

TEMPLETON GLOBAL INCOME FUND  
Form N-Q  
July 28, 2009

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-05459

TEMPLETON GLOBAL INCOME FUND

-----  
(Exact name of registrant as specified in charter)

500 EAST BROWARD BLVD., SUITE 2100, FORT LAUDERDALE, FL 33394-3091

-----  
(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: 05/31/09

ITEM 1. SCHEDULE OF INVESTMENTS.

Templeton Global Income Fund

QUARTERLY STATEMENT OF INVESTMENTS  
MAY 31, 2009

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(FRANKLIN TEMPLETON INVESTMENTS(R) LOGO)

Franklin - TEMPLETON - Mutual Series

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Templeton Global Income Fund

STATEMENT OF INVESTMENTS, MAY 31, 2009 (UNAUDITED)

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|                                                                        | PRINCIPAL AMOUNT |
|------------------------------------------------------------------------|------------------|
|                                                                        | -----            |
| BONDS 88.2%                                                            |                  |
| ARGENTINA 2.8%                                                         |                  |
| (b,c) Government of Argentina, senior bond, FRN, 1.683%, 8/03/12 ..... | 98,971           |
| AUSTRALIA 7.2%                                                         |                  |
| New South Wales Treasury Corp., senior note, 5.50%, 3/01/17 .....      | 36,971           |
| Queensland Treasury Corp.,                                             |                  |
| 13, 6.00%, 8/14/13 .....                                               | 38,901           |
| 17, 6.00%, 9/14/17 .....                                               | 12,395           |
| (d) 144A, 7.125%, 9/18/17 .....                                        | 16,480           |
| BRAZIL 7.3%                                                            |                  |
| Nota Do Tesouro Nacional,                                              |                  |
| 10.082%, 1/01/12 .....                                                 | 41               |
| 10.082%, 1/01/14 .....                                                 | 15               |
| 10.082%, 1/01/17 .....                                                 | 54               |
| (f) Index Linked, 6.00%, 5/15/15 .....                                 | 9                |
| (f) Index Linked, 6.00%, 5/15/45 .....                                 | 23               |
| CANADA 1.3%                                                            |                  |
| Province of Manitoba, 6.375%, 9/01/15 .....                            | 14,800           |
| Province of Ontario, 6.25%, 6/16/15 .....                              | 8,460            |
| FRANCE 3.0%                                                            |                  |
| Government of France, 4.00%, 4/25/18 .....                             | 23,500           |
| HUNGARY 2.0%                                                           |                  |
| Government of Hungary,                                                 |                  |
| 3.50%, 7/18/16 .....                                                   | 700              |
| 4.375%, 7/04/17 .....                                                  | 3,645            |
| 5.75%, 6/11/18 .....                                                   | 12,120           |
| senior note, 3.875%, 2/24/20 .....                                     | 2,370            |
| INDONESIA 9.8%                                                         |                  |
| Government of Indonesia,                                               |                  |
| FR19, 14.25%, 6/15/13 .....                                            | 84,050,000       |
| FR20, 14.275%, 12/15/13 .....                                          | 81,836,000       |
| FR26, 11.00%, 10/15/14 .....                                           | 3,500,000        |
| FR27, 9.50%, 6/15/15 .....                                             | 34,890,000       |
| FR30, 10.75%, 5/15/16 .....                                            | 87,035,000       |
| FR31, 11.00%, 11/15/20 .....                                           | 335,739,000      |
| FR34, 12.80%, 6/15/21 .....                                            | 59,666,000       |
| FR35, 12.90%, 6/15/22 .....                                            | 32,530,000       |
| FR36, 11.50%, 9/15/19 .....                                            | 23,000,000       |
| FR42, 10.25%, 7/15/27 .....                                            | 25,430,000       |
| FR43, 10.25%, 7/15/22 .....                                            | 8,450,000        |
| FR46, 9.50%, 7/15/23 .....                                             | 41,250,000       |
| FR47, 10.00%, 2/15/28 .....                                            | 52,895,000       |
| FR48, 9.00%, 9/15/18 .....                                             | 18,520,000       |

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Quarterly Statement of Investments | 3

Templeton Global Income Fund

STATEMENT OF INVESTMENTS, MAY 31, 2009 (UNAUDITED) (CONTINUED)

|                                                                 | PRINCIPAL AMOUNT |
|-----------------------------------------------------------------|------------------|
|                                                                 | -----            |
| BONDS (CONTINUED)                                               |                  |
| INDONESIA (CONTINUED)                                           |                  |
| Government of Indonesia, (continued)                            |                  |
| (d) senior bond, 144A, 8.50%, 10/12/35 .....                    | 2,952            |
| (d) senior bond, 144A, 6.625%, 2/17/37 .....                    | 2,090            |
| (d) senior bond, 144A, 7.75%, 1/17/38 .....                     | 7,050            |
| (g) senior bond, Reg S, 8.50%, 10/12/35 .....                   | 5,510            |
| (g) senior bond, Reg S, 7.75%, 1/17/38 .....                    | 3,310            |
| MALAYSIA 1.3%                                                   |                  |
| Government of Malaysia,                                         |                  |
| 3.869%, 4/13/10 .....                                           | 7,500            |
| 3.702%, 2/25/13 .....                                           | 3,370            |
| 3.70%, 5/15/13 .....                                            | 1,290            |
| 3.461%, 7/31/13 .....                                           | 20,100           |
| 3.814%, 2/15/17 .....                                           | 19,530           |
| MEXICO 4.9%                                                     |                  |
| Government of Mexico,                                           |                  |
| 8.00%, 12/07/23 .....                                           | 2,727            |
| 10.00%, 12/05/24 .....                                          | 15               |
| M 20, 7.50%, 6/03/27 .....                                      | 3,058            |
| senior bond, 5.95%, 3/19/19 .....                               | 13,260           |
| NEW ZEALAND 1.1%                                                |                  |
| Government of New Zealand, 6.00%, 11/15/11 .....                | 18,273           |
| PERU 3.5%                                                       |                  |
| Government of Peru,                                             |                  |
| 9.91%, 5/05/15 .....                                            | 6,500            |
| 7.84%, 8/12/20 .....                                            | 32,200           |
| Series 7, 8.60%, 8/12/17 .....                                  | 61,545           |
| PHILIPPINES 0.1%                                                |                  |
| (g) Government of the Philippines, Reg S, 9.125%, 2/22/10 ..... | 770              |
| POLAND 3.1%                                                     |                  |
| Government of Poland,                                           |                  |

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|                       |        |
|-----------------------|--------|
| 4.75%, 4/25/12 .....  | 10,400 |
| 5.75%, 4/25/14 .....  | 22,855 |
| 6.25%, 10/24/15 ..... | 19,335 |
| 5.75%, 9/23/22 .....  | 60,500 |

|                                                                  |        |
|------------------------------------------------------------------|--------|
| QATAR 1.0%                                                       |        |
| (d) Government of Qatar, senior note, 144A, 6.55%, 4/09/19 ..... | 10,450 |

