

SEMIANNUAL REPORT AND SHAREHOLDER LETTER

TEMPLETON GLOBAL TOTAL RETURN FUND

A Series of Templeton Income Trust

June 30, 2021



FRANKLIN
TEMPLETON

SHAREHOLDER LETTER

Dear Shareholder:

During the six months ended June 30, 2021, many global economies improved as coronavirus vaccines were distributed and people reengaged with the world. However, inflation surged in many countries in the period's second half, driven by resurgent economic activity, supply bottlenecks in certain sectors and base effects off of the pandemic shocks in 2020. Many central banks signaled the end of rate-cutting, and some began to move toward policy normalization, but the U.S. Federal Reserve, the European Central Bank and the Bank of Japan kept their policy rates unchanged. Rising yields during 2021's first quarter strained valuations across global fixed income markets, creating headwinds for the asset class during the six-month period. In this environment, global government bonds, as measured by the FTSE World Government Bond Index, posted total returns of -4.75% and -2.49% in U.S. dollar and local currency terms, respectively.¹ The U.S. dollar broadly 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. We continue to recommend investors consult their financial professionals and review their portfolios to design a long-term strategy and portfolio allocation that meet their individual needs, goals and risk tolerance.

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

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

Sincerely,

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

1. Source: Morningstar.
See www.franklintempletondatasources.com for additional data provider information.

This letter reflects our analysis and opinions as of June 30, 2021, 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

Contents

Semiannual Report

Templeton Global Total Return Fund	3
Performance Summary.....	8
Your Fund's Expenses.....	10
Financial Highlights and Statement of Investments.....	11
Financial Statements	28
Notes to Financial Statements.....	32
Tax Information	48
Shareholder Information	49

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

SEMIANNUAL REPORT

Templeton Global Total Return Fund

This semiannual report for Templeton Global Total Return Fund covers the period ended June 30, 2021.

Your Fund's Goal and Main Investments

The Fund seeks total investment return consisting of a combination of interest income, capital appreciation and currency gains. Under normal market conditions, the Fund invests primarily in fixed and floating rate debt securities and debt obligations (including convertible bonds) of governments, government agencies and government-related or corporate issuers worldwide (collectively, "bonds"). Bonds may be denominated and issued in the local currency or in another currency. Bonds include debt securities of any maturity, such as bonds, notes, bills and debentures.

Performance Overview

For the six months under review, the Fund's Class A shares posted a -1.42% cumulative total return. In comparison, the global fixed income market, as measured by the Fund's benchmark, the Bloomberg Barclays Multiverse Index, posted a -2.95% cumulative total return for the same period.¹ You can find the Fund's long-term performance data in the Performance Summary beginning on page 8.

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

Economic and Market Overview

Sovereign bond yields rose across much of the world during the first three months of the six-month period ended June 30, 2021, as vaccine distributions, ongoing stimulus measures and optimism for improving economic conditions appeared to fuel reflation expectations across financial markets. In April, sovereign bond yields in much of Asia and the Americas pulled back from their March peaks, while many areas of Europe saw yields continue to rise. In June, sovereign bond

Portfolio Composition 6/30/21

	% of Total Net Assets
Foreign Government and Agency Securities	55.8%
U.S. Government and Agency Securities	7.2%
Short-Term Investments & Other Net Assets*	37.0%

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

yields declined across developed markets but shifted in varying directions in emerging markets. On the whole, most countries around the world saw yields rise significantly over the six-month period, despite the general trend of declining yields over the final months of the period.

The yield on the 10-year U.S. Treasury (UST) note finished the six-month period 55 basis points (bps) higher at 1.47%. It reached an intra-period peak of 1.74% on March 31, its highest level since January 2020. In Europe, the yield on the 10-year German Bund finished the six-month period 36 bps higher at -0.21%. In Asia, the yield on the 10-year Japanese government bond rose three bps to 0.05%. Sovereign bond yields also notably rose in the U.K., Canada, Australia, Sweden and Norway. In emerging markets, yields rose in India, Indonesia, Thailand, Brazil, Mexico, Chile, Colombia and Peru.

Rising yields strained valuations across many areas of the global fixed income markets during 2021's first quarter. U.S. dollar (USD)-denominated sovereign credit sectors broadly saw negative returns in January, February and March, before sharply reversing to generate offsetting positive returns in April, May and June as yields declined. Conditions were somewhat different in corporate credit sectors as U.S. investment-grade credit tiers initially saw negative returns on rate pressures, while high-yield credit tiers performed better, benefiting from greater spread cushioning. Investment-grade corporate credits returned to positive performance in April, May and June, modestly outpacing similar positive returns in the high-yield credit tiers.

1. Source: Morningstar.

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

See www.franklintempletondatasources.com for additional data provider information

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI). The SOI begins on page 16.

In currency markets, the USD broadly strengthened against a number of major developed market and emerging market currencies in the first quarter, with a few notable exceptions. That trend reversed in April and May as the USD broadly depreciated, before returning to a strengthening pattern in June. On the whole, the USD finished the six-month period broadly stronger against most currencies, with some exceptions. In Asia, the Chinese yuan appreciated 1.08% against the USD in the six-month period, while the Indonesian rupiah depreciated 3.10%, the Indian rupee 1.76%, the Singapore dollar 1.78%, the South Korean won 3.71% and the Japanese yen 7.05%. In Europe, the euro depreciated 2.93% against the USD. The Norwegian krone appreciated 2.60% against the euro, and the Canadian dollar appreciated 5.71%. The Swedish krona depreciated 0.96% against the euro. In Latin America, the Brazilian real appreciated 4.38% against the USD, while the Mexican peso depreciated 0.25%, the Colombian peso 8.79% and the Chilean peso 3.25%.

Vaccine distributions progressively accelerated in many countries during the period, though supply setbacks affected areas of Europe in March and April. Novel coronavirus (COVID-19) infection levels peaked in January in the U.S. and Europe before declining in February and plateauing in March. Cases continued to trend lower in April, May and June. Governments continued to struggle with balancing the needs of their economies with the health of their citizens during much of the first half of the period before higher vaccination rates and lower case levels enabled many regions to progressively reopen their economies in the second quarter.

Business and consumer confidence surveys strengthened in multiple regions during the period, particularly in the second quarter, despite some growing concerns over the proliferation of the COVID-19 delta variant in several parts of the world in June, notably in the U.K. and Australia. Economic activity continued to broadly expand in many countries during the second half of the period, largely driven by strength in goods sectors and manufacturing. Historically high savings rates in many countries also fueled resurgent growth in the spring and summer months. Labor market conditions generally continued to improve in many countries during the period, though unemployment broadly remained above pre-pandemic levels.

Inflation figures surged higher in many countries in April, May and June, driven by a combination of factors that included cyclical upswings associated with resurgent economic activity, supply bottlenecks in certain sectors and base effects off of the pandemic shocks in 2020. Headline Consumer Price Index (CPI) inflation in the U.S. rose

from 2.6% year-over-year in March to 4.2% in April and 5.0% in May, its highest level since 2008. In Europe, euro area (EA) inflation rose from 0.9% in February to 1.3% in March, 1.6% in April and 2.0% in May, before levelling off at 1.9% (estimated) in June; the EA had previously endured deflationary pressures through the third and fourth quarters of 2020. Areas of non-core Europe, such as Hungary and Russia, experienced above-target levels of inflation in May and June. Globally, areas of Latin America, such as Brazil and Mexico, also experienced above-target inflation during the period, while inflation levels remained relatively more contained in areas of Asia, such as China, South Korea, Indonesia and Thailand.

Pent-up demand outpaced supply recoveries in certain sectors during the spring and summer months, adding to pricing pressures. Supply bottlenecks have intermittently surfaced across a myriad of industries due to accelerating demand, as well as logistical disruptions and ongoing uncertainties (economic, health and policy) that make it difficult to accurately schedule production.

Most central banks around the world signaled during the middle of the six-month period that they had reached the end of their rate-cutting cycles, with several banks beginning to pivot towards plans for policy normalization. The Bank of Canada began tapering its asset purchases in April and indicated that interest rates could be raised in the second half of 2022. The Bank of England headed towards concluding its quantitative easing program by the end of 2021. Norges Bank (Norway) indicated that a rate hike could arrive in the second half of 2021. Riksbank (Sweden) was on pace to wind down its asset purchase program in 2021 but intended to keep rates on hold at 0% for the foreseeable future. The Reserve Bank of New Zealand intended to end its asset purchases by September and begin hiking rates by mid-2022. Other developed market central banks—including the U.S. Federal Reserve (Fed), the European Central Bank (ECB) and the Bank of Japan (BOJ)—had not yet signaled a normalization schedule as of the end of June.

In emerging markets, several countries faced persistent inflation pressures that may force a faster tightening response from their central banks. Notably, Brazil's central bank hiked rates 75 bps three times during the period (March, May and June) to 4.25%, and Mexico's central bank hiked its policy rate 25 bps in June to 4.25%, its first rate hike since December 2018. Other countries indicated they may begin pursuing tightening policies in the second half of 2021.

The Fed kept the federal funds target rate unchanged at 0.00%–0.25%, at each of its policy meetings during the period. In March, the Fed notably upgraded its growth forecast for 2021 to 6.5% from its prior estimate of 4.2% in December. The core inflation forecast was upgraded to 2.2% for 2021, from the prior estimate of 1.8%. However, Fed Chair Jay Powell cautioned that a full recovery was still distant and that economic conditions continued to warrant extraordinary monetary accommodation, citing the uncertainty related to the course of the pandemic.

In June, the overall policy tone shifted in a hawkish direction as the Fed raised its 2021 growth forecast for the U.S. economy to 7.0% and increased its inflation forecast to 3.4%. Powell commented that “the economy has clearly made progress,” and a majority of Fed officials brought forward their projected expectations for rate hikes. The Fed’s dot plot survey had previously indicated expectations for no hikes until 2024 at the March meeting. In June, 13 of 18 Fed officials indicated expectations for a rate hike by the end of 2023, with 11 indicating expectations for two hikes. Seven officials indicated expectations for at least one hike by the end of 2022. Powell cautioned that the dot surveys do not reflect forward guidance from the committee and that any discussion about raising rates is still “highly premature.”

Powell also indicated in June that discussions of when to begin tapering its asset purchase program had begun, but that the timeline is yet to be determined. The Fed continued to purchase “at least \$80 billion per month” in USTs and “at least \$40 billion per month in agency mortgage-backed securities” during the reporting period. The Fed’s balance sheet reached US\$8.1 trillion at the end of June.

Despite higher U.S. inflation figures during the period, Powell continued to dispel the notion that higher inflation figures in 2021 would necessitate near-term rate hikes, reiterating the Fed’s view that the figures largely reflect “transitory factors” that would not affect the course of monetary policy. Core personal consumption expenditures (PCE) inflation surged to 3.4% year-over-year in May, its highest level since 1992, up from 3.1% in April and 1.9% in March. The Fed continued to indicate it will let inflation run above 2.0% for periods of time to counterbalance prior periods of prolonged below-target inflation, implying that the Fed will allow the U.S. economy to run hot in upcoming years. However, Powell directly addressed Fed credibility concerns, stating that “if we see inflation moving materially above 2% in a persistent way that risks inflation expectations drifting up, then we will use our tools to guide inflation expectations back down.” As of the June meeting, the Fed projected core PCE will be 3.0% in 2021, and 2.1% in 2022 and 2023.

The ECB kept monetary policy unchanged at each of its policy meetings during the period, leaving the main refinancing operations rate at 0.0%, and the main deposit facility rate at -0.5%. In March, the ECB announced that it would accelerate the pace of its bond purchases under the Pandemic Emergency Purchase Programme (PEPP). In June, it recommitted to those levels, stating that the pace and volume of bond purchases under the PEPP would “continue to be conducted at a significantly higher pace than during the first months of the year.” The PEPP is currently scheduled to run through March 2022 and has around €700 billion in capacity remaining of its total €1.85 trillion size. The ECB raised its 2021 growth forecast for the EA to 4.6% at its June meeting, describing conditions as “balanced” and removing prior comments that risks were “titled to the downside.”

