

TEMPLETON GLOBAL INCOME FUND  
Form N-CSR  
October 30, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM N-CSR

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: 8/31/15

**Item 1. Reports to Stockholders.**



**Annual Report**

August 31, 2015

# Templeton Global Income Fund

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# Franklin Templeton Investments

Gain From Our Perspective®

At Franklin Templeton Investments, we're dedicated to one goal: delivering exceptional asset management for our clients. By bringing together multiple, world-class investment teams in a single firm, we're able to offer specialized expertise across styles and asset classes, all supported by the strength and resources of one of the world's largest asset managers. This has helped us to become a trusted partner to individual and institutional investors across the globe.

## Focus on Investment Excellence

At the core of our firm, you'll find multiple independent investment teams—each with a focused area of expertise—from traditional to alternative strategies and multi-asset solutions. And because our portfolio groups operate autonomously, their strategies can be combined to deliver true style and asset class diversification.

All of our investment teams share a common commitment to excellence grounded in rigorous, fundamental research and robust, disciplined risk management. Decade after decade, our consistent, research-driven processes have helped Franklin Templeton earn an impressive record of strong, long-term results.

## Global Perspective Shaped by Local Expertise

In today's complex and interconnected world, smart investing demands a global perspective. Franklin Templeton pioneered international investing over 60 years ago, and our expertise in emerging markets spans more than a quarter of a century. Today, our investment professionals are on the ground across the globe, spotting investment ideas and potential risks firsthand. These locally based teams bring in-depth understanding of local companies, economies and cultural nuances, and share their best thinking across our global research network.

## Strength and Experience

Franklin Templeton is a global leader in asset management serving clients in over 150 countries.<sup>1</sup> We run our business with the same prudence we apply to asset management, staying focused on delivering relevant investment solutions, strong long-term results and reliable, personal service. This approach, focused on putting clients first, has helped us to become one of the most trusted names in financial services.

1. As of 12/31/14. Clients are represented by the total number of shareholder accounts.

**Not FDIC Insured | May Lose Value | No Bank Guarantee**

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The U.S. dollar broadly strengthened against developed and emerging market currencies during the 12-month period. Global bond yields and spread levels fluctuated, with an overall trend to lower yields in Europe and Asia, and a general increase in yields in Latin America. U.S. Treasury yields shifted throughout the period with the yield on the 10-year U.S. Treasury note beginning the period at 2.35% and rising to 2.63% in September 2014, before declining to a period low of 1.68% in January 2015 and finishing the period at 2.21%. Credit spreads widened in Asia and Latin America over the course of the 12-month period.

In late October 2014, the BOJ introduced a new round of massive QE with an indefinite time horizon. The annual level of asset purchasing was raised to 80 trillion yen—a level that basically equates to the U.S. Fed's former QE program that ended in the same month. This massive amount of liquidity had significant implications for global markets. Though Japan's QE was positive for global risk assets, it contributed to further depreciation of the yen, which declined 14.28% against the U.S. dollar during the 12-month period.<sup>2</sup>

Risk aversion increased during November and December 2014 as sharp declines in oil prices accelerated. In our view, the market misjudged the underlying forces behind the decline in oil prices, which we considered to have been driven by supply dynamics rather than a loss of demand. Heightened volatility led to a broad decline in yields across the Americas, Europe and Asia, while credit spreads widened. This trend persisted through January 2015 before sharply reversing course in February when credit spreads tightened as risk appetites returned and yields broadly shifted higher across the Americas, Europe and Asia.

In March 2015, the ECB launched QE with the aim of increasing the size of its balance sheet to a level higher than its previous peak. The ECB stated its intentions to continue its asset purchases until it sees a sustained adjustment in the path of inflation, making the program effectively open ended. We

anticipated that this would keep interest rates low for a while and that it would put further downward pressure on the euro. The euro depreciated 14.93% against the U.S. dollar over the 12-month period.<sup>2</sup>

In China, we viewed the country's moderation of growth as an inevitable normalization for an economy of its size. Despite the sudden decline of Chinese equity markets in late June and July 2015, we believed growth in China would remain on its expansionary pace and that the economy was fundamentally more stable than markets indicated. However, the devaluation of the Chinese yuan in mid-August by about 3% appeared to raise fears of a deeper, potentially uncontrolled depreciation. We believed that the Chinese authorities would focus on keeping currency depreciation reasonably controlled and that targeted monetary policies were prudent responses to a moderating economy.

