AUGUST 31, 2013

ANNUAL REPORT AND SHAREHOLDER LETTER

A series of Templeton Income Trust

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FIXED INCOME

TEMPLETON GLOBAL BOND FUND



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Franklin Templeton's distinct multi-manager structure combines the specialized expertise of three world-class investment management groups — Franklin, Templeton and Mutual Series.

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Franklin. Founded in 1947, Franklin is a recognized leader in fixed income investing and also brings expertise in growth- and value-style U.S. equity investing.

Templeton. Founded in 1940, Templeton pioneered international investing and, in 1954, launched what has become the industry's oldest global fund. Today, with offices in over 25 countries, Templeton offers investors a truly global perspective.

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At Franklin Templeton Investments, we continuously seek to provide investors with strong risk-adjusted returns over the long term, as well as the reliable, accurate and personal service that has helped us become one of the most trusted names in financial services.

MUTUAL FUNDS | RETIREMENT PLANS | 529 COLLEGE SAVINGS PLANS | SEPARATELY MANAGED ACCOUNTS

Contents

| Shareholder Letter 1 | ı | Annual Report | | Financial Statements | 41 | Tax Information | 61 |
|----------------------|---|--|----|--|----|----------------------------|----|
| | | Templeton Global Bond Fund | 3 | Notes to Financial | | Board Members and Officers | 63 |
| | | Performance Summary | 7 | Statements | 45 | Shareholder Information | 68 |
| | | Your Fund's Expenses | 12 | Report of Independent Registered Public | | | |
| | | Financial Highlights and Statement of Investments | 14 | Accounting Firm | 60 | | |

Shareholder Letter

Dear Shareholder:

Many countries experienced growth during the 12 months ended August 31, 2013, supported by their central banks' monetary programs, and investor sentiment strengthened. Global developed market stocks, as measured by the MSCI World Index, generated robust gains in this environment. Although investor anxiety that the U.S. Federal Reserve Board would soon taper its asset purchase program contributed to short sell-offs, Treasury bill prices stabilized soon after. Stock performance also remained resilient amid late-period tension over potential military intervention in Syria. The U.S. dollar rose against most foreign currencies, long-term U.S. Treasury prices generally fell as yields rose, and developed and emerging market bonds declined.

We remain encouraged as the U.S. showed signs of continued economic growth and the eurozone economy expanded in the second quarter of 2013. With the positive trend in economic growth and the continued fiscal strength of many emerging markets, we believe the environment may be favorable for bottom-up investors. Keep in mind in all economic environments we remain committed to our long-term perspective and disciplined investment approach. First and foremost for us, this means conducting rigorous, fundamental analysis of securities with a continual emphasis on investment risk management.

Templeton Global Bond Fund's annual report goes into greater detail about prevailing conditions during the period under review. In addition, you will find Fund performance data, financial information and a discussion from the portfolio managers. Please remember all securities markets fluctuate, as do mutual fund share prices.

If you would like more frequent updates, **franklintempleton.com** provides daily prices, monthly performance figures, portfolio holdings and other information.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

You can also access your account, buy and sell shares, read timely articles and find helpful financial planning tools. We hope you will take advantage of these online services.

Historically, patient investors have achieved rewarding results by evaluating their goals, diversifying their assets globally and maintaining a disciplined investment program, all hallmarks of the Templeton investment philosophy developed more than 50 years ago. As always, we encourage you to discuss your goals with your financial advisor who can address concerns about volatility and diversification, periodically review your overall portfolio and help you stay focused on the long term. We firmly believe most people benefit from professional advice and that advice is invaluable as investors navigate changing market environments.

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,

Christopher J. Molumphy, CFA

Chatans J. Manny

President and Chief Executive Officer - Investment Management

Templeton Income Trust

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This letter reflects our analysis and opinions as of August 31, 2013. 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.

Annual Report

Templeton Global Bond Fund

Your Fund's Goal and Main Investments: Templeton Global Bond 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." Bonds include debt securities of any maturity, such as bonds, notes, bills and debentures.

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. Please visit franklintempleton.com or call (800) 342-5236 for most recent month-end performance.

We are pleased to bring you Templeton Global Bond Fund's annual report for the fiscal year ended August 31, 2013.

Performance Overview

For the 12 months under review, Templeton Global Bond Fund – Class A delivered a +3.09% cumulative total return. In comparison, global government bonds, as measured by the Fund's benchmark, the Citigroup World Government Bond Index (WGBI), had cumulative total returns of +1.92% in local currency terms and -6.23% in U.S. dollar terms for the same period. You can find the Fund's long-term performance data in the Performance Summary beginning on page 7.

Portfolio Breakdown

Based on Total Net Assets as of 8/31/13

Foreign Government & Agency Securities

68.9%

Quasi-Sovereign & Corporate Bonds 0.5%

Municipal Bonds 0.1%

Short-Term Investments & Other Net Assets 30.5%

Economic and Market Overview

The global economic recovery was mixed during the period under review. The recovery in emerging markets moderated after many economies had previously returned to or exceeded pre-crisis activity levels. Although some developed economies, such as those of Australia and some Scandinavian countries, have also enjoyed relatively strong recoveries in the aftermath of the global financial crisis, growth in the G-3 (U.S., eurozone and Japan) continued to be slow by the standards of previous recoveries. As fears eased

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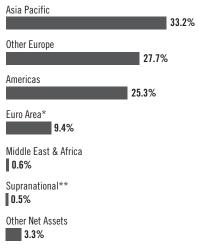
The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI). The SOI begins on page 19.

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 at a specific exchange rate on a future date.

Geographic Breakdown

Based on Total Net Assets as of 8/31/13



- *The Fund's euro area investments were in Ireland and Slovenia
- **The Fund's supranational investments were denominated in the Mexican peso and Swedish krona.

surrounding the issues of sovereign debt in Europe, the possibility of another recession in the U.S., and a potential "hard landing" in China, financial market performance was positive. Improving sentiment, relatively strong fundamentals and continued provision of global liquidity supported assets with inherent risk, and equity markets generally performed well. Policymakers in the largest developed economies continued to increase their already unprecedented efforts to supply liquidity. Actions elsewhere in the world were mixed, with some policymakers less willing to reverse previous tightening efforts in response to the external environment.

Fears of possible reductions to stimulative government policies contributed to periods of risk aversion, when credit spreads widened and equities and other assets perceived as risky declined, alternating with periods of heightened risk appetite, when spreads narrowed and investors again favored assets with inherent risk. Against this backdrop, increased liquidity creation continued. For example, the Bank of Japan raised its inflation target and the U.S. Federal Reserve Board (Fed) extended quantitative easing and tried to be more transparent about its intentions. Economic data among the largest economies remained inconsistent with some observers' predictions of a severe global economic slowdown.

During the period, the Fed increased the size of its quantitative easing program but announced later in the period that it might reduce the program at subsequent meetings. The announcement that the amount of bond purchases might be reduced led assets with inherent risk, particularly those in emerging markets, to sell off as market participants began to change their expectations of global liquidity conditions.

Investment Strategy

We invest selectively in 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. We seek to manage the Fund's exposure to various currencies and may use currency forward contracts.

Manager's Discussion

Several factors, including interest rate developments, currency movements and exposure to sovereign debt markets, affected the Fund's total return. During the year under review, interest rate strategies and sovereign credit exposures contributed to absolute performance, while currency positions were largely neutral.

Interest Rate Strategy

As part of the Fund's interest rate strategy we use interest rate swaps to manage duration. During the period under review, we maintained the portfolio's defensive duration posture as policymakers in the G-3, the U.K. and Switzerland implemented historically accommodative monetary policies. With interest rates in the U.S. and Japan at historically low levels, central banks supplying significant liquidity to the financial sector and fiscal deficits that drove record funding needs, we saw what we viewed as limited value in these government bond markets. Our underweighted duration exposure in the U.S. contributed to performance relative to the benchmark as yields increased during the review period. The Fund maintained little duration exposure in emerging markets, except in select countries where rates were already quite high. Consequently, duration contributions from emerging markets were limited.

Currency Strategy

Overall, the Fund's diversified currency exposure was largely neutral with respect to absolute performance. As part of the Fund's investment strategy, we used currency forward contracts to hedge or gain exposure to various currencies, which sometimes resulted in net negative positions.

The Fund's exposure to Asian currencies contributed to performance relative to the benchmark. Our large net-negative position in the Japanese yen, achieved through the use of currency forward contracts, notably benefited performance as the yen depreciated 20.20% against the U.S. dollar during the period.² Currency positions elsewhere in Asia detracted from results as most currencies in the region depreciated against the U.S. dollar. Malaysia's central bank kept its policy rate constant while central banks in Australia, India, the Philippines, Sri Lanka and South Korea cut rates. Most of the currencies of these countries depreciated against the U.S. dollar; the Australian dollar depreciated 13.82%, the Indian rupee fell 15.81%, the Philippine peso declined 5.66%, and the Malaysian ringgit lost 4.88%.² The South Korean won, however, gained 2.21% against the U.S. dollar.²

The euro appreciated 4.61% against the U.S. dollar during the period as the European Central Bank maintained its commitment to preserving the European Monetary Union.² The Fund's net-negative position in the monetary union's currency detracted from relative performance. The Fund's exposure to some other European currencies was largely neutral for performance. The Polish zloty appreciated 2.49% against the U.S. dollar, while the Swedish krona was largely unchanged.² The Hungarian forint and Norwegian krone depreciated 1.39% and 5.48% against the U.S. dollar.²

What is an interest rate swap?

An interest rate swap is an agreement between two parties to exchange interest rate 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.

| Currency | Breakdown |
|----------|------------------|
| 8/31/13 | |

| | % of Tota Net Asset |
|----------------------|------------------------|
| Americas | 77.2% |
| U.S. Dollar | 53.4% |
| Mexican Peso | 11.6% |
| Canadian Dollar | 4.8% |
| Brazilian Real | 3.9% |
| Chilean Peso | 3.4% |
| Peruvian Nuevo Sol | 0.1% |
| Asia Pacific | 29.0% |
| South Korean Won | 18.1% |
| Malaysian Ringgit | 13.5% |
| Singapore Dollar | 9.1% |
| Philippine Peso | 2.3% |
| Indian Rupee | 2.2% |
| Australian Dollar | 2.1% |
| Indonesian Rupiah | 1.9% |
| Sri Lankan Rupee | 0.9% |
| Japanese Yen* | -21.1% |
| Middle East & Africa | 0.6% |
| New Israeli Shekel | 0.6% |
| Europe* | -6.8% |
| Swedish Krona | 10.7% |
| Polish Zloty | 10.7% |
| Hungarian Forint | 3.3% |
| Norwegian Krone | 0.5% |
| Euro* | -32.0% |

^{*}A negative figure reflects net "short" exposure, designed to benefit if the value of the associated currency decreases. Conversely, the Fund's value would potentially decline if the value of the associated currency increases.

The Fund's exposure to Latin American currencies detracted from performance. Mexico's central bank cut its policy rate, while rates were held constant in Chile. The central bank in Brazil cut rates 25 basis points (100 basis points equal one percentage point) before hiking rates 175 basis points during the period. The Mexican peso, Chilean peso and Brazilian real depreciated 0.72%, 5.79%, and 14.65%, respectively, against the U.S. dollar.²

Global Sovereign Debt Strategy

The Fund purchased investment-grade and subinvestment-grade hard currencydenominated sovereign debt that typically seeks to compensate for greater credit risk by offering higher yields relative to U.S. Treasury and European benchmark bonds. Overall, the Fund's sovereign credit exposures contributed to performance.

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



Michael Hasenstab, Ph.D. Lead Portfolio Manager



Sonal Desai, Ph.D. Portfolio Manager

Portfolio Management Team Templeton Global Bond Fund

The foregoing information reflects our analysis, opinions and portfolio holdings as of August 31, 2013, 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 8/31/13

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. 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.

Price and Distribution Information

| Class A (Symbol: TPINX) | | Change | 8/31/13 | 8/31/12 |
|--------------------------------|----------|---------|---------|---------|
| Net Asset Value (NAV) | | -\$0.44 | \$12.68 | \$13.12 |
| Distributions (9/1/12-8/31/13) | | | | |
| Dividend Income | \$0.6942 | | | |
| Short-Term Capital Gain | \$0.0017 | | | |
| Long-Term Capital Gain | \$0.1699 | | | |
| Total | \$0.8658 | | | |
| Class C (Symbol: TEGBX) | | Change | 8/31/13 | 8/31/12 |
| Net Asset Value (NAV) | | -\$0.44 | \$12.70 | \$13.14 |
| Distributions (9/1/12-8/31/13) | | | | |
| Dividend Income | \$0.6407 | | | |
| Short-Term Capital Gain | \$0.0017 | | | |
| Long-Term Capital Gain | \$0.1699 | | | |
| Total | \$0.8123 | | | |
| Class R (Symbol: FGBRX) | | Change | 8/31/13 | 8/31/12 |
| Net Asset Value (NAV) | | -\$0.44 | \$12.67 | \$13.11 |
| Distributions (9/1/12-8/31/13) | | | | |
| Dividend Income | \$0.6607 | | | |
| Short-Term Capital Gain | \$0.0017 | | | |
| Long-Term Capital Gain | \$0.1699 | | | |
| Total | \$0.8323 | | | |
| Class R6 (Symbol: n/a) | | Change | 8/31/13 | 5/1/13 |
| Net Asset Value (NAV) | | -\$0.96 | \$12.64 | \$13.60 |
| Distributions (5/1/13-8/31/13) | | | | |
| Dividend Income | \$0.1751 | | | |
| Advisor Class (Symbol: TGBAX) | | Change | 8/31/13 | 8/31/12 |
| Net Asset Value (NAV) | | -\$0.45 | \$12.63 | \$13.08 |
| Distributions (9/1/12-8/31/13) | | | | |
| Dividend Income | \$0.7277 | | | |
| Short-Term Capital Gain | \$0.0017 | | | |
| Long-Term Capital Gain | \$0.1699 | | | |
| Total | \$0.8993 | | | |

Performance¹

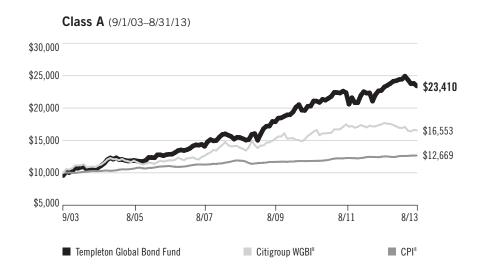
Cumulative total return excludes sales charges. Aggregate and average annual total returns and value of \$10,000 investment include maximum sales charges. Class A: 4.25% maximum initial sales charge; Class C: 1% contingent deferred sales charge in first year only; Class R/R6/Advisor Class: no sales charges.

| Class A | | 1-Year | 5-Year | 10-Year |
|--|-------|----------|----------|--------------------|
| Cumulative Total Return ² | | +3.09% | +51.62% | +144.57% |
| Average Annual Total Return ³ | | -1.28% | +7.73% | +8.88% |
| Value of \$10,000 Investment ⁴ | | \$9,872 | \$14,513 | \$23,410 |
| Avg. Ann. Total Return (9/30/13) ⁵ | | -1.11% | +8.53% | +8.50% |
| Total Annual Operating Expenses ⁶ | 0.91% | | | |
| Class C | | 1-Year | 5-Year | 10-Year |
| Cumulative Total Return ² | | +2.67% | +48.51% | +134.71% |
| Average Annual Total Return ³ | | +1.70% | +8.23% | +8.91% |
| Value of \$10,000 Investment ⁴ | | \$10,170 | \$14,851 | \$23,471 |
| Avg. Ann. Total Return (9/30/13) ⁵ | | +1.94% | +9.05% | +8.53% |
| Total Annual Operating Expenses ⁶ | 1.31% | | | |
| Class R | | 1-Year | 3-Year | Inception (2/2/09) |
| Cumulative Total Return ² | | +2.83% | +14.48% | +45.51% |
| Average Annual Total Return ³ | | +2.83% | +4.61% | +8.54% |
| Value of \$10,000 Investment ⁴ | | \$10,283 | \$11,448 | \$14,551 |
| Avg. Ann. Total Return (9/30/13) ⁵ | | +2.99% | +4.16% | +8.98% |
| Total Annual Operating Expenses ⁶ | 1.16% | | | |
| Class R6 | | | | Inception (5/1/13) |
| Cumulative Total Return ² | | | | -5.81% |
| Aggregate Total Return ⁷ | | | | -5.81% |
| Value of \$10,000 Investment ⁴ | | | | \$9,419 |
| Aggregate Total Return (9/30/13) ^{5, 7} | | | | -7.96% |
| Total Annual Operating Expenses ⁶ | 0.57% | | | |
| Advisor Class | | 1-Year | 5-Year | 10-Year |
| Cumulative Total Return ² | | +3.28% | +53.33% | +150.42% |
| Average Annual Total Return ³ | | +3.28% | +8.92% | +9.61% |
| Value of \$10,000 Investment ⁴ | | \$10,328 | \$15,333 | \$25,042 |
| Avg. Ann. Total Return (9/30/13) ⁵ | | +3.52% | +9.75% | +9.24% |
| Total Annual Operating Expenses ⁶ | 0.66% | | | |

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.

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

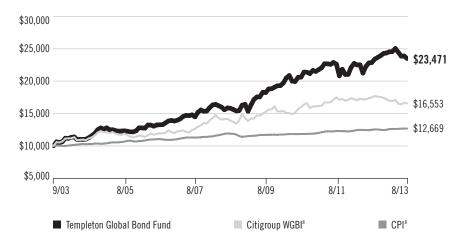
Total return represents the change in value of an investment over the periods shown. It includes any current, applicable, maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged index includes reinvestment of any income or distributions. It differs from the Fund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



Average Annual Total Return

| Class A | 8/31/13 |
|---------|---------|
| 1-Year | -1.28% |
| 5-Year | +7.73% |
| 10-Year | +8.88% |

Class C (9/1/03-8/31/13)



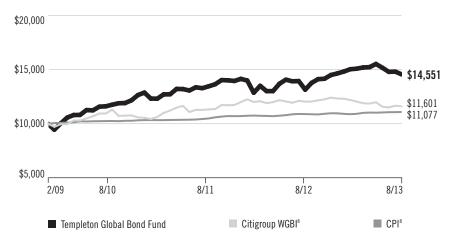
Average Annual Total Return

| Class C | 8/31/13 |
|---------|---------|
| 1-Year | +1.70% |
| 5-Year | +8.23% |
| 10-Year | +8.91% |

Average Annual Total Return

| Class R | 8/31/13 |
|--------------------------|---------|
| 1-Year | +2.83% |
| 3-Year | +4.61% |
| Since Inception (2/2/09) | +8.54% |

Class R (2/2/09-8/31/13)



Average Annual Total Return

| Advisor Class | 8/31/13 |
|---------------|---------|
| 1-Year | +3.28% |
| 5-Year | +8.92% |
| 10-Year | +9.61% |

Advisor Class (9/1/03-8/31/13)



Endnotes

All investments involve risks, including possible loss of principal. Currency rates may fluctuate significantly over short periods of time and can reduce returns. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio that may result in significant volatility and cause the Fund to participate in losses (as well as enable gains) 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. Foreign securities involve special risks, including currency fluctuations and economic and political uncertainties. Investments in emerging markets involve heightened risks related to the same factors, in addition to those associated with these markets' smaller size and lesser liquidity. Investments in lower rated bonds include higher risk of default and loss of principal. Changes in interest rates will affect the value of the Fund's portfolio and its share price and yield. Bond prices generally move in the opposite direction of interest rates. As prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. The Fund is nondiversified, which involves the risk of greater price fluctuation than a more diversified portfolio. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

- Class C: Prior to 1/1/04, these shares were offered with an initial sales charge; thus actual total returns would have differed. These shares
 - have higher annual fees and expenses than Class A shares.
- Class R: Shares are available to certain eligible investors as described in the prospectus. These shares have higher annual fees and expenses than Class A shares.
- Class R6: Shares are available to certain eligible investors as described in the prospectus.
- Advisor Class: Shares are available to certain eligible investors as described in the prospectus.
- 1. The Fund has a fee waiver associated with its investments in a Franklin Templeton money fund, contractually guaranteed through at least its current fiscal year end. Fund investment results reflect the fee waiver, to the extent applicable; without this reduction, 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.
- 4. These figures represent the value of a hypothetical \$10,000 investment in the Fund over the periods indicated.
- 5. In accordance with SEC rules, we provide standardized average annual total return information through the latest calendar quarter.
- 6. Figures are as stated in the Fund's current prospectus. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
- 7. Aggregate total return represents the change in value of an investment for the period indicated. Since Class R6 shares have existed for less than one year, average annual total return is not available.
- 8. Source: © 2013 Morningstar. The Citigroup WGBI is a market capitalization-weighted index consisting of investment-grade world government bond markets. The Consumer Price Index (CPI), calculated by the Bureau of Labor Statistics, is a commonly used measure of the inflation rate.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs:

- Transaction costs, including sales charges (loads) on Fund purchases; and
- 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 following table 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 first line (Actual) for each share class listed in the table provides actual account values and expenses. The "Ending Account Value" is derived from the Fund's actual return, which includes the effect of Fund expenses.

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:

- 1. Divide your account value by \$1,000. If an account had an \$8,600 value, then $$8,600 \div $1,000 = 8.6$.
- 2. Multiply the result by the number under the heading "Expenses Paid During Period." If Expenses Paid During Period were \$7.50, then $8.6 \times 7.50 = 64.50$.

In this illustration, the estimated expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Information in the second line (Hypothetical) for each class in the table can help you compare ongoing costs of investing in the Fund with those of other mutual funds. This information may not be used to estimate the actual ending account balance or expenses you paid during the period. The hypothetical "Ending Account Value" is based on the actual expense ratio for each class and an assumed 5% annual rate of return before expenses, which does not represent the Fund's actual return. The figure under the heading "Expenses Paid During Period" shows the hypothetical expenses your account would have incurred under this scenario. You can compare this figure with the 5% hypothetical examples that appear in shareholder reports of other funds.

Your Fund's Expenses (continued)

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transaction costs, such as sales charges. Therefore, the second line for each class is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transaction costs were included, your total costs would have been higher. Please refer to the Fund prospectus for additional information on operating expenses.

| Class A | Beginning Account Value 3/1/13 | Ending Account Value 8/31/13 | Expenses Paid During Period* 3/1/13–8/31/13 |
|--|-----------------------------------|---------------------------------|--|
| Actual | \$1,000 | \$ 959.90 | \$4.30 |
| Hypothetical (5% return before expenses) | \$1,000 | \$1,020.82 | \$4.43 |
| Class C | | | |
| Actual | \$1,000 | \$ 957.30 | \$6.27 |
| Hypothetical (5% return before expenses) | \$1,000 | \$1,018.80 | \$6.46 |
| Class R | | | |
| Actual | \$1,000 | \$ 957.90 | \$5.53 |
| Hypothetical (5% return before expenses) | \$1,000 | \$1,019.56 | \$5.70 |
| Class R6 | | | |
| Actual (5/1/13-8/31/13) | \$1,000 | \$ 941.90 | \$1.67 |
| Hypothetical (5% return before expenses) | \$1,000 | \$1,022.63 | \$2.60 |
| Advisor Class | | | |
| Actual | \$1,000 | \$ 960.30 | \$3.06 |
| Hypothetical (5% return before expenses) | \$1,000 | \$1,022.08 | \$3.16 |

^{*}Expenses are calculated using the most recent six-month expense ratio, annualized for each class (A: 0.87%; C: 1.27%; R: 1.12%; R6: 0.51%; and Advisor: 0.62%), multiplied by the average account value over the period, multiplied by 184/365 to reflect the one-half year period for Class R6 Hypothetical expenses and Actual and Hypothetical expenses for Classes A, C, R, and Advisor. The multiplier is 123/365 for Actual Class R6 expenses to reflect the number of days since inception.

Financial Highlights

| | | | Year Ended Aug | gust 31, | |
|---|--------------|--------------|----------------|--------------|-------------|
| Class A | 2013 | 2012 | 2011 | 2010 | 2009 |
| Per share operating performance (for a share outstanding throughout the year) | | | | | |
| Net asset value, beginning of year | \$13.12 | \$13.81 | \$13.24 | \$12.18 | \$11.42 |
| Income from investment operations ^a : | | | | | |
| Net investment income ^b | 0.38 | 0.43 | 0.52 | 0.57 | 0.57 |
| Net realized and unrealized gains (losses) | 0.04 | (0.24) | 0.78 | 1.05 | 1.11 |
| Total from investment operations | 0.42 | 0.19 | 1.30 | 1.62 | 1.68 |
| Less distributions from: | | | | | |
| Net investment income and net foreign currency | | | | | |
| gains | (0.69) | (0.80) | (0.73) | (0.56) | (0.92) |
| Net realized gains | (0.17) | (0.08) | | _ | |
| Total distributions | (0.86) | (0.88) | (0.73) | (0.56) | (0.92) |
| Net asset value, end of year | \$12.68 | \$13.12 | \$13.81 | \$13.24 | \$12.18 |
| Total return ^c | 3.09% | 1.75% | 9.96% | 13.57% | 15.74% |
| Ratios to average net assets | | | | | |
| Expenses | 0.86%d | 0.89% | 0.88%d | 0.91%d | 0.92%d |
| Net investment income | 2.84% | 3.30% | 3.76% | 4.40% | 4.99% |
| Supplemental data | | | | | |
| Net assets, end of year (000's) | \$25,959,296 | \$24,338,274 | \$26,032,471 | \$17,853,083 | \$9,301,146 |
| Portfolio turnover rate | 42.39% | 41.70% | 26.41% | 12.09% | 65.94% |

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

 $^{{}^{\}mathrm{b}}\mathrm{Based}$ on average daily shares outstanding.

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

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

Financial Highlights (continued)

| Class C | 2013 | 2012 | Year Ended Aug 2011 | ust 31, 2010 | 2009 |
|---|--------------------|-------------|------------------------|--------------------|--------------------|
| Per share operating performance (for a share outstanding throughout the year) | | | | | |
| Net asset value, beginning of year | \$13.14 | \$13.84 | \$13.27 | \$12.20 | \$11.43 |
| Income from investment operations ^a : | | | | | |
| Net investment income ^b | 0.33 | 0.38 | 0.46 | 0.52 | 0.53 |
| Net realized and unrealized gains (losses) | 0.04 | (0.25) | 0.79 | 1.06 | 1.11 |
| Total from investment operations | 0.37 | 0.13 | 1.25 | 1.58 | 1.64 |
| Less distributions from: | | | | | |
| Net investment income and net foreign currency gains | (0.64) | (0.75) | (0.68) | (0.51) | (0.87) |
| Net realized gains | (0.17) | (0.08) | _ | _ | |
| Total distributions | (0.81) | (0.83) | (0.68) | (0.51) | (0.87) |
| Net asset value, end of year | \$12.70 | \$13.14 | \$13.84 | \$13.27 | \$12.20 |
| Total return ^c | 2.67% | 1.26% | 9.59% | 13.01% | 15.35% |
| Ratios to average net assets | | | | | |
| Expenses | 1.26% ^d | 1.29% | 1.28% ^d | 1.31% ^d | 1.32% ^d |
| Net investment income | 2.44% | 2.90% | 3.36% | 4.00% | 4.59% |
| | | | | | |
| Supplemental data | | | | | |
| Net assets, end of year (000's) | \$8,956,685 | \$8,965,274 | \$9,270,612 | \$6,382,496 | \$2,874,696 |
| Portfolio turnover rate | 42.39% | 41.70% | 26.41% | 12.09% | 65.94% |

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

^bBased on average daily shares outstanding.

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

dBenefit of expense reduction rounds to less than 0.01%.

Financial Highlights (continued)

| Class R | 2013 | 2012 | ear Ended Au | gust 31, 2010 | 2009ª |
|---|--------------------|-----------|--------------------|--------------------|--------------------|
| Per share operating performance (for a share outstanding throughout the year) | 2010 | 2012 | 2011 | 2010 | 2003 |
| Net asset value, beginning of year | \$13.11 | \$13.81 | \$13.24 | \$12.18 | \$11.14 |
| Income from investment operations ^b : | | | | | |
| Net investment income ^c | 0.34 | 0.39 | 0.46 | 0.53 | 0.33 |
| Net realized and unrealized gains (losses) | 0.05 | (0.25) | 0.81 | 1.06 | 1.01 |
| Total from investment operations | 0.39 | 0.14 | 1.27 | 1.59 | 1.34 |
| Less distributions from: | | | | | |
| Net investment income and net foreign currency gains | (0.66) | (0.76) | (0.70) | (0.53) | (0.30) |
| Net realized gains | (0.17) | (80.0) | | | |
| Total distributions | (0.83) | (0.84) | (0.70) | (0.53) | (0.30) |
| Net asset value, end of year | \$12.67 | \$13.11 | \$13.81 | \$13.24 | \$12.18 |
| Total return ^d | 2.83% | 1.42% | 9.78% | 13.22% | 12.27% |
| Ratios to average net assetse | | | | | |
| Expenses | 1.11% ^f | 1.14% | 1.13% ^f | 1.16% ^f | 1.17% ^f |
| Net investment income | 2.59% | 3.05% | 3.51% | 4.15% | 4.74% |
| | | | | | |
| Supplemental data | | | | | |
| Net assets, end of year (000's) | \$297,364 | \$210,580 | \$126,413 | \$27,539 | \$3,339 |
| Portfolio turnover rate | 42.39% | 41.70% | 26.41% | 12.09% | 65.94% |

^aFor the period February 2, 2009 (effective date) to August 31, 2009.

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 shares in relation to income earned and/or fluctuating market 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.

[†]Benefit of expense reduction rounds to less than 0.01%.

Financial Highlights (continued)

| Class R6 | Period Ended August 31, 2013 ^a |
|---|---|
| Per share operating performance (for a share outstanding throughout the period) | |
| Net asset value, beginning of period | \$13.60 |
| Income from investment operations ^b : | |
| Net investment income ^c | 0.13 |
| Net realized and unrealized gains (losses) | (0.91) |
| Total from investment operations | (0.78) |
| Less distributions from net investment income | (0.18) |
| Net asset value, end of period | \$12.64 |
| Total return ^d | (5.81)% |
| Ratios to average net assetse | |
| Expenses | 0.51% ^f |
| Net investment income | 3.19% |
| Supplemental data | |
| Net assets, end of period (000's) | \$123,814 |
| Portfolio turnover rate | 42.39% |

^aFor the period May 1, 2013 (effective date) to August 31, 2013.

The 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 shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

Based 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%.

Financial Highlights (continued)

| Addison | 2212 | 2212 | Year Ended Au | | 2222 |
|--|--------------|--------------|---------------|--------------------|-------------|
| Advisor Class Per share operating performance | 2013 | 2012 | 2011 | 2010 | 2009 |
| (for a share outstanding throughout the year) | | | | | |
| Net asset value, beginning of year | \$13.08 | \$13.77 | \$13.21 | \$12.15 | \$11.39 |
| Income from investment operations ^a : | | | | | |
| Net investment income ^b | 0.41 | 0.46 | 0.55 | 0.60 | 0.60 |
| Net realized and unrealized gains (losses) | 0.04 | (0.24) | 0.78 | 1.05 | 1.10 |
| Total from investment operations | 0.45 | 0.22 | 1.33 | 1.65 | 1.70 |
| Less distributions from: | | | | | |
| Net investment income and net foreign currency | | | | | |
| gains | (0.73) | (0.83) | (0.77) | (0.59) | (0.94) |
| Net realized gains | (0.17) | (0.08) | | | |
| Total distributions | (0.90) | (0.91) | (0.77) | (0.59) | (0.94) |
| Net asset value, end of year | \$12.63 | \$13.08 | \$13.77 | \$13.21 | \$12.15 |
| | | | | | |
| Total return | 3.28% | 2.01% | 10.27% | 13.80% | 15.98% |
| | | | | | |
| Ratios to average net assets | | | | | |
| Expenses | 0.61% | 0.64% | 0.63% | 0.66% ^c | 0.67%⁵ |
| Net investment income | 3.09% | 3.55% | 4.01% | 4.65% | 5.24% |
| | | | | | |
| Supplemental data | | | | | |
| Net assets, end of year (000's) | \$32,926,705 | \$28,062,661 | \$27,154,629 | \$13,833,022 | \$5,021,533 |
| Portfolio turnover rate | 42.39% | 41.70% | 26.41% | 12.09% | 65.94% |

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

^bBased on average daily shares outstanding.

