

TEMPLETON GLOBAL INCOME FUND  
Form N-CSRS  
May 04, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05459

Templeton Global Income Fund

(Exact name of registrant as specified in charter)

300 S.E. 2<sup>nd</sup> Street, Fort Lauderdale, FL 33301-1923  
(Address of principal executive offices) (Zip code)

Craig S. Tyle, One Franklin Parkway, San Mateo, CA 94403-1906

(Name and address of agent for service)

Registrant's telephone number, including area code: (954) 527-7500

Date of fiscal year end: 8/31

Date of reporting period: 2/29/16

**Item 1. Reports to Stockholders.**

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**Semiannual Report**

February 29, 2016

# Templeton Global Income Fund

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## Contents

<u>Semiannual Report</u>	
<u>Templeton Global Income Fund</u>	2
<u>Performance Summary</u>	6
<u>Important Notice to Shareholders</u>	8
<u>Financial Highlights and Statement of Investments</u>	9
<u>Financial Statements</u>	22
<u>Notes to Financial Statements</u>	25
<u>Annual Meeting of Shareholders</u>	34
<u>Dividend Reinvestment and Cash Purchase Plan</u>	35
<u>Shareholder Information</u>	37

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# Semiannual Report

## Templeton Global Income Fund

Dear Shareholder:

This semiannual report for Templeton Global Income Fund covers the period ended February 29, 2016.

### Your Fund's Goal and Main Investments

The Fund seeks high, current income, with a secondary goal of capital appreciation. Under normal market conditions, the Fund invests at least 80% of its net assets in income-producing securities, including debt securities of U.S. and foreign issuers, including emerging markets.

### Performance Overview

For the six months under review, the Fund had cumulative total returns of -0.55% based on market price and -3.72% based on net asset value. For comparison, the global government bond market, as measured by the J.P. Morgan (JPM) Global Government Bond Index (GGBI), posted cumulative total returns of +4.22% in local currency terms and +4.17% in U.S. dollar terms for the same period.<sup>1</sup> You can find the Fund's long-term performance data in the Performance Summary on page 6.

*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

Global markets experienced significant volatility during the six-month period, as declines in oil prices and concerns about economic conditions in China and the outlook for growth across the globe appeared to negatively impact markets. However, we believed there was a significant disconnect between market pessimism and the underlying fundamentals. Markets appeared to react as if conditions were worse than the 2008 global financial crisis or the Asian financial crisis of 1997 and 1998, yet several emerging market economies were in far better shape, by our assessment, with larger foreign reserves

\*Figures reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

\*\*Includes foreign treasury bills, money market funds and net other assets less liabilities.

and more diversified, growing economies. Risk aversion initially peaked during the weeks around the start of the reporting period, then began to diminish in October and November, leading to a recovery in risk asset pricing. However, volatility returned in late December and resurged over the first couple of weeks of the new year, leading to further declines in several risk assets as oil prices dropped below \$30 per barrel. Risk aversion relented a bit at the end of January before returning again in early February. However, over the final weeks of February, risk appetites returned and several risk assets rallied, creating a positive trend for global markets as the period came to a close.

After postponing action in September and October, the U.S. Federal Reserve raised its policy rate 25 basis points (0.25%) at its December meeting, marking the first increase in the federal funds rate since 2006 and the first non-zero rate policy since 2008. Despite the move toward tightening policy, the Federal Open Market Committee stressed that U.S. monetary policy would remain highly accommodative and that the pace of future increases would be gradual. Although bond yields initially shifted higher across much of Europe, Asia ex-Japan and Latin America in December, they subsequently declined during the first two months of 2016. The yield on the 10-year U.S. Treasury note began the period at 2.21% and finished the period at 1.74%. Additionally, yields across much of Europe declined substantially; the yield on the 10-year German bund was 0.80% at the start of the period and dropped to 0.11% by

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1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://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 10.**

2 Semiannual Report

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TEMPLETON GLOBAL INCOME FUND

the end of February. The Bank of Japan introduced a negative interest rate policy in January, and 10-year Japan government bond yields dropped to -0.07% by period-end from 0.38% on August 31, 2015.

