13,038,541	3/10/20	—	(369,842)
South Korean Won	HSBK	Sell	13,355,000,000	11,213,266	3/10/20	—	(360,728)
Mexican Peso	SANT	Sell	163,836,511	8,132,055	3/11/20	—	(435,543)
Australian Dollar	HSBK	Sell	2,290,000	168,660,790	JPY 3/12/20	—	(51,280)
Australian Dollar	JPHQ	Sell	2,710,000	202,235,267	JPY 3/12/20	—	(36,283)
Australian Dollar	HSBK	Sell	1,160,000	86,246,580	JPY 3/13/20	—	(18,453)
Swedish Krona	DBAB	Buy	29,307,000	2,744,153	EUR 3/13/20	48,468	—
Indian Rupee	JPHQ	Sell	72,650,060	994,866	3/16/20	—	(16,481)
South Korean Won	CITI	Sell	955,000,000	811,282	3/20/20	—	(16,838)
Euro	GSCO	Sell	276,962	310,413	3/23/20	—	(1,815)
Japanese Yen	HSBK	Buy	856,040,190	8,056,578	3/23/20	—	(141,973)
Japanese Yen	HSBK	Sell	856,040,190	8,172,494	3/23/20	257,890	—
Japanese Yen	JPHQ	Buy	579,491,590	5,449,493	3/23/20	—	(91,746)
Norwegian Krone	DBAB	Buy	15,493,000	1,732,862	3/23/20	32,631	—
Norwegian Krone	DBAB	Sell	15,493,000	1,698,868	3/23/20	—	(66,624)
Japanese Yen	JPHQ	Buy	150,402,430	1,427,820	3/24/20	—	(37,178)
Norwegian Krone	DBAB	Buy	11,654,000	1,296,027	3/24/20	31,997	—
Norwegian Krone	DBAB	Sell	11,654,000	1,268,242	3/24/20	—	(59,782)
Euro	HSBK	Sell	3,273,736	387,021,103	JPY 3/25/20	—	(112,404)
Euro	BZWS	Sell	1,011,996	1,121,287	3/31/20	—	(20,159)

Templeton International Bond Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counterparty ^a	Type	Quantity	Contract Amount [*]	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
Euro	CITI	Sell	2,799,776	329,924,999	JPY 3/31/20	\$ —	\$ (106,127)
Euro	SCNY	Sell	683,487	757,672	3/31/20	—	(13,243)
Euro	JPHQ	Sell	4,307,285	507,686,761	JPY 4/02/20	—	(162,262)
Euro	BOFA	Sell	925,820	1,028,744	4/08/20	—	(16,022)
Euro	GSCO	Sell	616,000	684,653	4/08/20	—	(10,488)
Mexican Peso	CITI	Sell	19,127,000	952,383	4/08/20	—	(43,669)
Euro	UBSW	Buy	596,154	667,728	4/09/20	5,059	—
Euro	UBSW	Sell	596,154	663,280	4/09/20	—	(9,506)
Euro	BZWS	Sell	736,000	818,241	4/14/20	—	(12,628)
Euro	BOFA	Sell	208,570	232,695	4/15/20	—	(2,773)
Euro	GSCO	Sell	438,466	489,768	4/15/20	—	(5,245)
Swedish Krona	DBAB	Buy	29,307,000	2,696,359	EUR 4/15/20	100,854	—
Euro	GSCO	Sell	277,029	312,794	4/23/20	—	(119)
Euro	UBSW	Buy	573,000	642,373	4/24/20	4,887	—
Euro	UBSW	Sell	573,000	645,613	4/24/20	—	(1,647)
Euro	DBAB	Sell	434,885	489,507	4/27/20	—	(1,831)
Euro	HSBK	Sell	677,192	762,478	4/27/20	—	(2,621)
Euro	BOFA	Sell	118,760	133,353	4/29/20	—	(840)
Euro	CITI	Sell	421,010	473,228	4/29/20	—	(2,493)
Euro	SCNY	Sell	670,194	753,041	4/29/20	—	(4,246)
Indian Rupee	JPHQ	Sell	268,284,800	3,700,480	4/29/20	—	(13,850)
Euro	BOFA	Sell	118,760	133,385	4/30/20	—	(816)
Euro	CITI	Sell	2,799,776	338,688,902	JPY 4/30/20	—	(25,675)
Euro	DBAB	Sell	3,104,068	3,485,558	4/30/20	—	(22,105)
Euro	GSCO	Sell	1,005,086	1,128,581	4/30/20	—	(7,188)
Euro	HSBK	Sell	810,000	911,100	4/30/20	—	(4,217)
Euro	CITI	Sell	442,000	498,278	5/04/20	—	(1,316)
Brazilian Real	JPHQ	Sell	10,467,600	2,525,301	5/05/20	—	(64,984)
Swiss Franc	UBSW	Buy	2,771,268	2,524,222	EUR 5/08/20	36,573	—
Swiss Franc	GSCO	Buy	2,719,732	2,478,116	EUR 5/12/20	35,047	—
Swedish Krona	DBAB	Buy	29,307,000	2,753,149	EUR 5/13/20	35,378	—
Euro	HSBK	Sell	152,000	169,395	5/14/20	—	(2,518)
Indian Rupee	JPHQ	Sell	101,412,000	1,377,132	5/18/20	—	(23,675)
Euro	BOFA	Sell	989,468	1,106,947	5/20/20	—	(12,566)
Australian Dollar	JPHQ	Sell	7,149,620	518,508,746	JPY 5/21/20	—	(223,374)
Euro	BOFA	Sell	781,000	875,345	5/21/20	—	(8,357)
Euro	CITI	Sell	48,798	54,683	5/21/20	—	(532)
Euro	GSCO	Sell	88,914	99,628	5/21/20	—	(978)
Euro	HSBK	Sell	6,547,302	779,751,956	JPY 5/22/20	—	(174,979)
Euro	BNDP	Sell	8,881,305	9,894,585	5/27/20	—	(158,377)
Euro	CITI	Sell	1,950,000	2,172,671	5/27/20	—	(34,581)
Euro	MSCO	Sell	807,000	899,966	5/27/20	—	(13,496)
Euro	BOFA	Sell	1,804,621	2,011,594	5/29/20	—	(31,355)
Euro	BZWS	Sell	1,011,996	1,132,403	5/29/20	—	(13,242)
Euro	GSCO	Sell	1,123,793	1,252,616	5/29/20	—	(19,591)
Euro	SCNY	Sell	337,841	378,669	6/05/20	—	(3,956)

