



**Annual Report
and Shareholder Letter**

December 31, 2018

Templeton Global Bond Fund

A SERIES OF TEMPLETON INCOME TRUST



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Franklin Templeton

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

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

Dear Shareholder:

During the 12 months ended December 31, 2018, the global economy generally expanded amid higher crude oil prices, upbeat economic data, solid corporate earnings and hints of a slower pace of interest-rate increases from the U.S. Federal Reserve (Fed). The European Central Bank (ECB) left its benchmark interest rate unchanged but reduced its monthly bond purchases and planned to conclude the program at the end of 2018. The Fed raised its federal funds rate range by 0.25% four times in 2018 and continued reducing its balance sheet. Global markets were pressured by concerns about increased technology company regulation, U.S. and European Union political uncertainties, major central banks' interest-rate policies, and the impact of the U.S.-China trade dispute on global growth and corporate earnings. In this environment, global government bonds, as measured by the FTSE World Government Bond Index, declined 0.84% in U.S. dollar terms but rose 1.10% in local currency terms. The U.S. dollar appreciated against most foreign currencies during the period.

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

Historically, patient investors have achieved rewarding results by evaluating their goals, diversifying their assets globally and maintaining a disciplined investment program, all hallmarks of the Templeton investment philosophy developed more than 60 years ago. We continue to recommend investors consult

their financial advisors and review their portfolios to design a long-term strategy and portfolio allocation that meet their individual needs, goals and risk tolerance.

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

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

Sincerely,



Sonal Desai, Ph.D.

Executive Vice President, Chief Investment Officer of Franklin Templeton Fixed Income Group
Templeton Income Trust

This letter reflects our analysis and opinions as of December 31, 2018, unless otherwise indicated. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

Not FDIC Insured | May Lose Value | No Bank Guarantee

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financial planning tools.

Annual Report

Templeton Global Bond Fund

We are pleased to bring you Templeton Global Bond Fund's annual report for the fiscal year ended December 31, 2018.

Your Fund's Goal and Main Investments

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

Performance Overview

For the 12 months under review, the Fund's Class A shares posted a +1.27% cumulative total return. In comparison, global government bonds, as measured by the Fund's benchmark, the FTSE World Government Bond Index (WGBI), had a cumulative total return of -0.84% in U.S. dollar terms for the same period.¹ The benchmark changed its name from the Citigroup WGBI during the period. You can find the Fund's long-term performance data in the Performance Summary beginning on page 7.

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

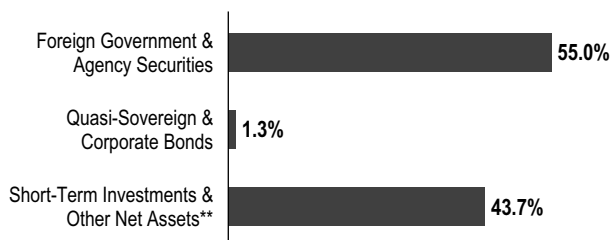
Economic and Market Overview

The year began with sharply rising yields in the U.S. and Europe as reflation sentiments returned to markets. Deregulation efforts and tax cuts in the U.S. were expected to add stimulus to an already strong U.S. economy. The 10-year U.S. Treasury (UST) yield rose 0.45% during the first two months of 2018, finishing February at 2.86%. In Europe, the 10-year German Bund yield rose 0.27% during the first month of the year, reaching its peak yield for the period at 0.77% on

February 2, its highest level since 2015. Markets appeared to initially anticipate upcoming rate adjustments from the European Central Bank (ECB), but those expectations would largely disappear by the summer.

Portfolio Composition*

Based on Total Net Assets as of 12/31/18



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

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

In February, Jerome Powell took over as U.S. Federal Reserve (Fed) Chair, replacing Janet Yellen. Powell indicated his intentions to continue the glide path of rate hikes and balance sheet unwinding. However, by March, the rising yield trends in the U.S. and Europe stalled and moderately reversed. U.S. protectionist policies in the form of steel and aluminum tariffs, as well as sector-specific tariffs on China, appeared to amplify risk aversion across global financial markets. Credit spreads widened across investment-grade and high-yield credit tiers in the U.S. and Europe during the month, ultimately widening even further over the rest of the year. In April, reflation sentiments briefly resurfaced, driving the 10-year UST yield above 3.00% for the first time in more than four years. However, risk aversion returned to global bond markets in the second half of May, as political turmoil in Italy raised concerns over Italian debt sustainability and the viability of the euro. Yields in Italy, Spain and much of peripheral Europe rose sharply, while yields in Germany, France and the U.S. declined on flights to quality. Several Latin American countries

1. Source: Morningstar.

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

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

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

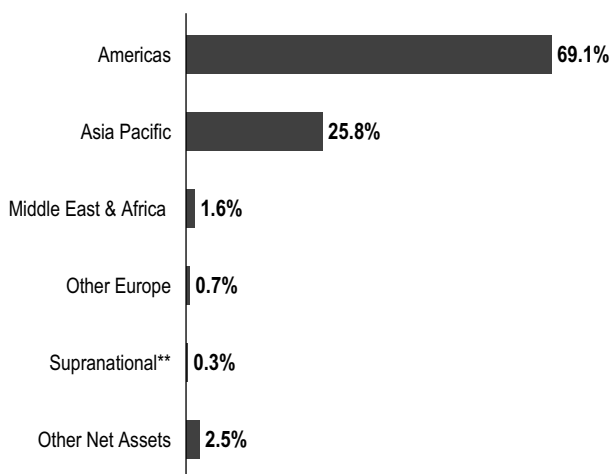
concurrently saw rising yields and sharp depreciations of their exchange rates on regional volatility.

In mid-June, ECB President Mario Draghi announced the net asset purchase program would be reduced to 15 billion euros per month for October, November and December, and would conclude at the end of 2018. Draghi also indicated rates would likely remain unchanged until at least the summer of 2019, quelling any remaining expectations for a 2018 rate hike. In the U.S., yields briefly rose in July as economic activity continued to strengthen. Annualized second-quarter U.S. gross domestic product came in at 4.2%, its highest level since 2014.

However, a wave of broad-based risk aversion across emerging markets arrived in late August, driving exchange rates lower against the U.S. dollar. Several perceived safe-haven assets rallied, including USTs. We viewed much of the late summer selloffs as fear-driven overreactions that often exceeded the fundamental risks in individual countries. As an asset category, emerging markets showed the highest level of undervaluation across the global fixed income markets, in our assessment, and we expected select countries with healthier or improving underlying fundamentals to rebound from the heightened volatility.

Geographic Composition*

Based on Total Net Assets as of 12/31/18



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

**The Fund's supranational investment was denominated in the Mexican peso.

By mid-September, risk aversion across emerging markets began to diminish, as several security valuations incrementally stabilized and improved. UST yields rose sharply during the month, on expectations the Fed would hike rates at its September 26 meeting. Those trends continued through October, with the 10-year UST reaching its highest yield of the

year on November 8, at 3.24%. However, market volatility escalated in December as global growth uncertainties and trade policy concerns led to rallies in perceived safe-haven assets. The 10-year UST yield dropped sharply to finish the year at 2.69%, despite the Fed's fourth rate hike of the year on December 19.

On the whole, duration exposures in the U.S. and in several parts of the world faced headwinds from rising rates during much of the period, before those trends sharply reversed in December. Select local-currency bond markets fared better than others, as valuations strengthened in places like Brazil but weakened in places like Indonesia. On the currency front, the U.S. dollar started the period weaker before significantly strengthening against global currencies over the remainder of the year. On the whole, avoiding UST duration proved important to performance during much of the period, as did long exposure to the U.S. dollar and select positioning in emerging markets.

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. For purposes of pursuing its investment goals, the Fund regularly enters into various currency-related transactions involving derivative instruments, principally currency and cross currency forwards, but it may also use currency and currency index futures contracts.

What is a currency forward contract?

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

Manager's Discussion

During the reporting period, the strategy was positioned for rising rates in the U.S. by maintaining low portfolio duration and using interest-rate swaps to gain negative duration exposure to U.S. Treasuries. The strategy also continued to seek duration exposures in select emerging markets that offered positive real yields without undue interest-rate risk, favoring countries that have solid underlying fundamentals and prudent fiscal and monetary policies. Several emerging markets continued to offer significantly higher yields than those available in the developed markets. The strategy also held long

currency exposures in a number of emerging markets and net-negative exposures to the Japanese yen, euro and Australian dollar, as directional views on the currencies and as hedges against a broadly strengthening U.S. dollar. During the period, we used forward currency exchange contracts to actively manage currencies. We also used interest-rate swaps to tactically manage duration exposures.

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.

What is an interest-rate swap?

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

During the period, the strategy's positive absolute performance was primarily attributable to currency positions followed by interest-rate strategies. Sovereign credit exposures had a largely neutral effect on absolute results. Among currencies, the Fund's net-negative positions in the euro and the Australian dollar, achieved through the use of currency forward contracts, contributed to absolute performance, while its net-negative position in the Japanese yen, also through currency forward contracts, moderately detracted. Currency positions in Latin America and Asia ex-Japan detracted from absolute results (the Brazilian real, Argentine peso and Indian rupee detracted, while the Mexican peso contributed). The Fund maintained a defensive approach regarding interest rates in developed markets, while holding duration exposures in select emerging markets. Negative duration exposure to U.S. Treasuries contributed to absolute performance, as did duration exposure in Brazil. However, duration exposures in Argentina and Indonesia detracted from absolute return.

The strategy's relative outperformance during the period was primarily attributable to currency positions. Interest-rate strategies detracted from relative results, while sovereign credit exposures had a largely neutral effect. Among currencies, the Fund's underweighted positions in the euro and the Australian dollar contributed to relative performance, while its underweighted position in the Japanese yen detracted. Overweighted currency positions in Latin America and Asia ex-Japan detracted from relative results (the Brazilian real,

Currency Composition*

12/31/18

	% of Total Net Assets
Americas	162.0%
U.S. Dollar	119.3%
Mexican Peso	20.8%
Brazilian Real	13.6%
Argentine Peso	4.5%
Colombian Peso	3.8%
Middle East & Africa	1.7%
Ghanaian Cedi	1.7%
Asia Pacific	-20.2%
Indian Rupee	13.4%
Indonesian Rupiah	10.7%
Philippine Peso	1.8%
South Korean Won	0.0%**
Australian Dollar	-6.9%
Japanese Yen	-39.2%
Europe	-43.5%
Euro	-43.5%

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

**Rounds to less than 0.1%.

Argentine peso and Indian rupee detracted, while the Mexican peso contributed). Select underweighted duration exposures in Europe detracted from relative performance, as did overweighted duration exposure in Argentina. However, overweighted duration exposure in Brazil contributed.

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



A handwritten signature in black ink, appearing to read "Michael Hasenstab".

Michael Hasenstab, Ph.D.
Lead Portfolio Manager



A handwritten signature in black ink, appearing to read "Calvin Ho".