4 | Quarterly Statement of Investments

Templeton Global Income Fund

STATEMENT OF INVESTMENTS, MAY 31, 2009 (UNAUDITED) (CONTINUED)

PRINCIPAL AMOUNT

|                                                          | PRINCIPAL AMOUNT |
|----------------------------------------------------------|------------------|
|                                                          | -----            |
| BONDS (CONTINUED)                                        |                  |
| RUSSIA 6.3%                                              |                  |
| Government of Russia,                                    |                  |
| (d) 144A, 7.50%, 3/31/30 .....                           | 64,735           |
| (g) senior bond, Reg S, 7.50%, 3/31/30 .....             | 6,408            |
| SOUTH AFRICA 2.6%                                        |                  |
| Government of South Africa,                              |                  |
| 5.25%, 5/16/13 .....                                     | 3,330            |
| 4.50%, 4/05/16 .....                                     | 1,829            |
| 6.875%, 5/27/19 .....                                    | 18,620           |
| senior note, 6.50%, 6/02/14 .....                        | 775              |
| senior note, 5.875%, 5/30/22 .....                       | 3,355            |
| SOUTH KOREA 15.2%                                        |                  |
| The Export-Import Bank of Korea,                         |                  |
| 5.125%, 3/16/15 .....                                    | 300              |
| 4.625%, 2/20/17 .....                                    | 205              |
| (g) Reg S, 5.25%, 2/10/14 .....                          | 295              |
| senior note, 8.125%, 1/21/14 .....                       | 995              |
| Government of Korea, senior bond, 5.625%, 11/03/25 ..... | 620              |
| Korea Deposit Insurance Corp.,                           |                  |
| 07-1, 5.57%, 9/14/12 .....                               | 7,200,000        |
| 08-1, 5.28%, 2/15/13 .....                               | 1,232,000        |
| Korea Development Bank,                                  |                  |
| 5.30%, 1/17/13 .....                                     | 800              |
| senior note, 8.00%, 1/23/14 .....                        | 2,585            |
| Korea Treasury Bond,                                     |                  |
| 0475-1112, 4.75%, 12/10/11 .....                         | 69,639,880       |
| 0475-1203, 4.75%, 3/10/12 .....                          | 15,946,000       |
| 0525-1509, 5.25%, 9/10/15 .....                          | 4,000,000        |

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|     |                                                                                      |             |
|-----|--------------------------------------------------------------------------------------|-------------|
|     | 0525-2703, 5.25%, 3/10/27 .....                                                      | 10,693,550  |
| (i) | 0550-1106, 5.50%, 6/10/11 .....                                                      | 7,236,620,0 |
|     | 0550-1709, 5.50%, 9/10/17 .....                                                      | 49,577,560  |
|     | 0575-1809, 5.75%, 9/10/18 .....                                                      | 17,343,000  |
|     | senior note, 7.125%, 4/16/19 .....                                                   | 15,880      |
| (j) | SUPRANATIONAL 8.3%                                                                   |             |
| (i) | Corporacion Andina De Fomento, 8.125%, 6/04/19 .....                                 | 8,640       |
|     | European Bank for Reconstruction & Development, senior note,<br>5.10%, 6/12/09 ..... | 125,000     |
|     | European Investment Bank, senior note, 4.50%, 5/15/13 .....                          | 113,650     |
|     | Inter-American Development Bank,<br>1.90%, 7/08/09 .....                             | 640,000     |
|     | 7.50%, 4/15/15 .....                                                                 | 8,000       |
|     | 6.00%, 12/15/17 .....                                                                | 6,000       |
|     | senior note, 7.50%, 12/05/24 .....                                                   | 185,000     |
|     | SWEDEN 4.6%                                                                          |             |
|     | Government of Sweden, 5.25%, 3/15/11 .....                                           | 366,355     |

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Templeton Global Income Fund

STATEMENT OF INVESTMENTS, MAY 31, 2009 (UNAUDITED) (CONTINUED)

|                                                   | PRINCIPAL AMOUNT                                                                                                      |        |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------|
|                                                   | -----                                                                                                                 |        |
| BONDS (CONTINUED)                                 |                                                                                                                       |        |
| UNITED ARAB EMIRATES 0.9%                         |                                                                                                                       |        |
| (d)                                               | Emirate of Abu Dhabi, 144A, 6.75%, 4/08/19 .....                                                                      | 10,260 |
| VENEZUELA 1.9%                                    |                                                                                                                       |        |
| Government of Venezuela,<br>10.75%, 9/19/13 ..... |                                                                                                                       | 3,880  |
| (g)                                               | senior bond, Reg S, 5.375%, 8/07/10 .....                                                                             | 19,905 |
| TOTAL BONDS (COST \$949,859,182) .....            |                                                                                                                       |        |
| MUNICIPAL BONDS 5.5%                              |                                                                                                                       |        |
| UNITED STATES AND U.S. TERRITORIES 5.5%           |                                                                                                                       |        |
|                                                   | Alabama Public Housing Authorities Capital Program Revenue, Series B, FSA<br>Insured, 4.45%, 1/01/24 .....            | 65     |
|                                                   | Bay Area Toll Authority Toll Bridge Revenue, San Francisco Bay Area,<br>Refunding, Series F1,<br>5.00%, 4/01/39 ..... | 605    |
|                                                   | 5.50%, 4/01/43 .....                                                                                                  | 295    |
|                                                   | Bexar County Hospital District GO, Certificates of Obligation,                                                        |        |

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|                                                                                                                                    |        |
|------------------------------------------------------------------------------------------------------------------------------------|--------|
| 5.00%, 2/15/32 .....                                                                                                               | 805    |
| Bexar County Revenue, Venue Project, Refunding, Series A, BHAC Insured,<br>5.25%, 8/15/47 .....                                    | 730    |
| California State GO,<br>6.00%, 4/01/38 .....                                                                                       | 20,130 |
| Refunding, 5.125%, 4/01/33 .....                                                                                                   | 500    |
| Refunding, 5.00%, 4/01/38 .....                                                                                                    | 205    |
| Chicago Board of Education GO, Refunding, Series C, Assured Guaranty,<br>5.25%, 12/01/26 .....                                     | 1,810  |
| Chicago GO, Project and Refunding, Series A, FSA Insured,<br>5.00%, 1/01/25 .....                                                  | 475    |
| District of Columbia University Revenue, Georgetown University, Refunding,<br>Series D, BHAC Insured, 5.50%, 4/01/36 .....         | 1,545  |
| Energy Northwest Electric Revenue, Columbia Generating Station, Refunding,<br>Series A, 5.00%, 7/01/24 .....                       | 1,545  |
| Florida State Hurricane Catastrophe Fund Finance Corp. Revenue, Series A,<br>4.25%, 7/01/14 .....                                  | 2,375  |
| Hamilton County Sales Tax Revenue, sub. bond, Refunding, Series A, FSA<br>Insured, 5.00%, 12/01/32 .....                           | 1,825  |
| Illinois Municipal Electricity Agency Power Supply Revenue, Series A, BHAC<br>Insured, 5.00%, 2/01/35 .....                        | 1,085  |
| Kentucky State Municipal Power Agency Power System Revenue, Prairie State<br>Project, Series A, BHAC Insured, 5.25%, 9/01/42 ..... | 2,395  |
| Las Vegas Valley Water District GO, Refunding, Series A, MBIA Insured,<br>5.00%, 6/01/26 .....                                     | 395    |
| Lewisville ISD, GO, School Building, 5.00%, 8/15/26 .....                                                                          | 545    |
| Los Angeles USD, GO, Series I, 5.00%,<br>7/01/26 .....                                                                             | 180    |
| 7/01/27 .....                                                                                                                      | 195    |
| Matanuska-Susitna Borough Lease Revenue, Goose Greek Correctional Center,<br>Assured Guaranty,<br>5.50%, 9/01/23 .....             | 1,605  |
| 6.00%, 9/01/28 .....                                                                                                               | 2,005  |