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

Statement of Investments, August 31, 2013

| Templeton Global Bond Fund | Principal Amount* | Value |
|---|--------------------|----------------|
| Foreign Government and Agency Securities 68.9% | | |
| Brazil 3.6% | | |
| Letra Tesouro Nacional, Strip, 1/01/16 | 559,730° BRL | \$ 181,906,142 |
| Nota Do Tesouro Nacional, | | |
| 10.00%, 1/01/14 | 78,500° BRL | 32,965,869 |
| 10.00%, 1/01/17 | 930,930° BRL | 372,366,971 |
| 10.00%, 1/01/23 | 395,060° BRL | 147,615,685 |
| ^b Index Linked, 6.00%, 5/15/15 | 513,884° BRL | 511,100,340 |
| ^b Index Linked, 6.00%, 8/15/16 | 316,890° BRL | 313,452,319 |
| ^b Index Linked, 6.00%, 5/15/17 | 4,429a BRL | 4,384,438 |
| ^b Index Linked, 6.00%, 8/15/18 | 269,945° BRL | 267,005,881 |
| ^b Index Linked, 6.00%, 8/15/22 | 308,160° BRL | 306,709,946 |
| ^b Index Linked, 6.00%, 5/15/45 | 131,725° BRL | 132,378,162 |
| senior note, 10.00%, 1/01/19 | 395,060° BRL | 154,159,643 |
| | | 2,424,045,396 |
| Canada 2.8% | | |
| Government of Canada, | | |
| 2.25%, 8/01/14 | 140,932,000 CAD | 135,187,427 |
| 1.00%, 11/01/14 | 446,376,000 CAD | 423,155,719 |
| 2.00%, 12/01/14 | 387,422,000 CAD | 371,681,660 |
| 1.00%, 2/01/15 | 1,061,937,000 CAD | 1,005,768,098 |
| | | 1,935,792,904 |
| Hungary 6.1% | | |
| Government of Hungary, | | |
| 5.50%, 2/12/14 | 35,819,100,000 HUF | 158,176,920 |
| 7.75%, 8/24/15 | 32,210,410,000 HUF | 149,476,070 |
| 5.50%, 2/12/16 | 28,980,500,000 HUF | 128,919,589 |
| 5.50%, 12/22/16 | 7,040,020,000 HUF | 31,170,907 |
| 4.125%, 2/19/18 | 136,990,000 | 133,394,013 |
| 6.50%, 6/24/19 | 19,874,900,000 HUF | 89,138,837 |
| 7.50%, 11/12/20 | 7,643,570,000 HUF | 35,759,545 |
| 5.375%, 2/21/23 | 252,890,000 | 238,399,403 |
| A, 8.00%, 2/12/15 | 20,591,600,000 HUF | 94,780,705 |
| A, 6.75%, 11/24/17 | 71,810,700,000 HUF | 328,567,696 |
| A, 5.50%, 12/20/18 | 6,660,130,000 HUF | 28,835,048 |
| A, 7.00%, 6/24/22 | 17,668,840,000 HUF | 79,737,457 |
| B, 6.75%, 2/24/17 | 32,992,300,000 HUF | 150,881,178 |
| D, 6.75%, 8/22/14 | 96,881,630,000 HUF | 435,675,159 |
| E, 7.50%, 10/24/13 | 13,512,000,000 HUF | 59,547,695 |
| °Reg S, 6.00%, 1/11/19 | 179,922,000 EUR | 247,333,738 |
| senior note, 3.50%, 7/18/16 | 11,765,000 EUR | 15,583,634 |
| senior note, 4.375%, 7/04/17 | 104,973,000 EUR | 138,826,158 |
| senior note, 6.25%, 1/29/20 | 390,004,000 | 404,629,150 |
| senior note, 3.875%, 2/24/20 | 41,781,000 EUR | 51,688,893 |
| senior note, 6.375%, 3/29/21 | 927,200,000 | 958,493,000 |
| csenior note, Reg S, 5.75%, 6/11/18 | 143,730,000 EUR | 194,731,874 |
| | | 4,153,746,669 |
| Iceland 0.3% | | |
| ^d Government of Iceland, 144A, 5.875%, 5/11/22 | 173,200,000 | 176,718,558 |
| | | |

| Templeton Global Bond Fund | Principal Amou | nt* | Value |
|--|-------------------|-----|---------------|
| Foreign Government and Agency Securities (continued) | | | |
| Indonesia 1.9% | | | |
| Government of Indonesia, | | | |
| FR20, 14.275%, 12/15/13 | 301,008,000,000 | IDR | \$ 27,282,312 |
| FR26, 11.00%, 10/15/14 | 145,580,000,000 | | 13,410,611 |
| FR27, 9.50%, 6/15/15 | 55,210,000,000 | | 5,047,265 |
| FR28, 10.00%, 7/15/17 | 104,700,000,000 | | 9,900,076 |
| FR30, 10.75%, 5/15/16 | 185,655,000,000 | | 17,648,271 |
| FR31, 11.00%, 11/15/20 | 889,507,000,000 | | 90,025,402 |
| FR32, 15.00%, 7/15/18 | 1,150,000,000 | | 130,030 |
| FR34, 12.80%, 6/15/21 | 1,505,113,000,000 | | 166,308,665 |
| FR35, 12.90%, 6/15/22 | 798,372,000,000 | | 89,001,632 |
| FR36, 11.50%, 9/15/19 | 401,590,000,000 | | 40,965,915 |
| FR37, 12.00%, 9/15/26 | 66,550,000,000 | | 7,299,377 |
| FR39, 11.75%, 8/15/23 | 556,845,000,000 | | 59,201,533 |
| FR40, 11.00%, 9/15/25 | 710,760,000,000 | | 72,918,077 |
| FR42, 10.25%, 7/15/27 | 818,390,000,000 | | 80,428,177 |
| FR43, 10.25%, 7/15/22 | 319,455,000,000 | | 31,132,743 |
| FR44, 10.00%, 9/15/24 | 197,824,000,000 | | 19,062,578 |
| | | | 263,153,139 |
| FR46, 9.50%, 7/15/23 | 2,825,220,000,000 | | , , |
| FR47, 10.00%, 2/15/28 | 1,854,867,000,000 | | 179,740,137 |
| FR48, 9.00%, 9/15/18 | 341,640,000,000 | | 31,381,137 |
| FR52, 10.50%, 8/15/30 | 896,704,000,000 | IDR | 89,786,972 |
| | | | 1,293,824,049 |
| Ireland 9.0% | | | |
| Government of Ireland, | | | |
| 5.90%, 10/18/19 | 572,988,000 | EUR | 848,961,183 |
| 4.50%, 4/18/20 | 471,335,000 | EUR | 646,544,834 |
| 5.00%, 10/18/20 | 1,419,015,000 | | 1,998,462,492 |
| Reg S, 5.50%, 10/18/17 | 581,634,900 | | 848,895,280 |
| senior bond, 4.50%, 10/18/18 | 170,232,000 | | 239,854,494 |
| senior bond, 4.40%, 6/18/19 | 390,069,000 | | 540,217,940 |
| senior bond, 5.40%, 3/13/25 | 723,011,670 | | 1,027,386,045 |
| 30.10. 20.10, 0.10.70, 0.20.20 | , 20,011,0,0 | | 6,150,322,268 |
| | | | 0,130,322,200 |
| Israel 0.6% | | | |
| Government of Israel, 3.50%, 9/30/13 | 1,553,169,000 | ILS | 428,445,565 |
| Lithuania 1.1% | | | |
| dGovernment of Lithuania, 144A, | | | |
| 6.75%, 1/15/15 | 340,330,000 | | 362,417,417 |
| 7.375%, 2/11/20 | 259,310,000 | | 306,860,971 |
| 6.125%, 3/09/21 | 101,430,000 | | 112,915,426 |
| 0.12070, 0.703721 | 101,100,000 | | 782,193,814 |
| | | | |
| Malaysia 3.2% | | | |
| Government of Malaysia, | | | |
| 3.434%, 8/15/14 | 1,533,215,000 | MYR | 465,966,178 |
| 3.741%, 2/27/15 | 1,054,205,000 | MYR | 321,761,533 |
| 3.835%, 8/12/15 | 859,905,000 | MYR | 263,239,415 |
| 4.72%, 9/30/15 | 40,460,000 | MYR | 12,606,515 |
| | | | |

| | Principal Amount* | Value |
|--|--|--|
| Foreign Government and Agency Securities (continued) | | |
| Malaysia (continued) | | |
| Government of Malaysia, (continued) | | |
| 3.197%, 10/15/15 | 471,060,000 MYR | \$ 142,405,523 |
| senior bond, 8.00%, 10/30/13 | 23,155,000 MYR | 7,071,514 |
| senior bond, 5.094%, 4/30/14 | 3,163,460,000 MYR | 971,484,899 |
| | | 2,184,535,577 |
| Mexico 3.9% | | |
| Government of Mexico, | | |
| 8.00%, 12/19/13 | 108,503,900 e MXN | 822,049,947 |
| 7.00%, 6/19/14 | 53,374,400 ° MXN | 408,939,362 |
| 9.50%, 12/18/14 | 33,429,700 ° MXN | 267,406,319 |
| 6.00%, 6/18/15 | 16,289,740° MXN | 125,802,985 |
| 8.00%, 12/17/15 | 58,753,310 ° MXN | 475,132,787 |
| 6.25%, 6/16/16 | 14,670,650 ° MXN | 114,503,223 |
| 7.25%, 12/15/16 | 11,100,000 ° MXN | 89,072,545 |
| Mexican Udibonos, Index Linked, | 11,100,000 11/114 | 05,072,040 |
| 4.50%, 12/18/14 | 4,977,389f MXN | 39,548,791 |
| 5.00%, 6/16/16 | 12,754,739 ^f MXN | 107,030,578 |
| 3.50%, 12/14/17 | 10,806,787 f MXN | 88,510,327 |
| 4.00%, 6/13/19 | 6,760,920 ^f MXN | 56,972,964 |
| 2.50%, 12/10/20 | 5,413,172 ^f MXN | 41,484,302 |
| 2.55 /6, 12/25/25 | 0,110,172 | 2,636,454,130 |
| | | 2,000,404,100 |
| Peru 0.1% | 404.000.000.000 | |
| Government of Peru, senior bond, 7.84%, 8/12/20 | 184,399,000 PEN | 73,869,721 |
| Philippines 0.5% | | |
| | | |
| | | |
| Government of the Philippines, 4.625%, 11/25/15 | 1,756,700,000 PHP | 40,898,005 |
| | 1,756,700,000 PHP 619,630,000 PHP | |
| 4.625%, 11/25/15 | | 16,061,653 |
| 4.625%, 11/25/15 | 619,630,000 PHP | 16,061,653 84,369,230 |
| 4.625%, 11/25/15 | 619,630,000 PHP 3,702,970,000 PHP | 16,061,653 84,369,230 195,480,210 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 | 619,630,000 PHP 3,702,970,000 PHP | 16,061,653 84,369,230 195,480,210 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% | 619,630,000 PHP 3,702,970,000 PHP | 16,061,653 84,369,230 195,480,210 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP | 16,061,653 84,369,230 195,480,210 336,809,098 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP | 16,061,653 84,369,230 195,480,210 336,809,098 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 5.75%, 4/25/14 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP 523,390,000 PLN 2,480,680,000 PLN | 16,061,653 84,369,230 195,480,210 336,809,098 162,497,303 782,732,314 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 5.75%, 4/25/14 5.50%, 4/25/15 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP 523,390,000 PLN 2,480,680,000 PLN 1,502,193,000 PLN | 16,061,653 84,369,230 195,480,210 336,809,098 162,497,303 782,732,314 482,762,258 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 5.75%, 4/25/14 5.50%, 4/25/15 6.25%, 10/24/15 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP 523,390,000 PLN 2,480,680,000 PLN 1,502,193,000 PLN 1,806,639,000 PLN | 16,061,653 84,369,230 195,480,210 336,809,098 162,497,303 782,732,314 482,762,258 593,669,452 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 5.75%, 4/25/14 5.50%, 4/25/15 6.25%, 10/24/15 5.75%, 9/23/22 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP 523,390,000 PLN 2,480,680,000 PLN 1,502,193,000 PLN 1,806,639,000 PLN 495,970,000 PLN | 16,061,653 84,369,230 195,480,210 336,809,098 162,497,303 782,732,314 482,762,258 593,669,452 168,422,011 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 5.75%, 4/25/14 5.50%, 4/25/15 6.25%, 10/24/15 5.75%, 9/23/22 gFRN, 2.71%, 1/25/17 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP 523,390,000 PLN 2,480,680,000 PLN 1,502,193,000 PLN 1,806,639,000 PLN 495,970,000 PLN 2,005,988,000 PLN | 16,061,653 84,369,230 195,480,210 336,809,098 162,497,303 782,732,314 482,762,258 593,669,452 168,422,011 619,467,542 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 5.75%, 4/25/14 5.50%, 4/25/15 6.25%, 10/24/15 5.75%, 9/23/22 gFRN, 2.71%, 1/25/17 gFRN, 2.71%, 1/25/21 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP 523,390,000 PLN 2,480,680,000 PLN 1,502,193,000 PLN 1,806,639,000 PLN 495,970,000 PLN 2,005,988,000 PLN 2,035,015,000 PLN | 16,061,653 84,369,230 195,480,210 336,809,098 162,497,303 782,732,314 482,762,258 593,669,452 168,422,011 619,467,542 619,127,898 |
| senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 5.75%, 4/25/14 5.50%, 4/25/15 6.25%, 10/24/15 5.75%, 9/23/22 gFRN, 2.71%, 1/25/17 gFRN, 2.71%, 1/25/21 senior note, 6.375%, 7/15/19 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP 523,390,000 PLN 2,480,680,000 PLN 1,502,193,000 PLN 1,806,639,000 PLN 495,970,000 PLN 2,005,988,000 PLN 2,035,015,000 PLN 297,700,000 | 16,061,653 84,369,230 195,480,210 336,809,098 162,497,303 782,732,314 482,762,258 593,669,452 168,422,011 619,467,542 619,127,898 342,764,338 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 5.75%, 4/25/14 5.50%, 4/25/15 6.25%, 10/24/15 5.75%, 9/23/22 gFRN, 2.71%, 1/25/17 gFRN, 2.71%, 1/25/21 senior note, 6.375%, 7/15/19 Strip, 1/25/14 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP 523,390,000 PLN 2,480,680,000 PLN 1,502,193,000 PLN 1,806,639,000 PLN 495,970,000 PLN 2,005,988,000 PLN 2,035,015,000 PLN 297,700,000 3,771,680,000 PLN | 16,061,653 84,369,230 195,480,210 336,809,098 162,497,303 782,732,314 482,762,258 593,669,452 168,422,011 619,467,542 619,127,898 342,764,338 1,155,422,369 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 5.75%, 4/25/14 5.50%, 4/25/15 6.25%, 10/24/15 5.75%, 9/23/22 gFRN, 2.71%, 1/25/17 gFRN, 2.71%, 1/25/17 senior note, 6.375%, 7/15/19 Strip, 1/25/14 Strip, 7/25/14 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP 523,390,000 PLN 2,480,680,000 PLN 1,502,193,000 PLN 1,806,639,000 PLN 495,970,000 PLN 2,005,988,000 PLN 2,035,015,000 PLN 297,700,000 3,771,680,000 PLN 1,529,125,000 PLN | 16,061,653 84,369,230 195,480,210 336,809,098 162,497,303 782,732,314 482,762,258 593,669,452 168,422,011 619,467,542 619,127,898 342,764,338 1,155,422,369 462,428,010 |
| 4.625%, 11/25/15 senior bond, 9.125%, 9/04/16 senior note, 6.25%, 1/27/14 senior note, 1.625%, 4/25/16 Poland 9.9% Government of Poland, 5.00%, 10/24/13 5.75%, 4/25/14 5.50%, 4/25/15 6.25%, 10/24/15 5.75%, 9/23/22 gFRN, 2.71%, 1/25/17 gFRN, 2.71%, 1/25/21 senior note, 6.375%, 7/15/19 Strip, 1/25/14 | 619,630,000 PHP 3,702,970,000 PHP 8,806,980,000 PHP 523,390,000 PLN 2,480,680,000 PLN 1,502,193,000 PLN 1,806,639,000 PLN 495,970,000 PLN 2,005,988,000 PLN 2,035,015,000 PLN 297,700,000 3,771,680,000 PLN | 40,898,005 16,061,653 84,369,230 195,480,210 336,809,098 162,497,303 782,732,314 482,762,258 593,669,452 168,422,011 619,467,542 619,127,898 342,764,338 1,155,422,369 462,428,010 346,341,444 1,013,142,297 |

| Templeton Global Bond Fund | Principal Amou | nt* | | Value |
|--|-------------------|-----|-----|---------------|
| Foreign Government and Agency Securities (continued) | | | | |
| Russia 1.1% | | | | |
| Government of Russia, senior bond, | | | | |
| d144A, 7.50%, 3/31/30 | 501,724,720 | | \$ | 579,053,043 |
| cReg S, 7.50%, 3/31/30 | 130,125,425 | | | 150,181,006 |
| | | | _ | 729,234,049 |
| Serbia 0.7% | | | | |
| dGovernment of Serbia, senior note, 144A, | | | | |
| 5.25%, 11/21/17 | 100,490,000 | | | 98,668,619 |
| 4.875%, 2/25/20 | 190,710,000 | | | 172,711,744 |
| 7.25%, 9/28/21 | 211,710,000 | | | 213,087,173 |
| | | | | 484,467,536 |
| Slovenia 0.4% | | | | |
| dGovernment of Slovenia, senior note, 144A, | | | | |
| 5.50%, 10/26/22 | 177,120,000 | | | 163,624,342 |
| 5.85%, 5/10/23 | 133,030,000 | | | 125,563,691 |
| | | | | 289,188,033 |
| South Korea 15.0% | | | | |
| Government of Korea, senior bond, 5.625%, 11/03/25 | 13,150,000 | | | 15,077,922 |
| Korea Monetary Stabilization Bond, | | | | |
| senior bond, 3.59%, 10/02/13 | 304,698,550,000 | KRW | | 274,593,511 |
| senior bond, 3.48%, 12/02/13 | 188,714,600,000 | KRW | | 170,334,232 |
| senior bond, 3.47%, 2/02/14 | 805,900,480,000 | KRW | | 728,292,264 |
| senior bond, 3.59%, 4/02/14 | 381,360,620,000 | KRW | | 345,350,071 |
| senior bond, 2.47%, 4/02/15 | 804,984,870,000 | KRW | | 721,714,820 |
| senior bond, 2.80%, 8/02/15 | 220,264,100,000 | KRW | | 198,354,122 |
| senior note, 3.28%, 6/02/14 | 452,128,690,000 | KRW | | 410,779,396 |
| senior note, 2.57%, 6/09/14 | 392,805,000,000 | KRW | | 353,460,551 |
| senior note, 2.82%, 8/02/14 | 229,197,800,000 | KRW | | 206,668,596 |
| senior note, 2.78%, 10/02/14 | 914,157,100,000 | KRW | | 824,023,313 |
| senior note, 2.84%, 12/02/14 | 404,622,980,000 | KRW | | 364,969,523 |
| senior note, 2.74%, 2/02/15 | 975,821,950,000 | KRW | | 879,039,246 |
| senior note, 2.76%, 6/02/15 | 1,835,253,600,000 | KRW | 1 | ,652,280,284 |
| Korea Treasury Bond, | | | | |
| senior bond, 3.00%, 12/10/13 | 1,702,557,850,000 | KRW | 1 | ,534,774,179 |
| senior bond, 3.50%, 6/10/14 | 290,240,000,000 | KRW | | 262,998,074 |
| senior bond, 5.25%, 9/10/15 | 26,000,000,000 | KRW | | 24,533,725 |
| senior bond, 5.00%, 9/10/16 | 175,000,000,000 | KRW | | 166,827,920 |
| senior note, 3.25%, 12/10/14 | 212,343,630,000 | KRW | | 192,465,293 |
| senior note, 3.25%, 6/10/15 | 239,917,540,000 | KRW | | 217,784,715 |
| senior note, 2.75%, 12/10/15 | 793,131,600,000 | KRW | | 713,364,610 |
| | | | _10 |),257,686,367 |
| Sri Lanka 0.9% | | | | |
| Government of Sri Lanka, | | | | |
| A, 7.00%, 3/01/14 | 935,200,000 | LKR | | 6,921,465 |
| A, 11.25%, 7/15/14 | 23,159,500,000 | LKR | | 175,272,455 |
| A, 11.75%, 3/15/15 | 166,090,000 | LKR | | 1,263,471 |
| A, 6.50%, 7/15/15 | 3,488,190,000 | LKR | | 24,289,640 |
| A, 11.00%, 8/01/15 | 15,208,000,000 | LKR | | 114,362,673 |
| | | | | |

| Templeton Global Bond Fund | Principal Amount* | Value |
|--|--------------------|----------------|
| Foreign Government and Agency Securities (continued) | | |
| Sri Lanka (continued) | | |
| Government of Sri Lanka, (continued) | | |
| A, 6.40%, 8/01/16 | 2,094,100,000 LKR | \$ 13,929,389 |
| A, 5.80%, 1/15/17 | 2,419,800,000 LKR | 15,486,356 |
| A, 8.00%, 11/15/18 | 6,671,840,000 LKR | 43,158,622 |
| A, 9.00%, 5/01/21 | 10,254,020,000 LKR | 66,272,681 |
| B, 11.75%, 4/01/14 | 1,487,710,000 LKR | 11,273,629 |
| B, 6.60%, 6/01/14 | 759,700,000 LKR | 5,556,499 |
| B, 11.00%, 9/01/15 | 3,443,800,000 LKR | 25,899,630 |
| B, 6.40%, 10/01/16 | 1,421,400,000 LKR | 9,384,983 |
| B, 5.80%, 7/15/17 | 810,400,000 LKR | 5,064,238 |
| B, 8.50%, 7/15/18 | 1,975,710,000 LKR | 13,159,879 |
| C, 8.50%, 4/01/18 | 3,070,570,000 LKR | 20,602,739 |
| D, 8.50%, 6/01/18 | 7,532,460,000 LKR | 50,730,183 |
| Sri Lanka Government Bond, 8.00%, 1/01/17 | 476,700,000 LKR | 3,263,189 |
| | | 605,891,721 |
| h Supranational 0.5% | | |
| Inter-American Development Bank, senior note, 7.50%, 12/05/24 | 2,473,000,000 MXN | 201,101,912 |
| International Bank for Reconstruction and Development, 2.25%, 11/08/13 | 860,000,000 SEK | 130,066,293 |
| | | 331,168,205 |
| Sweden 3.4% | | |
| Government of Sweden, 6.75%, 5/05/14 | 6,893,300,000 SEK | 1,081,282,269 |
| Kommuninvest I Sverige AB, 2.25%, 5/05/14 | 8,098,170,000 SEK | 1,231,508,939 |
| | | 2,312,791,208 |
| Ukraine 3.4% | | |
| ^d Government of Ukraine, | | |
| 144A, 7.95%, 6/04/14 | 391,240,000 | 388,550,225 |
| 144A, 6.875%, 9/23/15 | 10,500,000 | 10,178,438 |
| 144A, 9.25%, 7/24/17 | 248,820,000 | 244,154,625 |
| 144A, 7.75%, 9/23/20 | 167,780,000 | 148,930,756 |
| senior bond, 144A, 6.58%, 11/21/16 | 135,700,000 | 125,318,950 |
| senior bond, 144A, 7.80%, 11/28/22 | 415,920,000 | 361,840,002 |
| senior note, 144A, 4.95%, 10/13/15 | 50,870,000 EUR | 64,398,069 |
| senior note, 144A, 6.25%, 6/17/16 | 349,346,000 | 323,363,391 |
| senior note, 144A, 6.75%, 11/14/17 | 80,983,000 | 72,378,556 |
| senior note, 144A, 7.95%, 2/23/21 | 554,350,000 | 494,757,375 |
| senior note, 144A, 7.50%, 4/17/23 | 130,600,000 | 112,071,125 |
| | | 2,345,941,512 |
| Venezuela 0.2% | | |
| Government of Venezuela, 10.75%, 9/19/13 | 133,587,000 | 133,914,288 |
| Vietnam 0.3% | 100 780 000 | 011 041 007 |
| dGovernment of Vietnam, 144A, 6.75%, 1/29/20 | 199,780,000 | 211,641,937_ |
| Total Foreign Government and Agency Securities (Cost \$46,667,210,196) | | 47,027,459,841 |

| Templeton Global Bond Fund | Principal Amount* | Value |
|---|--------------------|----------------|
| Quasi-Sovereign and Corporate Bonds 0.5% | | |
| South Korea 0.2% | | |
| The Export-Import Bank of Korea, | | |
| senior bond, 5.125%, 3/16/15 | 6,330,000 | \$ 6,688,341 |
| senior note, 4.625%, 2/20/17 | 14,090,000 EUR | 20,414,875 |
| dsenior note, 144A, 5.25%, 2/10/14 | 6,200,000 | 6,318,749 |
| dsenior note, 144A, 1.45%, 5/19/14 | 691,680,000 SEK | 104,435,728 |
| | | 137,857,693 |
| III | | |
| Ukraine 0.3% | | |
| Financing of Infrastructure Projects State Enterprise, 144A, | 22 747 000 | 01 504 007 |
| 8.375%, 11/03/17 | 23,747,000 | 21,504,927 |
| 7.40%, 4/20/18 | 238,810,000 | 203,009,993 |
| | | 224,514,920 |
| Total Quasi-Sovereign and Corporate Bonds | | |
| (Cost \$387,412,379) | | 362,372,613 |
| | | |
| Municipal Bonds 0.1% | | |
| United States 0.1% | | |
| Bexar County Revenue, Venue Project, Refunding, | | |
| Series A, BHAC Insured, 5.25%, 8/15/47 | 6,900,000 | 7,130,046 |
| Riverside County Transportation Commission Sales Tax Revenue, | | |
| Build America Bonds, Limited Tax, Series B, 6.807%, 6/01/39 | 24,860,000 | 30,243,682 |
| Total Municipal Bonds (Cost \$31,013,598) | | 37,373,728 |
| Total Investments before Short Term Investments | | |
| (Cost \$47,085,636,173) | | 47,427,206,182 |
| | | 47,427,200,102 |
| Short Term Investments 27.2% | | |
| Foreign Government and Agency Securities 15.5% | | |
| Australia 1.4% | | |
| Australia Treasury Bill, 11/08/13 | 487,700,000 AUD | 432,364,407 |
| Government of Australia, senior note, 6.25%, 6/15/14 | 552,636,000 AUD | 506,989,215 |
| | | 939,353,622 |
| Brazil 0.2% | | |
| Letra Tesouro Nacional, Strip, 4/01/14 | 394,670ª BRL | 156,907,000 |
| | 394,070° BILL | 130,907,000 |
| Canada 2.0% | | |
| Government of Canada, | | |
| 2.50%, 9/01/13 | 136,734,000 CAD | 129,818,443 |
| 1.00%, 2/01/14 | 734,458,000 CAD | 697,088,454 |
| 2.00%, 3/01/14 | 272,313,000 CAD | 259,716,472 |
| 0.75%, 5/01/14 | 257,290,000 CAD | 243,803,549 |
| | | 1,330,426,918 |
| Hungary 0.3% | | |
| Hungary Treasury Bills, 9/18/13 - 6/25/14 | 40,795,890,000 HUF | 177,325,335 |
| | +0,733,030,000 HUF | 177,323,333 |
| Malaysia 4.9% | | |
| Bank of Negara Monetary Notes, 10/10/13 - 8/05/14 | 11,199,508,000 MYR | 3,343,831,783 |
| Malaysia Treasury Bills, 12/27/13 - 5/30/14 | 59,375,000 MYR | 17,683,138 |
| Malaysia fleasury bills, 12/27/13 - 3/30/14 | , | |

| Templeton Global Bond Fund | Principal Amount* | Value |
|---|--|---|
| Short Term Investments (continued) Foreign Government and Agency Securities (continued) Mexico 0.7% Mexico Treasury Bills, 9/19/13 - 4/30/14 | 670 175 040k MVN | ¢ 402.751.150 |
| | 670,175,940 ^k MXN | \$ 493,751,150 |
| Norway 0.2% j Norway Treasury Bill, 9/18/13 | 733,300,000 NOK | 119,753,959 |
| Philippines 0.9% Philippine Treasury Bills, 9/04/13 - 8/06/14 | 28,756,520,000 PHP | 642,046,806 |
| Singapore 3.6% | | |
| Monetary Authority of Singapore Treasury Bills, 10/25/13 - 11/22/13 | 637,075,000 SGD 2,483,672,000 SGD | 499,168,278 1,945,433,698 2,444,601,976 |
| South Korea 0.4% | | 2,444,001,370 |
| Korea Monetary Stabilization Bond, 10/22/13 | 134,472,100,000 KRW 199,395,200,000 KRW | 120,662,891 179,435,581 300,098,472 |
| Sri Lanka 0.0% [†] | | |
| ^j Sri Lanka Treasury Bill, 10/11/13 | 204,800,000 LKR | 1,527,525 |
| Sweden 0.9% | | |
| Sweden Treasury Bills, 9/18/13 - 12/18/13 | 4,106,530,000 SEK | 619,134,000 |
| Total Foreign Government and Agency Securities (Cost \$11,008,422,954) | | 10,586,441,684 |
| U.S. Government and Agency Securities (Cost \$200,365,246) 0.3% United States 0.3% | | |
| ^j FHLB, 9/04/13 - 9/06/13 | 200,366,000 | 200,365,800 |
| Total Investments before Money Market Funds (Cost \$58,294,424,373) | | 58,214,013,666 |
| | Charac | ı |
| Money Market Funds (Cost \$7,788,412,207) 11.4% | Shares | 1 |
| United States 11.4% | | |
| I,m Institutional Fiduciary Trust Money Market Portfolio | 7,788,412,207 | 7,788,412,207 |
| Total Investments (Cost \$66,082,836,580) 96.7% | | 66,002,425,873 |
| Other Assets, less Liabilities 3.3% | | 2,261,438,536 |
| Net Assets 100.0% | | \$ 68,263,864,409 |

[†]Rounds to less than 0.1% of net assets.

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

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

bRedemption price at maturity is adjusted for inflation. See Note 1(g).

eSecurity 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. These securities have been deemed liquid under guidelines approved by the Trust's Board of Trustees. At August 31, 2013, the aggregate value of these securities was \$1,441,141,898, representing 2.11% of net assets.

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

dSecurity 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. These securities have been deemed liquid under guidelines approved by the Trust's Board of Trustees. At August 31, 2013, the aggregate value of these securities was \$5,204,473,830, representing 7.62% of net assets.

ePrincipal amount is stated in 100 Mexican Peso Units.

^fPrincipal amount is stated in 100 Unidad de Inversion Units.

gThe coupon rate shown represents the rate at period end.

hA supranational organization is an entity formed by two or more central governments through international treaties.

ⁱA portion or all of the security purchased on a delayed delivery basis. See Note 1(c).

The security is traded on a discount basis with no stated coupon rate.

kPrincipal amount is stated in 10 Mexican Peso Units.

Non-income producing.

^mSee Note 7 regarding investments in the Institutional Fiduciary Trust Money Market Portfolio.

ⁿPrincipal amount of security is adjusted for inflation. See Note 1(g).

At August 31, 2013, the Fund had the following forward exchange contracts outstanding. See Note 1(d).