Calvin Ho
Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of December 31, 2018, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of December 31, 2018

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

Performance as of 12/31/18¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 4.25% and the minimum is 0%. **Class A:** 4.25% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A		
1-Year	+1.27%	-3.05%
5-Year	+7.08%	+0.51%
10-Year	+65.75%	+4.72%
Advisor		
1-Year	+1.44%	+1.44%
5-Year	+8.46%	+1.64%
10-Year	+69.95%	+5.45%

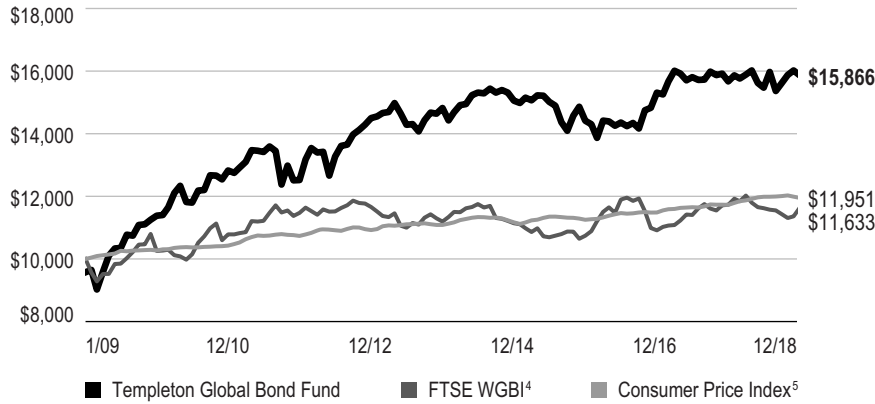
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 9 for Performance Summary footnotes.

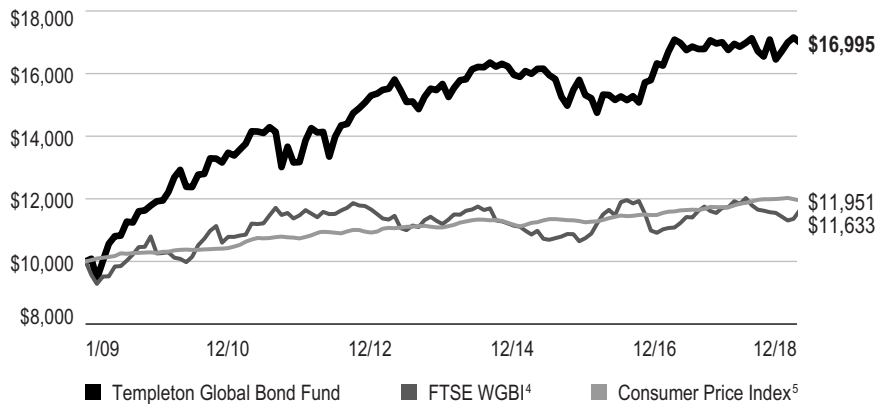
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (1/1/09–12/31/18)



Advisor Class (1/1/09–12/31/18)



See page 9 for Performance Summary footnotes.

Distributions (1/1/18–12/31/18)

Share Class	Net Investment Income
A	\$0.7379
C	\$0.6912
R	\$0.7085
R6	\$0.7815
Advisor	\$0.7673

Total Annual Operating Expenses⁶

Share Class	With Fee Waiver	Without Fee Waiver
A	0.96%	1.03%
Advisor	0.71%	0.78%

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

All investments involve risks, including possible loss of principal. 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 on an amount that exceeds the Fund's initial investment. The Fund may not achieve the anticipated benefits and may realize losses when a counterparty fails to perform as promised. The markets for particular securities or types of securities are or may become relatively illiquid. Reduced liquidity will have an adverse impact on the security's value and on the Fund's ability to sell such securities when necessary to meet the Fund's liquidity needs or in response to a specific market event. Foreign securities involve special risks, including currency fluctuations (which may be significant over the short term) and economic and political uncertainties; investments in emerging markets involve heightened risks related to the same factors. Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a government entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due. Investments in lower rated bonds include higher risk of default and loss of principal. Bond prices generally move in the opposite direction of interest rates. As prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

1. The Fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 4/30/19. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

2. Cumulative total return represents the change in value of an investment over the periods indicated.

3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.

4. Source: Morningstar. The FTSE WGBI is a market capitalization-weighted index consisting of investment-grade world government bond markets.

5. Source: Bureau of Labor Statistics, bls.gov/cpi. The Consumer Price Index (CPI) is a commonly used measure of the inflation rate.

6. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.

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

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 7/1/18	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 12/31/18	Expenses Paid During Period 7/1/18–12/31/18 ^{1,2}	Ending Account Value 12/31/18	Expenses Paid During Period 7/1/18–12/31/18 ^{1,2}	
A	\$1,000	\$1,025.80	\$4.44	\$1,020.82	\$4.43	0.87%
C	\$1,000	\$1,023.70	\$6.48	\$1,018.80	\$6.46	1.27%
R	\$1,000	\$1,024.50	\$5.72	\$1,019.56	\$5.70	1.12%
R6	\$1,000	\$1,027.90	\$2.56	\$1,022.68	\$2.55	0.50%
Advisor	\$1,000	\$1,027.20	\$3.17	\$1,022.08	\$3.16	0.62%

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

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

Important Notice to Shareholders

Revised Section 19(a) Notice

The Fund's previous estimate of the sources from which its dividends of \$0.2615 per share for Class A, \$0.2575 per share for Class C, \$0.2591 per share for Class R, \$0.2653 per share for Class R6, and \$0.2640 per share for Advisor Class, which were paid on December 19, 2018 (ex-dividend date December 17, 2018), have been revised to reflect that \$0.1015, \$0.0999, \$0.1006, \$0.1030 and \$0.1025 of such amounts represented a distribution of net investment income for Class A, Class C, Class R, Class R6 and Advisor Class, respectively; \$0.0912, \$0.0898, \$0.0904, \$0.0925 and \$0.0921 of such amounts represented gain from the sale of securities for Class A, Class C, Class R, Class R6 and Advisor Class, respectively; and \$0.0688, \$0.0678, \$0.0681, \$0.0698 and \$0.0694 of such amounts represented a return of principal for Class A, Class C, Class R, Class R6 and Advisor Class, respectively. These are calculated using U.S. financial accounting standards that may significantly differ from the amounts calculated on a U.S. tax basis and shouldn't be used for tax reporting purposes.

Financial Highlights

Templeton Global Bond Fund

	Year Ended December 31,			Year Ended August 31,		
	2018	2017	2016 ^a	2016	2015	2014
Class A						
Per share operating performance (for a share outstanding throughout the year)						
Net asset value, beginning of year	\$11.89	\$12.00	\$11.32	\$11.66	\$13.41	\$12.68
Income from investment operations ^b :						
Net investment income ^c	0.59	0.56	0.16	0.42	0.34	0.37
Net realized and unrealized gains (losses)	(0.44)	(0.27)	0.60	(0.44)	(1.24)	0.84
Total from investment operations	0.15	0.29	0.76	(0.02)	(0.90)	1.21
Less distributions from:						
Net investment income and net foreign currency gains	(0.74)	(0.40)	—	(0.12)	(0.82)	(0.48)
Net realized gains	—	—	—	—	(0.03)	(—) ^d
Tax return of capital	—	—	(0.08)	(0.20)	—	—
Total distributions	(0.74)	(0.40)	(0.08)	(0.32)	(0.85)	(0.48)
Net asset value, end of year	\$11.30	\$11.89	\$12.00	\$11.32	\$11.66	\$13.41
Total return ^e	1.27%	2.35%	6.75%	(0.15)%	(6.96)%	9.71%
Ratios to average net assets^f						
Expenses before waiver and payments by affiliates and expense reduction	0.94%	0.97%	0.96%	0.93%	0.90%	0.90%
Expenses net of waiver and payments by affiliates	0.86%	0.90%	0.91%	0.90%	0.88%	0.89%
Expenses net of waiver and payments by affiliates and expense reduction	0.86% ^g	0.89%	0.90%	0.90% ^g	0.88%	0.89% ^g
Net investment income	4.99%	4.60%	4.22%	3.66%	2.68%	2.83%
Supplemental data						
Net assets, end of year (000's)	\$8,375,227	\$9,656,645	\$12,703,966	\$13,759,572	\$19,063,126	\$23,897,947
Portfolio turnover rate	19.86%	42.12%	22.63%	49.70%	43.19%	35.18%

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

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

^cBased on average daily shares outstanding.

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

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

^fRatios are annualized for periods less than one year.

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

Templeton Global Bond Fund (continued)

	Year Ended December 31,			Year Ended August 31,		
	2018	2017	2016 ^a	2016	2015	2014
Class C						
Per share operating performance						
(for a share outstanding throughout the year)						
Net asset value, beginning of year	\$11.92	\$12.03	\$11.35	\$11.69	\$13.44	\$12.70
Income from investment operations ^b :						
Net investment income ^c	0.54	0.51	0.15	0.37	0.29	0.32
Net realized and unrealized gains (losses).	(0.44)	(0.27)	0.59	(0.44)	(1.24)	0.84
Total from investment operations	0.10	0.24	0.74	(0.07)	(0.95)	1.16
Less distributions from:						
Net investment income and net foreign currency gains	(0.69)	(0.35)	—	(0.10)	(0.77)	(0.42)
Net realized gains	—	—	—	—	(0.03)	(—) ^d
Tax return of capital	—	—	(0.06)	(0.17)	—	—
Total distributions	(0.69)	(0.35)	(0.06)	(0.27)	(0.80)	(0.42)
Net asset value, end of year	\$11.33	\$11.92	\$12.03	\$11.35	\$11.69	\$13.44
Total return ^e	0.86%	1.94%	6.59%	(0.55)%	(7.32)%	9.33%
Ratios to average net assets^f						
Expenses before waiver and payments by affiliates and expense reduction	1.34%	1.37%	1.35%	1.33%	1.30%	1.30%
Expenses net of waiver and payments by affiliates	1.26%	1.30%	1.30%	1.30%	1.28%	1.29%
Expenses net of waiver and payments by affiliates and expense reduction	1.26% ^g	1.29%	1.29%	1.30% ^g	1.28%	1.29% ^g
Net investment income	4.59%	4.20%	3.83%	3.26%	2.28%	2.43%
Supplemental data						
Net assets, end of year (000's)	\$2,218,852	\$3,232,023	\$4,072,562	\$4,430,727	\$6,171,509	\$8,216,911
Portfolio turnover rate	19.86%	42.12%	22.63%	49.70%	43.19%	35.18%

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

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

^cBased on average daily shares outstanding.

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

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

^fRatios are annualized for periods less than one year.

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

TEMPLETON INCOME TRUST
FINANCIAL HIGHLIGHTS

Templeton Global Bond Fund (continued)

	Year Ended December 31,			Year Ended August 31,		
	2018	2017	2016 ^a	2016	2015	2014
Class R						
Per share operating performance						
(for a share outstanding throughout the year)						
Net asset value, beginning of year	\$11.89	\$12.00	\$11.32	\$11.66	\$13.41	\$12.67
Income from investment operations ^b :						
Net investment income ^c	0.56	0.53	0.15	0.39	0.31	0.34
Net realized and unrealized gains (losses)	(0.44)	(0.27)	0.60	(0.44)	(1.24)	0.84
Total from investment operations	0.12	0.26	0.75	(0.05)	(0.93)	1.18
Less distributions from:						
Net investment income and net foreign currency gains	(0.71)	(0.37)	—	(0.11)	(0.79)	(0.44)
Net realized gains	—	—	—	—	(0.03)	(—) ^d
Tax return of capital	—	—	(0.07)	(0.18)	—	—
Total distributions	(0.71)	(0.37)	(0.07)	(0.29)	(0.82)	(0.44)
Net asset value, end of year	\$11.30	\$11.89	\$12.00	\$11.32	\$11.66	\$13.41
Total return ^e	1.02%	2.10%	6.66%	(0.40)%	(7.19)%	9.52%
Ratios to average net assets^f						
Expenses before waiver and payments by affiliates and expense reduction	1.19%	1.22%	1.21%	1.18%	1.15%	1.15%
Expenses net of waiver and payments by affiliates	1.11%	1.15%	1.16%	1.15%	1.13%	1.14%
Expenses net of waiver and payments by affiliates and expense reduction	1.11% ^g	1.14%	1.15%	1.15% ^g	1.13%	1.14% ^g
Net investment income	4.74%	4.35%	3.97%	3.41%	2.43%	2.58%
Supplemental data						
Net assets, end of year (000's)	\$239,671	\$274,295	\$306,907	\$319,155	\$358,318	\$367,660
Portfolio turnover rate	19.86%	42.12%	22.63%	49.70%	43.19%	35.18%

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

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

^cBased on average daily shares outstanding.