Templeton International Bond Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counterparty ^a	Type	Quantity	Contract Amount [*]	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
Japanese Yen	HSBK	Buy	217,459,310	2,061,624	6/08/20	\$ —	\$ (42,322)
Japanese Yen	HSBK	Sell	217,459,310	2,085,041	6/08/20	65,739	—
Japanese Yen	JPHQ	Buy	206,531,820	1,960,306	6/08/20	—	(42,475)
Japanese Yen	BNDP	Buy	1,687,781,000	16,060,339	6/10/20	—	(386,033)
Japanese Yen	BNDP	Sell	404,666,000	3,839,274	6/10/20	81,169	—
Euro	DBAB	Sell	780,000	874,068	6/11/20	—	(9,659)
Australian Dollar	BNDP	Sell	5,500,000	404,164,750	JPY 6/12/20	—	(119,909)
Australian Dollar	HSBK	Sell	3,480,000	256,385,465	JPY 6/12/20	—	(69,745)
Australian Dollar	JPHQ	Sell	5,310,000	392,353,386	JPY 6/12/20	—	(95,791)
Euro	JPHQ	Buy	723,010	803,275	6/15/20	16,088	—
Euro	JPHQ	Sell	723,010	840,225	6/15/20	20,861	—
Norwegian Krone	JPHQ	Buy	38,150,600	4,169,032	6/15/20	178,465	—
Swedish Krona	DBAB	Buy	29,307,000	2,740,662	EUR 6/15/20	47,913	—
Swedish Krona	DBAB	Buy	29,307,000	2,792,739	EUR 6/15/20	—	(11,103)
Norwegian Krone	JPHQ	Buy	37,918,400	4,169,029	6/16/20	152,008	—
Mexican Peso	CITI	Sell	65,586,000	3,225,987	6/17/20	—	(154,673)
Euro	BOFA	Sell	494,734	557,713	6/18/20	—	(3,057)
Euro	DBAB	Sell	1,328,838	1,497,494	6/18/20	—	(8,716)
Euro	GSCO	Sell	247,466	279,402	6/18/20	—	(1,096)
Norwegian Krone	JPHQ	Buy	38,843,600	4,309,874	6/19/20	116,597	—
Japanese Yen	JPHQ	Buy	290,057,590	2,742,812	6/22/20	—	(47,245)
Japanese Yen	BNDP	Buy	733,004,570	7,001,057	6/24/20	—	(188,320)
Euro	CITI	Sell	2,799,776	329,869,003	JPY 6/30/20	—	(108,939)
Euro	UBSW	Buy	140,305	158,148	7/23/20	1,233	—
Euro	UBSW	Sell	140,305	159,309	7/23/20	—	(71)
Swiss Franc	UBSW	Buy	2,771,268	2,526,224	EUR 8/10/20	36,606	—
Swiss Franc	GSCO	Buy	2,719,732	2,480,150	EUR 8/12/20	34,943	—
Australian Dollar	JPHQ	Sell	3,574,809	254,061,349	JPY 8/21/20	—	(152,515)
Australian Dollar	CITI	Sell	8,946,293	634,995,766	JPY 8/24/20	—	(388,693)
Euro	HSBK	Sell	3,273,651	386,838,193	JPY 8/24/20	—	(118,380)
Japanese Yen	CITI	Buy	374,523,000	3,623,847	8/31/20	—	(129,539)
Japanese Yen	CITI	Sell	374,523,000	3,554,445	8/31/20	60,137	—
Norwegian Krone	JPHQ	Buy	34,037,400	3,772,573	9/21/20	105,269	—
Euro	CITI	Sell	5,599,552	669,659,617	JPY 9/30/20	—	(129,682)
Euro	GSCO	Sell	724,793	810,985	10/05/20	—	(16,167)
Mexican Peso	CITI	Sell	19,626,000	952,404	10/08/20	—	(42,976)
Mexican Peso	CITI	Sell	14,740,000	714,268	10/09/20	—	(33,204)
Euro	HSBK	Sell	5,247,292	5,896,592	10/13/20	—	(94,764)
Mexican Peso	CITI	Sell	49,145,000	2,376,658	10/13/20	—	(114,154)
Mexican Peso	CITI	Sell	72,338,000	3,510,906	10/15/20	—	(154,398)
Euro	BOFA	Sell	473,307	535,688	10/16/20	—	(4,835)
Euro	HSBK	Sell	396,000	447,985	10/16/20	—	(4,253)
Mexican Peso	CITI	Sell	66,237,000	3,244,415	10/16/20	—	(111,300)
Euro	DBAB	Sell	922,000	1,049,623	10/26/20	—	(3,977)
Swiss Franc	UBSW	Buy	2,771,268	2,528,160	EUR 11/09/20	36,656	—