Forward Exchange Contracts

| 0 | 0 | T | 0 | Contract | Settlement | Unrealized | Unrealized |
|-------------------|--------------|------|---------------|----------------|------------|--------------|--------------|
| Currency | Counterparty | Туре | Quantity | Amount* | Date | Appreciation | Depreciation |
| Indian Rupee | CITI | Buy | 1,585,066,500 | 27,812,576 | 9/03/13 | \$ - \$ | (4,106,157) |
| Indian Rupee | CITI | Sell | 1,585,066,500 | 23,275,573 | 9/03/13 | _ | (430,846) |
| Euro | DBAB | Sell | 29,458,500 | 37,169,262 | 9/04/13 | _ | (1,769,599) |
| Euro | DBAB | Buy | 29,458,500 | 38,957,393 | 9/04/13 | _ | (18,532) |
| Indian Rupee | HSBK | Buy | 2,287,801,000 | 39,873,971 | 9/04/13 | _ | (5,669,830) |
| Indian Rupee | HSBK | Sell | 2,287,801,000 | 33,793,220 | 9/04/13 | _ | (410,921) |
| Malaysian Ringgit | JPHQ | Buy | 250,109,000 | 78,772,007 | 9/04/13 | _ | (3,016,218) |
| Malaysian Ringgit | JPHQ | Sell | 250,109,000 | 75,641,615 | 9/04/13 | _ | (114, 174) |
| Mexican Peso | HSBK | Buy | 615,247,100 | 44,467,122 | 9/04/13 | 1,568,371 | _ |
| Mexican Peso | HSBK | Sell | 615,247,100 | 46,328,848 | 9/04/13 | 293,355 | _ |
| Euro | UBSW | Sell | 6,417,345 | 8,098,689 | 9/06/13 | _ | (383,945) |
| Euro | UBSW | Buy | 6,417,345 | 8,589,616 | 9/06/13 | _ | (106,982) |
| Indian Rupee | DBAB | Buy | 1,011,402,000 | 17,591,956 | 9/06/13 | _ | (2,481,820) |
| Indian Rupee | DBAB | Sell | 1,011,402,000 | 15,430,651 | 9/06/13 | 320,515 | _ |
| Polish Zloty | DBAB | Buy | 207,553,629 | 47,702,512 EUR | 9/06/13 | 1,139,616 | _ |
| Polish Zloty | DBAB | Sell | 207,553,629 | 48,778,761 EUR | 9/06/13 | 283,002 | _ |
| Singapore Dollar | MSCO | Buy | 82,778,200 | 66,364,048 | 9/09/13 | _ | (1,482,461) |
| Euro | DBAB | Sell | 59,205,000 | 74,845,777 | 9/10/13 | _ | (3,414,116) |
| Euro | BZWS | Sell | 59,671,104 | 75,540,634 | 9/10/13 | _ | (3,335,377) |
| Euro | BZWS | Buy | 59,671,104 | 79,499,812 | 9/10/13 | _ | (623,801) |
| Euro | DBAB | Buy | 59,205,000 | 78,298,613 | 9/10/13 | _ | (38,719) |
| Indian Rupee | JPHQ | Buy | 3,689,300,000 | 64,415,143 | 9/10/13 | _ | (9,377,798) |
| Indian Rupee | DBAB | Buy | 3,032,796,000 | 52,952,589 | 9/10/13 | _ | (7,709,036) |
| Indian Rupee | DBAB | Sell | 3,032,796,000 | 46,206,993 | 9/10/13 | 963,440 | _ |
| Indian Rupee | JPHQ | Sell | 3,689,300,000 | 56,584,356 | 9/10/13 | 1,547,011 | _ |
| Mexican Peso | CITI | Buy | 1,028,950,000 | 79,254,860 | 9/10/13 | _ | (2,306,616) |
| Mexican Peso | CITI | Sell | 1,028,950,000 | 77,190,548 | 9/10/13 | 242,303 | _ |
| Polish Zloty | DBAB | Sell | 284,819,000 | 66,417,695 EUR | 9/10/13 | _ | (276,363) |
| Polish Zloty | DBAB | Buy | 284,819,000 | 66,537,168 EUR | 9/10/13 | 118,438 | _ |
| Euro | DBAB | Sell | 104,415,800 | 134,111,654 | 9/11/13 | _ | (3,910,392) |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| | 0 | T. | 0 | | Settlement | Unrealized | Unrealized |
|------------------|--------------|------|----------------|-----------------|------------|--------------|--------------|
| Currency | Counterparty | Type | Quantity | Amount* | Date | Appreciation | Depreciation |
| Indian Rupee | DBAB | Buy | 394,805,000 | 6,851,339 | 9/11/13 | \$ - \$ | (963,736) |
| Indian Rupee | HSBK | Buy | 394,916,000 | 6,849,106 | 9/11/13 | _ | (959,847) |
| Indian Rupee | HSBK | Sell | 394,916,000 | 5,829,018 | 9/11/13 | _ | (60,240) |
| Indian Rupee | DBAB | Sell | 394,805,000 | 6,012,869 | 9/11/13 | 125,266 | _ |
| Mexican Peso | CITI | Buy | 783,450,000 | 60,826,863 | 9/11/13 | _ | (2,243,278) |
| Mexican Peso | CITI | Sell | 783,450,000 | 58,773,443 | 9/11/13 | 189,858 | _ |
| Singapore Dollar | HSBK | Buy | 190,826,500 | 153,760,898 | 9/11/13 | _ | (4,190,657) |
| Singapore Dollar | HSBK | Sell | 190,826,500 | 148,665,083 | 9/11/13 | _ | (905,159) |
| Euro | BZWS | Sell | 54,965,916 | 70,558,647 | 9/12/13 | _ | (2,098,289) |
| Euro | BZWS | Buy | 54,965,916 | 73,379,498 | 9/12/13 | _ | (722,561) |
| Mexican Peso | CITI | Buy | 908,810,000 | 67,105,516 | 9/12/13 | 845,817 | _ |
| Mexican Peso | CITI | Sell | 908,810,000 | 68,537,707 | 9/12/13 | 586,375 | _ |
| Polish Zloty | DBAB | Buy | 166,560,000 | 39,016,163 EUR | 9/12/13 | _ | (77,033) |
| Chilean Peso | CITI | Buy | 53,031,580,000 | 106,883,560 | 9/13/13 | _ | (3,321,898) |
| Chilean Peso | MSCO | Buy | 24,865,500,000 | 49,980,905 | 9/13/13 | _ | (1,422,809) |
| Chilean Peso | CITI | Sell | 53,031,580,000 | 103,074,014 | 9/13/13 | _ | (487,649) |
| Euro | JPHQ | Sell | 204,801,000 | 264,193,290 | 9/13/13 | _ | (6,524,664) |
| Indian Rupee | JPHQ | Buy | 2,855,265,000 | 46,302,846 | 9/13/13 | _ | (3,754,055) |
| Indian Rupee | HSBK | Buy | 982,620,000 | 16,408,313 | 9/13/13 | _ | (1,765,436) |
| Indian Rupee | JPHQ | Sell | 2,855,265,000 | 41,939,850 | 9/13/13 | _ | (608,941) |
| Indian Rupee | HSBK | Sell | 982,620,000 | 14,687,892 | 9/13/13 | 424,629 | _ |
| Mexican Peso | JPHQ | Buy | 1,456,663,741 | 108,495,735 | 9/13/13 | 408,411 | _ |
| Mexican Peso | CITI | Buy | 910,540,000 | 67,857,063 | 9/13/13 | 217,386 | _ |
| Mexican Peso | CITI | Sell | 910,540,000 | 68,358,859 | 9/13/13 | 284,410 | _ |
| Chilean Peso | JPHQ | Buy | 25,881,000,000 | 52,205,749 | 9/16/13 | _ | (1,690,499) |
| Euro | BZWS | Sell | 149,708,582 | 193,820,216 | 9/16/13 | _ | (4,075,232) |
| Euro | BZWS | Buy | 149,708,582 | 199,860,957 | 9/16/13 | _ | (1,965,509) |
| Euro | DBAB | Sell | 196,930,000 | 254,866,806 | 9/17/13 | _ | (5,450,094) |
| Euro | UBSW | Sell | 136,918,349 | 177,144,960 | 9/17/13 | _ | (3,844,021) |
| Euro | UBSW | Buy | 136,918,349 | 183,265,210 | 9/17/13 | _ | (2,276,229) |
| Indian Rupee | JPHQ | Buy | 2,095,665,000 | 35,284,120 | 9/17/13 | _ | (4,100,021) |
| Indian Rupee | JPHQ | Sell | 2,095,665,000 | 30,782,388 | 9/17/13 | _ | (401,711) |
| Mexican Peso | JPHQ | Buy | 1,108,360,000 | 82,540,959 | 9/17/13 | 292,706 | _ |
| Indian Rupee | DBAB | Buy | 988,229,000 | 16,852,185 | 9/18/13 | _ | (2,152,376) |
| Indian Rupee | DBAB | Sell | 988,229,000 | 14,705,789 | 9/18/13 | 391,927 | _ |
| Japanese Yen | BZWS | Sell | 24,270,000,000 | 311,953,728 | 9/18/13 | 64,620,601 | _ |
| Euro | BZWS | Sell | 58,343,508 | 76,855,903 | 9/19/13 | _ | (267,426) |
| Philippine Peso | HSBK | Buy | 1,562,550,000 | 37,447,874 | 9/19/13 | _ | (2,401,334) |
| Philippine Peso | HSBK | Sell | 1,562,550,000 | 35,011,203 | 9/19/13 | _ | (109,330) |
| Polish Zloty | DBAB | Buy | 354,200,000 | 83,005,249 EUR | 9/19/13 | _ | (258,706) |
| Singapore Dollar | JPHQ | Buy | 135,883,000 | 111,088,130 | 9/19/13 | _ | (4,581,726) |
| Singapore Dollar | DBAB | Buy | 190,493,600 | 152,614,645 | 9/19/13 | _ | (3,303,927) |
| Singapore Dollar | JPHQ | Sell | 135,883,000 | 106,009,518 | 9/19/13 | _ | (496,886) |
| Singapore Dollar | DBAB | Sell | 190,493,600 | 149,289,655 | 9/19/13 | 313,675 | _ |
| Swedish Krona | DBAB | Buy | 1,217,000,000 | 140,084,718 EUR | 9/19/13 | _ | (1,522,863) |
| Indian Rupee | DBAB | Buy | 900,181,000 | 15,159,284 | 9/20/13 | _ | (1,778,866) |
| | | | | | | _ | |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| | | | | | Settlement | Unrealized | Unrealized |
|-------------------|--------------|------|-----------------|-----------------|------------|--------------|--------------|
| Currency | Counterparty | Туре | Quantity | Amount* | Date | Appreciation | Depreciation |
| Swedish Krona | UBSW | Buy | 1,880,000,000 | 216,572,396 EUR | 9/20/13 | \$ - \$ | (2,587,160) |
| Chilean Peso | MSCO | Buy | 26,179,074,000 | 53,193,283 | 9/23/13 | _ | (2,157,373) |
| Hungary Forint | JPHQ | Buy | 9,861,822,000 | 31,725,340 EUR | 9/23/13 | 1,228,579 | _ |
| South Korean Won | JPHQ | Buy | 126,300,000,000 | 111,533,027 | 9/23/13 | 2,016,497 | _ |
| South Korean Won | HSBK | Buy | 8,776,000,000 | 7,741,708 | 9/23/13 | 148,321 | _ |
| Swedish Krona | DBAB | Buy | 1,307,000,000 | 151,234,639 EUR | 9/23/13 | _ | (2,700,492) |
| Euro | DBAB | Sell | 203,050,000 | 263,735,554 | 9/24/13 | _ | (4,677,167) |
| Euro | BZWS | Sell | 87,741,063 | 114,044,079 | 9/24/13 | _ | (1,941,232) |
| Philippine Peso | DBAB | Buy | 2,114,557,000 | 50,585,068 | 9/24/13 | _ | (3,157,525) |
| Hungary Forint | JPHQ | Buy | 7,894,536,000 | 25,380,280 EUR | 9/25/13 | 998,619 | _ |
| Indian Rupee | JPHQ | Buy | 1,429,725,000 | 23,538,443 | 9/25/13 | _ | (2,325,171) |
| Euro | DBAB | Sell | 176,088,661 | 228,124,621 | 9/26/13 | _ | (4,649,255) |
| Indian Rupee | DBAB | Buy | 3,034,046,000 | 47,288,378 | 9/26/13 | _ | (2,287,548) |
| Malaysian Ringgit | HSBK | Buy | 218,283,000 | 70,018,605 | 9/26/13 | _ | (3,983,300) |
| Malaysian Ringgit | DBAB | Buy | 210,507,000 | 67,063,751 | 9/26/13 | _ | (3,380,854) |
| Mexican Peso | HSBK | Buy | 1,303,182,600 | 97,350,510 | 9/26/13 | _ | (36,893) |
| South Korean Won | HSBK | Buy | 129,609,000,000 | 114,112,520 | 9/26/13 | 2,389,167 | _ |
| Euro | BZWS | Sell | 303,640,000 | 395,111,550 | 9/27/13 | _ | (6,275,360) |
| Indian Rupee | DBAB | Buy | 7,226,684,991 | 120,479,901 | 9/27/13 | _ | (13,332,713) |
| Indian Rupee | JPHQ | Buy | 5,525,190,000 | 92,109,239 | 9/27/13 | _ | (10,189,441) |
| Indian Rupee | HSBK | Buy | 4,401,908,000 | 72,276,410 | 9/27/13 | _ | (7,011,068) |
| Japanese Yen | JPHQ | Sell | 8,250,436,116 | 98,070,620 | 9/27/13 | 13,987,915 | _ |
| Chilean Peso | DBAB | Buy | 11,405,180,000 | 23,564,421 | 9/30/13 | _ | (1,355,869) |
| Euro | DBAB | Sell | 371,450,000 | 479,568,880 | 9/30/13 | _ | (11,462,361) |
| Euro | HSBK | Sell | 135,560,000 | 174,395,229 | 9/30/13 | _ | (4,805,727) |
| Euro | MSCO | Sell | 102,050,000 | 131,465,913 | 9/30/13 | _ | (3,437,138) |
| Indian Rupee | DBAB | Buy | 2,122,955,800 | 34,866,113 | 9/30/13 | _ | (3,423,146) |
| Indian Rupee | JPHQ | Buy | 3,438,250,500 | 53,223,692 | 9/30/13 | _ | (2,299,976) |
| Japanese Yen | JPHQ | Sell | 2,117,676,000 | 27,345,140 | 9/30/13 | 5,762,947 | _ |
| Philippine Peso | HSBK | Buy | 1,977,300,000 | 47,148,171 | 9/30/13 | _ | (2,799,838) |
| Swedish Krona | DBAB | Buy | 558,474,000 | 64,844,586 EUR | 9/30/13 | _ | (1,463,890) |
| Indian Rupee | CITI | Buy | 1,569,772,500 | 26,076,388 | 10/03/13 | _ | (2,849,977) |
| Philippine Peso | HSBK | Buy | 1,581,900,000 | 37,925,248 | 10/03/13 | _ | (2,446,827) |
| Euro | DBAB | Sell | 3,565,000 | 4,625,409 | 10/04/13 | _ | (87,352) |
| Indian Rupee | HSBK | Buy | 2,287,801,000 | 33,422,951 | 10/04/13 | 416,088 | _ |
| Philippine Peso | DBAB | Buy | 2,397,810,000 | 57,363,876 | 10/04/13 | _ | (3,587,252) |
| Philippine Peso | HSBK | Buy | 1,923,378,000 | 46,108,693 | 10/04/13 | _ | (2,972,341) |
| Euro | UBSW | Sell | 210,255,000 | 272,307,558 | 10/07/13 | _ | (5,643,052) |
| Euro | DBAB | Sell | 67,415,000 | 87,398,828 | 10/07/13 | _ | (1,721,718) |
| Indian Rupee | JPHQ | Buy | 2,575,440,000 | 42,143,985 | 10/07/13 | _ | (4,088,732) |
| Indian Rupee | DBAB | Buy | 1,979,778,000 | 32,386,092 | 10/07/13 | _ | (3,132,468) |
| Philippine Peso | HSBK | Buy | 2,867,508,000 | 68,948,712 | 10/07/13 | _ | (4,640,873) |
| Indian Rupee | DBAB | Buy | 2,510,663,000 | 41,636,202 | 10/08/13 | _ | (4,550,529) |
| Euro | DBAB | Sell | 319,800,000 | 419,203,434 | 10/09/13 | _ | (3,565,768) |
| Euro | UBSW | Sell | 102,935,000 | 134,515,458 | 10/09/13 | _ | (1,562,553) |
| Euro | UBSW | Sell | 102,960,000 | 133,626,636 | 10/11/13 | _ | (2,485,547) |
| | | | | | | | |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| | | | | | Settlement | Unrealized | Unrealized |
|-------------------|--------------|------|-----------------|----------------|------------|--------------|--|
| Currency | Counterparty | Туре | Quantity | Amount* | Date | Appreciation | Depreciation |
| Philippine Peso | HSBK | Buy | 1,653,981,000 | 39,796,468 | 10/11/13 | \$ - \$ | (2,705,871) |
| Philippine Peso | JPHQ | Buy | 939,542,000 | 22,617,222 | 10/11/13 | _ | (1,547,951) |
| Indian Rupee | DBAB | Buy | 2,891,384,000 | 47,269,553 | 10/15/13 | _ | (4,660,012) |
| Malaysian Ringgit | DBAB | Buy | 215,381,806 | 68,767,004 | 10/16/13 | _ | (3,692,712) |
| Philippine Peso | DBAB | Buy | 560,732,000 | 13,472,981 | 10/16/13 | _ | (899,481) |
| Euro | HSBK | Sell | 137,930,000 | 179,309,000 | 10/17/13 | _ | (3,037,717) |
| Indian Rupee | DBAB | Buy | 3,845,730,000 | 62,961,150 | 10/17/13 | _ | (6,325,508) |
| Philippine Peso | HSBK | Buy | 1,802,110,000 | 43,525,022 | 10/17/13 | _ | (3,116,250) |
| Indian Rupee | JPHQ | Buy | 2,057,100,000 | 33,989,012 | 10/18/13 | _ | (3,704,437) |
| Japanese Yen | JPHQ | Sell | 37,163,677,500 | 422,221,197 | 10/18/13 | 43,430,917 | _ |
| Malaysian Ringgit | JPHQ | Buy | 109,258,000 | 35,170,771 | 10/18/13 | _ | (2,164,472) |
| Chilean Peso | CITI | Buy | 8,534,203,142 | 17,261,738 | 10/21/13 | _ | (690,405) |
| Mexican Peso | DBAB | Buy | 1,955,968,680 | 147,410,010 | 10/21/13 | _ | (1,675,663) |
| Singapore Dollar | JPHQ | Buy | 136,940,000 | 110,658,586 | 10/21/13 | _ | (3,322,125) |
| Indian Rupee | JPHQ | Buy | 1,454,842,000 | 23,888,247 | 10/22/13 | _ | (2,498,649) |
| Indian Rupee | DBAB | Buy | 725,918,000 | 11,919,444 | 10/22/13 | _ | (1,246,743) |
| Japanese Yen | BZWS | Sell | 6,869,100,000 | 69,950,102 | 10/22/13 | _ | (64,686) |
| Japanese Yen | BZWS | Sell | 2,349,656,500 | 24,002,220 | 10/22/13 | 52,837 | _ |
| Malaysian Ringgit | HSBK | Buy | 190,522,200 | 61,853,841 | 10/22/13 | _ | (4,313,096) |
| Mexican Peso | DBAB | Buy | 1,798,400,870 | 135,110,429 | 10/22/13 | _ | (1,127,962) |
| Malaysian Ringgit | DBAB | Buy | 136,438,000 | 44,005,160 | 10/23/13 | _ | (2,801,404) |
| Mexican Peso | CITI | Buy | 629,982,970 | 47,163,804 | 10/23/13 | _ | (233,678) |
| Euro | JPHQ | Sell | 7,387,013 | 9,675,879 | 10/24/13 | _ | (90,209) |
| Malaysian Ringgit | HSBK | Buy | 90,961,633 | 29,333,000 | 10/24/13 | _ | (1,864,730) |
| Malaysian Ringgit | JPHQ | Buy | 32,000,000 | 10,306,290 | 10/24/13 | _ | (643,044) |
| Euro | BZWS | Sell | 32,572,095 | 42,487,692 | 10/25/13 | _ | (574,808) |
| South Korean Won | JPHQ | Buy | 144,472,760,000 | 127,993,586 | 10/25/13 | 1,646,918 | _ |
| Chilean Peso | CITI | Buy | 22,313,350,000 | 45,855,631 | 10/28/13 | _ | (2,569,166) |
| Chilean Peso | DBAB | Buy | 3,765,313,000 | 7,460,497 | 10/29/13 | _ | (157,010) |
| Chilean Peso | BZWS | Buy | 1,883,586,000 | 3,740,242 | 10/29/13 | _ | (86,696) |
| Euro | DBAB | Sell | 175,760,000 | 228,962,552 | 10/29/13 | _ | (3,407,820) |
| Euro | UBSW | Sell | 139,330,000 | 181,623,622 | 10/29/13 | _ | (2,583,046) |
| Indian Rupee | HSBK | Buy | 2,267,330,000 | 37,681,128 | 10/29/13 | _ | (4,423,629) |
| Chilean Peso | MSCO | Buy | 7,610,341,800 | 15,572,625 | 10/30/13 | _ | (813,508) |
| Euro | DBAB | Sell | 189,168,918 | 244,827,143 | 10/31/13 | _ | (5,272,986) |
| Malaysian Ringgit | JPHQ | Buy | 115,374,900 | 37,262,184 | 10/31/13 | _ | (2,437,247) |
| Norwegian Krone | BZWS | Buy | 583,844,000 | 75,991,670 EUR | | _ | (5,287,661) |
| Euro | DBAB | Sell | 11,263,065 | 14,698,131 | 11/04/13 | _ | (192,996) |
| Euro | DBAB | Sell | 84,940,000 | 110,594,428 | 11/05/13 | _ | (1,706,917) |
| Euro | BZWS | Sell | 79,210,113 | 103,116,517 | 11/05/13 | _ | (1,609,198) |
| Japanese Yen | BZWS | Sell | 6,464,800,000 | 81,328,469 | 11/05/13 | 15,429,643 | _ |
| Japanese Yen | CITI | Sell | 6,474,170,000 | 81,434,052 | 11/05/13 | 15,439,713 | _ |
| Japanese Yen | UBSW | Sell | 12,949,800,000 | 162,784,091 | 11/05/13 | 30,780,531 | _ |
| Indian Rupee | HSBK | Buy | 1,251,285,000 | 20,109,525 | 11/06/13 | | (1,794,910) |
| Indian Rupee | JPHQ | Buy | 792,240,000 | 12,740,357 | 11/06/13 | _ | (1,144,621) |
| Indian Rupee | HSBK | Buy | 541,250,000 | 8,697,294 | 11/07/13 | _ | (777,335) |
| didii Napoo | 110011 | Duy | 5 11,200,000 | 0,007,204 | 11,07710 | | (, , , , , , , , , , , , , , , , , , , |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| | | | | Contract | Settlement | Unrealized | Unrealized |
|-------------------|--------------|------|-----------------|---------------|------------|--------------|--------------|
| Currency | Counterparty | Туре | Quantity | Amount* | Date | Appreciation | Depreciation |
| Euro | DBAB | Sell | 65,121,000 | 83,680,485 | 11/08/13 | \$ — | |
| Indian Rupee | DBAB | Buy | 4,385,197,150 | 69,655,505 | 11/08/13 | _ | (5,505,358) |
| Indian Rupee | HSBK | Buy | 897,700,000 | 14,263,810 | 11/08/13 | _ | (1,131,541) |
| Japanese Yen | CITI | Sell | 9,190,446,650 | 115,064,687 | 11/08/13 | 21,380,597 | _ |
| Norwegian Krone | UBSW | Buy | 565,378,500 | 75,833,747 EU | | _ | (8,118,602) |
| Euro | JPHQ | Sell | 101,421,123 | 129,867,212 | 11/12/13 | _ | (4,227,949) |
| Indian Rupee | HSBK | Buy | 394,916,000 | 5,706,879 | 11/12/13 | 64,075 | _ |
| Japanese Yen | HSBK | Sell | 6,367,072,000 | 68,206,449 | 11/12/13 | 3,301,496 | _ |
| Mexican Peso | CITI | Buy | 435,292,000 | 33,580,868 | 11/12/13 | _ | (1,210,171) |
| Indian Rupee | JPHQ | Buy | 2,855,265,000 | 45,614,905 | 11/13/13 | _ | (3,901,757) |
| Indian Rupee | HSBK | Buy | 982,620,000 | 14,441,799 | 11/13/13 | _ | (483,864) |
| Indian Rupee | JPHQ | Buy | 2,855,265,000 | 41,177,747 | 11/13/13 | 535,401 | _ |
| Japanese Yen | JPHQ | Sell | 9,028,069,000 | 114,131,273 | 11/13/13 | 22,100,057 | _ |
| Malaysian Ringgit | JPHQ | Buy | 338,000,000 | 108,542,068 | 11/14/13 | _ | (6,605,064) |
| Euro | MSCO | Sell | 144,241,714 | 184,027,185 | 11/15/13 | _ | (6,685,994) |
| Euro | DBAB | Sell | 102,118,400 | 130,366,392 | 11/15/13 | _ | (4,652,280) |
| Japanese Yen | MSCO | Sell | 3,400,000,000 | 42,980,848 | 11/15/13 | 8,321,241 | _ |
| Japanese Yen | CITI | Sell | 12,407,760,000 | 156,866,652 | 11/15/13 | 30,381,921 | _ |
| Japanese Yen | UBSW | Sell | 9,153,053,700 | 115,656,478 | 11/15/13 | 22,350,230 | _ |
| Indian Rupee | JPHQ | Buy | 2,310,323,000 | 36,750,954 | 11/18/13 | _ | (3,044,114) |
| Indian Rupee | DBAB | Buy | 988,229,000 | 14,456,246 | 11/18/13 | _ | (438,880) |
| Euro | DBAB | Sell | 37,050,139 | 47,599,796 | 11/19/13 | _ | (1,387,845) |
| Japanese Yen | DBAB | Sell | 10,792,263,000 | 133,161,370 | 11/19/13 | 23,142,776 | _ |
| Japanese Yen | CITI | Sell | 13,358,646,000 | 165,450,589 | 11/19/13 | 29,269,748 | _ |
| Malaysian Ringgit | DBAB | Buy | 79,333,360 | 25,460,000 | 11/19/13 | _ | (1,541,103) |
| Euro | DBAB | Sell | 145,693,000 | 186,545,317 | 11/20/13 | _ | (6,090,519) |
| Euro | JPHQ | Sell | 99,622,810 | 127,179,974 | 11/20/13 | _ | (4,541,683) |
| Euro | UBSW | Sell | 43,392,971 | 55,547,342 | 11/20/13 | _ | (1,827,008) |
| Indian Rupee | JPHQ | Buy | 4,113,949,900 | 64,991,823 | 11/20/13 | _ | (5,002,761) |
| Indian Rupee | HSBK | Buy | 3,869,965,050 | 61,098,762 | 11/20/13 | _ | (4,667,454) |
| Japanese Yen | JPHQ | Sell | 5,389,206,000 | 66,778,675 | 11/20/13 | 11,839,698 | _ |
| Japanese Yen | HSBK | Sell | 2,816,138,000 | 34,866,570 | 11/20/13 | 6,158,122 | _ |
| Japanese Yen | UBSW | Sell | 4,305,100,000 | 53,315,252 | 11/20/13 | 9,427,936 | _ |
| Japanese Yen | CITI | Sell | 15,005,634,000 | 185,502,077 | 11/20/13 | 32,530,715 | _ |
| Malaysian Ringgit | HSBK | Buy | 218,456,900 | 69,990,869 | 11/20/13 | _ | (4,130,358) |
| South Korean Won | JPHQ | Buy | 193,500,000,000 | 171,603,405 | 11/22/13 | 1,759,768 | _ |
| Indian Rupee | DBAB | Buy | 3,034,046,000 | 46,591,258 | 11/26/13 | _ | (2,420,059) |
| Euro | DBAB | Sell | 277,024,466 | 359,558,279 | 11/29/13 | _ | (6,737,461) |
| Indian Rupee | JPHQ | Buy | 5,083,752,500 | 77,696,227 | 11/29/13 | _ | (3,738,425) |
| Indian Rupee | HSBK | Buy | 6,089,994,500 | 92,319,540 | 11/29/13 | _ | (3,723,054) |
| Indian Rupee | DBAB | Buy | 4,439,003,000 | 66,125,473 | 11/29/13 | _ | (1,547,407) |
| Malaysian Ringgit | HSBK | Buy | 126,924,000 | 40,882,561 | 11/29/13 | _ | (2,637,914) |
| South Korean Won | JPHQ | Buy | 155,855,000,000 | 137,305,083 | 11/29/13 | 2,277,885 | _ |
| Euro | DBAB | Sell | 89,200,000 | 116,312,786 | 12/03/13 | _ | (1,633,740) |
| Euro | UBSW | Sell | 41,865,000 | 54,581,494 | 12/03/13 | _ | (775,360) |
| Indian Rupee | CITI | Buy | 1,585,066,500 | 22,637,339 | 12/03/13 | 403,837 | · — |
| • | | - | | • | | , | |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| Tormara Exchange Contro | (oontinaca) | | | | | | |
|-------------------------|--------------|------|----------------|--------------------|------------|--------------|--------------|
| | | | | Contract | Settlement | Unrealized | Unrealized |
| Currency | Counterparty | Туре | Quantity | Amount* | Date | Appreciation | Depreciation |
| Indian Rupee | JPHQ | Buy | 3,689,300,000 | 55,336,733 | 12/04/13 | \$ - \$ | (1,718,122) |
| Malaysian Ringgit | JPHQ | Buy | 352,411,000 | 113,886,699 | 12/04/13 | _ | (7,728,681) |
| Chilean Peso | DBAB | Buy | 8,550,080,000 | 16,998,171 | 12/05/13 | _ | (511,481) |
| Chilean Peso | DBAB | Buy | 16,276,230,000 | 32,429,229 | 12/06/13 | _ | (1,048,524) |
| Euro | UBSW | Sell | 226,537,356 | 297,393,037 | 12/09/13 | _ | (2,157,407) |
| Euro | HSBK | Sell | 21,570,052 | 28,371,089 | 12/09/13 | _ | (151,000) |
| Singapore Dollar | DBAB | Buy | 150,355,000 | 123,464,444 | 12/10/13 | _ | (5,606,720) |
| Singapore Dollar | GSCO | Buy | 87,786,250 | 70,567,725 | 12/11/13 | _ | (1,755,117) |
| Euro | JPHQ | Sell | 127,432,000 | 166,338,901 | 12/13/13 | _ | (2,167,032) |
| Malaysian Ringgit | DBAB | Buy | 151,275,000 | 47,683,215 | 12/13/13 | _ | (2,137,434) |
| Polish Zloty | DBAB | Buy | 35,195,600 | 8,335,449 EUR | 12/13/13 | _ | (200,247) |
| Singapore Dollar | DBAB | Buy | 150,260,000 | 119,216,122 | 12/13/13 | _ | (1,431,770) |
| Mexican Peso | CITI | Buy | 2,030,785,800 | 155,457,335 | 12/16/13 | _ | (4,873,712) |
| Swedish Krona | MSCO | Buy | 1,056,848,700 | 120,598,021 EUR | 12/16/13 | _ | (307,789) |
| Australian Dollar | MSCO | Buy | 147,210,000 | 151,261,955 | 12/17/13 | _ | (21,129,255) |
| Australian Dollar | JPHQ | Buy | 293,760,010 | 25,136,339,031 JPY | 12/17/13 | 3,385,579 | _ |
| Malaysian Ringgit | JPHQ | Buy | 140,706,364 | 45,345,267 | 12/17/13 | _ | (2,991,119) |
| Swedish Krona | UBSW | Buy | 433,849,000 | 49,139,087 EUR | 12/17/13 | 358,291 | _ |
| Indian Rupee | JPHQ | Buy | 2,095,665,000 | 30,015,254 | 12/18/13 | 358,415 | _ |
| Swedish Krona | UBSW | Buy | 433,883,000 | 48,846,396 EUR | 12/18/13 | 748,685 | _ |
| Swedish Krona | DBAB | Buy | 1,217,000,000 | 137,584,082 EUR | 12/19/13 | 1,335,155 | _ |
| Malaysian Ringgit | HSBK | Buy | 167,392,229 | 53,880,000 | 12/20/13 | _ | (3,501,709) |
| Mexican Peso | CITI | Buy | 973,603,510 | 72,686,813 | 12/23/13 | _ | (536,561) |
| Singapore Dollar | DBAB | Buy | 205,097,300 | 163,294,029 | 12/23/13 | _ | (2,519,368) |
| Malaysian Ringgit | JPHQ | Buy | 159,282,000 | 49,402,022 | 12/31/13 | _ | (1,494,540) |
| Chilean Peso | DBAB | Buy | 24,066,765,000 | 48,718,148 | 1/07/14 | _ | (2,502,564) |
| Japanese Yen | DBAB | Sell | 10,434,667,000 | 120,521,916 | 1/07/14 | 14,109,305 | _ |
| Chilean Peso | DBAB | Buy | 12,284,600,000 | 24,857,548 | 1/08/14 | _ | (1,270,285) |
| Malaysian Ringgit | DBAB | Buy | 108,664,680 | 35,129,047 | 1/08/14 | _ | (2,460,658) |
| Chilean Peso | DBAB | Buy | 17,261,240,000 | 35,055,321 | 1/10/14 | _ | (1,920,844) |
| Euro | CITI | Sell | 29,000,000 | 38,040,750 | 1/10/14 | _ | (310,596) |
| Japanese Yen | CITI | Sell | 3,332,090,000 | 38,190,581 | 1/10/14 | 4,209,139 | _ |
| Mexican Peso | CITI | Buy | 2,335,652,631 | 178,635,000 | 1/10/14 | _ | (5,812,022) |
| Chilean Peso | MSCO | Buy | 21,679,600,000 | 44,050,798 | 1/13/14 | _ | (2,450,460) |
| Euro | UBSW | Sell | 49,935,936 | 65,365,641 | 1/13/14 | _ | (673,396) |
| Euro | JPHQ | Sell | 26,531,589 | 34,736,483 | 1/14/14 | _ | (351,018) |
| Euro | CITI | Sell | 192,914,073 | 256,575,717 | 1/14/14 | 1,450,675 | _ |
| Japanese Yen | UBSW | Sell | 3,331,470,000 | 38,154,613 | 1/14/14 | 4,178,390 | _ |
| Japanese Yen | HSBK | Sell | 12,607,090,000 | 143,588,724 | 1/15/14 | 15,013,417 | _ |
| Japanese Yen | DBAB | Sell | 3,362,520,000 | 37,898,652 | 1/16/14 | 3,605,207 | _ |
| Japanese Yen | UBSW | Sell | 10,082,050,000 | 113,549,386 | 1/16/14 | 10,725,245 | _ |
| Malaysian Ringgit | JPHQ | Buy | 25,017,400 | 8,152,974 | 1/16/14 | · — | (635,287) |
| Japanese Yen | HSBK | Sell | 10,034,848,500 | 113,838,327 | 1/17/14 | 11,494,750 | · — |
| Japanese Yen | JPHQ | Sell | 39,352,550,000 | 444,443,629 | 1/17/14 | 43,094,201 | _ |
| Japanese Yen | DBAB | Sell | 21,669,570,000 | 244,444,006 | 1/17/14 | 23,440,042 | _ |
| Euro | BZWS | Sell | 139,061,000 | 182,774,825 | 1/21/14 | · — | (1,135,455) |
| | | | • | • | | | • |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| Chilean Peso | | | | | | | | |
|--|---------------|------|------|----------------|-----------------|------------|------------|----------------|
| Chilean Peso | C | 0 | T | 0 | Contract | Settlement | Unrealized | Unrealized |
| Euro JPHQ Sell 42,223,091 56,468,106 12214 287,355 — Euro CITI Sell 42,223,091 56,468,106 12214 627,218 — Malaysian Ringgit HSBK Buy 24,732,973 48,304,912 112314 — (3,450,829) Chilean Peso DBAB Buy 28,770,380,000 125,649,767 121714 R3,333 3,398,931) Japanese Yen UBSW Sell 15,371,620,000 174,241,895 12714 17,456,837 — Livo CITI Sell 81,493,700 109,076,873 12814 1,297,370 (2,122,383) Japanese Yen DBAB Sell 17,605,035,074 196,704,303 12814 17,137,746 — Chilean Peso DBAB Buy 13,902,366,565 155,246,972 12814 13,446,627 — Chilean Peso DBAB Buy 23,075,040,000 46,900,488 1390,14 — (2,716,168) Chilean Peso DBAB </th <th>,</th> <th></th> <th></th> <th>•</th> <th></th> <th></th> <th></th> <th>·</th> | , | | | • | | | | · |
| Euro CITI Sell 42,223,091 56,468,106 122/14 627,218 — Malaysian Ringgit HSBK Buy 149,324,973 48,304,912 1/23/14 — (3,450,829) Euro BZWS Sell 94,940,000 125,649,676 1/27/14 87,333 — Japanese Yen UBSW Sell 15,371,620,000 174,241,895 1/27/14 17,466,837 — (2,122,383) Euro CITI Sell 18,1437,700 109,076,873 1/28/14 17,456,837 — (2,122,383) Euro CITI Sell 18,1493,700 109,076,873 1/28/14 17,137,746 — Japanese Yen DBAB Sell 13,062,366,360 155,246,972 1/28/14 13,446,627 — Chliean Peso DBAB Buy 10,855,470,000 22,146,71 129/14 — (1,335,920 Chliean Peso DBAB Buy 28,550,000 110,984,873 EU 13,014 — (2,716,168) | | | • | | | | | \$ (2,348,825) |
| Malaysian Ringgit | | | | | , , | | | _ |
| Chilean Peso | | | | | | | 627,218 | _ |
| Euro | | | • | | | | _ | |
| Japanese Yen | | | | | | | | (3,398,931) |
| Chilean Peso DBAB Buy 17,914,400,000 36,433,598 1/28/14 — (2,122,383) Euro CITI Sell 81,493,700 109,076,873 1/28/14 1,297,370 — Japanese Yen HSK Sell 13,902,366,365 156,746,3972 1/28/14 13,446,627 — Chilean Peso DBAB Buy 10,855,470,000 22,124,671 1/29/14 — (2,716,168) Swedish Krona UBSW Buy 968,454,000 10,984,873 Eur 1/30/14 — (2,773,099) Chilean Peso JPHQ Buy 24,540,000,000 49,756,691 1/31/14 — (2,737,099) Chilean Peso DBAB Buy 22,259,910,000 41,020,267 203/14 — (2,245,691) Chilean Peso DBAB Buy 22,259,910,000 41,020,267 203/14 — (2,245,691) Chilean Peso DBAB Buy 22,259,910,000 57,495,781 2/04/14 — (2,193,826) Chilean P | | | | | | | | _ |
| Euro CITT Sell 81,493,700 109,076,873 128/14 1,297,370 — Japanese Yen HSBK Sell 17,605,035,074 196,704,303 1/28/14 17,137,746 — Japanese Yen DBAB Sell 13,902,366,365 155,246,972 1/28/14 13,446,627 — Chilean Peso DBAB Sell 13,902,366,365 155,246,972 1/28/14 13,446,627 — (1,335,920) Chilean Peso JPHQ Buy 23,075,040,000 24,124,671 1/29/14 — (1,085,819) Chilean Peso JPHQ Buy 24,540,000,000 49,756,691 1/31/14 — (1,085,819) Chilean Peso DBAB Buy 21,710,940,000 41,020,267 2031/4 — (2,245,693) Chilean Peso DBAB Buy 20,259,910,000 41,020,267 2031/4 — (2,245,693) Chilean Peso DBAB Buy 22,293,000,000 57,495,781 2041/4 — (3,379,969) Makican Peso DBAB Buy 48,249,0760 47,900,000 20/41/4 — (3,379,969) Makican Peso DBAB Buy 152,706,100 48,355,320 2/05/14 — (2,519,426) Chilean Peso DBAB Buy 31,938,300,000 64,750,057 2/07/14 — (2,519,426) Chilean Peso DBAB Buy 31,938,300,000 64,750,057 2/07/14 — (2,519,426) Chilean Peso DBAB Buy 31,938,300,000 64,750,057 2/07/14 — (2,365,110) Singapore Dollar HSBK Buy 139,923,000 109,903,860 2/07/14 — (2,365,110) (3,655,110) Singapore Dollar DBAB Buy 20,031,600,000 37,942,71 2/10/14 2,193,785 — Euro CITI Sell 12,481,439,000 126,699,681 2/10/14 2,193,785 — Euro CITI Sell 12,481,439,000 126,699,681 2/10/14 2,534,430 — (205,354) Maksian Ringgit DBAB Buy 20,036,32,686 36,910,79 2/10/14 2,534,430 — (206,179) Chilean Peso BZWS Buy 26,23,00,000 74,334,488 EUR 2/10/14 4,299,304 (621,033) Malaysian Ringgit DBAB Buy 21,269,68,280 99,733,678 2/10/14 4,299,304 (621,033) Malaysian Ringgit DBAB Buy 21,269,68,280 99,733,678 2/10/14 4,299,304 (621,033) (621,032) (621,032) (621,033) (621,032) (621,032) (621,032) (621,032) (621,032) (621,032) (621,032) (621,032) (621,032) | Japanese Yen | UBSW | Sell | 15,371,620,000 | 174,241,895 | | 17,456,837 | _ |
| Japanese Yen | Chilean Peso | DBAB | Buy | 17,914,400,000 | 36,433,598 | 1/28/14 | _ | (2,122,383) |
| Dapanese Yen | Euro | CITI | Sell | 81,493,700 | 109,076,873 | 1/28/14 | 1,297,370 | _ |
| Chilean Peso DBAB Buy 10,855,470,000 22,124,671 1/29/14 — (1,335,920) Chilean Peso JPHQ Buy 23,075,040,000 46,900,488 1/30/14 — (1,085,819) Swedish Krona UBSW Buy 984,840,000 110,984,873EUR 1/30/14 — (1,085,819) Chilean Peso DBAB Buy 22,759,000 44,105,515 1/31/14 — (2,2736,999) Chilean Peso DBAB Buy 22,599,10,000 41,020,267 203/14 — (2,245,691) Chilean Peso DBAB Buy 228,279,300,000 57,495,781 2/04/14 — (2,245,691) Chilean Peso CITI Buy 632,490,760 47,900,000 2/04/14 — (2,519,426) Chilean Peso DBAB Buy 13,711,100,000 27,845,451 2/06/14 — (2,519,426) Chilean Peso DBAB Buy 13,990,4000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar DBAB Buy 139,992,300 109,903,860 2/07/14 <td< td=""><td>Japanese Yen</td><td>HSBK</td><td>Sell</td><td>17,605,035,074</td><td>196,704,303</td><td>1/28/14</td><td>17,137,746</td><td>_</td></td<> | Japanese Yen | HSBK | Sell | 17,605,035,074 | 196,704,303 | 1/28/14 | 17,137,746 | _ |
| Chilean Peso JPHQ Buy 23,075,040,000 46,900,488 1/30/14 — (2,716,168) Swedish Krona UBSW Buy 968,454,000 110,984,873 EUR 1/30/14 — (2,773,099) Chilean Peso DBAB Buy 21,710,940,000 49,756,691 1/31/14 — (2,733,099) Chilean Peso DBAB Buy 22,59,910,000 41,020,267 2/03/14 — (2,245,691) Chilean Peso DBAB Buy 28,279,300,000 57,495,781 2/04/14 — (2,245,691) Mexican Peso CITI Buy 532,490,760 47,900,000 2/04/14 — (2,519,426) Chilean Peso DBAB Buy 152,706,100 48,355,320 2/05/14 — (2,519,426) Chilean Peso DBAB Buy 13,938,300,000 64,750,657 2/07/14 — (3,655,110) Singapore Dollar HSBK Buy 139,9923,000 109,903,860 2/07/14 — (3,404,683) Singapore Dollar HSBK Sell 73,778,000 99,773,678 2/10/14 | Japanese Yen | DBAB | Sell | 13,902,366,365 | 155,246,972 | 1/28/14 | 13,446,627 | _ |
| Swedish Krona UBSW Buy 968,454,000 110,984,873 EUR 1/30/14 — (1,085,819) Chilean Peso JPHQ Buy 24,540,000,000 49,756,691 1/31/14 — (2,733,099) Chilean Peso DBAB Buy 21,710,940,000 44,105,515 1/31/14 — (2,245,691) Chilean Peso DBAB Buy 20,259,910,000 41,020,267 2/03/14 — (2,245,691) Chilean Peso DBAB Buy 28,279,300,000 57,495,781 2/04/14 — (3,379,969) Mexican Peso CITI Buy 632,490,760 47,900,000 2/04/14 — (2,245,691) Malaysian Ringgit DBAB Buy 152,706,100 48,355,320 2/05/14 — (2,519,426) Chilean Peso DBAB Buy 13,938,300,000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar HSBK Buy 139,993,000 130,902,292 2/07/14 — (32,340,4683) Chilean Peso BZWS Buy 20,31,600,000 37,924,271 2/10/14 | Chilean Peso | DBAB | Buy | 10,855,470,000 | 22,124,671 | 1/29/14 | _ | (1,335,920) |
