

GLOBAL INCOME FUND



ANNUAL REPORT December 31, 2009

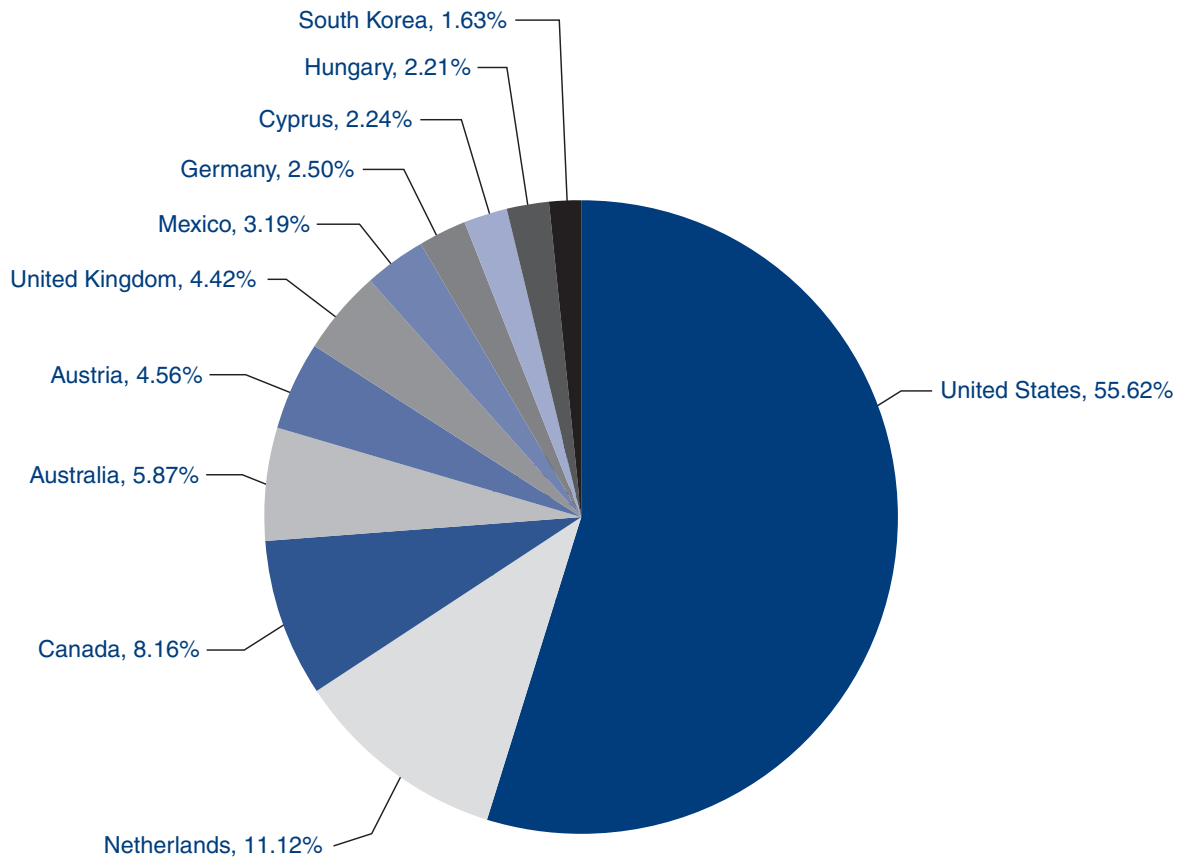
Ticker
Symbol:

GIFD

11 Hanover Square
New York, NY 10005

www.globalincomefund.net

COUNTRY ALLOCATION*



PORTFOLIO ANALYSIS*

Currency Allocation	
U.S. Dollars**	62%
Euros	25%
Australian Dollars	6%
Canadian Dollars	4%
British Pounds	3%
	100%

Bond Ratings	
AAA	9%
AA	7%
A	23%
BBB	7%
<BBB	1%
Non-bond investments	53%
	100%

* Country allocation and portfolio analysis use approximate percentages of net assets and may not add up to 100% due to leverage or other assets, rounding, and other factors. Ratings are not a guarantee of credit quality and may change. U.S. allocation may include U.S. closed end funds with foreign allocations.

** May include allocation to closed end funds with foreign currency allocations.

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11 Hanover Square, New York, NY 10005
www.globalincomefund.net

January 14, 2010

Fellow Shareholders:

It is a pleasure to submit this 2009 Annual Report for Global Income Fund. The primary and fundamental objective of the Fund is to provide a high level of income. The Fund's secondary, non-fundamental investment objective is capital appreciation. The Fund currently pursues its investment objectives by investing primarily in a global portfolio of investment grade fixed income securities and closed end funds that invest significantly in income producing securities.

We welcome our new shareholders who find the Fund's quality approach to global income investing attractive. We also wish to express our gratitude to the Fund's long standing shareholders, both to those receiving the Fund's quarterly dividends in cash and those who are adding to their account through the Fund's Dividend Reinvestment Plan.

Market Report

In our 2009 Semi-Annual Report, we noted some reasons for cautious optimism about the U.S. economy, and we have been pleased to see improvements over time. The Federal Reserve Districts recently reported that, although economic activity remains at a low level, conditions have improved modestly and more broadly geographically. The Districts noted that consumer spending in the recent 2009 holiday season was greater than in 2008, but short of 2007 levels. The Districts also noted that auto sales have been stable or increasing slightly, as nonfinancial services activity generally improves. Meanwhile, the report suggested that manufacturing activity has held steady and the outlook was optimistic, notwithstanding "cautious" spending plans. Offsetting favorable data on inflation were the statistics indicating that labor market conditions remain weak. Indeed, the Bureau of Labor Statistics reported 85,000 U.S. job losses in December and an unemployment rate of 10%. A positive note was sounded by the Federal Reserve Districts in reporting that toward the end of 2009 home sales generally increased.

Important for income investors was the recent statement by the Federal Reserve Open Market Committee to the effect that the Committee will maintain the target range for the federal funds rate at 0% to 1/4%. The Committee suggested that it continues to anticipate that economic conditions, including subdued inflation trends, low rates of resource utilization, and stable inflation expectations, are likely to lead to low levels of the federal funds rate for an extended time. Further, the Committee noted that to boost mortgage lending and housing markets and to improve overall conditions in the credit markets, the Federal Reserve is planning to purchase about \$1.25 trillion of agency mortgage-backed securities and \$175 billion of agency debt.