Templeton International Bond Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counterparty ^a	Type	Quantity	Contract Amount [*]	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
Swiss Franc	GSCO	Buy	2,719,732	2,481,960 EUR	11/12/20	\$ 35,118	\$ —
Total Forward Exchange Contracts						\$2,646,547	\$(9,386,371)
Net unrealized appreciation (depreciation)							\$(6,739,824)

*In U.S. dollars unless otherwise indicated.

^aMay be comprised of multiple contracts with the same counterparty, currency and settlement date.

At December 31, 2019, the Fund had the following interest rate swap contracts outstanding. See Note 1(c).

Interest Rate Swap Contracts

Description	Payment Frequency	Maturity Date	Notional Amount	Value/ Unrealized Appreciation (Depreciation)
Centrally Cleared Swap Contracts				
Receive Floating 3-month USD LIBOR	Quarterly			
Pay Fixed 2.378%	Semi-Annual	11/18/46	\$20,440,000	\$(1,260,508)
Receive Floating 3-month USD LIBOR	Quarterly			
Pay Fixed 2.980%	Semi-Annual	2/20/48	5,060,000	(1,031,660)
Total Interest Rate Swap Contracts				\$(2,292,168)

See Note 10 regarding other derivative information.

See Abbreviations on page 46.

Statement of Assets and Liabilities

December 31, 2019

Templeton International Bond Fund

Assets:

Investments in securities:	
Cost - Unaffiliated issuers	\$341,637,099
Cost - Non-controlled affiliates (Note 3f)	118,942,853
Value - Unaffiliated issuers	\$317,640,268
Value - Non-controlled affiliates (Note 3f)	118,942,853
Cash	172,448
Foreign currency, at value (cost \$300,189)	300,782
Restricted currency, at value (cost \$1,019,094) (Note 1d)	1,007,116
Receivables:	
Capital shares sold	1,616,554
Interest	4,362,208
Deposits with brokers for:	
OTC derivative contracts	7,652,000
Centrally cleared swap contracts	3,133,546
Variation margin on centrally cleared swap contracts	279,649
Unrealized appreciation on OTC forward exchange contracts	2,646,547
Other assets	50
Total assets	<u>457,754,021</u>

Liabilities:

Payables:	
Capital shares redeemed	1,414,544
Management fees	161,788
Distribution fees	12,356
Transfer agent fees	202,439
Options written, at value (premiums received \$2,565,586)	1,880,353
Unrealized depreciation on OTC forward exchange contracts	9,386,371
Deferred tax	241,561
Accrued expenses and other liabilities	222,964
Total liabilities	<u>13,522,376</u>
Net assets, at value	<u>\$444,231,645</u>

Net assets consist of:

Paid-in capital	\$483,439,763
Total distributable earnings (losses)	(39,208,118)
Net assets, at value	<u>\$444,231,645</u>

Statement of Assets and Liabilities (continued)

December 31, 2019

Templeton International Bond Fund

Class A:

Net assets, at value	\$ 39,532,003
Shares outstanding	4,046,043
Net asset value per share ^a	\$9.77
Maximum offering price per share (net asset value per share ÷ 96.25%)	\$10.15

Class C:

Net assets, at value	\$ 6,694,495
Shares outstanding	684,453
Net asset value and maximum offering price per share ^a	\$9.78

Class R:

Net assets, at value	\$ 253,603
Shares outstanding	25,980
Net asset value and maximum offering price per share	\$9.76

Class R6:

Net assets, at value	\$ 3,878,148
Shares outstanding	396,807
Net asset value and maximum offering price per share	\$9.77

Advisor Class:

Net assets, at value	\$393,873,396
Shares outstanding	40,276,264
Net asset value and maximum offering price per share	\$9.78