6 | Quarterly Statement of Investments

Templeton Global Income Fund

STATEMENT OF INVESTMENTS, MAY 31, 2009 (UNAUDITED) (CONTINUED)

|                                                                                                                                            | PRINCIPAL AMOUNT |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------|
|                                                                                                                                            | -----            |
| MUNICIPAL BONDS (CONTINUED)                                                                                                                |                  |
| UNITED STATES AND U.S. TERRITORIES (CONTINUED)                                                                                             |                  |
| Metropolitan Atlanta Rapid Transit Authority Sales Tax Revenue, Refunding,<br>Third Indenture Series A, FGIC Insured, 5.00%, 7/01/19 ..... | 150              |
| Metropolitan Water District of Southern California Waterworks Revenue,<br>Series A, 5.00%, 7/01/37 .....                                   | 775              |
| Minneapolis Health Care System Revenue, Fairview Health Services,<br>Series B, Assured Guaranty, 6.50%, 11/15/38 .....                     | 1,670            |
| MTA Revenue,<br>Series B, Assured Guaranty, 5.25%, 11/15/20 .....                                                                          | 430              |
| Transportation, Series A, FSA Insured, 5.50%, 11/15/21 .....                                                                               | 410              |
| New Jersey State Transportation Trust Fund Authority Revenue,<br>Transportation System, Series A, Assured Guaranty, 5.50%, 12/15/38 ...    | 2,810            |

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|                                                                                                                                                        |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| New York City GO, Series L, Sub Series L-1, 5.00%, 4/01/26 .....                                                                                       | 100   |
| North Carolina Eastern Municipal Power Agency Power System Revenue,<br>Refunding, Series A, Assured Guaranty, 5.25%, 1/01/19 .....                     | 250   |
| Palomar Pomerado Health GO, Election of 2004, Series A, MBIA Insured,<br>5.125%, 8/01/37 .....                                                         | 2,080 |
| Philadelphia GO, Series B, Assured Guaranty, 7.125%, 7/15/38 .....                                                                                     | 885   |
| Placentia-Yorba Linda USD, GO, 2008 Election, Series A, 5.25%, 8/01/32 ...                                                                             | 2,400 |
| Poway USD, GO, Election of 2008, ID 07-1-A, zero cpn.,<br>8/01/27 .....                                                                                | 705   |
| 8/01/30 .....                                                                                                                                          | 705   |
| 8/01/32 .....                                                                                                                                          | 885   |
| 8/01/33 .....                                                                                                                                          | 470   |
| Puerto Rico Commonwealth GO, Public Improvement, Refunding, Series A,<br>MBIA Insured, 5.50%, 7/01/21 .....                                            | 100   |
| Regional Transportation District Sales Tax Revenue, Fastracks Project,<br>Series A, AMBAC Insured, 5.00%, 11/01/27 .....                               | 590   |
| San Bernardino Community College District GO, Election of 2002, Series A,<br>6.375%, 8/01/26 .....                                                     | 400   |
| 6.50%, 8/01/27 .....                                                                                                                                   | 580   |
| 6.50%, 8/01/28 .....                                                                                                                                   | 240   |
| 6.25%, 8/01/33 .....                                                                                                                                   | 600   |
| San Mateo County Community College District GO, Election of 2001,<br>Series C, MBIA Insured, zero cpn.,<br>9/01/30 .....                               | 1,705 |
| 3/01/31 .....                                                                                                                                          | 465   |
| Seattle Water System Revenue, BHAC Insured, 5.00%, 9/01/34 .....                                                                                       | 935   |
| Tarrant County Cultural Education Facilities Finance Corp. Revenue,<br>Christus Health, Refunding, Series A, Assured Guaranty,<br>6.25%, 7/01/28 ..... | 1,400 |
| Wisconsin State GO, Series A, FGIC Insured, 5.00%, 5/01/21 .....                                                                                       | 50    |
| TOTAL MUNICIPAL BONDS (COST \$58,403,391) .....                                                                                                        |       |
| TOTAL INVESTMENTS BEFORE SHORT TERM INVESTMENTS<br>(COST \$1,008,262,573) .....                                                                        |       |

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Templeton Global Income Fund

STATEMENT OF INVESTMENTS, MAY 31, 2009 (UNAUDITED) (CONTINUED)

|                                                                          | PRINCIPAL AMOUNT |
|--------------------------------------------------------------------------|------------------|
|                                                                          | -----            |
| SHORT TERM INVESTMENTS 3.9%                                              |                  |
| FOREIGN GOVERNMENT AND AGENCY SECURITIES (COST \$33,297,271) 2.8%        |                  |
| EGYPT 2.8%                                                               |                  |
| (k) Egypt Treasury Bills, 6/30/09 - 9/22/09 .....                        | 181,175          |
| TOTAL INVESTMENTS BEFORE MONEY MARKET FUNDS (COST \$1,041,559,844) ..... |                  |

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|                                                                  |        |
|------------------------------------------------------------------|--------|
| MONEY MARKET FUNDS (COST \$12,027,110) 1.1%                      |        |
| UNITED STATES 1.1%                                               |        |
| (1) Institutional Fiduciary Trust Money Market Portfolio, 0.02%  | 12,027 |
| TOTAL INVESTMENTS (COST \$1,053,586,954) 97.6%                   |        |
| NET UNREALIZED APPRECIATION ON FORWARD EXCHANGE CONTRACTS (0.6)% |        |
| OTHER ASSETS, LESS LIABILITIES 3.0%                              |        |
| NET ASSETS 100.0%                                                |        |

See Abbreviations on page 17.

- (a) The principal amount is stated in U.S. dollars unless otherwise indicated.
- (b) The coupon rate shown represents the rate at period end.
- (c) The principal amount is stated in original face, and scheduled paydowns are reflected in the market price on ex-date.
- (d) 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 May 31, 2009, the aggregate value of these securities was \$109,128,723, representing 9.66% of net assets.
- (e) Principal amount is stated in 1,000 Brazilian Real Units.
- (f) Redemption price at maturity is adjusted for inflation.
- (g) 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 May 31, 2009, the aggregate value of these securities was \$34,638,836, representing 3.07% of net assets.
- (h) Principal amount is stated in 100 Mexican Peso Units.
- (i) Security purchased on a delayed delivery basis.