In July and August 2015, global volatility increased significantly with sharp declines in the bond markets and currencies of several emerging market countries. In our assessment, the depreciation of several emerging market currencies was excessive, leading to fundamentally cheap valuations. In keeping with our strategy, we look for opportunities to selectively add to our strongest convictions in periods of volatility and believe that global market fundamentals will eventually reemerge.

2. Source: FactSet.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

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Despite the escalation in near-term volatility, our medium-term convictions remained intact during the period.

## 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.

### What is a currency forward contract?

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

## Manager's Discussion

The core of our strategy during the reporting period remained seeking to position ourselves to navigate a rising interest rate environment. Thus, we continued to maintain low portfolio duration while aiming at a negative correlation with U.S. Treasury rates. We were positioned with negative duration exposure to U.S. Treasuries, and we held select local currencies and local bond positions in specific emerging markets. We also actively sought opportunities that could, in our view, potentially offer positive real yields without taking undue interest rate risk. We favored countries that we believe have solid underlying fundamentals and policymakers who have stayed ahead of the curve regarding fiscal, monetary and financial policy. 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 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).

## Currency Breakdown\*

8/31/15

	% of Total	Net Assets
<b>Americas</b>		<b>105.5 %</b>
U.S. Dollar		70.3 %



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Mexican Peso	17.7 %
Brazilian Real	7.5 %
Chilean Peso	6.7 %
Peruvian Nuevo Sol	3.3 %
<b>Asia Pacific</b>	<b>21.8 %</b>
South Korean Won	16.1 %
Malaysian Ringgit	14.1 %
Indian Rupee	6.0 %
Indonesian Rupiah	5.3 %
Singapore Dollar	4.5 %
Sri Lankan Rupee	3.7 %
Philippine Peso	1.0 %
Australian Dollar	-3.1 %
Japanese Yen	-25.8 %
<b>Europe</b>	<b>-27.3 %</b>
Polish Zloty	11.6 %
Hungarian Forint	0.7 %
Euro	-39.6 %

\*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.

During the period, a major detractor from the Fund's absolute performance was currency positions. Interest rate strategies contributed to absolute return while sovereign credit exposures had a largely neutral effect. Currency positions in Asia ex-Japan and Latin America detracted from absolute performance, as did positions in peripheral European currencies against the euro. However, the Fund's net-negative positions in the Japanese yen and the euro, achieved through currency forward contracts, contributed to absolute return. The Fund maintained a defensive approach regarding interest rates in developed and emerging markets. Select duration exposures in Europe contributed to absolute results.

Relative to the benchmark index, interest rate strategies detracted from performance while currency positions and sovereign credit exposures had a largely neutral effect. Underweighted duration exposure to the U.S. detracted from relative return. Among currencies, underweighted positions in

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the euro and the Japanese yen significantly contributed to relative performance. However, overweighted currency positions in Asia ex-Japan and Latin America detracted from relative return, as did overweighted positions in peripheral European currencies against the euro.

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 August 31, 2015, 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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## Performance Summary as of August 31, 2015

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

### Share Prices

Symbol: GIM		8/31/15		8/31/14		Change
Net Asset Value (NAV)	\$	7.38	\$	8.72	-\$	1.34
Market Price (NYSE)	\$	6.22	\$	7.96	-\$	1.74

### Distributions<sup>1</sup> (9/1/14 8/31/15)

	Dividend		Short-Term		Total	
	Income		Capital Gain			
	\$	0.6340	\$	0.0026	\$	0.6366

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

	Cumulative Total Return <sup>3</sup>		Average Annual Total Return <sup>3</sup>		Average Annual Total Return (9/30/15) <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>
1-Year	-8.47 %	-14.76 %	-8.47 %	-14.76 %	-9.44 %	-16.36 %
5-Year	+20.41 %	-3.60 %	+3.78 %	-0.73 %	+2.41 %	-1.60 %
10-Year	+122.85 %	+95.77 %	+8.34 %	+6.95 %	+8.17 %	+6.92 %

*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.*

**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 and capital gain.
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.
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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## 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.

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**Financial Highlights**

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

<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.