A vast number of currencies across developed and emerging markets depreciated against the U.S. dollar during the period, with only a few select currencies appreciating, most notably the Indonesian rupiah and the Japanese yen. Emerging markets were often regarded by investors as being in near-crisis condition, particularly during the volatility in January and February. Several emerging market currencies stood out as excessively depreciated, in our view. We were focused on the opportunity sets in several currencies and believed that fears of a systemic crisis across the emerging markets asset class were exaggerated. Most commodity exporters and emerging markets with poor macro fundamentals remained vulnerable, but we observed several other emerging market countries that we believed had sound policies and stronger underlying fundamentals than markets were indicating. We observed a subset of compelling valuations across specific currencies and select areas of the local currency bond markets.

Additionally, we continued to believe that fears of global deflation were unwarranted and that markets were overestimating the extent to which lower headline inflation reflected structurally weaker global demand. Supply factors were the main driver behind falling energy and commodity prices, by our assessment, which in turn have pushed headline inflation lower. These are short-term effects, and their disinflationary impact should wane as commodity prices stabilize, in our opinion. The belief that inflation had become structurally lower appeared to make several investors complacent on taking interest rate risk in what we believed was a vulnerable part of the yield cycle. Underlying inflation in the U.S. was not adequately priced into bond yields during the period, in our assessment, and we were wary of the lack of inflation being priced into bond yields across the globe. In our view, there were more risks of inflation moving up than down, yet markets appeared to price in deflation and downside risks.

## Investment Strategy

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

\*Figures reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

\*\*The Fund's euro area investments were in Portugal and Slovenia.

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

### What is a currency forward contract?

A currency forward contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency in exchange for another currency at a specific exchange rate on a future date.

## Manager's Discussion

On the whole, we continued to position our strategies for rising rates by maintaining low portfolio duration and aiming at a negative correlation with U.S. Treasury returns. We also continued to actively seek select duration exposures that we believe offer positive real yields without undue interest rate risk, favoring countries that we believe have solid underlying

fundamentals and prudent fiscal, monetary and financial policies. During the period, we shifted out of markets where we had previously held contrarian positions to reallocate to positions that, in our view, had fundamentally attractive valuations for the medium term. We also maintained our exposures to several of our strongest investment convictions and added to those types of positions as prices became cheaper during periods of heightened volatility. Despite the persistence of volatility during the period, we remained encouraged by the vast set of fundamentally attractive valuations across the global bond and currency markets. We favored currencies in countries where inflation was picking up and growth remained healthy

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Semiannual Report 3

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TEMPLETON GLOBAL INCOME FUND

yet the local currencies remained fundamentally undervalued, by our assessment. We were positioned for depreciation of the euro and yen, a rise in U.S. Treasury yields and currency appreciation in select emerging markets. During the period, we used currency forward contracts to actively manage exposure to currencies. We also used interest rate swaps to tactically manage duration exposures.

**What is duration?**

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

**What is an interest rate swap?**

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

During the period the Fund's negative absolute performance was primarily attributable to currency positions followed by interest rate strategies. Sovereign credit exposures had a largely neutral effect on absolute return. Among currencies, the Fund's net-negative position in the Japanese yen detracted from absolute performance as did the Fund's currency positions in Latin America. However, the Fund's net-negative position in the euro contributed to absolute return, as did the Fund's currency positions in Asia ex-Japan. The Fund maintained a defensive approach regarding interest rates in developed and emerging markets. Negative duration exposure to U.S. Treasuries detracted from absolute performance.

On a relative basis, the Fund's underperformance was primarily attributable to interest rate strategies followed by currency positions. Sovereign credit exposures had a largely neutral

**Currency Breakdown\***

2/29/16

	% of Total	Net Assets
<b>Americas</b>		<b>140.3 %</b>
U.S. Dollar		97.5 %
Mexican Peso		21.0 %
Brazilian Real		11.7 %
Chilean Peso		6.9 %
Peruvian Neuvo Sol		3.2 %
<b>Asia Pacific</b>		<b>-2.7 %</b>
Malaysian Ringitt		14.8 %
Indonesian Rupiah		10.5 %
Indian Rupee		8.2 %
Sri Lankan Rupee		2.0 %
Philippine Peso		1.1 %
South Korean Won		-1.4 %
Australian Dollar		-8.5 %

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Japanese Yen	-29.4 %
<b>Europe</b>	<b>-37.6 %</b>
Polish Zloty	4.2 %
Euro	-41.8 %

\*Figures reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

effect on relative results. Underweighted duration exposure to U.S. Treasuries detracted from relative return as did underweighted duration exposure in Europe and Japan. Among currencies, the Fund's underweighted position in the Japanese yen detracted from relative performance as did overweighted currency positions in Latin America. However, underweighted positioning in the euro contributed to relative performance, as did overweighted currency positions in Asia ex-Japan.