See Notes to Statement of Investments.

8 | Quarterly Statement of Investments

Templeton Global Income Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED)

1. ORGANIZATION

Templeton Global Income Fund (Fund) is registered under the Investment Company Act of 1940, as amended, as a closed-end investment company.



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### 2. SECURITY VALUATION

Securities listed on a securities 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. Over-the-counter securities and listed securities for which there is no reported sale 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. Investments in open-end mutual funds are valued at the closing net asset value.

Corporate debt securities, government securities and municipal securities generally trade in the over-the-counter market rather than on a securities exchange. The Fund may utilize independent pricing services, quotations from bond dealers, and information with respect to bond and note transactions, to assist in determining a current market value for each security. The Fund's pricing services may use valuation models or matrix pricing which considers information with respect to comparable bond and note transactions, quotations from bond dealers, or by reference to other securities that are considered comparable in such characteristics as rating, interest rate and maturity date, option adjusted spread models, prepayment projections, interest rate spreads and yield curves, to determine current value.

The Fund has procedures to determine the fair value of individual securities and other assets for which market prices are not readily available or which may not be reliably priced. Methods for valuing these securities may include: fundamental analysis, matrix pricing, discounts from market prices of similar securities, or discounts applied due to the nature and duration of restrictions on the disposition of the securities. Due to the inherent uncertainty of valuations of such securities, the fair values may differ significantly from the values that would have been used had a ready market for such investments existed. Occasionally, events occur between the time at which trading in a security is completed and the close of the NYSE that might call into question the availability (including the reliability) of the value of a portfolio security held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services. All security valuation procedures are approved by the Fund's Board of Trustees.

### 3. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund may invest in derivative financial instruments (derivatives) 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

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Templeton Global Income Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

### 3. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

factors, and require or permit net settlement. Derivatives may 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 the potential for market movements.

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Derivatives are marked to market daily based upon quotations from market makers or the Fund's independent pricing services and the Fund's net benefit or obligation under the contract, as measured by the fair market value of the contract, is included in net assets.

The Fund enters into foreign exchange contracts in order to manage foreign exchange rate risk between the trade date and settlement date of securities transactions. A foreign exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency for a specific exchange rate on a future date.

The Fund enters into forward exchange contracts in order to hedge against fluctuations in foreign exchange rates or to 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 for a specific exchange rate on a future date.

The Fund enters into interest rate swap contracts in order 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 principal amount. 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. Pursuant to the terms of the interest rate swap contract, cash or securities may be required to be deposited as collateral.

4. INCOME TAXES

At May 31, 2009, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

|                                                  |                 |
|--------------------------------------------------|-----------------|
| Cost of investments .....                        | \$1,058,059,720 |
|                                                  | -----           |
| Unrealized appreciation .....                    | \$ 106,057,071  |
| Unrealized depreciation .....                    | (62,314,215)    |
|                                                  | -----           |
| Net unrealized appreciation (depreciation) ..... | \$ 43,742,856   |
|                                                  | =====           |

10 | Quarterly Statement of Investments

Templeton Global Income Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

5. FORWARD EXCHANGE CONTRACTS

At May 31, 2009, the Fund had the following forward exchange contracts outstanding:

| CONTRACT<br>AMOUNT (a) | SETTLEMENT<br>DATE | UNREALIZED<br>APPRECIATION | UNREAL<br>DEPRECI |
|------------------------|--------------------|----------------------------|-------------------|
|------------------------|--------------------|----------------------------|-------------------|

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| CONTRACTS TO BUY |                   |            |     |          |               |
|------------------|-------------------|------------|-----|----------|---------------|
| 21,404,532       | Swiss Franc       | 13,885,522 | EUR | 6/11/09  | \$ 417,537 \$ |
| 191,669,460      | Malaysian Ringgit | 38,716,472 | EUR | 6/16/09  | 177,413       |
| 205,190,790      | Russian Ruble     | 92,527,712 | MXN | 6/16/09  | -- (38)       |
| 183,084,303      | Malaysian Ringgit | 37,054,099 | EUR | 6/17/09  | 66,130        |
| 58,966,389,000   | Vietnamese Dong   | 4,137,940  | AUD | 6/22/09  | -- (          |
| 9,423,957        | Malaysian Ringgit | 1,891,981  | EUR | 7/14/09  | 22,837        |
| 23,285,042       | Malaysian Ringgit | 4,654,272  | EUR | 7/15/09  | 85,221        |
| 6,055,551        | Malaysian Ringgit | 1,210,868  | EUR | 7/16/09  | 21,451        |
| 6,152,870        | Malaysian Ringgit | 1,229,787  | EUR | 7/17/09  | 22,513        |
| 4,283,433        | Malaysian Ringgit | 851,391    | EUR | 7/24/09  | 22,147        |
| 1,687,374        | Malaysian Ringgit | 336,331    | EUR | 7/31/09  | 7,313         |
| 3,370,207        | Malaysian Ringgit | 680,053    | EUR | 8/05/09  | 2,795         |
| 151,667,902      | Russian Ruble     | 9,038,612  | NZD | 8/12/09  | -- (93)       |
| 73,838,479       | Russian Ruble     | 4,411,955  | NZD | 8/14/09  | -- (46)       |
| 647,291,600      | Japanese Yen      | 4,154,187  | EUR | 8/21/09  | 932,448       |
| 321,024,200      | Japanese Yen      | 2,058,375  | EUR | 8/26/09  | 465,420       |
| 223,340,000      | Japanese Yen      | 1,472,617  | EUR | 9/04/09  | 266,862       |
| 13,341,000       | Chinese Yuan      | 1,389,688  | EUR | 9/18/09  | --            |
| 83,126,800       | Chinese Yuan      | 8,685,911  | EUR | 9/23/09  | -- (3         |
| 91,000,000       | Swedish Krona     | 9,461,328  | EUR | 9/23/09  | -- (1,34      |
| 37,088,000       | Chinese Yuan      | 3,821,732  | EUR | 9/24/09  | 60,466        |
| 441,513,514      | Russian Ruble     | 21,004,870 | AUD | 9/24/09  | -- (2,78      |
| 225,000,000      | Indian Rupee      | 7,364,975  | NZD | 9/25/09  | 35,029        |
| 1,342,000,000    | Japanese Yen      | 8,982,338  | EUR | 9/28/09  | 1,421,228     |
| 243,166,459      | Russian Ruble     | 11,688,183 | AUD | 9/28/09  | -- (1,63      |
| 42,313,777,933   | Vietnamese Dong   | 3,436,066  | AUD | 10/07/09 | -- (39        |
| 13,969,953       | Chinese Yuan      | 3,018,377  | AUD | 10/13/09 | -- (33        |
| 779,666,250      | Kazakhstan Tenge  | 6,032,234  |     | 10/13/09 | -- (95        |
| 32,663,916       | Chinese Yuan      | 3,466,035  | EUR | 10/15/09 | -- (8         |
| 32,823,215       | Chinese Yuan      | 3,510,373  | EUR | 10/16/09 | -- (11        |
| 23,662,387       | Chinese Yuan      | 5,024,598  | AUD | 10/19/09 | -- (49        |
| 43,995,179       | Chinese Yuan      | 4,724,375  | EUR | 10/19/09 | -- (18        |
| 27,185,000       | Chinese Yuan      | 3,927,049  |     | 10/21/09 | 82,226        |
| 219,208,545      | Chilean Peso      | 332,134    |     | 10/26/09 | 58,809        |
| 142,244,757      | Chilean Peso      | 207,584    |     | 10/28/09 | 46,093        |
| 3,571,898        | Swiss Franc       | 2,453,058  | EUR | 10/28/09 | -- (11        |
| 7,181,000,000    | Indonesian Rupiah | 508,569    |     | 11/17/09 | 162,197       |
| 35,001,000,000   | Indonesian Rupiah | 2,540,907  |     | 11/18/09 | 727,745       |
| 28,391,000       | Russian Ruble     | 635,216    | EUR | 11/20/09 | -- (1         |
| 38,962,000,000   | Indonesian Rupiah | 2,540,890  |     | 11/23/09 | 1,093,569     |
| 150,288,486      | Swedish Krona     | 14,654,428 | EUR | 11/30/09 | -- (83        |
| 31,071,000       | Chinese Yuan      | 3,373,564  | EUR | 12/04/09 | -- (16        |
| 24,661,000       | Chinese Yuan      | 3,373,598  |     | 12/04/09 | 274,317       |
| 20,258,000,000   | Indonesian Rupiah | 1,447,000  |     | 12/07/09 | 436,998       |
| 49,119,762       | Chinese Yuan      | 6,954,190  |     | 12/14/09 | 316,146       |