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

Statement of Operations

for the year ended December 31, 2019

Templeton International Bond Fund

Investment income:	
Dividends:	
Non-controlled affiliates (Note 3f)	\$ 2,174,365
Interest: (net of foreign taxes)~	
Unaffiliated issuers	19,354,134
Total investment income	<u>21,528,499</u>
Expenses:	
Management fees (Note 3a)	2,806,374
Distribution fees: (Note 3c)	
Class A	81,761
Class C	52,170
Class R	2,067
Transfer agent fees: (Note 3e)	
Class A	53,632
Class C	13,182
Class R	678
Class R6	5,539
Advisor Class	613,928
Custodian fees (Note 4)	151,862
Reports to shareholders	70,557
Registration and filing fees	91,347
Professional fees	89,005
Trustees' fees and expenses	7,637
Other	71,895
Total expenses	<u>4,111,634</u>
Expense reductions (Note 4)	(67,988)
Expenses waived/paid by affiliates (Note 3f and 3g)	(838,548)
Net expenses	<u>3,205,098</u>
Net investment income	<u>18,323,401</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:#	
Unaffiliated issuers	(1,964,628)
Written options	129,469
Foreign currency transactions	(503,002)
Forward exchange contracts	12,025,932
Swap contracts	(6,440,394)
Net realized gain (loss)	<u>3,247,377</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(3,768,639)
Translation of other assets and liabilities	
denominated in foreign currencies	(324,035)
Forward exchange contracts	(4,153,096)
Written options	685,233
Swap contracts	(4,842,740)
Change in deferred taxes on unrealized appreciation	(21,845)
Net change in unrealized appreciation (depreciation)	<u>(12,425,122)</u>
Net realized and unrealized gain (loss)	<u>(9,177,745)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 9,145,656</u>

~Foreign taxes withheld on interest \$ 617,770
#Net of foreign taxes \$ 55,666

Statements of Changes in Net Assets

Templeton International Bond Fund

	Year Ended December 31,	
	2019	2018
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 18,323,401	\$ 15,664,805
Net realized gain (loss)	3,247,377	8,664,802
Net change in unrealized appreciation (depreciation)	(12,425,122)	(15,972,244)
Net increase (decrease) in net assets resulting from operations	9,145,656	8,357,363
Distributions to shareholders:		
Class A	(1,893,755)	(2,745,753)
Class C	(401,102)	(470,373)
Class R	(20,808)	(15,612)
Class R6	(84,671)	(32,375)
Advisor Class	(21,779,436)	(19,892,585)
Distributions to shareholders from tax return of capital:		
Class A	—	(47,963)
Class C	—	(7,864)
Class R	—	(264)
Class R6	—	(519)
Advisor Class	—	(349,247)
Total distributions to shareholders	(24,179,772)	(23,562,555)
Capital share transactions: (Note 2)		
Class A	1,809,627	(30,563,885)
Class C	(1,686,642)	(727,704)
Class R	(32,661)	24,790
Class R6	3,013,566	512,109
Advisor Class	61,144,821	83,207,905
Total capital share transactions	64,248,711	52,453,215
Net increase (decrease) in net assets	49,214,595	37,248,023
Net assets:		
Beginning of year	395,017,050	357,769,027
End of year	\$444,231,645	\$395,017,050

Notes to Financial Statements

Templeton International Bond Fund

1. Organization and Significant Accounting Policies

Templeton Income Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of four separate funds and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). Templeton International Bond Fund (Fund) is included in this report. The Fund offers five classes of shares: Class A, Class C, Class R, Class R6 and Advisor Class. 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.

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 Trust's Board of Trustees (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.

Debt securities generally trade in the over-the-counter (OTC) market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal

repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the date that the values of the foreign debt securities are determined.

Investments in open-end mutual funds are valued at the closing NAV.

Certain derivative financial instruments are centrally cleared or trade in the OTC market. The Fund's pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the fair value of those instruments. The Fund's net benefit or obligation under the derivative contract, as measured by the fair value of the contract, is included in net assets.

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.

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,

Templeton International Bond Fund (continued)

1. Organization and Significant Accounting Policies (continued)

b. Foreign Currency Translation (continued)

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.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty credit risk on OTC derivatives, whenever

possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Fund include failure of the Fund to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Fund of any net liability owed to that counterparty under the ISDA agreement.

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or securities. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from \$100,000 to \$250,000, and can vary depending on the counterparty and the type of the agreement. Generally, collateral is determined at the close of Fund business each day and any additional collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund for OTC derivatives, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Fund's investment objectives. To the extent that the amounts due to the Fund from its counterparties are not subject to collateralization or are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance.

Templeton International Bond Fund (continued)

The Fund entered into OTC forward exchange contracts primarily to manage and/or gain exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency at a specific exchange rate on a future date.

The Fund entered into interest rate swap contracts primarily to manage interest rate risk. An interest rate swap is an agreement between the Fund and a counterparty to exchange cash flows based on the difference between two interest rates, applied to a notional amount. These agreements may be privately negotiated in the over-the-counter market (OTC interest rate swaps) or may be executed on a registered exchange (centrally cleared interest rate swaps). For centrally cleared interest rate swaps, required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities. Over the term of the contract, contractually required payments to be paid and to be received are accrued daily and recorded as unrealized depreciation and appreciation until the payments are made, at which time they are realized.

The Fund purchased or wrote OTC option contracts primarily to manage and/or gain exposure to foreign exchange rate 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.

The Fund invests in value recovery instruments (VRI) primarily to gain exposure to economic growth. Periodic payments from VRI are dependent on established benchmarks for underlying variables. VRI has a notional amount, which is used to calculate amounts of payments to holders. Payments are recorded upon receipt as realized

gains in the Statement of Operations. The risks of investing in VRI include growth risk, liquidity, and the potential loss of investment.