4 Semiannual Report

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TEMPLETON GLOBAL INCOME FUND

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

Sincerely,

*The foregoing information reflects our analysis, opinions and portfolio holdings as of February 29, 2016, 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.*

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Semiannual Report 5

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TEMPLETON GLOBAL INCOME FUND

## Performance Summary as of February 29, 2016

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. 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 gains distributions, if any, or any realized gains on the sale of Fund shares.

### Share Prices

Symbol:GIM	2/29/16		8/31/15		Change
Net Asset Value (NAV)	\$	6.96	\$	7.38	-\$ 0.42
Market Price (NYSE)	\$	6.04	\$	6.22	-\$ 0.18

### Distributions<sup>1</sup>

(9/1/15 2/29/16)

Dividend Income
\$ 0.1500

### Performance<sup>2</sup>

	Cumulative Total Return <sup>3</sup>		Average Annual Total Return <sup>3</sup>		Average Annual Total Return (3/31/16) <sup>4</sup>	
	Based on	Based on	Based on	Based on	Based on	Based on
	NAV <sup>5</sup>	market price <sup>6</sup>	NAV <sup>5</sup>	market price <sup>6</sup>	NAV <sup>5</sup>	market price <sup>6</sup>
6 Months	-3.72 %	-0.55 %	-3.72 %	-0.55 %		
1-Year	-9.57 %	-14.36 %	-9.57 %	-14.36 %	-5.12 %	-5.07 %
5-Year	+8.80 %	-9.32 %	+1.70 %	-1.94 %	+ 2.15 %	-0.55 %
10-Year	+106.59 %	+ 88.64 %	+7.53 %	+ 6.55 %	+ 7.96 %	+7.29 %

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.

6 Semiannual Report

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TEMPLETON GLOBAL INCOME FUND

**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. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. 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. The Fund's use of foreign currency techniques involves special risks as such techniques may not achieve the anticipated benefits and/or may result in losses to the Fund. Also, 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. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results.**

1. The distribution amount is the sum of the dividend payments to shareholders for the period shown and includes only estimated tax-basis net investment income.
2. The Fund has a fee waiver associated with any investment in a Franklin Templeton money fund, contractually guaranteed through at least its current fiscal year-end. Fund investment results reflect the fee waiver, to the extent applicable; without this reduction, the results would have been lower.
3. 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.
4. In accordance with SEC rules, we provide standardized average annual total return information through the latest calendar quarter.
5. Assumes reinvestment of distributions based on net asset value.
6. Assumes reinvestment of distributions based on the dividend reinvestment and cash purchase plan.

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TEMPLETON GLOBAL INCOME FUND

## Important Notice 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.

8 Semiannual Report

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## TEMPLETON GLOBAL INCOME FUND

**Financial Highlights**

	<b>Six Months Ended February 29, 2016</b>		<b>Year Ended August 31,</b>			
	<b>(unaudited)</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$ 7.38	\$ 8.72	\$ 8.38	\$ 9.08	\$ 10.13	\$ 9.94
Income from investment operations:						
Net investment income <sup>a</sup>	0.15	0.33	0.35	0.38	0.41	0.54
Net realized and unrealized gains (losses)	(0.42 )	(1.04 )	0.61	(0.07 )	(0.30 )	0.61
Total from investment operations	(0.27 )	(0.71 )	0.96	0.31	0.11	1.15
Less distributions from:						
Net investment income and net foreign						
currency gains.	(0.15 )	(0.63 )	(0.62 )	(0.72 )	(0.82 )	(0.93 )
Net realized gains	—	(—) <sup>b</sup>	(—) <sup>b</sup>	(0.29 )	(0.34 )	(0.03 )
Total distributions	(0.15 )	(0.63 )	(0.62 )	(1.01 )	(1.16 )	(0.96 )
Net asset value, end of period	\$ 6.96	\$ 7.38	\$ 8.72	\$ 8.38	\$ 9.08	\$ 10.13
Market value, end of period <sup>c</sup>	\$ 6.04	\$ 6.22	\$ 7.96	\$ 8.03	\$ 9.53	\$ 11.30
Total return (based on market value per						
share) <sup>d</sup>	(0.55 )%	(14.76 )%	7.04 %	(5.97 )%	(4.40 )%	17.54 %
<b>Ratios to average net assetse</b>						
Expenses before waiver and payments by						
affiliates	0.75 %	0.74 %	0.73 %	0.73 %	0.75 %	0.74 %
Expenses net of waiver and payments by						
affiliates	0.73 %	0.73 %	0.73 % <sup>f</sup>	0.73 % <sup>f</sup>	0.75 % <sup>f</sup>	0.74 % <sup>f</sup>
Net investment income	4.22 %	4.14 %	4.05 %	4.21 %	4.55 %	5.37 %
<b>Supplemental data</b>						
Net assets, end of period (000's)	\$ 933,119	\$ 989,595	\$ 1,169,318	\$ 1,124,611	\$ 1,209,287	\$ 1,338,948
Portfolio turnover rate	29.56 %	35.51 %	45.61 %	18.16 %	38.60 %	20.61 %

