

ANNUAL REPORT

TEMPLETON EMERGING MARKETS INCOME FUND

December 31, 2020



FRANKLIN
TEMPLETON

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Annual Report

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ANNUAL REPORT

Templeton Emerging Markets Income Fund

Dear Shareholder:

This annual report for Templeton Emerging Markets Income Fund covers the fiscal year ended December 31, 2020.

Your Fund's Goal and Main Investments

The Fund seeks high, current income, with a secondary goal of capital appreciation, by investing, under normal market conditions, at least 80% of its net assets in income-producing securities of sovereign or sovereign-related entities and private sector companies in emerging market countries. For purposes of the Fund's 80% policy, income-producing securities of entities in emerging markets include derivative instruments or other investments that have economic characteristics similar to such securities.

Portfolio Composition

12/31/20

	% of Total Net Assets
Foreign Government and Agency Securities	73.2%
Corporate Bonds	3.9%
U.S. Government and Agency Securities	3.7%
Other	1.4%
Short-Term Investments & Other Net Assets*	17.8%

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

Performance Overview

For the 12 months under review, the Fund posted cumulative total returns of -9.08% based on market price and -6.14% based on net asset value. In comparison, U.S. dollar-denominated emerging market bonds, as measured by the J.P. Morgan (JPM) Emerging Markets Bond Index (EMBI) Global, posted a +5.88% cumulative total return in U.S. dollar terms for the same period.¹ You can find the Fund's long-term performance data in the Performance Summary on page 6.

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 9.

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.

Economic and Market Overview

The 12-month period ended December 31, 2020, started optimistically, as a phase one trade deal between the U.S. and China appeared to bolster market sentiment, driving risk asset valuations higher in several markets across the globe. However, conditions changed radically and rapidly by late February, as the novel coronavirus (COVID-19) pandemic upended economies and financial markets around the world. Lockdown orders from governments trying to "flatten the curve" (i.e., stem the rate of infection) ultimately brought entire countries, regions and continents to an economic standstill in March and April. The speed and pervasiveness of the economic shocks were unprecedented. There is no historical comparison for the magnitude of aggregate demand that was destroyed, nor the magnitude of job losses in such a compressed timescale.

Risk aversion rapidly escalated to crisis levels and deepened throughout March, driving correlations to 1.0 across multiple asset classes as investors shed risk and moved into perceived safe havens. Credit markets experienced substantial price volatility, with the lower-rated credit tiers bearing the brunt of the selloffs. The U.S. Federal Reserve (Fed) responded quickly to the deepening crisis with two emergency rate cuts in March, the second of which dropped the federal funds target rate 100 basis points (bps) to the zero bound that was used during the 2008 global financial crisis (GFC). The Fed also cut reserve requirements and encouraged financial institutions to borrow directly from the discount window.

Growing liquidity strains throughout financial markets in March prompted the Fed to restart liquidity programs that had been created during the GFC, such as the Commercial Paper Funding Facility and the Primary Dealer Credit Facility. On March 23, the Fed took its financial market interventions beyond the scope of the GFC programs by

creating corporate lending programs, and announcing its intentions to support lending to small- and medium-sized businesses through the newly created Main Street Business Lending Program. The Fed also pledged to buy unlimited government bonds, abandoning the previous quantitative easing (QE) targets it had announced a week earlier on March 15. The heightened demand for U.S. dollars (USD) around the world also led the Fed to expand its liquidity swaps program with foreign central banks beyond the five banks in its standing facility.

On the U.S. fiscal side, Congress passed the CARES Act (Coronavirus Aid, Relief, and Economic Security) on March 27, a USD\$2.2 trillion fiscal relief program designed to provide loans to businesses, income support and unemployment benefits to individuals, and funding for hospitals and public health services. It was the largest economic relief bill in U.S. history.

In Europe, the European Central Bank (ECB) unveiled the €750 billion Pandemic Emergency Purchase Programme (PEPP) in an unscheduled mid-week announcement on March 18. ECB President Christine Lagarde commented that, “there are no limits to our commitment to the euro. We are determined to use the full potential of our tools, within our mandate.” PEPP appeared geared to support the more vulnerable states, as the program has unprecedented flexibility to buy a wide range of eligible securities, including Greek and Italian sovereign debt, as well as corporate commercial paper. The European Commission passed its €750 billion recovery fund in July, which was largely viewed by markets as a major step towards greater fiscal solidarity across the euro area.

In the second quarter of 2020, global financial markets rebounded from the extreme lows in March, as extraordinary measures from central banks and governments appeared to improve market confidence. Additionally, regional economies began to incrementally reopen and the improving economic data appeared to bolster optimism that the worst of the economic shocks had passed. Risk assets rallied and credit spreads tightened in many sectors during the second quarter, returning to levels last seen in early March and late February. Those trends largely extended through July and August as strengthening economic activity and profound policy interventions continued to fuel rallies across global financial markets through much of the summer. However, many risk assets appeared detached from underlying economic fundamentals due to extraordinary monetary policies.

Geographic Composition

12/31/20

	% of Total Net Assets
Asia Pacific	34.9%
Americas	34.3%
Middle East & Africa	12.7%
Other	0.4%
Short-Term Investments & Other Net Assets	17.8%

Risk assets eventually pulled back from their summer high points in September 2020, as rising cases of COVID-19 appeared to concern investors, particularly as areas of Europe and Asia returned to various mobility restrictions. Developed market sovereign bond yields fluctuated during the summer months, rising on reflation expectations but dropping in September as broad risk aversion returned to global financial markets. Additionally, economic recoveries in many regions showed signs of levelling off in August and September, demonstrating that the improvements in the late spring and summer months were rebounds from the extreme low points in March and April, not trends that could be extrapolated through upcoming quarters.

Yoshihide Suga was confirmed as the new prime minister of Japan on September 16, following Shinzo Abe's resignation on August 28. Abe had been prime minister since December 2012. We expected political continuity in the near term, as Suga is an Abe loyalist who was often credited with pushing through many of Abe's critical domestic reforms.

In October 2020, “risk-on” sentiment initially returned to global financial markets, with risk assets rallying during the first couple weeks of the month before broad risk aversion sharply returned, leading to significant price adjustments in various credit sectors during the second half of the month. Investors appeared concerned over resurgent waves of COVID-19 cases around the world. Market sentiments ultimately improved in November on apparent optimism over promising vaccine trials and prospects for a potential global economic recovery in 2021. Risk assets finished the final months of the year on broad-based rallies as initial vaccine distributions commenced.

However, market optimism in the fourth quarter ran in stark contrast to the worsening pandemic, as COVID-19 infections surged to record levels in areas of Europe, the U.S. and Latin America in the waning months of the year, with a highly contagious variant of the virus surfacing in dozens of countries. The harsh realities of a worldwide health crisis and deepening economic hardship continued to have profound consequences for lives and livelihoods around the world.

In late December 2020, the U.S. government passed a USD\$900 billion support package that extended unemployment benefits until mid-March 2021 and provides one-time relief payments of USD\$600 to most citizens. Additional fiscal stimulus appeared likely with the upcoming change in the U.S. government. The Fed continued to maintain low rates as well as its emergency support program from March through the end of the year, continuously reaffirming its commitment to use its “full range of tools to support the U.S. economy” at each policy meeting.

The ECB also kept monetary policy unchanged through the end of the year, with the main refinancing operations rate remaining at 0.0%, and the main deposit facility rate remaining at -0.5%. The ECB increased the size of the PEPP program to €1.85 trillion in December, after previously raising it to €1.35 trillion in June. The U.K. and the European Union also settled on final terms for post-Brexit trade agreements in the last week of the year.

The Bank of Japan (BOJ) also made no changes to its rates policy in 2020. Overnight interest rates remained at 0.1% and the yield target on the 10-year Japanese government bond remained at 0.0%. In the second quarter, the BOJ removed QE caps and quadrupled the size of its corporate debt purchases. It also increasingly focused on ensuring businesses had ample access to capital through various loan programs, increasing its lending program to USD\$1 trillion. However, despite the BOJ's efforts to drive inflation higher during the Abenomics era, deflationary pressures returned, with core inflation dropping to -0.4% year-over-year in August and falling further to -0.9% in November. The BOJ announced in December that it had launched a comprehensive review of its monetary framework, scheduled to arrive in March 2021. We continued to expect the Japanese yen to appreciate against the USD during the period, on stable rate differentials and Japan's strong external balance.

Nearly every country in the world declared some form of fiscal response to the economic crisis in 2020, with most countries pursuing programs that went beyond the measures they deployed during the GFC. Debt-to-GDP (gross domestic product) ratios have risen significantly in just about every country. On the monetary front, many central banks aggressively cut policy rates, with several indicating they intend to respond to ongoing economic adversity with additional accommodation as needed. During the 12-month period, Brazil cut rates by 250 bps to 2.00%, Colombia cut rates by 250 bps to 1.75%, Mexico cut rates by 300 bps to 4.25%, Indonesia cut rates by 125 bps to 3.75%, and India cut rates by 115 bps to 4.00%.

Top 10 Countries

12/31/20

	% of Total Net Assets
South Korea	19.5%
Chile	8.0%
Argentina	7.8%
India	7.6%
Senegal	4.7%
Indonesia	4.7%
Dominican Republic	4.0%
United States	3.7%
Colombia	3.3%
Thailand	3.1%

In global bond markets, the yield on the 10-year U.S. Treasury (UST) note finished the period 100 bps lower, at 0.92%, ranging from a pre-pandemic high of 1.92% on January 1 to an all-time low of 0.51% on August 4. The yield on the 10-year German Bund finished the year 38 bps lower at -0.57%, ranging from a pre-pandemic high of -0.19% on January 13 to an all-time low of -0.86% on March 9, during peak financial market shocks. Sovereign bond yields also declined in several countries on ongoing monetary accommodation during the year, notably including much of Latin America and Asia, particularly Brazil, Mexico, Indonesia and India.

In currency markets, the USD initially strengthened in March on tremendous demand for U.S. dollars during the financial market shocks, but then entered a broad-based weakening pattern in mid-May that largely persisted through the end of December. Many developed market and emerging market currencies alike strengthened against the USD over the final seven months of the year. In credit markets, spreads widened substantially during peak financial market volatility in February and March, but progressively tightened from April through December, with several sovereign and corporate sectors finishing the year at pre-pandemic levels.

Investment Strategy

We invest selectively in bonds from emerging markets around the world to generate income for the Fund, seeking opportunities while monitoring changes in interest rates, currency exchange rates and credit risk. We seek to manage the Fund's exposure to various currencies and may use currency forward contracts.

Manager's Discussion

During the reporting period, the team actively pursued select duration exposures in emerging market countries that offered positive real yields, favoring countries that have solid underlying fundamentals, strong domestic drivers, and prudent fiscal and monetary policies. The team generally preferred the intermediate to short-term ranges of local-currency yield curves, based on attractive risk-adjusted returns in those segments, and its broad strategy of avoiding interest-rate risks given its expectations for rising rates. The team maintained largely unhedged exposure to local-currency markets to capture higher levels of income from local-currency bonds.

Several emerging markets continued to offer significantly higher yields than much of the global fixed income markets around the world. The strategy entered the reporting period in a de-risked state as the investment team saw elevated global financial market risks that it believed were significantly underappreciated by markets. While the team was not explicitly anticipating the COVID-19 crisis, it was concerned that overvalued risk assets were vulnerable to a geopolitical, economic or financial market shock. The team adjusted the risk-sizing of various positions and hedged various areas of local-currency emerging market beta risk through proxy hedges (net-negative Australian dollar) and direct hedges (South Korean won, Mexican peso and Brazilian real). The strategy continued to focus on value and attractive levels of yield in local-currency bonds in specific emerging markets, such as Brazil, Mexico, Colombia, Indonesia, India and Ghana. The strategy exited its negative duration exposure to USTs in the first quarter. The strategy held various sovereign credit exposures but generally continued to prefer the valuations in specific local-currency markets over the more fully valued credit markets. During the period, the team used forward currency exchange contracts to actively manage currencies, and used interest-rate swaps to tactically manage duration exposures.

During the period, the Fund's negative absolute performance was primarily due to currency positions, followed by overall credit exposures. Interest-rate strategies contributed to absolute results. Among currencies, positions in Latin America (the Argentine peso and Brazilian real) detracted from absolute performance, as did the Fund's net-negative position in the Australian dollar. However, the Fund's net-positive position in the Japanese yen contributed to absolute performance. Credit exposures in Latin America and Africa detracted from absolute performance. The Fund maintained low overall portfolio duration while holding duration

exposures in select emerging markets. Select duration exposures in Latin America (Argentina) and Asia ex-Japan (Indonesia) contributed to absolute results.

Thank you for your continued participation in Templeton Emerging Markets Income Fund. We look forward to serving your future investment needs.