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

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

^fRatios are annualized for periods less than one year.

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

Templeton Global Bond Fund (continued)

	Year Ended December 31,			Year Ended August 31,		
	2018	2017	2016 ^a	2016	2015	2014
Class R6						
Per share operating performance						
(for a share outstanding throughout the year)						
Net asset value, beginning of year	\$11.85	\$11.96	\$11.28	\$11.62	\$13.36	\$12.64
Income from investment operations ^b :						
Net investment income ^c	0.63	0.61	0.18	0.47	0.38	0.42
Net realized and unrealized gains (losses)	(0.45)	(0.27)	0.60	(0.44)	(1.22)	0.83
Total from investment operations	0.18	0.34	0.78	0.03	(0.84)	1.25
Less distributions from:						
Net investment income and net foreign currency gains	(0.78)	(0.45)	—	(0.14)	(0.87)	(0.53)
Net realized gains	—	—	—	—	(0.03)	(—) ^d
Tax return of capital	—	—	(0.10)	(0.23)	—	—
Total distributions	(0.78)	(0.45)	(0.10)	(0.37)	(0.90)	(0.53)
Net asset value, end of year	\$11.25	\$11.85	\$11.96	\$11.28	\$11.62	\$13.36
Total return ^e	1.57%	2.79%	6.92%	0.25%	(6.55)%	10.07%
Ratios to average net assets^f						
Expenses before waiver and payments by affiliates and expense reduction	0.59%	0.55%	0.55%	0.53%	0.52%	0.52%
Expenses net of waiver and payments by affiliates	0.49%	0.48%	0.50%	0.50%	0.50%	0.51%
Expenses net of waiver and payments by affiliates and expense reduction	0.49% ^g	0.47%	0.49%	0.50% ^g	0.50%	0.51% ^g
Net investment income	5.36%	5.02%	4.63%	4.06%	3.06%	3.21%
Supplemental data						
Net assets, end of year (000's)	\$4,084,816	\$3,870,342	\$2,924,394	\$3,096,051	\$2,805,620	\$1,934,358
Portfolio turnover rate	19.86%	42.12%	22.63%	49.70%	43.19%	35.18%

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

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

^cBased on average daily shares outstanding.

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

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

^fRatios are annualized for periods less than one year.

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

TEMPLETON INCOME TRUST
FINANCIAL HIGHLIGHTS

Templeton Global Bond Fund (continued)

	Year Ended December 31,			Year Ended August 31,		
	2018	2017	2016 ^a	2016	2015	2014
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the year)						
Net asset value, beginning of year	\$11.85	\$11.96	\$11.28	\$11.62	\$13.36	\$12.63
Income from investment operations ^b :						
Net investment income ^c	0.61	0.59	0.17	0.44	0.37	0.40
Net realized and unrealized gains (losses)	(0.44)	(0.27)	0.60	(0.43)	(1.22)	0.84
Total from investment operations	0.17	0.32	0.77	0.01	(0.85)	1.24
Less distributions from:						
Net investment income and net foreign currency gains	(0.77)	(0.43)	—	(0.13)	(0.86)	(0.51)
Net realized gains	—	—	—	—	(0.03)	(—) ^d
Tax return of capital	—	—	(0.09)	(0.22)	—	—
Total distributions	(0.77)	(0.43)	(0.09)	(0.35)	(0.89)	(0.51)
Net asset value, end of year	\$11.25	\$11.85	\$11.96	\$11.28	\$11.62	\$13.36
Total return ^e	1.44%	2.62%	6.86%	0.10%	(6.67)%	10.02%
Ratios to average net assets^f						
Expenses before waiver and payments by affiliates and expense reduction	0.69%	0.72%	0.71%	0.68%	0.65%	0.65%
Expenses net of waiver and payments by affiliates	0.61%	0.65%	0.66%	0.65%	0.63%	0.64%
Expenses net of waiver and payments by affiliates and expense reduction	0.61% ^g	0.64%	0.65%	0.65% ^g	0.63%	0.64% ^g
Net investment income	5.24%	4.85%	4.47%	3.91%	2.93%	3.08%
Supplemental data						
Net assets, end of year (000's)	\$18,506,219	\$20,808,794	\$20,838,200	\$22,169,948	\$32,534,368	\$38,724,654
Portfolio turnover rate	19.86%	42.12%	22.63%	49.70%	43.19%	35.18%

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

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

^cBased on average daily shares outstanding.

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

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

^fRatios are annualized for periods less than one year.

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

Statement of Investments, December 31, 2018
Templeton Global Bond Fund

	Principal Amount*		Value
Foreign Government and Agency Securities 55.0%			
Argentina 3.1%			
Argentina Treasury Bill, Strip, 4/30/20	2,052,185,000	ARS \$	59,954,236
Argentine Bonos del Tesoro, 18.20%, 10/03/21	10,809,194,000	ARS	221,918,181
16.00%, 10/17/23	11,569,749,000	ARS	259,878,262
senior note, 15.50%, 10/17/26	18,801,412,000	ARS	375,637,761
Government of Argentina, a FRN, 65.509%, (ARPP7DRR), 6/21/20	123,570,000	ARS	3,557,105
a FRN, 51.542%, (ARS Badlar + 2.00%), 4/03/22	700,128,000	ARS	17,896,933
b Index Linked, 3.75%, 2/08/19	385,714,000	ARS	14,540,351
b Index Linked, 4.00%, 3/06/20	46,573,000	ARS	1,498,347
senior note, 4.50%, 2/13/20	94,495,000		85,860,519
			<u>1,040,741,695</u>
Brazil 12.4%			
Letra Tesouro Nacional, Strip, 1/01/20	2,324,580 ^c	BRL	561,899,903
Strip, 7/01/20	3,280,612 ^c	BRL	764,776,523
Strip, 7/01/21	984,960 ^c	BRL	210,639,124
Nota Do Tesouro Nacional, 10.00%, 1/01/21	3,623,620 ^c	BRL	976,719,474
10.00%, 1/01/23	4,646,561 ^c	BRL	1,255,194,603
10.00%, 1/01/25	1,337,796 ^c	BRL	360,358,002
			<u>4,129,587,629</u>
Colombia 3.8%			
Government of Colombia, senior bond, 7.75%, 4/14/21	45,050,000,000	COP	14,460,045
senior bond, 4.375%, 3/21/23	6,831,000,000	COP	1,999,364
senior bond, 9.85%, 6/28/27	10,884,000,000	COP	4,119,598
Titulos de Tesoreria, B, 7.75%, 9/18/30	1,657,779,800,000	COP	544,283,259
B, 7.00%, 6/30/32	16,014,000,000	COP	4,868,133
senior bond, B, 11.00%, 7/24/20	88,998,000,000	COP	29,767,401
senior bond, B, 7.00%, 5/04/22	131,527,000,000	COP	42,308,921
senior bond, B, 10.00%, 7/24/24	518,579,000,000	COP	188,048,984
senior bond, B, 7.50%, 8/26/26	708,334,700,000	COP	230,360,928
senior bond, B, 6.00%, 4/28/28	622,808,100,000	COP	182,232,405
senior note, B, 7.00%, 9/11/19	75,939,000,000	COP	23,739,739
			<u>1,266,188,777</u>
Ghana 1.6%			
Government of Ghana, 24.75%, 3/01/21	6,310,000	GHS	1,399,682
16.25%, 5/17/21	63,860,000	GHS	12,222,589
24.50%, 6/21/21	990,000	GHS	220,609
24.75%, 7/19/21	10,770,000	GHS	2,410,392
18.75%, 1/24/22	337,130,000	GHS	67,189,664
17.60%, 11/28/22	3,220,000	GHS	611,725
19.75%, 3/25/24	337,130,000	GHS	66,371,584
19.00%, 11/02/26	1,011,340,000	GHS	191,334,734
senior bond, 19.75%, 3/15/32	1,011,340,000	GHS	199,545,793
senior note, 21.50%, 3/09/20	13,090,000	GHS	2,720,971
senior note, 18.50%, 6/01/20	4,390,000	GHS	885,003

Templeton Global Bond Fund (continued)

	Principal Amount*		Value
Foreign Government and Agency Securities (continued)			
Ghana (continued)			
Government of Ghana, (continued)			
senior note, 18.25%, 9/21/20	4,190,000	GHS \$	839,233
senior note, 16.50%, 3/22/21	15,240,000	GHS	2,941,803
			<u>548,693,782</u>
India 7.6%			
Government of India,			
senior bond, 8.20%, 2/15/22	7,698,000,000	INR	113,904,286
senior bond, 8.35%, 5/14/22	4,260,400,000	INR	63,425,274
senior bond, 8.08%, 8/02/22	4,089,000,000	INR	60,433,387
senior bond, 9.15%, 11/14/24	9,798,000,000	INR	153,075,265
senior bond, 8.24%, 2/15/27	2,500,000,000	INR	37,670,332
senior bond, 8.28%, 9/21/27	2,500,000,000	INR	37,778,856
senior bond, 8.60%, 6/02/28	5,000,000,000	INR	77,594,868
senior note, 7.80%, 4/11/21	9,845,400,000	INR	143,654,816
senior note, 8.79%, 11/08/21	7,315,000,000	INR	109,687,148
senior note, 8.15%, 6/11/22	19,499,000,000	INR	288,883,416
senior note, 6.84%, 12/19/22	2,217,000,000	INR	31,526,205
senior note, 7.16%, 5/20/23	4,378,700,000	INR	62,717,939
senior note, 8.83%, 11/25/23	42,330,900,000	INR	646,499,995
senior note, 6.79%, 5/15/27	16,759,700,000	INR	231,701,587
senior note, 7.17%, 1/08/28	33,416,000,000	INR	474,197,871
			<u>2,532,751,245</u>
Indonesia 10.4%			
Government of Indonesia,			
senior bond, FR31, 11.00%, 11/15/20	1,090,303,000,000	IDR	81,158,557
senior bond, FR34, 12.80%, 6/15/21	1,603,246,000,000	IDR	124,825,687
senior bond, FR35, 12.90%, 6/15/22	1,172,669,000,000	IDR	93,911,321
senior bond, FR36, 11.50%, 9/15/19	437,062,000,000	IDR	31,460,553
senior bond, FR37, 12.00%, 9/15/26	66,550,000,000	IDR	5,657,675
senior bond, FR39, 11.75%, 8/15/23	641,965,000,000	IDR	51,154,082
senior bond, FR40, 11.00%, 9/15/25	710,760,000,000	IDR	56,875,655
senior bond, FR42, 10.25%, 7/15/27	931,607,000,000	IDR	73,310,577
senior bond, FR43, 10.25%, 7/15/22	377,390,000,000	IDR	28,203,223
senior bond, FR44, 10.00%, 9/15/24	248,790,000,000	IDR	18,854,749
senior bond, FR46, 9.50%, 7/15/23	6,667,220,000,000	IDR	491,093,424
senior bond, FR47, 10.00%, 2/15/28	1,889,105,000,000	IDR	147,279,160
senior bond, FR52, 10.50%, 8/15/30	996,594,000,000	IDR	80,954,228
senior bond, FR53, 8.25%, 7/15/21	5,990,194,000,000	IDR	423,500,127
senior bond, FR56, 8.375%, 9/15/26	6,518,855,000,000	IDR	460,989,306
senior bond, FR61, 7.00%, 5/15/22	165,670,000,000	IDR	11,272,584
senior bond, FR63, 5.625%, 5/15/23	670,707,000,000	IDR	43,143,563
senior bond, FR64, 6.125%, 5/15/28	102,713,000,000	IDR	6,302,069
senior bond, FR68, 8.375%, 3/15/34	2,917,910,000,000	IDR	204,263,913
senior bond, FR70, 8.375%, 3/15/24	10,037,615,000,000	IDR	709,403,421
senior bond, FR71, 9.00%, 3/15/29	2,481,901,000,000	IDR	182,215,959
senior bond, FR73, 8.75%, 5/15/31	1,231,387,000,000	IDR	89,386,875
senior note, FR69, 7.875%, 4/15/19	825,441,000,000	IDR	57,651,689
			<u>3,472,868,397</u>