Europe appears to be recovering slowly. According to Eurostat, the European Union's statistics agency, industrial production in the 16 countries that use the euro rose 1.0% in November and fell 7.1% from a year earlier. Officials in Japan, the world's second largest economy, claim to be seeing economic gains as well. The Bank of Japan's Policy Board is attributed in December with finding economic activity "picking up" due to various measures, such as keeping its policy target rate unchanged at 0.1%. Japan's November core orders figure, however, is the lowest since the Japanese government began compiling such data in April 1987. Core orders dropped 11.3% from the prior month. Additionally, the corporate goods price index in Japan was reported to have fallen 3.9% for the year in December. China, however, is booming. The official Chinese National Bureau of Statistics has reported that China's 2008 growth rate was 9.6% and in 2009 has strengthened from 6.1% in the first quarter to 8.9% in the third quarter. In fact, the International Monetary Fund has predicted China's economy will surpass Japan's in 2010.

Global Allocation Strategy

The Fund's investment strategy in 2009, given this evolving economic environment, was to allocate its assets primarily in a global portfolio of investment grade fixed income securities denominated in major world currencies and issued by organizations across many countries and closed end funds that invest significantly in income producing securities. At December 31, 2009, the Fund held securities of sovereign nations, corporations, and other organizations based in the United States, Netherlands, Canada, Australia, Austria, United Kingdom, Mexico, Germany, Cyprus, Hungary, and South Korea. Approximately 98% of the Fund's bond investments are considered investment grade by actual or deemed rating. Of these bond investments approximately 53% were denominated in Euros, 19% in U.S. dollars, 14% in Australian dollars, 5% in British pounds, and 10% in Canadian dollars. Closed end fund and closed end fund business development companies holdings comprised approximately 53% of the Fund's investments (note: some of the closed end funds owned by Global Income Fund may own securities denominated in foreign currencies). Gratifying results for our flexible global allocation process, in 2009 the Fund had a net asset value increase of 30.73%. The Fund's market price per share for the period increased 45.55%, reflecting a decreased market price discount to net asset value. Recently, the Fund's net asset value per share was \$4.51 and closing market price was \$3.68. While investment return and value will vary and shares of the Fund may subsequently be worth more or less than their original cost, this represents an opportunity for investors to purchase the Fund's shares at a discount to their underlying value.

Distribution Policy

Under the current managed distribution policy, distributions of approximately 5% of the Fund's net asset value per share on an annual basis are paid primarily from net investment income and any net realized capital gains, with the balance representing return of capital. In 2009, distributions paid totaling \$.235 per share were 100% from net investment income. The estimated components of each quarterly distribution that includes a potential return of capital are provided to shareholders of record in a notice accompanying the distributions. The managed distribution policy is subject to review and may be canceled at any time by the Board of Directors and the amount of the distribution may vary depending on the Fund's net asset value per share at the time of declaration.

Our view of the markets suggests that the Fund is benefitting currently from its quality portfolio selection strategy, investing globally in investments in multiple currencies and in closed end funds that invest significantly in income producing securities. A sound fixed income strategy for investors over the long term, however, includes seeking more income in other types of investments when appropriate in view of, and proportional to, the perceived and acceptable risks. In any event, we look forward to serving your investment needs over the years ahead.

Sincerely,



Thomas B. Winmill
President

SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2009

Principal Amount ⁽¹⁾		Cost	Value
DEBT SECURITIES (46.61%)			
Australia (5.87%)			
\$1,000,000	National Australia Bank, 8.60% Subordinated Notes, due 5/19/10 ⁽²⁾	\$1,014,225	\$1,030,806
A\$500,000	Telstra Corp. Ltd., 6.25% Senior Notes, due 4/15/15.....	365,869	435,544
A\$500,000	Telstra Corp. Ltd., 7.25% Senior Notes, due 11/15/12 ⁽²⁾	<u>403,432</u>	<u>461,151</u>
		1,783,526	1,927,501
Austria (4.56%)			
€1,000,000	Republic of Austria, 5.25% Euro Medium Term Notes, due 1/04/11	1,307,274	1,495,482
Canada (8.16%)			
C\$1,000,000	HSBC Financial Corp. Ltd., 4.00% Medium Term Notes, due 5/03/10 ..	902,720	963,783
C\$500,000	Molson Coors Capital Finance, 5.00% Guaranteed Notes, due 9/22/15 ⁽²⁾	445,681	492,913
A\$1,350,000	Province of Ontario, 5.50% Euro Medium Term Notes, due 7/13/12 ⁽²⁾ ..	<u>1,032,923</u>	<u>1,219,618</u>
		2,381,324	2,676,314
Cyprus (2.24%)			
€500,000	Republic of Cyprus, 4.375% Euro Medium Term Notes, due 7/15/14 ..	619,090	735,869
Germany (2.50%)			
£500,000	RWE Finance B.V., 4.625% Notes, due 8/17/10.....	920,729	821,962
Hungary (2.21%)			
€500,000	Republic of Hungary, 4.00% Bonds, due 9/27/10.....	619,842	723,608
Mexico (3.19%)			
1,000,000	United Mexican States, 5.625% Notes, due 1/15/17 ⁽²⁾	983,218	1,047,500
Netherlands (11.12%)			
€500,000	Heineken N.V., 4.375% Bonds, due 2/04/10	646,929	718,938
€1,000,000	ING Bank N.V., 5.50% Euro Medium Term Notes, due 1/04/12.....	1,330,622	1,485,082
€1,000,000	Rabobank Nederland, 3.125% Senior Notes, due 7/19/10	<u>1,328,676</u>	<u>1,446,382</u>
		3,306,227	3,650,402
South Korea (1.63%)			
500,000	Korea Development Bank, 5.75% Notes, due 9/10/13 ⁽²⁾	506,775	533,265
United Kingdom (4.42%)			
€1,000,000	Tesco PLC, 4.75% Euro Medium Term Notes, due 4/13/10 ⁽²⁾	1,319,809	1,448,806
United States (0.71%)			
283,945	CIT RV Trust 1998-A B 6.29% Subordinated Bonds, due 1/15/17 ⁽²⁾	<u>289,016</u>	<u>232,704</u>
	Total debt securities	<u>14,036,830</u>	<u>15,293,413</u>

SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2009

Shares		Cost	Value
CLOSED END FUNDS (44.28%)			
United States			
100,000	Alpine Global Premier Properties	\$ 608,750	\$ 623,000
28,792	American Select Portfolio, Inc.....	255,402	327,365
65,000	American Strategic Income Portfolio II	513,932	659,750
104,900	BlackRock Income Trust, Inc.	609,177	667,164
101,352	Cohen & Steers Advantage Income Realty Fund, Inc.	289,162	615,207
23,150	DWS Dreman Value Income Edge Fund, Inc.	622,908	279,421
20,000	DWS Multi-Market Income Trust	157,816	172,200
349,000	DWS RREEF Real Estate Fund, Inc.	1,275,960	1,413,450
1,100,066	DWS RREEF Real Estate Fund II, Inc.	981,254	1,188,071
26,722	Evergreen Multi-Sector Income Fund	377,292	378,918
54,000	Gabelli Dividend & Income Trust ⁽²⁾	897,603	707,940
52,781	Helios Advantage Income Fund, Inc	246,748	347,827
20,000	Helios High Income Fund, Inc.	181,158	156,600
113,808	Highland Credit Strategies Fund	639,348	718,128
85,315	Macquarie/First Trust Global Infrastructure/Utilities Dividend & Income Fund.....	990,567	1,055,014
70,500	NFJ Dividend, Interest & Premium Strategy Fund.....	975,409	1,039,875
150,000	Nuveen Multi-Strategy Income and Growth Fund	739,668	1,123,500
135,000	Nuveen Multi-Strategy Income and Growth Fund 2	904,050	1,038,218
59,477	RMR Real Estate Fund.....	808,673	1,281,729
57,750	Western Asset Worldwide Income Fund, Inc.	510,730	736,313
	Total closed end funds	<u>12,585,607</u>	<u>14,529,690</u>
CLOSED END FUND BUSINESS DEVELOPMENT COMPANIES (8.63%)			
United States			
485,911	GSC Investment Corp.....	1,057,164	855,203
101,500	MVC Capital, Inc.....	980,236	1,197,700
95,931	NGP Capital Resources Co.	659,671	779,919
	Total closed end fund business development companies	<u>2,697,071</u>	<u>2,832,822</u>
PREFERRED STOCKS (1.98%)			
United States			
4,000	BAC Capital Trust II, 7.00%	100,000	89,040
25,000	Corporate-Backed Trust Certificates, 8.20% (Motorola)	625,000	562,000
	Total preferred stocks	<u>725,000</u>	<u>651,040</u>

SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2009

Shares		Cost	Value
	MONEY MARKET FUND (.02%)		
	United States		
5,475	SSgA Money Market Fund, 0.01% ⁽³⁾	\$ 5,475	\$ 5,475
	Total investments (101.52%)	\$30,049,983	33,312,440
	Other assets in excess of liabilities (-1.52%)		(498,949)
	Net assets (100.00%)		\$32,813,491

(1) The principal amount is stated in U.S. dollars unless otherwise indicated.

Currency Symbols

A\$ Australian Dollar

£ British Pound

C\$ Canadian Dollar

€ Euro

(2) Fully or partially pledged as collateral on bank credit facility.

(3) Rate represents the 7 day annualized yield at December 31, 2009.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2009

ASSETS

Investments, at value (cost: \$30,049,983)	\$33,312,440
Receivables:	
Interest.....	385,562
Dividends.....	94,435
Other assets	10,749
Total assets.....	<u>33,803,186</u>

LIABILITIES

Bank line of credit.....	898,308
Payables:	
Accrued expenses.....	62,822
Investment management.....	19,215
Administrative services.....	9,350
Total liabilities.....	<u>989,695</u>

NET ASSETS..... \$32,813,491

NET ASSET VALUE PER SHARE

(applicable to shares 7,408,883
outstanding: 20,000,000 shares of \$.01
par value authorized)..... \$4.43

NET ASSETS CONSIST OF

Paid in capital.....	\$33,259,253
Accumulated undistributed net investments income	345,096
Accumulated net realized loss on investments and foreign currencies	(4,058,502)
Net unrealized appreciation on investments and foreign currencies	3,267,644
	<u>\$32,813,491</u>

STATEMENT OF OPERATIONS

Year Ended December 31, 2009

INVESTMENT INCOME

Dividends.....	\$1,367,194
Interest (net of \$6,266 of foreign tax expense).....	622,802
Total investment income	<u>1,989,996</u>

EXPENSES

Investment management.....	203,321
Administrative services.....	90,459
Bookkeeping and pricing	43,801
Directors	24,222
Auditing	24,151
Legal.....	21,110
Interest and fees on bank credit facility	16,758
Shareholder communications.....	12,985
Insurance.....	10,364
Custodian.....	10,250
Transfer agent.....	6,671
Other	5,931
Total expenses	<u>470,023</u>
Net investment income	<u>1,519,973</u>

REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) on	
Investments	(1,691,498)
Foreign currencies	149,043
Net unrealized appreciation on	
Investments.....	7,007,837
Translation of assets and liabilities in foreign currencies.....	574,068
Net realized and unrealized gain	<u>6,039,450</u>
Net change in net assets resulting from operations	<u>\$7,559,423</u>

STATEMENTS OF CHANGES IN NET ASSETS

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
OPERATIONS		
Net investment income	\$ 1,519,973	\$ 1,382,976
Net realized gain (loss).....	(1,542,455)	139,885
Unrealized appreciation (depreciation)	<u>7,581,905</u>	<u>(6,842,109)</u>
Net increase (decrease) in net assets resulting from operations	7,559,423	(5,319,248)
DISTRIBUTIONS TO SHAREHOLDERS		
Distributions from ordinary income (\$0.235 and \$0.24 per share, respectively).....	<u>(1,740,436)</u>	<u>(1,776,086)</u>
CAPITAL SHARE TRANSACTIONS		
Reinvestment of distributions to shareholders (5,006 and 5,164 shares, respectively)	<u>15,554</u>	<u>16,910</u>
Total change in net assets.....	5,834,541	(7,078,424)
NET ASSETS		
Beginning of year	<u>26,978,950</u>	<u>34,057,374</u>
End of year	<u>\$32,813,491</u>	<u>\$26,978,950</u>
Undistributed net investment income included in end of year net assets.....	<u>\$ 345,096</u>	<u>\$ 523,989</u>

STATEMENT OF CASH FLOWS

Year Ended December 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Net increase in net assets resulting from operations	\$7,559,423
Adjustments to reconcile change in net assets resulting from operations to net cash provided by (used in) operating activities:	
Proceeds from sales and maturities of investment securities.....	15,090,120
Purchase of investment securities	(13,310,352)
Net unrealized appreciation of investments and foreign currencies	(7,595,700)
Net realized loss on sales and maturities of investment securities and foreign currencies.....	1,542,455
Amortization of premium net of accretion of discount of investment securities	230,658
Net purchases of short term investment securities	(85,545)
Decrease in interest receivable	325,380
Increase in dividends receivable	(12,169)
Increase in other assets	(300)
Decrease in accrued expenses	(4,030)
Increase in management fee payable	4,136
Decrease in administrative services payable.....	<u>(7,015)</u>
 Net cash provided by operating activities	 <u>3,737,061</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of bank line of credit	(2,012,179)
Cash distributions paid.....	<u>(1,724,882)</u>
 Net cash used in financing activities	 <u>(3,737,061)</u>
 Net change in cash.....	 -

CASH

Beginning of year	-
End of year	<u>\$ -</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for interest and fees on bank credit facility	\$ 14,451
Non-cash financing activities consisting of reinvestment of distributions	\$ 15,554

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2009

1. Organization and Significant Accounting Policies

Global Income Fund, Inc., a Maryland corporation registered under the Investment Company Act of 1940, as amended (the "Act"), is a non-diversified, closed end management investment company, whose shares are quoted over the counter under the ticker symbol GIFD. The Fund's investment objectives are primarily to provide a high level of income and, secondarily, capital appreciation. The Fund retains CEF Advisers, Inc. as its Investment Manager.