The ECB also increased its 2021 inflation forecast for the EA to 1.9% (harmonized index of consumer prices) from 1.5%. ECB President Christine Lagarde commented in June that inflation remained distant from the ECB’s target and is expected to diminish in 2022. Lagarde warned that monetary tightening would jeopardize the economic recovery and the inflation outlook.

The BOJ kept monetary policy unchanged at each of its policy meetings during the period, leaving the overnight interest rate at -0.1% and the yield target on the 10-year Japanese government bond at 0.0%. The BOJ published the results of its monetary framework review in March, the first of its kind since 2016. The findings indicated a shift of emphasis from aggressive stimulus towards more “sustainable” policy. The BOJ said it plans to intervene as needed during events that require financial market support, but will shift away from continuous balance sheet expansion solely to stimulate economic activity. Japan continued to struggle against deflationary pressures that have persisted since April 2020. Core inflation (National CPI ex-fresh food) rose to 0.1% year-over-year in May, from -0.1% in April and March, -0.4% in February and -0.6% in January.

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 consider various factors including evaluation of interest rates, currency exchange rate changes and credit risks. For purposes of pursuing its investment goals, the Fund regularly enters into various currency related transactions involving derivative instruments, principally currency and cross currency forwards, but it may also use currency and currency index futures contracts and currency options.

Geographic Composition

6/30/21

	% of Total Net Assets
Americas	29.6%
Asia Pacific	20.0%
Other Europe	7.9%
Middle East & Africa	5.5%
Short-Term Investments & Other Net Assets	37.0%

Manager's Discussion

The successful development of vaccines against COVID-19 in the final months of 2020 substantially changed our outlook and positioning for 2021. In the weeks before the six-month reporting period began, we significantly shifted the emphasis of the Fund's strategic positioning from a safe-haven stance toward an increasing allocation in risk assets. We expected a rebound in global economic activity and improving economic conditions in the spring and summer months of 2021 as vaccines were progressively distributed and people increasingly reengaged with the world.

We were actively constructive in a number of regions throughout the period, particularly in areas of Asia that appeared to be at the forefront of the global economic recovery. The Fund was focused on three core themes during the six-month period: (1) weakness in the euro and USD, on excessive fiscal and monetary policies in Europe and the U.S., against currencies in countries with strong trade dynamics, current account surpluses, better fiscal management and stronger growth potential, notably in Asia; (2) avoiding interest-rate risks in low-yielding developed markets; and (3) pursuing sovereign bonds with relatively higher yields in a select set of resilient emerging markets.

At the beginning of the period, the Fund held overweighted positions in specific currencies that showed medium-term value against the USD and the euro. We held notable exposures to the Chinese yuan, the South Korean won, the Indian rupee and the Indonesian rupiah against the USD. We added exposure to the Singapore dollar in April and the New Zealand dollar in June. In Europe, we held exposures in the Norwegian krone and Swedish krona against the euro. In the Americas, we held long exposure to the Canadian dollar against the euro, and long exposures to the Colombian peso and Brazilian real against the USD. In May, we added exposure to the Chilean peso against the USD. During the period, we used currency forwards and currency options to actively manage currency exposures.

We also continued to focus on compelling risk-adjusted yields in various local-currency bond markets, specifically in countries with resilient economies and strong trade dynamics. We continued to largely avoid developed market duration exposures in preference for higher yields available in select emerging markets, notably including Indonesia, India, Mexico, Colombia, Brazil and Ghana, among others. We saw pockets of value in certain USD-denominated sovereign credits, but we continued to largely prefer specific valuations in the local-currency markets over the more fully valued credit markets.

During the period, the Fund's negative absolute performance was primarily due to currency positions. Interest-rate strategies contributed to absolute results as did overall credit exposures. Among currencies, the Fund's net-positive position in the Japanese yen detracted from absolute performance, as did currency positions in Latin America and Asia ex-Japan. However, the Fund's position in the Canadian dollar against the euro contributed to absolute results. The Fund maintained a defensive approach regarding interest rates in developed markets, while holding duration exposures in select emerging markets. Select duration exposures in Latin America (Argentina) and Africa (Ghana) contributed to absolute performance. Among credit exposures, subinvestment-grade sovereign credits contributed to absolute return.

On a relative basis, the Fund's performance fared better than that of its benchmark index primarily due to interest-rate strategies, followed by overall credit exposures. Currency positions detracted from relative results. The Fund maintained a defensive approach regarding interest rates in developed markets, while holding duration exposures in select emerging markets. Select overweighted duration exposures in Latin America (Argentina) and Africa (Ghana) contributed to relative performance, as did select underweighted duration exposures in Europe. Among credit exposures, overweighted exposure to subinvestment-grade sovereign credits contributed to relative return. Among currencies, the Fund's overweighted position in the Japanese yen during most of the period detracted from relative results, as did overweighted currency positions in Latin America and Asia ex-Japan. However, the Fund's underweighted exposure to the euro contributed to relative performance.

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

Michael Hasenstab, Ph.D.
Lead Portfolio Manager

Calvin Ho
Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of June 30, 2021, 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 June 30, 2021

The performance table does 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 6/30/21¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	-1.42%	-5.13%
1-Year	-1.24%	-4.98%
5-Year	+6.58%	+0.52%
10-Year	+18.01%	+1.28%
Advisor		
6-Month	-1.29%	-1.29%
1-Year	-0.99%	-0.99%
5-Year	+7.91%	+1.53%
10-Year	+21.08%	+1.93%

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.

Distributions (1/1/21–6/30/21)

Share Class	Net Investment Income
A	\$0.3404
C	\$0.3202
R	\$0.3285
R6	\$0.3593
Advisor	\$0.3524

Total Annual Operating Expenses⁵

Share Class	With Fee Waiver	Without Fee Waiver
A	1.05%	1.10%
Advisor	0.80%	0.85%

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. Foreign securities involve special risks, including currency fluctuations (which may be significant over the short term) and economic and political uncertainties; investments in developing markets involve heightened risks related to the same factors. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio, which may result in significant volatility and cause the Fund to participate in losses on an amount that exceeds the Fund's initial investment. The Fund may not achieve the anticipated benefits, and may realize losses when a counterparty fails to perform as promised. The markets for particular securities or types of securities are or may become relatively illiquid. Reduced liquidity will have an adverse impact on the security's value and on the Fund's ability to sell such securities when necessary to meet the Fund's liquidity needs or in response to a specific market event. 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. 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. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. 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 4/30/22. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.
 2. Cumulative total return represents the change in value of an investment over the periods indicated.
 3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
 4. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
 5. 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 1/1/21	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 6/30/21	Expenses Paid During Period 1/1/21–6/30/21 ^{1,2}	Ending Account Value 6/30/21	Expenses Paid During Period 1/1/21–6/30/21 ^{1,2}	
A	\$1,000	\$985.80	\$5.66	\$1,019.09	\$5.76	1.15%
C	\$1,000	\$984.80	\$7.64	\$1,017.10	\$7.76	1.55%
R	\$1,000	\$985.60	\$6.89	\$1,017.85	\$7.00	1.40%
R6	\$1,000	\$988.70	\$3.72	\$1,021.06	\$3.78	0.75%
Advisor	\$1,000	\$987.10	\$4.43	\$1,020.33	\$4.51	0.90%

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 181/365 to reflect the one-half year period.

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

Financial Highlights

Templeton Global Total Return Fund

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,					Year Ended August 31, 2016
		2020	2019	2018	2017	2016 ^a	
Class A							
Per share operating performance							
(for a share outstanding throughout the period)							
Net asset value, beginning of period	\$9.98	\$11.02	\$11.62	\$12.04	\$12.09	\$11.38	\$11.63
Income from investment operations ^b :							
Net investment income ^c	0.31	0.43	0.60	0.67	0.63	0.21	0.58
Net realized and unrealized gains (losses)	(0.45)	(1.01)	(0.46)	(0.47)	(0.28)	0.60	(0.47)
Total from investment operations	(0.14)	(0.58)	0.14	0.20	0.35	0.81	0.11
Less distributions from:							
Net investment income and net foreign currency gains	(0.34)	(0.02)	(0.74)	(0.62)	(0.16)	—	(0.13)
Tax return of capital	—	(0.44)	—	—	(0.24)	(0.10)	(0.23)
Total distributions	(0.34)	(0.46)	(0.74)	(0.62)	(0.40)	(0.10)	(0.36)
Net asset value, end of period	\$9.50	\$9.98	\$11.02	\$11.62	\$12.04	\$12.09	\$11.38
Total return ^d	(1.42)%	(5.32)%	1.21%	1.69%	2.83%	7.08%	1.08%
Ratios to average net assets^e							
Expenses before waiver and payments by affiliates and expense reduction	1.16%	1.08%	1.04%	1.09%	1.07%	1.10%	1.07%
Expenses net of waiver and payments by affiliates	1.15%	1.06%	0.96%	1.01%	1.02%	1.09%	1.06%
Expenses net of waiver and payments by affiliates and expense reduction	1.15% ^f	1.04%	0.93%	1.01% ^f	1.02% ^f	1.07%	1.06% ^f
Net investment income	6.41%	4.19%	5.27%	5.62%	5.15%	5.22%	5.14%
Supplemental data							
Net assets, end of period (000's)	\$435,476	\$482,575	\$769,018	\$811,990	\$921,181	\$1,197,319	\$1,227,550
Portfolio turnover rate	12.46%	60.89%	27.57%	20.91%	41.66%	17.10%	44.16%

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

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

^cBased on average daily shares outstanding.

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

^eRatios are annualized for periods less than one year.

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

Templeton Global Total Return Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,					Year Ended August 31, 2016
		2020	2019	2018	2017	2016 ^a	
Class C							
Per share operating performance							
(for a share outstanding throughout the period)							
Net asset value, beginning of period	\$9.96	\$11.01	\$11.61	\$12.02	\$12.07	\$11.38	\$11.61
Income from investment operations ^b :							
Net investment income ^c	0.29	0.39	0.56	0.62	0.58	0.19	0.54
Net realized and unrealized gains (losses)	(0.44)	(1.02)	(0.46)	(0.46)	(0.28)	0.59	(0.46)
Total from investment operations	(0.15)	(0.63)	0.10	0.16	0.30	0.78	0.08
Less distributions from:							
Net investment income and net foreign currency gains	(0.32)	(0.01)	(0.70)	(0.57)	(0.14)	—	(0.12)
Tax return of capital	—	(0.41)	—	—	(0.21)	(0.09)	(0.19)
Total distributions	(0.32)	(0.42)	(0.70)	(0.57)	(0.35)	(0.09)	(0.31)
Net asset value, end of period	\$9.49	\$9.96	\$11.01	\$11.61	\$12.02	\$12.07	\$11.38
Total return ^d	(1.52)%	(5.80)%	0.81%	1.37%	2.43%	6.85%	0.76%
Ratios to average net assets^e							
Expenses before waiver and payments by affiliates and expense reduction	1.56%	1.48%	1.44%	1.49%	1.47%	1.50%	1.47%
Expenses net of waiver and payments by affiliates	1.55%	1.46%	1.36%	1.41%	1.42%	1.49%	1.46%
Expenses net of waiver and payments by affiliates and expense reduction	1.55% ^f	1.44%	1.33%	1.41% ^f	1.42% ^f	1.47%	1.46% ^f
Net investment income	5.97%	3.79%	4.87%	5.22%	4.75%	4.82%	4.74%
Supplemental data							
Net assets, end of period ('000's)	\$81,969	\$113,438	\$237,215	\$310,561	\$398,445	\$481,915	\$517,428
Portfolio turnover rate	12.46%	60.89%	27.57%	20.91%	41.66%	17.10%	44.16%

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

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

^cBased on average daily shares outstanding.

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

^eRatios are annualized for periods less than one year.