Sincerely,

Michael Hasenstab, Ph.D.
Lead Portfolio Manager

Calvin Ho
Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of December 31, 2020, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of December 31, 2020

Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Total returns do not reflect any sales charges paid at inception or brokerage commissions paid on secondary market purchases. 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. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 12/31/20¹

	Cumulative Total Return ²		Average Annual Total Return ²	
	Based on NAV ³	Based on market price ⁴	Based on NAV ³	Based on market price ⁴
1-Year	-6.14%	-9.08%	-6.14%	-9.08%
5-Year	+7.01%	+12.30%	+1.36%	+2.35%
10-Year	+20.62%	+9.70%	+1.89%	+0.93%

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.

See page for 7 Performance Summary footnotes.

Distributions (1/1/20–12/31/20)

	Net Investment Income	Tax Return of Capital	Total
	\$0.3742	\$0.1964	\$0.5706

All investments involve risks, including possible loss of principal. Changes in interest rates will affect the value of the Fund's portfolio and its share price and yield. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments of countries where the Fund invests. The Fund's investments in emerging market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to these markets' smaller size and lesser liquidity and lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation. 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. 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. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio that may result in significant volatility and cause the Fund to participate in losses (as well as enable gains) on an amount that exceeds the Fund's initial investment. The Fund may not achieve the anticipated benefits and may realize losses when a counterparty fails to perform as promised. As a nondiversified investment company, the Fund may invest in a relatively small number of issuers and, as a result, be subject to a greater risk of loss with respect to its portfolio securities. Unexpected events and their aftermaths, such as the spread of deadly diseases; natural, environmental or man-made disasters; financial, political or social disruptions; terrorism and war; and other tragedies or catastrophes, can cause investor fear and panic, which can adversely affect the economies of many companies, sectors, nations, regions and the market in general, in ways that cannot necessarily be foreseen. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results.

The Fund may invest in China Interbank bonds traded on the China Interbank Bond Market ("CIBM") through the China – Hong Kong Bond Connect program ("Bond Connect"). In China, the Hong Kong Monetary Authority Central Money Markets Unit holds Bond Connect securities on behalf of ultimate investors (such as the Fund) in accounts maintained with a China-based custodian (either the China Central Depository & Clearing Co. or the Shanghai Clearing House). This recordkeeping system subjects the Fund to various risks, including the risk that the Fund may have a limited ability to enforce rights as a bondholder and the risks of settlement delays and counterparty default of the Hong Kong sub-custodian. In addition, enforcing the ownership rights of a beneficial holder of Bond Connect securities is untested and courts in China have limited experience in applying the concept of beneficial ownership. Bond Connect uses the trading infrastructure of both Hong Kong and China and is not available on trading holidays in Hong Kong. As a result, prices of securities purchased through Bond Connect may fluctuate at times when a Fund is unable to add to or exit its position. Securities offered through Bond Connect may lose their eligibility for trading through the program at any time. If Bond Connect securities lose their eligibility for trading through the program, they may be sold but can no longer be purchased through Bond Connect.

Bond Connect is subject to regulation by both Hong Kong and China and there can be no assurance that further regulations will not affect the availability of securities in the program, the frequency of redemptions or other limitations. Bond Connect trades are settled in Chinese currency, the renminbi ("RMB"). It cannot be guaranteed that investors will have timely access to a reliable supply of RMB in Hong Kong. Bond Connect is relatively new and its effects on the Chinese interbank bond market are uncertain. In addition, the trading, settlement and IT systems required for non-Chinese investors in Bond Connect are relatively new. In the event of systems malfunctions, trading via Bond Connect could be disrupted. In addition, the Bond Connect program may be subject to further interpretation and guidance. There can be no assurance as to the program's continued existence or whether future developments regarding the program may restrict or adversely affect the Fund's investments or returns. Finally, uncertainties in China tax rules governing taxation of income and gains from investments via Bond Connect could result in unexpected tax liabilities for a Fund.

The application and interpretation of the laws and regulations of Hong Kong and China, and the rules, policies or guidelines published or applied by relevant regulators and exchanges in respect of the Bond Connect program, are uncertain, and may have a detrimental effect on the Fund's investments and returns.

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 2/28/22. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.
2. Total return calculations represent the cumulative and average annual changes in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
3. Assumes reinvestment of distributions based on net asset value.
4. Assumes reinvestment of distributions based on the dividend reinvestment and cash purchase plan.

Financial Highlights

	Year Ended December 31,					Year Ended
	2020	2019	2018	2017	2016 ^a	August 31, 2016
Per share operating performance (for a share outstanding throughout the year)						
Net asset value, beginning of year	\$9.95	\$10.93	\$12.75	\$12.17	\$12.11	\$12.00
Income from investment operations:						
Net investment income ^b	0.38	0.66	0.83	0.85	0.25	0.77
Net realized and unrealized gains (losses)	(0.84)	(0.86)	(1.76)	0.35	0.21	0.16
Total from investment operations	(0.46)	(0.20)	(0.93)	1.20	0.46	0.93
Less distributions from:						
Net investment income and net foreign currency gains	(0.37)	(0.78)	(0.65)	(0.62)	(0.13)	(0.40)
Net realized gains	—	—	—	—	(0.03)	(0.02)
Tax return of capital	(0.20)	—	(0.24)	—	(0.24)	(0.40)
Total distributions	(0.57)	(0.78)	(0.89)	(0.62)	(0.40)	(0.82)
Net asset value, end of year	\$8.92	\$9.95	\$10.93	\$12.75	\$12.17	\$12.11
Market value, end of year ^c	\$7.77	\$9.19	\$9.62	\$11.17	\$10.91	\$11.03
Total return (based on market value per share) ^d	(9.08)%	3.48%	(6.26)%	8.11%	2.57%	19.78%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	1.17%	1.17%	1.17%	1.09%	1.09%	1.12%
Expenses net of waiver and payments by affiliates	1.14%	1.06%	1.14% ^f	1.05% ^f	1.04% ^f	1.10%
Net investment income	4.22%	6.20%	7.00%	6.60%	6.22%	6.56%
Supplemental data						
Net assets, end of year (000's)	\$428,098	\$477,471	\$524,451	\$611,845	\$584,135	\$581,158
Portfolio turnover rate	56.68%	27.69%	13.69%	13.46%	11.74%	27.98%

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

^bBased on average daily shares outstanding.

^cBased on the last sale on the New York Stock Exchange.

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

^eRatios are annualized for periods less than one year.

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

Statement of Investments, December 31, 2020

	Industry	Shares	Value
Common Stocks 0.6%			
Mexico 0.0%			
^{a,b} Corp. GEO SAB de CV, B	Household Durables	221,287	\$—
South Africa 0.6%			
^{a,b,c} K2016470219 South Africa Ltd., A	Multiline Retail	93,760,463	—
^{a,b,c} K2016470219 South Africa Ltd., B	Multiline Retail	161,018,517	—
^{b,d} Platinum Group Metals Ltd., 144A	Metals & Mining	48,837	225,354
^b Platinum Group Metals Ltd.	Metals & Mining	469,750	2,179,640
			<u>2,404,994</u>
Total Common Stocks (Cost \$9,933,828)			2,404,994
Warrants			
Warrants 0.0%[†]			
Mexico 0.0%			
^{a,b} Corp. GEO SAB de CV, 12/30/27	Household Durables	346,196	—
Tanzania 0.0%[†]			
^{a,b} Swala (PAEM) Ltd., 1/15/23	Oil, Gas & Consumable Fuels	787,500	58,239
Total Warrants (Cost \$18,665)			58,239
Principal Amount[†]			
Convertible Bonds 0.8%			
Bermuda 0.0%[†]			
^{d,e,f} Digicel Group 0.5 Ltd., Sub. Bond, 144A, PIK, 7%, Perpetual.	Wireless Telecommunication Services	515,066	135,005
South Africa 0.8%			
Platinum Group Metals Ltd., Sub. Note, 6.875%, 7/01/22.	Metals & Mining	4,000,000	3,240,000
Total Convertible Bonds (Cost \$4,092,559)			3,375,005
Corporate Bonds 3.9%			
Bermuda 0.0%[†]			
^{d,e} Digicel Group 0.5 Ltd., Senior Note, 144A, PIK, 8%, 4/01/25	Wireless Telecommunication Services	345,434	174,291
Costa Rica 2.8%			
^{a,c} Reventazon Finance Trust, Senior Secured Bond, 144A, 8%, 11/15/33	Diversified Financial Services	12,620,160	12,171,980
South Africa 0.1%			
^{a,d,e} K2016470219 South Africa Ltd., Senior Secured Note, 144A, PIK, 3%, 12/31/22	Multiline Retail	7,655,478	—
Senior Secured Note, 144A, PIK, 8%, 12/31/22	Multiline Retail	2,467,046 EUR	3,097
^{a,d,e} K2016470260 South Africa Ltd., Senior Secured Note, 144A, PIK, 25%, 12/31/22	Multiline Retail	43,382,407	190,133
			<u>193,230</u>
Tanzania 1.0%			
^{a,c,g} Swala (PAEM) Ltd., Senior Note, 144A, 14.5%, 1/15/23	Oil, Gas & Consumable Fuels	13,900,000	4,298,803
Total Corporate Bonds (Cost \$60,439,371)			16,838,304

	Principal Amount ^a	Value
Foreign Government and Agency Securities 73.2%		
Argentina 7.8%		
^{h,i} Argentina BONCER,		
Index Linked, 1.1%, 4/17/21	73,965,885 ARS	\$515,852
Index Linked, 1%, 8/05/21	43,482,932 ARS	305,937
Index Linked, 1.2%, 3/18/22	885,993,412 ARS	6,202,079
Index Linked, 1.3%, 9/20/22	3,498,270 ARS	23,381
Index Linked, 1.4%, 3/25/23	209,534,241 ARS	1,368,844
Index Linked, 1.5%, 3/25/24	209,534,248 ARS	1,252,528
Argentina Government Bond,		
ⁱ 18.2%, 10/03/21	216,238,000 ARS	1,247,502
ⁱ 16%, 10/17/23	96,102,000 ARS	306,448
ⁱ 15.5%, 10/17/26	354,647,000 ARS	824,766
Senior Note, 1%, 7/09/29	2,693,610	1,170,374
Senior Note, 0.125%, 7/09/30	18,837,775	7,666,974
Senior Bond, 0.125%, 7/09/35	34,512,222	12,665,986
		33,550,671
Brazil 0.5%		
Brazil Notas do Tesouro Nacional, 10%, 1/01/29	8,440,000 BRL	1,964,688
Chile 8.0%		
Chile Bonos Tesoreria Pesos,		
4.5%, 2/28/21	760,000,000 CLP	1,076,391
^d 144A, Reg S, 4%, 3/01/23	17,380,000,000 CLP	26,290,922
2.5%, 3/01/25	2,530,000,000 CLP	3,745,039
Tesoreria General de LA Republica,		
4.5%, 3/01/21	2,205,000,000 CLP	3,123,967
		34,236,319
Colombia 3.3%		
Colombia Government Bond,		
Senior Bond, 7.75%, 4/14/21	2,433,000,000 COP	721,085
Senior Bond, 4.375%, 3/21/23	164,000,000 COP	48,983
Senior Bond, 9.85%, 6/28/27	262,000,000 COP	99,945
Colombia Titulos de Tesoreria,		
B, 7%, 5/04/22	3,760,700,000 COP	1,167,653
B, 10%, 7/24/24	4,932,000,000 COP	1,750,853
B, 7.5%, 8/26/26	16,738,000,000 COP	5,651,610
B, 6%, 4/28/28	3,627,000,000 COP	1,135,357
B, 7.75%, 9/18/30	10,016,000,000 COP	3,440,882
		14,016,368
Dominican Republic 4.0%		
^d Dominican Republic Government Bond, Senior Bond, Reg S, 6.85%, 1/27/45	14,000,000	17,132,500
Ecuador 2.8%		
^d Ecuador Government Bond,		
Senior Note, 144A, 0.5%, 7/31/30	635,000	408,781
Senior Bond, 144A, 0.5%, 7/31/35	15,723,500	8,588,962
Senior Bond, 144A, 0.5%, 7/31/40	6,119,250	3,136,116
		12,133,859
El Salvador 0.6%		
^d El Salvador Government Bond, Senior Bond, 144A, 7.65%, 6/15/35	2,650,000	2,524,125