The following is a summary of the Fund's significant accounting policies.

Security Valuation – Securities traded primarily on a U.S. national securities exchange ("USNSE") are valued at the last reported sale price on the day the valuations are made. Securities traded primarily on the Nasdaq Stock Market ("Nasdaq") are normally valued by the Fund at the Nasdaq Official Closing Price ("NOCP") provided by Nasdaq each business day. The NOCP is the most recently reported price as of 4:00:02 p.m. ET, unless that price is outside the range of the "inside" bid and asked prices (i.e., the bid and asked prices that dealers quote to each other when trading for their own accounts); in that case, Nasdaq will adjust the price to equal the inside bid or asked price, whichever is closer. Because of delays in reporting trades, the NOCP may not be based on the price of the last trade to occur before the market closes. Securities that are not traded on a particular day and securities traded in foreign and over the counter markets that are not also traded on a USNSE or on Nasdaq are generally valued at the mean between the last bid and asked prices. Certain of the securities in which the Fund invests are priced through pricing services that may utilize a matrix pricing system which takes into consideration factors such as yields, prices, maturities, call features, and ratings on comparable securities. Bonds may be valued according to prices quoted by a bond dealer that offers pricing services. Open end investment companies are valued at their net asset value. Securities for which quotations are not readily available or reliable and other assets may be valued as determined in good faith by the Investment Manager under the direction of or pursuant to procedures established by the Fund's Board of Directors. Due to the inherent uncertainty of valuation, these values may differ from the values that would have been used had a readily available market for the securities existed. These differences in valuation could be material. A security's valuation may differ depending on the method used for determining value. The use of fair value pricing by the Fund may cause the net asset value of its shares to differ from the net asset value that would be calculated using market prices.

Foreign Currency Translation – Securities denominated in foreign currencies are translated into U.S. dollars at prevailing exchange rates. Realized gain or loss on sales of such investments in local currency terms is reported separately from gain or loss attributable to a change in foreign exchange rates for those investments.

Foreign Currency Contracts – Forward foreign currency contracts are marked to market and the change in market value is recorded by the Fund as an unrealized gain or loss. When a contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The Fund could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably.

Investments in Other Investment Companies – The Fund may invest in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the Act) (the "Acquired Funds") in accordance with the Act and related rules. Shareholders in the Fund bear the pro rata portion of the fees and expenses of the Acquired Funds in addition to the Fund's expenses. Expenses incurred by the Fund that are disclosed in the Statement of Operations do not include fees and expenses incurred by the Acquired Funds. The fees and expenses of the Acquired Funds are included in the Fund's total returns.

Security Transactions – Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Realized gains or losses are determined by specifically identifying the cost basis of the security sold.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2009 (CONTINUED)

Investment Income – Interest income is recorded on the accrual basis. Amortization of premium and accretion of discount on debt securities are included in interest income. Dividend income is recorded on the ex-dividend date. Taxes withheld on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

Expenses – Estimated expenses are accrued daily. Expenses directly attributable to the Fund are charged to the Fund. Expenses borne by the complex of related investment companies, which includes open end and closed end investment companies for which the Investment Manager and its affiliate serve as investment manager, that are not directly attributed to the Fund are allocated among the Fund and the other investment companies in the complex on the basis of relative net assets, except where a more appropriate allocation of expenses can be made fairly.

Expense Reduction Arrangement – Through arrangements with the Fund's custodian and cash management bank, credits realized as a result of uninvested cash balances are used to reduce custodian expenses. No credits were realized by the Fund during the period.

Distributions to Shareholders – Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date.

Income Taxes – No provision has been made for U.S. income taxes because the Fund's current intention is to continue to qualify as a regulated investment company under the Internal Revenue Code and to distribute to its shareholders substantially all of its taxable income and net realized gains. Foreign securities held by the Fund may be subject to foreign taxation. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. The Fund recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. The Fund has reviewed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on federal, state, and local income tax returns for open tax years (2006 – 2008), or expected to be taken in the Fund's 2009 tax returns.

Use of Estimates – In preparing financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"), management makes estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Indemnifications – The Fund indemnifies its officers and directors from certain liabilities that might arise from their performance of their duties for the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which may provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as it involves future claims that may be made against the Fund under circumstances that have not occurred.

Recently Issued Accounting Standards Updates – In January 2010, the Financial Accounting Standard Board released Accounting Standards Update ("ASU") No. 2010-06, Improving Disclosures about Fair Value Measurements. Among the new disclosures and clarifications of existing disclosures the ASU requires the Fund to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and to describe the reasons for the transfers. Significance shall be judged with respect to total earnings and total assets or total liabilities. The ASU requires the Level 3 roll forward reconciliation of beginning and ending balances to be prepared on a gross basis, in particular separately presenting information about purchases, sales, issuances, and settlements. The ASU also requires disclosure of the reasons for significant transfers in and out of Level 3. The ASU is effective for interim and annual periods beginning after December 15, 2009, except for the Level 3 gross basis roll forward reconciliation which is effective for

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2009 (CONTINUED)

fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. The impact on the Fund's financial statements disclosures is being assessed.

2. Fees and Transactions with Related Parties

The Fund retains the Investment Manager pursuant to an Investment Management Agreement ("IMA"). Under the terms of the IMA, the Investment Manager receives a management fee, payable monthly, based on the average daily net assets of the Fund at an annual rate of 7/10 of 1% of the first \$50 million, 5/8 of 1% over \$50 million to \$150 million, and 1/2 of 1% over \$150 million. Certain officers and directors of the Fund are officers and directors of the Investment Manager. Pursuant to the IMA, the Fund reimburses the Investment Manager for providing at cost certain administrative services comprised of compliance and accounting services. For the year ended December 31, 2009, the Fund incurred total administrative costs of \$90,459, comprised of \$64,009 and \$26,450 for compliance and accounting services, respectively.

3. Distributions to Shareholders and Distributable Earnings

The tax character of distributions paid to shareholders for the years ended December 31, 2009 and 2008 in the amounts of \$1,740,436 and \$1,776,086, respectively were each comprised of ordinary income.