See Note 10 regarding other derivative information.

d. Restricted Currency

At December 31, 2019, the Fund held currencies in certain markets in which the ability to repatriate such currency is limited. As a result of such limitations on repatriation, the Fund may incur substantial delays in gaining access to these assets and may be exposed to potential adverse movements in currency value.

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.

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 December 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.

Templeton International Bond Fund (continued)

1. Organization and Significant Accounting Policies (continued)

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. 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.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

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

Inflation-indexed bonds are adjusted for inflation through periodic increases or decreases in the security's interest accruals, face amount, or principal redemption value, by amounts corresponding to the rate of inflation as measured by an index. Any increase or decrease in the face amount or principal redemption value will be included as interest income in the Statement of Operations.

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.

h. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

Templeton International Bond Fund (continued)

2. Shares of Beneficial Interest

At December 31, 2019, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31,			
	2019		2018	
	Shares	Amount	Shares	Amount
Class A Shares:				
Shares sold ^a	2,401,277	\$ 24,053,424	990,869	\$ 10,336,479
Shares issued in reinvestment of distributions	183,501	1,837,264	263,605	2,722,088
Shares redeemed	(2,369,156)	(24,081,061)	(4,166,864)	(43,622,452)
Net increase (decrease)	215,622	\$ 1,809,627	(2,912,390)	\$ (30,563,885)
Class C Shares:				
Shares sold	142,908	\$ 1,442,085	222,908	\$ 2,316,379
Shares issued in reinvestment of distributions	35,410	356,950	42,066	433,646
Shares redeemed ^a	(346,045)	(3,485,677)	(332,687)	(3,477,729)
Net increase (decrease)	(167,727)	\$ (1,686,642)	(67,713)	\$ (727,704)
Class R Shares:				
Shares sold	56,260	\$ 574,591	12,933	\$ 135,523
Shares issued in reinvestment of distributions	2,059	20,808	1,546	15,876
Shares redeemed	(61,947)	(628,060)	(11,934)	(126,609)
Net increase (decrease)	(3,628)	\$ (32,661)	2,545	\$ 24,790
Class R6 Shares:				
Shares sold	374,336	\$ 3,678,772	102,222	\$ 1,047,050
Shares issued in reinvestment of distributions	7,370	73,446	2,924	30,112
Shares redeemed	(73,935)	(738,652)	(55,252)	(565,053)
Net increase (decrease)	307,771	\$ 3,013,566	49,894	\$ 512,109
Advisor Class Shares:				
Shares sold	16,844,801	\$ 169,081,917	14,008,769	\$146,073,459
Shares issued in reinvestment of distributions	1,928,208	19,357,439	1,770,136	18,240,077
Shares redeemed	(12,600,100)	(127,294,535)	(7,774,997)	(81,105,631)
Net increase (decrease)	6,172,909	\$ 61,144,821	8,003,908	\$ 83,207,905

^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 trustees of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	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

Templeton International Bond Fund (continued)

3. Transactions with Affiliates (continued)

a. Management Fees

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

Annualized Fee Rate	Net Assets
0.700%	Up to and including \$200 million
0.650%	Over \$200 million, up to and including \$1.3 billion
0.600%	In excess of \$1.3 billion

For the year ended December 31, 2019, the gross effective investment management fee rate was 0.674% of the Fund's average daily net assets.

b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers 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	0.35%
Class C	0.65%
Class R	0.50%

The Board has set the current rate at 0.25% per year for Class A shares until further notice and approval by the Board.

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	\$2,061
CDSC retained	\$ 366

Effective March 1, 2019, certain front-end sales charges on Class A and A1 shares, if any, were lowered. Further details are disclosed in the Fund's Prospectus.

Templeton International Bond Fund (continued)

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 December 31, 2019, the Fund paid transfer agent fees of \$686,959, of which \$157,704 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 December 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	Dividend Income
Non-Controlled Affiliates								
Institutional Fiduciary Trust Money Market Portfolio, 1.26%	\$93,932,011	\$210,914,117	\$(185,903,275)	\$ —	\$ —	\$118,942,853	118,942,853	\$2,174,365

g. Waiver and Expense Reimbursements

Advisers and Investor Services have contractually agreed in advance to waive or limit their respective fees and to assume as their own expense certain expenses otherwise payable by the Fund so that the expenses (excluding distribution fees, acquired fund fees and expenses and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) for Class A, Class C, Class R and Advisor Class of the Fund do not exceed 0.74%, and for Class R6 do not exceed 0.59%, based on the average net assets of each class until April 30, 2020. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

Prior to May 1, 2019, the expenses (excluding certain fees and expenses as previously disclosed) for Class R6 were limited to 0.63% based on the average net assets of the class.

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 December 31, 2019, the custodian fees were reduced as noted in the Statement of Operations.

5. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains.

Templeton International Bond Fund (continued)

5. Income Taxes (continued)

At December 31, 2019, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Long term \$5,527,212

For tax purposes, the Fund may elect to defer any portion of a post-October capital loss or late-year ordinary loss to the first day of the following fiscal year. At December 31, 2019, the Fund deferred late-year ordinary losses of \$2,827,422.