| Chilean Peso JPHQ Buy 24,540,000,000 49,756,691 1/31/14 — (2,773,099) Chilean Peso DBAB Buy 21,710,940,000 44,105,515 1/31/14 — (2,733,362) Chilean Peso DBAB Buy 20,259,910,000 41,020,267 2/03/14 — (2,245,691) Chilean Peso DBAB Buy 20,279,300,000 57,495,781 2/04/14 — (3,379,969) Mexican Peso CITI Buy 632,490,760 47,900,000 2/04/14 — (1,198,700) Malaysian Ringgit DBAB Buy 15,711,100,000 27,845,451 2/06/14 — (1,614,152) Chilean Peso DBAB Buy 31,938,300,000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar BBAB Buy 13,9923,000 103,903,860 2/07/14 — (203,354) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 37,99,973,678 2/10/14 4,193,785 — Euro HSBK Sell 73,778,000 </td <td>Chilean Peso</td> <td>JPHQ</td> <td>Buy</td> <td>23,075,040,000</td> <td>46,900,488</td> <td>1/30/14</td> <td>_</td> <td>(2,716,168)</td> | Chilean Peso | JPHQ | Buy | 23,075,040,000 | 46,900,488 | 1/30/14 | _ | (2,716,168) |
| Chilean Peso DBAB Buy 21,710,940,000 44,105,515 1/31/14 — (2,538,362) Chilean Peso DBAB Buy 20,259,910,000 41,020,267 2/03/14 — (2,245,691) Chilean Peso DBAB Buy 28,279,300,000 57,495,781 2/04/14 — (3,379,699) Mexican Peso CITI Buy 632,490,760 47,900,000 2/04/14 — (1,198,700) Malaysian Ringgit DBAB Buy 152,706,100 48,355,320 2/05/14 — (2,519,426) Chilean Peso DBAB Buy 31,938,300,000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar HSBK Buy 139,993,000 109,903,860 2/07/14 — (3,655,110) Singapore Dollar DBAB Buy 139,993,000 109,903,860 2/07/14 — (3,655,110) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 379,997 — Euro CITI Sell 8,918,439,000 126,699,681 2/10/14 </td <td>Swedish Krona</td> <td>UBSW</td> <td>Buy</td> <td>968,454,000</td> <td>110,984,873 EUR</td> <td>1/30/14</td> <td>_</td> <td>(1,085,819)</td> | Swedish Krona | UBSW | Buy | 968,454,000 | 110,984,873 EUR | 1/30/14 | _ | (1,085,819) |
| Chilean Peso DBAB Buy 20,259,910,000 41,020,267 2/03/14 — (2,245,691) Chilean Peso DBAB Buy 28,279,300,000 57,495,781 2/04/14 — (3,379,699) Mexican Peso CITI Buy 632,490,760 47,900,000 2/04/14 — (1,198,700) Malaysian Ringgit DBAB Buy 152,706,100 48,355,320 2/05/14 — (2,519,426) Chilean Peso DBAB Buy 13,711,100,000 27,845,451 2/06/14 — (1,614,152) Chilean Peso DBAB Buy 31,938,300,000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar DBAB Buy 139,992,000 109,903,860 2/07/14 — (203,354) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 2,193,785 — Euro HSBK Sell 73,778,000 99,773,678 2/10/14 2,534,4330 — Euro | Chilean Peso | JPHQ | Buy | 24,540,000,000 | 49,756,691 | 1/31/14 | _ | (2,773,099) |
| Chilean Peso DBAB Buy 28,279,300,000 57,495,781 2/04/14 — (3,379,969) Mexican Peso CITI Buy 632,490,760 47,900,000 2/04/14 — (1,198,700) Malaysian Ringgit DBAB Buy 152,706,100 48,355,320 2/05/14 — (2,519,426) Chilean Peso DBAB Buy 137,711,100,000 27,845,451 2/06/14 — (1,614,152) Chilean Peso DBAB Buy 319,38,300,000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar DBAB Buy 139,923,000 113,090,292 2/07/14 — (203,354) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 379,997 — Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 24,81,439,00 126,699,681 2/10/14 — (3,486,549) Mexican Peso </td <td>Chilean Peso</td> <td>DBAB</td> <td>Buy</td> <td>21,710,940,000</td> <td>44,105,515</td> <td>1/31/14</td> <td>_</td> <td>(2,538,362)</td> | Chilean Peso | DBAB | Buy | 21,710,940,000 | 44,105,515 | 1/31/14 | _ | (2,538,362) |
| Chilean Peso DBAB Buy 28,279,300,000 57,495,781 2/04/14 — (3,379,969) Mexican Peso CITI Buy 632,490,760 47,900,000 2/04/14 — (1,198,700) Malaysian Ringgit DBAB Buy 152,706,100 48,355,320 2/05/14 — (2,519,426) Chilean Peso DBAB Buy 137,911,100,000 27,845,451 2/06/14 — (1,614,152) Chilean Peso DBAB Buy 319,38,300,000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar DBAB Buy 139,923,000 113,090,292 2/07/14 — (203,354) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 379,997 — Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 24,81,439,000 126,699,681 2/10/14 — (3,486,549) Mexican Peso< | Chilean Peso | DBAB | Buy | 20,259,910,000 | 41,020,267 | 2/03/14 | _ | (2,245,691) |
| Mexican Peso CITI Buy 632,490,760 47,900,000 2/04/14 — (1,198,700) Malaysian Ringgit DBAB Buy 152,706,100 48,355,320 2/05/14 — (2,519,426) Chilean Peso DBAB Buy 31,711,100,000 27,845,451 2/06/14 — (3,655,110) Singapore Dollar HSBK Buy 31,938,300,000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar DBAB Buy 139,904,000 113,090,292 2/07/14 — (203,354) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 379,997 — Euro HSBK Sell 73,778,000 99,773,678 2/10/14 2,193,785 — Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 12,481,439,000 126,699,681 2/10/14 — (621,033) Malysian Ringgit | | DBAB | Buy | 28,279,300,000 | 57,495,781 | 2/04/14 | _ | |
| Malaysian Ringgit DBAB Buy 152,706,100 48,355,320 2/05/14 — (2,519,426) Chilean Peso DBAB Buy 13,711,100,000 27,845,451 2/06/14 — (1,614,152) Chilean Peso DBAB Buy 31,938,300,000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar HSBK Buy 139,904,000 113,090,292 2/07/14 — (203,354) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 379,997 — Euro CITI Sell 73,778,000 99,773,678 2/10/14 2,193,785 — Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 20,633,268 63,691,079 2/10/14 — (621,033) Malaysian Ringgit DBAB Buy 20,633,268 63,691,079 2/10/14 — (3,486,549) Mexican Peso <td< td=""><td></td><td></td><td>Buy</td><td>632,490,760</td><td></td><td>2/04/14</td><td>_</td><td></td></td<> | | | Buy | 632,490,760 | | 2/04/14 | _ | |
| Chilean Peso DBAB Buy 13,711,100,000 27,845,451 2/06/14 — (1,614,152) Chilean Peso DBAB Buy 31,938,300,000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar HSBK Buy 139,904,000 113,090,292 2/07/14 — (203,354) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 379,997 — Euro HSBK Sell 73,778,000 99,773,678 2/10/14 2,193,785 — Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 12,481,439,000 126,699,681 2/10/14 — (3,486,549) Makiyaian Ringgit DBAB Buy 2,006,33,268 63,691,079 2/10/14 — (8,915,250) Swedish Krona UBSW Buy 652,300,000 74,334,488 EUR 2/10/14 — (8,915,250) Swedish Krona | | | Buy | | | 2/05/14 | _ | |
| Chilean Peso DBAB Buy 31,938,300,000 64,750,057 2/07/14 — (3,655,110) Singapore Dollar HSBK Buy 139,904,000 113,090,292 2/07/14 — (3,404,683) Singapore Dollar DBAB Buy 139,923,000 109,903,860 2/07/14 — (203,354) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 379,997 — Euro HSBK Sell 73,778,000 99,773,678 2/10/14 2,193,785 — Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 12,481,439,000 126,699,681 2/10/14 — (621,033) Malaysian Ringgit DBAB Buy 200,633,268 63,691,079 2/10/14 — (3,486,549) Mexican Peso CITI Buy 652,300,000 74,334,488EUR 2/10/14 — (206,197) Euro BZW | | | | | | 2/06/14 | _ | |
| Singapore Dollar HSBK Buy 139,904,000 113,090,292 2/07/14 — (3,404,683) Singapore Dollar DBAB Buy 139,923,000 109,903,860 2/07/14 — (203,354) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 379,997 — Euro CITI Sell 73,778,000 99,773,678 2/10/14 2,193,785 — Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 12,481,439,000 126,699,681 2/10/14 — (621,033) Malaysian Ringgit DBAB Buy 200,633,268 63,691,079 2/10/14 — (3,486,549) Mexican Peso CITI Buy 2,336,489,000 181,347,459 2/10/14 — (8,915,250) Swedish Krona UBSW Buy 652,300,000 74,334,488 EUR 2/10/14 — (1,870,669) Euro <td< td=""><td></td><td></td><td>•</td><td></td><td></td><td></td><td>_</td><td></td></td<> | | | • | | | | _ | |
| Singapore Dollar DBAB Buy 139,923,000 109,903,860 2/07/14 — (203,354) Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 379,997 — Euro HSBK Sell 73,778,000 99,773,678 2/10/14 2,193,785 — Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 12,481,439,000 126,699,681 2/10/14 — (621,033) Malaysian Ringgit DBAB Buy 200,633,268 63,691,079 2/10/14 — (3,486,549) Mexican Peso CITI Buy 2336,489,000 181,347,459 2/10/14 — (8,915,250) Swedish Krona UBSW Buy 652,300,000 74,334,488 EUR 2/10/14 — (206,197) Chilean Peso BZWS Buy 150,959,000 203,960,705 2/11/14 4,299,304 — Mexican Peso | | | • | | | | _ | |
| Chilean Peso BZWS Buy 20,031,600,000 37,924,271 2/10/14 379,997 — Euro HSBK Sell 73,778,000 99,773,678 2/10/14 2,193,785 — Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 12,481,439,000 126,699,681 2/10/14 — (621,033) Malaysian Ringgit DBAB Buy 200,633,268 63,691,079 2/10/14 — (8,915,250) Swedish Krona UBSW Buy 652,300,000 74,334,488 EUR 2/10/14 — (8,915,250) Swedish Krona UBSW Buy 16,174,200,000 32,794,404 2/11/14 — (1,870,069) Euro BZWS Buy 1,256,968,280 95,899,158 2/11/14 — (3,143,099) Polish Zloty DBAB Buy 52,182,000 12,132,245 EUR 2/11/14 — (58,102) Polish Zloty BZWS | | | • | | | | | |
| Euro HSBK Sell 73,778,000 99,773,678 2/10/14 2,193,785 — Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 12,481,439,000 126,699,681 2/10/14 — (621,033) Malaysian Ringgit DBAB Buy 200,633,268 63,691,079 2/10/14 — (3,486,549) Mexican Peso CITI Buy 2,336,489,000 181,347,459 2/10/14 — (8,915,250) Swedish Krona UBSW Buy 652,300,000 74,334,488 EUR 2/10/14 — (206,197) Chilean Peso BZWS Buy 16,174,200,000 32,794,404 2/11/14 — (1,870,069) Euro BZWS Sell 150,959,000 203,960,705 2/11/14 4,299,304 — Mexican Peso CITI Buy 1,256,968,280 95,899,158 2/11/14 — (3,143,099) Polish Zloty BZW | | | • | | | | | (200,001.) |
| Euro CITI Sell 80,318,000 108,764,226 2/10/14 2,534,430 — Japanese Yen CITI Sell 12,481,439,000 126,699,681 2/10/14 — (621,033) Malaysian Ringgit DBAB Buy 200,633,268 63,691,079 2/10/14 — (3,486,549) Mexican Peso CITI Buy 2,336,489,000 181,347,459 2/10/14 — (8,915,250) Swedish Krona UBSW Buy 652,300,000 74,334,488 EUR 2/10/14 — (206,197) Chilean Peso BZWS Buy 16,174,200,000 32,794,404 2/11/14 — (1,870,069) Euro BZWS Sell 150,959,000 203,960,705 2/11/14 4,299,304 — Mexican Peso CITI Buy 1,256,968,280 95,899,158 2/11/14 — (3,143,099) Polish Zloty DBAB Buy 52,182,000 12,132,245 EUR 2/11/14 — (58,102) Polish Zloty | | | • | | | | | _ |
| Japanese Yen CITI Sell 12,481,439,000 126,699,681 2/10/14 — (621,033) Malaysian Ringgit DBAB Buy 200,633,268 63,691,079 2/10/14 — (3,486,549) Mexican Peso CITI Buy 2,336,489,000 181,347,459 2/10/14 — (8,915,250) Swedish Krona UBSW Buy 652,300,000 74,334,488 EUR 2/10/14 — (206,197) Chilean Peso BZWS Buy 16,174,200,000 32,794,404 2/11/14 — (1,870,069) Euro BZWS Sell 150,959,000 203,960,705 2/11/14 — (3,143,099) Polish Zloty DBAB Buy 52,182,000 12,132,245 EUR 2/11/14 — (58,102) Polish Zloty BZWS Buy 52,182,000 12,106,350 EUR 2/11/14 — (23,853) Singapore Dollar HSBK Buy 190,826,500 148,723,015 2/11/14 888,006 — Chilean Peso< | | | | | | | | _ |
| Malaysian Ringgit DBAB Buy 200,633,268 63,691,079 2/10/14 — (3,486,549) Mexican Peso CITI Buy 2,336,489,000 181,347,459 2/10/14 — (8,915,250) Swedish Krona UBSW Buy 652,300,000 74,334,488 EUR 2/10/14 — (206,197) Chilean Peso BZWS Buy 16,174,200,000 32,794,404 2/11/14 — (1,870,069) Euro BZWS Sell 150,959,000 203,960,705 2/11/14 — (3,143,099) Mexican Peso CITI Buy 1,256,968,280 95,899,158 2/11/14 — (3,143,099) Polish Zloty DBAB Buy 52,182,000 12,132,245 EUR 2/11/14 — (58,102) Polish Zloty BZWS Buy 52,182,000 12,106,350 EUR 2/11/14 — (23,853) Singapore Dollar HSBK Buy 190,826,500 148,723,015 2/11/14 888,006 — Chilean Peso </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>2,001,100</td> <td>(621 033)</td> | | | | | | | 2,001,100 | (621 033) |
| Mexican Peso CITI Buy 2,336,489,000 181,347,459 2/10/14 — (8,915,250) Swedish Krona UBSW Buy 652,300,000 74,334,488 EUR 2/10/14 — (206,197) Chilean Peso BZWS Buy 16,174,200,000 32,794,404 2/11/14 — (1,870,069) Euro BZWS Sell 150,959,000 203,960,705 2/11/14 — (3,143,099) Mexican Peso CITI Buy 1,256,968,280 95,899,158 2/11/14 — (58,102) Polish Zloty DBAB Buy 52,182,000 12,132,245 EUR 2/11/14 — (58,102) Polish Zloty BZWS Buy 52,182,000 12,106,350 EUR 2/11/14 — (23,853) Singapore Dollar HSBK Buy 190,826,500 148,723,015 2/11/14 — (1,243,936) Japanese Yen BSK Sell 28,357,850,000 304,883,778 2/12/14 15,606,208 — Japanese Yen <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>_</td> <td></td> | | | | | | | _ | |
| Swedish Krona UBSW Buy 652,300,000 74,334,488 EUR 2/10/14 — (206,197) Chilean Peso BZWS Buy 16,174,200,000 32,794,404 2/11/14 — (1,870,069) Euro BZWS Sell 150,959,000 203,960,705 2/11/14 4,299,304 — Mexican Peso CITI Buy 1,256,968,280 95,899,158 2/11/14 — (3,143,099) Polish Zloty DBAB Buy 52,182,000 12,132,245 EUR 2/11/14 — (58,102) Polish Zloty BZWS Buy 52,182,000 12,106,350 EUR 2/11/14 — (23,853) Singapore Dollar HSBK Buy 190,826,500 148,723,015 2/11/14 888,006 — Chilean Peso DBAB Buy 11,009,800,000 22,291,557 2/12/14 — (1,243,936) Japanese Yen HSBK Sell 28,357,850,000 304,883,778 2/12/14 15,606,208 — Malaysian Ringgit | | | • | | | | | |
| Chilean Peso BZWS Buy 16,174,200,000 32,794,404 2/11/14 — (1,870,069) Euro BZWS Sell 150,959,000 203,960,705 2/11/14 4,299,304 — Mexican Peso CITI Buy 1,256,968,280 95,899,158 2/11/14 — (3,143,099) Polish Zloty DBAB Buy 52,182,000 12,132,245 EUR 2/11/14 — (58,102) Polish Zloty BZWS Buy 52,182,000 12,106,350 EUR 2/11/14 — (23,853) Singapore Dollar HSBK Buy 190,826,500 148,723,015 2/11/14 888,006 — Chilean Peso DBAB Buy 11,009,800,000 22,291,557 2/12/14 — (1,243,936) Japanese Yen HSBK Sell 28,357,850,000 304,883,778 2/12/14 15,606,208 — Japanese Yen JPHQ Sell 28,342,918,000 304,883,529 2/12/14 15,758,280 — Malaysian Ringgi | | | • | | | | | |
| Euro BZWS Sell 150,959,000 203,960,705 2/11/14 4,299,304 — Mexican Peso CITI Buy 1,256,968,280 95,899,158 2/11/14 — (3,143,099) Polish Zloty DBAB Buy 52,182,000 12,132,245 EUR 2/11/14 — (58,102) Polish Zloty BZWS Buy 52,182,000 12,106,350 EUR 2/11/14 — (23,853) Singapore Dollar HSBK Buy 190,826,500 148,723,015 2/11/14 888,006 — Chilean Peso DBAB Buy 11,009,800,000 22,291,557 2/12/14 — (1,243,936) Japanese Yen HSBK Sell 28,357,850,000 304,883,778 2/12/14 15,606,208 — Japanese Yen GSCO Sell 5,856,880,500 63,099,337 2/12/14 15,758,280 — Malaysian Ringgit DBAB Buy 481,829,000 147,809,375 2/12/14 — (3,242,122) Mexican Peso <td></td> <td></td> <td>•</td> <td></td> <td>, ,</td> <td></td> <td></td> <td></td> | | | • | | , , | | | |
| Mexican Peso | | | | | | | | (1,070,009) |
| Polish Zloty DBAB Buy 52,182,000 12,132,245 EUR 2/11/14 — (58,102) Polish Zloty BZWS Buy 52,182,000 12,106,350 EUR 2/11/14 — (23,853) Singapore Dollar HSBK Buy 190,826,500 148,723,015 2/11/14 888,006 — Chilean Peso DBAB Buy 11,009,800,000 22,291,557 2/12/14 — (1,243,936) Japanese Yen HSBK Sell 28,357,850,000 304,883,778 2/12/14 15,606,208 — Japanese Yen GSCO Sell 5,856,880,500 63,099,337 2/12/14 3,353,477 — Japanese Yen JPHQ Sell 28,342,918,000 304,883,529 2/12/14 15,758,280 — Malaysian Ringgit DBAB Buy 481,829,000 147,809,375 2/12/14 — (3,242,122) Mexican Peso MSCO Buy 2,139,414,000 164,086,292 2/12/14 — (6,224,827) Sin | | | | | | | 4,299,304 | (3 1/13 000) |
| Polish Zloty BZWS Buy 52,182,000 12,106,350 EUR 2/11/14 — (23,853) Singapore Dollar HSBK Buy 190,826,500 148,723,015 2/11/14 888,006 — Chilean Peso DBAB Buy 11,009,800,000 22,291,557 2/12/14 — (1,243,936) Japanese Yen HSBK Sell 28,357,850,000 304,883,778 2/12/14 15,606,208 — Japanese Yen GSCO Sell 5,856,880,500 63,099,337 2/12/14 3,353,477 — Japanese Yen JPHQ Sell 28,342,918,000 304,883,529 2/12/14 15,758,280 — Malaysian Ringgit DBAB Buy 481,829,000 147,809,375 2/12/14 — (3,242,122) Mexican Peso MSCO Buy 2,139,414,000 164,086,292 2/12/14 — (6,224,827) Singapore Dollar BZWS Buy 38,999,058 30,736,962 2/12/14 — (160,984) So | | | - | | , , | | _ | |
| Singapore Dollar HSBK Buy 190,826,500 148,723,015 2/11/14 888,006 — Chilean Peso DBAB Buy 11,009,800,000 22,291,557 2/12/14 — (1,243,936) Japanese Yen HSBK Sell 28,357,850,000 304,883,778 2/12/14 15,606,208 — Japanese Yen GSCO Sell 5,856,880,500 63,099,337 2/12/14 3,353,477 — Japanese Yen JPHQ Sell 28,342,918,000 304,883,529 2/12/14 15,758,280 — Malaysian Ringgit DBAB Buy 481,829,000 147,809,375 2/12/14 — (3,242,122) Mexican Peso MSCO Buy 2,139,414,000 164,086,292 2/12/14 — (6,224,827) Singapore Dollar BZWS Buy 38,999,058 30,736,962 2/12/14 — (160,984) South Korean Won DBAB Buy 98,884,000,000 88,092,650 2/12/14 164,703 — | • | | • | | | | _ | |
| Chilean Peso DBAB Buy 11,009,800,000 22,291,557 2/12/14 — (1,243,936) Japanese Yen HSBK Sell 28,357,850,000 304,883,778 2/12/14 15,606,208 — Japanese Yen GSCO Sell 5,856,880,500 63,099,337 2/12/14 3,353,477 — Japanese Yen JPHQ Sell 28,342,918,000 304,883,529 2/12/14 15,758,280 — Malaysian Ringgit DBAB Buy 481,829,000 147,809,375 2/12/14 — (3,242,122) Mexican Peso MSCO Buy 2,139,414,000 164,086,292 2/12/14 — (6,224,827) Singapore Dollar BZWS Buy 38,999,058 30,736,962 2/12/14 — (160,984) South Korean Won DBAB Buy 98,884,000,000 88,092,650 2/12/14 164,703 — | | | | | | | | (23,633) |
| Japanese Yen HSBK Sell 28,357,850,000 304,883,778 2/12/14 15,606,208 — Japanese Yen GSCO Sell 5,856,880,500 63,099,337 2/12/14 3,353,477 — Japanese Yen JPHQ Sell 28,342,918,000 304,883,529 2/12/14 15,758,280 — Malaysian Ringgit DBAB Buy 481,829,000 147,809,375 2/12/14 — (3,242,122) Mexican Peso MSCO Buy 2,139,414,000 164,086,292 2/12/14 — (6,224,827) Singapore Dollar BZWS Buy 38,999,058 30,736,962 2/12/14 — (160,984) South Korean Won DBAB Buy 98,884,000,000 88,092,650 2/12/14 164,703 — | | | - | | | | 888,006 | (1.042.026) |
| Japanese Yen GSCO Sell 5,856,880,500 63,099,337 2/12/14 3,353,477 — Japanese Yen JPHQ Sell 28,342,918,000 304,883,529 2/12/14 15,758,280 — Malaysian Ringgit DBAB Buy 481,829,000 147,809,375 2/12/14 — (3,242,122) Mexican Peso MSCO Buy 2,139,414,000 164,086,292 2/12/14 — (6,224,827) Singapore Dollar BZWS Buy 38,999,058 30,736,962 2/12/14 — (160,984) South Korean Won DBAB Buy 98,884,000,000 88,092,650 2/12/14 164,703 — | | | | | | | | (1,243,936) |
| Japanese Yen JPHQ Sell 28,342,918,000 304,883,529 2/12/14 15,758,280 — Malaysian Ringgit DBAB Buy 481,829,000 147,809,375 2/12/14 — (3,242,122) Mexican Peso MSCO Buy 2,139,414,000 164,086,292 2/12/14 — (6,224,827) Singapore Dollar BZWS Buy 38,999,058 30,736,962 2/12/14 — (160,984) South Korean Won DBAB Buy 98,884,000,000 88,092,650 2/12/14 164,703 — | • | | | | | | | _ |
| Malaysian Ringgit DBAB Buy 481,829,000 147,809,375 2/12/14 — (3,242,122) Mexican Peso MSCO Buy 2,139,414,000 164,086,292 2/12/14 — (6,224,827) Singapore Dollar BZWS Buy 38,999,058 30,736,962 2/12/14 — (160,984) South Korean Won DBAB Buy 98,884,000,000 88,092,650 2/12/14 164,703 — | | | | | | | | _ |
| Mexican Peso MSCO Buy 2,139,414,000 164,086,292 2/12/14 — (6,224,827) Singapore Dollar BZWS Buy 38,999,058 30,736,962 2/12/14 — (160,984) South Korean Won DBAB Buy 98,884,000,000 88,092,650 2/12/14 164,703 — | • | | | | | | 15,/58,280 | |
| Singapore Dollar BZWS Buy 38,999,058 30,736,962 2/12/14 — (160,984) South Korean Won DBAB Buy 98,884,000,000 88,092,650 2/12/14 164,703 — | | | | | | | _ | |
| South Korean Won DBAB Buy 98,884,000,000 88,092,650 2/12/14 164,703 — | | | | | | | _ | |
| | | | - | | | | _ | (160,984) |
| Furo IIRSW Sell 1/0.680.000 188.69/.08/ 2/13/1/ 2.626./190 | | | - | | | | | _ |
| Lato ODSW Sell 140,000,000 100,034,004 2/13/14 2,020,430 — | Euro | UBSW | Sell | 140,680,000 | 188,694,084 | 2/13/14 | 2,626,490 | _ |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| | | | | | Settlement | Unrealized | Unrealized |
|-------------------|--------------|------|------------------|------------------|------------|---------------|--------------|
| Currency | Counterparty | Туре | Quantity | Amount* | Date | Appreciation | Depreciation |
| Japanese Yen | CITI | Sell | 37,564,700,000 | 406,511,376 | 2/13/14 | \$ 23,311,896 | \$ — |
| Japanese Yen | JPHQ | Sell | 18,810,700,000 | 203,255,643 | 2/13/14 | 11,366,703 | _ |
| Mexican Peso | CITI | Buy | 1,155,788,000 | 87,476,859 | 2/13/14 | _ | (2,201,648) |
| Chilean Peso | MSCO | Buy | 26,354,310,000 | 53,311,035 | 2/14/14 | _ | (2,941,573) |
| Chilean Peso | DBAB | Buy | 9,810,760,000 | 19,901,333 | 2/14/14 | _ | (1,150,597) |
| Mexican Peso | MSCO | Buy | 544,517,320 | 41,335,863 | 2/14/14 | _ | (1,164,214) |
| Polish Zloty | DBAB | Buy | 52,182,000 | 12,110,846 EUR | 2/14/14 | _ | (32,799) |
| Singapore Dollar | DBAB | Buy | 95,420,000 | 75,877,699 | 2/14/14 | _ | (1,066,201) |
| Chilean Peso | DBAB | Buy | 20,505,700,000 | 41,591,181 | 2/18/14 | _ | (2,419,293) |
| Japanese Yen | JPHQ | Sell | 22,341,630,000 | 241,093,767 | 2/18/14 | 13,176,370 | _ |
| Japanese Yen | GSCO | Sell | 1,893,879,790 | 20,346,796 | 2/18/14 | 1,026,444 | _ |
| Mexican Peso | DBAB | Buy | 1,413,199,480 | 107,691,213 | 2/18/14 | _ | (3,467,924) |
| Singapore Dollar | HSBK | Buy | 84,114,500 | 66,546,282 | 2/18/14 | _ | (597,742) |
| Euro | JPHQ | Sell | 145,696,000 | 194,719,790 | 2/19/14 | 2,013,516 | _ |
| Japanese Yen | CITI | Sell | 18,760,200,000 | 203,255,741 | 2/19/14 | 11,872,628 | _ |
| Japanese Yen | GSCO | Sell | 18,956,860,000 | 204,504,593 | 2/19/14 | 11,115,244 | _ |
| Malaysian Ringgit | HSBK | Buy | 51,597,000 | 16,341,610 | 2/19/14 | _ | (866,663) |
| Chilean Peso | CITI | Buy | 20,803,900,000 | 42,301,545 | 2/20/14 | _ | (2,569,875) |
| Euro | BZWS | Sell | 165,746,000 | 221,244,391 | 2/20/14 | 2,017,956 | _ |
| Chilean Peso | JPHQ | Buy | 10,742,400,000 | 21,834,146 | 2/21/14 | _ | (1,320,660) |
| Euro | GSCO | Sell | 74,206,000 | 99,332,152 | 2/21/14 | 1,182,101 | _ |
| Malaysian Ringgit | HSBK | Buy | 571,500,000 | 172,263,082 | 2/21/14 | _ | (878,494) |
| Malaysian Ringgit | JPHQ | Buy | 177,750,000 | 53,581,118 | 2/21/14 | _ | (276,462) |
| South Korean Won | JPHQ | | 223,223,000,000 | 198,791,522 | 2/21/14 | 360,968 | <u> </u> |
| Chilean Peso | JPHQ | Buy | 18,232,450,000 | 36,986,408 | 2/24/14 | _ | (2,183,022) |
| Chilean Peso | MSCO | Buy | 12,954,520,000 | 26,205,158 | 2/24/14 | _ | (1,476,657) |
| Japanese Yen | HSBK | Sell | 6,688,700,000 | 71,575,174 | 2/24/14 | 3,337,297 | _ |
| Mexican Peso | CITI | Buy | 906,059,000 | 68,443,798 | 2/24/14 | _ | (1,655,880) |
| Chilean Peso | DBAB | Buy | 14,257,230,000 | 28,825,778 | 2/25/14 | _ | (1,613,949) |
| Japanese Yen | BZWS | Sell | 9,408,100,000 | 101,627,887 | 2/25/14 | 5,646,010 | _ |
| Japanese Yen | JPHQ | Sell | 6,693,900,000 | 72,208,409 | 2/25/14 | 3,916,927 | _ |
| Malaysian Ringgit | DBAB | Buy | 251,710,000 | 79,594,612 | 2/25/14 | _ | (4,127,521) |
| Mexican Peso | DBAB | Buy | 1,242,200,000 | 94,152,424 | 2/25/14 | _ | (2,594,419) |
| Chilean Peso | MSCO | Buy | 22,054,300,000 | 44,585,667 | 2/26/14 | _ | (2,497,308) |
| Chilean Peso | DBAB | Buy | 13,753,090,000 | 27,784,020 | 2/26/14 | _ | (1,537,665) |
| Euro | UBSW | Sell | 211,027,544 | 282,006,658 | 2/26/14 | 2,881,584 | _ |
| Euro | BZWS | Sell | 207,294,428 | 276,354,536 | 2/26/14 | 2,167,235 | _ |
| Japanese Yen | UBSW | Sell | 11,809,161,000 | 119,938,665 | 2/26/14 | _ | (539,927) |
| Singapore Dollar | BZWS | Buy | 128,018,000 | 99,928,187 | 2/26/14 | 444,630 | _ |
| Chilean Peso | DBAB | Buy | 19,918,030,000 | 40,270,987 | 2/27/14 | _ | (2,263,227) |
| Euro | BZWS | Sell | 204,674,498 | 273,393,563 | 2/27/14 | 2,670,539 | _ |
| Japanese Yen | BZWS | Sell | 29,025,800,000 | 312,503,705 | 2/27/14 | 16,375,652 | _ |
| Japanese Yen | DBAB | Sell | 19,674,334,000 | 214,939,001 | 2/27/14 | 14,216,809 | _ |
| Malaysian Ringgit | HSBK | Buy | 252,009,900 | 75,114,724 | 2/27/14 | 433,385 | _ |
| Singapore Dollar | DBAB | Buy | 178,717,500 | 139,754,066 | 2/27/14 | 370,028 | _ |
| Chilean Peso | JPHQ | Buy | 10,953,800,000 | 22,144,547 | 2/28/14 | | (1,244,470) |
| | J. 110 | _ 4, | _ 0,0 00,000,000 | ,_ , , , , , , , | _,, | | (2,211,170) |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| | | | | Contract | Settlement | Unrealized | Unrealized |
|-------------------|--------------|------|----------------|-----------------|------------|--------------|---------------|
| Currency | Counterparty | Туре | Quantity | Amount* | Date | Appreciation | Depreciation |
| Chilean Peso | DBAB | Buy | 8,038,300,000 | 16,229,809 | 2/28/14 | \$ — | , , |
| Euro | GSCO | Sell | 31,393,000 | 41,170,350 | 2/28/14 | _ | (353,349) |
| Euro | UBSW | Sell | 143,335,694 | 191,964,339 | 2/28/14 | 2,373,407 | _ |
| Japanese Yen | BZWS | Sell | 42,387,239,840 | 464,000,000 | 2/28/14 | 31,550,896 | _ |
| Malaysian Ringgit | HSBK | Buy | 311,715,000 | 98,731,471 | 2/28/14 | _ | (5,290,540) |
| Mexican Peso | CITI | Buy | 3,028,805,800 | 226,204,008 | 2/28/14 | _ | (3,020,060) |
| Mexican Peso | MSCO | Buy | 274,416,700 | 20,635,938 | 2/28/14 | _ | (414,964) |
| Singapore Dollar | DBAB | Buy | 68,720,000 | 55,522,340 | 2/28/14 | _ | (1,642,096) |
| Singapore Dollar | DBAB | Buy | 68,720,000 | 53,591,203 | 2/28/14 | 289,040 | _ |
| Swedish Krona | UBSW | Buy | 2,014,983,000 | 230,750,653 EUR | 2/28/14 | _ | (2,278,764) |
| Chilean Peso | DBAB | Buy | 12,395,040,000 | 25,043,014 | 3/03/14 | _ | (1,400,014) |
| Japanese Yen | JPHQ | Sell | 9,819,200,000 | 107,979,238 | 3/03/14 | 7,797,282 | _ |
| Polish Zloty | DBAB | Buy | 284,819,000 | 65,723,417 EUR | 3/03/14 | 229,465 | _ |
| Japanese Yen | UBSW | Sell | 12,728,600,000 | 138,459,698 | 3/04/14 | 8,592,774 | _ |
| Japanese Yen | HSBK | Sell | 9,813,450,000 | 107,780,890 | 3/04/14 | 7,656,559 | _ |
| Malaysian Ringgit | JPHQ | Buy | 250,109,000 | 74,853,799 | 3/04/14 | 101,547 | _ |
| Chilean Peso | BZWS | Buy | 30,271,200,000 | 61,123,069 | 3/05/14 | _ | (3,393,449) |
| Chilean Peso | DBAB | Buy | 12,395,040,000 | 24,974,894 | 3/05/14 | _ | (1,336,553) |
| Euro | DBAB | Sell | 37,178,000 | 48,424,345 | 3/05/14 | _ | (752,197) |
| Chilean Peso | DBAB | Buy | 12,092,440,000 | 24,343,110 | 3/06/14 | _ | (1,284,124) |
| Chilean Peso | DBAB | Buy | 12,019,520,000 | 24,269,601 | 3/07/14 | _ | (1,351,923) |
| Euro | BZWS | Sell | 80,229,957 | 104,976,085 | 3/07/14 | _ | (1,147,527) |
| Euro | GSCO | Sell | 46,970,000 | 61,359,260 | 3/07/14 | _ | (769,978) |
| Japanese Yen | BZWS | Sell | 35,663,421,500 | 359,717,352 | 3/07/14 | _ | (4,159,522) |
| Japanese Yen | MSCO | Sell | 6,405,061,130 | 69,075,137 | 3/07/14 | 3,723,762 | _ |
| Chilean Peso | MSCO | Buy | 12,816,000,000 | 25,890,909 | 3/10/14 | _ | (1,461,799) |
| Euro | CITI | Sell | 109,690,000 | 143,304,501 | 3/10/14 | _ | (1,788,931) |
| Euro | MSCO | Sell | 82,877,000 | 108,299,520 | 3/10/14 | _ | (1,326,776) |
| Euro | GSCO | Sell | 38,210,000 | 49,826,604 | 3/10/14 | _ | (716,016) |
| Euro | HSBK | Sell | 29,251,000 | 38,172,555 | 3/10/14 | _ | (519,468) |
| Euro | BZWS | Sell | 23,992,252 | 31,255,666 | 3/10/14 | _ | (480,300) |
| Singapore Dollar | GSCO | Buy | 87,786,250 | 70,426,193 | 3/11/14 | _ | (1,595,811) |
| Chilean Peso | MSCO | Buy | 24,865,500,000 | 50,263,796 | 3/12/14 | _ | (2,875,966) |
| Euro | DBAB | Sell | 129,470,000 | 168,852,713 | 3/12/14 | _ | (2,406,272) |
| Chilean Peso | DBAB | Buy | 11,693,890,000 | 23,643,126 | 3/13/14 | _ | (1,359,499) |
| Mexican Peso | CITI | Buy | 897,849,000 | 69,155,742 | 3/13/14 | _ | (3,071,633) |
| Mexican Peso | CITI | Buy | 553,062,600 | 42,015,498 | 3/14/14 | _ | (1,312,184) |
| Singapore Dollar | HSBK | Buy | 240,069,100 | 192,486,450 | 3/14/14 | _ | (4,255,110) |
| Euro | DBAB | Sell | 103,280,000 | 134,064,670 | 3/17/14 | _ | (2,553,733) |
| Euro | BZWS | Sell | 52,945,647 | 68,896,582 | 3/17/14 | _ | (1,139,724) |
| Japanese Yen | CITI | Sell | 8,267,822,900 | 86,361,549 | 3/17/14 | 1,995,494 | - (2,100,,24) |
| Chilean Peso | DBAB | Buy | 23,672,830,000 | 47,988,709 | 3/18/14 | | (2,900,467) |
| Euro | DBAB | Sell | 112,249,000 | 146,041,561 | 3/18/14 | _ | (2,441,600) |
| Euro | CITI | Sell | 6,192,249 | 8,038,685 | 3/18/14 | _ | (152,432) |
| Singapore Dollar | DBAB | Buy | 109,530,000 | 87,764,423 | 3/18/14 | _ | (1,884,548) |
| Hungary Forint | DBAB | Buy | 20,036,298,800 | 63,450,685 EUR | 3/19/14 | 2,478,768 | (1,004,040) |
| riungary i offilt | סאט | ьиу | 20,000,200,000 | 05,450,005 EUR | 3/13/14 | ۷,470,700 | _ |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| | | | | | Settlement | Unrealized | Unrealized |
|-------------------|--------------|------|-----------------|----------------|------------|--------------|--------------|
| Currency | Counterparty | Туре | Quantity | Amount* | Date | Appreciation | Depreciation |
| Hungary Forint | JPHQ | Buy | 6,004,960,140 | 19,035,206 EUR | 3/19/14 | \$ 718,058 | \$ — |
| Japanese Yen | CITI | Sell | 25,386,870,000 | 266,871,823 | 3/19/14 | 7,815,164 | _ |
| Japanese Yen | MSCO | Sell | 12,384,230,000 | 129,454,137 | 3/19/14 | 3,081,045 | _ |
| Philippine Peso | HSBK | Buy | 1,562,550,000 | 34,925,123 | 3/19/14 | 55,708 | _ |
| Polish Zloty | DBAB | Buy | 223,787,690 | 52,378,628 EUR | 3/19/14 | _ | (867,997) |
| Singapore Dollar | HSBK | Buy | 217,756,000 | 174,546,912 | 3/19/14 | _ | (3,809,337) |
| Singapore Dollar | DBAB | Buy | 190,493,600 | 149,355,203 | 3/19/14 | _ | (358,853) |
| Singapore Dollar | JPHQ | Buy | 135,883,000 | 106,055,852 | 3/19/14 | 486,948 | _ |
| Hungary Forint | JPHQ | Buy | 10,046,465,000 | 31,725,345 EUR | 3/20/14 | 1,358,061 | _ |
| Chilean Peso | JPHQ | Buy | 10,835,800,000 | 21,912,639 | 3/21/14 | _ | (1,280,421) |
| Euro | DBAB | Sell | 34,555,000 | 44,835,113 | 3/21/14 | _ | (874,851) |
| Euro | BZWS | Sell | 4,383,502 | 5,692,416 | 3/21/14 | _ | (106,158) |
| Hungary Forint | JPHQ | Buy | 9,992,530,000 | 31,725,339 EUR | 3/21/14 | 1,122,056 | _ |
| Japanese Yen | DBAB | Sell | 8,258,238,000 | 87,469,289 | 3/24/14 | 3,194,910 | _ |
| Japanese Yen | BZWS | Sell | 8,436,480,000 | 89,183,378 | 3/24/14 | 3,090,059 | _ |
| Mexican Peso | CITI | Buy | 1,615,454,200 | 118,483,703 | 3/24/14 | 302,945 | _ |
| Japanese Yen | BZWS | Sell | 8,566,803,330 | 90,319,487 | 3/25/14 | 2,895,325 | _ |
| South Korean Won | HSBK | Buy | 45,379,000,000 | 39,999,119 | 3/25/14 | 442,145 | _ |
| Swedish Krona | CITI | Buy | 150,300,000 | 17,772,050 EUR | 3/25/14 | _ | (928,209) |
| Euro | DBAB | Sell | 29,745,000 | 38,646,191 | 3/26/14 | _ | (701,813) |
| Euro | CITI | Sell | 7,237,832 | 9,414,248 | 3/26/14 | _ | (160,277) |
| Malaysian Ringgit | DBAB | Buy | 152,218,000 | 47,960,804 | 3/26/14 | _ | (2,403,724) |
| Malaysian Ringgit | HSBK | Buy | 145,031,000 | 45,673,301 | 3/26/14 | _ | (2,267,206) |
| Euro | DBAB | Sell | 990,895 | 1,277,680 | 3/31/14 | _ | (33,146) |
| Chilean Peso | DBAB | Buy | 12,117,060,000 | 24,538,396 | 4/04/14 | _ | (1,498,291) |
| Euro | DBAB | Sell | 74,973,000 | 96,501,497 | 4/04/14 | _ | (2,679,708) |
| Euro | HSBK | Sell | 133,988,000 | 175,104,898 | 4/10/14 | _ | (2,151,085) |
| Euro | DBAB | Sell | 113,621,500 | 148,702,138 | 4/11/14 | _ | (1,611,112) |
| Euro | UBSW | Sell | 66,994,000 | 87,711,895 | 4/11/14 | _ | (916,454) |
| Chilean Peso | MSCO | Buy | 24,383,100,000 | 49,847,899 | 4/14/14 | _ | (3,529,914) |
| Euro | JPHQ | Sell | 214,266,000 | 280,836,946 | 4/14/14 | _ | (2,625,325) |
| Euro | HSBK | Sell | 117,406,000 | 153,676,236 | 4/16/14 | _ | (1,646,773) |
| Chilean Peso | MSCO | Buy | 21,847,300,000 | 44,355,497 | 4/21/14 | _ | (2,882,994) |
| Japanese Yen | BZWS | Sell | 2,679,000,000 | 27,540,053 | 4/21/14 | 193,206 | _ |
| Japanese Yen | JPHQ | Sell | 1,609,650,000 | 16,524,060 | 4/21/14 | 92,984 | _ |
| Japanese Yen | CITI | Sell | 6,890,100,000 | 70,411,323 | 4/22/14 | 77,440 | _ |
| Japanese Yen | JPHQ | Sell | 2,465,150,000 | 25,182,601 | 4/22/14 | 18,442 | _ |
| Euro | DBAB | Sell | 107,566,000 | 140,986,756 | 4/23/14 | _ | (1,322,379) |