Templeton Global Bond Fund (continued)

	Principal Amount*		Value
Foreign Government and Agency Securities (continued)			
Mexico 12.6%			
Government of Mexico,			
senior bond, M, 8.00%, 6/11/20	529,790,200 ^d	MXN	\$ 2,678,486,390
senior bond, M, 6.50%, 6/10/21	281,607,150 ^d	MXN	1,370,238,297
senior note, M, 5.00%, 12/11/19	14,548,600 ^d	MXN	71,684,052
^e Mexican Udibonos,			
Index Linked, 4.00%, 6/13/19	8,502,963 ^f	MXN	42,827,663
Index Linked, 2.50%, 12/10/20	6,807,949 ^f	MXN	33,467,928
			<u>4,196,704,330</u>
Philippines 1.4%			
Government of the Philippines,			
senior note, 3.375%, 8/20/20	8,357,030,000	PHP	152,448,941
senior note, 7-56, 3.875%, 11/22/19	17,672,820,000	PHP	330,212,434
			<u>482,661,375</u>
South Korea 1.1%			
Korea Monetary Stabilization Bond,			
senior note, 2.06%, 12/02/19	194,330,000,000	KRW	174,842,918
senior note, 2.05%, 10/05/20	221,770,000,000	KRW	199,772,811
			<u>374,615,729</u>
^g Supranational 0.3%			
Inter-American Development Bank, senior bond, 7.50%, 12/05/24	2,473,000,000	MXN	117,794,236
Ukraine 0.7%			
^{h,i,j} Government of Ukraine, 144A, VRI, GDP Linked Security, 5/31/40	409,676,000		236,016,392
Total Foreign Government and Agency Securities (Cost \$20,671,728,408)			<u>18,398,623,587</u>
Quasi-Sovereign and Corporate Bonds 1.3%			
India 1.3%			
Food Corp. of India, secured note, 6, 9.95%, 3/07/22	22,550,000,000	INR	337,412,439
Mahanagar Telephone Nigam Ltd.,			
8.24%, 11/19/24	3,350,000,000	INR	49,106,367
8.29%, 11/28/24	3,050,000,000	INR	43,873,310
			<u>430,392,116</u>
Total Quasi-Sovereign and Corporate Bonds (Cost \$482,030,849)			<u>430,392,116</u>
Total Investments before Short Term Investments (Cost \$21,153,759,257)			<u>18,829,015,703</u>
Short Term Investments 41.2%			
Foreign Government and Agency Securities 5.6%			
Argentina 1.6%			
^k Argentina Treasury Bill, 3/29/19 - 10/31/19	18,253,697,316	ARS	542,181,920
Philippines 0.4%			
Government of the Philippines, senior note, 7.875%, 2/19/19	1,238,360,000	PHP	23,679,920
^k Philippine Treasury Bill, 3/06/19 - 3/20/19	5,368,700,000	PHP	101,401,964
			<u>125,081,884</u>

TEMPLETON INCOME TRUST
STATEMENT OF INVESTMENTS

Templeton Global Bond Fund (continued)

	Principal Amount*	Value
Short Term Investments (continued)		
Foreign Government and Agency Securities (continued)		
South Korea 3.6%		
Korea Monetary Stabilization Bond,		
^k 3/12/19	214,490,000,000 KRW	\$ 191,951,133
senior note, 1.80%, 9/09/19	343,437,000,000 KRW	308,511,690
senior note, 1.85%, 10/02/19	473,210,000,000 KRW	425,950,186
senior note, 1.87%, 11/09/19	321,740,000,000 KRW	288,972,905
		<u>1,215,385,914</u>
Total Foreign Government and Agency Securities (Cost \$1,861,847,130)		<u>1,882,649,718</u>
U.S. Government and Agency Securities 13.2%		
United States 13.2%		
^k FHLB, 1/03/19 - 1/04/19	514,498,000	514,443,523
^k U.S. Treasury Bill,		
1/24/19	90,500,000	90,372,110
1/29/19	438,862,000	438,055,415
1/31/19	888,057,000	886,396,538
2/28/19	571,873,000	569,683,167
3/14/19	349,989,000	348,316,322
3/21/19	380,000,000	378,093,886
3/28/19	500,000,000	497,151,650
4/11/19	500,000,000	496,635,280
U.S. Treasury Note, 2.75%, 2/15/19	183,076,000	183,155,739
Total U.S. Government and Agency Securities (Cost \$4,402,613,281)		<u>4,402,303,630</u>
Total Investments before Money Market Funds (Cost \$27,418,219,668)		<u>25,113,969,051</u>
	Shares	
Money Market Funds (Cost \$7,481,574,945) 22.4%		
United States 22.4%		
^{l,m} Institutional Fiduciary Trust Money Market Portfolio, 1.99%	7,481,574,945	7,481,574,945
Total Investments (Cost \$34,899,794,613) 97.5%		<u>32,595,543,996</u>
Other Assets, less Liabilities 2.5%		<u>829,241,613</u>
Net Assets 100.0%		<u>\$33,424,785,609</u>

Templeton Global Bond Fund (continued)

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

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

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

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

^dPrincipal amount is stated in 100 Mexican Peso Units.

^ePrincipal amount of security is adjusted for inflation. See Note 1(f).

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

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

^hNon-income producing.

ⁱSecurity 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. This security has been deemed liquid under guidelines approved by the Trust's Board of Trustees. At December 31, 2018, the value of this security was \$236,016,392, representing 0.7% of net assets.

^jThe principal represents the notional amount. See Note 1(c) regarding value recovery instruments.

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

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

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

At December 31, 2018, the Fund had the following forward exchange contracts outstanding. See Note 1(c).

Forward Exchange Contracts

Currency	Counterparty ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts							
Euro	GSCO	Sell	195,619,980	227,547,117	1/04/19	\$ 3,326,255	\$ —
Euro	DBAB	Sell	64,735,000	75,348,627	1/07/19	1,129,216	—
Euro	GSCO	Sell	127,740,000	145,937,840	1/07/19	—	(517,517)
Japanese Yen	SCNY	Sell	3,331,470,000	29,397,096	1/07/19	—	(1,016,978)
Australian Dollar	CITI	Sell	58,864,350	41,680,080	1/09/19	199,066	—
Euro	UBSW	Sell	154,764,200	179,921,121	1/09/19	2,450,731	—
Indian Rupee	JPHQ	Buy	25,670,839,176	296,412,900	EUR 1/09/19	28,821,601	—
Japanese Yen	HSBK	Sell	9,813,450,000	86,921,612	1/09/19	—	(2,683,265)
Japanese Yen	JPHQ	Sell	8,296,500,000	73,292,578	1/09/19	—	(2,461,297)
Indian Rupee	JPHQ	Buy	15,637,598,034	180,911,151	EUR 1/10/19	17,120,194	—
South Korean Won	HSBK	Sell	66,641,204,000	59,152,498	1/10/19	—	(701,735)
South Korean Won	HSBK	Sell	331,089,764,000	299,114,431	1/10/19	1,743,996	—
Australian Dollar	JPHQ	Sell	94,157,546	66,509,878	1/11/19	155,270	—
Euro	JPHQ	Sell	15,349,327	17,698,925	1/11/19	94,502	—
Japanese Yen	BNDP	Sell	6,405,061,130	56,995,432	1/11/19	—	(1,497,645)
Japanese Yen	BZWS	Sell	35,594,850,000	323,613,081	1/11/19	—	(1,450,529)
Japanese Yen	GSCO	Sell	6,380,360,000	57,987,458	1/11/19	—	(280,040)
Japanese Yen	HSBK	Sell	38,917,825,000	346,433,547	1/11/19	—	(8,976,539)
Japanese Yen	JPHQ	Sell	39,126,500,000	355,496,700	1/11/19	—	(1,819,074)
Australian Dollar	JPHQ	Sell	188,315,092	133,762,093	1/14/19	1,044,198	—
Mexican Peso	CITI	Buy	5,241,530,400	225,184,541	EUR 1/14/19	7,771,624	—
Australian Dollar	CITI	Sell	114,077,877	81,144,164	1/15/19	744,311	—
Australian Dollar	JPHQ	Sell	448,656,000	319,570,939	1/15/19	3,366,976	—
Euro	BOFA	Sell	177,095,041	206,554,801	1/15/19	3,369,159	—
Euro	CITI	Sell	8,800,000	10,266,168	1/15/19	169,704	—
Euro	GSCO	Sell	139,195,260	162,211,196	1/15/19	2,508,936	—
Japanese Yen	CITI	Sell	3,332,090,000	29,753,726	1/15/19	—	(685,980)
Japanese Yen	HSBK	Sell	37,908,340,000	336,915,105	1/15/19	—	(9,389,681)
Euro	BOFA	Sell	94,781,666	110,338,180	1/16/19	1,583,113	—
Euro	GSCO	Sell	171,944,000	200,299,285	1/16/19	3,006,052	—