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

Templeton Global Total Return Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,					Year Ended August 31, 2016
		2020	2019	2018	2017	2016 ^a	
Class R							
Per share operating performance							
(for a share outstanding throughout the period)							
Net asset value, beginning of period	\$9.98	\$11.03	\$11.63	\$12.04	\$12.09	\$11.40	\$11.63
Income from investment operations ^b :							
Net investment income ^c	0.30	0.40	0.58	0.64	0.60	0.19	0.56
Net realized and unrealized gains (losses)	(0.44)	(1.02)	(0.47)	(0.46)	(0.28)	0.59	(0.46)
Total from investment operations	(0.14)	(0.62)	0.11	0.18	0.32	0.78	0.10
Less distributions from:							
Net investment income and net foreign currency gains	(0.33)	(0.02)	(0.71)	(0.59)	(0.15)	—	(0.12)
Tax return of capital	—	(0.41)	—	—	(0.22)	(0.09)	(0.21)
Total distributions	(0.33)	(0.43)	(0.71)	(0.59)	(0.37)	(0.09)	(0.33)
Net asset value, end of period	\$9.51	\$9.98	\$11.03	\$11.63	\$12.04	\$12.09	\$11.40
Total return ^d	(1.44)%	(5.65)%	0.95%	1.52%	2.58%	6.89%	0.91%
Ratios to average net assets^e							
Expenses before waiver and payments by affiliates and expense reduction	1.41%	1.32%	1.29%	1.34%	1.32%	1.35%	1.32%
Expenses net of waiver and payments by affiliates	1.40%	1.30%	1.21%	1.26%	1.27%	1.34%	1.31%
Expenses net of waiver and payments by affiliates and expense reduction	1.40% ^f	1.28%	1.18%	1.26% ^f	1.27% ^f	1.32%	1.31% ^f
Net investment income	6.20%	3.89%	5.02%	5.37%	4.90%	4.97%	4.89%
Supplemental data							
Net assets, end of period (000's)	\$7,776	\$7,741	\$7,377	\$7,957	\$8,788	\$9,782	\$9,692
Portfolio turnover rate	12.46%	60.89%	27.57%	20.91%	41.66%	17.10%	44.16%

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

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

^cBased on average daily shares outstanding.

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

^eRatios are annualized for periods less than one year.

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

Templeton Global Total Return Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,					Year Ended August 31, 2016
		2020	2019	2018	2017	2016 ^a	
Class R6							
Per share operating performance							
(for a share outstanding throughout the period)							
Net asset value, beginning of period	\$9.98	\$11.03	\$11.63	\$12.05	\$12.10	\$11.41	\$11.64
Income from investment operations ^b :							
Net investment income ^c	0.33	0.47	0.65	0.71	0.68	0.22	0.64
Net realized and unrealized gains (losses)	(0.44)	(1.02)	(0.47)	(0.47)	(0.29)	0.59	(0.47)
Total from investment operations	(0.11)	(0.55)	0.18	0.24	0.39	0.81	0.17
Less distributions from:							
Net investment income and net foreign currency gains	(0.36)	(0.02)	(0.78)	(0.66)	(0.17)	—	(0.15)
Tax return of capital	—	(0.48)	—	—	(0.27)	(0.12)	(0.25)
Total distributions	(0.36)	(0.50)	(0.78)	(0.66)	(0.44)	(0.12)	(0.40)
Net asset value, end of period	\$9.51	\$9.98	\$11.03	\$11.63	\$12.05	\$12.10	\$11.41
Total return ^d	(1.13)%	(5.05)%	1.57%	2.06%	3.22%	7.21%	1.47%
Ratios to average net assets^e							
Expenses before waiver and payments by affiliates and expense reduction	0.77%	0.71%	0.69%	0.73%	0.69%	0.72%	0.69%
Expenses net of waiver and payments by affiliates	0.75%	0.69%	0.60%	0.65%	0.64%	0.71%	0.68%
Expenses net of waiver and payments by affiliates and expense reduction	0.75% ^f	0.67%	0.57%	0.65% ^f	0.64% ^f	0.69%	0.68% ^f
Net investment income	6.77%	4.57%	5.63%	5.98%	5.53%	5.60%	5.52%
Supplemental data							
Net assets, end of period (000's)	\$240,088	\$294,519	\$876,665	\$986,689	\$1,058,884	\$904,147	\$882,402
Portfolio turnover rate	12.46%	60.89%	27.57%	20.91%	41.66%	17.10%	44.16%

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

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

^cBased on average daily shares outstanding.

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

^eRatios are annualized for periods less than one year.

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

Templeton Global Total Return Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,					Year Ended August 31, 2016
		2020	2019	2018	2017	2016 ^a	
Advisor Class							
Per share operating performance							
(for a share outstanding throughout the period)							
Net asset value, beginning of period	\$10.00	\$11.04	\$11.64	\$12.05	\$12.10	\$11.41	\$11.64
Income from investment operations ^b :							
Net investment income ^c	0.32	0.46	0.63	0.70	0.66	0.21	0.61
Net realized and unrealized gains (losses)	(0.45)	(1.02)	(0.46)	(0.46)	(0.28)	0.59	(0.45)
Total from investment operations	(0.13)	(0.56)	0.17	0.24	0.38	0.80	0.16
Less distributions from:							
Net investment income and net foreign currency gains	(0.35)	(0.02)	(0.77)	(0.65)	(0.17)	—	(0.14)
Tax return of capital	—	(0.46)	—	—	(0.26)	(0.11)	(0.25)
Total distributions	(0.35)	(0.48)	(0.77)	(0.65)	(0.43)	(0.11)	(0.39)
Net asset value, end of period	\$9.52	\$10.00	\$11.04	\$11.64	\$12.05	\$12.10	\$11.41
Total return ^d	(1.29)%	(5.07)%	1.46%	2.03%	3.08%	7.06%	1.42%
Ratios to average net assets^e							
Expenses before waiver and payments by affiliates and expense reduction	0.91%	0.83%	0.79%	0.84%	0.82%	0.85%	0.82%
Expenses net of waiver and payments by affiliates	0.90%	0.81%	0.71%	0.76%	0.77%	0.84%	0.81%
Expenses net of waiver and payments by affiliates and expense reduction	0.90% ^f	0.78%	0.68%	0.76% ^f	0.77% ^f	0.82%	0.81% ^f
Net investment income	6.58%	4.48%	5.52%	5.87%	5.40%	5.47%	5.39%
Supplemental data							
Net assets, end of period (000's)	\$713,743	\$1,104,754	\$2,684,044	\$2,992,808	\$3,117,593	\$2,729,232	\$2,497,162
Portfolio turnover rate	12.46%	60.89%	27.57%	20.91%	41.66%	17.10%	44.16%

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

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

^cBased on average daily shares outstanding.

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

^eRatios are annualized for periods less than one year.

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

Statement of Investments (unaudited), June 30, 2021

Templeton Global Total Return Fund

	Industry	Shares	Value
Common Stocks 0.0%			
South Africa 0.0%			
^{a,b,c} K2016470219 South Africa Ltd., A	Multiline Retail	434,200,485	\$—
^{a,b,c} K2016470219 South Africa Ltd., B	Multiline Retail	50,014,925	—
Total Common Stocks (Cost \$1,645,359)			—
		Principal Amount*	
Corporate Bonds 0.0%			
South Africa 0.0%			
^{a,d,e} K2016470219 South Africa Ltd., Senior Secured Note, 144A, PIK, 3%, 12/31/22	Multiline Retail	36,523,770	—
Senior Secured Note, 144A, PIK, 8%, 12/31/22	Multiline Retail	13,432,767 EUR	—
^{a,d,e} K2016470260 South Africa Ltd., Senior Secured Note, 144A, PIK, 25%, 12/31/22	Multiline Retail	15,159,679	—
Total Corporate Bonds (Cost \$46,947,976)			—
		Principal Amount*	Value
Foreign Government and Agency Securities 55.8%			
Argentina 6.4%			
^{f,g} Argentina BONCER, Index Linked, 1%, 8/05/21		419,635,496 ARS	2,504,535
Index Linked, 1.2%, 3/18/22		5,318,598,037 ARS	31,562,955
Index Linked, 1.3%, 9/20/22		35,915,356 ARS	210,474
Index Linked, 1.4%, 3/25/23		3,770,897,674 ARS	21,529,969
Index Linked, 1.5%, 3/25/24		3,491,252,026 ARS	18,926,552
^{g,h} Argentina Bonos del Tesoro Nacional en Pesos Badlar, FRN, 36.104%, (ARS BADLAR + 2%), 4/03/22		9,178,000 ARS	52,591
^g Argentina Government Bond, 18.2%, 10/03/21		1,518,433,000 ARS	8,514,499
16%, 10/17/23		1,528,949,200 ARS	5,560,694
15.5%, 10/17/26		2,527,300,600 ARS	6,002,955
			94,865,224
Bosnia and Herzegovina 0.0%†			
^{e,h} Bosnia and Herzegovina Government Bond, B, Senior Bond, Reg S, FRN, 0.25%, (6-month EUR LIBOR + 0.813%), 12/20/21		7,456 DEM	8,703
Brazil 1.6%			
Brazil Notas do Tesouro Nacional,			
10%, 1/01/25		43,020,000 BRL	9,164,369
10%, 1/01/27		18,550,000 BRL	3,973,710
10%, 1/01/29		18,580,000 BRL	3,992,816
10%, 1/01/31		29,620,000 BRL	6,318,442
			23,449,337

Templeton Global Total Return Fund (continued)

	Principal Amount ^a	Value
Foreign Government and Agency Securities (continued)		
Colombia 5.5%		
Colombia Government Bond,		
Senior Bond, 4.375%, 3/21/23	1,916,000,000 COP	\$523,027
Senior Bond, 9.85%, 6/28/27	3,053,000,000 COP	972,495
Colombia Titulos de Tesoreria,		
B, 7%, 5/04/22	20,636,000,000 COP	5,683,941
B, 10%, 7/24/24	59,139,000,000 COP	17,974,834
B, 7.5%, 8/26/26	187,518,000,000 COP	52,962,989
B, 7%, 6/30/32	11,774,000,000 COP	3,063,043
		81,180,329
Ecuador 3.5%		
Ecuador Government Bond,		
Senior Note, 144A, 0.5%, 7/31/30	19,217,000	16,526,812
Senior Bond, 144A, 0.5%, 7/31/35	47,876,000	33,034,440
Senior Bond, 144A, 0.5%, 7/31/40	2,727,000	1,700,966
		51,262,218
Ghana 5.5%		
Ghana Government Bond,		
24.75%, 7/19/21	32,520,000 GHS	5,557,967
19.5%, 10/18/21	71,467,000 GHS	12,302,319
18.75%, 1/24/22	42,240,000 GHS	7,314,834
18.25%, 7/25/22	22,820,000 GHS	3,969,013
17.6%, 11/28/22	1,250,000 GHS	216,731
16.5%, 2/06/23	5,210,000 GHS	891,273
Senior Note, 17.6%, 2/20/23	480,000 GHS	83,343
19.75%, 3/25/24	36,690,000 GHS	6,645,505
Senior Note, 18.3%, 3/02/26	990,000 GHS	170,612
19%, 11/02/26	134,400,000 GHS	23,521,388
19.75%, 3/15/32	117,734,000 GHS	20,750,545
		81,423,530
India 4.4%		
India Government Bond,		
Senior Note, 5.22%, 6/15/25	285,000,000 INR	3,787,178
7.59%, 1/11/26	1,915,100,000 INR	27,487,487
7.27%, 4/08/26	2,423,700,000 INR	34,430,131
		65,704,796
Indonesia 11.1%		
Indonesia Government Bond,		
FR53, 8.25%, 7/15/21	241,323,000,000 IDR	16,669,686
FR61, 7%, 5/15/22	167,591,000,000 IDR	11,920,574
FR35, Senior Bond, 12.9%, 6/15/22	95,624,000,000 IDR	7,177,208
FR43, 10.25%, 7/15/22	3,593,000,000 IDR	264,373
FR63, 5.625%, 5/15/23	183,131,000,000 IDR	12,936,626
FR46, 9.5%, 7/15/23	651,100,000,000 IDR	49,283,780
FR39, 11.75%, 8/15/23	20,613,000,000 IDR	1,628,697
FR70, 8.375%, 3/15/24	418,021,000,000 IDR	31,532,333
FR44, 10%, 9/15/24	15,790,000,000 IDR	1,241,411
FR81, 6.5%, 6/15/25	14,790,000,000 IDR	1,071,877
FR86, 5.5%, 4/15/26	430,293,000,000 IDR	29,820,789
		163,547,354