	Industry	Principal Amount ¹	Value
Foreign Government and Agency Securities (continued)			
Ethiopia 2.4%			
^d Ethiopia Government Bond, Senior			
Note, 144A, 6.625%, 12/11/24		10,000,000	\$10,201,700
Ghana 1.8%			
Ghana Government Bond,			
24.75%, 3/01/21		350,000 GHS	60,755
16.5%, 3/22/21		170,000 GHS	29,171
16.25%, 5/17/21		8,220,000 GHS	1,407,209
24.5%, 6/21/21		5,670,000 GHS	1,002,610
24.75%, 7/19/21		7,080,000 GHS	1,254,973
19.5%, 10/18/21		5,917,000 GHS	1,023,749
18.75%, 1/24/22		1,230,000 GHS	211,289
18.25%, 7/25/22		3,470,000 GHS	593,438
17.6%, 11/28/22		670,000 GHS	112,841
16.5%, 2/06/23		6,750,000 GHS	1,111,172
19%, 9/18/23		690,000 GHS	116,632
19.75%, 3/25/24		360,000 GHS	61,727
Senior Note, 16.25%, 4/07/25		1,660,000 GHS	253,091
19%, 11/02/26		2,930,000 GHS	474,887
			7,713,544
India 7.6%			
India Government Bond,			
8.35%, 5/14/22		20,200,000 INR	293,395
8.83%, 11/25/23		90,800,000 INR	1,392,735
7.26%, 1/14/29		1,153,000,000 INR	17,155,847
Senior Note, 5.77%, 8/03/30		1,010,000,000 INR	13,745,117
			32,587,094
Indonesia 4.7%			
Indonesia Government Bond,			
FR53, 8.25%, 7/15/21		6,465,000,000 IDR	471,921
FR61, 7%, 5/15/22		36,905,000,000 IDR	2,737,274
FR63, 5.625%, 5/15/23		63,268,000,000 IDR	4,655,511
FR46, 9.5%, 7/15/23		80,000,000,000 IDR	6,377,179
FR39, 11.75%, 8/15/23		1,780,000,000 IDR	148,592
FR70, 8.375%, 3/15/24		43,158,000,000 IDR	3,384,169
FR44, 10%, 9/15/24		1,066,000,000 IDR	88,164
FR40, 11%, 9/15/25		26,450,000,000 IDR	2,321,842
			20,184,652
Kenya 1.4%			
^d Kenya Government Bond,			
Senior Note, 144A, 6.875%, 6/24/24		3,563,000	3,912,209
Senior Note, Reg S, 6.875%, 6/24/24		1,980,000	2,174,060
			6,086,269
Mexico 0.6%			
Mexican Bonos Desarr Fixed Rate,			
M, 6.5%, 6/10/21		2,000,000 MXN	101,439
M, Senior Note, 7.25%, 12/09/21		12,000,000 MXN	619,543
M, 6.5%, 6/09/22		15,790,000 MXN	817,829
M, Senior Bond, 8%, 12/07/23		15,530,000 MXN	857,790
			2,396,601

Industry	Principal Amount [†]	Value
Foreign Government and Agency Securities (continued)		
Senegal 4.7%		
^d Senegal Government Bond, Senior Note, 144A, 6.25%, 7/30/24	18,330,000	\$20,248,913
Serbia 0.4%		
^d Serbia Government Bond, Senior Note, 144A, 7.25%, 9/28/21.	1,510,000	1,583,171
South Korea 19.5%		
Korea Treasury Bond, 1.875%, 6/10/26.	24,228,000,000 KRW	22,806,478
1.375%, 12/10/29.	67,709,000,000 KRW	60,513,254
		83,319,732
Thailand 3.1%		
Bank of Thailand, Senior Note, 1.32%, 11/25/21.	66,040,000 THB	2,220,303
0.9%, 2/24/22	201,000,000 THB	6,739,657
Thailand Government Bond, Senior Bond, 3.65%, 12/17/21.	129,544,000 THB	4,454,651
		13,414,611
Total Foreign Government and Agency Securities (Cost \$343,713,357)		313,294,817
U.S. Government and Agency Securities 3.7%		
United States 3.7%		
U.S. Treasury Notes, 1.125%, 8/31/21.	15,850,000	15,958,770
Total U.S. Government and Agency Securities (Cost \$15,816,690)		15,958,770
Total Long Term Investments (Cost \$434,014,470)		351,930,129
Short Term Investments 17.0%		
Industry	Principal Amount [†]	Value
Foreign Government and Agency Securities 4.3%		
Argentina 0.2%		
^{i,j} Argentina Letras de la Nacion Argentina con Ajuste por CER,		
^h Index Linked, 2/26/21.	13,085,586 ARS	90,322
5/21/21	53,119,409 ARS	384,664
^h Index Linked, 9/13/21.	28,847,970 ARS	206,645
^{i,j} Argentina Letras Del Tesoro En Pesos A Descuento, 3/31/21	12,582,364 ARS	79,845
		761,476
Brazil 4.0%		
^j Brazil Letras do Tesouro Nacional, 10/01/21	80,970,000 BRL	15,299,450
1/01/22	8,320,000 BRL	1,557,508
		16,856,958
Mexico 0.1%		
^j Mexico Cetes, BI, 1/28/21.	1,634,000 MXN	81,957

Short Term Investments (continued)

	Principal Amount [†]	Value
Foreign Government and Agency Securities (continued)		
Mexico (continued)		
^j Mexico Cetes, (continued)		
BI, 2/25/21	4,739,200 MXN	\$236,906
BI, 3/25/21	420,700 MXN	20,962
BI, 4/08/21	1,100,100 MXN	54,722
BI, 5/06/21	1,634,000 MXN	81,006
BI, 6/17/21	1,720,200 MXN	84,890
BI, 10/21/21	28,100 MXN	1,367
		561,810
Total Foreign Government and Agency Securities (Cost \$18,099,974)		18,180,244
	Shares	
Money Market Funds 12.7%		
United States 12.7%		
^{k,l} Institutional Fiduciary Trust - Money		
Market Portfolio, 0%	54,497,661	54,497,661
Total Money Market Funds (Cost \$54,497,661)		54,497,661
Total Short Term Investments (Cost \$72,597,635)		72,677,905
Total Investments (Cost \$506,612,105) 99.2%		\$424,608,034
Other Assets, less Liabilities 0.8%		3,490,133
Net Assets 100.0%		\$428,098,167

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

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

^aFair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.

^bNon-income producing.

^cSee Note 10 regarding restricted securities.

^dSecurity 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 December 31, 2020, the aggregate value of these securities was \$96,929,339, representing 22.6% of net assets.

^eIncome may be received in additional securities and/or cash.

^fPerpetual security with no stated maturity date.

^gSee Note 7 regarding credit risk and defaulted securities.

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

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

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

^kSee Note 3(c) regarding investments in affiliated management investment companies.

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

At December 31, 2020, 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							
Brazilian Real	CITI	Buy	6,690,000	1,296,512	1/04/21	\$—	\$(8,487)
Brazilian Real	CITI	Sell	6,690,000	1,154,682	1/04/21	—	(133,342)
Brazilian Real	HSBK	Buy	43,269,882	8,367,474	1/05/21	—	(36,731)
Brazilian Real	HSBK	Sell	43,269,882	7,471,919	1/05/21	—	(858,825)

Forward Exchange Contracts (continued)

Currency	Counter-party ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
Australian Dollar	JPHQ	Sell	5,100,792	388,976,184 JPY	1/13/21	\$—	\$(165,498)
Japanese Yen	JPHQ	Sell	286,721,479	3,650,000 AUD	1/13/21	37,262	—
Chinese Yuan	CITI	Buy	51,389,220	7,862,211	1/19/21	32,911	—
Chinese Yuan	HSBK	Buy	55,642,500	8,511,021	1/19/21	37,549	—
Brazilian Real	CITI	Sell	54,656,082	10,124,496	2/02/21	—	(396,729)
Brazilian Real	HSBK	Buy	13,488,100	2,618,625	2/02/21	—	(22,184)
Brazilian Real	HSBK	Sell	49,309,682	9,134,637	2/02/21	—	(357,414)
Brazilian Real	JPHQ	Sell	4,609,778	852,668	2/02/21	—	(34,708)
Indian Rupee	CITI	Buy	132,046,400	1,780,921	2/08/21	20,827	—
Indian Rupee	JPHQ	Buy	181,168,300	2,443,373	2/08/21	28,634	—
Indian Rupee	HSBK	Buy	212,976,200	2,871,518	2/09/21	34,206	—
Thai Baht	DBAB	Buy	200,820,000	6,669,545	2/12/21	31,976	—
Thai Baht	DBAB	Sell	200,820,000	6,593,991	2/12/21	—	(107,530)
Indian Rupee	HSBK	Buy	203,252,689	2,745,990	2/16/21	25,090	—
Chilean Peso	BAST	Buy	15,596,759,667	21,102,224	2/18/21	849,186	—
Chilean Peso	BAST	Sell	15,596,759,667	20,285,829	2/18/21	—	(1,665,581)
Chinese Yuan	JPHQ	Buy	38,659,970	5,902,394	2/18/21	25,349	—
Australian Dollar	JPHQ	Sell	12,863,375	979,961,505 JPY	2/22/21	—	(427,482)
Japanese Yen	HSBK	Buy	270,613,000	2,574,937	2/22/21	47,328	—
Australian Dollar	CITI	Sell	4,895,964	371,050,450 JPY	2/25/21	—	(181,422)
Australian Dollar	JPHQ	Sell	1,837,625	139,280,937 JPY	2/25/21	—	(67,969)
Australian Dollar	CITI	Sell	4,909,036	371,995,921 JPY	2/26/21	—	(182,332)
Japanese Yen	CITI	Buy	1,536,177,700	14,558,580	2/26/21	327,690	—
Japanese Yen	JPHQ	Buy	787,358,900	7,438,589	2/26/21	191,281	—
Chilean Peso	BAST	Buy	213,476,833	288,389	3/01/21	12,078	—
Chilean Peso	BAST	Sell	213,476,833	278,527	3/01/21	—	(21,940)
Chilean Peso	BAST	Buy	1,804,702,613	2,429,365	3/04/21	110,768	—
Chilean Peso	BAST	Sell	1,804,702,613	2,391,918	3/04/21	—	(148,215)
Indian Rupee	CITI	Buy	176,517,700	2,374,560	3/08/21	27,043	—
Indian Rupee	JPHQ	Buy	181,681,200	2,443,370	3/08/21	28,485	—
Japanese Yen	JPHQ	Buy	55,883,610	526,484	3/08/21	15,111	—
Mexican Peso	CITI	Sell	5,847,000	267,359	3/08/21	—	(24,607)
Indian Rupee	HSBK	Buy	213,572,010	2,871,518	3/09/21	33,891	—
Indian Rupee	JPHQ	Buy	235,005,000	3,161,006	3/09/21	35,975	—
Australian Dollar	CITI	Sell	1,753,000	134,095,209 JPY	3/10/21	—	(52,861)
Australian Dollar	HSBK	Sell	4,685,013	360,881,866 JPY	3/11/21	—	(116,992)
Mexican Peso	CITI	Sell	1,586,000	70,427	3/11/21	—	(8,741)
Chinese Yuan	JPHQ	Buy	77,431,540	11,803,368	3/15/21	49,341	—
Indian Rupee	CITI	Buy	163,532,087	2,203,640	3/15/21	19,493	—
Indian Rupee	HSBK	Buy	203,252,689	2,738,406	3/15/21	24,707	—
Russian Ruble	DBAB	Buy	253,328,200	3,437,000	3/15/21	—	(40,308)
Chinese Yuan	HSBK	Buy	27,922,100	4,255,509	3/16/21	18,318	—
Australian Dollar	HSBK	Sell	3,130,000	240,355,830 JPY	3/17/21	—	(85,287)
Chilean Peso	BAST	Buy	592,847,531	800,940	3/18/21	33,561	—
Chilean Peso	BAST	Sell	592,847,531	763,241	3/18/21	—	(71,259)
South Korean Won	DBAB	Buy	20,750,000,000	19,182,768	3/18/21	—	(111,796)
South Korean Won	DBAB	Sell	20,750,000,000	17,578,042	3/18/21	—	(1,492,930)
Japanese Yen	JPHQ	Buy	529,960,262	5,137,738	3/22/21	—	(648)
Japanese Yen	BNDP	Buy	470,934,275	4,498,064	3/24/21	66,993	—
Japanese Yen	HSBK	Buy	1,099,961,580	10,535,223	3/24/21	127,384	—
Japanese Yen	JPHQ	Buy	529,960,253	5,091,146	3/24/21	46,087	—
Thai Baht	DBAB	Buy	103,890,000	3,468,087	4/09/21	—	(2,943)
Thai Baht	DBAB	Sell	103,890,000	3,158,423	4/09/21	—	(306,721)
Thai Baht	DBAB	Buy	98,220,000	3,278,809	4/12/21	—	(2,901)
Thai Baht	DBAB	Sell	98,220,000	2,988,590	4/12/21	—	(287,318)
Australian Dollar	HSBK	Sell	4,684,987	354,688,653 JPY	4/13/21	—	(176,238)
Australian Dollar	JPHQ	Sell	12,256,032	930,465,129 JPY	4/13/21	—	(435,913)

Forward Exchange Contracts (continued)