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

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The accompanying notes are an integral part of these financial statements. | Annual Report | 7

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**Statement of Investments, August 31, 2015**

	Principal Amount*	Value
<b>Foreign Government and Agency Securities 75.0%</b>		
<b>Brazil 7.4%</b>		
Letra Tesouro Nacional, Strip,		
10/01/15	6,320 <sup>a</sup> BRL \$	1,723,598
1/01/16	15,770 <sup>a</sup> BRL	4,159,239
7/01/16	1,900 <sup>a</sup> BRL	468,852
10/01/16	6,010 <sup>a</sup> BRL	1,432,868
Nota Do Tesouro Nacional,		
10.00%, 1/01/17	7,250 <sup>a</sup> BRL	1,904,227
10.00%, 1/01/21	190 <sup>a</sup> BRL	44,851
bIndex Linked, 6.00%, 5/15/17	231 <sup>a</sup> BRL	168,664
bIndex Linked, 6.00%, 5/15/19	17,875 <sup>a</sup> BRL	12,726,739
bIndex Linked, 6.00%, 8/15/20	760 <sup>a</sup> BRL	536,296
bIndex Linked, 6.00%, 8/15/22	25,367 <sup>a</sup> BRL	17,635,591
bIndex Linked, 6.00%, 5/15/23	17,719 <sup>a</sup> BRL	12,325,611
bIndex Linked, 6.00%, 8/15/24	6,860 <sup>a</sup> BRL	4,742,140
bIndex Linked, 6.00%, 8/15/50	23,895 <sup>a</sup> BRL	15,416,989
		73,285,665
<b>Hungary 3.9%</b>		
Government of Hungary,		
4.00%, 4/25/18	58,420,000 HUF	220,151
6.50%, 6/24/19	411,690,000 HUF	1,688,930
7.50%, 11/12/20	8,320,000 HUF	36,537
A, 6.75%, 11/24/17	716,220,000 HUF	2,861,959
A, 5.50%, 12/20/18	105,030,000 HUF	414,970
A, 7.00%, 6/24/22	169,710,000 HUF	742,779
A, 6.00%, 11/24/23	152,500,000 HUF	643,596
B, 5.50%, 6/24/25	113,900,000 HUF	468,901
senior note, 6.25%, 1/29/20	3,535,000	3,987,851
senior note, 6.375%, 3/29/21	4,020,000	4,587,162
csenior note, Reg S, 4.375%, 7/04/17	2,950,000 EUR	3,526,450
csenior note, Reg S, 5.75%, 6/11/18	12,690,000 EUR	16,051,730
csenior note, Reg S, 3.875%, 2/24/20	2,370,000 EUR	2,941,559
		38,172,575
<b>Iceland 0.4%</b>		



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dGovernment of Iceland, 144A, 5.875%, 5/11/22	3,070,000		3,508,273
<b>India 2.2%</b>			
Government of India,			
senior bond, 7.80%, 5/03/20	231,200,000	INR	3,466,813
senior bond, 8.28%, 9/21/27	69,900,000	INR	1,073,702
senior bond, 8.60%, 6/02/28	239,800,000	INR	3,781,235
senior note, 7.28%, 6/03/19	9,000,000	INR	133,411
senior note, 8.12%, 12/10/20	173,600,000	INR	2,635,518
senior note, 8.35%, 5/14/22	68,200,000	INR	1,046,238
senior note, 7.16%, 5/20/23	42,900,000	INR	615,419
senior note, 8.83%, 11/25/23	579,400,000	INR	9,165,403
			21,917,739
<b>Indonesia 4.3%</b>			
Government of Indonesia,			
7.875%, 4/15/19	16,347,000,000	IDR	1,144,413
FR31, 11.00%, 11/15/20	141,798,000,000	IDR	11,093,751

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STATEMENT OF INVESTMENTS

	Principal Amount*		Value
<b>Foreign Government and Agency Securities</b> (continued)			
<b>Indonesia</b> (continued)			
Government of Indonesia, (continued)			
FR34, 12.80%, 6/15/21	64,492,000,000 IDR	\$	5,437,546
FR35, 12.90%, 6/15/22	42,438,000,000 IDR		3,640,170
FR36, 11.50%, 9/15/19	32,651,000,000 IDR		2,553,635
FR43, 10.25%, 7/15/22	4,826,000,000 IDR		368,784