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Templeton Global Income Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

5. FORWARD EXCHANGE CONTRACTS (CONTINUED)

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|                                      | CONTRACT<br>AMOUNT (a) | SETTLEMENT<br>DATE | UNREALIZED<br>APPRECIATION | UN<br>DEP |
|--------------------------------------|------------------------|--------------------|----------------------------|-----------|
|                                      | -----                  | -----              | -----                      | -----     |
| CONTRACTS TO BUY (CONTINUED)         |                        |                    |                            |           |
| 65,695,397 Chinese Yuan .....        | 9,302,464              | 12/15/09           | \$ 421,864                 | \$        |
| 32,996,252 Chinese Yuan .....        | 4,688,633              | 12/16/09           | 195,818                    |           |
| 16,656,368 Malaysian Ringgit .....   | 4,688,633              | 12/16/09           | 57,537                     |           |
| 10,145,784 Chinese Yuan .....        | 1,435,047              | 12/17/09           | 66,929                     |           |
| 5,137,469 Malaysian Ringgit .....    | 1,435,047              | 12/17/09           | 28,837                     |           |
| 30,514,414 Chinese Yuan .....        | 4,305,142              | 12/18/09           | 212,470                    |           |
| 8,294,486 Chinese Yuan .....         | 1,183,236              | 12/21/09           | 44,974                     |           |
| 9,301,365 Malaysian Ringgit .....    | 2,609,484              | 12/21/09           | 40,738                     |           |
| 9,755,745 Chinese Yuan .....         | 1,401,688              | 12/22/09           | 42,987                     |           |
| 5,021,942 Malaysian Ringgit .....    | 1,435,579              | 12/22/09           | --                         |           |
| 3,991,727 Malaysian Ringgit .....    | 1,148,038              | 12/23/09           | --                         |           |
| 4,516,266 Malaysian Ringgit .....    | 1,291,543              | 12/28/09           | --                         |           |
| 1,968,980,000 Chilean Peso .....     | 3,117,448              | 1/28/10            | 396,635                    |           |
| 48,000,000 Malaysian Ringgit .....   | 13,111,172             | 1/28/10            | 558,806                    |           |
| 5,128,790,000 Chilean Peso .....     | 8,173,807              | 1/29/10            | 979,823                    |           |
| 89,650,000 Swedish Krona .....       | 8,549,902              | EUR 1/29/10        | --                         |           |
| 950,440,000 Chilean Peso .....       | 1,520,704              | 2/02/10            | 175,719                    |           |
| 1,783,500,000 Chilean Peso .....     | 2,851,319              | 2/03/10            | 332,074                    |           |
| 135,288,000 Chinese Yuan .....       | 19,180,966             | 2/03/10            | 905,676                    |           |
| 173,615,100 Mexican Peso .....       | 11,571,817             | 2/03/10            | 1,161,593                  |           |
| 262,700,000 Mexican Peso .....       | 17,357,756             | 2/04/10            | 1,906,710                  |           |
| 935,230,000 Chilean Peso .....       | 1,520,699              | 2/12/10            | 148,873                    |           |
| 24,260,103 Malaysian Ringgit .....   | 6,683,224              | 2/12/10            | 224,528                    |           |
| 7,084,000,000 South Korean Won ..... | 5,208,824              | 2/12/10            | 466,650                    |           |
| 2,301,970,000 Chilean Peso .....     | 3,801,767              | 2/16/10            | 308,001                    |           |
| 2,298,030,000 Chilean Peso .....     | 3,823,677              | 2/17/10            | 279,130                    |           |
| 6,108,000 Malaysian Ringgit .....    | 1,675,031              | 2/17/10            | 64,034                     |           |
| 5,097,330,000 Chilean Peso .....     | 8,412,060              | 2/26/10            | 688,879                    |           |
| 1,153,220,000 Chilean Peso .....     | 1,911,837              | 3/03/10            | 146,936                    |           |
| 1,873,290,000 Chilean Peso .....     | 3,058,932              | 3/04/10            | 285,264                    |           |
| 1,173,870,000 Chilean Peso .....     | 1,911,840              | 3/05/10            | 183,706                    |           |
| 1,107,150,000 Chilean Peso .....     | 1,799,571              | 3/08/10            | 176,740                    |           |
| 1,176,260,000 Chilean Peso .....     | 1,911,841              | 3/09/10            | 187,789                    |           |
| 395,410,000 Mexican Peso .....       | 24,590,174             | 3/16/10            | 4,241,355                  |           |
| 110,524,000 Indian Rupee .....       | 2,135,977              | 4/09/10            | 156,220                    |           |
| 237,003,000 Indian Rupee .....       | 4,577,115              | 4/12/10            | 337,377                    |           |
| 159,192,000 Indian Rupee .....       | 3,051,409              | 4/13/10            | 249,416                    |           |
| 156,262,000 Indian Rupee .....       | 3,051,396              | 4/15/10            | 188,325                    |           |
| 132,847,000 Indian Rupee .....       | 2,597,961              | 4/19/10            | 155,710                    |           |
| 5,072,841 Malaysian Ringgit .....    | 1,401,221              | 4/19/10            | 42,627                     |           |
| 14,535,000 Malaysian Ringgit .....   | 4,047,957              | 4/20/10            | 89,022                     |           |
| 110,998,000 Indian Rupee .....       | 2,141,934              | 4/26/10            | 157,976                    |           |
| 15,835,000 Indian Rupee .....        | 305,990                | 4/27/10            | 22,098                     |           |
| 586,073,181 Indian Rupee .....       | 11,442,259             | 4/28/10            | 700,029                    |           |
| 29,978,900 Swedish Krona .....       | 2,820,747              | EUR 4/29/10        | --                         |           |
| 78,640,000 Indian Rupee .....        | 1,529,961              | 4/30/10            | 99,129                     |           |
| 2,278,980,000 Chilean Peso .....     | 3,974,919              | 5/18/10            | 86,878                     |           |