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<sup>a</sup>Based on average daily shares outstanding.

<sup>b</sup>Amount rounds to less than \$0.01 per share.

<sup>c</sup>Based on the last sale on the New York Stock Exchange.

<sup>d</sup>Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of waiver and payments by affiliates and expense reduction rounds to less than 0.01%.

franklintempleton.com The accompanying notes are an integral part of these financial statements. | Semiannual Report 9

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TEMPLETON GLOBAL INCOME FUND

**Statement of Investments, February 29, 2016 (unaudited)**

	<b>Principal Amount*</b>		<b>Value</b>
<b>Foreign Government and Agency Securities 73.5%</b>			
<b>Brazil 11.7%</b>			
Letra Tesouro Nacional, Strip, 7/01/16	260 a	BRL \$	61,934
Strip, 10/01/16.	6,010 a	BRL	1,383,582
Strip, 1/01/19	41,280 a	BRL	6,915,827
Strip, 7/01/19	74,330 a	BRL	11,554,030
Nota Do Tesouro Nacional, 10.00%, 1/01/17	12,615 a	BRL	3,047,134
10.00%, 1/01/21	65,655 a	BRL	13,559,245
10.00%, 1/01/23	5,510 a	BRL	1,068,000
10.00%, 1/01/25	47,290 a	BRL	8,709,013
10.00%, 1/01/27	12,360 a	BRL	2,176,305
bIndex Linked, 6.00%, 5/15/17	231 a	BRL	163,641
bIndex Linked, 6.00%, 5/15/19	17,875 a	BRL	12,488,333
bIndex Linked, 6.00%, 8/15/20	760 a	BRL	528,063
bIndex Linked, 6.00%, 8/15/22	25,367 a	BRL	17,052,037
bIndex Linked, 6.00%, 5/15/23	17,719 a	BRL	11,806,208
bIndex Linked, 6.00%, 8/15/24	6,860 a	BRL	4,555,861
bIndex Linked, 6.00%, 8/15/50	23,895 a	BRL	14,202,689
			109,271,902
<b>Hungary 2.3%</b>			
Government of Hungary, senior note, 6.25%, 1/29/20	2,875,000		3,202,520
senior note, 6.375%, 3/29/21	2,900,000		3,295,038
csenior note, Reg S, 5.75%, 6/11/18	12,690,000	EUR	15,379,200
			21,876,758
<b>India 4.3%</b>			
Government of India, senior bond, 7.80%, 5/03/20	231,200,000	INR	3,407,340

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senior bond, 8.35%, 5/14/22	68,200,000	INR	1,021,555
senior bond, 9.15%, 11/14/24	227,000,000	INR	3,576,669
senior bond, 8.33%, 7/09/26	476,000,000	INR	7,074,956
senior bond, 8.15%, 11/24/26	203,000,000	INR	2,986,262
senior bond, 8.28%, 9/21/27	433,900,000	INR	6,447,332
senior bond, 8.60%, 6/02/28	239,800,000	INR	3,644,728
senior note, 7.28%, 6/03/19	9,000,000	INR	130,827
senior note, 8.12%, 12/10/20	173,600,000	INR	2,582,289
senior note, 7.16%, 5/20/23	42,900,000	INR	600,698
senior note, 8.83%, 11/25/23	579,400,000	INR	8,888,848
			40,361,504