Currency	Counter-party ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
Japanese Yen	HSBK	Buy	23,595,850	224,494	4/20/21	\$4,317	\$—
Japanese Yen	JPHQ	Buy	193,258,450	1,852,350	4/23/21	21,766	—
Japanese Yen	CITI	Buy	135,027,415	1,297,311	4/30/21	12,229	—
South Korean Won	DBAB	Buy	25,843,970,000	23,893,099	5/18/21	—	(145,488)
South Korean Won	DBAB	Sell	25,843,970,000	23,295,448	5/18/21	—	(452,163)
South Korean Won	SCNY	Buy	25,376,000,000	23,289,280	5/18/21	28,320	—
South Korean Won	SCNY	Sell	25,376,000,000	22,894,262	5/18/21	—	(423,338)
Chilean Peso	BAST	Buy	676,690,253	912,724	6/07/21	40,149	—
Chilean Peso	BAST	Sell	676,690,253	880,992	6/07/21	—	(71,882)
Russian Ruble	JPHQ	Buy	55,906,100	742,644	6/07/21	177	—
Russian Ruble	MSCO	Buy	769,761,600	10,192,548	6/07/21	35,224	—
Chilean Peso	BAST	Buy	676,860,053	910,310	6/08/21	42,807	—
Chilean Peso	BAST	Sell	676,860,053	874,383	6/08/21	—	(78,734)
Indian Rupee	CITI	Buy	133,916,300	1,780,920	6/08/21	19,959	—
Indian Rupee	CITI	Buy	78,859,400	1,048,105	6/09/21	12,240	—
Russian Ruble	JPHQ	Buy	103,395,800	1,386,743	6/09/21	—	(13,237)
Japanese Yen	HSBK	Buy	484,179,747	4,663,646	6/15/21	34,848	—
Japanese Yen	JPHQ	Buy	854,242,870	8,233,269	6/15/21	56,327	—
Russian Ruble	DBAB	Buy	160,802,800	2,157,066	6/15/21	—	(22,402)
Chinese Yuan	HSBK	Buy	28,084,670	4,255,511	6/16/21	18,549	—
Egyptian Pound	HSBK	Buy	100,635,000	6,151,284	6/16/21	—	(15,646)
Indian Rupee	CITI	Buy	110,181,975	1,468,564	6/16/21	11,574	—
Indian Rupee	HSBK	Buy	143,236,567	1,909,566	6/16/21	14,613	—
Japanese Yen	HSBK	Buy	465,744,000	4,499,942	6/18/21	19,824	—
Japanese Yen	BNDP	Buy	470,934,275	4,570,513	6/22/21	—	(146)
Australian Dollar	JPHQ	Sell	5,100,796	388,099,176 JPY	7/13/21	—	(170,704)
Russian Ruble	JPHQ	Buy	73,689,700	969,703	9/08/21	—	(919)
Russian Ruble	MSCO	Buy	476,641,100	6,272,336	9/08/21	—	(6,026)
Russian Ruble	JPHQ	Buy	103,395,700	1,373,880	9/09/21	—	(14,712)
Russian Ruble	DBAB	Buy	162,345,100	2,157,066	9/14/21	—	(24,221)
Japanese Yen	JPHQ	Buy	315,307,255	3,074,339	9/21/21	—	(10,664)
Japanese Yen	MSCO	Buy	620,000,000	6,010,431	9/21/21	13,783	—
Egyptian Pound	HSBK	Buy	104,319,000	6,265,405	9/22/21	—	(53,806)
Russian Ruble	DBAB	Buy	242,426,000	3,194,810	12/15/21	—	(43,451)
Total Forward Exchange Contracts						\$2,725,230	\$(9,581,391)
Net unrealized appreciation (depreciation)							\$(6,856,161)

See Abbreviations on page 32 .

*In U.S. dollars unless otherwise indicated.

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

See Note 11 regarding other derivative information.

Statement of Assets and Liabilities

December 31, 2020

	Templeton Emerging Markets Income Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$452,114,444
Cost - Non-controlled affiliates (Note 3c)	54,497,661
Value - Unaffiliated issuers	\$370,110,373
Value - Non-controlled affiliates (Note 3c)	54,497,661
Cash	100,666
Restricted currency, at value (cost \$2,649) (Note 1d)	2,615
Foreign currency, at value (cost \$177,331)	178,944
Receivables:	
Dividends and interest	4,139,922
Deposits with brokers for:	
OTC derivative contracts	7,120,000
Unrealized appreciation on OTC forward exchange contracts	2,725,230
Total assets	<u>438,875,411</u>
Liabilities:	
Payables:	
Investment securities purchased	119,661
Management fees	356,746
Unrealized depreciation on OTC forward exchange contracts	9,581,391
Deferred tax	337,380
Accrued expenses and other liabilities	382,066
Total liabilities	<u>10,777,244</u>
Net assets, at value	<u>\$428,098,167</u>
Net assets consist of:	
Paid-in capital	\$625,713,570
Total distributable earnings (losses)	(197,615,403)
Net assets, at value	<u>\$428,098,167</u>
Shares outstanding	<u>47,998,418</u>
Net asset value per share	<u>\$8.92</u>

Statement of Operations

for the year ended December 31, 2020

**Templeton
Emerging
Markets Income
Fund**

Investment income:	
Dividends:	
Non-controlled affiliates (Note 3c)	\$250,104
Interest: (net of foreign taxes of \$513,667)	
Unaffiliated issuers:	
Inflation principal adjustments	2,184,826
Paid in cash ^a	20,914,050
Total investment income.	<u>23,348,980</u>
Expenses:	
Management fees (Note 3a)	4,362,233
Transfer agent fees	109,198
Custodian fees (Note 4)	100,587
Reports to shareholders	44,768
Registration and filing fees	48,360
Professional fees	148,835
Trustees' fees and expenses	72,834
Other	225,438
Total expenses	<u>5,112,253</u>
Expenses waived/paid by affiliates (Note 3c)	(156,645)
Net expenses	<u>4,955,608</u>
Net investment income	<u>18,393,372</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments: (net of foreign taxes of \$393,403)	
Unaffiliated issuers	(49,293,302)
Foreign currency transactions	(708,009)
Forward exchange contracts	(10,486,038)
Swap contracts	(6,378,671)
Net realized gain (loss)	<u>(66,866,020)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	25,933,275
Translation of other assets and liabilities denominated in foreign currencies	59,091
Forward exchange contracts	(3,320,232)
Swap contracts	3,772,792
Change in deferred taxes on unrealized appreciation	42,332
Net change in unrealized appreciation (depreciation)	<u>26,487,258</u>
Net realized and unrealized gain (loss)	<u>(40,378,762)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$(21,985,390)</u>

^aIncludes amortization of premium and accretion of discount.

Statements of Changes in Net Assets

	Templeton Emerging Markets Income Fund	
	Year Ended December 31, 2020	Year Ended December 31, 2019
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$18,393,372	\$31,550,001
Net realized gain (loss)	(66,866,020)	(10,734,734)
Net change in unrealized appreciation (depreciation)	26,487,258	(30,255,161)
Net increase (decrease) in net assets resulting from operations	(21,985,390)	(9,439,894)
Distributions to shareholders	(17,959,401)	(37,539,564)
Distributions to shareholders from tax return of capital	(9,428,497)	—
Total distributions to shareholders	(27,387,898)	(37,539,564)
Net increase (decrease) in net assets	(49,373,288)	(46,979,458)
Net assets:		
Beginning of year	477,471,455	524,450,913
End of year	\$428,098,167	\$477,471,455

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Templeton Emerging Markets Income Fund (Fund) is registered under the Investment Company Act of 1940 (1940 Act) as a closed-end management investment company and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP).

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

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

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

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

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. 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

1. Organization and Significant Accounting Policies

(continued)

c. Derivative Financial Instruments (continued)

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 entered into interest rate swap contracts primarily to manage interest rate risk. An interest rate swap is an agreement between the Fund and a counterparty to exchange cash flows based on the difference between two interest rates, applied to a notional amount. These agreements may be privately negotiated in the over-the-counter market (OTC interest rate swaps) or may be executed on a registered exchange (centrally cleared interest rate swaps). For centrally cleared interest rate

swaps, required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities. Over the term of the contract, contractually required payments to be paid and to be received are accrued daily and recorded as unrealized depreciation and appreciation until the payments are made, at which time they are realized.

See Note 11 regarding other derivative information.

d. Restricted Currency

At December 31, 2020, 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 if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

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

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of December 31, 2020, 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.

1. Organization and Significant Accounting Policies (continued)

f. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. 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.

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

2. Shares of Beneficial Interest

At December 31, 2020, there were an unlimited number of shares authorized (without par value). During the years ended December 31, 2020 and December 31, 2019 there were no shares issued; all reinvested distributions were satisfied with previously issued shares purchased in the open market.

Under the Board approved open-market share repurchase program, the Fund may purchase, from time to time, Fund shares in open-market transactions, at the discretion of management. Since the inception of the program, the Fund has repurchased a total of 610,500 shares. During the years ended December 31, 2020 and December 31, 2019, there were no shares repurchased.

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

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
1.000%	Up to and including \$1 billion
0.980%	Over \$1 billion, up to and including \$5 billion
0.960%	Over \$5 billion, up to and including \$10 billion
0.940%	Over \$10 billion, up to and including \$15 billion
0.920%	Over \$15 billion, up to and including \$20 billion
0.900%	In excess of \$20 billion

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. Investments in Affiliated Management Investment Companies

The Fund invests in one or more affiliated management investment companies for purposes other than exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended December 31, 2020, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Templeton Emerging Markets Income Fund								
Non-Controlled Affiliates								
								Dividends
	\$95,945,647	\$172,472,127	\$(213,920,113)	\$—	\$—	\$54,497,661	54,497,661	\$250,104
Total Affiliated Securities	\$95,945,647	\$172,472,127	\$(213,920,113)	\$—	\$—	\$54,497,661		\$250,104

4. Expense Offset Arrangement

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended December 31, 2020, there were no credits earned.

5. Income Taxes

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

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

Capital loss carryforwards not subject to expiration:

Short term	\$2,768,867
Long term	61,651,509
Total capital loss carryforwards	<u>\$64,420,376</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 \$14,175,637.

The tax character of distributions paid during the years ended December 31, 2020 and 2019, was as follows:

	2020	2019
Distributions paid from:		
Ordinary income	\$17,959,401	\$37,539,564
Return of capital.	9,428,497	—
	<u>\$27,387,898</u>	<u>\$37,539,564</u>

At December 31, 2020, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	<u>\$536,129,054</u>
Unrealized appreciation.	\$36,376,498
Unrealized depreciation.	(154,753,679)
Net unrealized appreciation (depreciation).	<u>\$(118,377,181)</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 defaulted securities, foreign currency transactions, passive foreign investment company shares, 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 year ended December 31, 2020, aggregated \$246,475,828 and \$203,064,474, respectively.

7. Credit Risk and Defaulted Securities

At December 31, 2020, the Fund had 35.6% 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.

7. Credit Risk and Defaulted Securities (continued)

The Fund held a defaulted security and/or other securities for which the income has been deemed uncollectible. At December 31, 2020, the value of this security was \$4,298,803, representing 1.0% of the Fund's net assets. The Fund discontinues accruing income on securities for which income has been deemed uncollectible and provides an estimate for losses on interest receivable. The security has been identified in the accompanying Statement of Investments.

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 December 31, 2020, the Fund had 3.0% 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.

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 December 31, 2020, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Principal Amount/ Shares	Issuer	Acquisition Date	Cost	Value
Templeton Emerging Markets Income Fund				
93,760,463	^a K2016470219 South Africa Ltd., A	5/10/11 – 2/01/17	\$538,947	\$—
161,018,517	^a K2016470219 South Africa Ltd., B	5/10/11 – 2/01/17	119,550	—
12,620,160	Reventazon Finance Trust, Senior Secured Bond, 144A, 8%, 11/15/33	12/18/13	12,620,160	12,171,980
13,900,000	^b Swala (PAEM) Ltd., Senior Note, 144A, 14.5%, 1/15/23	12/06/19	13,900,000	4,298,803
	Total Restricted Securities (Value is 3.85% of Net Assets).		\$27,178,657	\$16,470,783

^aThe Fund also invests in unrestricted securities of the issuer, valued at \$3,098 as of December 31, 2020.

^bThe Fund also invests in unrestricted securities of the issuer, valued at \$58,239 as of December 31, 2020.

11. Other Derivative Information

At December 31, 2020, 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 Emerging Markets Income Fund				
Foreign exchange contracts . . .				
	Unrealized appreciation on OTC forward exchange contracts	\$2,725,230	Unrealized depreciation on OTC forward exchange contracts	\$9,581,391
Total		<u>\$2,725,230</u>		<u>\$9,581,391</u>

For the year ended December 31, 2020, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Year	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Year
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Templeton Emerging Markets Income Fund				
Interest rate contracts				
	Swap contracts	\$(6,378,671)	Swap contracts	\$3,772,792
Foreign exchange contracts . . .				
	Forward exchange contracts	(10,486,038)	Forward exchange contracts	(3,320,232)
Total		<u>\$(16,864,709)</u>		<u>\$452,560</u>

For the year ended December 31, 2020, the average month end notional amount of swap contracts represented \$3,823,077. The average month end contract value of forward exchange contracts was \$294,623,591.