As of December 31, 2009, the components of distributable earnings on a tax basis were as follows:

Undistributed net investment income	\$ 345,096
Unrealized appreciation on investments and foreign currencies	3,267,160
Capital loss carryovers	(3,227,408)
Post-October losses	(830,609)
	<u>\$ (445,761)</u>

Federal income tax regulations permit post-October net capital losses to be deferred and recognized on the tax return of the next succeeding taxable year.

GAAP requires certain components of net assets to be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended December 31, 2009, permanent differences between book and tax accounting have been reclassified as follows:

<u>Increase in Undistributed Net Investment Income</u>	<u>Increase in Net Realized Loss on Investments and Foreign Currencies</u>	<u>Increase in Paid in Capital</u>	<u>Increase in Unrealized Appreciation</u>
\$41,569	\$(110,477)	\$12,706	\$56,202

As of December 31, 2009, the Fund had net capital loss carryovers of \$3,227,408, of which \$1,369,211, \$252,390, and \$1,605,807 expire in 2010, 2014, and 2017, respectively, that may be used to offset future realized capital gains for federal income tax purposes.

4. Fair Value Measurements

The Fund uses a three level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The Fund's investment in its entirety is assigned a level based upon the inputs which are significant to the overall valuation. The hierarchy of inputs is summarized below.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2009 (CONTINUED)

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

Level 1 - quoted prices in active markets for identical investments.

Level 2 - other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments).

The following is a summary of the inputs used as of December 31, 2009 in valuing the Fund's investments:

	Level 1	Level 2	Level 3	Total
Assets				
Debt securities				
Australia	\$ —	\$ 1,927,501	\$ —	\$ 1,927,501
Austria	—	1,495,482	—	1,495,482
Canada	—	2,676,314	—	2,676,314
Cyprus	—	735,869	—	735,869
Germany	—	821,962	—	821,962
Hungary	—	723,608	—	723,608
Mexico	—	1,047,500	—	1,047,500
Netherlands	—	3,650,402	—	3,650,402
South Korea	—	533,265	—	533,265
United Kingdom	—	1,448,806	—	1,448,806
United States	—	232,704	—	232,704
Closed end funds				
United States	14,529,690	—	—	14,529,690
Closed end fund business development companies				
United States	2,832,822	—	—	2,832,822
Preferred stocks				
United States	651,040	—	—	651,040
Money market fund				
United States	5,475	—	—	5,475
Total investments	<u>\$18,019,027</u>	<u>\$15,293,413</u>	<u>\$ —</u>	<u>\$33,312,440</u>

5. Securities Transactions

Purchases and sales/repayments/maturities of securities, excluding short term investments, aggregated \$12,908,852 and \$15,090,139, respectively, for the year ended December 31, 2009. At December 31, 2009, for federal income tax purposes, the aggregate cost of securities was \$30,050,468 and net unrealized appreciation was \$3,261,972, comprised of gross unrealized appreciation of \$4,250,680 and gross unrealized depreciation of \$988,708.

6. Bank Credit Facility

The Fund, Foxby Corp., Midas Fund, Inc., and Midas Special Fund, Inc. (the "Borrowers") have entered into a committed secured line of credit facility, which is subject to annual renewal, with State Street Bank & Trust Company ("SSB"), the Fund's custodian. Foxby Corp. is a closed end investment company managed by the Investment Manager, and Midas Fund, Inc. and Midas Special Fund, Inc. are open end investment companies managed by an affiliate of the Investment Manager. The aggregate amount of the credit facility is \$10,000,000 which prior to April 24, 2009 had been \$25,000,000. The borrowing of each Borrower is collateral-

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2009 (CONCLUDED)

alized by the underlying investments of such Borrower. SSB will make revolving loans to a Borrower not to exceed in the aggregate outstanding at any time with respect to any one Borrower, the least of \$10,000,000, the maximum amount permitted pursuant to each Borrower's investment policies, or as permitted under the Act. The commitment fee on this facility is 0.15% per annum on the unused portion of the commitment, based on a 360 day year. All loans under this facility will be available at the Borrower's option of (i) overnight Federal funds or (ii) LIBOR (30, 60, 90 days), each as in effect from time to time, plus 1.80% per annum, calculated on the basis of actual days elapsed for a 360 day year. At December 31, 2009, the Fund had \$898,308 outstanding under the credit facility collateralized by investment securities with a value of \$7,174,703. For the year ended December 31, 2009, the Fund's weighted average interest rate under the credit facility was 1.06% based on its balances outstanding during the period and the Fund's average daily amount outstanding during the period was \$318,564.

7. Foreign Securities Risk

Investing in securities of foreign issuers involves special risks, including changes in foreign exchange rates and the possibility of future adverse political and economic developments, which could adversely affect the value of such securities. Moreover, securities in foreign issuers and markets may be less liquid and their prices more volatile than those of U.S. issuers and markets.

8. Capital Stock

At December 31, 2009, there were 7,408,883 shares of \$.01 par value common stock outstanding (20,000,000 shares authorized). The shares issued and resulting increase in paid in capital in connection with reinvestment of distributions for the years ended December 31, 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Shares issued	5,006	5,164
Increase in paid in capital	\$15,554	\$16,910

9. Share Repurchase Program

In accordance with Section 23(c) of the Act, the Fund may from time to time repurchase its shares in the open market at the discretion of the Board of Directors and upon such terms as the Directors shall determine. During the years ended December 31, 2009 and 2008, the Fund did not repurchase any of its shares.

10. Other Information

The Fund may at times raise cash for investment by issuing shares through one or more offerings, including rights offerings. Proceeds from any such offerings will be invested in accordance with the investment objectives and policies of the Fund.

11. Subsequent Events

The Fund has evaluated the impact of all subsequent events through February 22, 2010, the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