Templeton Global Total Return Fund (continued)

	Principal Amount ¹	Value
Foreign Government and Agency Securities (continued)		
Mexico 5.4%		
Mexican Bonos Desarr Fixed Rate,		
M, Senior Note, 6.75%, 3/09/23	545,370,000 MXN	\$27,874,549
M, Senior Bond, 8%, 12/07/23	1,003,545,000 MXN	52,789,622
		<u>80,664,171</u>
Norway 6.0%		
°Norway Government Bond,		
144A, Reg S, 2%, 5/24/23	518,911,000 NOK	61,821,331
144A, Reg S, 3%, 3/14/24	224,500,000 NOK	27,567,124
		<u>89,388,455</u>
South Korea 4.1%		
Korea Treasury Bond,		
1.375%, 9/10/24	46,986,900,000 KRW	41,359,506
3%, 9/10/24	20,810,000,000 KRW	19,245,639
		<u>60,605,145</u>
Sri Lanka 0.4%		
°Sri Lanka Government Bond,		
Senior Note, 144A, 5.75%, 4/18/23	200,000	149,750
Senior Note, 144A, 6.35%, 6/28/24	620,000	427,800
Senior Bond, 144A, 6.85%, 11/03/25	2,100,000	1,412,250
Senior Bond, 144A, 6.2%, 5/11/27	5,300,000	3,284,993
Senior Bond, 144A, 6.75%, 4/18/28	460,000	289,464
Senior Bond, 144A, 7.85%, 3/14/29	659,000	421,760
		<u>5,986,017</u>
Turkey 1.9%		
Turkey Government Bond,		
13.9%, 11/09/22	124,600,000 TRY	13,723,697
12.2%, 1/18/23	8,390,000 TRY	897,097
7.1%, 3/08/23	35,770,000 TRY	3,505,315
16.2%, 6/14/23	44,310,000 TRY	4,980,955
8.8%, 9/27/23	23,020,000 TRY	2,226,679
10.4%, 3/20/24	1,950,000 TRY	191,473
12.6%, 10/01/25	21,490,000 TRY	2,111,366
		<u>27,636,582</u>
		825,721,861
Total Foreign Government and Agency Securities (Cost \$1,157,127,899)		
U.S. Government and Agency Securities 7.2%		
United States 7.2%		
U.S. Treasury Notes,		
1.75%, 12/31/24	5,789,400	6,025,725
2.125%, 5/15/25	4,060,000	4,288,058
2.875%, 5/31/25	50,610,000	54,953,366
2.625%, 12/31/25	16,863,000	18,233,119
1.625%, 2/15/26	9,110,000	9,445,575
2.125%, 5/31/26	4,164,000	4,417,093

Templeton Global Total Return Fund (continued)

	Principal Amount [†]	Value
U.S. Government and Agency Securities (continued)		
United States (continued)		
U.S. Treasury Notes, (continued)		
1.625%, 10/31/26	9,120,000	\$9,448,106
		<u>106,811,042</u>
Total U.S. Government and Agency Securities (Cost \$104,805,124)		106,811,042
Total Long Term Investments (Cost \$1,310,526,358)		932,532,903

	Number of Contracts	Notional Amount [#]		
Options Purchased 0.6%				
Calls - Over-the-Counter				
Currency Options				
Foreign Exchange AUD/JPY, Counterparty CITI, December Strike Price 86.50 JPY, Expires 12/20/21	1	19,166,000	AUD	122,488
Foreign Exchange USD/JPY, Counterparty CITI, February Strike Price 107.45 JPY, Expires 2/23/22	1	21,381,000		834,889
Foreign Exchange USD/JPY, Counterparty CITI, August Strike Price 115.95 JPY, Expires 8/11/21	1	63,132,000		15,505
Foreign Exchange USD/MXN, Counterparty MSCO, September Strike Price 21.57 MXN, Expires 9/15/21	1	7,121,000		31,618
Foreign Exchange USD/MXN, Counterparty CITI, August Strike Price 21.65 MXN, Expires 8/20/21	1	21,008,000		44,821
Foreign Exchange USD/MXN, Counterparty MSCO, June Strike Price 22.02 MXN, Expires 6/09/22	1	21,009,000		535,600
Foreign Exchange USD/MXN, Counterparty CITI, August Strike Price 22.26 MXN, Expires 8/02/21	1	34,360,000		17,062
Foreign Exchange USD/MXN, Counterparty CITI, December Strike Price 22.36 MXN, Expires 12/28/21	1	47,270,000		416,145
Foreign Exchange USD/MXN, Counterparty MSCO, December Strike Price 25.55 MXN, Expires 12/22/22	1	38,722,000		604,333
Foreign Exchange USD/MXN, Counterparty MSCO, December Strike Price 25.55 MXN, Expires 12/22/22	1	38,722,000		604,333
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 26.30 MXN, Expires 10/19/23	1	7,827,000		218,304
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 26.30 MXN, Expires 10/19/23	1	14,622,000		407,825
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 26.30 MXN, Expires 10/19/23	1	7,827,000		218,305

Templeton Global Total Return Fund (continued)

	Number of Contracts	Notional Amount#	Value
Options Purchased (continued)			
Calls - Over-the-Counter (continued)			
Currency Options (continued)			
Foreign Exchange USD/MXN, Counterparty MSCO, August Strike Price 29.19 MXN, Expires 8/29/24 . . .	1	29,878,000	\$850,767
Foreign Exchange USD/MXN, Counterparty MSCO, August Strike Price 29.71 MXN, Expires 8/09/24 . . .	1	29,880,000	759,161
Foreign Exchange USD/MXN, Counterparty CITI, December Strike Price 29.73 MXN, Expires 12/07/21 . . .	1	51,060,000	17,684
			5,698,840
Puts - Over-the-Counter			
Currency Options			
Foreign Exchange AUD/JPY, Counterparty CITI, July Strike Price 71.10 JPY, Expires 7/15/21	1	5,327,000 AUD	2
Foreign Exchange AUD/JPY, Counterparty CITI, December Strike Price 75.00 JPY, Expires 12/20/21 . . .	1	38,332,000 AUD	102,663
Foreign Exchange AUD/JPY, Counterparty CITI, July Strike Price 78.50 JPY, Expires 7/15/21	1	21,308,000 AUD	1,266
Foreign Exchange AUD/JPY, Counterparty CITI, September Strike Price 80.55 JPY, Expires 9/14/21 . . .	1	32,279,000 AUD	129,127
Foreign Exchange AUD/JPY, Counterparty CITI, September Strike Price 82.66 JPY, Expires 9/14/21 . . .	1	72,701,000 AUD	654,070
Foreign Exchange USD/JPY, Counterparty CITI, August Strike Price 102.65 JPY, Expires 8/11/21	1	94,755,000	2,965
Foreign Exchange USD/MXN, Counterparty MSCO, June Strike Price 18.70 MXN, Expires 6/09/22 . . .	1	10,505,000	51,310
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 18.76 MXN, Expires 10/27/21 . . .	1	47,722,000	94,011
Foreign Exchange USD/MXN, Counterparty MSCO, June Strike Price 19.04 MXN, Expires 6/09/22 . . .	1	10,505,000	76,254
Foreign Exchange USD/MXN, Counterparty CITI, August Strike Price 19.23 MXN, Expires 8/20/21	1	15,756,000	31,806
Foreign Exchange USD/MXN, Counterparty CITI, August Strike Price 19.35 MXN, Expires 8/02/21	1	12,026,000	19,738
Foreign Exchange USD/MXN, Counterparty MSCO, August Strike Price 19.43 MXN, Expires 8/30/21 . . .	1	22,409,000	97,780
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 19.58 MXN, Expires 10/07/21 . . .	1	49,959,000	419,785

Templeton Global Total Return Fund (continued)

	Number of Contracts	Notional Amount [#]	Value
Options Purchased (continued)			
Puts - Over-the-Counter (continued)			
Currency Options (continued)			
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 19.85 MXN, Expires 10/19/23 .	1	3,914,000	\$51,692
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 19.85 MXN, Expires 10/19/23 .	1	7,311,000	96,555
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 19.85 MXN, Expires 10/19/23 .	1	3,914,000	51,692
Foreign Exchange USD/MXN, Counterparty MSCO, August Strike Price 19.88 MXN, Expires 8/11/21 . .	1	22,410,000	232,416
Foreign Exchange USD/MXN, Counterparty CITI, August Strike Price 21.15 MXN, Expires 8/20/21	1	20,200,000	1,167,254
			<u>3,280,386</u>
Total Options Purchased (Cost \$21,952,296)			<u>8,979,226</u>

Short Term Investments 33.3%

	Principal Amount [†]	Value
Foreign Government and Agency Securities 14.9%		
Argentina 0.6%		
^{f,g,i} Argentina Letras de la Nacion Argentina con Ajuste por CER, Index Linked, 9/13/21	233,095,213 ARS	1,380,297
Index Linked, 2/28/22	341,294,246 ARS	2,000,644
Index Linked, 4/18/22	981,220,827 ARS	5,730,333
		<u>9,111,274</u>
Brazil 3.6%		
ⁱ Brazil Letras do Tesouro Nacional, 1/01/24	74,600,000 BRL	12,392,446
7/01/24	260,590,000 BRL	41,479,050
		<u>53,871,496</u>
Egypt 2.1%		
ⁱ Egypt Treasury Bills, 7/13/21	63,000,000 EGP	4,013,203
8/10/21	25,700,000 EGP	1,623,406
8/31/21	6,300,000 EGP	394,885
9/07/21	46,100,000 EGP	2,881,341
9/28/21	3,500,000 EGP	216,699
12/07/21	12,600,000 EGP	761,076
12/14/21	57,800,000 EGP	3,480,838
12/21/21	157,600,000 EGP	9,471,912
1/11/22	36,700,000 EGP	2,194,106
2/15/22	40,900,000 EGP	2,413,199
3/01/22	18,900,000 EGP	1,109,330

Templeton Global Total Return Fund (continued)

Short Term Investments (continued)

	Principal Amount [†]		Value
Foreign Government and Agency Securities (continued)			
Egypt (continued)			
ⁱ Egypt Treasury Bills, (continued)			
3/22/22	42,800,000	EGP	\$2,496,576
			31,056,571
Japan 4.1%			
ⁱ Japan Treasury Bills,			
8/10/21	1,161,600,000	JPY	10,458,029
11/22/21	3,064,700,000	JPY	27,600,873
12/20/21	2,432,200,000	JPY	21,906,816
			59,965,718
Singapore 4.5%			
ⁱ Singapore Treasury Bills,			
7/16/21	26,650,000	SGD	19,815,853
8/13/21	4,560,000	SGD	3,389,967
8/20/21	30,370,000	SGD	22,576,330
8/24/21	28,570,000	SGD	21,237,625
			67,019,775
Total Foreign Government and Agency Securities (Cost \$222,799,490)			221,024,834
	Shares		
Money Market Funds 18.4%			
United States 18.4%			
^{j,k} Institutional Fiduciary Trust - Money			
Market Portfolio, 0.01%	271,635,234		271,635,234
Total Money Market Funds (Cost \$271,635,234)			271,635,234
Total Short Term Investments (Cost \$494,434,724)			492,660,068
Total Investments (Cost \$1,826,913,378) 96.9%			\$1,434,172,197
Options Written (0.6%)			(9,608,441)
Other Assets, less Liabilities 3.7%			54,487,669
Net Assets 100.0%			\$1,479,051,425

Number of
Contracts Notional
Amount[#]

^lOptions Written (0.6)%

Calls - Over-the-Counter

Currency Options

Foreign Exchange AUD/JPY, Counterparty CITI, December Strike Price 81.20 JPY, Expires 12/20/21 ..	1	19,166,000	AUD	(563,084)
Foreign Exchange AUD/JPY, Counterparty CITI, September Strike Price 85.74 JPY, Expires 9/14/21 ..	1	48,467,000	AUD	(152,455)
Foreign Exchange USD/JPY, Counterparty CITI, August Strike Price 109.90 JPY, Expires 8/11/21	1	94,755,000		(1,319,431)
Foreign Exchange USD/MXN, Counterparty CITI, August Strike Price 21.15 MXN, Expires 8/20/21	1	20,200,000		(78,260)