Templeton Global Bond Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counterparty ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
Japanese Yen	JPHQ	Sell	14,336,430,000	131,768,658	1/16/19	\$ 790,045	\$ —
Euro	SCNY	Sell	140,680,000	164,364,181	1/17/19	2,929,785	—
Japanese Yen	BZWS	Sell	19,705,372,000	177,715,597	1/17/19	—	(2,328,817)
Japanese Yen	HSBK	Sell	17,801,460,000	157,192,837	1/18/19	—	(5,469,229)
Mexican Peso	DBAB	Buy	3,204,884,515	144,263,443	EUR 1/18/19	—	(2,961,142)
Mexican Peso	JPHQ	Buy	659,023,741	29,682,144	EUR 1/18/19	—	(628,530)
Australian Dollar	JPHQ	Sell	388,000,000	276,800,364	1/22/19	3,303,820	—
Euro	DBAB	Sell	21,602,855	25,037,925	1/22/19	237,012	—
Euro	GSCO	Sell	98,685,171	114,327,758	1/22/19	1,033,363	—
Euro	MSCO	Sell	257,248,501	298,112,425	1/22/19	2,781,192	—
Euro	UBSW	Sell	119,762,500	138,849,050	1/22/19	1,357,066	—
Japanese Yen	BZWS	Sell	18,395,775,000	165,131,148	1/22/19	—	(3,016,723)
Japanese Yen	SCNY	Sell	10,082,050,000	93,179,760	1/22/19	1,024,075	—
Mexican Peso	CITI	Buy	4,406,581,755	198,579,651	EUR 1/22/19	—	(4,559,322)
Euro	JPHQ	Sell	91,801,000	106,095,334	1/23/19	694,873	—
Euro	MSCO	Sell	128,624,250	148,612,459	1/23/19	933,727	—
Japanese Yen	HSBK	Sell	10,034,848,500	92,972,942	1/23/19	1,241,173	—
Euro	DBAB	Sell	68,506,971	79,263,593	1/24/19	600,967	—
Euro	UBSW	Sell	245,086,718	283,756,500	1/24/19	2,337,478	—
Japanese Yen	BZWS	Sell	9,218,756,500	85,300,410	1/24/19	1,021,879	—
Japanese Yen	DBAB	Sell	25,032,090,000	230,819,002	1/24/19	1,973,847	—
Euro	DBAB	Sell	21,602,684	24,955,853	1/25/19	148,526	—
Euro	JPHQ	Sell	70,643,943	81,640,026	1/25/19	516,432	—
Indian Rupee	DBAB	Buy	900,181,000	12,037,724	1/25/19	875,193	—
Japanese Yen	CITI	Sell	14,729,205,625	136,751,268	1/25/19	2,084,759	—
Euro	BOFA	Sell	260,447,167	299,410,063	1/28/19	247,222	—
Euro	GSCO	Sell	204,004,038	234,665,845	1/29/19	315,623	—
Euro	BOFA	Sell	260,447,167	297,928,900	1/30/19	—	(1,287,118)
Euro	SCNY	Sell	221,525,985	253,381,422	1/30/19	—	(1,119,804)
Australian Dollar	JPHQ	Sell	248,603,352	176,085,008	1/31/19	814,369	—
Euro	BZWS	Sell	242,386,599	278,324,049	1/31/19	—	(164,722)
Euro	DBAB	Sell	138,485,021	158,925,410	1/31/19	—	(186,205)
Euro	GSCO	Sell	164,724,987	189,015,333	1/31/19	—	(244,548)
Euro	JPHQ	Sell	236,418,000	271,098,866	1/31/19	—	(532,315)
Indian Rupee	DBAB	Buy	37,183,634,938	436,370,789	EUR 1/31/19	31,743,045	—
Japanese Yen	BZWS	Sell	24,706,734,000	221,758,487	1/31/19	—	(4,240,045)
Japanese Yen	HSBK	Sell	17,605,035,074	165,352,072	1/31/19	4,314,514	—
Japanese Yen	MSCO	Sell	6,192,115,000	55,906,202	1/31/19	—	(734,587)
Australian Dollar	CITI	Sell	58,864,350	41,906,119	2/01/19	404,901	—
Euro	JPHQ	Sell	65,175,000	74,562,155	2/01/19	—	(326,151)
Brazilian Real	JPHQ	Buy	821,500,000	190,136,446	EUR 2/04/19	—	(6,824,912)
Indian Rupee	HSBK	Buy	22,984,769,550	269,489,618	EUR 2/04/19	19,648,047	—
Indonesian Rupiah	JPHQ	Buy	1,393,097,000,000	90,185,602	2/04/19	6,082,589	—
Euro	JPHQ	Sell	86,668,842	99,538,299	2/05/19	—	(78,257)
Euro	UBSW	Sell	23,478,000	26,981,857	2/05/19	—	(3,591)
Mexican Peso	CITI	Buy	4,474,817,430	187,505,769	EUR 2/05/19	10,864,377	—
Japanese Yen	MSCO	Sell	1,969,700,000	18,311,038	2/06/19	285,837	—
Japanese Yen	SCNY	Sell	12,949,800,000	120,396,058	2/06/19	1,889,312	—
Japanese Yen	BZWS	Sell	6,464,800,000	57,830,118	2/08/19	—	(1,339,446)

Templeton Global Bond Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counterparty ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
Euro	JPHQ	Sell	11,512,010	13,184,307	2/11/19	\$ —	\$ (53,716)
Australian Dollar	CITI	Sell	114,077,877	80,861,593	2/13/19	419,096	—
Australian Dollar	JPHQ	Sell	94,157,546	66,781,240	2/13/19	385,648	—
Japanese Yen	BZWS	Sell	35,663,421,500	318,691,448	2/13/19	—	(7,839,597)
Japanese Yen	CITI	Sell	23,172,622,285	206,390,729	2/13/19	—	(5,775,695)
Japanese Yen	CITI	Sell	33,420,667,431	315,460,438	2/14/19	9,441,546	—
Australian Dollar	JPHQ	Sell	448,656,000	327,383,162	2/15/19	11,002,304	—
Euro	JPHQ	Sell	88,189,373	100,242,214	2/15/19	—	(1,201,203)
Japanese Yen	CITI	Sell	6,207,445,000	54,953,567	2/15/19	—	(1,889,519)
Japanese Yen	CITI	Sell	18,720,380,000	178,604,017	2/15/19	7,176,936	—
Australian Dollar	JPHQ	Sell	332,555,000	241,913,809	2/19/19	7,390,824	—
Euro	BOFA	Sell	189,563,331	216,041,537	2/19/19	—	(2,079,552)
Euro	GSCO	Sell	156,473,908	178,411,550	2/19/19	—	(1,635,187)
Euro	JPHQ	Sell	78,318,607	89,063,528	2/19/19	—	(1,053,794)
Japanese Yen	GSCO	Sell	14,437,991,579	128,441,598	2/19/19	—	(3,809,160)
Japanese Yen	HSBK	Sell	6,367,072,000	58,249,977	2/19/19	—	(71,853)
Japanese Yen	SCNY	Sell	9,153,053,700	83,376,332	2/19/19	—	(464,851)
South Korean Won	HSBK	Sell	100,447,500,000	89,893,950	2/19/19	—	(448,586)
Australian Dollar	JPHQ	Sell	283,015,000	207,414,618	2/20/19	7,825,119	—
Euro	JPHQ	Sell	37,310,600	42,925,099	2/20/19	—	(9,706)
Japanese Yen	BOFA	Sell	22,448,856,125	200,798,370	2/20/19	—	(4,846,208)
Mexican Peso	MSCO	Buy	5,314,781,020	235,365,175	EUR 2/20/19	—	(2,531,311)
Australian Dollar	BOFA	Sell	264,500,000	193,063,840	2/21/19	6,528,890	—
Euro	BOFA	Sell	79,015,000	91,038,713	2/21/19	105,875	—
Euro	GSCO	Sell	98,661,108	113,895,370	2/21/19	353,201	—
Euro	JPHQ	Sell	70,643,943	81,446,109	2/21/19	146,935	—
Euro	SCNY	Sell	106,299,000	122,785,975	2/21/19	453,891	—
Euro	UBSW	Sell	178,106,008	205,301,905	2/21/19	332,157	—
Japanese Yen	BOFA	Sell	42,084,293,750	375,752,623	2/21/19	—	(9,792,090)
Japanese Yen	CITI	Sell	39,578,916,200	363,446,094	2/21/19	853,771	—
Japanese Yen	DBAB	Sell	9,637,940,000	88,532,743	2/21/19	237,171	—
Euro	BNDP	Sell	158,886,676	180,676,395	2/28/19	—	(2,275,245)
Euro	BZWS	Sell	121,193,300	138,935,999	2/28/19	—	(613,229)
Euro	DBAB	Sell	138,539,445	157,874,702	2/28/19	—	(1,647,916)
Euro	GSCO	Sell	356,206,454	406,544,329	2/28/19	—	(3,613,127)
Euro	SCNY	Sell	225,919,558	257,954,952	2/28/19	—	(2,182,366)
Indian Rupee	CITI	Buy	3,154,839,000	37,900,517	EUR 2/28/19	1,433,783	—
Japanese Yen	BZWS	Sell	38,433,900,000	340,670,191	2/28/19	—	(11,612,144)
Japanese Yen	DBAB	Sell	22,546,740,365	199,548,267	2/28/19	—	(7,113,517)
Japanese Yen	HSBK	Sell	18,077,594,000	160,465,073	2/28/19	—	(5,232,840)
Japanese Yen	JPHQ	Sell	16,893,356,000	150,067,701	2/28/19	—	(4,775,572)
Euro	BNDP	Sell	8,856,901	10,152,400	3/04/19	—	(49,515)
Euro	BOFA	Sell	433,100,194	496,604,866	3/04/19	—	(2,266,143)
Euro	GSCO	Sell	195,619,980	224,338,949	3/04/19	—	(987,980)
Japanese Yen	BOFA	Sell	42,387,239,840	376,531,138	3/04/19	—	(12,126,649)
Japanese Yen	HSBK	Sell	14,893,097,250	132,283,139	3/04/19	—	(4,274,897)
Euro	GSCO	Sell	104,415,800	119,328,465	3/05/19	—	(954,784)
Euro	SCNY	Sell	276,473,292	316,078,091	3/05/19	—	(2,409,204)
Brazilian Real	CITI	Buy	740,416,000	146,385,133	EUR 3/06/19	21,688,654	—