FINANCIAL HIGHLIGHTS

	Year Ended December 31,				
	2009	2008	2007	2006	2005
Per Share Operating Performance (for a share outstanding throughout each period)					
Net asset value, beginning of period	\$3.64	\$4.60	\$4.38	\$4.33	\$4.97
Income from investment operations:					
Net investment income ⁽¹⁾21	.19	.13	.13	.11
Net realized and unrealized gain (loss) on investments82	(.91)	.31	.20	(.47)
Total income from investment operations	<u>1.03</u>	<u>(.72)</u>	<u>.44</u>	<u>.33</u>	<u>(.36)</u>
Less distributions:					
Net investment income	(.24)	(.24)	(.17)	(.13)	(.20)
Return of capital	—	—	(.05)	(.15)	(.08)
Total distributions	<u>(.24)</u>	<u>(.24)</u>	<u>(.22)</u>	<u>(.28)</u>	<u>(.28)</u>
Net asset value, end of period	<u>\$4.43</u>	<u>\$3.64</u>	<u>\$4.60</u>	<u>\$4.38</u>	<u>\$4.33</u>
Market value, end of period	<u>\$3.65</u>	<u>\$2.70</u>	<u>\$3.90</u>	<u>\$4.18</u>	<u>\$3.95</u>
Total Return⁽²⁾					
Based on net asset value	31.03%	(14.94)%	11.00%	8.43%	(6.95)%
Based on market price	45.55%	(25.58)%	(1.39)%	13.43%	(12.47)%
Ratios/Supplemental Data					
Net assets, end of period (000's omitted).....	\$32,813	\$26,979	\$34,057	\$32,362	\$31,975
Ratio of total expenses to average net assets	1.62% ⁽³⁾	1.68% ⁽³⁾	1.77%	1.89%	1.59%
Ratio of net expenses to average net assets	1.62% ⁽³⁾	1.68% ⁽³⁾	1.77%	1.89%	1.59%
Ratio of net expenses excluding loan interest and fees to average net assets	1.56% ⁽³⁾	1.66% ⁽³⁾	1.75%	1.87%	1.58%
Ratio of net investment income to average net assets	5.23% ⁽³⁾	4.31% ⁽³⁾	2.91%	2.71%	2.44%
Portfolio turnover rate	48%	21%	10%	17%	32%

(1) The per share amounts were calculated using the average number of common shares outstanding during the period.

(2) Total return on a market value basis is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's Dividend Reinvestment Plan. Generally, total return on a net asset value basis will be higher than total return on a market value basis in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total return on a net asset value basis will be lower than total return on a market value basis in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods. Total return calculated for a period of less than one year is not annualized. The calculation does not reflect brokerage commissions, if any.

(3) Does not include expenses incurred by the Acquired Funds in which the Fund invests.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Global Income Fund, Inc.

We have audited the accompanying statement of assets and liabilities of Global Income Fund, Inc., including the schedule of portfolio investments as of December 31, 2009 and the related statement of operations and of cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the years indicated thereon. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2009 by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Global Income Fund, Inc. as of December 31, 2009, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the years indicated thereon, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
February 22, 2010

PRIVACY POLICY

FACTS

WHAT DOES GLOBAL INCOME FUND DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- * Social Security number
- * Account balances
- * Transaction history
- * Transaction or loss history
- * Account transactions

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Global Income Fund chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does the Fund share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share.
For our affiliates' everyday business purposes – Information about your transactions and experiences	No	We don't share.
For our affiliates' everyday business purposes – Information about your creditworthiness	No	We don't share.
For nonaffiliates to market to you	No	We don't share.

Questions?

Call 1-212-344-6310 or go to www.globalincomefund.net.

PRIVACY POLICY (CONTINUED)

Who are we

Who is providing this notice?	Global Income Fund, Inc.
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What we do

How does Global Income Fund protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
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How does Global Income Fund collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none">* Open an account* Buy securities from us* Provide account information* Give us your contact information* Tell us where to send the money
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Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none">* Sharing for affiliates' everyday business purposes – information about your creditworthiness* Affiliates from using your information to market to you* Sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.
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Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>Global Income Fund does not share with our affiliates.</i>
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Nonaffiliates	Companies not related by common control ownership or control. They can be financial and nonfinancial companies. <i>Global Income Fund does not share with nonaffiliates so they can market to you.</i>
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Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <i>Global Income Fund doesn't jointly market.</i>
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INVESTMENT OBJECTIVES AND POLICIES

The Fund's primary investment objective of providing a high level of income is fundamental and may not be changed without shareholder approval. The Fund is also subject to certain investment restrictions, set forth in its most recently effective Statement of Additional Information, that are fundamental and cannot be changed without shareholder approval. The Fund's secondary investment objective of capital appreciation and the other investment policies described herein, unless otherwise stated, are not fundamental and may be changed by the Board of Directors without shareholder approval. Notice to shareholders of any change in the Fund's secondary investment objective will be provided as required by law.

PROXY VOTING

The Fund's Proxy Voting Guidelines, as well as its voting record for the most recent 12 months ended June 30, are available without charge by calling the Fund collect at 1-212-344-6310, on the SEC's website at www.sec.gov, and on the Fund's website at www.globalincomefund.net.

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund makes the Forms N-Q available on its website at www.globalincomefund.net.

GLOBALINCOME.FUND.NET

Visit us on the web at www.globalincomefund.net. The site provides information about the Fund, including market performance, net asset value, dividends, press releases, and shareholder reports. For further information, please email us at info@globalincomefund.net.

MANAGED DISTRIBUTIONS

The Board's current policy is to provide investors with a stable quarterly distribution out of current income, supplemented by realized capital gains, and to the extent necessary, paid in capital. The Fund is subject to U.S. corporate, tax, and securities laws. Under U.S. tax accounting rules, the amount of distributable net income is determined on an annual basis and is dependent during the fiscal year on the aggregate gains and losses realized by the Fund and, to a lesser extent, the actual exchange rate between the U.S. dollar and the currencies in which Fund assets are denominated. Therefore, the exact amount of distributable income can only be determined as of the end of the Fund's fiscal year. Under the Investment Company Act of 1940, as amended, however, the Fund is required to indicate the source of each distribution to shareholders. The Fund estimates that distributions for the fiscal period commencing January 1, 2010, including the distributions paid quarterly, will be comprised primarily from net investment income and the balance from paid in capital. This estimated distribution composition may vary from quarter to quarter because it may be materially impacted by future realized gains and losses on securities and fluctuations in the value of currencies in which Fund assets are denominated. After each fiscal year, a Form 1099-DIV will be sent to shareholders stating the amount and composition of distributions and providing information about their appropriate tax treatment.

DIVIDEND REINVESTMENT PLAN
Terms and Conditions of the
2008 Amended Dividend Reinvestment Plan

1. Each shareholder (the "Shareholder") holding shares of common stock (the "Shares") of Global Income Fund, Inc. (the "Fund") will automatically be a participant in the Dividend Reinvestment Plan (the "Plan"), unless the Shareholder specifically elects to receive all dividends and capital gains in cash paid by check mailed directly to the Shareholder by Illinois Stock Transfer Company, 209 West Jackson Blvd., Suite 903, Chicago, Illinois 60606, 1-800-757-5755, as agent under the Plan (the "Agent"). The Agent will open an account for each Shareholder under the Plan in the same name in which such Shareholder's shares of Common Stock are registered.