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

	<u>2019</u>	<u>2018</u>
Distributions paid from:		
Ordinary income	\$ 24,179,772	\$22,662,039
Long term capital gain	—	494,659
	<u>\$ 24,179,772</u>	<u>\$23,156,698</u>
Return of capital	—	405,857
	<u>\$ 24,179,772</u>	<u>\$23,562,555</u>

At December 31, 2019, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	<u>\$456,315,430</u>
Unrealized appreciation	\$ 21,087,820
Unrealized depreciation	<u>(51,678,605)</u>
Net unrealized appreciation (depreciation)	<u>\$ (30,590,785)</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 foreign currency transactions, bond discounts and premiums and tax straddles.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2019, aggregated \$98,490,297 and \$60,937,145, respectively.

7. Shareholder Concentrations

The Fund has a concentration of a shareholder holding a significant percentage of shares outstanding. Investment activities of the shareholder could have a material impact on the Fund. At December 31, 2019, there was one unaffiliated shareholder holding 44.7% of the Fund's outstanding shares.

8. Credit Risk

At December 31, 2019, the Fund had 12.9% of its portfolio invested in high yield or other securities rated below investment grade and unrated securities, if any. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

Templeton International Bond Fund (continued)

9. Concentration of Risk

Investments in issuers domiciled or with significant operations in developing or emerging market countries may be subject to higher risks than investments in developed countries. These risks include fluctuating currency values, underdeveloped legal or business systems, and changing local and regional economic, political and social conditions, which may result in greater market volatility. In addition, certain foreign securities may not be as liquid as U.S. securities. Currencies of developing or emerging market countries may be subject to significantly greater risks than currencies of developed countries, including the potential inability to repatriate those currencies into U.S. dollars.

At December 31, 2019, the Fund had 1.4% of its net assets denominated in Argentine Pesos, which has restricted currency repatriation since September 2019, and had restructured certain issues of its debt. Political and economic conditions in Argentina could continue to affect the value of the Fund's holdings.

10. Other Derivative Information

At December 31, 2019, investments in derivative contracts are reflected in the Statement of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Interest rate contracts	Variation margin on centrally cleared swap contracts	\$ —	Variation margin on centrally cleared swap contracts	\$ 2,292,168 ^a
Foreign exchange contracts	Investments in securities, at value	1,084,494 ^b	Options written, at value	1,880,353
	Unrealized appreciation on OTC forward exchange contracts	2,646,547	Unrealized depreciation on OTC forward exchange contracts	9,386,371
Totals		<u>\$3,731,041</u>		<u>\$13,558,892</u>

^aThis amount reflects the cumulative appreciation (depreciation) of centrally cleared swap contracts as reported in the Statement of Investments. Only the variation margin receivable/payable at year end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

^bPurchased option contracts are included in investments in securities, at value in the Statement of Assets and Liabilities.

For the year ended December 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:	
Interest rate contracts	Swap contracts	\$ (6,440,394)	Swap contracts	\$ (4,842,740)
Foreign exchange contracts	Investments	(138,333) ^a	Investments	(2,402,527) ^a
	Written options	129,469	Written options	685,233
	Forward exchange contracts	12,025,932	Forward exchange contracts	(4,153,096)
Value recovery instruments	Investments	689,990 ^a	Investments	(569,032) ^a
Totals		<u>\$ 6,266,664</u>		<u>\$(11,282,162)</u>

^aPurchased option contracts and VRI are included in net realized gain (loss) from investments and net change in unrealized appreciation (depreciation) on investments in the Statement of Operations.

Templeton International Bond Fund (continued)

10. Other Derivative Information (continued)

For the year ended December 31, 2019, the average month end notional amount of options and swap contracts, the average month end contract value for forward exchange contracts, and average month end fair value of VRI, were as follows:

Options	\$183,638,242
Swap contracts	\$ 67,910,769
Forward exchange contracts	\$512,811,951
VRI	\$ 643,970

At December 31, 2019, OTC derivative assets and liabilities are as follows:

	Gross Amounts of Assets and Liabilities Presented in the Statement of Assets and Liabilities	
	Assets^a	Liabilities^a
Derivatives		
Forward exchange contracts	\$2,646,547	\$ 9,386,371
Options purchased	1,084,494	—
Options written	—	1,880,353
Total	<u>\$3,731,041</u>	<u>\$11,266,724</u>

^aAbsent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities.

At December 31, 2019, OTC derivative assets, which may be offset against OTC derivative liabilities and collateral received from the counterparty, are as follows:

	Amounts Not Offset in the Statement of Assets and Liabilities				
	Gross Amounts of Assets Presented in the Statement of Assets and Liabilities	Financial Instruments Available for Offset	Financial Instruments Collateral Received	Cash Collateral Received	Net Amount (Not less than zero)
Counterparty					
BNDP	\$ 81,169	\$ (81,169)	\$ —	\$ —	\$ —
BOFA	—	—	—	—	—
BZWS	—	—	—	—	—
CITI	1,180,083	(1,180,083)	—	—	—
DBAB	494,591	(494,591)	—	—	—
GSCO	143,596	(103,822)	—	—	39,774
HSBK	786,480	(786,480)	—	—	—
JPHQ	782,060	(782,060)	—	—	—
MSCO	105,454	(105,454)	—	—	—
SANT	—	—	—	—	—
SCNY	—	—	—	—	—
UBSW	157,608	(11,224)	—	—	146,384
Total	<u>\$3,731,041</u>	<u>\$(3,544,883)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$186,158</u>