Templeton Global Total Return Fund (continued)

	Number of Contracts	Notional Amount#	Value
Options Written (continued)			
Calls - Over-the-Counter (continued)			
Currency Options (continued)			
Foreign Exchange USD/MXN, Counterparty MSCO, December Strike Price 22.75 MXN, Expires 12/22/22	1	11,616,000	\$(415,724)
Foreign Exchange USD/MXN, Counterparty MSCO, December Strike Price 22.75 MXN, Expires 12/22/22	1	11,616,000	(415,725)
Foreign Exchange USD/MXN, Counterparty CITI, August Strike Price 23.43 MXN, Expires 8/20/21	1	21,008,000	(7,736)
Foreign Exchange USD/MXN, Counterparty MSCO, September Strike Price 24.20 MXN, Expires 9/15/21	1	4,302,000	(2,389)
Foreign Exchange USD/MXN, Counterparty CITI, August Strike Price 24.62 MXN, Expires 8/02/21	1	8,590,000	(426)
Foreign Exchange USD/MXN, Counterparty CITI, December Strike Price 25.33 MXN, Expires 12/28/21	1	30,270,000	(63,919)
Foreign Exchange USD/MXN, Counterparty MSCO, June Strike Price 25.41 MXN, Expires 6/09/22	1	14,005,000	(102,866)
Foreign Exchange USD/MXN, Counterparty MSCO, August Strike Price 26.61 MXN, Expires 8/30/21	1	22,409,000	(1,395)
Foreign Exchange USD/MXN, Counterparty MSCO, August Strike Price 27.38 MXN, Expires 8/11/21	1	22,410,000	(427)
Foreign Exchange USD/MXN, Counterparty CITI, December Strike Price 27.93 MXN, Expires 12/07/21	1	17,020,000	(10,286)
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 34.95 MXN, Expires 10/19/23	1	3,914,000	(29,144)
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 34.95 MXN, Expires 10/19/23	1	3,914,000	(29,144)
			<u>(3,192,411)</u>
Puts - Over-the-Counter			
Currency Options			
Foreign Exchange AUD/JPY, Counterparty CITI, December Strike Price 68.40 JPY, Expires 12/20/21	1	19,166,000 AUD	(12,794)
Foreign Exchange AUD/JPY, Counterparty CITI, July Strike Price 75.90 JPY, Expires 7/15/21	1	21,308,000 AUD	(175)
Foreign Exchange AUD/JPY, Counterparty CITI, September Strike Price 80.56 JPY, Expires 9/14/21	1	36,350,000 AUD	(145,974)
Foreign Exchange AUD/JPY, Counterparty CITI, September Strike Price 82.09 JPY, Expires 9/14/21	1	16,140,000 AUD	(116,920)

Templeton Global Total Return Fund (continued)

	Number of Contracts	Notional Amount [#]	Value
Options Written (continued)			
Puts - Over-the-Counter (continued)			
Currency Options (continued)			
Foreign Exchange USD/JPY, Counterparty CITI, February Strike Price 95.85 JPY, Expires 2/23/22 . . .	1	21,381,000	\$(14,684)
Foreign Exchange USD/JPY, Counterparty CITI, August Strike Price 98.00 JPY, Expires 8/11/21.	1	31,622,000	(94)
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 19.05 MXN, Expires 10/07/21 . .	1	49,959,000	(144,015)
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 19.71 MXN, Expires 10/27/21 . .	1	47,722,000	(556,386)
Foreign Exchange USD/MXN, Counterparty MSCO, June Strike Price 19.84 MXN, Expires 6/09/22 . . .	1	21,009,000	(354,029)
Foreign Exchange USD/MXN, Counterparty CITI, August Strike Price 19.86 MXN, Expires 8/20/21.	1	31,512,000	(335,258)
Foreign Exchange USD/MXN, Counterparty MSCO, December Strike Price 19.93 MXN, Expires 12/22/22 . .	1	11,616,000	(190,396)
Foreign Exchange USD/MXN, Counterparty MSCO, December Strike Price 19.93 MXN, Expires 12/22/22 . .	1	11,616,000	(190,396)
Foreign Exchange USD/MXN, Counterparty MSCO, September Strike Price 20.21 MXN, Expires 9/15/21	1	2,151,000	(46,613)
Foreign Exchange USD/MXN, Counterparty MSCO, August Strike Price 20.94 MXN, Expires 8/30/21 . . .	1	22,409,000	(1,086,910)
Foreign Exchange USD/MXN, Counterparty MSCO, August Strike Price 21.43 MXN, Expires 8/11/21 . . .	1	22,410,000	(1,602,178)
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 22.32 MXN, Expires 10/19/23 . .	1	7,827,000	(418,600)
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 22.32 MXN, Expires 10/19/23 . .	1	7,827,000	(418,600)
Foreign Exchange USD/MXN, Counterparty CITI, October Strike Price 22.32 MXN, Expires 10/19/23 . .	1	14,622,000	(782,008)
			<u>(6,416,030)</u>
Total Options Written (Premiums received \$13,390,072)			<u>\$(9,608,441)</u>

[#]Notional amount is the number of units specified in the contract, and can include currency units, bushels, shares, pounds, barrels or other units. Currency units are stated in U.S. dollars unless otherwise indicated.

[†]The principal amount is stated in U.S. dollars unless otherwise indicated.

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

[§]Fair valued using significant unobservable inputs. See Note 13 regarding fair value measurements.

^{||}Non-income producing.

[¶]See Note 10 regarding restricted securities.

^{¶¶}Income may be received in additional securities and/or cash.

Templeton Global Total Return Fund (continued)

^eSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities 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. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At June 30, 2021, the aggregate value of these securities was \$146,645,393, representing 9.9% of net assets.

^fRedemption price at maturity is adjusted for inflation. See Note 1(f).

^gSecurities denominated in Argentine Peso have been designated as Level 3 investments. See Note 13 regarding fair value measurements.

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

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

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

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

^lSee Note 1(c) regarding written options.

At June 30, 2021, the Fund had the following forward exchange contracts outstanding. See Note 1(c).

Forward Exchange Contracts

Currency	Counter-party ^a	Type	Quantity	Contract Amount [*]	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts							
Chilean Peso	JPHQ	Buy	999,760,000	1,376,132	7/01/21	\$—	\$(14,766)
Chilean Peso	JPHQ	Sell	999,760,000	1,348,276	7/01/21	—	(13,090)
Chilean Peso	GSCO	Buy	1,224,830,000	1,689,421	7/02/21	—	(21,578)
Chilean Peso	GSCO	Sell	1,224,830,000	1,664,171	7/02/21	—	(3,671)
Chilean Peso	JPHQ	Buy	1,969,150,000	2,715,095	7/02/21	—	(33,718)
Chilean Peso	JPHQ	Sell	1,969,150,000	2,655,559	7/02/21	—	(25,819)
Chilean Peso	JPHQ	Buy	3,436,820,000	4,784,825	7/06/21	—	(105,440)
Chilean Peso	JPHQ	Sell	3,436,820,000	4,666,422	7/06/21	—	(12,963)
Euro	JPHQ	Sell	47,840,399	478,636,972 NOK	7/07/21	—	(1,142,442)
Norwegian Krone	JPHQ	Sell	478,636,972	46,990,704 EUR	7/07/21	134,717	—
Indian Rupee	HSBK	Buy	999,725,100	13,341,230	7/12/21	86,437	—
Chinese Yuan	CITI	Buy	169,481,510	25,970,994	7/14/21	209,085	—
Chilean Peso	GSCO	Buy	2,530,950,000	3,504,840	7/15/21	—	(59,683)
Euro	DBAB	Sell	16,223,497	165,827,663 SEK	7/15/21	136,338	—
Indian Rupee	HSBK	Buy	609,733,408	8,041,855	7/15/21	144,799	—
Indian Rupee	HSBK	Buy	609,733,409	8,225,413	7/19/21	—	(42,619)
South Korean Won	CITI	Buy	22,686,600,000	20,297,575	7/21/21	—	(221,500)
Singapore Dollar	MSCO	Buy	3,270,000	2,462,294	7/22/21	—	(30,675)
South Korean Won	JPHQ	Buy	22,871,500,000	20,509,898	7/22/21	—	(270,313)
South Korean Won	JPHQ	Buy	22,407,000,000	20,087,137	7/26/21	—	(259,070)
South Korean Won	CITI	Buy	26,325,900,000	23,627,837	8/02/21	—	(332,891)
Euro	CITI	Sell	592,851	925,380 CAD	8/03/21	42,846	—
Euro	HSBK	Sell	97,144,038	151,155,792 CAD	8/03/21	6,636,771	—
South Korean Won	BNDP	Buy	26,013,700,000	23,371,757	8/03/21	—	(353,196)
Chilean Peso	GSCO	Buy	7,610,315,964	10,609,114	8/06/21	—	(256,024)
Euro	CITI	Sell	18,645,156	2,454,541,562 JPY	8/06/21	—	(24,994)
Japanese Yen	CITI	Sell	2,471,285,422	18,645,156 EUR	8/06/21	—	(125,781)
Chilean Peso	GSCO	Buy	1,224,830,000	1,663,312	8/09/21	2,818	—
Euro	HSBK	Sell	43,700,000	52,566,730	8/10/21	700,402	—
Japanese Yen	CITI	Buy	2,703,540,000	25,879,393	8/13/21	—	(1,533,159)
Japanese Yen	CITI	Sell	2,703,540,000	25,787,295	8/13/21	1,441,060	—
Mexican Peso	CITI	Buy	379,663,500	18,529,209	8/13/21	412,285	—
Mexican Peso	CITI	Sell	379,663,500	18,717,010	8/13/21	20,418	(244,902)
Australian Dollar	MSCO	Sell	27,013,000	21,034,213	8/16/21	775,746	—
Chilean Peso	GSCO	Buy	4,748,107,280	6,724,031	8/16/21	—	(266,396)
Chilean Peso	GSCO	Buy	4,545,115,082	6,424,556	8/17/21	—	(243,159)
Chilean Peso	JPHQ	Buy	9,053,000,000	12,701,384	8/17/21	—	(389,222)
Euro	CITI	Sell	46,372,115	5,950,516,184 JPY	8/24/21	—	(1,462,236)
Japanese Yen	CITI	Sell	2,154,733,750	16,250,000 EUR	8/24/21	—	(113,679)
Chilean Peso	GSCO	Buy	5,821,458,857	7,999,138	9/01/21	—	(85,068)
South Korean Won	CITI	Buy	48,080,000,000	42,842,695	9/03/21	—	(306,175)
Indian Rupee	JPHQ	Buy	852,824,500	11,337,887	9/07/21	37,060	—