At December 31, 2020, OTC derivative assets and liabilities are as follows:

	Gross Amounts of Assets and Liabilities Presented in the Statement of Assets and Liabilities	
	Assets ^a	Liabilities ^a
Derivatives		
Templeton Emerging Markets Income Fund		
Forward exchange contracts	\$2,725,230	\$9,581,391
Total	<u>\$2,725,230</u>	<u>\$9,581,391</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.

11. Other Derivative Information (continued)

At December 31, 2020, 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	Cash Collateral Received	
Templeton Emerging Markets Income Fund					
Counterparty					
BAST.....	\$1,088,549	\$(1,088,549)	\$—	\$—	\$—
BNDP.....	66,993	(146)	—	—	66,847
CITI.....	483,966	(483,966)	—	—	—
DBAB.....	31,975	(31,975)	—	—	—
HSBK.....	440,624	(440,624)	—	—	—
JPHQ.....	535,795	(535,795)	—	—	—
MSCO.....	49,008	(6,026)	—	—	42,982
SCNY.....	28,320	(28,320)	—	—	—
Total.....	\$2,725,230	\$(2,615,401)	\$—	\$—	\$109,829

At December 31, 2020, OTC derivative liabilities, which may be offset against OTC derivative assets and collateral pledged to the counterparty, are as follows:

	Gross Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount (Not less than zero)
		Financial Instruments Available for Offset	Financial Instruments Collateral Pledged	Cash Collateral Pledged ^a	
Templeton Emerging Markets Income Fund					
Counterparty					
BAST.....	\$2,057,609	\$(1,088,549)	\$—	\$(969,060)	\$—
BNDP.....	146	(146)	—	—	—
CITI.....	988,522	(483,966)	—	(504,556)	—
DBAB.....	3,040,172	(31,975)	—	(3,008,197)	—
HSBK.....	1,723,121	(440,624)	—	(1,190,000)	92,497
JPHQ.....	1,342,456	(535,795)	—	(710,000)	96,661
MSCO.....	6,026	(6,026)	—	—	—
SCNY.....	423,339	(28,320)	—	(395,019)	—
Total.....	\$9,581,391	\$(2,615,401)	\$—	\$(6,776,832)	\$189,158

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

11. Other Derivative Information (continued)

See Note 1(c) regarding derivative financial instruments.

See Abbreviations on page 32.

12. Fair Value Measurements

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

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

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

A summary of inputs used as of December 31, 2020, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Templeton Emerging Markets Income Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Mexico	\$—	\$—	\$— ^a	\$—
South Africa	2,404,994	—	— ^a	2,404,994
Warrants	—	—	58,239 ^a	58,239
Convertible Bonds	—	3,375,005	—	3,375,005
Corporate Bonds:				
Bermuda	—	174,291	—	174,291
Costa Rica	—	—	12,171,980	12,171,980
South Africa	—	—	193,230 ^a	193,230
Tanzania	—	—	4,298,803	4,298,803
Foreign Government and Agency Securities:				
Argentina	—	21,503,334	12,047,337	33,550,671
Brazil	—	1,964,688	—	1,964,688
Chile	—	34,236,319	—	34,236,319
Colombia	—	14,016,368	—	14,016,368
Dominican Republic	—	17,132,500	—	17,132,500
Ecuador	—	12,133,859	—	12,133,859
El Salvador	—	2,524,125	—	2,524,125
Ethiopia	—	10,201,700	—	10,201,700
Ghana	—	7,713,544	—	7,713,544
India	—	32,587,094	—	32,587,094
Indonesia	—	20,184,652	—	20,184,652
Kenya	—	6,086,269	—	6,086,269
Mexico	—	2,396,601	—	2,396,601
Senegal	—	20,248,913	—	20,248,913
Serbia	—	1,583,171	—	1,583,171
South Korea	—	83,319,732	—	83,319,732

12. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Templeton Emerging Markets Income Fund (continued)				
Assets:				
Investments in Securities:				
Foreign Government and Agency Securities:				
Thailand	\$—	\$13,414,611	\$—	\$13,414,611
U.S. Government and Agency Securities	—	15,958,770	—	15,958,770
Short Term Investments	54,497,661	17,418,768	761,476	72,677,905
Total Investments in Securities	\$56,902,655	\$338,174,314	\$29,531,065	\$424,608,034
Other Financial Instruments:				
Forward exchange contracts	\$—	\$2,725,230	\$—	\$2,725,230
Restricted Currency (ARS)	—	—	2,615	2,615
Total Other Financial Instruments	\$—	\$2,725,230	\$2,615	\$2,727,845
Receivables:				
Interest (ARS)	\$—	\$—	\$202,372	\$202,372
Liabilities:				
Other Financial Instruments:				
Forward exchange contracts	—	9,581,391	—	9,581,391
Total Other Financial Instruments	\$—	\$9,581,391	\$—	\$9,581,391
Payables:				
Investment Securities Purchased (ARS)	\$—	\$—	\$119,661	\$119,661
Deferred Tax(ARS)	\$—	\$—	\$1,730	\$1,730

^aIncludes securities determined to have no value at December 31, 2020.

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 year. At December 31, 2020, the reconciliation is as follows:

	Balance at Beginning of Year	Purchases	Sales	Transfer Into Level 3 ^a	Transfer Out of Level 3	Cost Basis Adjustments ^b	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Templeton Emerging Markets Income Fund										
Assets:										
Investments in Securities:										
Common Stocks:										
Mexico	\$— ^c	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$— ^c	\$—
South Africa	181,925 ^c	—	—	—	—	—	—	(181,925)	— ^c	(181,925)
Warrants:										
Mexico	— ^c	—	—	—	—	—	—	—	— ^c	—
Tanzania	58,542	—	—	—	—	—	—	(303)	58,239	(303)
Corporate Bonds:										
Costa Rica	13,255,857	—	(257,760)	—	—	(246,240)	—	(579,877)	12,171,980	(579,877)
South Africa	180,815 ^c	21,423	—	6,411	—	533,290	—	(548,709)	193,230 ^c	(548,709)
Tanzania	6,950,000	—	—	—	—	—	—	(2,651,197)	4,298,803	(2,651,197)
Foreign Government and Agency Securities:										
Argentina	6,923,064	8,317,381	(1,882,585)	501,317	—	20,307	(2,913,225)	1,081,078	12,047,337	(1,678,975)
Short Term Investments	642,044	778,442	(400,818)	—	—	(52,968)	(154,811)	(50,413)	761,476	20,463
Total Investments in Securities	\$28,192,247	\$9,117,246	\$(2,541,163)	\$507,728	\$—	254,389	(3,068,036)	(2,931,346)	\$29,531,065	\$(5,620,523)

12. Fair Value Measurements (continued)

	Balance at Beginning of Year	Purchases	Sales	Transfer Into Level 3 ^a	Transfer Out of Level 3	Cost Basis Adjust- ments ^b	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Templeton Emerging Markets Income Fund (continued)										
Assets:										
Other Financial Instruments:										
Restricted Currency (ARS)	\$1,555,282	\$4,882,270	\$(6,118,712)	\$—	\$—	\$—	\$(475,151)	\$158,926	\$2,615	\$(34)
Receivables:										
Interest (ARS)	\$327,385	\$2,489,488	\$(2,367,372)	\$—	\$—	\$—	\$(268,938)	\$21,809	\$202,372	\$6,712
Liabilities:										
Payables:										
Deferred Tax (ARS)	\$3,311	\$—	\$—	\$—	\$—	\$—	\$—	\$(1,581)	\$1,730	\$(1,581)
Investment Securities Purchased (ARS)	\$—	\$119,661	\$—	\$—	\$—	\$—	\$—	\$—	\$119,661	\$—

^aTransferred into level 3 as a result of the unavailability of a quoted market price in an active market for identical securities or as a result of the unreliability of the foreign exchange rate and other significant observable valuation inputs. May include amounts related to a corporate action.

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

^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 December 31, 2020, are as follows:

Description	Fair Value at End of Year	Valuation Technique	Unobservable Inputs	Amount	Impact to Fair Value if Input Increases ^a
Templeton Emerging Markets Income Fund					
Assets:					
Investments in Securities:					
Corporate Bonds:					
Tanzania	\$4,298,803	Discounted cash flow	Discount rate	10.0%	Decrease ^b
Costa Rica	12,171,980	Discounted cash flow	Discount rate ^c	8.7%	Decrease ^d
Foreign Government and Agency Securities:					
Argentina	12,047,337	Market comparables	Implied foreign exchange rate	143.8 ARS/USD	Decrease ^d
Short Term Investments:					
Argentina	761,476	Market comparables	Implied foreign exchange rate	143.8 ARS/USD	Decrease ^b
All Other	456,456 ^{e,f}				
Liabilities:					
All Other	121,391 ^f				
Total	\$29,614,661				

12. Fair Value Measurements (continued)

- ^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 but not net assets.
- ^c The discount rate is comprised of the risk-free rate, the 10-year Costa Rican CDS curve, and an incremental credit spread that combines with the first two components to arrive at an 8% yield on issue date for an 8% coupon bond issued at par.
- ^d Represents a significant impact to fair value and net assets.
- ^e Includes securities determined to have no value at December, 31 2020.
- ^f 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.

13. Subsequent Events

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

Abbreviations

Counterparty

BAST	Banco Santander SA
BNDP	BNP Paribas SA
CITI	Citibank NA
DBAB	Deutsche Bank AG
HSBK	HSBC Bank plc
JPHQ	JPMorgan Chase Bank NA
MSCO	Morgan Stanley
SCNY	Standard Chartered Bank

Selected Portfolio

CER	Reference Stabilization Coefficient
PIK	Payment-In-Kind

Currency

ARS	Argentine Peso
AUD	Australian Dollar
BRL	Brazilian Real
CLP	Chilean Peso
COP	Colombian Peso
EUR	Euro
GHS	Ghanaian Cedi
IDR	Indonesian Rupiah
INR	Indian Rupee
JPY	Japanese Yen
KRW	South Korean Won
MXN	Mexican Peso
THB	Thai Baht
USD	United States Dollar

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of Templeton Emerging Markets Income Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of Templeton Emerging Markets Income Fund (the "Fund") as of December 31, 2020, the related statement of operations for the year ended December 31, 2020, the statement of changes in net assets for each of the two years in the period ended December 31, 2020, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2020 and the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, California

February 19, 2021

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

Tax Information (unaudited)

At December 31, 2020, more than 50% of the Fund's total assets were invested in securities of foreign issuers. In most instances, foreign taxes were withheld from income paid to the Fund on these investments. The Fund elects to treat foreign taxes paid as allowed under Section 853 of the Internal Revenue Code. This election will allow shareholders of record as of the first distribution in 2021, to treat their proportionate share of foreign taxes paid by the Fund as having been paid directly by them. The shareholder shall consider these amounts as foreign taxes paid in the tax year in which they receive the Fund distribution.

Important Information to Shareholders

Share Repurchase Program

The Fund's Board previously authorized the Fund to repurchase up to 10% of the Fund's outstanding shares in open-market transactions, at the discretion of management. This authorization remains in effect.

In exercising its discretion consistent with its portfolio management responsibilities, the investment manager will take into account various other factors, including, but not limited to, the level of the discount, the Fund's performance, portfolio holdings, dividend history, market conditions, cash on hand, the availability of other attractive investments and whether the sale of certain portfolio securities would be undesirable because of liquidity concerns or because the sale might subject the Fund to adverse tax consequences. Any repurchases would be made on a national securities exchange at the prevailing market price, subject to exchange requirements, Federal securities laws and rules that restrict repurchases, and the terms of any outstanding leverage or borrowing of the Fund. If and when the Fund's 10% threshold is reached, no further repurchases could be completed until authorized by the Board. Until the 10% threshold is reached, Fund management will have the flexibility to commence share repurchases if and when it is determined to be appropriate in light of prevailing circumstances.

In the Notes to Financial Statements section, please see note 2 (Shares of Beneficial Interest) for additional information regarding shares repurchased.

Summary of Updated Information Regarding the Fund

Agreement and Declaration of Trust and By-Laws

On January 21, 2021, the Fund's Board approved changes to the Fund's Agreement and Declaration of Trust (the "Declaration of Trust") and the Fund's By-Laws (the "By-Laws" and, together with the Declaration of Trust, the "Governing Instruments"), which were immediately effective.

The Declaration of Trust was amended to provide as follows:

- To qualify for nomination and service as a Trustee, individuals must meet certain additional qualifications, including that individuals may be disqualified if they engaged in disabling conduct outlined in the Declaration of Trust.

- Individuals that are associated with other investment vehicles and investment advisers may not be eligible for nomination and service as a Trustee if the Board finds that

such associations have conflicts of interest with the long-term best interests of the Fund, impede the ability of the nominee to perform, or impede the free-flow of information from management.

- Individuals that are acting in concert with control persons of investment companies in violation of Section 12(d)(1) of the 1940 Act shall be disqualified from nomination and service as a Trustee.