Templeton International Bond Fund (continued)

At December 31, 2019, OTC derivative liabilities, which may be offset against OTC derivative assets and collateral pledged to the counterparty, are as follows:

	Gross Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount (Not less than zero)
		Financial Instruments Available for Offset	Financial Instruments Collateral Pledged	Cash Collateral Pledged ^a	
Counterparty					
BNDP	\$ 873,788	\$ (81,169)	\$ —	\$ (792,619)	\$ —
BOFA	91,813	—	—	—	91,813
BZWS	49,748	—	—	—	49,748
CITI	4,442,151	(1,180,083)	—	(3,262,068)	—
DBAB	1,078,951	(494,591)	—	(441,000)	143,360
GSCO	103,822	(103,822)	—	—	—
HSBK	1,746,772	(786,480)	—	(861,000)	99,292
JPHQ	1,633,079	(782,060)	—	(851,019)	—
MSCO	170,836	(105,454)	—	—	65,382
SANT	435,543	—	—	(280,000)	155,543
SCNY	628,997	—	—	(530,000)	98,997
UBSW	11,224	(11,224)	—	—	—
Total	\$11,266,724	\$(3,544,883)	\$ —	\$(7,017,706)	\$704,135

^a In some instances, the collateral amounts disclosed in the table above were adjusted due to the requirement to limit collateral amounts to avoid the effect of overcollateralization. Actual collateral received and/or pledged may be more than the amounts disclosed herein.

See Note 1(c) regarding derivative financial instruments.

See Abbreviations on page 46.

11. 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 matured 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. Effective February 7, 2020, the Borrowers renewed the Global Credit Facility for a one year term, maturing February 5, 2021, for a total of \$2 billion.

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 December 31, 2019, the Fund did not use the Global Credit Facility.

Templeton International Bond Fund (continued)

12. 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.)
- 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 December 31, 2019, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments in Securities: ^a				
Foreign Government and Agency Securities:				
Argentina	\$ —	\$ 469,609	\$ 4,541,263	\$ 5,010,872
All Other Foreign Government and Agency Securities	—	252,662,614	—	252,662,614
Options Purchased	—	1,084,494	—	1,084,494
Short Term Investments:				
Argentina	—	—	398,851	398,851
All Other Short Term Investments	118,942,853	58,483,437	—	177,426,290
Total Investments in Securities	\$ 118,942,853	\$ 312,700,154	\$ 4,940,114	\$ 436,583,121
Other Financial Instruments:				
Forward Exchange Contracts	\$ —	\$ 2,646,547	\$ —	\$ 2,646,547
Restricted Currency (ARS)	—	—	1,007,116	1,007,116
Total Other Financial Instruments	—	2,646,547	1,007,116	3,653,663
Receivables:				
Interest (ARS)	\$ —	\$ —	\$ 193,203	\$ 193,203
Liabilities:				
Other Financial Instruments:				
Options Written	\$ —	\$ 1,880,353	\$ —	\$ 1,880,353
Forward Exchange Contracts	—	9,386,371	—	9,386,371
Swap Contracts	—	2,292,168	—	2,292,168
Total Other Financial Instruments	\$ —	\$ 13,558,892	\$ —	\$ 13,558,892
Payables:				
Deferred Tax (ARS)	\$ —	\$ —	\$ 222	\$ 222

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

Templeton International Bond Fund (continued)

A reconciliation of assets and/or liabilities in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the year. At December 31, 2019, the reconciliation of assets and/or liabilities, are as follows:

	Balance at Beginning of Year	Purchases	Sales	Transfer Into Level 3 ^a	Transfer Out of Level 3	Cost Basis Adjustments ^b	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Assets:										
Investments in Securities:										
Foreign Government and Agency Securities										
Argentina	\$—	\$ 200,162	\$ —	\$4,040,689	\$—	\$814,107	\$ —	\$(513,695)	\$4,541,263	\$314,986
Short Term Investments										
Argentina	—	311,133	(24,515)	5,302	—	69,802	(32,130)	69,259	398,851	44,667
Total Investments in Securities	\$—	\$ 511,295	\$ (24,515)	\$4,045,991	\$—	\$883,909	\$ (32,130)	\$(444,436)	\$4,940,114	\$359,653
Other Financial Instruments:										
Restricted Currency (ARS)										
	—	1,403,400	(522,250)	217,998	—	—	(132,227)	40,195	1,007,116	(11,978)
Receivables:										
Interest (ARS)	—	294,007	(478,887)	398,955	—	—	(220,422)	199,550	193,203	931
Liabilities:										
Payables:										
Deferred Tax (ARS)	—	—	—	297	—	—	—	(75)	222	(75)

^aTransferred into Level 3 as a result of the unavailability of a quoted market price in an active market for identical securities or as a result of the unreliability of the foreign exchange rate and other significant observable valuation inputs.

^bMay include accretion, amortization, partnership adjustments, and/or other cost basis adjustments.