**Indonesia 9.3%**

Government of Indonesia,

7.875%, 4/15/19	28,078,000,000	IDR	2,098,710
6.125%, 5/15/28	3,157,000,000	IDR	191,785
FR31, 11.00%, 11/15/20.	145,557,000,000	IDR	12,094,942
FR34, 12.80%, 6/15/21	64,492,000,000	IDR	5,767,436
FR35, 12.90%, 6/15/22	42,438,000,000	IDR	3,875,069
FR36, 11.50%, 9/15/19	32,651,000,000	IDR	2,698,396
FR39, 11.75%, 8/15/23	2,703,000,000	IDR	238,271
FR42, 10.25%, 7/15/27	3,595,000,000	IDR	300,434
FR43, 10.25%, 7/15/22	4,826,000,000	IDR	394,287
FR44, 10.00%, 9/15/24	1,618,000,000	IDR	131,889

10 Semiannual Report

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TEMPLETON GLOBAL INCOME FUND  
STATEMENT OF INVESTMENTS (UNAUDITED)

	<b>Principal Amount*</b>		<b>Value</b>
<b>Foreign Government and Agency Securities</b> (continued)			
<b>Indonesia</b> (continued)			
Government of Indonesia, (continued)			
FR46, 9.50%, 7/15/23	122,000,000,000	IDR \$	9,650,432
FR47, 10.00%, 2/15/28	1,052,000,000	IDR	86,539
FR48, 9.00%, 9/15/18	4,494,000,000	IDR	344,648
FR61, 7.00%, 5/15/22	13,189,000,000	IDR	927,135
senior bond, 5.625%, 5/15/23	16,137,000,000	IDR	1,030,285
senior bond, 7.00%, 5/15/27	2,105,000,000	IDR	139,827
senior bond, 9.00%, 3/15/29	30,263,000,000	IDR	2,319,741
senior bond, FR53, 8.25%, 7/15/21	144,200,000,000	IDR	10,942,242
senior bond, FR56, 8.375%, 9/15/26	274,910,000,000	IDR	20,764,227
senior bond, FR70, 8.375%, 3/15/24	149,967,000,000	IDR	11,214,997
senior note, 8.50%, 10/15/16	19,302,000,000	IDR	1,461,507
senior note, 5.25%, 5/15/18	5,394,000,000	IDR	383,816
			87,056,615
<b>Lithuania 0.9%</b>			
<sup>d</sup> Government of Lithuania, 144A, 7.375%, 2/11/20	7,065,000		8,359,202
<b>Malaysia 3.0%</b>			
Government of Malaysia,			
3.314%, 10/31/17	13,090,000	MYR	3,125,911
senior bond, 4.262%, 9/15/16	46,787,000	MYR	11,213,525
senior bond, 3.814%, 2/15/17	10,080,000	MYR	2,417,330
senior note, 3.172%, 7/15/16	19,664,000	MYR	4,683,867
senior note, 3.394%, 3/15/17	11,592,000	MYR	2,769,509
senior note, 4.012%, 9/15/17	14,580,000	MYR	3,517,889
			27,728,031
<b>Mexico 12.9%</b>			
Government of Mexico,			
7.25%, 12/15/16	7,441,400 e	MXN	42,048,735
7.75%, 12/14/17	10,352,340 e	MXN	60,532,232
senior note, 8.50%, 12/13/18	2,233,600 e	MXN	13,468,901
<sup>f</sup> Mexican Udibonos,			

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Index Linked, 5.00%, 6/16/16	279,906 g	MXN	1,552,871
Index Linked, 3.50%, 12/14/17	216,600 g	MXN	1,241,968
Index Linked, 4.00%, 6/13/19	125,961 g	MXN	733,144
Index Linked, 2.50%, 12/10/20	99,334 g	MXN	543,114
			120,120,965

**Peru 3.0%**

Government of Peru, senior bond, 7.84%, 8/12/20	93,349,000	PEN	28,051,421
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**Philippines 0.4%**

Government of the Philippines, senior bond, 9.125%, 9/04/16	2,270,000	PHP	49,258
senior note, 1.625%, 4/25/16	178,490,000	PHP	3,756,030
senior note, 2.875%, 5/22/17	8,300,000	PHP	175,571
senior note, 5.875%, 1/31/18	590,000	PHP	12,885
senior note, 5-72, 2.125%, 5/23/18	3,530,000	PHP	72,551
			4,066,295