- Only the Board may amend the By-Laws.

- The Trustees shall be subject to the fiduciary duties and the business judgment rule under Delaware Corporate Law and the appointment, designation or identification of a Trustee as the Chair of the Board, a member or chair of a committee of the Trustees, an expert on any topic or in any area, or the lead independent Trustee, or any other special appointment, designation or identification of a Trustee does not affect this standard.

- Unless otherwise expressly provided in the Declaration of Trust or required by federal law, the Trustees shall act in their sole discretion and may take any action or exercise any power without any vote or consent of the shareholders.

The By-Laws were amended to provide as follows:

- Only the Board may amend the By-Laws.

- Shareholder proponents must provide proof of Fund holdings when notice of a proposal is received by the secretary of the Trust.

- Notice from a shareholder proponent with respect to a Trustee nominee must also include an indication of whether such nominee is or will be an "interested person" of the Trust and the consent of the person to be named as nominee. Such notice must also provide the nominee information for any proposed substitute nominee in the event that a proposed nominee is unwilling or unable to serve, including by reason of any disqualification.

- A Trustee questionnaire and any supplemental information reasonably requested by the Trust must be completed, executed and returned to the Trust within 5 business days of receipt.

- For purposes of disclosing the number of shares which are beneficially owned by a proponent shareholder, shares "beneficially owned" shall have the meaning in Rules

13d-3 and 13d-5 under the Exchange Act (i.e., possessing investment or voting discretion) and include shares the shareholder has the right to acquire pursuant to any agreement or upon exercise of conversion rights or warrants, or otherwise.

- No shareholder proposal may be brought before an annual meeting, unless shareholders have power to vote on the subject matter of the shareholder proposal, whether or not submitted as a precatory recommendation to the Board.

- If a meeting is postponed or adjourned and a new record date is set, any proxy received from a shareholder with respect to the original record date will remain in full force and effect with respect to shares held by the shareholder on the new record date, unless explicitly revoked.

- The chairperson of the Board, or in the absence of the chairperson of the Board, the president of the Trust, any vice president or other authorized officer of the Trust, may adopt rules for the orderly conduct of shareholder meetings.

- In the event of a vacancy on the Board, the size of the Board is automatically reduced until the Board increases the size of the Board.

- The Board may require all of its members (including nominees) to agree in writing as to matters of corporate governance, business ethics and confidentiality, including a background check.

- The Board or the shareholders may ratify any act, omission, failure to act or determination made not to act by the Trust or its officers to the extent that the Board or the shareholders could have originally authorized the act.

The Declaration of Trust and the By-Laws may be inspected in their entirety upon request to the Franklin Templeton Companies, LLC, Attention: Fund Secretary, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301.

Your Fund's Goal and Main Investments

The Fund seeks high, current income, with a secondary goal of capital appreciation, by investing, under normal market conditions, at least 80% of its net assets in income-producing securities of sovereign or sovereign-related entities and private sector companies in emerging market countries. For purposes of the Fund's 80% policy, income-

producing securities of entities in emerging markets include derivative instruments or other investments that have economic characteristics similar to such securities.

Principal Investment Strategy

Under normal market conditions, the Fund invests at least 80% of its net assets in income-producing securities of sovereign or sovereign-related entities and private sector companies located or operating in emerging market countries. "Emerging market countries" include those countries considered to be developing or emerging by the International Monetary Fund, the World Bank, the United Nations, or the countries' authorities, countries included in the JPMorgan Emerging Markets Bond Index - Global (EMBIG) or JPMorgan Government Bond Index - Emerging Markets Broad (GBI-EM Broad) fixed income indexes, or countries with a stock market capitalization of less than 3% of the MSCI World Index. Emerging market countries typically are located in the Asia-Pacific region, Eastern Europe, the Middle East, Central and South America, and Africa. Private sector companies in emerging market countries are (i) companies whose principal securities trading markets are in emerging market countries, as defined above, (ii) companies that derive 50% or more of their total revenue from either goods or services produced in such emerging market countries or sales made in such emerging market countries, or (iii) companies organized under the laws of, and with principal offices in, emerging market countries. Included among the issuers of emerging market country debt securities in which the Fund may invest are entities organized and operated solely for the purpose of restructuring the investment characteristics of various securities. The Fund is permitted to invest in a class of structured investments that is either subordinated or unsubordinated to the right of payment of another class.

The Fund may invest in securities denominated in currencies other than the U.S. dollar, including currencies of emerging market countries. Securities denominated in currencies other than the U.S. dollar may include money market securities, as well as convertible, dividend-paying equity and equity-linked securities. Although the Fund is permitted to engage in a wide variety of investment practices designed to hedge against currency exchange rate risks with respect to its holdings of non-dollar denominated securities, the Fund may be limited in its ability to hedge against these risks. In

addition, to limit its risk exposure, the Fund will invest no more than 35% of its total assets in loan participations and loan assignments.

The Fund's investments in sovereign or sovereign-related debt obligations will consist of (i) bonds, notes, bills, debentures or other fixed income or floating rate securities issued or guaranteed by governments, governmental agencies or instrumentalities, or government owned, controlled or sponsored entities, including central banks, located in emerging market countries (including participations in and assignments of portions of loans between governments and financial institutions), including warrants for any such obligations, (ii) debt obligations issued by entities organized and operated for the purpose of restructuring the investment characteristics of instruments issued by any of the entities described above, including indexed or currency linked securities, and (iii) debt obligations issued by supranational organizations such as the Asian Development Bank, the Inter-American Development Bank, and the Corporacion Andina de Fomento, among others. Such obligations may be issued in either registered or bearer form.

The Fund's investment in debt obligations of private sector companies in emerging market countries will take the form of bond notes, bills, debentures, convertible securities, warrants, indexed or currency-linked securities, bank debt obligations, short-term paper, loan participations, loan assignments and interests issued by entities organized and operated for the purpose of restructuring the investment characteristics of instruments issued by emerging market country issuers. Dollar-denominated emerging market country debt securities held by the Fund will generally be listed but not traded on a securities exchange, and non-dollar-denominated securities held by the Fund may or may not be listed or traded on a securities exchange. The Fund will not be subject to any restrictions on the maturities of the emerging market country debt securities it holds: those maturities may range from overnight to more than 30 years. The Fund may purchase credit-linked notes. Credit-linked notes are intended to replicate the economic effects that would apply had the Fund directly purchased the underlying reference asset.

The Fund may invest without limitation in illiquid securities, for which there is a limited trading market and for which a low trading volume of a particular security may result in abrupt and erratic price movements. In addition, the

investment manager may engage in short-term trading in the Fund's portfolio when it believes it is consistent with the Fund's investment objectives. As a result of the Fund's investment policies, under certain market conditions, its portfolio turnover rate may be higher than that of other investment companies, and may be as high as 300%.

For purposes of pursuing its investment goals, the Fund regularly enters into various currency related transactions involving derivative instruments, principally currency and cross currency forwards, but it may also use currency and currency index futures contracts and currency options. The Fund maintains extensive positions in currency related derivative instruments as a hedging technique or to implement a currency investment strategy, which could expose a large amount of the Fund's assets to obligations under these instruments. The results of such transactions may represent, from time to time, a large component of the Fund's investment returns. The use of these derivative transactions may allow the Fund to obtain net long or net negative (short) exposure to selected currencies. The Fund also may enter into various other transactions involving derivatives from time to time, including interest rate/bond futures contracts (including those on government securities) and swap agreements (which may include credit default swaps, currency swaps and interest rate swaps). The use of these derivative transactions may allow the Fund to obtain net long or net short exposures to selected interest rates, countries, duration or credit risks, or may be used for hedging purposes.

The Fund may use fixed income total return swaps in an amount up to 25% of the Fund's net assets as measured by notional value and consistent with the Fund's investment goal. The Fund may enter into interest rate swap contracts to hedge the risk of changes in interest rates. The Fund may use inflation index swaps to the extent consistent with the Fund's investment goal. The Fund may invest in credit default swaps for hedging purposes, and also for efficient portfolio management and to broaden investment opportunities. Generally, the Fund may purchase and write (sell) both put and call options on swap agreements, commonly known as swaptions, although currently the Fund only intends to purchase options on interest rate swaps. The Fund may buy options on interest rate swaps to help hedge the Fund's risk of potentially rising interest rates. The Fund may purchase and sell financial futures contracts. The Fund may also buy and sell index futures contracts with respect to any securities index traded on a recognized securities

exchange or board of trade. The Fund may write (i.e., sell) covered put and call options and purchase put and call options on securities or securities indices that are traded on United States and foreign exchanges or in the over-the-counter markets. The Fund may write a call or put option only if the option is "covered."

The Fund may invest in derivatives in order to manage risk or gain exposure to various other investments or markets.

The Fund may lend to broker-dealers portfolio securities with an aggregate market value of up to one-third of its total assets. The Fund may purchase securities on a when-issued or delayed delivery basis. The Fund may invest in investment funds, other than those for which the investment manager serves as investment adviser or sponsor, which invest principally in securities in which the Fund is authorized to invest.

The Fund may invest in senior secured corporate loans that pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. The Fund may invest its uninvested cash balances in affiliated Franklin Templeton money market funds.

A call option gives the purchaser of the option, upon payment of a premium, the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price. Conversely, a put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the seller of the option the obligation to buy, the underlying instrument at the exercise price. For example, when the investment manager expects the price of a currency to decline in value, the Fund may purchase put options that are expected to increase in value as the price of the currency declines to hedge against such anticipated decline in value.

The Fund may invest in China Interbank bonds traded on the China Interbank Bond Market through the China – Hong Kong Bond Connect program. The Fund may invest in China Interbank bonds traded on the China Interbank Bond Market ("CIBM") through the China – Hong Kong Bond Connect program ("Bond Connect"). In China, the Hong Kong Monetary Authority Central Money Markets Unit holds Bond Connect securities on behalf of ultimate investors (such as the Fund) in accounts maintained with a China-based custodian (either the China Central Depository & Clearing Co. or the Shanghai Clearing House). This recordkeeping system subjects the Fund to various risks, including the risk that the Fund may have a limited ability to enforce rights

as a bondholder and the risks of settlement delays and counterparty default of the Hong Kong sub-custodian. In addition, enforcing the ownership rights of a beneficial holder of Bond Connect securities is untested and courts in China have limited experience in applying the concept of beneficial ownership. Bond Connect uses the trading infrastructure of both Hong Kong and China and is not available on trading holidays in Hong Kong. As a result, prices of securities purchased through Bond Connect may fluctuate at times when a Fund is unable to add to or exit its position. Securities offered through Bond Connect may lose their eligibility for trading through the program at any time. If Bond Connect securities lose their eligibility for trading through the program, they may be sold but can no longer be purchased through Bond Connect.

Bond Connect is subject to regulation by both Hong Kong and China and there can be no assurance that further regulations will not affect the availability of securities in the program, the frequency of redemptions or other limitations. Bond Connect trades are settled in Chinese currency, the renminbi ("RMB"). It cannot be guaranteed that investors will have timely access to a reliable supply of RMB in Hong Kong. Bond Connect is relatively new and its effects on the Chinese interbank bond market are uncertain. In addition, the trading, settlement and information technology systems required for non-Chinese investors in Bond Connect are relatively new. In the event of systems malfunctions, trading via Bond Connect could be disrupted. In addition, the Bond Connect program may be subject to further interpretation and guidance. There can be no assurance as to the program's continued existence or whether future developments regarding the program may restrict or adversely affect the Fund's investments or returns. Finally, uncertainties in China tax rules governing taxation of income and gains from investments via Bond Connect could result in unexpected tax liabilities for a Fund.

The Fund is a "non-diversified" fund, which means it generally invests a greater portion of its assets in the securities of one or more issuers and invests overall in a smaller number of issuers than a diversified fund.

In addition, for temporary defensive purposes, the Fund may invest less than 80% of its assets in emerging market country debt obligations.

Principal Investment Risks

You could lose money by investing in the Fund. Closed-end fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

Foreign Securities (non-U.S.)

Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or a country (including the U.S.) may be subject to trading restrictions or economic sanctions imposed by another company; (ii) trading practices – e.g., there may be less government supervision and regulation of foreign securities and currency markets, trading systems and brokers than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

There are special risks associated with investments in China, Hong Kong and Taiwan, including exposure to currency fluctuations, less liquidity, expropriation, confiscatory taxation, nationalization and exchange control regulations (including currency blockage). Inflation and rapid fluctuations in inflation and interest rates have had, and may continue to have, negative effects on the economy and securities markets of China, Hong Kong and Taiwan. In addition, investments in Taiwan could be adversely affected by its political and economic relationship with China. China, Hong Kong and Taiwan are deemed by the investment manager to be emerging markets countries, which means an investment in these countries has more heightened risks than general foreign investing due to a lack of established legal, political, business and social frameworks in these countries to support securities markets as well as the possibility for more widespread corruption and fraud. In addition, the standards for environmental, social and corporate governance matters in China, Hong Kong and Taiwan tend to be lower than such standards in more developed economies.