| Mexican Peso | CITI | Buy | 618,239,190 | 49,021,860 | 4/23/14 | _ | (3,681,596) |
| Euro | BZWS | Sell | 248,233,324 | 324,242,368 | 4/25/14 | _ | (4,171,393) |
| Malaysian Ringgit | JPHQ | Buy | 19,310,000 | 6,210,601 | 4/25/14 | _ | (441,902) |
| South Korean Won | JPHQ | Buy | 144,472,750,000 | 127,333,642 | 4/25/14 | 1,290,359 | . — |
| Chilean Peso | JPHQ | Buy | 13,842,935,000 | 27,867,006 | 4/28/14 | _ | (1,607,134) |
| Euro | BZWS | Sell | 41,793,000 | 54,506,723 | 4/30/14 | _ | (786,711) |
| Euro | DBAB | Sell | 236,418,000 | 313,873,265 | 4/30/14 | 1,084,923 | · — |
| Swedish Krona | UBSW | Buy | 67,500,000 | 7,808,433 EUR | 4/30/14 | _ | (199,186) |
| | | , | , | | | | , , |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| Currency Counterparty Type Quantity Amount* Date Appreciation Euro BZWS Sell 202,926,342 268,966,691 5/05/14 \$483,437 \$ - Euro GSCO Sell 226,520,861 298,010,845 5/07/14 — (1,691,73 Euro BZWS Sell 78,607,000 103,159,896 5/07/14 — (842,53 Euro GSCO Sell 127,740,000 167,289,581 5/08/14 — (1,719,88 Chilean Peso MSCO Buy 11,060,000,000 224,343,077 5/12/14 — (148,31 Euro GSCO Sell 215,068,000 284,137,088 5/12/14 — (106,91 Japanese Yen CITI Sell 12,481,442,000 126,513,496 5/12/14 — (106,91 Euro GSCO Sell 128,181,000 168,333,598 5/13/14 — (1,262,62 Euro GSCO Sell 278,674,000 372 | | | | | | | | |
|--|--------------|---------------|------|----------------|-------------|------------|------------|--------------|
| Euro GSCO Sell 202,926,342 268,966,691 5/05/14 \$ 483,437 \$ 1.691,73 Euro GSCO Sell 226,520,861 298,010,845 5/07/14 — (1,691,73 Euro BZWS Sell 78,607,000 103,159,896 5/07/14 — (842,53 Euro GSCO Sell 127,740,000 167,289,581 5/08/14 — (1,719,86 Chilean Peso MSCO Buy 11,060,000,000 22,434,077 5/12/14 — (11,482,14 Euro GSCO Sell 215,068,000 284,137,088 5/12/14 — (10,691,91 Japanese Yen UBSW Sell 39,305,000 51,897,339 5/12/14 — (10,691,91 Japanese Yen CITI Sell 12,481,442,000 126,513,496 5/12/14 — (12,626,262 Euro GSCO Sell 278,674,000 372,670,740 5/13/14 — (12,626,262 Euro GSCO Sell 278,674,000 372,670,740 5/13/14 — (13,997,792 Japanese Yen UBSW Sell 39,880,000 167,738,449 5/13/14 — (13,997,792 Japanese Yen UBSW Sell 12,414,879,000 125,358,500 5/13/14 — (13,997,792 Japanese Yen UBSW Sell 12,414,879,000 125,358,500 5/13/14 — (13,395,638,53) Singapore Dollar DBAB Buy 95,420,000 75,904,860 5/14/14 — (13,395,638,53) Singapore Dollar DBAB Buy 84,117,000 66,333,097 5/19/14 — (3,356,63 Euro BZWS Sell 165,749,000 129,958,868 5/16/14 653,654 — (865,06 Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (13,692,74 Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (15,633,87 Singapore Dollar DBAB Buy 84,117,000 66,333,097 5/19/14 — (3,72,71 Euro BZWS Sell 165,749,000 129,958,868 5/16/14 653,654 — (865,06 Euro BZWS Sell 165,749,000 129,958,868 5/16/14 653,654 — (865,06 Euro BZWS Sell 202,057,000 261,815,358 5/20/14 — (5,533,87 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (9,040,75 Chilean Peso MSCO Buy 5,306,760,000 11,554,415 5/22/14 — (9,040,75 Chilean Peso HSBK Buy 36,030,800 11,702,491 5/22/14 — (9,040,75 Chilean Peso HSBK Buy 31,552,000,000 120,806,144 5/28/14 — (1,487,43 Chilean Peso HSBK Buy 148,382,600 47,978,336 5/23/14 — (1,487,43 Chilean Peso HSBK Buy 155,855,000,000 120,806,144 5/28/14 — (3,738,63 Mexican Peso HSBK Buy 155,855,000,000 120,806,144 5/28/14 — (3,738,63 Mexican Peso HSBK Buy 155,855,000,000 120,806,144 5/28/14 — (3,738,63 Mexican Peso HSBK Buy 155,855,000,000 120,806,144 5/28/14 — (3,738,63 Mexica | Currency | Carretornautu | Tuna | Overtity | Contract | Settlement | Unrealized | Unrealized |
| Euro GSCO Sell 226,520,861 298,010,845 5/07/14 — (1,691,73 Euro BZWS Sell 78,607,000 103,159,896 5/07/14 — (842,53 Euro GSCO Sell 127,740,000 167,289,581 5/08/14 — (1,719,85 Chilean Peso MSCO Buy 11,060,000,000 22,434,077 5/12/14 — (1,719,85 Chilean Peso MSCO Buy 11,060,000,000 22,434,077 5/12/14 — (1,719,85 Chilean Peso UBSW Sell 39,305,000 284,137,088 5/12/14 — (106,91 Japanese Yen UBSW Sell 39,305,000 51,897,339 5/12/14 — (106,91 Japanese Yen CITI Sell 12,481,442,000 126,513,496 5/12/14 — (923,09 Euro GSCO Sell 128,181,000 168,333,698 5/13/14 — (1,262,62 Euro CITI Sell 10,069,509 132,076,741 5/13/14 — (1,262,62 Euro GSCO Sell 278,674,000 372,670,740 5/13/14 3,957,072 — Japanese Yen GSCO Sell 16,608,958,000 167,738,449 5/13/14 — (1,842,19 Japanese Yen UBSW Sell 12,414,879,000 123,401,089 5/14/14 — (1,399,79 Japanese Yen UBSW Sell 12,414,879,000 123,401,089 5/14/14 — (1,399,79 Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (865,06 Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (865,064 — Singapore Dollar DBAB Buy 84,117,000 66,333,097 5/19/14 — (372,71 Euro GSCO Sell 202,057,000 219,958,868 5/16/14 — (65,634 — Singapore Dollar DBAB Buy 84,117,000 66,333,097 5/19/14 — (5,533,87 Malaysian Ringgit HSBK Buy 632,620,000 206,725,051 5/20/14 — (5,533,87 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (1,802,254 Euro BZWS Sell 202,057,000 219,958,865 5/20/14 — (5,533,87 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (1,125,86 Mexican Peso HSBK Buy 155,850,000,00 11,054,415 5/22/14 — (1,125,86 Mexican Peso HSBK Buy 155,850,000,00 120,806,414 5/28/14 — (2,972,20 Polish Zloty MSCO Buy 267,265,000 262,439,456 5/30/14 — (1,125,86 Mexican Peso HSBK Buy 155,855,000,000 120,806,414 5/28/14 — (2,972,20 Polish Zloty MSCO Buy 267,265,000 67,658,392 5/28/14 — (1,127,386,300 11,702,491 5/28/14 — (1,127,386,300 11,702,491 5/28/14 — (1,127,386,300 11,702,491 5/28/14 — (1,127,386,300 11,702,491 5/28/14 — (1,127,386,300 11,702,491 5/28/14 — (1,127,386,300 11,702,491 5/28/14 — (1,127,386,300 11,702,491 5/28/14 — | • | | | • | | | - '' | • |
| Euro GSCO Sell 127,740,000 167,289,581 5008/14 — (842,53 167) Euro GSCO Sell 127,740,000 167,289,581 5008/14 — (1,719,86 167) Euro GSCO Sell 127,740,000 22,434,077 5/12/14 — (1,482,14 167) Euro GSCO Sell 215,068,000 224,437,078 5/12/14 — (418,31 167) Euro UBSW Sell 39,305,000 51,897,339 5/12/14 — (418,31 187) Euro GSCO Sell 128,181,000 168,333,698 5/13/14 — (12,626,26 187) Euro GSCO Sell 128,181,000 168,333,698 5/13/14 — (12,626,26 187) Euro GSCO Sell 128,181,000 168,333,698 5/13/14 — (12,626,2 187) Euro GSCO Sell 278,674,000 372,670,740 5/13/14 3,957,072 — (12,842,19 187) Japanese Yen GSCO Sell 16,608,958,000 167,738,449 5/13/14 — (1,842,19 187) Japanese Yen UBSW Sell 12,414,879,000 125,358,500 5/13/14 — (1,399,79 187) Japanese Yen UBSW Sell 12,414,879,000 123,401,089 5/14/14 — (3,358,63 187) Japanese Yen CITI Sell 12,414,879,000 123,401,089 5/14/14 — (3,358,63 187) Japanese Yen DBAB Buy 95,420,000 75,904,860 5/14/14 — (3,358,65 187) Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (865,06 187) Euro BZWS Sell 165,749,000 219,958,868 5/16/14 — (332,716) Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (332,716) Euro BZWS Sell 20,057,000 261,815,358 5/20/14 — (372,717) Euro BZWS Sell 251,880,551 324,233,239 5/21/14 — (9,040,75 18) Euro BZWS Sell 251,880,551 324,233,239 5/21/14 — (9,040,75 18) Euro BZWS Sell 37,226,387 48,130,368 5/23/14 — (1,182,254 18) Euro BZWS Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 18) Euro BZWS Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 18) Euro BZWS Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 18) Euro BZWS Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 18) Euro BZWS Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 18) Euro BZWS Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 18) Euro BZWS Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 18) Euro BZWS Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 18) Euro BZWS Sell 47,252,351 65,000,000 126,68,414 5/28/14 — (1,148,73 18) Euro BZWS Sell 50,325,351 65,000,000 126,68,392 5/30/1 | | | | | | | . , | |
| Euro GSCO Sell 127,740,000 167,289,581 5/08/14 — (1,719,85 Chilean Peso MSCO Buy 11,060,000,000 22,434,077 5/12/14 — (1,482,14 Euro UBSW Sell 39,305,000 51,897,339 5/12/14 — (106,91) Japanese Yen CITI Sell 12,481,442,000 126,513,496 5/12/14 — (923,09 Euro GSCO Sell 12,481,442,000 126,513,496 5/12/14 — (923,09 Euro GSCO Sell 100,069,509 132,076,741 5/13/14 — (325,26 Euro GSCO Sell 106,608,958,000 167,738,449 5/13/14 — (1,842,19 Japanese Yen UBSW Sell 12,414,890,000 123,401,089 5/14/14 — (1,842,19 Japanese Yen UBSW Sell 12,414,890,000 123,401,089 5/14/14 — (1,842,19 Japanese Yen USSW Sell< | | | | | | | _ | |
| Chilean Peso MSCO Buy 11,060,000,000 22,434,077 5/12/14 — (1,482,14 | | | | | | | _ | |
| Euro GSCO Sell 215,068,000 284,137,088 5/12/14 — (418,31 Euro UBSW Sell 39,305,000 51,897,339 5/12/14 — (106,91 Japanese Yen CITI Sell 12,481,442,000 126,513,496 5/12/14 — (126,62,62 Euro CITI Sell 100,069,509 132,076,741 5/13/14 — (325,26 Euro GSCO Sell 16,608,958,000 372,670,740 5/13/14 3,957,072 — Japanese Yen GSCO Sell 16,608,958,000 167,738,449 5/13/14 — (1,842,19 Japanese Yen UBSW Sell 12,414,890,000 125,358,500 5/13/14 — (1,981,79 Japanese Yen CITI Sell 12,414,890,000 75,904,860 5/14/14 — (1,081,79 Euro BZWS Sell 165,749,000 219,958,868 5/16/14 — (372,71 Euro GSCO Sell | | | | | | | | |
| Euro UBSW Sell 39,305,000 51,897,339 5/12/14 — (106,91) Japanese Yen CITI Sell 124,814,42,000 126,513,496 5/12/14 — (923,09) Euro GSCO Sell 128,181,000 168,333,698 5/13/14 — (1,262,62) Euro GSCO Sell 100,069,509 132,076,740 5/13/14 — (325,26) Euro GSCO Sell 278,674,000 372,670,740 5/13/14 — (1,842,19) Japanese Yen GSCO Sell 166,608,958,000 167,738,449 5/13/14 — (1,842,19) Japanese Yen CITI Sell 124,14,879,000 123,401,089 5/14/14 — (3,358,63 Singapore Dollar DBAB Buy 95,420,000 75,904,860 5/14/14 — (10,817,79 Euro BZWS Sell 165,749,000 219,958,868 5/16/14 — (372,71 Euro BZWS Sell | | | | | | | | |
| Japanese Yen | | | | | | | | |
| Euro GSCO Sell 128,181,000 168,333,698 5/13/14 — (1,262,62) Euro CITI Sell 100,069,509 132,076,741 5/13/14 — (325,26) Euro GSCO Sell 1278,674,000 372,670,740 5/13/14 — (1,842,19) Japanese Yen UBSW Sell 12,414,879,000 125,358,500 5/13/14 — (1,842,19) Japanese Yen CITI Sell 12,414,890,000 123,401,089 5/14/14 — (1,399,79) Japanese Yen CITI Sell 12,414,890,000 123,401,089 5/14/14 — (1,081,79) Japanese Yen DBAB Buy 95,420,000 75,904,860 5/14/14 — (1,081,79) Japanese Yen BZWS Sell 165,749,000 219,958,868 5/16/14 653,654 — Euro BZWS Sell 165,749,000 261,815,358 5/20/14 — (372,71 Euro GSCO Sell< | | | | | | | | |
| Euro CITI Sell 100,069,509 132,076,741 5/13/14 — (325,26 Euro GSCO Sell 278,674,000 372,670,740 5/13/14 3,957,072 — Japanese Yen GSCO Sell 16,608,958,000 167,738,449 5/13/14 — (1,842,19 Japanese Yen CITI Sell 12,414,879,000 123,401,089 5/14/14 — (3,358,63 Singapore Dollar DBAB Buy 95,420,000 75,904,860 5/14/14 — (1,081,79 Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (865,06 Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (365,06 Euro BZWS Sell 202,057,000 261,815,358 5/20/14 — (5,533,87 Malaysian Ringgit HSBK Buy 632,620,000 206,725,051 5/20/14 — (18,022,54 Euro BZWS Sell < | | | | | | | | |
| Euro GSCO Sell 278,674,000 372,670,740 5/13/14 3,957,072 | | | | | | | | |
| Japanese Yen GSCO Sell 16,608,958,000 167,738,449 5/13/14 — (1,842,19) Japanese Yen UBSW Sell 12,414,879,000 125,358,500 5/13/14 — (1,399,79) Japanese Yen CITI Sell 12,414,890,000 123,401,089 5/14/14 — (3,358,63 Singapore Dollar DBAB Buy 95,420,000 75,904,860 5/14/14 — (1,081,79 Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (865,654 Euro BZWS Sell 165,749,000 219,958,868 5/16/14 653,654 — Singapore Dollar DBAB Buy 84,117,000 66,333,097 5/19/14 — (5,533,87 Malaysian Ringgit HSBK Buy 632,620,000 206,725,051 5/20/14 — (5,533,87 Chilean Peso MSCO Buy 53,06,760,000 206,725,051 5/20/14 — (511,18 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (511, | | | | | | | | (325,261) |
| Japanese Yen UBSW Sell 12,414,879,000 125,358,500 5/13/14 — (1,399,79 Japanese Yen CITI Sell 12,414,890,000 123,401,089 5/14/14 — (3,358,63 Singapore Dollar DBAB Buy 95,420,000 75,904,860 5/14/14 — (1,081,79 Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (865,06 Euro BZWS Sell 165,749,000 219,958,868 5/16/14 — (372,71 Euro GSCO Sell 202,057,000 261,815,358 5/20/14 — (55,533,87 Malaysian Ringgit HSBK Buy 632,620,000 206,725,051 5/20/14 — (511,18 Euro BZWS Sell 251,880,551 324,233,239 5/21/14 — (9,040,75 Chilean Peso MSCO Buy 5,306,760,000 10,554,415 5/22/14 — (511,18 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (9,962,26 M | | | | | | | | (1.040.100) |
| Japanese Yen | | | | | | | | |
| Singapore Dollar DBAB Buy 95,420,000 75,904,860 5/14/14 — (1,081,79) Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (865,06) Euro BZWS Sell 165,749,000 219,958,868 5/16/14 653,654 — Singapore Dollar DBAB Buy 84,117,000 66,333,097 5/19/14 — (372,71) Euro GSCO Sell 202,057,000 261,815,358 5/20/14 — (55,33,87) Malaysian Ringgit HSBK Buy 632,620,000 206,725,051 5/20/14 — (9,040,75) Chilean Peso MSCO Buy 5,306,760,000 10,554,415 5/22/14 — (511,18 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (511,18 Mexican Peso HSBK Buy 531,511,160 41,849,625 5/23/14 — (2,972,20 Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31 | | | | | | | | |
| Euro BZWS Sell 40,148,795 52,256,467 5/16/14 — (865,065) Euro BZWS Sell 165,749,000 219,958,868 5/16/14 653,654 — Singapore Dollar DBAB Buy 84,117,000 66,333,097 5/19/14 — (372,71 Euro GSCO Sell 202,057,000 261,815,358 5/20/14 — (5,533,87 Malaysian Ringgit HSBK Buy 632,620,000 206,725,051 5/20/14 — (18,022,54) Euro BZWS Sell 251,880,551 324,233,239 5/21/14 — (9,040,75) Chilean Peso MSCO Buy 5,306,760,000 10,554,415 5/22/14 — (511,18 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (956,26 Euro JPHQ Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 Mexican Peso HSBK Buy | | | | | | | | |
| Euro BZWS Sell 165,749,000 219,958,868 5/16/14 653,654 - Singapore Dollar DBAB Buy 84,117,000 66,333,097 5/19/14 — (372,71 Euro GSCO Sell 202,057,000 261,815,358 5/20/14 — (5,533,87 Malaysian Ringgit HSBK Buy 632,620,000 206,725,051 5/20/14 — (9,040,75 Chilean Peso MSCO Buy 5,306,760,000 10,554,415 5/22/14 — (9,040,75 Chilean Peso MSCO Buy 36,030,800 11,702,491 5/22/14 — (956,26 Euro JPHQ Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 Mexican Peso HSBK Buy 531,511,160 41,849,625 5/23/14 — (2,972,20 Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31 Mexican Peso JPHQ Buy | | | • | | | | | |
| Singapore Dollar DBAB Buy 84,117,000 66,333,097 5/19/14 — (372,71 Euro GSCO Sell 202,057,000 261,815,358 5/20/14 — (5,533,87 Malaysian Ringgit HSBK Buy 632,620,000 206,725,051 5/20/14 — (18,022,54 Euro BZWS Sell 251,880,551 324,233,239 5/21/14 — (9,040,75 Chilean Peso MSCO Buy 5,306,760,000 10,554,415 5/22/14 — (511,18 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (956,26 Euro JPHQ Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 Mexican Peso HSBK Buy 531,511,160 41,849,625 5/23/14 — (2,972,20 Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31 Malaysian Ringgit HSBK | | | | | | | | (865,060) |
| Euro GSCO Sell 202,057,000 261,815,358 5/20/14 — (5,533,87) Malaysian Ringgit HSBK Buy 632,620,000 206,725,051 5/20/14 — (18,022,54) Euro BZWS Sell 251,880,551 324,233,239 5/21/14 — (9,040,75) Chilean Peso MSCO Buy 5,306,760,000 10,554,415 5/22/14 — (956,26) Euro JPHQ Sell 37,226,387 48,130,368 5/23/14 — (1,125,86) Mexican Peso HSBK Buy 531,511,160 41,849,625 5/23/14 — (2,972,20) Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31) Malaysian Ringgit HSBK Buy 148,382,600 47,978,336 5/28/14 — (3,738,63) Mexican Peso JPHQ Buy 1,552,000,000 120,806,414 5/28/14 — (7,334,90) South Korean Won J | | | | | | | 653,654 | (270.717) |
| Malaysian Ringgit HSBK Buy 632,620,000 206,725,051 5/20/14 — (18,022,54 Euro BZWS Sell 251,880,551 324,233,239 5/21/14 — (9,040,75 Chilean Peso MSCO Buy 5,306,760,000 10,554,415 5/22/14 — (511,18 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (956,26 Euro JPHQ Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 Mexican Peso HSBK Buy 531,511,160 41,849,625 5/23/14 — (2,972,20 Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31 Malaysian Ringgit HSBK Buy 148,382,600 47,978,336 5/28/14 — (3,738,63 Mexican Peso JPHQ Buy 1,552,000,000 120,806,414 5/28/14 — (7,334,90 South Korean Won JP | | | | | | | _ | |
| Euro BZWS Sell 251,880,551 324,233,239 5/21/14 — (9,040,75 Chilean Peso MSCO Buy 5,306,760,000 10,554,415 5/22/14 — (511,18 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (956,26 Euro JPHQ Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 Mexican Peso HSBK Buy 531,511,160 41,849,625 5/23/14 — (2,972,20 Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31 Malaysian Ringgit HSBK Buy 148,382,600 47,978,336 5/28/14 — (3,738,63 Mexican Peso JPHQ Buy 1,552,000,000 120,806,414 5/28/14 — (7,334,90 South Korean Won JPHQ Buy 155,855,000,000 136,738,902 5/28/14 1,871,433 — Euro GSCO | | | | | | | | |
| Chilean Peso MSCO Buy 5,306,760,000 10,554,415 5/22/14 — (511,18 Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (956,26 Euro JPHQ Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 Mexican Peso HSBK Buy 531,511,160 41,849,625 5/23/14 — (2,972,20 Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31 Malaysian Ringgit HSBK Buy 148,382,600 47,978,336 5/28/14 — (3,738,63 Mexican Peso JPHQ Buy 1,552,000,000 120,806,414 5/28/14 — (7,334,90 South Korean Won JPHQ Buy 155,855,000,000 136,738,902 5/28/14 1,871,433 — Mexican Peso HSBK Buy 475,193,807 34,779,610 5/29/14 — (39,75 Euro GSCO | | | | | | | | |
| Malaysian Ringgit HSBK Buy 36,030,800 11,702,491 5/22/14 — (956,26 Euro JPHQ Sell 37,226,387 48,130,368 5/23/14 — (1,125,86 Mexican Peso HSBK Buy 531,511,160 41,849,625 5/23/14 — (2,972,20 Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31 Malaysian Ringgit HSBK Buy 148,382,600 47,978,336 5/28/14 — (3,738,63 Mexican Peso JPHQ Buy 1,552,000,000 120,806,414 5/28/14 — (7,334,90 South Korean Won JPHQ Buy 155,855,000,000 136,738,902 5/28/14 1,871,433 — Mexican Peso HSBK Buy 475,193,807 34,779,610 5/29/14 — (39,75 Euro GSCO Sell 203,544,000 262,439,456 5/30/14 — (6,889,33 Euro BZWS | | | | | | | | |
| Euro JPHQ Sell 37,226,387 48,130,368 5/23/14 — (1,125,86) Mexican Peso HSBK Buy 531,511,160 41,849,625 5/23/14 — (2,972,20) Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31) Malaysian Ringgit HSBK Buy 148,382,600 47,978,336 5/28/14 — (3,738,63) Mexican Peso JPHQ Buy 1,552,000,000 120,806,414 5/28/14 — (7,334,90) South Korean Won JPHQ Buy 155,855,000,000 136,738,902 5/28/14 1,871,433 — Mexican Peso HSBK Buy 475,193,807 34,779,610 5/29/14 — (39,75) Euro GSCO Sell 203,544,000 262,439,456 5/30/14 — (6,889,33) Euro BZWS Sell 50,325,351 65,020,353 5/30/14 — (1,569,99) Malaysian Ringgit HSBK | | | - | | | | | |
| Mexican Peso HSBK Buy 531,511,160 41,849,625 5/23/14 — (2,972,20 Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31 Malaysian Ringgit HSBK Buy 148,382,600 47,978,336 5/28/14 — (3,738,63 Mexican Peso JPHQ Buy 1,552,000,000 120,806,414 5/28/14 — (7,334,90 South Korean Won JPHQ Buy 155,855,000,000 136,738,902 5/28/14 1,871,433 — Mexican Peso HSBK Buy 475,193,807 34,779,610 5/29/14 — (39,75 Euro GSCO Sell 203,544,000 262,439,456 5/30/14 — (6,889,33 Euro BZWS Sell 50,325,351 65,020,353 5/30/14 — (1,569,99 Malaysian Ringgit HSBK Buy 210,695,000 67,658,392 5/30/14 — (4,846,45 Singapore Dollar | | | | | | | | |
| Polish Zloty MSCO Buy 267,265,000 62,618,465 EUR 5/27/14 — (1,487,31 Malaysian Ringgit Malaysian Ringgit HSBK Buy 148,382,600 47,978,336 5/28/14 — (3,738,63 Mexican Peso — (7,334,90 Mexican Peso — (7,334,90 Mexican Peso — (1,487,31 Mexican Peso — (7,334,90 Mexican Peso — (1,487,31 Mexican Peso — (1,563,90 | | | | | | | | |
| Malaysian Ringgit HSBK Buy 148,382,600 47,978,336 5/28/14 — (3,738,63 Mexican Peso JPHQ Buy 1,552,000,000 120,806,414 5/28/14 — (7,334,90 South Korean Won JPHQ Buy 155,855,000,000 136,738,902 5/28/14 1,871,433 — Mexican Peso HSBK Buy 475,193,807 34,779,610 5/29/14 — (39,75 Euro GSCO Sell 203,544,000 262,439,456 5/30/14 — (6,889,33 Euro BZWS Sell 50,325,351 65,020,353 5/30/14 — (1,569,99 Malaysian Ringgit HSBK Buy 210,695,000 67,658,392 5/30/14 — (4,846,45 Singapore Dollar DBAB Buy 127,883,000 100,766,685 5/30/14 — (485,30 | | | - | | | | | |
| Mexican Peso JPHQ Buy 1,552,000,000 120,806,414 5/28/14 — (7,334,90) South Korean Won JPHQ Buy 155,855,000,000 136,738,902 5/28/14 1,871,433 — Mexican Peso HSBK Buy 475,193,807 34,779,610 5/29/14 — (39,75 Euro GSCO Sell 203,544,000 262,439,456 5/30/14 — (6,889,33 Euro BZWS Sell 50,325,351 65,020,353 5/30/14 — (1,569,99) Malaysian Ringgit HSBK Buy 210,695,000 67,658,392 5/30/14 — (4,846,45) Singapore Dollar DBAB Buy 127,883,000 100,766,685 5/30/14 — (485,30) | | | - | | | | | (1,487,313) |
| South Korean Won JPHQ Buy 155,855,000,000 136,738,902 5/28/14 1,871,433 - Mexican Peso HSBK Buy 475,193,807 34,779,610 5/29/14 — (39,75 Euro GSCO Sell 203,544,000 262,439,456 5/30/14 — (6,889,33 Euro BZWS Sell 50,325,351 65,020,353 5/30/14 — (1,569,99 Malaysian Ringgit HSBK Buy 210,695,000 67,658,392 5/30/14 — (4,846,45 Singapore Dollar DBAB Buy 127,883,000 100,766,685 5/30/14 — (485,30 | | | - | | | | _ | |
| Mexican Peso HSBK Buy 475,193,807 34,779,610 5/29/14 — (39,75 Euro GSCO Sell 203,544,000 262,439,456 5/30/14 — (6,889,33 Euro BZWS Sell 50,325,351 65,020,353 5/30/14 — (1,569,99 Malaysian Ringgit HSBK Buy 210,695,000 67,658,392 5/30/14 — (4,846,45 Singapore Dollar DBAB Buy 127,883,000 100,766,685 5/30/14 — (485,30 | | | • | | | | _ | (7,334,901) |
| Euro GSCO Sell 203,544,000 262,439,456 5/30/14 — (6,889,33 Euro BZWS Sell 50,325,351 65,020,353 5/30/14 — (1,569,99 Malaysian Ringgit HSBK Buy 210,695,000 67,658,392 5/30/14 — (4,846,45 Singapore Dollar DBAB Buy 127,883,000 100,766,685 5/30/14 — (485,30 | | | | | | | 1,871,433 | - |
| Euro BZWS Sell 50,325,351 65,020,353 5/30/14 — (1,569,99 Malaysian Ringgit HSBK Buy 210,695,000 67,658,392 5/30/14 — (4,846,45 Singapore Dollar DBAB Buy 127,883,000 100,766,685 5/30/14 — (485,30 | | | • | | | | _ | (39,750) |
| Malaysian Ringgit HSBK Buy 210,695,000 67,658,392 5/30/14 — (4,846,45 Singapore Dollar DBAB Buy 127,883,000 100,766,685 5/30/14 — (485,30 | | | | | | | _ | (6,889,332) |
| Singapore Dollar DBAB Buy 127,883,000 100,766,685 5/30/14 — (485,30 | | | | | | | | (1,569,995) |
| | | | - | | | | _ | |
| | | | | | | | _ | |
| | | | • | , , | | | _ | (1,283,246) |
| | | | | | | | _ | (1,867,375) |
| | | | | | | | _ | (3,671,846) |
| | | | | | | | _ | (2,746,642) |
| | | | | | | | _ | (3,147,618) |
| | | | | | | | _ | (535,706) |
| | | | | | | | _ | (1,131,633) |
| | · | | | | | | _ | (4,870,303) |
| | | | | | | | _ | (4,858,507) |
| • | • | | | | | | _ | (3,709,326) |
| | | | | | | | _ | (4,214,141) |
| Japanese Yen JPHQ Sell 25,707,090,000 261,260,367 6/10/14 — (1,307,29 | Japanese Yen | JPHQ | Sell | 25,707,090,000 | 261,260,367 | 6/10/14 | _ | (1,307,294) |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| Tormara Exchange Contro | ioto (commuca) | | | | | | |
|-------------------------|----------------|------|-----------------|-----------------|------------|--------------|--------------|
| | | | | Contract | Settlement | Unrealized | Unrealized |
| Currency | Counterparty | Туре | Quantity | Amount* | Date | Appreciation | Depreciation |
| Japanese Yen | BZWS | Sell | 35,594,850,000 | 365,764,898 | 6/10/14 | \$ 2,205,410 | \$ |
| Japanese Yen | HSBK | Sell | 37,908,340,000 | 391,890,378 | 6/10/14 | 4,701,312 | _ |
| Mexican Peso | CITI | Buy | 1,670,822,000 | 126,046,501 | 6/10/14 | _ | (4,025,751) |
| Swedish Krona | DBAB | Buy | 879,900,000 | 100,929,112 EUR | 6/10/14 | _ | (1,633,998) |
| Euro | GSCO | Sell | 104,415,800 | 138,340,493 | 6/11/14 | 168,709 | _ |
| Japanese Yen | JPHQ | Sell | 35,122,020,000 | 365,764,458 | 6/11/14 | 7,028,989 | _ |
| Japanese Yen | DBAB | Sell | 12,553,300,000 | 130,632,909 | 6/11/14 | 2,413,804 | _ |
| Polish Zloty | CITI | Buy | 61,037,800 | 13,918,728 EUR | 6/11/14 | 145,985 | _ |
| Swedish Krona | MSCO | Buy | 408,080,000 | 46,486,302 EUR | 6/11/14 | _ | (333,029) |
| Mexican Peso | CITI | Buy | 3,397,747,360 | 256,714,696 | 6/12/14 | _ | (8,619,129) |
| Polish Zloty | DBAB | Buy | 312,838,000 | 71,855,663 EUR | 6/12/14 | 56,265 | _ |
| Swedish Krona | MSCO | Buy | 1,321,532,600 | 150,281,892 EUR | 6/12/14 | _ | (741,146) |
| Euro | DBAB | Sell | 70,474,000 | 93,571,854 | 6/13/14 | 313,693 | _ |
| Mexican Peso | CITI | Buy | 2,115,692,400 | 157,978,271 | 6/13/14 | _ | (3,508,800) |
| Swedish Krona | BZWS | Buy | 730,984,000 | 82,660,575 EUR | 6/13/14 | 202,120 | _ |
| Swedish Krona | MSCO | Buy | 199,826,000 | 22,635,478 EUR | 6/13/14 | 3,767 | _ |
| Japanese Yen | CITI | Sell | 4,208,470,000 | 44,299,684 | 6/16/14 | 1,311,248 | _ |
| Malaysian Ringgit | HSBK | Buy | 418,125,000 | 130,330,092 | 6/16/14 | _ | (5,780,217) |
| Swedish Krona | MSCO | Buy | 639,689,800 | 72,905,769 EUR | 6/16/14 | _ | (585,771) |
| Japanese Yen | JPHQ | Sell | 14,811,300,000 | 156,758,216 | 6/17/14 | 5,462,334 | _ |
| Swedish Krona | MSCO | Buy | 253,752,800 | 29,159,116 EUR | 6/18/14 | _ | (550,965) |
| Swedish Krona | UBSW | Buy | 1,880,000,000 | 216,232,381 EUR | 6/19/14 | _ | (4,354,693) |
| Swedish Krona | DBAB | Buy | 1,216,000,000 | 139,786,182 EUR | 6/19/14 | _ | (2,717,717) |
| Euro | BZWS | Sell | 19,959,932 | 26,800,201 | 6/20/14 | 386,229 | _ |
| Mexican Peso | CITI | Buy | 1,314,260,000 | 98,736,364 | 6/20/14 | _ | (2,838,927) |
| Singapore Dollar | HSBK | Buy | 163,895,000 | 130,178,713 | 6/20/14 | _ | (1,652,096) |
| Swedish Krona | MSCO | Buy | 630,587,640 | 72,021,065 EUR | 6/23/14 | _ | (802,206) |
| South Korean Won | JPHQ | Buy | 48,039,490,000 | 41,589,031 | 6/24/14 | 1,098,087 | _ |
| Swedish Krona | MSCO | Buy | 844,220,000 | 97,513,139 EUR | 6/24/14 | _ | (2,524,201) |
| Swedish Krona | UBSW | Buy | 425,170,000 | 48,604,744 EUR | 6/25/14 | _ | (604,768) |
| South Korean Won | DBAB | Buy | 129,184,000,000 | 110,574,339 | 6/27/14 | 4,205,437 | _ |
| Swedish Krona | CITI | Buy | 1,258,232,801 | 141,688,894 EUR | 6/27/14 | 1,042,939 | _ |
| Japanese Yen | BZWS | Sell | 11,637,164,000 | 119,600,863 | 6/30/14 | 705,257 | _ |
| Swedish Krona | UBSW | Buy | 1,104,669,000 | 124,690,325 EUR | 6/30/14 | 509,324 | _ |
| Swedish Krona | DBAB | Buy | 677,526,000 | 76,516,839 EUR | 6/30/14 | 258,661 | _ |
| Malaysian Ringgit | HSBK | Buy | 497,925,000 | 153,746,989 | 7/07/14 | _ | (5,574,306) |
| Philippine Peso | HSBK | Buy | 2,511,000,000 | 57,512,597 | 7/07/14 | _ | (1,578,770) |
| Euro | JPHQ | Sell | 117,193,824 | 150,580,000 | 7/10/14 | _ | (4,525,489) |
| Mexican Peso | CITI | Buy | 2,259,375,169 | 170,227,246 | 7/10/14 | _ | (5,653,913) |
| Singapore Dollar | HSBK | Buy | 165,273,000 | 129,600,471 | 7/14/14 | 13,552 | |
| Mexican Peso | CITI | Buy | 1,223,598,018 | 92,294,778 | 7/15/14 | _ | (3,206,322) |
| Euro | MSCO | Sell | 100,845,000 | 131,563,395 | 7/16/14 | _ | (1,908,908) |
| Euro | BZWS | Sell | 100,903,000 | 131,920,582 | 7/16/14 | _ | (1,628,486) |
| Euro | GSCO | Sell | 91,986,000 | 120,355,402 | 7/16/14 | _ | (1,391,668) |
| Euro | BZWS | Sell | 158,260,000 | 208,151,465 | 7/18/14 | _ | (1,314,142) |
| Euro | GSCO | Sell | 91,986,000 | 121,117,046 | 7/18/14 | _ | (631,363) |
| | | | ,555,550 | ,,0.0 | 0, _ 1 | | (302,000) |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| | | _ | | Contract | Settlement | Unrealized | Unrealized |
|-------------------|--------------|------|----------------|----------------|------------|--------------|--------------|
| Currency | Counterparty | Туре | Quantity | Amount* | Date | Appreciation | Depreciation |
| Euro | MSCO | Sell | 94,240,000 | 123,448,746 | 7/22/14 | \$ — | |
| Euro | DBAB | Sell | 87,055,000 | 114,200,490 | 7/22/14 | _ | (1,024,013) |
| Malaysian Ringgit | DBAB | Buy | 193,897,100 | 59,701,059 | 7/22/14 | _ | (2,042,134) |
| Euro | DBAB | Sell | 89,314,817 | 117,361,456 | 7/23/14 | _ | (854,753) |
| Japanese Yen | JPHQ | Sell | 22,694,000,000 | 227,782,796 | 7/24/14 | _ | (4,162,812) |
| Japanese Yen | CITI | Sell | 14,729,205,625 | 148,052,625 | 7/24/14 | _ | (2,488,247) |
| Euro | DBAB | Sell | 53,097,765 | 70,228,909 | 7/25/14 | _ | (51,541) |
| Euro | DBAB | Sell | 4,388,970 | 5,811,435 | 7/25/14 | 2,174 | _ |
| Euro | GSCO | Sell | 53,052,700 | 70,234,347 | 7/25/14 | 13,546 | _ |
| Japanese Yen | JPHQ | Sell | 7,902,175,000 | 79,719,294 | 7/25/14 | _ | (1,046,649) |
| Malaysian Ringgit | DBAB | Buy | 6,261,000 | 1,943,987 | 7/25/14 | _ | (82,427) |
| Euro | CITI | Sell | 97,037,945 | 128,509,777 | 7/28/14 | 67,778 | _ |
| Euro | BZWS | Sell | 69,060,000 | 91,463,064 | 7/28/14 | 53,416 | _ |
| Chilean Peso | MSCO | Buy | 10,226,011,000 | 19,325,354 | 7/29/14 | _ | (131,670) |
| Euro | BZWS | Sell | 8,238,187 | 10,920,870 | 7/29/14 | 16,527 | _ |
| Euro | DBAB | Sell | 2,245,099 | 2,975,542 | 7/29/14 | 3,853 | _ |
| Japanese Yen | BZWS | Sell | 13,069,570,000 | 131,672,712 | 7/29/14 | _ | (1,915,767) |
| Malaysian Ringgit | JPHQ | Buy | 6,585,000 | 2,020,993 | 7/30/14 | _ | (63,562) |
| Mexican Peso | CITI | Buy | 1,772,466,150 | 135,117,102 | 7/30/14 | _ | (6,234,063) |
| Chilean Peso | MSCO | Buy | 19,976,960,000 | 37,547,148 | 7/31/14 | _ | (60,671) |
| Euro | JPHQ | Sell | 236,418,000 | 314,297,635 | 7/31/14 | 1,363,332 | _ |
| Malaysian Ringgit | HSBK | Buy | 31,057,000 | 9,470,619 | 7/31/14 | _ | (239,179) |
| Euro | GSCO | Sell | 236,417,000 | 313,845,932 | 8/01/14 | 911,229 | _ |
| Euro | DBAB | Sell | 72,100,000 | 95,792,781 | 8/01/14 | 357,207 | _ |
| Euro | HSBK | Sell | 236,418,000 | 313,355,510 | 8/04/14 | 414,317 | _ |
| Euro | BZWS | Sell | 21,388,935 | 28,401,297 | 8/04/14 | 89,245 | _ |
| Euro | BZWS | Sell | 202,258,000 | 268,242,650 | 8/05/14 | 516,808 | _ |
| Euro | MSCO | Sell | 8,856,901 | 11,732,958 | 8/05/14 | 9,213 | _ |
| Euro | JPHQ | Sell | 254,839,100 | 337,076,442 | 8/06/14 | _ | (252,060) |
| Japanese Yen | MSCO | Sell | 1,969,700,000 | 19,904,404 | 8/06/14 | _ | (230,982) |
| Malaysian Ringgit | HSBK | Buy | 381,188,000 | 114,912,577 | 8/06/14 | _ | (1,639,763) |
| Malaysian Ringgit | JPHQ | Buy | 13,600,000 | 4,100,461 | 8/06/14 | _ | (59,121) |
| Euro | CITI | Sell | 115,434,119 | 153,677,443 | 8/08/14 | 876,530 | · <u> </u> |
| Chilean Peso | JPHQ | Buy | 13,008,500,000 | 24,403,902 | 8/11/14 | _ | (26,626) |
| Chilean Peso | BZWS | Buy | 20,031,600,000 | 37,229,997 | 8/11/14 | 308,216 | _ |
| Euro | CITI | Sell | 30,267,305 | 40,330,730 | 8/11/14 | 265,035 | _ |
| Euro | JPHQ | Sell | 295,609,000 | 393,638,857 | 8/11/14 | 2,332,793 | _ |
| Euro | DBAB | Sell | 226,679,000 | 302,242,445 | 8/11/14 | 2,180,987 | _ |
| Mexican Peso | MSCO | Buy | 1,646,149,000 | 125,824,473 | 8/11/14 | | (6,250,788) |
| Swedish Krona | MSCO | Buy | 326,410,000 | 37,014,231 EUR | 8/11/14 | _ | (145,519) |
| Euro | BZWS | Sell | 28,000,000 | 37,468,200 | 8/12/14 | 403,597 | |
| Euro | GSCO | Sell | 171,944,000 | 230,205,505 | 8/12/14 | 2,597,076 | _ |
| Malaysian Ringgit | JPHQ | Buy | 116,351,000 | 35,371,496 | 8/12/14 | | (806,768) |
| Malaysian Ringgit | HSBK | Buy | 62,400,000 | 18,956,770 | 8/12/14 | _ | (419,422) |
| Mexican Peso | CITI | Buy | 1,374,921,000 | 105,325,647 | 8/12/14 | _ | (5,462,184) |
| Singapore Dollar | DBAB | Buy | 278,683,950 | 220,199,076 | 8/12/14 | _ | (1,629,619) |
| 0~Po. o Dollar | 23/10 | _ ~, | 5,555,550 | ,, | S, 12, 1 T | | (2,323,013) |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