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Semiannual Report 11

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TEMPLETON GLOBAL INCOME FUND  
STATEMENT OF INVESTMENTS (UNAUDITED)

	Principal Amount*	Value
<b>Foreign Government and Agency Securities</b> (continued)		
<b>Poland 4.1%</b>		
Government of Poland, 4.75%, 10/25/16	36,315,000 PLN	\$ 9,293,112
4.75%, 4/25/17	3,210,000 PLN	834,676
5.75%, 9/23/22	60,500,000 PLN	18,175,750
hFRN, 1.75%, 1/25/17	22,569,000 PLN	5,669,330
hFRN, 1.75%, 1/25/21	19,374,000 PLN	4,779,219
		38,752,087
<b>Portugal 2.7%</b>		
Government of Portugal, d144A, 5.125%, 10/15/24	9,390,000	9,333,097
cReg S, 3.875%, 2/15/30	13,300,000 EUR	15,300,815
c senior bond, Reg S, 4.95%, 10/25/23	92,700 EUR	117,513
c senior bond, Reg S, 5.65%, 2/15/24.	232,100 EUR	304,262
		25,055,687
<b>Serbia 0.7%</b>		
<sup>d</sup> Government of Serbia, senior note, 144A, 5.25%, 11/21/17	1,930,000	2,003,765
senior note, 144A, 7.25%, 9/28/21	3,730,000	4,200,166
		6,203,931
<b>Singapore 0.0%</b>		
Government of Singapore, senior note, 1.125%, 4/01/16	300,000 SGD	213,434
<b>Slovenia 0.7%</b>		
<sup>d</sup> Government of Slovenia, senior note, 144A, 5.50%, 10/26/22	5,540,000	6,247,347
<b>South Korea 9.6%</b>		
Korea Monetary Stabilization Bond, senior note, 2.80%, 4/02/16	19,611,690,000 KRW	15,840,845
senior note, 2.79%, 6/02/16	3,739,000,000 KRW	3,026,730
senior note, 1.62%, 6/09/16	1,390,400,000 KRW	1,122,212
senior note, 2.46%, 8/02/16	279,200,000 KRW	226,203
senior note, 1.61%, 11/09/16	13,302,900,000 KRW	10,743,673
senior note, 2.07%, 12/02/16	2,354,400,000 KRW	1,908,345

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senior note, 1.70%, 8/02/17	6,876,000,000 KRW	5,566,895
senior note, 1.56%, 10/02/17	29,255,300,000 KRW	23,643,607
Korea Treasury Bond,		
senior note, 4.00%, 3/10/16	621,000,000 KRW	501,337
senior note, 3.00%, 12/10/16	16,332,370,000 KRW	13,333,948
senior note, 2.00%, 12/10/17	16,590,000,000 KRW	13,512,817
		89,426,612
<b>Sri Lanka 2.0%</b>		
Government of Sri Lanka,		
10.60%, 7/01/19	797,850,000 LKR	5,595,611
10.60%, 9/15/19	539,240,000 LKR	3,773,228
8.00%, 11/01/19	31,420,000 LKR	203,070
9.25%, 5/01/20	124,820,000 LKR	822,656
11.20%, 7/01/22	55,890,000 LKR	391,556
A, 9.00%, 5/01/21	702,230,000 LKR	4,500,120
A, 11.00%, 8/01/21	470,110,000 LKR	3,271,438
		18,557,679

12 Semiannual Report

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TEMPLETON GLOBAL INCOME FUND  
STATEMENT OF INVESTMENTS (UNAUDITED)