Templeton Global Total Return Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counter-party ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
South Korean Won . . .	CITI	Buy	18,190,000,000	16,238,897	9/07/21	\$—	\$(146,204)
Indian Rupee	CITI	Buy	828,586,800	11,019,174	9/08/21	31,059	—
Indian Rupee	JPHQ	Buy	1,103,130,100	14,761,148	9/08/21	—	(49,539)
Russian Ruble	JPHQ	Buy	189,344,300	2,491,635	9/08/21	70,152	—
Russian Ruble	MSCO	Buy	1,224,720,700	16,116,655	9/08/21	453,545	—
Indian Rupee	CITI	Buy	998,784,000	13,476,138	9/09/21	—	(157,840)
Russian Ruble	JPHQ	Buy	265,673,500	3,530,160	9/09/21	63,732	—
Chinese Yuan	BOFA	Buy	112,347,670	17,490,783	9/10/21	—	(209,077)
Chinese Yuan	CITI	Buy	173,666,340	27,034,503	9/10/21	—	(320,549)
Chinese Yuan	BOFA	Buy	134,698,690	20,938,705	9/13/21	—	(223,490)
Indian Rupee	HSBK	Buy	1,002,522,050	13,576,583	9/13/21	—	(215,369)
Russian Ruble	DBAB	Buy	1,246,919,900	16,550,921	9/13/21	305,294	—
Russian Ruble	DBAB	Buy	799,087,600	10,617,411	9/14/21	183,043	—
Chilean Peso	GSCO	Buy	8,227,346,581	11,337,337	9/15/21	—	(157,508)
Euro	DBAB	Sell	6,335,779	65,201,500 SEK	9/15/21	99,323	—
Euro	DBAB	Sell	6,904,098	74,330,900 NOK	9/15/21	438,497	—
Indian Rupee	CITI	Buy	821,108,979	11,153,522	9/15/21	—	(212,946)
Indian Rupee	HSBK	Buy	429,692,325	5,828,708	9/15/21	—	(103,425)
Mexican Peso	MSCO	Buy	959,546,400	46,658,063	9/15/21	1,005,008	—
Mexican Peso	MSCO	Sell	959,546,400	48,308,231	9/15/21	645,160	—
Euro	DBAB	Sell	32,527,614	330,584,645 SEK	9/16/21	23,325	—
New Zealand Dollar . .	BOFA	Buy	7,120,000	5,048,169	9/21/21	—	(73,304)
Singapore Dollar	CITI	Buy	5,200,000	3,873,226	9/22/21	—	(6,530)
South Korean Won . . .	DBAB	Buy	73,000,000,000	64,485,354	9/23/21	96,797	—
Chilean Peso	JPHQ	Buy	3,974,970,000	5,355,514	9/24/21	44,379	—
Australian Dollar	CITI	Sell	13,867,000	10,508,759	9/28/21	107,354	—
Japanese Yen	CITI	Buy	1,163,416,560	10,514,384	9/28/21	—	(32,981)
Chilean Peso	GSCO	Buy	1,028,850,000	1,402,467	9/29/21	—	(5,022)
Chilean Peso	JPHQ	Buy	7,468,900,000	10,435,670	9/30/21	—	(291,292)
Euro	JPHQ	Sell	46,923,169	478,636,972 NOK	10/01/21	—	(123,302)
Chilean Peso	JPHQ	Buy	3,436,820,000	4,660,158	10/04/21	7,105	—
Chinese Yuan	HSBK	Buy	183,508,820	27,608,389	10/15/21	549,443	—
Euro	DBAB	Sell	2,991,106	30,350,750 SEK	10/18/21	—	(4,840)
Euro	DBAB	Sell	2,990,192	30,350,750 SEK	10/19/21	—	(3,795)
Euro	CITI	Buy	8,540,000	10,218,110	10/21/21	—	(65,875)
Euro	CITI	Sell	14,160,000	16,995,398	10/21/21	162,184	—
Singapore Dollar	MSCO	Buy	4,130,000	3,093,992	10/21/21	—	(22,963)
Euro	CITI	Buy	14,160,000	16,942,822	10/22/21	—	(109,196)
Euro	CITI	Sell	14,160,000	17,114,342	10/22/21	280,716	—
Euro	HSBK	Sell	48,576,693	6,128,192,671 JPY	10/25/21	—	(2,521,837)
Euro	CITI	Sell	14,070,000	17,002,751	10/26/21	274,479	—
Singapore Dollar	CITI	Buy	3,280,000	2,468,950	10/26/21	—	(29,975)
Euro	HSBK	Sell	50,699,943	75,780,952 CAD	11/03/21	836,467	—
Indian Rupee	CITI	Buy	619,835,000	8,137,521	11/10/21	63,483	—
Euro	DBAB	Sell	6,549,012	66,685,319 SEK	11/17/21	13,976	—
Chinese Yuan	JPHQ	Buy	127,500,470	19,543,717	11/22/21	—	(29,742)
Russian Ruble	JPHQ	Buy	143,649,800	1,908,587	12/06/21	2,564	—
Russian Ruble	MSCO	Buy	1,977,888,300	26,306,954	12/06/21	7,337	—
South Korean Won . . .	GSCO	Buy	30,270,000,000	27,095,735	12/06/21	—	(327,883)
Russian Ruble	JPHQ	Buy	265,673,400	3,542,784	12/07/21	—	(8,897)
Chinese Yuan	JPHQ	Buy	66,647,640	10,308,674	12/10/21	—	(120,585)
Chinese Yuan	JPHQ	Buy	255,369,010	39,484,697	12/13/21	—	(455,607)
Euro	DBAB	Sell	6,479,174	65,335,344 SEK	12/13/21	—	(63,217)
Chinese Yuan	HSBK	Buy	184,710,190	28,544,745	12/15/21	—	(318,533)
Russian Ruble	DBAB	Buy	1,193,258,200	15,725,347	12/15/21	121,997	—
Euro	DBAB	Sell	24,732,988	250,243,429 SEK	12/16/21	—	(144,155)
Euro	JPHQ	Sell	2,402,278	24,300,000 SEK	12/17/21	—	(14,709)

Templeton Global Total Return Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counter-party ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
New Zealand Dollar	JPHQ	Buy	23,430,000	16,714,048	12/20/21	\$—	\$(350,912)
New Zealand Dollar	CITI	Buy	8,370,000	5,931,401	12/21/21	—	(85,958)
New Zealand Dollar	JPHQ	Buy	8,370,000	5,917,515	12/21/21	—	(72,072)
Chilean Peso	GSCO	Buy	4,137,040,000	5,591,359	12/23/21	21,870	(11,417)
Indian Rupee	JPHQ	Buy	850,416,900	11,017,190	1/27/22	122,621	—
Russian Ruble	DBAB	Buy	791,496,100	10,519,702	3/11/22	—	(158,651)
Indian Rupee	SCNY	Buy	556,800,000	7,262,293	3/22/22	—	(21,833)
Euro	DBAB	Sell	6,440,736	65,125,500 SEK	6/15/22	—	(61,011)
Euro	CITI	Sell	22,221,186	228,796,000 NOK	6/21/22	—	(61,803)
Total Forward Exchange Contracts						\$16,811,692	\$(15,388,073)
Net unrealized appreciation (depreciation)						\$1,423,619	

* In U.S. dollars unless otherwise indicated.

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

See Note 11 regarding other derivative information.

See Abbreviations on page 47.

Statement of Assets and Liabilities

June 30, 2021 (unaudited)

	Templeton Global Total Return Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$1,555,278,144
Cost - Non-controlled affiliates (Note 3f)	271,635,234
Value - Unaffiliated issuers	\$1,162,536,963
Value - Non-controlled affiliates (Note 3f)	271,635,234
Cash	2,579,685
Restricted currency, at value (cost \$5,590) (Note 1d)	5,590
Foreign currency, at value (cost \$40,040,199)	39,962,778
Receivables:	
Capital shares sold	2,873,308
Interest	18,678,081
Deposits with brokers for:	
OTC derivative contracts	8,690,000
Unrealized appreciation on OTC forward exchange contracts	16,811,692
Total assets	<u>1,523,773,331</u>
Liabilities:	
Payables:	
Investment securities purchased	8,156,399
Capital shares redeemed	5,907,535
Management fees	790,525
Distribution fees	139,974
Transfer agent fees	768,473
Deposits from brokers for:	
OTC derivative contracts	2,240,000
Options written, at value (premiums received \$13,390,072)	9,608,441
Unrealized depreciation on OTC forward exchange contracts	15,388,073
Deferred tax	1,002,137
Accrued expenses and other liabilities	720,349
Total liabilities	<u>44,721,906</u>
Net assets, at value	<u>\$1,479,051,425</u>
Net assets consist of:	
Paid-in capital	\$2,556,485,238
Total distributable earnings (losses)	<u>(1,077,433,813)</u>
Net assets, at value	<u>\$1,479,051,425</u>

Statement of Assets and Liabilities (continued)

June 30, 2021 (unaudited)

	Templeton Global Total Return Fund
Class A:	
Net assets, at value	\$435,476,081
Shares outstanding	45,838,490
Net asset value per share ^a	\$9.50
Maximum offering price per share (net asset value per share + 96.25%)	\$9.87
Class C:	
Net assets, at value	\$81,968,619
Shares outstanding	8,640,785
Net asset value and maximum offering price per share ^a	\$9.49
Class R:	
Net assets, at value	\$7,775,888
Shares outstanding	818,004
Net asset value and maximum offering price per share	\$9.51
Class R6:	
Net assets, at value	\$240,087,500
Shares outstanding	25,254,071
Net asset value and maximum offering price per share	\$9.51
Advisor Class:	
Net assets, at value	\$713,743,337
Shares outstanding	74,984,044
Net asset value and maximum offering price per share	\$9.52

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

Statement of Operations

for the six months ended June 30, 2021 (unaudited)

	Templeton Global Total Return Fund
Investment income:	
Dividends:	
Non-controlled affiliates (Note 3f)	\$7,448
Interest: (net of foreign taxes of \$1,585,407)	
Unaffiliated issuers:	
Inflation principal adjustments	19,066,593
Paid in cash ^a	44,199,634
Total investment income	63,273,675
Expenses:	
Management fees (Note 3a)	5,439,837
Distribution fees: (Note 3c)	
Class A	567,043
Class C	310,775
Class R	19,417
Transfer agent fees: (Note 3e)	
Class A	399,109
Class C	84,114
Class R	6,834
Class R6	52,548
Advisor Class	765,564
Custodian fees (Note 4)	440,313
Reports to shareholders	68,562
Registration and filing fees	70,322
Professional fees	60,745
Trustees' fees and expenses	41,766
Other	50,956
Total expenses	8,377,905
Expense reductions (Note 4)	(6,608)
Expenses waived/paid by affiliates (Note 3f and 3g)	(85,227)
Net expenses	8,286,070
Net investment income	54,987,605
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	(40,870,098)
Written options	(785,055)
Foreign currency transactions	987,779
Forward exchange contracts	(49,227,883)
Net realized gain (loss)	(89,895,257)
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(48,105,915)
Translation of other assets and liabilities denominated in foreign currencies	(1,025,721)
Written options	6,495,095
Forward exchange contracts	50,568,167
Change in deferred taxes on unrealized appreciation	651,423
Net change in unrealized appreciation (depreciation)	8,583,049
Net realized and unrealized gain (loss)	(81,312,208)
Net increase (decrease) in net assets resulting from operations	\$(26,324,603)

^aIncludes amortization of premium and accretion of discount.

Statements of Changes in Net Assets

	Templeton Global Total Return Fund	
	Six Months Ended	Year Ended
	June 30, 2021	December 31, 2020
	(unaudited)	
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$54,987,605	\$133,933,600
Net realized gain (loss)	(89,895,257)	(521,409,279)
Net change in unrealized appreciation (depreciation)	8,583,049	170,125,768
Net increase (decrease) in net assets resulting from operations	(26,324,603)	(217,349,911)
Distributions to shareholders:		
Class A	(15,979,787)	(992,841)
Class C	(3,128,007)	(241,971)
Class R	(265,047)	(11,071)
Class R6	(9,698,815)	(953,591)
Advisor Class	(31,238,340)	(2,811,103)
Distributions to shareholders from tax return of capital:		
Class A	—	(27,465,171)
Class C	—	(6,693,699)
Class R	—	(306,249)
Class R6	—	(26,379,395)
Advisor Class	—	(77,764,112)
Total distributions to shareholders	(60,309,996)	(143,619,203)
Capital share transactions: (Note 2)		
Class A	(24,604,998)	(217,260,963)
Class C	(26,683,031)	(104,199,862)
Class R	410,655	1,086,048
Class R6	(40,750,602)	(510,743,871)
Advisor Class	(345,713,024)	(1,379,205,858)
Total capital share transactions	(437,341,000)	(2,210,324,506)
Net increase (decrease) in net assets	(523,975,599)	(2,571,293,620)
Net assets:		
Beginning of period	2,003,027,024	4,574,320,644
End of period	\$1,479,051,425	\$2,003,027,024

Notes to Financial Statements (unaudited)

Templeton Global Total Return 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 Total Return Fund (Fund) is included in this report. The Fund offers five classes of shares: Class A, Class C, Class R, Class R6 and Advisor Class. Class C shares automatically convert to Class A shares after they have been held for 10 years. Each class of shares may differ by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

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

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade

in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt securities generally trade in the 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 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

Templeton Global Total Return Fund (continued)

1. Organization and Significant Accounting Policies
 (continued)

a. Financial Instrument Valuation (continued)

such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time.