| | | | | Contract | Settlement | Unrealized | Unrealized |
|-------------------|--------------|------|-----------------|--------------------|------------|--------------|--------------|
| Currency | Counterparty | Type | Quantity | Amount* | Date | Appreciation | Depreciation |
| South Korean Won | HSBK | Buy | 184,161,000,000 | 15,657,818,664 JPY | 8/12/14 | \$ 3,308,124 | \$ _ |
| Swedish Krona | UBSW | Buy | 891,973,049 | 101,631,977 EUR | | _ | (1,042,979) |
| Malaysian Ringgit | DBAB | Buy | 176,076,402 | 53,091,030 | 8/13/14 | _ | (785,982) |
| Singapore Dollar | DBAB | Buy | 54,530,000 | 43,021,696 | 8/13/14 | _ | (254,187) |
| Euro | MSCO | Sell | 144,241,718 | 191,407,317 | 8/15/14 | 466,238 | _ |
| Mexican Peso | MSCO | Buy | 710,284,000 | 53,922,550 | 8/15/14 | _ | (2,346,490) |
| Euro | JPHQ | Sell | 142,058,430 | 188,419,199 | 8/18/14 | 365,158 | _ |
| Singapore Dollar | BZWS | Buy | 112,084,000 | 88,255,118 | 8/18/14 | _ | (347,439) |
| Euro | BZWS | Sell | 186,465,000 | 247,094,095 | 8/19/14 | 254,188 | _ |
| Japanese Yen | DBAB | Sell | 9,637,940,000 | 98,189,024 | 8/19/14 | _ | (354,678) |
| Singapore Dollar | HSBK | Buy | 84,114,500 | 66,357,289 | 8/19/14 | _ | (385,995) |
| Singapore Dollar | DBAB | Buy | 84,117,000 | 66,348,793 | 8/19/14 | _ | (375,538) |
| Chilean Peso | JPHQ | Buy | 42,385,767,200 | 79,777,465 | 8/20/14 | _ | (436,387) |
| Chilean Peso | MSCO | Buy | 9,984,130,000 | 18,761,167 | 8/20/14 | _ | (72,071) |
| Euro | DBAB | Sell | 148,587,110 | 198,444,029 | 8/20/14 | 1,745,290 | _ |
| Euro | JPHQ | Sell | 207,184,000 | 276,806,111 | 8/20/14 | 2,537,156 | _ |
| Japanese Yen | HSBK | Sell | 19,192,069,750 | 197,856,389 | 8/20/14 | 1,622,961 | _ |
| Japanese Yen | JPHQ | Sell | 13,048,709,000 | 134,228,636 | 8/20/14 | 809,316 | _ |
| Mexican Peso | CITI | Buy | 2,310,635,000 | 174,263,588 | 8/20/14 | _ | (6,553,335) |
| Euro | JPHQ | Sell | 141,425,000 | 189,056,233 | 8/21/14 | 1,837,623 | _ |
| Malaysian Ringgit | HSBK | Buy | 571,500,000 | 170,642,859 | 8/21/14 | _ | (938,047) |
| Malaysian Ringgit | JPHQ | Buy | 177,750,000 | 53,081,885 | 8/21/14 | _ | (299,680) |
| Mexican Peso | HSBK | Buy | 1,245,700,000 | 92,834,520 | 8/21/14 | _ | (2,427,080) |
| Japanese Yen | BZWS | Sell | 4,322,430,000 | 44,579,517 | 8/22/14 | 382,578 | _ |
| Mexican Peso | HSBK | Buy | 543,754,960 | 40,517,348 | 8/22/14 | _ | (1,057,412) |
| Polish Zloty | DBAB | Buy | 318,369,688 | 73,574,064 EUR | 8/22/14 | _ | (1,023,138) |
| South Korean Won | JPHQ | Buy | 193,500,000,000 | 170,109,890 | 8/22/14 | 1,506,198 | _ |
| Euro | BZWS | Sell | 140,858,555 | 188,833,570 | 8/25/14 | 2,360,715 | _ |
| Japanese Yen | HSBK | Sell | 8,572,756,000 | 88,024,109 | 8/25/14 | 363,546 | _ |
| Japanese Yen | DBAB | Sell | 4,271,575,000 | 43,952,575 | 8/25/14 | 273,662 | _ |
| Japanese Yen | CITI | Sell | 8,636,095,000 | 88,902,220 | 8/25/14 | 593,985 | _ |
| Euro | GSCO | Sell | 188,527,791 | 251,661,978 | 8/26/14 | 2,081,759 | _ |
| Japanese Yen | BZWS | Sell | 12,841,448,000 | 130,635,280 | 8/26/14 | _ | (676,689) |
| Japanese Yen | JPHQ | Sell | 8,617,736,000 | 87,666,373 | 8/26/14 | _ | (455,456) |
| Malaysian Ringgit | HSBK | Buy | 957,079,700 | 284,168,557 | 8/26/14 | _ | (34,542) |
| Swedish Krona | UBSW | Buy | 335,000,000 | 38,159,244 EUR | 8/26/14 | _ | (401,401) |
| Euro | CITI | Sell | 43,010,799 | 57,494,686 | 8/27/14 | 555,050 | _ |
| Euro | JPHQ | Sell | 69,055,954 | 92,343,693 | 8/27/14 | 924,307 | _ |
| Euro | HSBK | Sell | 195,181,803 | 260,912,711 | 8/27/14 | 2,522,238 | _ |
| Japanese Yen | HSBK | Sell | 14,893,097,250 | 150,912,453 | 8/27/14 | _ | (1,381,221) |
| Japanese Yen | JPHQ | Sell | 10,357,462,000 | 105,085,220 | 8/27/14 | _ | (828,004) |
| Japanese Yen | DBAB | Sell | 8,644,374,000 | 87,582,310 | 8/27/14 | _ | (813,237) |
| Malaysian Ringgit | JPHQ | Buy | 227,033,719 | 67,603,764 | 8/27/14 | _ | (206,086) |
| Mexican Peso | HSBK | Buy | 545,438,860 | 40,518,431 | 8/27/14 | _ | (953,403) |
| Singapore Dollar | DBAB | Buy | 178,717,500 | 139,808,730 | 8/27/14 | 362,469 | |
| - · | | - | • | • | | • | |