	Principal Amount*	Value
<b>Foreign Government and Agency Securities (continued)</b>		
<b><sup>i</sup> Supranational 1.3%</b>		
Inter-American Development Bank, senior note, 7.50%, 12/05/24	185,000,000 MXN	\$ 11,715,826
<b>Ukraine 4.6%</b>		
<sup>d</sup> Government of Ukraine,		
144A, 7.75%, 9/01/19	1,338,000	1,227,073
144A, 7.75%, 9/01/20	5,725,000	5,183,959
144A, 7.75%, 9/01/21	5,566,000	4,989,529
144A, 7.75%, 9/01/22	5,431,000	4,816,835
144A, 7.75%, 9/01/23	5,431,000	4,766,490
144A, 7.75%, 9/01/24	5,431,000	4,705,934
144A, 7.75%, 9/01/25	5,431,000	4,651,543
144A, 7.75%, 9/01/26	5,431,000	4,606,086
144A, 7.75%, 9/01/27	5,431,000	4,596,855
<sup>j,k</sup> 144A, VRI, GDP Linked Securities, 5/31/40	11,154,000	3,527,453
		43,071,757
<b>Total Foreign Government and Agency Securities (Cost \$789,372,246)</b>		<b>686,137,053</b>
<b>Short Term Investments 21.1%</b>		
<b>Foreign Government and Agency Securities 6.1%</b>		
<b>Malaysia 0.9%</b>		
<sup>l</sup> Bank of Negara Monetary Note, 4/19/16 - 10/18/16	35,553,000 MYR	8,373,200
<sup>l</sup> Malaysia Treasury Bill, 3/18/16 - 5/27/16.	1,870,000 MYR	432,945
		8,806,145
<b>Mexico 2.6%</b>		
<sup>l</sup> Mexico Treasury Bill, 3/03/16 - 12/08/16	44,057,790 <sup>m</sup> MXN	24,180,401
<b>Philippines 0.7%</b>		
<sup>l</sup> Philippine Treasury Bill, 3/02/16 - 2/22/17	291,250,000 PHP	6,095,534
<b>South Korea 1.9%</b>		
Korea Monetary Stabilization Bond,		
<sup>l</sup> 4/19/16	252,000,000 KRW	202,890
senior note, 1.92%, 3/09/16	310,130,000 KRW	250,224

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senior note, 1.57%, 7/09/16 - 1/09/17.	8,739,500,000 KRW	7,057,274
senior note, 1.56%, 8/09/16	8,107,200,000 KRW	6,543,539
senior note, 1.52%, 9/09/16	4,579,000,000 KRW	3,695,390
senior note, 1.53%, 10/08/16	445,200,000 KRW	359,331
		18,108,648
<b>Total Foreign Government and Agency Securities (Cost \$60,752,380)</b>		57,190,728
<b>Total Investments before Money Market Funds (Cost \$850,124,626)</b>		743,327,781

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Semiannual Report 13

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TEMPLETON GLOBAL INCOME FUND  
STATEMENT OF INVESTMENTS (UNAUDITED)

	Shares	Value
<b>Money Market Funds (Cost \$139,582,499) 15.0%</b>		
<b>United States 15.0%</b>		
k,n Institutional Fiduciary Trust Money Market Portfolio	139,582,499	139,582,499
<b>Total Investments (Cost \$989,707,125) 94.6%</b>		882,910,280
<b>Other Assets, less Liabilities 5.4%</b>		50,208,652
<b>Net Assets 100.0%</b>	\$	933,118,932

Rounds to less than 0.1% of net assets.

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

<sup>a</sup>Principal amount is stated in 1,000 Brazilian Real Peso Units.

<sup>b</sup>Redemption price at maturity is adjusted for inflation. See Note 1(e).

<sup>c</sup>Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States.

Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. These securities have been deemed liquid under guidelines approved by the Fund's Board of Trustees. At February 29, 2016, the aggregate value of these securities was \$31,101,790, representing 3.33% of net assets.

<sup>d</sup>Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. These securities have been deemed liquid under guidelines approved by the Fund's Board of Trustees. At February 29, 2016, the aggregate value of these securities was \$73,215,334, representing 7.85% of net assets.

<sup>e</sup>Principal amount is stated in 100 Mexican Peso units.

<sup>f</sup>Principal amount of security is adjusted for inflation. See Note 1(e).

<sup>g</sup>Principal amount is stated in 100 Unidad de Inversion Units.

<sup>h</sup>The coupon rate shown represents the rate at period end.

<sup>i</sup>A supranational organization is an entity formed by two or more central governments through international treaties.

<sup>j</sup>The principal represents the notional amount. See Note 1(c) regarding value recovery instruments.

<sup>k</sup>Non-income producing.

<sup>l</sup>The security is traded on a discount basis with no stated coupon rate.

<sup>m</sup>Principal amount is stated in 10 Mexican Peso Units.

<sup>n</sup>See Note 3(c) regarding investments in affiliated management investment companies.

14 Semiannual Report

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TEMPLETON GLOBAL INCOME FUND  
STATEMENT OF INVESTMENTS (UNAUDITED)

At February 29, 2016, the Fund had the following forward exchange contracts outstanding. See Note 1(c).