Templeton International Bond Fund (continued)

12. Fair Value Measurements (continued)

Significant unobservable valuation inputs for material Level 3 assets and/or liabilities and impact to fair value as a result of changes in unobservable valuation inputs as of December 31, 2019, are as follows:

Description	Fair Value at End of Year	Valuation Technique	Unobservable Input	Amount	Impact to Fair Value if Input Increases ^a
Assets:					
Investments in Securities:					
Foreign Government and Agency Securities					
Argentina	4,541,263	Market Comparables	Implied Foreign exchange rate	75.1 ARS/USD	Decrease ^b
Short Term Investments					
Argentina	398,851	Market Comparables	Implied Foreign exchange rate	75.1 ARS/USD	Decrease ^b
Other Financial Instruments:					
Restricted Currency (ARS)	1,007,116	Market Comparables	Implied Foreign exchange rate	75.1 ARS/USD	Decrease ^b
All other ^c	193,203				
Liabilities:					
All other ^c	222				

^aRepresents the directional change in the fair value that would result from a significant and reasonable increase in the corresponding input. A significant and reasonable decrease in the input would have the opposite effect. Significant impacts, if any, to fair value and/or net assets have been indicated.

^bRepresents a significant impact to fair value but not net assets.

^cIncludes fair value of immaterial assets and/or liabilities developed using various valuation techniques and unobservable inputs. May also include values derived using private transaction prices or non-public third party pricing information which is unobservable.

13. 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 other than those already disclosed in the financial statements.

Abbreviations

Counterparty

BNDP	BNP Paribas
BOFA	Bank of America Corp.
BZWS	Barclays Bank PLC
CITI	Citigroup, Inc.
DBAB	Deutsche Bank AG
GSCO	The Goldman Sachs Group Inc.
HSBK	HSBC Bank PLC
JPHQ	JP Morgan Chase & Co.
MSCO	Morgan Stanley
SANT	Santander Investment Securities Inc.
SCNY	Standard Chartered Bank
UBSW	UBS AG

Templeton International Bond Fund (continued)

Currency	Selected Portfolio
ARS Argentine Peso	ARPP7DRR Argentina Central Bank 7 Day Repo Rate
AUD Australian Dollar	BADLAR Argentina Deposit Rates Badlar Private Banks ARS
BRL Brazilian Real	FRN Floating Rate Note
COP Colombian Peso	LIBOR London InterBank Offered Rate
EUR Euro	
GHS Ghanaian Cedi	
IDR Indonesian Rupiah	
INR Indian Rupee	
JPY Japanese Yen	
KRW South Korean Won	
MXN Mexican Peso	
NOK Norwegian Krone	
PHP Philippine Peso	
SGD Singapore Dollar	
THB Thai Baht	
USD United States Dollar	

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Templeton Income Trust and Shareholders of Templeton International Bond Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of Templeton International Bond Fund (the "Fund") as of December 31, 2019, the related statement of operations for the year ended December 31, 2019, the statement of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the periods indicated therein (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 December 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 December 31, 2019 and the financial highlights for each of the periods indicated therein 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 December 31, 2019 by correspondence with the custodian, transfer agent 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
February 20, 2020

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

Tax Information (unaudited)

At December 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 first distribution in 2020, 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 Trust, 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	Trustee	Since 1992	132	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	Trustee	Since 2008	33	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	Trustee	Since 2016	132	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 Trustee	Trustee since 2001 and Lead Independent Trustee since 2007	132	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	Trustee	Since 2009	132	Boeing Capital Corporation (aircraft financing) (2006-2010).
Principal Occupation During at Least the Past 5 Years: Private investor; and formerly , Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (May 2019-January 1, 2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).				
David W. Niemiec (1949) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2005	33	Hess Midstream 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	Trustee	Since 2005	132	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	Trustee	Since 2003	21	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	Trustee	Since 2006	33	El Oro Ltd (investments) (2003-2019).
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	Trustee	Since 2007	144	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 39 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, Trustee and Vice President	Chairman of the Board, Trustee since 2013 and Vice President since 1996	132	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 37 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 41 of the investment companies in Franklin Templeton.				
Breda M. Beckerle (1958) 280 Park Avenue New York, NY 10017	Interim Chief Compliance Officer	Since January 2020	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Chief Compliance Officer, Fiduciary Investment Management International, Inc., Franklin Advisers, Inc., Franklin Advisory Services, LLC, Franklin Mutual Advisers, LLC, Franklin Templeton Institutional, LLC; and officer of 41 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
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 41 of the investment companies in Franklin Templeton.				
Michael Hasenstab, Ph.D. (1973) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2018	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Executive Vice President, Franklin Advisers, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of three 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 41 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 15 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.				
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 41 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 41 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
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 41 of the investment companies in Franklin Templeton.				
Christine Zhu (1975) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2018	Not Applicable	Not Applicable

Principal Occupation During at Least the Past 5 Years:
Vice President, Franklin Advisers, Inc.; and officer of three 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 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

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 Trust, on behalf of 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.

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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 International Bond Fund

Investment Manager
Franklin Advisers, Inc.

Distributor
Franklin Templeton Distributors, Inc.
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Shareholder Services
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