Templeton Global Bond Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counterparty ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
Euro	BOFA	Sell	354,411,500	406,820,101	3/06/19	\$ —	\$ (1,485,915)
Euro	DBAB	Sell	64,735,000	74,097,753	3/06/19	—	(481,345)
Euro	JPHQ	Sell	117,193,823	134,619,373	3/06/19	—	(395,837)
Euro	UBSW	Sell	15,764,200	18,111,569	3/06/19	—	(49,856)
Mexican Peso	CITI	Buy	2,245,017,240	94,992,907	EUR 3/07/19	3,634,093	—
Euro	BZWS	Sell	202,258,000	231,691,595	3/11/19	—	(1,428,095)
Japanese Yen	BOFA	Sell	6,474,170,000	57,869,159	3/11/19	—	(1,533,536)
Japanese Yen	CITI	Sell	40,745,890,000	364,886,406	3/11/19	—	(8,970,886)
Japanese Yen	HSBK	Sell	42,738,600,000	381,869,111	3/11/19	—	(10,271,968)
Japanese Yen	DBAB	Sell	12,553,300,000	112,065,525	3/12/19	—	(3,126,224)
Australian Dollar	CITI	Sell	114,480,159	82,710,197	3/13/19	1,950,997	—
Japanese Yen	CITI	Sell	4,208,470,000	37,487,763	3/13/19	—	(1,133,736)
Euro	JPHQ	Sell	86,668,842	99,180,356	3/14/19	—	(739,880)
Euro	UBSW	Sell	96,724,000	110,695,782	3/14/19	—	(817,014)
Japanese Yen	SCNY	Sell	12,414,879,000	110,527,394	3/14/19	—	(3,415,908)
Euro	BOFA	Sell	94,781,666	107,715,572	3/18/19	—	(1,597,253)
Euro	GSCO	Sell	139,195,260	159,441,211	3/18/19	—	(1,094,342)
Japanese Yen	BOFA	Sell	22,448,856,125	199,019,975	3/18/19	—	(7,093,444)
Japanese Yen	CITI	Sell	41,463,932,300	367,948,498	3/18/19	—	(12,751,205)
Japanese Yen	DBAB	Sell	24,707,170,000	219,171,983	3/18/19	—	(7,676,069)
Japanese Yen	GSCO	Sell	14,440,595,139	128,152,384	3/18/19	—	(4,433,455)
Japanese Yen	HSBK	Sell	17,801,460,000	157,904,653	3/18/19	—	(5,538,855)
Japanese Yen	MSCO	Sell	3,400,000,000	30,156,280	3/18/19	—	(1,060,705)
Japanese Yen	DBAB	Sell	4,271,575,000	38,112,180	3/19/19	—	(1,110,886)
Japanese Yen	CITI	Sell	27,801,468,900	251,176,482	3/20/19	—	(4,130,498)
South Korean Won	CITI	Sell	465,402,500,000	414,280,310	3/20/19	—	(4,795,459)
Euro	GSCO	Sell	98,661,108	113,642,798	3/21/19	—	(174,967)
Japanese Yen	SCNY	Sell	11,809,161,000	106,434,864	3/25/19	—	(2,063,027)
Japanese Yen	CITI	Sell	25,386,870,000	228,735,681	3/26/19	—	(4,531,092)
Japanese Yen	DBAB	Sell	31,008,148,000	279,435,760	3/26/19	—	(5,482,019)
Japanese Yen	HSBK	Sell	19,192,069,750	172,730,355	3/26/19	—	(3,615,613)
Euro	BZWS	Sell	121,193,300	138,564,541	3/28/19	—	(1,335,052)
Mexican Peso	CITI	Buy	3,422,907,160	151,523,115	EUR 4/03/19	—	(3,369,942)
Japanese Yen	CITI	Sell	21,426,627,284	193,586,405	4/15/19	—	(3,633,570)
Japanese Yen	DBAB	Sell	19,434,250,000	175,455,584	4/15/19	—	(3,425,686)
Mexican Peso	DBAB	Buy	3,204,884,515	139,503,537	EUR 4/15/19	—	(923,804)
South Korean Won	CITI	Sell	280,696,000,000	247,243,900	4/16/19	—	(5,796,220)
Japanese Yen	HSBK	Sell	12,607,090,000	114,559,399	4/17/19	—	(1,501,193)
Japanese Yen	GSCO	Sell	14,437,991,572	130,664,105	4/18/19	—	(2,262,876)
Japanese Yen	HSBK	Sell	42,232,203,900	382,465,327	4/22/19	—	(6,486,519)
Japanese Yen	JPHQ	Sell	14,202,199,000	128,319,403	4/23/19	—	(2,491,556)
Mexican Peso	CITI	Buy	2,307,343,100	99,375,201	EUR 4/24/19	289,623	—
Japanese Yen	BZWS	Sell	17,003,283,330	154,117,155	4/26/19	—	(2,532,942)
Mexican Peso	CITI	Buy	2,084,698,000	90,387,138	EUR 4/29/19	—	(569,746)
Japanese Yen	GSCO	Sell	15,371,620,000	139,010,300	4/30/19	—	(2,654,956)
Mexican Peso	CITI	Buy	3,783,708,400	159,404,647	EUR 5/02/19	4,198,857	—
Japanese Yen	CITI	Sell	21,671,885,650	195,177,154	5/07/19	—	(4,668,975)
Japanese Yen	BZWS	Sell	18,395,775,000	164,162,246	5/20/19	—	(5,658,877)
Japanese Yen	BOFA	Sell	55,039,565,500	494,946,768	5/21/19	—	(13,195,291)

Templeton Global Bond Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counterparty ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
South Korean Won	CITI	Sell	521,261,500,000	464,044,779	5/21/19	\$ —	\$ (6,560,035)
Mexican Peso	HSBK	Buy	4,253,323,520	173,180,925 EUR	6/11/19	9,512,872	—
Mexican Peso	CITI	Buy	2,168,516,800	90,831,125 EUR	6/27/19	1,459,647	—
Mexican Peso	CITI	Buy	3,013,727,024	120,534,617 EUR	9/06/19	5,988,571	—
Mexican Peso	CITI	Buy	3,013,727,024	117,820,361 EUR	12/06/19	5,833,871	—
Total Forward Exchange Contracts						\$ 289,744,284	\$ (341,229,229)
Net unrealized appreciation (depreciation)							\$ (51,484,945)

*In U.S. dollars unless otherwise indicated.

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

At December 31, 2018, the Fund had the following interest rate swap contracts outstanding. See Note 1(c).

Interest Rate Swap Contracts

Description	Payment Frequency	Maturity Date	Notional Amount	Value	Unamortized Upfront Payments (Receipts)	Unrealized Appreciation (Depreciation)
Centrally Cleared Swap Contracts						
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 1.973%	Semi-Annual	1/27/25	\$ 614,156,000	\$19,033,646	\$ —	\$ 19,033,646
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 1.937%	Semi-Annual	1/29/25	383,800,000	12,774,086	—	12,774,086
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 1.942%	Semi-Annual	1/30/25	325,000,000	10,728,340	—	10,728,340
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 1.817%	Semi-Annual	2/03/25	514,670,000	20,910,851	—	20,910,851
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 1.978%	Semi-Annual	3/27/25	39,700,000	1,238,757	—	1,238,757
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 1.985%	Semi-Annual	3/27/25	39,700,000	1,221,268	—	1,221,268
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.45%	Semi-Annual	7/22/25	893,410,000	3,150,165	33,223	3,116,942
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.439%	Semi-Annual	7/23/25	101,430,000	426,379	—	426,379
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.40%	Semi-Annual	7/24/25	798,605,000	5,371,950	—	5,371,950
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.89%	Semi-Annual	7/22/45	385,470,000	(6,550,873)	(26,947)	(6,523,926)
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.861%	Semi-Annual	7/24/45	54,025,000	(611,655)	—	(611,655)
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.574%	Semi-Annual	8/24/45	1,057,400,000	48,114,228	—	48,114,228
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.613%	Semi-Annual	1/26/47	406,800,000	15,858,134	—	15,858,134

TEMPLETON INCOME TRUST
STATEMENT OF INVESTMENTS

Templeton Global Bond Fund (continued)

Interest Rate Swap Contracts (continued)

Description	Payment Frequency	Maturity Date	Notional Amount	Value	Unamortized Upfront Payments (Receipts)	Unrealized Appreciation (Depreciation)
Centrally Cleared Swap Contracts (continued)						
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.678%	Semi-Annual	1/27/47	\$700,300,000	\$ 17,912,357	\$ —	\$ 17,912,357
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.537%	Semi-Annual	4/13/47	404,700,000	24,709,637	—	24,709,637
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.587%	Semi-Annual	7/27/47	980,700,000	43,707,044	—	43,707,044
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 2.980%	Semi-Annual	2/20/48	422,692,000	(16,313,771)	—	(16,313,771)
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 3.002%	Semi-Annual	2/22/48	422,692,000	(16,966,530)	—	(16,966,530)
Receive Floating 3-month USD LIBOR	Quarterly					
Pay Fixed 3.019%	Semi-Annual	2/23/48	422,692,000	(18,436,627)	—	(18,436,627)
Total Interest Rate Swap Contracts				\$166,277,386	\$6,276	\$166,271,110

See Note 9 regarding other derivative information.

See Abbreviations on page 42.

Financial Statements

Statement of Assets and Liabilities

December 31, 2018

Templeton Global Bond Fund

Assets:

Investments in securities:	
Cost - Unaffiliated issuers	\$27,418,219,668
Cost - Controlled affiliates (Note 3f)	7,481,574,945
Value - Unaffiliated issuers	\$25,113,969,051
Value - Controlled affiliates (Note 3f)	7,481,574,945
Cash	927,469
Restricted cash for OTC derivative contracts (Note 1d)	48,920,000
Foreign currency, at value (cost \$26,963,422)	27,118,955
Receivables:	
Capital shares sold	77,488,237
Interest	407,272,349
Deposits with brokers for:	
OTC derivative contracts	67,602,000
Centrally cleared swap contracts	618,769,466
Unrealized appreciation on OTC forward exchange contracts	289,744,284
Other assets	4,309
Total assets	<u>34,133,391,065</u>

Liabilities:

Payables:	
Capital shares redeemed	198,088,205
Management fees	11,558,885
Distribution fees	6,289,180
Transfer agent fees	9,740,681
Variation margin on centrally cleared swap contracts	45,037,929
Deposits from brokers for:	
OTC derivative contracts	48,920,000
Unrealized depreciation on OTC forward exchange contracts	341,229,229
Deferred tax	37,683,519
Accrued expenses and other liabilities	10,057,828
Total liabilities	<u>708,605,456</u>
Net assets, at value	<u>\$33,424,785,609</u>

Net assets consist of:

Paid-in capital	\$36,116,467,559
Total distributable earnings (loss)	(2,691,681,950)
Net assets, at value	<u>\$33,424,785,609</u>

TEMPLETON INCOME TRUST
FINANCIAL STATEMENTS

Statement of Assets and Liabilities (continued)
December 31, 2018

Templeton Global Bond Fund

Class A:

Net assets, at value	\$ 8,375,227,349
Shares outstanding	741,291,172
Net asset value per share ^a	\$11.30
Maximum offering price per share (net asset value per share ÷ 95.75%)	\$11.80

Class C:

Net assets, at value	\$ 2,218,851,719
Shares outstanding	195,868,185
Net asset value and maximum offering price per share ^a	\$11.33

Class R:

Net assets, at value	\$ 239,671,411
Shares outstanding	21,213,294
Net asset value and maximum offering price per share	\$11.30

Class R6:

Net assets, at value	\$ 4,084,816,335
Shares outstanding	363,080,128
Net asset value and maximum offering price per share	\$11.25

Advisor Class:

Net assets, at value	\$18,506,218,795
Shares outstanding	1,644,901,899
Net asset value and maximum offering price per share	\$11.25

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

Statement of Operations

for the year ended December 31, 2018

Templeton Global Bond Fund

Investment income:	
Dividends:	
Controlled affiliates (Note 3f)	\$ 120,973,867
Interest: (net of foreign taxes)~	
Unaffiliated issuers	2,021,926,869
Total investment income	<u>2,142,900,736</u>
Expenses:	
Management fees (Note 3a)	175,078,084
Distribution fees: (Note 3c)	
Class A	22,526,901
Class C	18,278,395
Class R	1,276,149
Transfer agent fees: (Note 3e)	
Class A	12,646,405
Class C	3,954,692
Class R	359,286
Class R6	1,597,259
Advisor Class	28,557,494
Custodian fees (Note 4)	13,566,735
Reports to shareholders	1,255,705
Registration and filing fees	727,944
Professional fees	432,236
Trustees' fees and expenses	573,445
Other	11,913,235
Total expenses	292,743,965
Expense reductions (Note 4)	(1,473,238)
Expenses waived/paid by affiliates (Note 3f and 3g)	(29,675,340)
Net expenses	<u>261,595,387</u>
Net investment income	<u>1,881,305,349</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:#	
Unaffiliated issuers	(87,308,193)
Foreign currency transactions	(78,771,374)
Forward exchange contracts	1,024,824,337
Swap contracts	13,939,944
Net realized gain (loss)	<u>872,684,714</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(3,018,218,684)
Translation of other assets and liabilities	
denominated in foreign currencies	(1,509,044)
Forward exchange contracts	458,972,660
Swap contracts	249,539,432
Change in deferred taxes on unrealized appreciation	38,167,964
Net change in unrealized appreciation (depreciation)	<u>(2,273,047,672)</u>
Net realized and unrealized gain (loss)	<u>(1,400,362,958)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 480,942,391</u>

~Foreign taxes withheld on interest \$ 63,543,925
#Net of foreign taxes \$ 5,991,223

Statements of Changes in Net Assets

Templeton Global Bond Fund

	Year Ended December 31,	
	2018	2017
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 1,881,305,349	\$ 1,879,109,383
Net realized gain (loss)	872,684,714	(403,778,554)
Net change in unrealized appreciation (depreciation)	(2,273,047,672)	(432,308,773)
Net increase (decrease) in net assets resulting from operations	480,942,391	1,043,022,056
Distributions to shareholders: (Note 1f)		
Class A	(557,200,572)	(358,835,238)
Class C	(154,357,753)	(102,989,502)
Class R	(15,214,928)	(8,612,023)
Class R6	(277,790,647)	(124,003,530)
Advisor Class	(1,317,299,338)	(745,682,753)
Total distributions to shareholders	(2,321,863,238)	(1,340,123,046)
Capital share transactions: (Note 2)		
Class A	(823,064,124)	(3,008,113,394)
Class C	(882,670,395)	(824,919,786)
Class R	(21,965,769)	(30,557,210)
Class R6	432,049,270	995,948,171
Advisor Class	(1,280,741,905)	160,813,008
Total capital share transactions	(2,576,392,923)	(2,706,829,211)
Net increase (decrease) in net assets	(4,417,313,770)	(3,003,930,201)
Net assets:		
Beginning of year	37,842,099,379	40,846,029,580
End of year (Note 1f)	\$33,424,785,609	\$37,842,099,379

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

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Fund's administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

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

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

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

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

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events

Templeton Global Bond Fund (continued)

1. Organization and Significant Accounting Policies (continued)

b. Foreign Currency Translation (continued)

may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

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

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Derivative Financial Instruments

The Fund invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives

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

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

Templeton Global Bond Fund (continued)

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

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

The Fund invests in value recovery instruments (VRI) primarily to gain exposure to economic growth. Periodic payments from VRI are dependent on established benchmarks for underlying variables. VRI has a notional amount, which is used to calculate amounts of payments to holders. Payments are recorded upon receipt as realized gains in the Statement of Operations. The risks of investing in VRI include growth risk, liquidity, and the potential loss of investment.