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NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

### 5. FORWARD EXCHANGE CONTRACTS (CONTINUED)

|                                     | CONTRACT<br>AMOUNT (a) | SETTLEMENT<br>DATE | UNREALIZED<br>APPRECIATION | UN<br>DEP |
|-------------------------------------|------------------------|--------------------|----------------------------|-----------|
|                                     | -----                  | -----              | -----                      | -----     |
| <b>CONTRACTS TO BUY (CONTINUED)</b> |                        |                    |                            |           |
| 465,463,000 Chilean Peso .....      | 833,930                | 5/26/10            | \$ --                      | \$        |
| 932,990,000 Chilean Peso .....      | 1,651,017              | 5/28/10            | 11,477                     |           |
| 186,070,000 Chilean Peso .....      | 330,204                | 6/01/10            | 1,325                      |           |
| 150,389,000 Indian Rupee .....      | 3,064,223              | 6/01/10            | 45,822                     |           |
| 4,458,000 Indian Rupee .....        | 91,918                 | 6/02/10            | 920                        |           |
| <b>CONTRACTS TO SELL</b>            |                        |                    |                            |           |
| 2,470,410 Euro .....                | 294,077,606            | JPY 6/10/09        | --                         |           |
| 92,945,816 Mexican Peso .....       | 206,423,363            | RUB 6/10/09        | --                         |           |
| 29,507,162 Mexican Peso .....       | 1,334,726,977          | CLP 6/12/09        | 138,588                    |           |
| 194,757,301 Mexican Peso .....      | 432,760,932            | RUB 6/16/09        | --                         |           |
| 106,279,890 Mexican Peso .....      | 237,713,212            | RUB 6/19/09        | --                         |           |
| 61,955,606 Mexican Peso .....       | 136,619,484            | RUB 7/10/09        | --                         |           |
| 4,919,150 Euro .....                | 7,604,637              | 7/13/09            | 651,279                    |           |
| 30,888,068 Mexican Peso .....       | 68,008,329             | RUB 7/13/09        | --                         |           |
| 3,027,169 Euro .....                | 4,689,236              | 7/14/09            | 410,283                    |           |
| 4,919,150 Euro .....                | 7,691,583              | 7/15/09            | 738,342                    |           |
| 2,459,575 Euro .....                | 3,861,041              | 7/17/09            | 384,479                    |           |
| 4,351,556 Euro .....                | 6,807,139              | 7/24/09            | 656,660                    |           |
| 14,610,919 Mexican Peso .....       | 32,786,902             | RUB 7/24/09        | --                         |           |
| 39,424,000 Mexican Peso .....       | 2,800,219              | 7/31/09            | --                         |           |
| 24,883,740 New Zealand Dollar ..... | 13,821,567             | 7/31/09            | --                         |           |
| 24,581,877 New Zealand Dollar ..... | 13,821,567             | 8/03/09            | --                         |           |
| 18,936,000 Brazilian Real .....     | 8,396,967              | 8/04/09            | --                         |           |
| 28,027,764 New Zealand Dollar ..... | 15,780,907             | 8/04/09            | --                         |           |
| 5,204,459 New Zealand Dollar .....  | 2,939,010              | 8/05/09            | --                         |           |
| 8,457,907 New Zealand Dollar .....  | 56,133,438,372         | IDR 8/05/09        | --                         |           |
| 10,299,580 New Zealand Dollar ..... | 5,878,020              | 8/06/09            | --                         |           |
| 20,291,294 New Zealand Dollar ..... | 11,685,234             | 8/07/09            | --                         |           |
| 3,357,710 New Zealand Dollar .....  | 1,947,539              | 8/10/09            | --                         |           |
| 3,356,061 New Zealand Dollar .....  | 1,947,539              | 8/11/09            | --                         |           |
| 6,303,485 New Zealand Dollar .....  | 3,714,959              | 8/12/09            | --                         |           |
| 4,168,252 New Zealand Dollar .....  | 50,512,959,923         | VND 8/14/09        | 145,480                    |           |
| 6,159,450 New Zealand Dollar .....  | 3,715,134              | 8/24/09            | --                         |           |
| 6,130,000 New Zealand Dollar .....  | 3,706,995              | 8/26/09            | --                         |           |
| 6,050,000 Euro .....                | 732,322,250            | JPY 11/18/09       | --                         |           |
| 257,757 Euro .....                  | 326,269                | 11/19/09           | --                         |           |
| 2,796,556 Euro .....                | 3,520,585              | 11/20/09           | --                         |           |
| 1,870,413 Euro .....                | 2,330,628              | 11/24/09           | --                         |           |
| 655,522 Euro .....                  | 820,386                | 11/25/09           | --                         |           |
| 1,274,797 Euro .....                | 1,663,610              | 11/30/09           | --                         |           |
| 27,348,819 New Zealand Dollar ..... | 16,806,634             | 11/30/09           | --                         |           |
| 39,049,000 Mexican Peso .....       | 2,882,377              | 12/01/09           | --                         |           |
| 23,805,178 New Zealand Dollar ..... | 14,667,739             | 12/02/09           | --                         |           |
| 1,325,806 Euro .....                | 1,676,415              | 12/08/09           | --                         |           |
| 70,391,000 Singapore Dollar .....   | 46,888,153             | 1/29/10            | --                         |           |
| 10,258,681 New Zealand Dollar ..... | 5,186,174              | 2/02/10            | --                         |           |

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Templeton Global Income Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