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

b. Foreign Currency Translation

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

value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

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

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

c. Derivative Financial Instruments

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

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.

Templeton Global Total Return Fund (continued)

1. Organization and Significant Accounting Policies (continued)

c. Derivative Financial Instruments (continued)

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 terms are contract specific for OTC derivatives. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from \$100,000 to \$250,000, and can vary depending on the counterparty and the type of the agreement. Generally, collateral is determined at the close of Fund business each day and any additional collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Fund's investment objectives. 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.

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

See Note 11 regarding other derivative information.

d. Restricted Currency

At June 30, 2021, the Fund held currencies in certain markets in which the ability to repatriate such currency is limited. As a result of such limitations on repatriation, the Fund may incur substantial delays in gaining access to these assets and may be exposed to potential adverse movements in currency value.

e. Income and Deferred Taxes

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

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

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities

Templeton Global Total Return Fund (continued)

1. Organization and Significant Accounting Policies
 (continued)

e. Income and Deferred Taxes (continued)

based on its technical merits. As of June 30, 2021, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

f. Security Transactions, Investment Income, Expenses and Distributions

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

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

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

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

g. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

h. Guarantees and Indemnifications

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

Templeton Global Total Return Fund (continued)

2. Shares of Beneficial Interest

At June 30, 2021, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended June 30, 2021		Year Ended December 31, 2020	
	Shares	Amount	Shares	Amount
Class A Shares:				
Shares sold ^a	5,105,537	\$49,553,824	18,417,702	\$189,471,069
Shares issued in reinvestment of distributions	1,250,490	12,127,223	2,048,612	21,146,454
Shares redeemed	(8,886,974)	(86,286,045)	(41,849,275)	(427,878,486)
Net increase (decrease)	(2,530,947)	\$(24,604,998)	(21,382,961)	\$(217,260,963)
Class C Shares:				
Shares sold	240,828	\$2,346,275	1,324,479	\$13,677,606
Shares issued in reinvestment of distributions	312,316	3,025,504	600,638	6,200,018
Shares redeemed ^a	(3,299,945)	(32,054,810)	(12,084,491)	(124,077,486)
Net increase (decrease)	(2,746,801)	\$(26,683,031)	(10,159,374)	\$(104,199,862)
Class R Shares:				
Shares sold	129,605	\$1,260,555	693,427	\$7,104,295
Shares issued in reinvestment of distributions	26,846	260,346	30,150	309,106
Shares redeemed	(113,889)	(1,110,246)	(616,867)	(6,327,353)
Net increase (decrease)	42,562	\$410,655	106,710	\$1,086,048
Class R6 Shares:				
Shares sold	2,787,401	\$26,930,009	10,273,374	\$109,626,734
Shares issued in reinvestment of distributions	645,434	6,270,237	2,177,213	22,631,186
Shares redeemed	(7,681,790)	(73,950,848)	(62,403,556)	(643,001,791)
Net increase (decrease)	(4,248,955)	\$(40,750,602)	(49,952,969)	\$(510,743,871)
Advisor Class Shares:				
Shares sold	12,995,746	\$126,757,018	56,929,039	\$591,194,306
Shares issued in reinvestment of distributions	2,830,117	27,521,579	6,796,675	70,563,584
Shares redeemed	(51,370,350)	(499,991,621)	(196,224,056)	(2,040,963,748)
Net increase (decrease)	(35,544,487)	\$(345,713,024)	(132,498,342)	\$(1,379,205,858)

^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 Distributors, LLC (Distributors) (formerly Franklin Templeton Distributors, Inc.)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

Templeton Global Total Return Fund (continued)

3. Transactions with Affiliates (continued)

a. Management Fees

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

Annualized Fee Rate	Net Assets
0.700%	Up to and including \$200 million
0.650%	Over \$200 million, up to and including \$1.3 billion
0.600%	Over \$1.3 billion, up to and including \$2.5 billion
0.585%	Over \$2.5 billion, up to and including \$5 billion
0.575%	Over \$5 billion, up to and including \$10 billion
0.565%	In excess of \$10 billion

For the period ended June 30, 2021, the annualized gross effective investment management fee rate was 0.646% 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 period:

Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$2,106
CDSC retained	\$5,686

Templeton Global Total Return Fund (continued)

3. Transactions with Affiliates (continued)

e. Transfer Agent Fees

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

For the period ended June 30, 2021, the Fund paid transfer agent fees of \$1,308,169, of which \$414,706 was retained by Investor Services.

f. Investments in Affiliated Management Investment Companies

The Fund invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of 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 period ended June 30, 2021, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Templeton Global Total Return Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 0.01%	\$189,612,936	\$799,084,243	\$(717,061,945)	\$—	\$—	\$271,635,234	271,635,234	\$7,448
Total Affiliated Securities	\$189,612,936	\$799,084,243	\$(717,061,945)	\$—	\$—	\$271,635,234		\$7,448

g. Waiver and Expense Reimbursements

Investor Services has contractually agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.03% based on the average net assets of the class until April 30, 2022.

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 period ended June 30, 2021, the custodian fees were reduced as noted in the Statement of Operations.

Templeton Global Total Return Fund (continued)

5. Income Taxes

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

At December 31, 2020, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Long term	<u>\$518,875,717</u>
-----------------	----------------------

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, 2020, the Fund deferred late-year ordinary losses of \$63,904,938.

At June 30, 2021, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	<u>\$1,822,738,959</u>
Unrealized appreciation	\$119,680,083
Unrealized depreciation	(523,994,929)
Net unrealized appreciation (depreciation)	<u>\$(404,314,846)</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, foreign capital gains tax, payments-in-kind, bond discounts and premiums, tax straddles and inflation related adjustments on foreign securities.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended June 30, 2021, aggregated \$156,111,376 and \$698,552,084, respectively.

7. Credit Risk

At June 30, 2021, the Fund had 27.0% of its portfolio invested in high yield or other securities rated below investment grade and unrated securities. 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

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

At June 30, 2021, the Fund had 7.1% of its net assets denominated in Argentine Pesos. Argentina has restricted currency repatriation since September 2019, and had restructured certain issues of its debt. Political and economic conditions in Argentina could continue to affect the value of the Fund's holdings.

Templeton Global Total Return Fund (continued)

9. Novel Coronavirus Pandemic

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations and its ability to achieve its investment objectives.

10. Restricted Securities

The Fund invests in securities that are restricted under the Securities Act of 1933 (1933 Act). Restricted securities are often purchased in private placement transactions, and cannot be sold without prior registration unless the sale is pursuant to an exemption under the 1933 Act. Disposal of these securities may require greater effort and expense, and prompt sale at an acceptable price may be difficult. The Fund may have registration rights for restricted securities. The issuer generally incurs all registration costs.

At June 30, 2021, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares	Issuer	Acquisition Date	Cost	Value
Templeton Global Total Return Fund				
434,200,485	^a K2016470219 South Africa Ltd., A	2/22/11-2/01/17	\$1,608,225	\$—
50,014,925	^a K2016470219 South Africa Ltd., B	2/01/17	37,134	—
	Total Restricted Securities (Value is —% of Net Assets)		<u>\$1,645,359</u>	<u>\$—</u>

^aThe Fund also invests in unrestricted securities of the issuer, valued at \$0 as of June 30, 2021.

11. Other Derivative Information

At June 30, 2021, 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
Templeton Global Total Return Fund				
Foreign exchange contracts				
	Investments in securities, at value	\$8,979,226 ^a	Options written, at value	\$9,608,441
	Unrealized appreciation on OTC forward exchange contracts	16,811,692	Unrealized depreciation on OTC forward exchange contracts	15,388,073
Total		<u>\$25,790,918</u>		<u>\$24,996,514</u>

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

Templeton Global Total Return Fund (continued)

11. Other Derivative Information (continued)

For the period ended June 30, 2021, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Period	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Period
Templeton Global Total Return Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Foreign exchange contracts				
	Investments	\$(24,043,854) ^a	Investments	\$8,797,696 ^a
	Written options	(785,055)	Written options	6,495,095
	Forward exchange contracts	(49,227,883)	Forward exchange contracts	50,568,167
Total		<u>\$(74,056,792)</u>		<u>\$65,860,958</u>

^aPurchased option contracts 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 period ended June 30, 2021, the average month end notional amount of options represented \$2,231,835,374. The average month end contract value of forward exchange contracts was \$2,699,825,829.

At June 30, 2021, 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
Templeton Global Total Return Fund		
Derivatives		
Forward exchange contracts	\$16,811,692	\$15,388,073
Options purchased	8,979,226	—
Options written	—	9,608,441
Total	<u>\$25,790,918</u>	<u>\$24,996,514</u>

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

Templeton Global Total Return Fund (continued)

11. Other Derivative Information (continued)

At June 30, 2021, OTC derivative assets, which may be offset against 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	
Templeton Global Total Return Fund					
Counterparty					
BNDP	\$—	\$—	\$—	\$—	\$—
BOFA	—	—	—	—	—
CITI	8,180,623	(8,180,623)	—	—	—
DBAB	1,418,590	(435,669)	(982,921)	—	—
GSCO	24,688	(24,688)	—	—	—
HSBK	8,954,319	(3,201,783)	(5,533,830)	—	218,706
JPHQ	482,330	(482,330)	—	—	—
MSCO	6,730,368	(4,462,686)	—	(2,240,000)	27,682
SCNY	—	—	—	—	—
Total	\$25,790,918	\$(16,787,779)	\$(6,516,751)	\$(2,240,000)	\$246,388

At June 30, 2021, OTC derivative liabilities, which may be offset against OTC derivative assets and collateral pledged to the counterparty, are as follows:

	Gross Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount (Not less than zero)
		Financial Instruments Available for Offset	Financial Instruments Collateral Pledged	Cash Collateral Pledged ^b	
Templeton Global Total Return Fund					
Counterparty					
BNDP	\$353,196	\$—	\$—	\$(353,196)	\$—
BOFA	505,871	—	—	(420,000)	85,871
CITI	10,794,567	(8,180,623)	—	(2,613,944)	—
DBAB	435,669	(435,669)	—	—	—
GSCO	1,437,409	(24,688)	—	(970,000)	442,721
HSBK	3,201,783	(3,201,783)	—	—	—
JPHQ	3,783,500	(482,330)	—	(2,850,000)	451,170
MSCO	4,462,686	(4,462,686)	—	—	—
SCNY	21,833	—	—	—	21,833
Total	\$24,996,514	\$(16,787,779)	\$—	\$(7,207,140)	\$1,001,595

Templeton Global Total Return Fund (continued)

11. Other Derivative Information (continued)

^aAt June 30, 2021, the Fund received U.S. Treasury Bills, Bonds and Notes and U.K Inflation-Linked Gilt Bonds 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 47.

12. 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 \$2.675 billion (Global Credit Facility) which matures on February 4, 2022. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the period ended June 30, 2021, the Fund did not use the Global Credit Facility.