Trade disputes and the imposition of tariffs on goods and services can affect the economies of countries in which the Fund invests, particularly those countries with large export sectors, as well as the global economy. Trade disputes can result in increased costs of production and reduced profitability for non-export-dependent companies that rely on imports to the extent a country engages in retaliatory tariffs. Trade disputes may also lead to increased currency exchange rate volatility.

Emerging Market Countries

The Fund's investments in securities of issuers in emerging market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation.

The risks of investing in traditional emerging markets are magnified in frontier market countries (which are a subset of emerging markets countries) because they generally have smaller economies and less developed capital markets than in traditional emerging markets.

Frontier Market Countries

Frontier market countries, which are a subset of emerging market countries, generally have smaller economies and even less developed capital markets than traditional emerging markets, and, as a result, the risks of investing in emerging market countries are magnified in frontier market countries. The magnification of risks is the result of: potential for extreme price volatility and illiquidity in frontier markets; government ownership or control of parts of private sector and of certain companies; trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which frontier market countries trade; and the relatively new and unsettled securities laws in many frontier market countries.

Market

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is

a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Sovereign Debt Securities

Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign investments generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due because of cash flow problems, insufficient foreign reserves, the relative size of the debt service burden to the economy as a whole, the government's policy towards principal international lenders such as the International Monetary Fund, or the political considerations to which the government may be subject. If a sovereign debtor defaults (or threatens to default) on its sovereign debt obligations, the indebtedness may be restructured. Some sovereign debtors have in the past been able to restructure their debt payments without the approval of some or all debt holders or to declare moratoria on payments. In the event of a default on sovereign debt, the Fund may also have limited legal recourse against the defaulting government entity.

Currency Management Strategies

Currency management strategies may substantially change the Fund's exposure to currency exchange rates and could result in losses to the Fund if currencies do not perform as the investment manager expects. In addition, currency management strategies, to the extent that they reduce the Fund's exposure to currency risks, may also reduce the Fund's ability to benefit from favorable changes in currency exchange rates. Using currency management strategies for purposes other than hedging further increases the Fund's exposure to foreign investment losses. Currency markets generally are not as regulated as securities markets. In addition, currency rates may fluctuate significantly over short periods of time, and can reduce returns.

Interest Rate

When interest rates rise, debt security prices generally fall. The opposite is also generally true: debt security prices rise when interest rates fall. Interest rate changes are influenced by a number of factors, including government policy,

monetary policy, inflation expectations, perceptions of risk, and supply of and demand for bonds. In general, securities with longer maturities or durations are more sensitive to interest rate changes.

Credit

An issuer of debt securities may fail to make interest payments or repay principal when due, in whole or in part. Changes in an issuer's financial strength or in a security's or government's credit rating may affect a security's value.

Derivative Instruments

The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such instruments often have risks similar to the underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in the Fund's portfolio, which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. The successful use of derivatives will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivative instruments at all. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. Derivatives also may present the risk that the other party to the transaction will fail to perform. There is also the risk, especially under extreme market conditions, that an instrument, which usually would operate as a hedge, provides no hedging benefits at all.

Non-Diversification

Because the Fund is non-diversified, it may be more sensitive to economic, business, political or other changes affecting individual issuers or investments than a diversified fund, which may result in greater fluctuation in the value of the Fund's shares and greater risk of loss.

Focus

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Please see the Performance Summary section of this report for additional risk disclosure.

Annual Meeting of Shareholders May 28, 2020 (unaudited)

The Annual Meeting of Shareholders of Templeton Emerging Markets Income Fund (the “Fund”) was held at the Fund’s offices, 300 S.E. 2nd Street, Fort Lauderdale, Florida, on May 28, 2020. The purpose of the meeting was to elect four Trustees of the Fund and to ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Fund for the fiscal year ending December 31, 2020. At the meeting, the following persons were elected by the shareholders to serve as Trustees of the Fund: Harris J. Ashton, Edith E. Holiday, J. Michael Luttig and Constantine D. Tseretopoulos.* Shareholders also ratified the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Fund for the fiscal year ending December 31, 2020. No other business was transacted at the meeting with respect to the Fund.

The results of the voting at the Annual Meeting are as follows:

1. The election of four Trustees:

Term Expiring 2023	For	% of Outstanding Shares	% of Shares Present	Withheld	% of Outstanding Shares	% of Shares Present
Harris J. Ashton	33,535,802	69.87%	82.26%	7,230,264	15.06%	17.74%
Edith E. Holiday	33,635,505	70.08%	82.51%	7,130,561	14.86%	17.49%
J. Michael Luttig	33,611,929	70.03%	82.45%	7,154,137	14.90%	17.55%
Constantine D. Tseretopoulos . . .	33,578,099	69.96%	82.37%	7,187,967	14.98%	17.63%

There were no broker non-votes received with respect to this item.

2. Ratification of the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Fund for the fiscal year ending December 31, 2020:

	Shares Voted	% of Outstanding Shares	% of Shares Present
For	38,908,566	81.06%	95.44%
Against	1,244,177	2.59%	3.05%
Abstain	605,144	1.26%	1.48%

* Ann Torre Bates, Mary C. Choksi, Rupert H. Johnson, Jr., Gregory E. Johnson, David W. Niemiec, Larry D. Thompson and Robert E. Wade are Trustees of the Fund who are currently serving and whose terms of office continued after the Annual Meeting of Shareholders.

Dividend Reinvestment and Cash Purchase Plan

The Fund offers a Dividend Reinvestment and Cash Purchase Plan (the “Plan”) with the following features:

If shares of the Fund are held in the shareholder’s name, the shareholder will automatically be a participant in the Plan unless the shareholder elects to withdraw. If the shares are registered in the name of a broker-dealer or other nominee (i.e., in “street name”), the broker-dealer or nominee will elect to participate in the Plan on the shareholder’s behalf unless the shareholder instructs them otherwise, or unless the reinvestment service is not provided by the broker-dealer or nominee.

To receive dividends or distributions in cash, the shareholder must notify American Stock Transfer and Trust Company, LLC (the “Plan Administrator”) at P.O. Box 922, Wall Street Station, New York, NY 10269-0560 or the institution in whose name the shares are held. The Plan Administrator must receive written notice ten business days before the record date for the distribution.

Whenever the Fund declares dividends in either cash or shares of the Fund, if the market price is equal to or exceeds net asset value at the valuation date, the participant will receive the dividends entirely in new shares at a price equal to the net asset value, but not less than 95% of the then current market price of the Fund’s shares. If the market price is lower than net asset value or if dividends and/or capital gains distributions are payable only in cash, the participant will receive shares purchased on the New York Stock Exchange or otherwise on the open market.

A participant has the option of submitting additional cash payments to the Plan Administrator, in any amounts of at least \$100, up to a maximum of \$5,000 per month, for the purchase of Fund shares for his or her account. These payments can be made by check payable to American Stock Transfer and Trust Company, LLC and sent to American Stock Transfer and Trust Company, LLC, P.O. Box 922, Wall Street Station, New York, NY 10269-0560, Attention: Templeton Emerging Markets Income Fund. The Plan Administrator will apply such payments (less a \$5.00 service charge and less a pro rata share of trading fees) to purchases of the Fund’s shares on the open market.

The automatic reinvestment of dividends and/or capital gains does not relieve the participant of any income tax that may be payable on dividends or distributions.

Whenever shares are purchased on the New York Stock Exchange or otherwise on the open market, each participant will pay a pro rata portion of trading fees. Trading fees will be deducted from amounts to be invested. The Plan Administrator’s fee for a sale of shares through the Plan is \$15.00 per transaction plus a \$0.12 per share trading fee.

A participant may withdraw from the Plan without penalty at any time by written notice to the Plan Administrator sent to American Stock Transfer and Trust Company, LLC, P.O. Box 922, Wall Street Station, New York, NY 10269-0560. Upon withdrawal, the participant will receive, without charge, share certificates issued in the participant’s name for all full shares held by the Plan Administrator; or, if the participant wishes, the Plan Administrator will sell the participant’s shares and send the proceeds to the participant, less a service charge of \$15.00 and less trading fees of \$0.12 per share. The Plan Administrator will convert any fractional shares held at the time of withdrawal to cash at current market price and send a check to the participant for the net proceeds.

For more information, please see the Plan’s Terms and Conditions located at the back of this report.

Transfer Agent

American Stock Transfer and Trust Company, LLC
P.O. Box 922, Wall Street Station,
New York, NY 10269-056

(800) 416-5585
www.astfinancial.com

Direct Deposit Service for Registered Shareholders

Cash distributions can now be electronically credited to a checking or savings account at any financial institution that participates in the Automated Clearing House (“ACH”) system. The Direct Deposit service is provided for registered shareholders at no charge. To enroll in the service, access your account online by going to www.astfinancial.com or dial (800) 416-5585 (toll free) and follow the instructions. Direct Deposit will begin with the next scheduled distribution payment date following enrollment in the service.

Direct Registration

If you are a registered shareholder of the Fund, purchases of shares of the Fund can be electronically credited to your Fund account at American Stock Transfer and Trust Company, LLC through Direct Registration. This service provides shareholders with a convenient way to keep track of shares through book entry transactions, electronically move book-entry shares between broker-dealers, transfer agents and DRS eligible issuers, and eliminate the possibility of lost certificates. For additional information, please contact American Stock Transfer and Trust Company, LLC at (800) 416-5585.

Shareholder Information

Shares of Templeton Emerging Markets Income Fund are traded on the New York Stock Exchange under the symbol “TEI.” Information about the net asset value and the market price is available at franklintempleton.com.

For current information about dividends and shareholder accounts, call (800) 416-5585. Registered shareholders can access their Fund account on-line. For information go to American Stock Transfer and Trust Company, LLC’s web site at www.astfinancial.com and follow the instructions.

The daily closing net asset value as of the previous business day may be obtained when available by calling Franklin Templeton Fund Information after 7 a.m. Pacific time any business day at (800) DIAL BEN/342-5236. The Fund’s net asset value and dividends are also listed on the NASDAQ Stock Market, Inc.’s Mutual Fund Quotation Service (“NASDAQ MFQS”).

Shareholders not receiving copies of reports to shareholders because their shares are registered in the name of a broker or a custodian can request that they be added to the Fund’s mailing list, by writing Templeton Emerging Markets Income Fund, 100 Fountain Parkway, P.O. Box 33030, St. Petersburg, FL, 33733-8030.

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 1993	125	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Ann Torre Bates (1958) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2008	30	Ares Capital Corporation (specialty finance company) (2010-present), United Natural Foods, Inc. (distributor of natural, organic and specialty foods) (2013-present), formerly , Allied Capital Corporation (financial services) (2003-2010), SLM Corporation (Sallie Mae) (1997-2014) and Navient Corporation (loan management, servicing and asset recovery) (2014-2016).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Executive Vice President and Chief Financial Officer, NHP Incorporated (manager of multifamily housing) (1995-1997); and Vice President and Treasurer, US Airways, Inc. (until 1995).				
Mary C. Choksi (1950) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2016	125	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and formerly , Avis Budget Group Inc. (car rental) (2007-May 2020).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Edith E. Holiday (1952) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Lead Independent Trustee	Trustee since 1996 and Lead Independent Trustee since 2007	125	Hess Corporation (exploration of oil and gas) (1993-present), Canadian National Railway (railroad) (2001-present), White Mountains Insurance Group, Ltd. (holding company) (2004-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present); Santander Holdings USA (holding company) (2019-present); and formerly , RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).
Principal Occupation During at Least the Past 5 Years: Director or Trustee of various companies and trusts; and formerly , Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).				
J. Michael Luttig (1954) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2009	125	Boeing Capital Corporation (aircraft financing) (2006-2010).
Principal Occupation During at Least the Past 5 Years: Private investor; and formerly , Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (May 2019-January 1, 2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).				
David W. Niemiec (1949) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2005	30	Hess Midstream LP (oil and gas midstream infrastructure) (2017-present).
Principal Occupation During at Least the Past 5 Years: Advisor, Saratoga Partners (private equity fund); and formerly , Managing Director, Saratoga Partners (1998-2001) and SBC Warburg Dillon Read (investment banking) (1997-1998); Vice Chairman, Dillon, Read & Co. Inc. (investment banking) (1991-1997); and Chief Financial Officer, Dillon, Read & Co. Inc. (1982-1997).				
Larry D. Thompson (1945) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2005	125	Graham Holdings Company (education and media organization) (2011-present); and formerly , The Southern Company (energy company) (2014-May 2020; previously 2010-2012), Cbeyond, Inc. (business communications provider) (2010-2012).
Principal Occupation During at Least the Past 5 Years: Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and formerly , Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-September 2020); Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Constantine D. Tseretopoulos (1954) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 1999	19	None
Principal Occupation During at Least the Past 5 Years: Physician, Chief of Staff, owner and operator of the Lyford Cay Hospital (1987-present); director of various nonprofit organizations; and formerly , Cardiology Fellow, University of Maryland (1985-1987); and Internal Medicine Resident, Greater Baltimore Medical Center (1982-1985).				