5. FORWARD EXCHANGE CONTRACTS (CONTINUED)

|                                                                                          | CONTRACT<br>AMOUNT (a) | SETTLEMENT<br>DATE | UNREALIZED<br>APPRECIATION | UN<br>DEP |
|------------------------------------------------------------------------------------------|------------------------|--------------------|----------------------------|-----------|
|                                                                                          | -----                  | -----              | -----                      | -----     |
| CONTRACTS TO SELL (CONTINUED)                                                            |                        |                    |                            |           |
| 16,454,000 Singapore Dollar .....                                                        | 10,949,156             | 2/02/10            | \$ --                      | \$ --     |
| 14,723,000 Singapore Dollar .....                                                        | 9,776,293              | 2/03/10            | --                         | --        |
| 14,805,000 Singapore Dollar .....                                                        | 9,776,407              | 2/04/10            | --                         | --        |
| 11,809,000 Singapore Dollar .....                                                        | 7,821,307              | 2/05/10            | --                         | --        |
| 9,302,000 Singapore Dollar .....                                                         | 6,178,678              | 2/08/10            | --                         | --        |
| 11,787,000 Singapore Dollar .....                                                        | 7,827,733              | 2/09/10            | --                         | --        |
| 4,670,600 Singapore Dollar .....                                                         | 3,131,205              | 2/11/10            | --                         | --        |
| 1,456,071 New Zealand Dollar .....                                                       | 756,283                | 2/12/10            | --                         | --        |
| 1,943,304 New Zealand Dollar .....                                                       | 972,041                | 2/22/10            | --                         | --        |
| 26,988,728 New Zealand Dollar .....                                                      | 13,534,847             | 2/26/10            | --                         | (         |
| 15,310,000 Singapore Dollar .....                                                        | 9,954,583              | 3/17/10            | --                         | --        |
| 9,714,000 Singapore Dollar .....                                                         | 6,316,405              | 3/18/10            | --                         | --        |
| 14,546,000 Singapore Dollar .....                                                        | 9,475,193              | 3/19/10            | --                         | --        |
| 19,370,000 Singapore Dollar .....                                                        | 12,633,089             | 3/22/10            | --                         | --        |
| 17,593,000 Singapore Dollar .....                                                        | 11,583,106             | 3/23/10            | --                         | --        |
| 4,102,790 Australian Dollar .....                                                        | 2,790,513              | 3/24/10            | --                         | --        |
| 4,766,000 Singapore Dollar .....                                                         | 3,158,592              | 3/31/10            | --                         | --        |
| 16,563,648 New Zealand Dollar .....                                                      | 9,065,285              | 4/28/10            | --                         | (         |
| Unrealized appreciation (depreciation) on<br>offsetting forward exchange contracts ..... |                        |                    | 8,050,055                  |           |
|                                                                                          |                        |                    | -----                      | -----     |
| Unrealized appreciation (depreciation) on<br>forward exchange contracts .....            |                        |                    | \$ 35,675,502              | \$ (4     |
|                                                                                          |                        |                    | -----                      | -----     |
| NET UNREALIZED APPRECIATION (DEPRECIATION)                                               |                        |                    |                            |           |
| ON FORWARD EXCHANGE CONTRACTS .....                                                      |                        |                    |                            | \$ (      |
|                                                                                          |                        |                    |                            | ====      |

See Abbreviations on page 17.

(a) In U.S. Dollar unless otherwise indicated.

6. INTEREST RATE SWAPS

At May 31, 2009, the Fund had the following interest rate swap contracts outstanding:

| COUNTER-<br>PARTY | RECEIVE --<br>FIXED RATE | PAY --<br>FLOATING RATE | NOTIONAL<br>PRINCIPAL AMOUNT (a) | EXPIRATION<br>DATE | UNREALIZED<br>APPRECIATION |
|-------------------|--------------------------|-------------------------|----------------------------------|--------------------|----------------------------|
| -----             | -----                    | -----                   | -----                            | -----              | -----                      |
| JPMorgan          | 7.16%                    | NZD Bank Bill Rate      | 5,740,000 NZD                    | 7/31/13            | \$ 406,9                   |
| JPMorgan          | 7.12%                    | NZD Bank Bill Rate      | 5,750,000 NZD                    | 8/01/13            | 400,4                      |

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|               |        |                          |               |     |          |         |
|---------------|--------|--------------------------|---------------|-----|----------|---------|
| JPMorgan      | 7.055% | NZD Bank Bill Rate       | 5,750,000     | NZD | 8/04/13  | 390,4   |
| JPMorgan      | 7.035% | NZD Bank Bill Rate       | 11,500,000    | NZD | 8/05/13  | 774,9   |
| JPMorgan      | 7.05%  | NZD Bank Bill Rate       | 2,875,000     | NZD | 8/06/13  | 193,5   |
| JPMorgan      | 7.05%  | NZD Bank Bill Rate       | 2,875,000     | NZD | 8/07/13  | 193,5   |
| JPMorgan      | 7.00%  | NZD Bank Bill Rate       | 3,045,600     | NZD | 8/14/13  | 200,1   |
| JPMorgan      | 5.23%  | NZD Bank Bill Rate       | 7,000,000     | NZD | 12/05/13 | 139,6   |
| Merrill Lynch | 7.053% | Tasa Nominal Annual Rate | 7,900,000,000 | CLP | 6/13/18  | 2,263,5 |
| JPMorgan      | 7.06%  | Tasa Nominal Annual Rate | 2,646,000,000 | CLP | 6/13/18  | 760,6   |
| Merrill Lynch | 7.094% | Tasa Nominal Annual Rate | 8,650,000,000 | CLP | 6/16/18  | 2,507,8 |
| JPMorgan      | 7.15%  | Tasa Nominal Annual Rate | 2,700,000,000 | CLP | 6/18/18  | 803,7   |
| JPMorgan      | 7.85%  | Tasa Nominal Annual Rate | 702,800,000   | CLP | 7/11/18  | 298,1   |
| JPMorgan      | 7.855% | Tasa Nominal Annual Rate | 705,600,000   | CLP | 7/17/18  | 298,7   |
| Merrill Lynch | 7.40%  | Tasa Nominal Annual Rate | 580,000,000   | CLP | 7/30/18  | 208,6   |

14 | Quarterly Statement of Investments

Templeton Global Income Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

6. INTEREST RATE SWAPS (CONTINUED)

| COUNTER-<br>PARTY                                                            | RECEIVE --<br>FIXED RATE | PAY --<br>FLOATING RATE                    | NOTIONAL<br>PRINCIPAL AMOUNT (a) | EXPIRATION<br>DATE | UNREALIZED<br>APPRECIATION |
|------------------------------------------------------------------------------|--------------------------|--------------------------------------------|----------------------------------|--------------------|----------------------------|
| Merrill Lynch                                                                | 7.40%                    | Tasa Nominal Annual Rate                   | 580,000,000 CLP                  | 8/06/18            | \$ 209,2                   |
| JPMorgan                                                                     | 7.50%                    | Tasa Nominal Annual Rate                   | 1,210,680,000 CLP                | 8/07/18            | 455,5                      |
| Merrill Lynch                                                                | 7.51%                    | Tasa Nominal Annual Rate                   | 580,000,000 CLP                  | 8/07/18            | 219,0                      |
| JPMorgan                                                                     | 7.50%                    | Tasa Nominal Annual Rate                   | 1,208,320,000 CLP                | 8/13/18            | 452,9                      |
| Merrill Lynch                                                                | 9.03%                    | MXN Interbank Equilibrium<br>Interest Rate | 723,000,000 MXN                  | 8/17/18            | 3,780,3                    |
| JPMorgan                                                                     | 7.67%                    | Tasa Nominal Annual Rate                   | 415,200,000 CLP                  | 8/29/18            | 164,1                      |
| JPMorgan                                                                     | 8.6748%                  | MXN Interbank Equilibrium<br>Interest Rate | 37,800,000 MXN                   | 11/29/18           | 119,2                      |
| JPMorgan                                                                     | 5.59%                    | NZD Bank Bill Rate                         | 8,500,000 NZD                    | 12/05/18           |                            |
| Citigroup                                                                    | 7.6973%                  | MXN Interbank Equilibrium<br>Interest Rate | 51,400,000 MXN                   | 1/11/19            |                            |
| Citigroup                                                                    | 7.666%                   | MXN Interbank Equilibrium<br>Interest Rate | 67,000,000 MXN                   | 1/12/19            |                            |
| Citigroup                                                                    | 7.835%                   | MXN Interbank Equilibrium<br>Interest Rate | 44,700,000 MXN                   | 1/15/19            |                            |
| Citigroup                                                                    | 7.869%                   | MXN Interbank Equilibrium<br>Interest Rate | 58,100,000 MXN                   | 1/16/19            |                            |
| Citigroup                                                                    | 8.00%                    | MXN Interbank Equilibrium<br>Interest Rate | 35,060,000 MXN                   | 1/18/19            |                            |
| JPMorgan                                                                     | 8.06%                    | MXN Interbank Equilibrium<br>Interest Rate | 55,780,000 MXN                   | 1/22/19            |                            |
| Citigroup                                                                    | 8.07%                    | MXN Interbank Equilibrium<br>Interest Rate | 175,300,000 MXN                  | 1/22/19            |                            |
| Merrill Lynch                                                                | 9.10%                    | MXN Interbank Equilibrium<br>Interest Rate | 240,000,000 MXN                  | 8/04/28            | 836,4                      |
| JPMorgan                                                                     | 8.3167%                  | MXN Interbank Equilibrium<br>Interest Rate | 83,670,000 MXN                   | 1/09/29            |                            |
| Unrealized appreciation (depreciation) on interest rate swap contracts ..... |                          |                                            |                                  |                    | \$ 16,077,8                |