13. Fair Value Measurements

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable 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 June 30, 2021, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Templeton Global Total Return Fund				
Assets:				
Investments in Securities:				
Common Stocks	\$—	\$—	\$— ^a	\$—
Corporate Bonds	—	—	— ^a	—
Foreign Government and Agency Securities:				
Argentina	—	—	94,865,224	94,865,224
Bosnia and Herzegovina	—	8,703	—	8,703
Brazil	—	23,449,337	—	23,449,337
Colombia	—	81,180,329	—	81,180,329

Templeton Global Total Return Fund (continued)

13. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Templeton Global Total Return Fund (continued)				
Assets:				
Investments in Securities:				
Foreign Government and Agency Securities:				
Ecuador	\$—	\$51,262,218	\$—	\$51,262,218
Ghana	—	81,423,530	—	81,423,530
India	—	65,704,796	—	65,704,796
Indonesia	—	163,547,354	—	163,547,354
Mexico	—	80,664,171	—	80,664,171
Norway	—	89,388,455	—	89,388,455
South Korea	—	60,605,145	—	60,605,145
Sri Lanka	—	5,986,017	—	5,986,017
Turkey	—	27,636,582	—	27,636,582
U.S. Government and Agency Securities	—	106,811,042	—	106,811,042
Options purchased	—	8,979,226	—	8,979,226
Short Term Investments	271,635,234	211,913,560	9,111,274	492,660,068
Total Investments in Securities	\$271,635,234	\$1,058,560,465	\$103,976,498	\$1,434,172,197
Other Financial Instruments:				
Forward exchange contracts	\$—	\$16,811,692	\$—	\$16,811,692
Restricted Currency (ARS)	—	—	5,590	5,590
Total Other Financial Instruments	\$—	\$16,811,692	\$5,590	\$16,817,282
Receivables:				
Interest (ARS)	\$—	\$—	\$1,570,719	\$1,570,719
Liabilities:				
Other Financial Instruments:				
Options written	\$—	\$9,608,441	\$—	\$9,608,441
Forward exchange contracts	—	15,388,073	—	15,388,073
Total Other Financial Instruments	\$—	\$24,996,514	\$—	\$24,996,514
Payables:				
Deferred Tax(ARS)	\$—	\$—	\$3,554	\$3,554

^aIncludes securities determined to have no value at June 30, 2021.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the period. At June 30, 2021, the reconciliation is as follows:

	Balance at Beginning of Period	Purchases ^a	Sales ^b	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Period	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Period End
Templeton Global Total Return Fund										
Assets:										
Investments in Securities:										
Common Stocks:										
South Africa	\$— ^c	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$— ^c	\$—
Corporate Bonds:										
South Africa	74,652 ^c	7,441	—	—	—	1,429,324	—	(1,511,417)	— ^c	(1,511,417)
Foreign Government and Agency Securities:										
Argentina	88,185,397	21,593,357	(4,660,868)	—	—	4,186,309	(1,234,691)	(13,204,280)	94,865,224	(10,784,951)

Templeton Global Total Return Fund (continued)

13. Fair Value Measurements (continued)

	Balance at Beginning of Period	Purchases ^a	Sales ^b	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Period	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Period End
Templeton Global Total Return Fund (continued)										
Assets: (continued)										
Investments in Securities:										
Foreign Government and Agency Securities:										
Short Term Investments . . .										
	\$4,977,605	\$9,305,855	\$(3,747,044)	\$—	\$—	\$55,837	\$(346,512)	\$(1,134,467)	\$9,111,274	\$(1,058,907)
Total Investments in Securities	\$93,237,654	\$30,906,653	\$(8,407,912)	\$—	\$—	\$5,671,470	\$(1,581,203)	\$(15,850,164)	\$103,976,498	\$(13,355,275)
Other Financial Instruments:										
Restricted Currency (ARS)										
	\$5,195	\$38,551,342	\$(38,243,586)	\$—	\$—	\$—	\$(307,430)	\$69	\$5,590	\$—
Receivables:										
Interest (ARS) . . .										
	\$1,629,514	\$22,705,292	\$(22,594,438)	\$—	\$—	\$—	\$(23,299)	\$(146,350)	\$1,570,719	\$(66,728)
Liabilities:										
Payables:										
Deferred Tax (ARS)										
	\$4,195	\$—	\$—	\$—	\$—	\$—	\$—	\$(641)	\$3,554	\$(641)
Investment Securities Purchased (ARS)										
	\$763,524	\$—	\$(769,919)	\$—	\$—	\$—	\$6,395	\$—	\$—	\$—

^aPurchases include all purchases of securities and securities received in corporate actions.

^bSales include all sales of securities, maturities, paydowns and securities tendered in corporate actions.

^cIncludes securities determined to have no value.

Significant unobservable valuation inputs for material Level 3 assets and/or liabilities and impact to fair value as a result of changes in unobservable valuation inputs as of June 30, 2021, are as follows:

Templeton Global Total Return Fund (continued)

13. Fair Value Measurements (continued)

Description	Fair Value at End of Period	Valuation Technique	Unobservable Inputs	Amount/Range (Weighted Average)	Impact to Fair Value if Input Increases ^a
Templeton Global Total Return Fund					
Assets:					
Investments in Securities:					
Foreign Government and Agency Securities:					
Argentina	\$94,865,224	Market comparables	Implied foreign exchange rate	169.8 ARS/USD	Decrease ^b
Short Term Investments:					
Argentina	9,111,274	Market comparables	Implied foreign exchange rate	169.8 ARS/USD	Decrease ^b
Receivables:					
Interest ARS	1,570,719	Market comparables	Implied foreign exchange rate	169.8 ARS/USD	Decrease ^c
All Other	5,590 ^{d,e}				
Liabilities:					
All Other	3,554 ^e				
Total	\$105,549,253				

^a Represents the directional change in the fair value of the Level 3 financial instruments that would result from a significant and reasonable increase in the corresponding input. A significant and reasonable decrease in the input would have the opposite effect. Significant impacts, if any, to fair value and/or net assets have been indicated.

^b Represents a significant impact to fair value and net assets.

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

^d Includes securities determined to have no value at June 30, 2021.

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

14. New Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In January 2021, the FASB issued ASU No. 2021-01, with further amendments to Topic 848. The amendments in the ASUs provide optional temporary accounting recognition and financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021 and 2023. The ASUs are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the financial statements.

15. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure, except for the following:

Templeton Global Total Return Fund (continued)

15. Subsequent Events (continued)

On July 14, 2021, the Board approved a change to the automatic conversion feature for Class C that will convert shareholders' Class C shares into Class A shares after they have been held for 8 years. The change will become effective August 2, 2021. Further details are disclosed in the Fund's Prospectus.

Abbreviations

Counterparty

BNDP	BNP Paribas SA
BOFA	Bank of America Corp.
CITI	Citibank NA
DBAB	Deutsche Bank AG
GSCO	Goldman Sachs Group, Inc.
HSBK	HSBC Bank plc
JPHQ	JPMorgan Chase Bank NA
MSCO	Morgan Stanley
SCNY	Standard Chartered Bank

Selected Portfolio

BADLAR	Argentina Deposit Rates Badlar Private Banks ARS
CER	Reference Stabilization Coefficient
FRN	Floating Rate Note
LIBOR	London Inter-Bank Offered Rate
PIK	Payment-In-Kind

Currency

ARS	Argentine Peso
AUD	Australian Dollar
BRL	Brazilian Real
COP	Colombian Peso
DEM	Deutsche Mark
EGP	Egyptian Pound
EUR	Euro
GHS	Ghanaian Cedi
IDR	Indonesian Rupiah
INR	Indian Rupee
JPY	Japanese Yen
KRW	South Korean Won
MXN	Mexican Peso
NOK	Norwegian Krone
SEK	Swedish Krona
SGD	Singapore Dollar
TRY	Turkish Lira
USD	United States Dollar

Tax Information (unaudited)

Templeton Global Total Return Fund

Under Section 853 of the Internal Revenue Code, the Fund intends to elect to pass through to its shareholders \$5,200,888 of foreign taxes paid and \$118,640,128 of foreign source income earned by the fund, or amounts as finally determined, during the fiscal year ended December 31, 2020.

Shareholder Information

Board Approval of Investment Management Agreements

TEMPLETON INCOME TRUST

Templeton Global Total Return Fund (Fund)

At a meeting held on February 23, 2021 (Meeting), the Board of Trustees (Board) of Templeton Income Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of the Fund (Management Agreement) for an additional one-year period. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of the Management Agreement.

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

In approving the continuance of the Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of such Management Agreement is in

the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Fund and its shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager, as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for the Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Fund to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements, which included discussion of the changing distribution landscape for the Fund. The Board noted management’s continuing efforts and expenditures in establishing effective business continuity plans and developing strategies to address areas of heightened concern in the mutual fund industry, such as cybersecurity in the current work-from-home environment and liquidity risk management.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager’s parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Fund by the FT organization. The Board specifically noted FT’s commitment to enhancing services and controlling costs, as reflected in its outsourcing of certain administrative functions, and growth opportunities,

as evidenced by its recent acquisition of the Legg Mason companies. The Board also noted FT's attention focused on expanding the distribution opportunities for all funds in the FT family of funds.

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

Fund Performance

The Board reviewed and considered the performance results of the Fund over various time periods ended November 30, 2020. The Board considered the performance returns for the Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also considered the performance returns for the Fund in comparison to the performance returns of a customized peer group (Performance Customized Peer Group) selected by the Manager. The Board further reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of the Fund's performance results is below.

The Performance Universe for the Fund included the Fund and all retail and institutional international income funds. The Performance Customized Peer Group for the Fund also provided for the Board's consideration included the Fund and all retail and institutional global income funds. The Board noted that the Fund's annualized income return for the one-, three-, five- and 10-year periods was above the medians and in the first (best) and second quintiles of its Performance Universe and Performance Customized Peer Group. The Board also noted that the Fund's annualized total return for the one-, three-, five- and 10-year periods was below the medians of its Performance Universe and Performance Customized Peer Group, except that the annualized total return for the ten-year period was above the median and in the second quintile of its Performance Universe. The Board discussed this performance with management and management explained that during the three- and five- year periods, management largely positioned the Fund's strategies for potential rising interest rates by maintaining low portfolio duration and aiming at a negative correlation with US Treasury returns. Management further explained that the interest-rate strategies detracted from the Fund's relative return, as did the underweighting of

developed market duration exposures as compared to peers. Management also explained that the Performance Universe was comprised of funds that invest in debt securities of issuers located in at least three countries, excluding the US, whereas the Performance Customized Peer Group was comprised of funds that, like the Fund, invest in debt securities of issuers located in at least three countries, one of which may be the US. Management further explained that the peers in the Performance Customized Peer Group with long duration US exposure likely benefitted from declining interest rates. Management also explained that the Fund is managed, and marketed, as a benchmark-agnostic strategy and, as such, can be difficult to compare to other fixed income funds. Management noted, however, that the Fund's defensive positioning served to protect the Fund during recent short-term periods of market stress. Management then discussed with the Board recent adjustments that have been made to the Fund's portfolio positions in light of current market conditions, and that management has continued to add resources to the portfolio management team as needed and that the sources of analysis and input have continued to expand. The Board then noted the Fund's first (best) and second quintile annualized income return compared to that of its Performance Universe and Performance Customized Peer Group for each period. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, and management's efforts should continue to be monitored.

Comparative Fees and Expenses

The Board reviewed and considered information regarding the Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of the Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow,

the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges, and the actual total expense ratio, for comparative consistency, was shown for Class A shares for the Fund and for each other fund in the Expense Group. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Fund included the Fund and eight other international income funds. The Board noted that the Management Rate and actual total expense ratio for the Fund were below the medians of its Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

Profitability

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis provided by the Manager that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to each of the individual funds during the 12-month period ended September 30, 2020, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Fund's profitability report presentations from prior years. The Board further noted management's representation that the profitability analysis excluded the impact of the recent acquisition of the Legg Mason companies and that management expects to incorporate the legacy Legg Mason companies into the profitability analysis beginning next year. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged by the Manager to periodically review and assess the allocation methodologies to be used solely by the Fund's Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations,

which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

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

Economies of Scale

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints, which operate generally to share any economies of scale with the Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Manager's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board noted that the Fund had experienced a decrease in assets and would not be expected to demonstrate additional economies of scale in the near term, but concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

Conclusion

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement for an additional one-year period.

Liquidity Risk Management Program- Funds no HLIM

Each Fund has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for FT products and portfolios. The ILC includes representatives from Franklin Templeton's Risk, Trading, Global Compliance, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio

holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2021, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2020. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

Proxy Voting Policies and Procedures

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

Quarterly Statement of Investments

The Trust, on behalf of the Fund, files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT.

Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding of Reports and Prospectuses

You will receive, or receive notice of the availability of, the Fund's financial reports every six months. In addition, you will receive as an annual updated summary prospectus (detail 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 (to the extent received by mail) and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

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

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



**Semiannual Report and Shareholder Letter
Templeton Global Total Return Fund**

Investment Manager
Franklin Advisers, Inc.

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

Shareholder Services
(800) 632-2301