Robert E. Wade (1946) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2006	30	EI Oro Ltd (investments) (2003-2019).
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Principal Occupation During at Least the Past 5 Years:
 Attorney at law engaged in private practice as a sole practitioner (1972-2008) and member of various boards.

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
**Gregory E. Johnson (1961) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	136	None
Principal Occupation During at Least the Past 5 Years: Executive Chairman, Chairman of the Board and Director, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 39 of the investment companies in Franklin Templeton; Vice Chairman, Investment Company Institute; and formerly , Chief Executive Officer (2013-2020) and President (1994-2015), Franklin Resources, Inc.				

**Rupert H. Johnson, Jr. (1940) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board, Trustee and Vice President	Chairman of the Board and Trustee since 2013 and Vice President since 1996	125	None
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Principal Occupation During at Least the Past 5 Years:
 Director (Vice Chairman), Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 37 of the investment companies in Franklin Templeton.

Alison E. Baur (1964) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:
 Deputy General Counsel, Franklin Templeton; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 41 of the investment companies in Franklin Templeton.

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Breda M. Beckerle (1958) 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since October 2020	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Chief Compliance Officer, Fiduciary Investment Management International, Inc., Franklin Advisers, Inc., Franklin Advisory Services, LLC, Franklin Mutual Advisers, LLC, Franklin Templeton Institutional, LLC; and officer of 41 of the investment companies in Franklin Templeton.				
Steven J. Gray (1955) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Vice President, Franklin Templeton Distributors, Inc. and FASA, LLC; and officer of 41 of the investment companies in Franklin Templeton.				
Michael Hasenstab, Ph.D. (1973) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2018	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Executive Vice President, Franklin Advisers, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of three of the investment companies in Franklin Templeton.				
Matthew T. Hinkle (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; officer of 41 of the investment companies in Franklin Templeton; and formerly , Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).				
Robert G. Kubilis (1973) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since 2017	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Treasurer, U.S. Fund Administration & Reporting and officer of 39 of the investment companies in Franklin Templeton.				
Robert Lim (1948) One Franklin Parkway San Mateo, CA 94403-1906	Vice President – AML Compliance	Since 2016	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Vice President, Franklin Templeton Companies, LLC; Chief Compliance Officer, Franklin Templeton Distributors, Inc. and Franklin Templeton Investor Services, LLC; and officer of 41 of the investment companies in Franklin Templeton.				
Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Associate General Counsel and officer of 41 of the investment companies in Franklin Templeton.				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Craig S. Tyle (1960) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2005	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: General Counsel and Executive Vice President, Franklin Resources, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 41 of the investment companies in Franklin Templeton.				
Lori A. Weber (1964) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President and Secretary	Vice President since 2011 and Secretary since 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of 41 of the investment companies in Franklin Templeton.				
Christine Zhu (1975) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2018	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Vice President, Franklin Advisers, Inc.; and officer of three of the investment companies in Franklin Templeton.				

*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton fund complex. These portfolios have a common investment manager or affiliated investment managers.

**Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and major shareholder of Resources.

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

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

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

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

Shareholder Information

Proxy Voting Policies and Procedures

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

Quarterly Statement of Investments

The 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.

TERMS AND CONDITIONS OF DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

1. Each holder of shares (a "Shareholder") in Templeton Emerging Markets Income Fund (the "Fund") whose Fund shares are registered in his or her own name will automatically be a participant in the Dividend Reinvestment and Cash Purchase Plan (the "Plan"), unless any such Shareholder specifically elects in writing to receive all dividends and capital gains in cash, paid by check, mailed directly to the Shareholder. A Shareholder whose shares are registered in the name of a broker-dealer or other nominee (the "Nominee") will be a participant if (a) such a service is provided by the Nominee and (b) the Nominee makes an election on behalf of the Shareholder to participate in the Plan. Nominees intend to make such an election on behalf of Shareholders whose shares are registered in their names, as Nominee, unless a Shareholder specifically instructs his or her Nominee to pay dividends and capital gains in cash. American Stock Transfer and Trust Company, LLC ("AST") will act as Plan Administrator and will open an account for each participating shareholder ("participant") under the Plan in the same name as that in which the participant's present shares are registered.
2. Whenever the Fund declares a distribution from capital gains or an income dividend payable in either cash or shares of the Fund ("Fund shares"), if the market price per share on the valuation date equals or exceeds the net asset value per share, participants will receive such dividend or distribution entirely in Fund shares, and AST shall automatically receive such Fund shares for participant accounts including aggregate fractions. The number of additional Fund shares to be credited to participant accounts shall be determined by dividing the equivalent dollar amount of the capital gains distribution or dividend payable to participants by the Fund's net asset value per share of the Fund shares on the valuation date, provided that the Fund shall not issue such shares at a price lower than 95% of the current market price per share. The valuation date will be the payable date for such distribution or dividend.
3. Whenever the Fund declares a distribution from capital gains or an income dividend payable only in cash, or if the Fund's net asset value per share exceeds the market price per share on the valuation date, AST shall apply the amount of such dividend or distribution payable to participants to the purchase of Fund shares on the open market (less their pro rata share of trading fees incurred with respect to open market purchases in connection with the reinvestment of such dividend or distribution). If, before AST has completed its purchases, the market price exceeds the net asset value per share, the average per share purchase price paid by AST may exceed the net asset value of the Fund's shares, resulting in the acquisition of fewer shares than if the dividend or capital gains distribution had been paid in shares issued by the Fund at net asset value per share. Such purchases will be made promptly after the payable date for such dividend or distribution, and in no event more than 30 days after such date except where temporary curtailment or suspension of purchase is necessary to comply with applicable provisions of the Federal securities laws.
4. A participant has the option of submitting additional payments to AST, in any amounts of at least \$100, up to a maximum of \$5,000 per month, for the purchase of Fund shares for his or her account. These payments may be made electronically through www.astfinancial.com or by check payable to "American Stock Transfer and Trust Company, LLC" and sent to American Stock Transfer and Trust Company, LLC, P.O. Box 922, Wall Street Station, New York, NY 10269-0560, Attention: Templeton Emerging Markets Income Fund. AST shall apply such payments (less a \$5.00 service charge and less a pro rata share of trading fees) to purchases of Fund shares on the open market, as discussed below in paragraph 6. AST shall make such purchases promptly on approximately the 15th of each month or, during a month in which a dividend or distribution is paid, beginning on the dividend payment date, and in no event more than 30 days after receipt, except where necessary to comply with provisions of Federal securities law. Any voluntary payment received less than two business days before an investment date shall be invested during the following month unless there are more than 30 days until the next investment date, in which case such payment will be returned to the participant. AST shall return to the participant his or her entire voluntary cash payment upon written notice of withdrawal received by AST not less than 48 hours before such payment is to be invested. Such written notice shall be sent to AST by the participant, as discussed below in paragraph 14.
5. For all purposes of the Plan: (a) the market price of the Fund's shares on a particular date shall be the last sale price on the New York Stock Exchange on that date if a business day and if not, on the preceding business day, or if there is no sale on such Exchange on such date, then the mean between the closing bid and asked quotations for such shares on such Exchange on such date, and (b) net asset value per share of the Fund's shares on a particular date shall be as determined by or on behalf of the Fund.

TERMS AND CONDITIONS OF DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (continued)

6. Open market purchases provided for above may be made on any securities exchange where Fund shares are traded, in the over-the-counter market or in negotiated transactions and may be on such terms as to price, delivery and otherwise as AST shall determine. Participant funds held by AST uninvested will not bear interest, and it is understood that, in any event, AST shall have no liability in connection with any inability to purchase Fund shares within 30 business days after the payable date for any dividend or distribution as herein provided, or with the timing of any purchases effected. AST shall have no responsibility as to the value of the Fund shares acquired for participant accounts. For the purposes of purchases in the open market, AST may aggregate purchases with those of other participants, and the average price (including trading fees) of all shares purchased by AST shall be the price per share allocable to all participants.

7. AST will hold shares acquired pursuant to this Plan, together with the shares of other participants acquired pursuant to this Plan, in its name or that of its nominee. AST will forward to participants any proxy solicitation material and will vote any shares so held for participants only in accordance with the proxies returned by participants to the Fund. Upon written request, AST will deliver to participants, without charge, a certificate or certificates for all or a portion of the full shares held by AST.

8. AST will confirm to participants each acquisition made for an account as soon as practicable but not later than 60 business days after the date thereof. AST will send to participants a detailed account statement showing total dividends and distributions, date of investment, shares acquired and price per share, and total shares of record for the account. Although participants may from time to time have an undivided fractional interest (computed to three decimal places) in a share of the Fund, no certificates for a fractional share will be issued. However, dividends and distributions on fractional shares will be credited to participant accounts. In the event of termination of an account under the Plan, AST will adjust for any such undivided fractional interest in cash at the market price of the Fund's shares on the date of termination.

9. Any share dividends or split shares distributed by the Fund on shares held by AST for participants will be credited to participant accounts. In the event that the Fund makes available to its shareholders transferable rights to purchase additional Fund shares or other securities, AST will sell such

rights and apply the proceeds of the sale to the purchase of additional Fund shares for the participant accounts. The shares held for participants under the Plan will be added to underlying shares held by participants in calculating the number of rights to be issued.

10. AST's service charge for capital gains or income dividend purchases will be paid by the Fund when shares are issued by the Fund or purchased on the open market. AST will deduct a \$5.00 service charge from each voluntary cash payment. Participants will be charged a pro rata share of trading fees on all open market purchases.

11. Participants may withdraw shares from such participant's account or terminate their participation under the Plan by notifying AST in writing. Such withdrawal or termination will be effective immediately if notice is received by AST not less than ten days prior to any dividend or distribution record date; otherwise such withdrawal or termination will be effective after the investment of any current dividend or distribution or voluntary cash payment. The Plan may be terminated by AST or the Fund upon 90 days' notice in writing mailed to participants. Upon any withdrawal or termination, AST will cause a certificate or certificates for the full shares held by AST for participants and cash adjustment for any fractional shares (valued at the market value of the shares at the time of withdrawal or termination) to be delivered to participants, less any trading fees. Alternatively, a participant may elect by written notice to AST to have AST sell part or all of the shares held for him and to remit the proceeds to him. AST is authorized to deduct a \$15.00 service charge and a trading fee of \$0.12 per share for this transaction from the proceeds. If a participant disposes of all shares registered in his name on the books of the Fund, AST may, at its option, terminate the participant's account or determine from the participant whether he wishes to continue his participation in the Plan.

12. These terms and conditions may be amended or supplemented by AST or the Fund at any time or times, except when necessary or appropriate to comply with applicable law or the rules or policies of

the U.S. Securities and Exchange Commission or any other regulatory authority, only by mailing to participants appropriate written notice at least 90 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by participants unless, prior to the effective date thereof, AST receives written notice of the termination of a participant account under the Plan. Any

TERMS AND CONDITIONS OF DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (continued)

such amendment may include an appointment by AST in its place and stead of a successor Plan Administrator under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by AST under these terms and conditions. Upon any such appointment of a Plan Administrator for the purpose of receiving dividends and distributions, the Fund will be authorized to pay to such successor Plan Administrator, for a participant's account, all dividends and distributions payable on Fund shares held in a participant's name or under the Plan for retention or application by such successor Plan Administrator as provided in these terms and conditions.

13. AST shall at all times act in good faith and agree to use its best efforts within reasonable limits to ensure the accuracy of all services performed under this Agreement and to comply with applicable law, but shall assume no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by AST's negligence, bad faith or willful misconduct or that of its employees.

14. Any notice, instruction, request or election which by any provision of the Plan is required or permitted to be given or made by the participant to AST shall be in writing addressed to American Stock Transfer and Trust Company, LLC, P.O. Box 922, Wall Street Station, New York, NY 10269-0560, or www.astfinancial.com or such other address as AST shall furnish to the participant, and shall have been deemed to be given or made when received by AST.

15. Any notice or other communication which by any provision of the Plan is required to be given by AST to the participant shall be in writing and shall be deemed to have been sufficiently given for all purposes by being deposited postage prepaid in a post office letter box addressed to the participant at his or her address as it shall last appear on AST's records. The participant agrees to notify AST promptly of any change of address.

16. These terms and conditions shall be governed by and construed in accordance with the laws of the State of New York and the rules and regulations of the U.S. Securities and Exchange Commission, as they may be amended from time to time.

Investors should be aware that the value of investments made for the Fund may go down as well as up. Like any investment in securities, the value of the Fund's portfolio will be subject to the risk of loss from market, currency, economic, political and other factors. The Fund and its investors are not protected from such losses by the investment manager. Therefore, investors who cannot accept this risk should not invest in shares of the Fund.

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



Annual Report
Templeton Emerging Markets Income Fund

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Franklin Advisors, Inc.

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