2. Whenever the Fund declares a capital gain distribution or an income dividend payable in Shares or cash, participating Shareholders will take the distribution or dividend entirely in Shares and the Agent will automatically receive the Shares, including fractions, for the Shareholder's account in accordance with the following:

Whenever the Market Price (as defined in Section 3 below) per Share is equal to or exceeds the net asset value per Share at the time Shares are valued for the purpose of determining the number of Shares equivalent to the cash dividend or capital gain distribution (the "Valuation Date"), participants will be issued additional Shares equal to the amount of such dividend divided by the greater of the Fund's net asset value per Share or 95% of the Fund's Market Price per Share. Whenever the Market Price per Share is less than such net asset value on the Valuation Date, participants will be issued additional Shares equal to the amount of such dividend divided by the Market Price. The Valuation Date is the day before the dividend or distribution payment date or, if that day is not a business day, the next business day. If the Fund should declare a dividend or capital gain distribution payable only in cash, the Agent will, as purchasing agent for the participating Shareholders, buy Shares in the open market, or elsewhere, for such Shareholders' accounts after the payment date, except that the Agent will endeavor to terminate purchases in the open market and cause the Fund to issue the remaining Shares if, following the commencement of the purchases, the market value of the Shares exceeds the net asset value. These remaining Shares will be issued by the Fund at a price equal to the Market Price.

In a case where the Agent has terminated open market purchases and caused the issuance of remaining Shares by the Fund, the number of Shares received by the participant in respect of the cash dividend or distribution will be based on the weighted average of prices paid for Shares purchased in the open market and the price at which the Fund issues remaining Shares. To the extent that the Agent is unable to terminate purchases in the open market before the Agent has completed its purchases, or remaining Shares cannot be issued by the Fund because the Fund declared a dividend or distribution payable only in cash, and the market price exceeds the net asset value of the Shares, the average Share purchase price paid by the Agent may exceed the net asset value of the Shares, resulting in the acquisition of fewer Shares than if the dividend or capital gain distribution had been paid in Shares issued by the Fund.

The Agent will apply all cash received as a dividend or capital gain distribution to purchase shares of common stock on the open market as soon as practicable after the payment date of the dividend or capital gain distribution, but in no event later than 45 days after that date, except when necessary to comply with applicable provisions of the federal securities laws.

3. For all purposes of the Plan: (a) the Market Price of the Shares on a particular date shall be the average of the volume weighted average sale prices or, if no sale occurred then the mean between the closing bid and asked quotations, for the Shares on each of the five trading days the Shares traded ex-dividend immediately prior to such date, and (b) net asset value per share on a particular date shall be as determined by or on behalf of the Fund.

4. The open market purchases provided for herein may be made on any securities exchange on which the Shares are traded, in the over the counter market, or in negotiated transactions, and may be on such terms as to price, delivery and otherwise as the Agent shall determine. Funds held by the Agent uninvested will not bear interest, and it is understood that, in any event, the Agent shall have no liability in connection with any inability to purchase Shares within 45 days after the initial date of such purchase as herein provided, or with the timing of any purchases effected. The Agent shall have no responsibility as to the value of the Shares acquired for the Shareholder's account.

5. The Agent will hold Shares acquired pursuant to the Plan in noncertificated form in the Agent's name or that of its nominee. At no additional cost, a Shareholder participating in the Plan may send to the Agent for deposit into its Plan account those certificate shares of the Fund in its possession. These Shares will be combined with those unissued full and fractional Shares acquired under the Plan and held by the Agent. Shortly thereafter, such Shareholder will receive a statement showing its combined holdings. The Agent will forward to the Shareholder any proxy solicitation material and will vote any Shares so held for the Shareholder only in accordance with the proxy returned by the Shareholder to the Fund. Upon the Shareholder's written request, the Agent will deliver to him or her, without charge, a certificate or certificates for the full Shares.

6. The Agent will confirm to the Shareholder each acquisition for the Shareholder's account as soon as practicable but not later than 60 days after the date thereof. Although the Shareholder may from time to time have an individual fractional interest (computed to three decimal places) in a Share, no certificates for fractional Shares will be issued. However, dividends and distributions on fractional Shares will be credited to Shareholders' accounts. In the event of a termination of a Shareholder's account under the Plan, the Agent will adjust for any such undivided fractional interest in cash at the opening market value of the Shares at the time of termination.

7. Any stock dividends or split Shares distributed by the Fund on Shares held by the Agent for the Shareholder will be credited to the Shareholder's account. In the event that the Fund makes available to the Shareholder the right to purchase additional Shares or other securities, the Shares held for a Shareholder under the Plan will be added to other Shares held by the Shareholder in calculating the number of rights to be issued to such Shareholder. Transaction processing may either be curtailed or suspended until the completion of any stock dividend, stock split, or corporate action.

8. The Agent's service fee for handling capital gain distributions or income dividends will be paid by the Fund. The Shareholder will be charged a pro rata share of brokerage commissions on all open market purchases.

9. The Shareholder may terminate the account under the Plan by notifying the Agent. A termination will be effective immediately if notice is received by the Agent two days prior to any dividend or distribution payment date. If the request is received less than two days prior to the payment date, then that dividend will be invested, and all subsequent dividends will be paid in cash. Upon any termination the Agent will cause a certificate or certificates for the full Shares held for the Shareholder under the Plan and cash adjustment for any fraction to be delivered to the Shareholder.

10. These terms and conditions may be amended or supplemented by the Fund at any time or times but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to the Shareholder appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by the Shareholder unless, prior to the effective date thereof, the Agent receives written notice of the termination of such Shareholder's account under the Plan. Any such amendment may include an appointment by the Fund of a successor agent in its place and stead under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Agent. Upon any such appointment of an Agent for the purpose of receiving dividends and distributions, the Fund will be

authorized to pay to such successor Agent all dividends and distributions payable on Shares held in the Shareholder's name or under the Plan for retention or application by such successor Agent as provided in these terms and conditions.

11. In the case of Shareholders, such as banks, brokers or nominees, which hold Shares for others who are the beneficial owners, the Agent will administer the Plan on the basis of the number of Shares certified from time to time by the Shareholders as representing the total amount registered in the Shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

12. The Agent shall at all times act in good faith and agree to use its best efforts within reasonable limits to insure the accuracy of all services performed under this agreement and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless the errors are caused by its negligence, bad faith or willful misconduct or that of its employees.

13. Neither the Fund or the Agent will be liable for any act performed in good faith or for any good faith omission to act, including without limitation, any claim of liability arising out of (i) failure to terminate a Shareholder's account, sell shares or purchase shares, (ii) the prices which shares are purchased or sold for the Shareholder's account, and (iii) the time such purchases or sales are made, including price fluctuation in market value after such purchases or sales.

This report, including the financial statements herein, is transmitted to the shareholders of the Fund for their information. The financial information included herein is taken from the records of the Fund. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report. Pursuant to Section 23 of the Investment Company Act of 1940, as amended, notice is hereby given that the Fund may in the future purchase shares of its own common stock in the open market. These purchases may be made from time to time, at such times and in such amounts as may be deemed advantageous to the Fund, although nothing herein shall be considered a commitment to purchase such shares.