See Note 9 regarding other derivative information.

d. Restricted Cash

At December 31, 2018, the Fund held restricted cash in connection with investments in certain derivative securities. Restricted cash is held in a segregated account with the Fund's custodian and is reflected in the Statement of Assets and Liabilities.

e. Income and Deferred Taxes

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

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of December 31, 2018, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

f. Security Transactions, Investment Income, Expenses and Distributions

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

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

Templeton Global Bond Fund (continued)

1. Organization and Significant Accounting Policies (continued)

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

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

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

g. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and

liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

h. Guarantees and Indemnifications

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

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

For the year ended December 31, 2017, distributions to shareholders were as follows:

Distributions from net investment income :	
Class A.	\$(358,835,238)
Class C.	(102,989,502)
Class R.	(8,612,023)
Class R6.	(124,003,530)
Advisor Class	(745,682,753)

For the year ended December 31, 2017, distributions in excess of net investment income included in net assets was \$(640,112,837).

Templeton Global Bond Fund (continued)

2. Shares of Beneficial Interest

At December 31, 2018, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31,			
	2018		2017	
	Shares	Amount	Shares	Amount
Class A Shares:				
Shares sold ^a	182,347,620	\$ 2,136,666,269	146,518,069	\$ 1,787,700,263
Shares issued in reinvestment of distributions	45,864,962	530,435,217	28,019,970	341,757,014
Shares redeemed	(298,813,486)	(3,490,165,610)	(421,200,374)	(5,137,570,671)
Net increase (decrease)	(70,600,904)	\$ (823,064,124)	(246,662,335)	\$(3,008,113,394)
Class C Shares:				
Shares sold	11,849,791	\$ 139,437,612	17,916,474	\$ 219,492,412
Shares issued in reinvestment of distributions	11,881,218	137,865,021	7,372,907	90,142,103
Shares redeemed ^a	(98,914,466)	(1,159,973,028)	(92,767,902)	(1,134,554,301)
Net increase (decrease)	(75,183,457)	\$ (882,670,395)	(67,478,521)	\$ (824,919,786)
Class R Shares:				
Shares sold	5,543,830	\$ 65,061,723	5,638,593	\$ 68,799,340
Shares issued in reinvestment of distributions	1,240,090	14,331,689	656,338	8,001,874
Shares redeemed	(8,632,695)	(101,359,181)	(8,807,014)	(107,358,424)
Net increase (decrease)	(1,848,775)	\$ (21,965,769)	(2,512,083)	\$ (30,557,210)
Class R6 Shares:				
Shares sold	104,154,321	\$ 1,220,751,045	119,288,930	\$ 1,447,841,850
Shares issued in reinvestment of distributions	22,604,811	260,294,994	9,598,144	116,477,262
Shares redeemed	(90,365,753)	(1,048,996,769)	(46,812,240)	(568,370,941)
Net increase (decrease)	36,393,379	\$ 432,049,270	82,074,834	\$ 995,948,171
Advisor Class Shares:				
Shares sold	423,530,275	\$ 4,956,365,495	546,970,493	\$ 6,652,312,487
Shares issued in reinvestment of distributions	97,996,461	1,128,514,511	51,607,467	626,705,089
Shares redeemed	(633,059,421)	(7,365,621,911)	(585,134,767)	(7,118,204,568)
Net increase (decrease)	(111,532,685)	\$(1,280,741,905)	13,443,193	\$ 160,813,008

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

3. Transactions with Affiliates

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

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

Templeton Global Bond Fund (continued)

3. Transactions with Affiliates (continued)

a. Management Fees

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

Annualized Fee Rate	Net Assets
0.650%	Up to and including \$200 million
0.585%	Over \$200 million, up to and including \$700 million
0.550%	Over \$700 million, up to and including \$1.2 billion
0.525%	Over \$1.2 billion, up to and including \$1.3 billion
0.475%	Over \$1.3 billion, up to and including \$35 billion
0.470%	Over \$35 billion, up to and including \$50 billion
0.465%	Over \$50 billion, up to and including \$65 billion
0.460%	Over \$65 billion, up to and including \$80 billion
0.455%	In excess of \$80 billion

For the year ended December 31, 2018, the gross effective investment management fee rate was 0.479% of the Fund's average daily net assets.

b. Administrative Fees

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

c. Distribution Fees

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

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

Class A	0.25%
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 brokers/dealers	\$497,822
CDSC retained	\$160,744

Templeton Global Bond Fund (continued)

Effective on or about March 1, 2019, certain front-end sales charges on Class A shares will be lowered. Further details are disclosed in the Fund's Prospectus.

e. Transfer Agent Fees

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

For the year ended December 31, 2018, the Fund paid transfer agent fees of \$47,115,136, of which \$14,665,901 was retained by Investor Services.

f. Investments in Affiliated Management Investment Companies

The Fund invests in one or more affiliated management investment companies for purposes other than exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended December 31, 2018, the Fund held investments in affiliated management investment companies as follows:

	Number of Shares Held at Beginning of Year	Gross Additions	Gross Reductions	Number of Shares Held at End of Year	Value at End of Year	Dividend Income	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)
Controlled Affiliates								
Institutional Fiduciary Trust Money Market Portfolio, 1.99%	6,224,341,342	18,123,279,123	(16,866,045,520)	7,481,574,945	\$7,481,574,945	\$120,973,867	\$ —	\$ —

g. Waiver and Expense Reimbursements

Investor Services has voluntarily agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.02% based on the average net assets of the class. Investor Services may discontinue this waiver in the future.

4. Expense Offset Arrangement

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended December 31, 2018, the custodian fees were reduced as noted in the Statement of Operations.

5. Income Taxes

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

Templeton Global Bond Fund (continued)

5. Income Taxes (continued)

At December 31, 2018, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:	
Short Term	\$ 89,091,789
Long Term	79,697,821
Total capital loss carryforwards	<u>\$168,789,610</u>

During the year ended December 31, 2018, the Fund utilized \$87,218,302 of capital loss carryforwards.

For tax purposes, the Fund may elect to defer any portion of a post-October capital loss or late-year ordinary loss to the first day of the following fiscal year. At December 31, 2018, the Fund deferred late-year ordinary losses of \$ 173,136,054.

The tax character of distributions paid during the years ended December 31, 2018 and 2017, was as follows:

	<u>2018</u>	<u>2017</u>
Distributions paid from ordinary income	\$2,321,863,238	\$1,340,123,046

At December 31, 2018, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	<u>\$35,062,444,686</u>
Unrealized appreciation	\$ 1,059,959,508
Unrealized depreciation	<u>(3,360,259,589)</u>
Net unrealized appreciation (depreciation)	<u>\$ (2,300,300,081)</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of foreign currency transactions and bond discounts and premiums.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2018, aggregated \$4,410,926,987 and \$5,702,602,723, respectively.

7. Credit Risk

At December 31, 2018, the Fund had 19.9% of its portfolio invested in high yield securities or other securities rated below investment grade and unrated securities, if any. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

8. 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. Current political and financial uncertainty surrounding the European Union may increase market volatility and the economic risk of investing in securities in Europe. In addition, certain foreign securities may not be as liquid as U.S. securities.

Templeton Global Bond Fund (continued)

9. Other Derivative Information

At December 31, 2018, the Fund's investments in derivative contracts are reflected in the Statement of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Interest rate contracts	Variation margin on centrally cleared swap contracts	\$225,123,619 ^a	Variation margin on centrally cleared swap contracts	\$ 58,852,509 ^a
Foreign exchange contracts	Unrealized appreciation on OTC forward exchange contracts	289,744,284	Unrealized depreciation on OTC forward exchange contracts	341,229,229
Value recovery instruments	Investments in securities, at value	236,016,392 ^b		
Totals		<u>\$750,884,295</u>		<u>\$400,081,738</u>

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

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

For the year ended December 31, 2018, the effect of derivative contracts in the Fund's Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Year	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Year
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts	Swap contracts	\$ 13,939,944	Swap contracts	\$249,539,432
Foreign exchange contracts	Forward exchange contracts	1,024,824,337	Forward exchange contracts	458,972,660
Value recovery instruments	Investments	32,940,945 ^a	Investments	(31,423,563) ^a
Totals		<u>\$1,071,705,226</u>		<u>\$677,088,529</u>

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

For the year ended December 31, 2018, the average month end notional amount of swap contracts represented \$8,914,581,692. The average month end contract value of forward exchange contracts and fair value of VRI, was \$36,462,741,958 and \$367,000,051, respectively.

At December 31, 2018, the Fund's OTC derivative assets and liabilities are as follows:

	Gross Amounts of Assets and Liabilities Presented in the Statement of Assets and Liabilities	
	Assets ^a	Liabilities ^a
Derivatives		
Forward exchange contracts	\$289,744,284	\$341,229,229

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

Templeton Global Bond Fund (continued)

9. Other Derivative Information (continued)

At December 31, 2018, the Fund's OTC derivative assets, which may be offset against the Fund's OTC derivative liabilities and collateral received from the counterparty, are as follows:

	Gross Amounts of Assets Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount (Not less than zero)
		Financial Instruments Available for Offset	Financial Instruments Collateral Received ^{a,b}	Cash Collateral Received ^b	
Counterparty					
BNDP	\$ —	\$ —	\$ —	\$ —	\$ —
BOFA	11,834,259	(11,834,259)	—	—	—
BZWS	1,021,879	(1,021,879)	—	—	—
CITI	86,608,187	(73,821,880)	—	(12,786,307)	—
DBAB	36,944,977	(34,134,813)	(2,810,164)	—	—
GSCO	10,543,430	(10,543,430)	—	—	—
HSBK	36,460,602	(36,460,602)	—	—	—
JPHQ	89,555,699	(23,391,800)	(66,163,899)	—	—
MSCO	4,000,756	(4,000,756)	—	—	—
SCNY	6,297,063	(6,297,063)	—	—	—
UBSW	6,477,432	(870,461)	(5,606,971)	—	—
Total	\$289,744,284	\$(202,376,943)	\$(74,581,034)	\$(12,786,307)	\$ —

At December 31, 2018, the Fund's OTC derivative liabilities, which may be offset against the Fund's OTC derivative assets and collateral pledged to the counterparty, are as follows:

	Gross Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount (Not less than zero)
		Financial Instruments Available for Offset	Financial Instruments Collateral Pledged	Cash Collateral Pledged	
Counterparty					
BNDP	\$ 3,822,405	\$ —	\$ —	\$ (3,140,000)	\$ 682,405
BOFA	57,303,199	(11,834,259)	—	(29,220,000)	16,248,940
BZWS	43,560,218	(1,021,879)	—	(25,570,000)	16,968,339
CITI	73,821,880	(73,821,880)	—	—	—
DBAB	34,134,813	(34,134,813)	—	—	—
GSCO	22,662,939	(10,543,430)	—	(3,000,000)	9,119,509
HSBK	64,662,773	(36,460,602)	—	(6,672,000)	21,530,171
JPHQ	23,391,800	(23,391,800)	—	—	—
MSCO	4,326,603	(4,000,756)	—	—	325,847
SCNY	12,672,138	(6,297,063)	—	—	6,375,075
UBSW	870,461	(870,461)	—	—	—
Total	\$341,229,229	\$(202,376,943)	\$ —	\$(67,602,000)	\$71,250,286

^aAt December 31, 2018, the Fund received Canadian Government Bonds and U.S. Treasury Bills, Bonds and Notes as collateral for derivatives.