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NET UNREALIZED APPRECIATION (DEPRECIATION) ON INTEREST RATE SWAP CONTRACTS ..... \$ 15,460,5  
=====

See Abbreviations on page 17.

(a) In U.S. Dollar unless otherwise indicated.

7. FAIR VALUE MEASUREMENTS

The Fund adopted Financial Accounting Standards Board (FASB) Statement No. 157, "Fair Value Measurement" (SFAS 157), on September 1, 2008. SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The Fund has determined that the implementation of SFAS 157 did not have a material impact on the Fund's financial statements.

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Templeton Global Income Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

7. FAIR VALUE MEASUREMENTS (CONTINUED)

SFAS 157 establishes 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 investments and are summarized in the following fair value hierarchy:

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

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of May 31, 2009, in valuing the Fund's assets and liabilities carried at fair value:

|                                    | LEVEL 1      | LEVEL 2         | LEVEL 3 | TOTAL           |
|------------------------------------|--------------|-----------------|---------|-----------------|
|                                    | -----        | -----           | -----   | -----           |
| ASSETS:                            |              |                 |         |                 |
| Investments in Securities .....    | \$12,027,110 | \$1,089,775,466 | \$--    | \$1,101,802,576 |
| Other Financial Instruments(a) ... | --           | 51,753,392      | --      | 51,753,392      |
| LIABILITIES:                       |              |                 |         |                 |
| Other Financial Instruments(a) ... | --           | 42,736,078      | --      | 42,736,078      |

(a) Other financial instruments include net unrealized appreciation



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(depreciation) on forward exchange contracts and swaps.

### 8. NEW ACCOUNTING PRONOUNCEMENTS

In April 2009, FASB issued FASB Staff Position FSP FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" (FSP FAS 157-4), which provides additional guidance when the volume and level of activity for the asset or liability measured at fair value have significantly decreased. Additionally, FSP FAS 157-4 amends SFAS 157, expanding disclosure requirements by reporting entities surrounding the major categories of assets and liabilities carried at fair value. FSP FAS 157-4 is effective for interim and annual periods ending after June 15, 2009. The Fund believes applying FSP FAS 157-4 will not have a material impact on its financial statements.

In May 2009, FASB issued Statement No. 165, "Subsequent Events", which is intended to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before the statements are issued or are available to be issued. FASB 165 is effective for interim or annual financial periods ending after June 15, 2009, the adoption of FASB 165 will not have a material impact on its financial statements.

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Templeton Global Income Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

#### ABBREVIATIONS

#### CURRENCY

|     |                      |
|-----|----------------------|
| AUD | - Australian Dollar  |
| BRL | - Brazilian Real     |
| EGP | - Egyptian Pound     |
| EUR | - Euro               |
| IDR | - Indonesian Rupiah  |
| INR | - Indian Rupee       |
| JPY | - Japanese Yen       |
| KRW | - South Korean Won   |
| MXN | - Mexican Peso       |
| MYR | - Malaysian Ringgit  |
| NOK | - Norwegian Krone    |
| NZD | - New Zealand Dollar |
| PEN | - Peruvian Nuevo Sol |
| PLN | - Polish Zloty       |
| SEK | - Swedish Krona      |

#### SELECTED PORTFOLIO

|       |                                                                          |
|-------|--------------------------------------------------------------------------|
| AMBAC | - American Municipal Bond Assurance Corp.                                |
| BHAC  | - Berkshire Hathaway Assurance Corp.                                     |
| FGIC  | - Financial Guaranty Insurance Co.                                       |
| FRN   | - Floating Rate Note                                                     |
| FSA   | - Financial Security Assurance Inc.                                      |
| GO    | - General Obligation                                                     |
| ID    | - Improvement District                                                   |
| ISD   | - Independent School District                                            |
| MBIA  | - Municipal Bond Investors Assurance Corp. (effective February 18, 2009, |

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MBIA spun-off and established National Public Financial Guarantee Corp. as a subsidiary under MBIA)

MTA - Metropolitan Transit Authority  
USD - Unified/Union School District

For information on the Fund's policy regarding other significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

Quarterly Statement of Investments | 17

### ITEM 2. CONTROLS AND PROCEDURES.

(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES. The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and the principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Within 90 days prior to the filing date of this Quarterly Schedule of Portfolio Holdings on Form N-Q, the Registrant had carried out an evaluation, under the supervision and with the participation of the Registrant's management, including the Registrant's principal executive officer and the Registrant's principal financial officer, of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures. Based on such evaluation, the Registrant's principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures are effective.

(b) CHANGES IN INTERNAL CONTROLS. There have been no significant changes in the Registrant's internal controls or in other factors that could significantly affect the internal controls subsequent to the date of their evaluation in connection with the preparation of this Quarterly Schedule of Portfolio Holdings on Form N-Q.

### ITEM 3. EXHIBITS.

(a) Certification pursuant to Section 30a-2 under the Investment Company Act of 1940 of Laura F. Ferguson, Chief Executive Officer - Finance and Administration, and Mark H. Otani, Chief Financial Officer and Chief Accounting Officer.

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEMPLETON GLOBAL INCOME FUND

By /s/LAURA F. FERGERSON

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-----  
Laura F. Ferguson  
Chief Executive Officer -  
Finance and Administration  
Date July 27, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/LAURA F. FERGERSON

-----  
Laura F. Ferguson  
Chief Executive Officer -  
Finance and Administration  
Date July 27, 2009

By /s/MARK H. OTANI

-----  
Mark H. Otani  
Chief Financial Officer and  
Chief Accounting Officer  
Date July 27, 2009