HISTORICAL DISTRIBUTION SUMMARY

Period	Investment Income	Return of Capital	Total
2009	\$0.235	\$0.000	\$0.235
2008	\$0.240	\$0.000	\$0.240
2007	\$0.170	\$0.050	\$0.220
2006	\$0.130	\$0.150	\$0.280
2005	\$0.200	\$0.080	\$0.280
2004	\$0.245	\$0.090	\$0.335
2003	\$0.220	\$0.140	\$0.360
2002	\$0.280	\$0.220	\$0.500
2001	\$0.360	\$0.200	\$0.560
2000	\$0.420	\$0.160	\$0.580
6 Months Ended 12/31/99.....	\$0.230	\$0.070	\$0.300
12 Months Ended 6/30/99.....	\$0.550	\$0.130	\$0.680
12 Months Ended 6/30/98.....	\$0.520	\$0.320	\$0.840

STOCK DATA

Price (12/31/09)	\$3.65
Net asset value (12/31/09)	\$4.43
Discount	17.6%
Ticker symbol:	GIFD

2010 DISTRIBUTION PAYMENT DATES

Declaration	Record	Payment
March 1	March 15	March 31
June 1	June 15	June 30
September 1	September 15	September 30
December 1	December 15	December 31

FUND INFORMATION

Investment Manager

CEF Advisers, Inc.
11 Hanover Square
New York, NY 10005
www.cefadvisers.com
1-212-344-6310

Stock Transfer Agent and Registrar

Illinois Stock Transfer Company
209 West Jackson Blvd., Suite 903
Chicago, IL 60606
www.illinoisstocktransfer.com
1-800-757-5755

DIRECTORS AND OFFICERS

The following table sets forth certain information concerning the Directors currently serving on the Board of the Fund. Unless otherwise noted, the address of record for the directors and officers is 11 Hanover Square, New York, New York 10005.

Name, Position(s) Held with Fund, Term of Office ⁽¹⁾ , Principal Occupation for Past Five Years, and Age	Director Since	Number of Portfolios in Investment Company Complex Overseen by Director ⁽²⁾	Other Public Company Directorships Held by Director ⁽³⁾
Class I:			
PETER K. WERNER – Since 1996, he has been teaching, coaching, and directing a number of programs at The Governor's Academy of Byfield, MA. Currently, he serves as chair of the History Department. Previously, he held the position of Vice President in the Fixed Income Departments of Lehman Brothers and First Boston. His responsibilities included trading sovereign debt instruments, currency arbitrage, syndication, medium term note trading, and money market trading. He was born on August 16, 1959.	1997	5	0
Class II:			
JAMES E. HUNT – He is a Limited Partner of Hunt Howe Partners LLC, executive recruiting consultants. He was born on December 14, 1930.	2004	5	0
Class III:			
BRUCE B. HUBER, CLU, ChFC, MSFS – Retired. He is a former Financial Representative with New England Financial, specializing in financial, estate, and insurance matters. He is a member of the Board, emeritus, of the Millbrook School, and Chairman of the Endowment Board of the Community YMCA of Red Bank, NJ. He was born on February 7, 1930.	2004	5	0
Class IV:			
THOMAS B. WINMILL, ESQ. ⁽⁴⁾ – He is President, Chief Executive Officer, and General Counsel of the Fund, the Investment Manager, the other investment companies in the Investment Company Complex, and of Winmill & Co. Incorporated and its affiliates ("WCI"). He is a member of the New York State Bar and the SEC Rules Committee of the Investment Company Institute. He is the son of Bassett S. Winmill. He was born on June 25, 1959.	1997	5	0

<u>Name, Position(s) Held with Fund, Term of Office⁽¹⁾, Principal Occupation for Past Five Years, and Age</u>	<u>Director Since</u>	<u>Number of Portfolios in Investment Company Complex Overseen by Director⁽²⁾</u>	<u>Other Public Company Directorships Held by Director⁽³⁾</u>
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Class V:

BASSETT S. WINMILL ⁽⁴⁾ – He is Chairman of the Board of the Fund, the other investment company advised by the Investment Manager, and WCI. He is Chief Investment Strategist of the Investment Manager. He is a member of the New York Society of Security Analysts, the Association for Investment Management and Research, and the International Society of Financial Analysts. He is the father of Thomas B. Winmill. He was born on February 10, 1930.	1997	2	0
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⁽¹⁾ Directors not elected annually shall be deemed to be continuing in office until after the time at which an annual meeting is required to be held under Maryland law, the Fund's Charter or Bylaws, the Act, or other applicable law.

⁽²⁾ The "Investment Company Complex" is comprised of the Fund, Foxby Corp., Midas Fund, Inc., Midas Perpetual Portfolio, Inc., and Midas Special Fund, Inc. Foxby Corp. is advised by the Investment Manager and the Midas Funds are advised by an affiliate of the Investment Manager.

⁽³⁾ Refers to directorships held by a director in any company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or any company registered as an investment company under the Act.

⁽⁴⁾ He is an "interested person" of the Fund as defined in the Act due to his affiliation with the Investment Manager.

Messrs. Huber, Hunt, and Werner also serve on the Audit and Nominating Committees of the Board. Mr. Thomas Winmill also serves on the Executive Committee of the Board.

The executive officers, other than those who serve as Directors, and their relevant biographical information are set forth below.

<u>Name and Age</u>	<u>Position(s) Held with Fund, Term of Office*, Principal Occupation for the Past Five Years</u>
Thomas O'Malley Born on July 22, 1958	Chief Accounting Officer, Chief Financial Officer, and Vice President since 2005. He is also Chief Accounting Officer, Chief Financial Officer, and Vice President of the Investment Company Complex, the Investment Manager, and WCI. Previously, he served as Assistant Controller of Reich & Tang Asset Management, LLC, Reich & Tang Services, Inc., and Reich & Tang Distributors, Inc. He is a certified public accountant.
John F. Ramirez, Esq. Born on April 29, 1977	Secretary, Chief Compliance Officer, and Vice President since 2005 and Associate General Counsel since 2009. He is also Secretary, Chief Compliance Officer, Associate General Counsel, and Vice President of the Investment Company Complex, the Investment Manager, and WCI. He previously served as Compliance Administrator and Assistant Secretary of the Investment Company Complex, the Investment Manager, and WCI. He is a member of the New York State Bar and the Chief Compliance Officer Committee and Compliance Advisory Committee of the Investment Company Institute.

* Officers hold their positions with the Fund until a successor has been duly elected and qualifies. Officers are generally elected annually at the December meeting of the Board of Directors. The officers were last elected on December 9, 2009.

GLOBAL INCOME FUND

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