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

See note 1(c) regarding derivative financial instruments.

See Abbreviations on page 42.

Templeton Global Bond Fund (continued)

10. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2 billion (Global Credit Facility) which matured on February 8, 2019. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Effective February 8, 2019, the Borrowers renewed the Global Credit Facility for a one year term, maturing February 7, 2020, for a total of \$2 billion.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the year ended December 31, 2018, the Fund did not use the Global Credit Facility.

11. Fair Value Measurements

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

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

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

A summary of inputs used as of December 31, 2018, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments in Securities: ^a				
Foreign Government and Agency Securities	\$ —	\$ 18,398,623,587	\$ —	\$ 18,398,623,587
Quasi-Sovereign and Corporate Bonds	—	430,392,116	—	430,392,116
Short Term Investments	11,186,279,313	2,580,248,980	—	13,766,528,293
Total Investments in Securities	\$ 11,186,279,313	\$ 21,409,264,683	\$ —	\$ 32,595,543,996
Other Financial Instruments:				
Forward Exchange Contracts	\$ —	\$ 289,744,284	\$ —	\$ 289,744,284
Swap Contracts	—	225,123,619	—	225,123,619
Total Other Financial Instruments	\$ —	\$ 514,867,903	\$ —	\$ 514,867,903
Liabilities:				
Other Financial Instruments:				
Forward Exchange Contracts	\$ —	\$ 341,229,229	\$ —	\$ 341,229,229
Swap Contracts	—	58,852,509	—	58,852,509
Total Other Financial Instruments	\$ —	\$ 400,081,738	\$ —	\$ 400,081,738

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

Templeton Global Bond Fund (continued)

12. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

Abbreviations

Counterparty		Currency		Counterparty	
BNDP	BNP Paribas	ARS	Argentine Peso	ARPP7DRR	Argentina Central Bank 7 Day Repo Rate
BOFA	Bank of America Corp.	BRL	Brazilian Real	BADLAR	Argentina Deposit Rates Badlar Private
BZWS	Barclays Bank PLC	COP	Colombian Peso		Banks ARS
CITI	Citigroup, Inc.	EUR	Euro	FHLB	Federal Home Loan Bank
DBAB	Deutsche Bank AG	GHS	Ghanaian Cedi	FRN	Floating Rate Note
GSCO	The Goldman Sachs Group, Inc.	IDR	Indonesian Rupiah	GDP	Gross Domestic Product
HSBK	HSBC Bank PLC	INR	Indian Rupee	LIBOR	London InterBank Offered Rate
JPHQ	JP Morgan Chase & Co.	KRW	South Korean Won	VRI	Value Recovery Instruments
MSCO	Morgan Stanley	MXN	Mexican Peso		
SCNY	Standard Chartered Bank	PHP	Philippine Peso		
UBSW	UBS AG	USD	United States Dollar		

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of Templeton Global Bond Fund (the "Fund") as of December 31, 2018, the related statement of operations for the year ended December 31, 2018, the statement of changes in net assets for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2018 and the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, California

February 15, 2019

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

Tax Information (unaudited)

Templeton Global Bond Fund

At December 31, 2018, more than 50% of the Fund's total assets were invested in securities of foreign issuers. In most instances, foreign taxes were withheld from income paid to the Fund on these investments. The Fund elects to treat foreign taxes paid as allowed under Section 853 of the Internal Revenue Code. This election will allow shareholders of record as of the first distribution in 2019, to treat their proportionate share of foreign taxes paid by the Fund as having been paid directly by them. The shareholder shall consider these amounts as foreign taxes paid in the tax year in which they receive the Fund distribution.

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton 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 Fort Lauderdale, FL 33301-1923	Trustee	Since 1992	136	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Ann Torre Bates (1958) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2008	38	Ares Capital Corporation (specialty finance company) (2010-present), United Natural Foods, Inc. (distributor of natural, organic and specialty foods) (2013-present), Allied Capital Corporation (financial services) (2003-2010), SLM Corporation (Sallie Mae) (1997-2014) and Navient Corporation (loan management, servicing and asset recovery) (2014-2016).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Executive Vice President and Chief Financial Officer, NHP Incorporated (manager of multifamily housing) (1995-1997); and Vice President and Treasurer, US Airways, Inc. (until 1995).				
Mary C. Choksi (1950) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2016	136	Avis Budget Group Inc. (car rental) (2007-present), Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				
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	136	Hess Corporation (exploration of oil and gas) (1993-present), Canadian National Railway (railroad) (2001-present), White Mountains Insurance Group, Ltd. (holding company) (2004-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).
Principal Occupation During at Least the Past 5 Years: Director or Trustee of various companies and trusts; and formerly , Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
J. Michael Luttig (1954) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2009	136	Boeing Capital Corporation (aircraft financing) (2006-2013).
Principal Occupation During at Least the Past 5 Years: Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (aerospace company) (2006-present); and formerly , Federal Appeals Court Judge, U.S. Court of Appeals for the Fourth Circuit (1991-2006).				
David W. Niemiec (1949) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2005	38	Hess Midstream Partners LP (oil and gas midstream infrastructure) (2017-present).
Principal Occupation During at Least the Past 5 Years: Advisor, Saratoga Partners (private equity fund); and formerly , Managing Director, Saratoga Partners (1998-2001) and SBC Warburg Dillon Read (investment banking) (1997-1998); Vice Chairman, Dillon, Read & Co. Inc. (investment banking) (1991-1997); and Chief Financial Officer, Dillon, Read & Co. Inc. (1982-1997).				
Larry D. Thompson (1945) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2005	136	The Southern Company (energy company) (2014-present; previously 2010-2012), Graham Holdings Company (education and media organization) (2011-present) and Cbeyond, Inc. (business communications provider) (2010-2012).
Principal Occupation During at Least the Past 5 Years: Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and formerly , Executive Vice President – Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President – Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).				
Constantine D. Tseretopoulos (1954) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2003	24	None
Principal Occupation During at Least the Past 5 Years: Physician, Chief of Staff, owner and operator of the Lyford Cay Hospital (1987-present); director of various nonprofit organizations; and formerly , Cardiology Fellow, University of Maryland (1985-1987); and Internal Medicine Resident, Greater Baltimore Medical Center (1982-1985).				
Robert E. Wade (1946) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2006	38	El Oro Ltd (investments) (2003-present).
Principal Occupation During at Least the Past 5 Years: Attorney at law engaged in private practice as a sole practitioner (1972-2008) and member of various boards.				

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
**Gregory E. Johnson (1961) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	150	None
Principal Occupation During at Least the Past 5 Years: Chairman of the Board, Member – Office of the Chairman, Director and Chief Executive Officer, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 42 of the investment companies in Franklin Templeton Investments; Vice Chairman, Investment Company Institute; and formerly , President, Franklin Resources, Inc. (1994-2015).				
**Rupert H. Johnson, Jr. (1940) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board, Trustee and Vice President	Chairman of the Board, Trustee since 2013 and Vice President since 1996	136	None
Principal Occupation During at Least the Past 5 Years: Vice Chairman, Member – Office of the Chairman and Director, Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; 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 40 of the investment companies in Franklin Templeton Investments.				
Alison E. Baur (1964) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Deputy General Counsel, Franklin Templeton Investments; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 44 of the investment companies in Franklin Templeton Investments.				
Aliya S. Gordon (1973) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton Investments; and officer of 44 of the investment companies in Franklin Templeton Investments.				
Steven J. Gray (1955) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton Investments; Vice President, Franklin Templeton Distributors, Inc. and FASA, LLC; and officer of 44 of the investment companies in Franklin Templeton Investments.				
Michael Hasenstab, Ph.D. (1973) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since December 2018	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Executive Vice President, Franklin Advisers, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of four of the investment companies in Franklin Templeton Investments.				
Matthew T. Hinkle (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; officer of 44 of the investment companies in Franklin Templeton Investments; and formerly , Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton Investments (2009-2017).				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Robert G. Kubilis (1973) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since 2017	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Treasurer, U.S. Fund Administration & Reporting, Franklin Templeton Investments; and officer of 16 of the investment companies in Franklin Templeton Investments.				
Robert Lim (1948) One Franklin Parkway San Mateo, CA 94403-1906	Vice President – AML Compliance	Since 2016	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Vice President, Franklin Templeton Companies, LLC; Chief Compliance Officer, Franklin Templeton Distributors, Inc. and Franklin Templeton Investor Services, LLC; and officer of 44 of the investment companies in Franklin Templeton Investments.				
Kimberly H. Novotny (1972) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President	Since 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Associate General Counsel, Franklin Templeton Investments; Vice President and Corporate Secretary, Fiduciary Trust International of the South; Vice President, Templeton Investment Counsel, LLC; Assistant Secretary, Franklin Resources, Inc.; and officer of 44 of the investment companies in Franklin Templeton Investments.				
Robert C. Rosselot (1960) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Compliance Officer	Since 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director, Global Compliance, Franklin Templeton Investments; Vice President, Franklin Templeton Companies, LLC; officer of 44 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).				
Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Associate General Counsel, Franklin Templeton Investments; and officer of 44 of the investment companies in Franklin Templeton Investments.				
Craig S. Tyle (1960) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2005	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: General Counsel and Executive Vice President, Franklin Resources, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 44 of the investment companies in Franklin Templeton Investments.				
Lori A. Weber (1964) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President and Secretary	Vice President since 2011 and Secretary since 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton Investments; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of 44 of the investment companies in Franklin Templeton Investments.				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Christine Zhu (1975) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since December 2018	Not Applicable	Not Applicable

Principal Occupation During at Least the Past 5 Years:

Vice President, Franklin Advisers, Inc.; and officer of four of the investment companies in Franklin Templeton Investments.

*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 an officer and director and major shareholder of Resources.

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

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

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

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

Shareholder Information

Proxy Voting Policies and Procedures

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

Quarterly Statement of Investments

The Trust, on behalf of the Fund, files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year 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 househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

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**FRANKLIN
TEMPLETON**

**Annual Report and Shareholder Letter
Templeton Global Bond Fund**

Investment Manager

Franklin Advisers, Inc.

Distributor

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

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