**Forward Exchange Contracts**

Currency	Counterparty <sup>a</sup>	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
<b>OTC Forward Exchange Contracts</b>							
Chilean Peso	DBAB	Buy	1,587,099,000	2,212,293	3/02/16 \$	64,657 \$	—
Chilean Peso	DBAB	Sell	1,587,099,000	2,279,987	3/02/16	3,037	—
Chilean Peso	BZWS	Buy	726,200,000	1,015,877	3/03/16	25,859	—
Chilean Peso	BZWS	Sell	726,200,000	1,047,908	3/03/16	6,171	—
Chilean Peso	CITI	Buy	515,662,000	720,047	3/03/16	19,672	—
Chilean Peso	CITI	Sell	515,662,000	742,761	3/03/16	3,042	—
Japanese Yen	JPHQ	Sell	416,700,000	3,516,530	3/03/16	—	(179,183 )
Japanese Yen	HSBK	Sell	196,900,000	1,656,362	3/04/16	—	(90,011 )
Chilean Peso	MSCO	Buy	1,390,880,000	1,957,277	3/07/16	37,069	—
Euro	BZWS	Sell	1,348,368	1,502,136	3/09/16	34,552	—
Euro	HSBK	Buy	1,285,000	1,487,516	3/09/16	—	(88,902 )
Euro	HSBK	Sell	1,285,000	1,428,792	3/09/16	30,178	—
Japanese Yen	BZWS	Sell	192,016,500	1,609,985	3/09/16	—	(93,395 )
Euro	CITI	Sell	4,817,000	5,285,694	3/10/16	42,629	—
Euro	MSCO	Sell	3,640,000	3,989,986	3/10/16	28,027	—
Chilean Peso	DBAB	Buy	1,571,026,500	2,212,402	3/11/16	39,261	—
Chilean Peso	JPHQ	Buy	510,998,000	712,540	3/11/16	19,844	—
Mexican Peso.	HSBK	Buy	82,460,700	5,184,251	3/11/16	—	(639,892 )
Chilean Peso	DBAB	Buy	1,612,838,000	2,249,174	3/14/16	61,653	—
Chilean Peso	MSCO	Buy	2,940,368,000	4,115,972	3/14/16	96,902	—
South Korean Won	CITI	Sell	5,158,000,000	4,305,689	3/14/16	146,287	—
Chilean Peso	CITI	Buy	2,019,520,000	2,818,984	3/16/16	73,890	—
Chilean Peso	DBAB	Buy	1,026,660,000	1,428,158	3/16/16	42,487	—
Chilean Peso	JPHQ	Buy	1,128,000,000	1,569,719	3/16/16	46,092	—
Euro	JPHQ	Buy	296,000	340,983	3/16/16	—	(18,740 )
Euro	JPHQ	Sell	296,000	316,972	3/16/16	—	(5,272 )
South Korean Won	CITI	Sell	3,870,000,000	3,229,845	3/16/16	109,275	—
South Korean Won	HSBK	Sell	9,640,000,000	7,960,436	3/16/16	187,233	—
Chilean Peso	DBAB	Buy	567,590,000	798,186	3/18/16	14,683	—
Euro	BZWS	Sell	370,478	421,011	3/21/16	17,621	—
Japanese Yen	CITI	Sell	220,552,000	1,833,716	3/22/16	—	(123,762 )

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Japanese Yen	MSCO	Sell	311,200,000	2,586,995	3/22/16	—	(175,016 )
South Korean Won	DBAB	Sell	5,874,000,000	4,753,698	3/23/16	18,221	—
Chilean Peso	BZWS	Buy	1,898,900,000	2,731,444	3/24/16	—	(13,741 )
Euro	BZWS	Sell	899,632	1,005,690	3/24/16	26,043	—
South Korean Won	HSBK	Sell	10,258,000,000	8,338,590	3/25/16	69,344	—
Japanese Yen	BZWS	Sell	125,158,380	1,056,581	3/28/16	—	(54,495 )
South Korean Won	HSBK	Sell	10,307,000,000	8,338,794	3/28/16	30,811	—
Euro	BOFA	Sell	12,478,100	13,781,075	3/29/16	190,971	—
Indonesian Rupiah	JPHQ	Buy	10,794,000,000	760,945	3/29/16	42,200	—
Indonesian Rupiah	JPHQ	Sell	10,794,000,000	769,379	3/29/16	—	—