Statement of Investments, August 31, 2013 (continued)

Templeton Global Bond Fund

Forward Exchange Contracts (continued)

| Currency | Counterparty | Туре | Quantity | Contract Amount* | Settlement Date | Unrealized Appreciation | Unrealized Depreciation |
|--|----------------|------|----------------|---------------------|--------------------|----------------------------|----------------------------|
| Chilean Peso | CITI | Buy | 53,031,580,000 | 98,969,058 | 8/29/14 | \$ 190,194 | \$ — |
| Euro | DBAB | Sell | 60,147,806 | 80,321,380 | 8/29/14 | 694,125 | _ |
| Japanese Yen | JPHQ | Sell | 6,909,339,000 | 71,109,706 | 8/29/14 | 454,138 | _ |
| Malaysian Ringgit | HSBK | Buy | 497,807,504 | 146,186,093 | 8/29/14 | 1,580,035 | _ |
| Mexican Peso | CITI | Buy | 1,937,760,000 | 141,391,647 | 8/29/14 | _ | (854,766) |
| Mexican Peso | HSBK | Buy | 603,492,100 | 44,092,358 | 8/29/14 | _ | (323,832) |
| Philippine Peso | JPHQ | Buy | 2,519,000,000 | 56,734,234 | 8/29/14 | _ | (666,332) |
| Polish Zloty | DBAB | Buy | 207,553,629 | 47,729,937 | 8/29/14 | _ | (387,185) |
| Euro | DBAB | Sell | 88,663,500 | 117,417,073 | 9/03/14 | 35,810 | _ |
| Mexican Peso | HSBK | Buy | 615,247,100 | 44,898,716 | 9/03/14 | _ | (296,927) |
| Unrealized appreciation | (depreciation) | | | | | 973,624,123 | (1,009,437,623) |
| Net unrealized appreciation (depreciation) | | | | | | | \$ (35,813,500) |

^{*}In U.S. dollars unless otherwise indicated.

At August 31, 2013, the Fund had the following interest rate swap contracts outstanding. See Note 1(d).

Interest Rate Swap Contracts

| | Pay/Receive | Fixed | | | Expiration | Unrealized | Unrealized |
|--------------|------------------|------------|-----------------------|------------------|------------|--------------|-----------------|
| Counterparty | Floating Rate | Rate | Floating Rate | Notional Amount* | Date | Appreciation | Depreciation |
| JPHQ | Receive | 3.558% | 3-month USD BBA LIBOR | 101,430,000 | 3/04/21 | \$ — | \$ (9,097,324) |
| DBAB | Receive | 3.523% | 3-month USD BBA LIBOR | 471,880,000 | 3/28/21 | _ | (39,809,232) |
| JPHQ | Receive | 3.963% | 3-month USD BBA LIBOR | 332,000,000 | 11/23/40 | _ | (18,619,895) |
| CITI | Receive | 4.368% | 3-month USD BBA LIBOR | 43,600,000 | 12/20/40 | _ | (5,565,575) |
| JPHQ | Receive | 4.215% | 3-month USD BBA LIBOR | 234,600,000 | 1/11/41 | _ | (22,759,727) |
| CITI | Receive | 4.347% | 3-month USD BBA LIBOR | 245,400,000 | 2/25/41 | _ | (28,566,632) |
| JPHQ | Receive | 4.349% | 3-month USD BBA LIBOR | 245,400,000 | 2/25/41 | _ | (28,686,460) |
| JPHQ | Receive | 4.320% | 3-month USD BBA LIBOR | 184,050,000 | 2/28/41 | _ | (20,763,198) |
| JPHQ | Receive | 4.299% | 3-month USD BBA LIBOR | 61,350,000 | 3/01/41 | | (7,853,584) |
| Net unrealiz | zed appreciation | (depreciat | ion) | | | \$ | \$(181,721,627) |

^{*}In U.S. Dollars unless otherwise indicated.

See Abbreviations on page 59.

Financial Statements

Statement of Assets and Liabilities

August 31, 2013

| | Templeton Global Bond Fund |
|---|-------------------------------|
| Assets: | Bolla I alla |
| Investments in securities: | |
| Cost - Unaffiliated issuers | \$58,294,424,373 |
| Cost - Sweep Money Fund (Note 7) | 7,788,412,207 |
| Total cost of investments | \$66,082,836,580 |
| Value - Unaffiliated issuers | \$58,214,013,666 |
| Value - Sweep Money Fund (Note 7) | 7,788,412,207 |
| Total value of investments | 66,002,425,873 |
| Cash | 57,690,000 |
| Restricted cash (Note 1e) | 29,100,000 |
| Foreign currency, at value (cost \$994,741,014) | 989,286,897 |
| Receivables: | |
| Capital shares sold | 509,050,360 |
| Interest | 712,861,117 |
| Due from brokers | 667,445,000 |
| Unrealized appreciation on forward exchange contracts | 973,624,123 |
| Other assets | 12,838 |
| Total assets | 69,941,496,208 |
| Liabilities: | |
| Payables: | |
| Investment securities purchased | 152,946,327 |
| Capital shares redeemed | 216,022,724 |
| Management fees | 22,826,803 |
| Administrative fees | 4,456,657 |
| Distribution fees | 10,823,517 |
| Transfer agent fees | 13,848,175 |
| Due to brokers | 29,100,000 |
| Unrealized depreciation on forward exchange contracts | 1,009,437,623 |
| Unrealized depreciation on OTC swap contracts | 181,721,627 |
| Deferred tax | 21,476,625 |
| Accrued expenses and other liabilities | 14,971,721 |
| Total liabilities | 1,677,631,799 |
| Net assets, at value | \$68,263,864,409 |
| Net assets consist of: | |
| Paid-in capital | \$69,422,935,385 |
| Distributions in excess of net investment income | (814,211,226) |
| Net unrealized appreciation (depreciation) | (329,669,292) |
| Accumulated net realized gain (loss) | (15,190,458) |
| Net assets, at value | \$68,263,864,409 |

Financial Statements (continued)

Statement of Assets and Liabilities (continued)

August 31, 2013

| | Templeton Global Bond Fund |
|---|-------------------------------|
| Class A: | |
| Net assets, at value | \$25,959,295,834 |
| Shares outstanding | 2,047,993,628 |
| Net asset value per share ^a | \$12.68 |
| Maximum offering price per share (net asset value per share ÷ 95.75%) | \$13.24 |
| Class C: | |
| Net assets, at value | \$ 8,956,685,188 |
| Shares outstanding | 705,173,220 |
| Net asset value and maximum offering price per share ^a | \$12.70 |
| Class R: | |
| Net assets, at value | \$ 297,364,127 |
| Shares outstanding | 23,461,691 |
| Net asset value and maximum offering price per share | \$12.67 |
| Class R6 | |
| Net assets, at value | \$ 123,814,153 |
| Shares outstanding | 9,799,088 |
| Net asset value and maximum offering price per share | \$12.64 |
| Advisor Class: | |
| Net assets, at value | \$32,926,705,107 |
| Shares outstanding | 2,606,211,050 |
| Net asset value and maximum offering price per share | \$12.63 |

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

Financial Statements (continued)

Statement of Operations

for the year ended August 31, 2013

| | Templeton Global Bond Fund |
|---|-------------------------------|
| Investment income: | 4 0 505 070 500 |
| Interest (net of foreign taxes of \$52,807,849) | \$ 2,535,079,520 |
| Expenses: | |
| Management fees (Note 3a) | 262,424,256 |
| Administrative fees (Note 3b) | 51,931,033 |
| Distribution fees: (Note 3c) | |
| Class A | 66,473,166 |
| Class C | 61,865,579 |
| Class R | 1,358,529 |
| Transfer agent fees: (Note 3e) | |
| Class A | 27,338,442 |
| Class C | 9,789,829 |
| Class R | 278,931 |
| Class R6 | 210 |
| Advisor Class | 32,922,622 |
| Special servicing agreement fees (Note 11) | 319,753 |
| Custodian fees (Note 4) | 26,376,525 |
| Reports to shareholders | 4,701,214 |
| Registration and filing fees | 2,069,385 |
| Professional fees | 541,278 |
| Trustees' fees and expenses | 488,163 |
| Other | 956,098 |
| Total expenses | 549,835,013 |
| Expense reductions (Note 4) | (12,294) |
| Net expenses | 549,822,719 |
| Net investment income | 1,985,256,801 |
| Realized and unrealized gains (losses): | |
| Net realized gain (loss) from: | |
| Investments (net of foreign taxes of \$57,494) | (318,489,253) |
| Foreign currency transactions | 1,372,164,835 |
| Swap contracts | (70,431,893) |
| Net realized gain (loss) | 983,243,689 |
| Net change in unrealized appreciation (depreciation) on: | |
| Investments | (155,968,310) |
| Translation of other assets and liabilities denominated in foreign currencies | (1,130,017,488) |
| Change in deferred taxes on unrealized appreciation | 35,793,570 |
| Net change in unrealized appreciation (depreciation) | (1,250,192,228) |
| Net realized and unrealized gain (loss) | (266,948,539) |
| Net increase (decrease) in net assets resulting from operations | \$ 1,718,308,262 |
| - · | |

Financial Statements (continued)

Statements of Changes in Net Assets

| | Templeton Glo | bal Bond Fund |
|---|------------------|------------------|
| | | August 31, |
| Increase (decrease) in net assets: | 2013 | 2012 |
| Operations: Net investment income | \$ 1,985,256,801 | \$ 2,006,081,564 |
| Net realized gain (loss) from investments, foreign currency transactions and swap contracts Net change in unrealized appreciation (depreciation) on investments, translation of other | 983,243,689 | 1,720,491,048 |
| assets and liabilities denominated in foreign currencies and deferred taxes | (1,250,192,228) | (2,887,406,827) |
| Net increase (decrease) in net assets resulting from operations | 1,718,308,262 | 839,165,785 |
| Distributions to shareholders from: Net investment income and net foreign currency gains: | | |
| Class A | (1,357,443,650) | (1,472,161,137) |
| Class C | (450,247,429) | (504,964,441) |
| Class R | (12,881,524) | (9,439,720) |
| Class R6 | (1,023,448) | _ |
| Advisor Class | (1,713,607,768) | (1,714,160,582) |
| Class A | (322,831,189) | (144,933,097) |
| Class C | (117,954,902) | (53,030,462) |
| Class R | (3,057,216) | (875,465) |
| Advisor Class | (384,778,318) | (160,639,959) |
| Total distributions to shareholders | (4,363,825,444) | (4,060,204,863) |
| Capital share transactions: (Note 2) | | |
| Class A | 2,626,884,398 | (318,191,970) |
| Class C | 328,012,983 | 170,320,074 |
| Class R | 99,474,920 | 89,558,820 |
| Class R6 | 129,353,906 | _ |
| Advisor Class | 6,148,866,831 | 2,272,015,588 |
| Total capital share transactions | 9,332,593,038 | 2,213,702,512 |
| Net increase (decrease) in net assets | 6,687,075,856 | (1,007,336,566) |
| Net assets: | | |
| Beginning of year | 61,576,788,553 | 62,584,125,119 |
| End of year | \$68,263,864,409 | \$61,576,788,553 |
| Distributions in excess of net investment income included in net assets: End of year | \$ (814,211,226) | \$ (143,099,855) |
| Lind of your | Ψ (014,211,220) | Ψ (140,033,000) |

Notes to Financial Statements

Templeton Global Bond Fund

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Templeton Income Trust (Trust) is registered under the Investment Company Act of 1940, as amended, (1940 Act) as an open-end investment company, consisting of four separate funds. The Templeton Global Bond Fund (Fund) is included in this report. The financial statements of the remaining funds in the Trust are presented separately. The Fund offers five classes of shares: Class A, Class C, Class R, Class R6, and Advisor Class. Effective May 1, 2013, the Fund began offering a new class of shares, Class R6. Each class of shares differs by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees primarily 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. Under procedures approved by the Trust's Board of Trustees (the Board), the Fund's administrator, investment manager and other affiliates have formed the Valuation and Liquidity Oversight Committee (VLOC). The VLOC provides administration and oversight of the Fund's valuation policies and procedures, which are approved annually by the Board. Among other things, these procedures allow the Fund to 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 the close of the NYSE on the date that the values of the foreign debt securities are determined. Investments in open-end mutual funds are valued at the closing net asset value.

Certain derivatives 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 market value of the contract, is included in net assets.

Notes to Financial Statements (continued)

Templeton Global Bond Fund

- 1. Organization and Significant Accounting Policies (continued)
- a. Financial Instrument Valuation (continued)

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 VLOC convenes on a regular basis to review such financial instruments and considers a number of factors, including significant unobservable valuation inputs, when arriving at fair value. The VLOC primarily employs a marketbased 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. The VLOC employs various methods for calibrating these valuation approaches including a regular review of key inputs and assumptions, transactional back-testing or disposition analysis, and reviews of any related market activity.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before the daily close of business on the NYSE. Occasionally, events occur between the time at which trading in a foreign security is completed and the close of the NYSE that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at the close of the NYSE. In order to minimize the potential for these differences, the VLOC monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market proxy to assist in determining if an event has occurred that may call into question the reliability of the values of the foreign securities held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services.

In addition, certain foreign markets may be open on days that the NYSE is closed, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any significant security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items

Notes to Financial Statements (continued)

Templeton Global Bond Fund

1. Organization and Significant Accounting Policies (continued)

b. Foreign Currency Translation (continued)

denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

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

The Fund purchases securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of holding the securities, it may sell the securities before the settlement date. Sufficient assets have been segregated for these securities.

d. Derivative Financial Instruments

The Fund invested in derivatives 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 on 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.

Notes to Financial Statements (continued)

Templeton Global Bond Fund

- 1. Organization and Significant Accounting Policies (continued)
- d. Derivative Financial Instruments (continued)

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. At August 31, 2013, the Fund had OTC derivatives in a net liability position of \$399,323,898 and the aggregate value of collateral pledged for such contracts was \$667,445,000.

Collateral requirements differ by type of derivative. Collateral terms are contract specific for OTC derivatives. 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 within a few business days. Collateral pledged and/or received by the fund, 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.

At August 31, 2013, the Fund received \$64,363,128 in U.S. Treasury Bills, Bonds and Notes as collateral for derivatives.

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.

Notes to Financial Statements (continued)

Templeton Global Bond Fund

1. Organization and Significant Accounting Policies (continued)

d. Derivative Financial Instruments (continued)

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 principal 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 margin deposits of cash or securities are pledged by the Fund. Subsequent payments, known as variation margin, are made or received by the Fund, depending on fluctuations in the value of the centrally cleared interest rate swaps. Such variation margin is accounted for as a payable or receivable on the Statement of Assets and Liabilities and settled daily until the contract is closed, at which time the gains or losses are realized. 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.

See Note 10 regarding other derivative information.

e. Restricted Cash

At August 31, 2013, the Fund received restricted cash in connection with investments in certain derivative securities. Restricted cash is held in a segregated account with the counterparty broker and is reflected in the Statement of Assets and Liabilities.

f. 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 recognizes the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained upon examination by the tax authorities based on the technical merits of the tax position. As of August 31, 2013, and for all open tax years, the Fund has determined that no liability for unrecognized tax benefits is required in the Fund's financial

Notes to Financial Statements (continued)

Templeton Global Bond Fund

1. Organization and Significant Accounting Policies (continued)

f. Income and Deferred Taxes (continued)

statements related to uncertain tax positions taken on a tax return (or expected to be taken on future tax returns). Open tax years are those that remain subject to examination and are based on each tax jurisdiction statute of limitation.

g. 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. Distributions to shareholders are recorded on the ex-dividend date and are determined according to income tax regulations (tax basis). Distributable earnings determined on a tax basis may differ from earnings recorded in accordance with accounting principles generally accepted in the United States of America. 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. Fund specific expenses are charged directly to the fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, not including 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 on the Statement of Operations.

h. Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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.

Notes to Financial Statements (continued)

Templeton Global Bond Fund

1. Organization and Significant Accounting Policies (continued)

i. 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.

2. SHARES OF BENEFICIAL INTEREST

At August 31, 2013, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

| | Year Ended August 31, | | | | | | | | |
|-------------------------------|-----------------------|------|----------------|---------------|----|-----------------|--|--|--|
| | 2013 | | | 2012 | | | | | |
| | Shares | | Amount | Shares | | Amount | | | |
| Class A Shares: | | | | | | | | | |
| Shares sold | 623,426,890 | \$ 8 | 3,346,705,754 | 521,324,448 | \$ | 6,763,237,368 | | | |
| Shares issued in reinvestment | | | | | | | | | |
| of distributions | 116,031,801 | 1 | 1,543,437,693 | 116,411,738 | | 1,478,126,531 | | | |
| Shares redeemed | (547,110,282) | (7 | 7,263,259,049) | (666,989,280) | | (8,559,555,869) | | | |
| Net increase (decrease) | 192,348,409 | \$ 2 | 2,626,884,398 | (29,253,094) | \$ | (318,191,970) | | | |
| Class C Shares: | | | | | | | | | |
| Shares sold | 155,502,801 | \$ 2 | 2,089,875,365 | 140,280,363 | \$ | 1,825,825,095 | | | |
| Shares issued in reinvestment | | | | | | | | | |
| of distributions | 34,019,854 | | 453,454,213 | 34,207,671 | | 434,758,514 | | | |
| Shares redeemed | (166,581,947) | (2 | 2,215,316,595) | (162,292,598) | | (2,090,263,535) | | | |
| Net increase (decrease) | 22,940,708 | \$ | 328,012,983 | 12,195,436 | \$ | 170,320,074 | | | |
| Class R Shares: | | | | | | | | | |
| Shares sold | 11,731,753 | \$ | 157,051,293 | 9,420,566 | \$ | 122,141,208 | | | |
| Shares issued in reinvestment | | | | | | | | | |
| of distributions | 1,169,932 | | 15,558,019 | 801,323 | | 10,180,941 | | | |
| Shares redeemed | (5,496,697) | | (73,134,392) | (3,318,473) | | (42,763,329) | | | |
| Net increase (decrease) | 7,404,988 | \$ | 99,474,920 | 6,903,416 | \$ | 89,558,820 | | | |

Notes to Financial Statements (continued)

Templeton Global Bond Fund

2. Shares of Beneficial Interest (continued)

| | Year Ended August 31, | | | | |
|-------------------------------|-----------------------|------------------|---------------|-------------------|--|
| | 20 | 013 | 2012 | | |
| | Shares | Amount | Shares | Amount | |
| Class R6 Sharesa: | | | | | |
| Shares sold | 9,746,074 | \$ 128,656,816 | | | |
| Shares issued in reinvestment | | | | | |
| of distributions | 78,646 | 1,023,384 | | | |
| Shares redeemed | (25,632) | (326,294) | | | |
| Net increase (decrease) | 9,799,088 | \$ 129,353,906 | | | |
| Advisor Class Shares: | | | | | |
| Shares sold | 1,030,544,684 | \$13,722,795,759 | 859,023,905 | \$ 11,074,962,280 | |
| Shares issued in reinvestment | | | | | |
| of distributions | 121,975,205 | 1,616,850,682 | 105,527,250 | 1,336,688,074 | |
| Shares redeemed | (692,449,001) | (9,190,779,610) | (790,074,127) | (10,139,634,766) | |
| Net increase (decrease) | 460,070,888 | \$ 6,148,866,831 | 174,477,028 | \$ 2,272,015,588 | |

 $[\]ensuremath{^{\text{a}}} \text{For the period May 1, 2013}$ (effective date) to August 31, 2013.

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton Investments. 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 |

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 |
|---------------------|---|
| 0.500% | Up to and including \$200 million |
| 0.450% | Over \$200 million, up to and including \$1.3 billion |
| 0.400% | Over \$1.3 billion, up to and including \$35 billion |
| 0.395% | Over \$35 billion, up to and including \$50 billion |
| 0.390% | Over \$50 billion, up to and including \$65 billion |
| 0.385% | Over \$65 billion, up to and including \$80 billion |
| 0.380% | In excess of \$80 billion |

Notes to Financial Statements (continued)

Templeton Global Bond Fund

3. Transactions with Affiliates (continued)

b. Administrative Fees

The Fund pays an administrative fee to FT Services based on the Fund's average daily net assets as follows:

| Annualized Fee Rate | Net Assets |
|---------------------|---|
| 0.150% | Up to and including \$200 million |
| 0.135% | Over \$200 million, up to and including \$700 million |
| 0.100% | Over \$700 million, up to and including \$1.2 billion |
| 0.075% | In excess of \$1.2 billion |

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. Distribution fees are not charged on shares held by affiliates. Under the Fund's Class A reimbursement distribution plan, the Fund reimburses Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate. Under the Class A reimbursement distribution plan, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Fund's Class C and R compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate for each class. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

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

| Class A | 0.25% |
|---------|-------|
| Class C | 0.65% |
| Class R | 0.50% |

d. Sales Charges/Underwriting Agreements

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

| Sales charges retained net of commissions paid to unaffiliated | |
|--|-------------|
| broker/dealers | \$7,228,726 |
| CDSC retained | \$1.287.208 |

Notes to Financial Statements (continued)

Templeton Global Bond Fund

3. Transactions with Affiliates (continued)

e. Transfer Agent Fees

Each class of shares, except for Class R6, pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations and reimburses Investor Services for out of pocket expenses incurred, including shareholding servicing fees paid to third parties. These fees are allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees specific to that class.

For the year ended August 31, 2013, the Fund paid transfer agent fees of \$70,330,034, of which \$26,569,612 was retained by Investor Services.

f. Waiver and Expense Reimbursements

Investor Services has contractually agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.01% until December 31, 2014. There were no expenses waived during the year ended August 31, 2013.

4. EXPENSE OFFSET ARRANGEMENT

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended August 31, 2013, the custodian fees were reduced as noted in the Statement of Operations.

5. INCOME TAXES

For tax purposes, the Fund may elect to defer any portion of a post-October capital loss to the first day of the following fiscal year. At August 31, 2013, the Fund deferred post-October capital losses of \$17,313,203.

The tax character of distributions paid during the years ended August 31, 2013 and 2012, was as follows:

| | 2013 | 2012 |
|--------------------------|-----------------|-----------------|
| Distributions paid from: | | |
| Ordinary income | \$3,543,412,774 | \$3,700,725,880 |
| Long term capital gain | 820,412,670 | 359,478,983 |
| | \$4,363,825,444 | \$4,060,204,863 |

Notes to Financial Statements (continued)

Templeton Global Bond Fund

5. Income Taxes (continued)

At August 31, 2013, the cost of investments, net unrealized appreciation (depreciation) and undistributed ordinary income for income tax purposes were as follows:

| Cost of investments | \$66,428,869,543 |
|--|------------------|
| Unrealized appreciation | |
| Unrealized depreciation | (2,102,368,801) |
| Net unrealized appreciation (depreciation) | \$ (426,443,670) |
| Distributable earnings – undistributed ordinary income | \$ 198,459,431 |

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 August 31, 2013, aggregated \$25,001,281,833 and \$21,037,238,901, respectively.

7. INVESTMENTS IN INSTITUTIONAL FIDUCIARY TRUST MONEY MARKET PORTFOLIO

The Fund invests in the Institutional Fiduciary Trust Money Market Portfolio (Sweep Money Fund), an open-end investment company managed by Advisers. Management fees paid by the Fund are reduced on assets invested in the Sweep Money Fund, in an amount not to exceed the management and administrative fees paid by the Sweep Money Fund. At August 31, 2013, the Fund owned 48.94% of the Sweep Money Fund. The Fund does not invest in the Sweep Money Fund for the purpose of exercising a controlling influence over the management or policies.

8. CREDIT RISK

At August 31, 2013, the Fund had 12.93% of its portfolio invested in high yield or other securities rated below investment grade. 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.

Notes to Financial Statements (continued)

Templeton Global Bond Fund

9. CONCENTRATION OF RISK

Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local 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.

10. OTHER DERIVATIVE INFORMATION

At August 31, 2013, the Fund's investments in derivative contracts are reflected on the Statement of Assets and Liabilities as follows:

| | Asset Derivatives | | Liability Derivatives | |
|---|---|----------------------|---|----------------------|
| Derivative Contracts Not Accounted for as Hedging Instruments | Statement of Assets and Liabilities Location | Fair Value Amount | Statement of Assets and Liabilities Location | Fair Value Amount |
| Interest rate contracts | Unrealized appreciation on swap contracts | \$ — | Unrealized depreciation on swap contracts | \$ 181,721,627 |
| Foreign exchange contracts | Unrealized appreciation on forward exchange contracts | 973,624,123 | Unrealized depreciation on forward exchange contracts | 1,009,437,623 |

For the year ended August 31, 2013, the effect of derivative contracts on the Fund's Statement of Operations was as follows:

| Derivative Contracts Not Accounted for as Hedging Instruments | Statement of Operations Locations | Realized Gain (Loss) for the Year | Change in Unrealized Appreciation (Depreciation) for the Year |
|---|--|---|--|
| Interest rate contracts | Net realized gain (loss) from swap contracts/ Net change in unrealized appreciation | | |
| | (depreciation) on investments | \$ (70,431,893) | \$ 434,906,593 |
| Foreign exchange | | | |
| contracts | Net realized gain (loss) from foreign currency transactions/Net change in unrealized appreciation (depreciation) on translation of other assets and liabilities denominated in foreign currencies | 1.525.844.289 | (1.120.130.048) |

For the year ended August 31, 2013, the average month end market value of derivatives represented 4.16% of average month end net assets. The average month end number of open derivative contracts for the year was 640.

See Note 1(d) regarding derivative financial instruments.

Notes to Financial Statements (continued)

Templeton Global Bond Fund

11. Special Servicing Agreement

The Fund, which is an eligible underlying investment of one or more of the Franklin Templeton Fund Allocator Series Funds (Allocator Funds), participated in a Special Servicing Agreement (SSA) with the Allocator Funds and certain service providers of the Fund and the Allocator Funds. Under the SSA, the Fund may pay a portion of the Allocator Funds' expenses (other than any asset allocation, administrative, and distribution fees) to the extent such payments are less than the amount of the benefits realized or expected to be realized by the Fund (e.g., due to reduced costs associated with servicing accounts) from the investment in the Fund by the Allocator Funds. The Allocator Funds are either managed by Advisers or administered by FT Services. For the year ended August 31, 2013, the Fund was held by one or more of the Allocator Funds and the amount of expenses borne by the Fund is noted in the Statement of Operations. At August 31, 2013, the Fund was no longer held by any of the Allocator Funds. Effective May 1, 2013, the SSA was discontinued until further notice and approval by the Board.

12. CREDIT FACILITY

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton Investments, are borrowers in a joint syndicated senior unsecured credit facility totaling \$1.5 billion (Global Credit Facility) which matures on January 17, 2014. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.07% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses on the Statement of Operations. During the year ended August 31, 2013, the Fund did not use the Global Credit Facility.

13. 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

Notes to Financial Statements (continued)

Templeton Global Bond Fund

13. FAIR VALUE MEASUREMENTS (continued)

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 inputs or methodology used for valuing financial instruments are not an indication of the risk associated with investing in those financial instruments.

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement.

A summary of inputs used as of August 31, 2013, 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: | | | | |
| Foreign Government and Agency Securities ^a | \$ - | \$47,027,459,841 | \$ — | \$47,027,459,841 |
| Quasi-Sovereign and Corporate Bonds ^a | _ | 362,372,613 | _ | 362,372,613 |
| Municipal Bonds | _ | 37,373,728 | _ | 37,373,728 |
| Short Term Investments | 7,788,412,207 | 10,786,807,484 | _ | 18,575,219,691 |
| Total Investments in Securities | \$7,788,412,207 | \$58,214,013,666 | \$ — | \$66,002,425,873 |
| Forward Exchange Contracts | \$ — | \$ 973,624,123 | \$ — | \$ 973,624,123 |
| Liabilities: | | | | |
| Swap Contracts | _ | 181,721,627 | _ | 181,721,627 |
| Forward Exchange Contracts | _ | 1,009,437,623 | _ | 1,009,437,623 |

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

14. New Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. The amendments in the ASU enhance disclosures about offsetting of financial assets and liabilities to enable investors to understand the effect of these arrangements on a fund's financial position. In January 2013, FASB issued ASU No. 2013-01, Balance Sheet

Notes to Financial Statements (continued)

Templeton Global Bond Fund

14. New Accounting Pronouncements (continued)

(Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. The amendments in ASU No. 2013-01 clarify the intended scope of disclosures required by ASU No. 2011-11. These ASUs are effective for interim and annual reporting periods beginning on or after January 1, 2013. The Fund believes the adoption of these ASUs will not have a material impact on its financial statements.

In June 2013, the FASB issued Accounting Standards Update (ASU) No. 2013-08, Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements. The ASU modifies the criteria used in defining an investment company under U.S. Generally Accepted Accounting Principles and also sets forth certain measurement and disclosure requirements. Under the ASU, an entity that is registered under the 1940 Act automatically qualifies as an investment company. The ASU is effective for interim and annual reporting periods beginning after December 15, 2013. The Fund is currently reviewing the requirements and believes the adoption of this ASU will not have a material impact on its financial statements.

15. Subsequent Events

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

ABBREVIATIONS

| Countamouty | Currency | Selected Portfolio |
|--|---|--|
| Counterparty | Currency | Selected Portiono |
| BZWS - Barclays Bank PLC CITI - Citibank N.A. DBAB - Deutsche Bank AG GSCO - The Goldman Sachs Group, Inc. HSBK - HSBC Bank PLC JPHQ - JPMorgan Chase Bank N.A. MSCO - Morgan Stanley and Co. Inc. UBSW - UBS AG | AUD - Australian Dollar BRL - Brazilian Real CAD - Canadian Dollar EUR - Euro HUF - Hungarian Forint IDR - Indonesian Rupiah ILS - New Israeli Shekel JPY - Japanese Yen KRW - South Korean Won LKR - Sri Lankan Rupee MXN - Mexican Peso MYR - Malaysian Ringgit NOK - Norwegian Krone PEN - Peruvian Nuevo Sol PHP - Philippine Peso PLN - Polish Zloty SEK - Swedish Krona | BHAC - Berkshire Hathaway Assurance Corp. FHLB - Federal Home Loan Bank FRN - Floating Rate Note |
| | | |

SGD - Singapore Dollar

Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying statement of assets and liabilities, including the statement of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Templeton Global Bond Fund (the "Fund") at August 31, 2013, 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 then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at August 31, 2013 by correspondence with the custodian, transfer agent and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, California October 18, 2013

Tax Information (unaudited)

Templeton Global Bond Fund

Under Section 852(b)(3)(C) of the Internal Revenue Code (Code), the Fund hereby reports the maximum amount allowable but no less than \$820,412,670 as a long term capital gain dividend for the fiscal year ended August 31, 2013.

Under Section 871(k)(2)(C) of the Code, the Fund hereby reports the maximum amount allowable but no less than \$5,444,724 as a short term capital gain dividend for purposes of the tax imposed under Section 871(a)(1)(A) of the Code for the fiscal year ended August 31, 2013.

At August 31, 2013, 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. As shown in the table below, the Fund hereby report to shareholders the foreign source income and foreign taxes paid, pursuant to Section 853 of the Code. This written statement will allow shareholders of record on August 14, 2013, 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.

The following table provides a detailed analysis of foreign taxes paid, foreign source income, and foreign qualified dividends as reported by the Fund, to Class A, Class C, Class R, Class R6, and Advisor Class shareholders of record.

| Class | Foreign Tax Paid Per Share | Foreign Source Income Per Share | Foreign Qualified Dividends Per Share |
|---------------|-------------------------------|------------------------------------|--|
| Class A | \$0.0088 | \$0.4246 | \$— |
| Class C | \$0.0088 | \$0.3719 | \$ — |
| Class R | \$0.0088 | \$0.3997 | \$— |
| Class R6 | \$0.0088 | \$0.4557 | \$— |
| Advisor Class | \$0.0088 | \$0.4557 | \$— |

Foreign Tax Paid Per Share (Column 1) is the amount per share available to you, as a tax credit (assuming you held your shares in the Fund for a minimum of 16 days during the 31-day period beginning 15 days before the ex-dividend date of the Fund's distribution to which the foreign taxes relate), or, as a tax deduction.

Foreign Source Income Per Share (Column 2) is the amount per share of income dividends attributable to foreign securities held by the Fund, plus any foreign taxes withheld on these dividends. The amounts reported include foreign source qualified dividends that have not been adjusted for the rate differential applicable to such dividend income.¹

Tax Information (unaudited) (continued)

Templeton Global Bond Fund

Foreign Qualified Dividends Per Share (Column 3) is the amount per share of foreign source qualified dividends, plus any foreign taxes withheld on these dividends. These amounts represent the portion of the Foreign Source Income reported to you in column 2 that were derived from qualified foreign securities held by the Fund.¹

By mid-February 2014, shareholders will receive Form 1099-DIV which will include their share of taxes paid and foreign source income distributed during the calendar year 2013. The Foreign Source Income reported on Form 1099-DIV has not been adjusted for the rate differential on foreign source qualified dividend income. Shareholders are advised to check with their tax advisors for information on the treatment of these amounts on their 2013 individual income tax returns.

'Qualified dividends are taxed at reduced long term capital gains tax rates. In determining the amount of foreign tax credit that may be applied against the U.S. tax liability of individuals receiving foreign source qualified dividends, adjustments may be required to the foreign tax credit limitation calculation to reflect the rate differential applicable to such dividend income. The rules however permit certain individuals to elect not to apply the rate differential adjustments for capital gains and/or dividends for any taxable year. Please consult your tax advisor and the instructions to Form 1116 for more information.

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 Investments 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 | Trustee | Since 1992 | 141 | Bar-S Foods (meat packing company) (1981-2010). |
| Fort Lauderdale. FL 33301-1923 | | | | (1301 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) | Trustee | Since 2008 | 38 | SLM Corporation (Sallie Mae), Ares |
|--------------------------------|---------|------------|----|---|
| 300 S.E. 2nd Street | | | | Capital Corporation (specialty finance |
| Fort Lauderdale, FL 33301-1923 | 3 | | | company) and Allied Capital Corporation |
| | | | | (financial services) (2003-2010). |

Principal Occupation During at Least the Past 5 Years:

Independent strategic and financial consultant; 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).

| Frank J. Crothers (1944) | Trustee | Since 2003 | 27 | Talon Metals Corp. (mining exploration), |
|--------------------------------|---------|------------|----|--|
| 300 S.E. 2nd Street | | | | Fortis, Inc. (utility holding company) |
| Fort Lauderdale, FL 33301-1923 | | | | and AML Foods Limited (retail |
| | | | | distributors). |

Principal Occupation During at Least the Past 5 Years:

Director and Vice Chairman, Caribbean Utilities Company, Ltd.; director of various other private business and nonprofit organizations; and formerly, Chairman, Atlantic Equipment and Power Ltd. (1977-2003).

| 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 | 141 | Hess Corporation (exploration and refining of oil and gas), H.J. Heinz Company (processed foods and allied products) (1994-2013), RTI International Metals, Inc. (manufacture and distribution of titanium), Canadian National Railway (railroad) and White Mountains Insurance Group, Ltd. |
|--|--------------------------------|--|-----|---|
| | | | | (holding company). |

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).

| 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 |
|------------------------------------|----------|--------------------------|--|--|
| J. Michael Luttig (1954) | Trustee | Since 2009 | 141 | Boeing Capital Corporation (aircraft |
| 300 S.E. 2nd Street | | | | financing) (2006-2013). |
| Fort Lauderdale, FL 33301-1923 | | | | |

Principal Occupation During at Least the Past 5 Years:

Executive Vice President, General Counsel and member of Executive Council, The Boeing Company (aerospace company); and formerly, Federal Appeals Court Judge, U.S. Court of Appeals for the Fourth Circuit (1991-2006).

| David W. Niemiec (1949) | Trustee | Since 2005 | 34 | Emeritus Corporation (assisted living) |
|--------------------------------|---------|------------|----|--|
| 300 S.E. 2nd Street | | | | (1999-2010) and OSI Pharmaceuticals, |
| Fort Lauderdale, FL 33301-1923 | | | | Inc. (pharmaceutical products) |
| | | | | (2006-2010). |

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).

| Frank A. Olson (1932) | Trustee | Since 2003 | 141 | Hess Corporation (exploration and |
|-----------------------------|---------|------------|-----|---------------------------------------|
| 300 S.E. 2nd Street | | | | refining of oil and gas) (1998-2013). |
| Fort Lauderdale EL 33301-10 | 123 | | | |

Principal Occupation During at Least the Past 5 Years:

Chairman Emeritus, The Hertz Corporation (car rental) (since 2000) (Chairman of the Board (1980-2000) and Chief Executive Officer (1977-1999)); and formerly, Chairman of the Board, President and Chief Executive Officer, UAL Corporation (airlines) (until 1987).

| Larry D. Thompson (1945) | Trustee | Since 2005 | 141 | Cbeyond, Inc. (business commu- |
|--------------------------------|---------|------------|-----|------------------------------------|
| 300 S.E. 2nd Street | | | | nications provider) (2010-2012), |
| Fort Lauderdale, FL 33301-1923 | | | | The Southern Company (energy |
| | | | | company) (2010-2012) and |
| | | | | The Washington Post Company |
| | | | | (education and media organization) |

Principal Occupation During at Least the Past 5 Years:

Executive Vice President – Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (July 2012); and formerly, John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2011-2012); 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).

| violang i rolessol, emiversity of e | 2001610 001100 | 1 01 Eatt (200 1), and E | opaty / titol | noy denotal, e.e. Department of suction (2001 2000). |
|-------------------------------------|----------------|--------------------------|---------------|--|
| Constantine D. Tseretopoulos | Trustee | Since 2003 | 27 | None |
| (1954) | | | | |
| 200 C F Ound Chunch | | | | |

300 S.E. 2nd Street

Fort Lauderdale, FL 33301-1923

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) | Trustee | Since 2006 | 45 | El Oro Ltd (investments). |
|---|---------------|-------------|----|---------------------------|
| 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923 | 3 | | | |
| Principal Occupation During at | Least the Pas | st 5 Years: | | |

Attorney at law engaged in private practice (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 | Trustee | Since 2007 | 152 | None |

San Mateo, CA 94403-1906

Principal Occupation During at Least the Past 5 Years:

Chairman of the Board, Member - Office of the Chairman, Director, President 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 44 of the investment companies in Franklin Templeton Investments; and Chairman, Investment Company Institute.

| **Rupert H. Johnson, Jr. (1940) | Chairman of | Chairman of the | 141 | None |
|---------------------------------|----------------|--------------------|-----|------|
| One Franklin Parkway | the Board and | Board and Trustee | | |
| San Mateo, CA 94403-1906 | Trustee and | since June 2013, | | |
| | Vice President | and Vice President | | |
| | | since 1996 | | |

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.; Senior Vice President, Franklin Advisory Services, LLC; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 41 of the investment companies in Franklin Templeton Investments.

| Alison E. Baur (1964) | Vice President | Since 2012 | Not Applicable | Not Applicable |
|--------------------------|----------------|------------|----------------|----------------|
| One Franklin Parkway | | | | |
| San Mateo, CA 94403-1906 | | | | |

Principal Occupation During at Least the Past 5 Years:

Deputy General Counsel, Franklin Templeton Investments; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 46 of the investment companies in Franklin Templeton Investments.

| Laura F. Fergerson (1962) | Chief | Since 2009 | Not Applicable | Not Applicable |
|---------------------------|----------------|------------|----------------|----------------|
| One Franklin Parkway | Executive | | | |
| San Mateo, CA 94403-1906 | Officer - | | | |
| | Finance and | | | |
| | Administration | | | |

Principal Occupation During at Least the Past 5 Years:

Senior Vice President, Franklin Templeton Services, LLC; and officer of 46 of the investment companies in Franklin Templeton Investments.

| Aliya S. Gordon (1973) | Vice President | Since 2009 | Not Applicable | Not Applicable |
|--------------------------|----------------|------------|----------------|----------------|
| One Franklin Parkway | | | | |
| San Mateo, CA 94403-1906 | | | | |

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton Investments; officer of 46 of the investment companies in Franklin Templeton Investments; and formerly, Litigation Associate, Steefel, Levitt & Weiss, LLP (2000-2004).

| Steven J. Gray (1955) | Vice President | Since 2009 | Not Applicable | Not Applicable |
|--------------------------|----------------|------------|----------------|----------------|
| One Franklin Parkway | | | | |
| San Mateo, CA 94403-1906 | | | | |

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton Investments; Vice President, Franklin Templeton Distributors, Inc.; and officer of 46 of the investment companies in Franklin Templeton Investments.

| Name, Year of Birth and Address | Position | | Number of Portfolios in Fund Complex Overseen by Board Member* | Other Directorships Held During at Least the Past 5 Years |
|---------------------------------|----------------|------------|--|--|
| Selena L. Holmes (1965) | Vice President | Since 2012 | Not Applicable | Not Applicable |
| 100 Fountain Parkway | - AML | | | |
| St. Petersburg, FL 33716-1205 | Compliance | | | |

Principal Occupation During at Least the Past 5 Years:

Director, Global Compliance Monitoring; and officer of 46 of the investment companies in Franklin Templeton Investments.

Christopher J. Molumphy (1962) President and Since 2002 Not Applicable Not Applicable One Franklin Parkway Chief Executive

San Mateo, CA 94403-1906 Officer -Investment Management

Principal Occupation During at Least the Past 5 Years:

Director and Executive Vice President, Franklin Advisers, Inc.; Executive Vice President, Franklin Templeton Institutional, LLC; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 22 of the investment companies in Franklin Templeton Investments.

Kimberly H. Novotny (1972) Vice President Since March 2013 Not Applicable Not Applicable

300 S.E. 2nd Street

Fort Lauderdale, FL 33301-1923

Principal Occupation During at Least the Past 5 Years:

Senior Corporate Counsel, Franklin Templeton Investments; Vice President, Secretary and Trust Officer, Fiduciary Trust International of the South; Vice President, Templeton Investment Counsel, LLC; Assistant Secretary, Franklin Resources, Inc.; and officer of 46 of the investment companies in Franklin Templeton Investments.

| Mark H. Otani (1968) One Franklin Parkway San Mateo, CA 94403-1906 | Treasurer, Chief Financial Officer and Chief Accounting | Since 2009 | Not Applicable | Not Applicable |
|--|---|------------|----------------|----------------|
| | Officer | | | |

Principal Occupation During at Least the Past 5 Years:

Director, Global Fund Accounting Operations, Franklin Templeton Investments; and officer of 14 of the investment companies in Franklin Templeton Investments.

| Robert C. Rosselot (1960) | Chief | Since March 2013 | Not Applicable | Not Applicable |
|---|-----------------------|------------------|----------------|----------------|
| 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923 | Compliance Officer | | | |

Principal Occupation During at Least the Past 5 Years:

Director, Global Compliance, Franklin Templeton Investments; officer of 46 of the investment companies in Franklin Templeton Investments; and formerly, Senior Associate General Counsel, Franklin Templeton Investments (2007-2013); and Secretary and Vice President, Templeton Group of Funds (2004-2013).

| Name, Year of Birth and Address | Position | Length of | Number of Portfolios in Fund Complex Overseen by Board Member* | Other Directorships Held During at Least the Past 5 Years |
|---------------------------------|----------------|------------|--|--|
| Karen L. Skidmore (1952) | Vice President | Since 2009 | Not Applicable | Not Applicable |

One Franklin Parkway San Mateo, CA 94403-1906

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton Investments; and officer of 46 of the investment companies in Franklin Templeton Investments.

Craig S. Tyle (1960) Vice President Since 2005 Not Applicable Not Applicable One Franklin Parkway San Mateo. CA 94403-1906

Principal Occupation During at Least the Past 5 Years:

General Counsel and Executive Vice President, Franklin Resources, Inc.; officer of some of the other subsidiaries of Franklin Resources, Inc. and of 46 of the investment companies in Franklin Templeton Investments; and formerly, Partner, Shearman & Sterling, LLP (2004-2005); and General Counsel, Investment Company Institute (ICI) (1997-2004).

| Lori A. Weber (1964) | Secretary and | Secretary since | Not Applicable | Not Applicable | |
|-----------------------------------|----------------|-----------------|----------------|----------------|--|
| 300 S.E. 2nd Street | Vice President | March 2013 and | | | |
| 300 S.E. Zhu Sheet | | Vice President | | | |
| Fort Lauderdale, FL 33301-1923 | | Vice President | | | |
| 1 of t Eddderdale, 1 E 33301 1323 | | since 2011 | | | |

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton Investments; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; Vice President, Fiduciary Trust International of the South; and officer of 46 of the investment companies in Franklin Templeton Investments.

- 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.
- Note 3: Effective June 13, 2013, Charles B. Johnson ceased to be a trustee of the Fund.

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 SLM Corporation and Ares Capital Corporation and was formerly a director of Allied Capital Corporation from 2003 to 2010, Executive Vice President and Chief Financial Officer of NHP Incorporated and Vice President and Treasurer of US Airways, Inc. 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. 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.

^{*}We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton Investments 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 officer and director and major shareholder of Resources.

Shareholder Information

Templeton Global Bond Fund

Board Review of Investment Management Agreement

At a meeting held May 21, 2013, the Board of Trustees (Board), including a majority of noninterested or independent Trustees, approved renewal of the investment management agreement for the Fund. In reaching this decision, the Board took into account information furnished throughout the year at regular Board meetings, as well as information prepared specifically in connection with the annual renewal review process. Information furnished and discussed throughout the year included investment performance reports and related financial information for the Fund, along with periodic reports on expenses, shareholder services, legal and compliance matters, pricing, brokerage commissions and execution and other services provided by the Investment Manager (Manager) and its affiliates, as well as a third-party survey of transfer agent fees charged funds within the Franklin Templeton Investments complex in comparison with those charged other fund complexes deemed comparable. Information furnished specifically in connection with the renewal process included a report for the Fund prepared by Lipper, Inc. (Lipper), an independent organization, as well as additional material, including a Fund profitability analysis prepared by management. The Lipper report compared the Fund's investment performance and expenses with those of other mutual funds deemed comparable to the Fund as selected by Lipper. The Fund profitability analysis discussed the profitability to Franklin Templeton Investments from its overall U.S. fund operations, as well as on an individual fund-by-fund basis. Additional material accompanying such profitability analysis included information on a fund-by-fund basis listing portfolio managers and other accounts they manage, as well as information on management fees charged by the Manager and its affiliates to U.S. mutual funds and other accounts, including management's explanation of differences where relevant and a three-year expense analysis with an explanation for any increase in expense ratios. Such material also included a memorandum prepared by management describing project initiatives and capital investments relating to the services provided to the Fund by the Franklin Templeton Investments organization, as well as a memorandum relating to economies of scale and an analysis concerning transfer agent fees charged by an affiliate of the Manager.

In considering such materials, the independent Trustees received assistance and advice from and met separately with independent counsel. In approving continuance of the investment management agreement for the Fund, the Board, including a majority of independent Trustees, determined that the existing management fee structure was fair and reasonable and that continuance of the investment management agreement was in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board's decision.

NATURE, EXTENT AND QUALITY OF SERVICES. The Board was satisfied with the nature and quality of the overall services provided by the Manager and its affiliates to the Fund and its shareholders. In addition to investment performance and expenses discussed later, the Board's opinion was based, in part, upon periodic reports furnished it showing that the investment policies and restrictions for the Fund were consistently complied with as well as other reports periodically

Shareholder Information (continued)

Templeton Global Bond Fund

Board Review of Investment Management Agreement (continued)

furnished the Board covering matters such as the compliance of portfolio managers and other management personnel with the code of ethics adopted throughout the Franklin Templeton fund complex, the adherence to fair value pricing procedures established by the Board, and the accuracy of net asset value calculations. The Board also noted the extent of benefits provided Fund shareholders from being part of the Franklin Templeton family of funds, including the right to exchange investments between the same class of funds without a sales charge, the ability to reinvest Fund dividends into other funds and the right to combine holdings in other funds to obtain a reduced sales charge. Favorable consideration was given to management's continuous efforts and expenditures in establishing back-up systems and recovery procedures to function in the event of a natural disaster, it being noted that such systems and procedures had functioned well during the Florida hurricanes and blackouts experienced in previous years, and that those operations in the New York/New Jersey area ran smoothly during the more recent Hurricane Sandy. Consideration was also given to the experience of the Fund's portfolio management team, the number of accounts managed and general method of compensation. In this latter respect, the Board noted that a primary factor in management's determination of a portfolio manager's bonus compensation was the relative investment performance of the funds he or she managed and that a portion of such bonus was required to be invested in a predesignated list of funds within such person's fund management area so as to be aligned with the interests of shareholders. The Board also took into account the quality of transfer agent and shareholder services provided Fund shareholders by an affiliate of the Manager and the continuous enhancements to the Franklin Templeton website. Particular attention was given to management's conservative approach and diligent risk management procedures, including continuous monitoring of counterparty credit risk and attention given to derivatives and other complex instruments including expanded collateralization requirements. The Board also took into account, among other things, management's efforts in establishing a global credit facility for the benefit of the Fund and other accounts managed by Franklin Templeton Investments to provide a source of cash for temporary and emergency purposes or to meet unusual redemption requests as well as the strong financial position of the Manager's parent company and its commitment to the mutual fund business as evidenced by its subsidization of money market funds.

INVESTMENT PERFORMANCE. The Board placed significant emphasis on the investment performance of the Fund in view of its importance to shareholders. While consideration was given to performance reports and discussions with portfolio managers at Board meetings during the year, particular attention in assessing performance was given to the Lipper reports furnished for the agreement renewal. The Lipper report prepared for the Fund showed the investment performance of its Class A shares for the one-year period ended February 28, 2013, as well as during the previous 10 years ended that date in comparison to a performance universe consisting of all retail and institutional international income funds as selected by Lipper. The Fund's income return, as shown in such report, was in the highest or best performing quintile of such universe for the one-year period, and on an annualized basis was also in the highest quintile of such universe for each of the previous

Shareholder Information (continued)

Templeton Global Bond Fund

Board Review of Investment Management Agreement (continued)

three-, five- and 10-year periods. The Lipper report showed the Fund's total return to also be in the highest performing quintile of its Lipper performance universe for the one-year period, as well as for each of the previous three-, five- and 10-year periods on an annualized basis. The Board was satisfied with such comparative performance.

COMPARATIVE EXPENSES. Consideration was given to a comparative analysis of the management fees and total expense ratio of the Fund compared with a group of other funds selected by Lipper as constituting its appropriate Lipper expense group. Lipper expense data is based upon information taken from each fund's most recent annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Lipper to be an appropriate measure of comparative expenses. In reviewing comparative costs, Lipper provides information on the Fund's contractual investment management fee in comparison with the contractual investment management fee that would have been charged by other funds within its Lipper expense group assuming they were similar in size to the Fund, as well as the actual total expenses of the Fund in comparison with those of its Lipper expense group. The Lipper contractual investment management fee analysis includes administrative charges as being part of a management fee, and actual total expenses, for comparative consistency, are shown by Lipper for Fund Class A shares. The results of such expense comparisons showed that both the contractual management fee rate and actual total expense ratio of the Fund were in the least expensive quintile of its Lipper expense group. The Board was satisfied with such comparative expenses.

MANAGEMENT PROFITABILITY. The Board also considered the level of profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board reviewed the Fund profitability analysis that addresses the overall profitability of Franklin Templeton's U.S. fund business, as well as its profits in providing management and other services to each of the individual funds during the 12-month period ended September 30, 2012, being the most recent fiscal year-end for Franklin Resources, Inc., the Manager's parent. In reviewing the analysis, attention was given to the methodology followed in allocating costs to the Fund, it being recognized that allocation methodologies are inherently subjective and various allocation methodologies may each be reasonable while producing different results. In this respect, the Board noted that, while being continuously refined and reflecting changes in the Manager's own cost accounting, the allocation methodology was consistent with that followed in profitability report presentations for the Fund made in prior years and that the Fund's independent registered public accounting firm had been engaged by the Manager to periodically review the reasonableness of the allocation methodologies solely for use by the Fund's Board in reference to the profitability analysis. In reviewing and discussing such analysis, management discussed with the Board its belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent,

Shareholder Information (continued)

Templeton Global Bond Fund

Board Review of Investment Management Agreement (continued)

reflected operational cost savings and efficiencies initiated by management. The Board also took into account management's expenditures in improving shareholder services provided the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from statutes such as the Sarbanes-Oxley and Dodd-Frank Acts and recent SEC and other regulatory requirements. In addition, the Board considered a third-party study comparing the profitability of the Manager's parent on an overall basis to other publicly held managers broken down to show profitability from management operations exclusive of distribution expenses, as well as profitability including distribution expenses. The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services and potential benefits resulting from allocation of fund brokerage and the use of commission dollars to pay for research. Based upon its consideration of all these factors, the Board determined that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, quality and extent of services provided.

ECONOMIES OF SCALE. The Board also considered whether economies of scale are realized by the Manager and its affiliates as the Fund grows larger and the extent to which this is reflected in the level of management fees charged. While recognizing that any precise determination is inherently subjective, the Board noted that based upon the Fund profitability analysis, it appears that as some funds get larger, at some point economies of scale do result in the Manager realizing a larger profit margin on management services provided such a fund. The Board also noted that economies of scale are shared with a fund and its shareholders through management fee breakpoints so that as a fund grows in size, its effective management fee rate declines. Management also expressed its view that the existing fee structure for the Fund anticipated economies of scale and pointed out the Fund's comparative contractual management fee rate and expense ratio within its Lipper expense group. The Fund's investment management agreement provides a fee at the rate of 0.50% on the first \$200 million of Fund net assets; 0.45% on the next \$1.1 billion of Fund net assets; and 0.40% on net assets in excess of \$1.3 billion, with additional breakpoints continuing for the Fund reducing its investment management fee to 0.395% on net assets from the \$35 billion to \$50 billion asset level; to 0.390% on net assets from the \$50 billion to \$65 billion asset level; 0.385% on net assets from the \$65 billion to \$80 billion asset level; and to 0.380% on net assets in excess of \$80 billion. The Fund is also charged a separate fee for administrative services that starts at 0.15% on the first \$200 million of Fund net assets, and declines through breakpoints to a fixed rate of 0.075% after net assets reach the \$1.2 billion level. At the end of 2012, net assets of the Fund were approximately \$66.5 billion, and to the extent economies of scale may be realized by the Manager and its affiliates, the Board believed the schedule of fees under the investment management agreement provides a sharing of benefits with the Fund and its shareholders.

Shareholder Information (continued)

Templeton Global Bond Fund

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust'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 Trust'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 files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year on Form N-Q. Shareholders may view the filed Form N-Q 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 householded, 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.

Franklin Templeton Funds

Literature Request. To receive a summary prospectus and/or prospectus, please call us at (800) DIAL BEN/342-5236 or visit franklintempleton.com. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information. Please carefully read a prospectus before investing. To ensure the highest quality of service, we may monitor, record and access telephone calls to or from our service departments. These calls can be identified by the presence of a regular beeping tone.

VALUE

Franklin All Cap Value Fund
Franklin Balance Sheet Investment Fund
Franklin Large Cap Value Fund
Franklin MicroCap Value Fund
Franklin MidCap Value Fund
Franklin Small Cap Value Fund
Mutual Beacon Fund
Mutual Quest Fund
Mutual Recovery Fund²
Mutual Shares Fund

BI FND

Franklin Focused Core Equity Fund Franklin Large Cap Equity Fund Franklin Rising Dividends Fund

GROWTH

Franklin DynaTech Fund Franklin Flex Cap Growth Fund Franklin Growth Fund Franklin Growth Opportunities Fund Franklin Small Cap Growth Fund Franklin Small-Mid Cap Growth Fund

SECTOR

Franklin Biotechnology Discovery Fund Franklin Global Listed Infrastructure Fund Franklin Global Real Estate Fund Franklin Gold & Precious Metals Fund Franklin Natural Resources Fund Franklin Real Estate Securities Fund Franklin Utilities Fund Mutual Financial Services Fund

GLOBAL

Franklin World Perspectives Fund Mutual Global Discovery Fund Templeton Global Opportunities Trust Templeton Global Smaller Companies Fund Templeton Growth Fund Templeton World Fund

INTERNATIONAL

Franklin India Growth Fund
Franklin International Growth Fund
Franklin International Small Cap Growth Fund
Mutual European Fund
Mutual International Fund
Templeton Asian Growth Fund
Templeton BRIC Fund
Templeton China World Fund
Templeton Developing Markets Trust
Templeton Emerging Markets Small Cap Fund
Templeton Foreign Fund
Templeton Foreign Smaller Companies Fund

HYBRID

Franklin Balanced Fund
Franklin Convertible Securities Fund
Franklin Equity Income Fund
Franklin Income Fund
Templeton Emerging Markets Balanced Fund
Templeton Global Balanced Fund

Templeton Frontier Markets Fund⁴

ASSET ALLOCATION

Franklin LifeSmart™ Retirement Target Funds (2015-2050)⁵

Franklin Templeton Corefolio® Allocation Fund
Franklin Templeton Founding Funds Allocation Fund
Franklin Templeton Conservative Allocation Fund
Franklin Templeton Growth Allocation Fund
Franklin Templeton Moderate Allocation Fund
Franklin Templeton Global Allocation Fund
Franklin Templeton Multi-Asset Real Return Fund

FIXED INCOME

Franklin Adjustable U.S. Government Securities Fund⁶
Franklin Floating Rate Daily Access Fund
Franklin Global Government Bond Fund
Franklin High Income Fund
Franklin Limited Maturity U.S. Government
Securities Fund⁶

Franklin Low Duration Total Return Fund Franklin Real Return Fund

Franklin Short Duration U.S. Government ETF

Franklin Strategic Income Fund Franklin Strategic Mortgage Portfolio Franklin Templeton Hard Currency Fund

Franklin Total Return Fund

Franklin U.S. Government Securities Fund⁶ Templeton Constrained Bond Fund

Templeton Emerging Markets Bond Fund

Templeton Global Bond Fund Templeton Global Total Return Fund Templeton International Bond Fund

TAX-FREE INCOME7

National

Double Tax-Free Income Fund⁸ Federal Tax-Free Income Fund High Yield Tax-Free Income Fund Insured Tax-Free Income Fund^{9,10}

Limited-/Intermediate-Term

California Intermediate-Term Tax-Free Income Fund Federal Intermediate-Term Tax-Free Income Fund Federal Limited-Term Tax-Free Income Fund New York Intermediate-Term Tax-Free Income Fund

State-Specific

| Alabama | Kentucky | New York |
|-------------|---------------|----------------|
| Arizona | Louisiana | (2 funds) |
| California | Maryland | North Carolina |
| (4 funds)10 | Massachusetts | Ohio |
| Colorado | Michigan | Oregon |
| Connecticut | Minnesota | Pennsylvania |
| Florida | Missouri | Tennessee |
| Georgia | New Jersey | Virginia |

INSURANCE FUNDS

Franklin Templeton Variable Insurance Products Trust¹¹

- 1. The fund is closed to new investors. Existing shareholders and select retirement plans may add to their accounts.
- 2. The fund is a continuously offered, closed-end fund. Shares may be purchased daily; there is no daily redemption. However, each quarter, pending board approval, the fund will authorize the repurchase of 5%–25% of the outstanding number of shares. Investors may tender all or a portion of their shares during the tender period.
- 3. Effective 6/3/13, the fund closed to new investors, with limited exceptions.
- 4. Effective 6/28/13, the fund closed to new investors. Existing shareholders and select retirement plans may add to their accounts.
- 5. Effective 5/1/13, the Franklin Templeton Retirement Target Funds changed their names to Franklin LifeSmart Retirement Target Funds. The funds' investment goals and principal investment strategies remained unchanged. These funds' target dates are in five-year increments.
- 6. An investment in the fund is neither insured nor guaranteed by the U.S. government or by any other entity or institution.
- 7. For investors subject to the alternative minimum tax, a small portion of fund dividends may be taxable. Distributions of capital gains are generally taxable.
- 8. The fund is closed to all new investments (other than reinvestment of dividends and capital gains distributions).
- 9. The fund invests primarily in insured municipal securities.
- 10. Effective at the close of market 3/1/13, Franklin Insured Tax-Free Income Fund and Franklin California Insured Tax-Free Income Fund closed to all new investments (other than reinvestment of dividends and capital gains distributions).
- 11. The funds of the Franklin Templeton Variable Insurance Products Trust are generally available only through insurance company variable contracts.

VALUE | BLEND | GROWTH | SECTOR | GLOBAL | INTERNATIONAL | HYBRID | ASSET ALLOCATION | FIXED INCOME | TAX-FREE INCOME



< GAIN FROM OUR PERSPECTIVE® >

Annual Report and Shareholder Letter TEMPLETON GLOBAL BOND FUND

Investment Manager

Franklin Advisers, Inc.

Distributor

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

Shareholder Services

(800) 632-2301

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 ensure the highest quality of service, telephone calls to or from our service departments may be monitored, recorded and accessed. These calls can be identified by the presence of a regular beeping tone.