

Clough Global Allocation Fund  
Form N-CSRS  
December 07, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-21583

Clough Global Allocation Fund

(exact name of registrant as specified in charter)

1290 Broadway, Suite 1100, Denver, Colorado 80203

(Address of principal executive offices) (Zip code)

Erin E. Douglas, Secretary

Clough Global Allocation Fund

1290 Broadway, Suite 1100

Denver, Colorado 80203

(Name and address of agent for service)

Registrant's telephone number, including area code: 303-623-2577

Date of fiscal year end: March 31

Date of reporting period: September 30, 2012

Item 1. **Reports to Stockholders.**



# Clough Global Funds

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## Shareholder Letter

September 30, 2012 (Unaudited)

## Clough Global Funds

To our Shareholders:

During the six months ended September 30, 2012, the **Global Allocation Fund (GLV)** total return, assuming reinvestment of all distributions, was 0.01% based on the net asset value and 1.48% based on the market price of the stock. That compares with 3.42% return for the S&P 500 for the same period. Since the Fund's inception on July 28, 2004, the average annual total return assuming reinvestment of all distributions has been 6.41%, this compares to an average annual total return of 5.49% for the S&P 500 through September 30, 2012. Total distributions, based on the current dividend rate of \$0.30 per share, offer a yield of 8.86% on a market price of \$13.54 as of September 30, 2012.

During the six months ended September 30, 2012, the **Global Equity Fund (GLQ)** total return, assuming reinvestment of all distributions, was -0.41% based on the net asset value and 3.19% based on the market price of the stock. That compares with 3.42% return for the S&P 500 for the same period. Since the Fund's inception on April 27, 2005, the average annual total return assuming reinvestment of all distributions has been 5.47%, this compares to an average annual total return of 3.66% for the S&P 500 through September 30, 2012. Total distributions, based on the current dividend rate of \$0.29 per share, offer a yield of 8.99% on a market price of \$12.90 as of September 30, 2012.

During the six months ended September 30, 2012, the **Global Opportunities Fund (GLO)** total return, assuming reinvestment of all distributions, was -0.33% based on the net asset value and 4.26% based on the market price of the stock. That compares with 3.42% return for the S&P 500 for the same period. Since the Fund's inception on April 25, 2006, the average annual total return assuming reinvestment of all distributions has been 2.64%, this compares to an average annual total return of 3.74% for the S&P 500 through September 30, 2012. Total distributions, based on the current dividend rate of \$0.27 per share, offer a yield of 9.23% on a market price of \$11.70 as of September 30, 2012.

The Consumer Discretionary sector was the biggest contributor to performance, led by News Corp., Time Warner and H&R Block. Positions in US Financials and Energy shorts were also key contributors. Energy Longs, Index hedges and short positions in European Banks modestly detracted from performance.

Over the last six months investors continue to react to the known negatives. Low trading volume and high volatility testify to the lack of any interest in investing and a small amount of buying or selling can trigger big moves. Incomes are slowing, a fiscal cliff looming, savings rates are ratcheting upward and Europe threatens to disintegrate at any moment. The Investment Company Institute reported that investors sold \$15 billion out of domestic equity mutual funds in August (\$77 billion year to date; bond funds have seen inflows of \$207 billion), yet equity prices are higher. Risk aversion has reached all sectors. Sovereign funds in Asia are selling stocks and bonds and building cash. If the flows out of equity funds simply slowed, stocks would likely find a bid. It would be impossible to redeploy those funds should sentiment become less pessimistic.

Many stocks have been moving higher even as the overall market remains weak, a positive divergence.

The Fund is exposed to five strategies:

**1) Companies generating high free cash flow yields.** Free cash flow continues to build in the corporate world even as the economy loses speed and it remains our largest strategy. Industries most represented include technology and media/content but in several instances we have made special situation investments. Since public market prices are now higher than private market values, we think of these positions as better than owning a private business. One is H&R Block, which dominates the tax preparation industry and whose growth seems assured as the tax code becomes more complex. The company boasts a 39% return on equity and a 5% yield.

We believe Business Development Companies (BDCs) are another way of capturing yield from healthy US corporate balance sheets. BDCs are a REIT like structure that provide senior and mezzanine financing to middle market companies that are too small to access the public high yield markets. The funds currently own six BDCs that yield between 8% and 11%. The yield from BDCs is roughly 2% to 3% greater than a BB rated index or high yield ETF. Priced at book value, we believe these names have potential for price appreciation in addition to the attractive yields. The fund's largest position in BDCs is Ares Capital (ARCC).

**2) We are invested in North American financial stocks, particularly the money center banks.** The Funds are also short selected European financials with capital needs. Once again this strategy has been encumbered by a renewed Do Not Short rule in Europe, but we added to the trade a bit before this rule was reinstituted. Data points in the US housing sector continue to signal a bottom in the residential mortgage cycle, making severe price-to-book discounts in the banking sector less explainable. Meanwhile US money center banks and brokerage firms are apparently worth more dead than alive. Discounts to book values, tangible and otherwise, often signal they are bankrupt however they are not.

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The large discounts to tangible book will likely tighten in the months ahead. US Banks are increasingly over reserved as the credit structure improves in quality. Loss reserves at major banks are currently 2.5x actual current charge offs. Not only are they well above average but since charge offs are declining, they are even further above future needs. After several years of high underwriting standards, the higher quality new loan book is beginning to exceed the spotty loans written over the last decade.

The US Federal Reserve's efforts to bolster markets by buying mortgage securities in unlimited amounts support the large US banks we own. Not only should bank revenues rise as asset values appreciate and lending picks up, but a positive yield curve will lead to higher net interest spreads. All of this is buttressed by a natural cyclical pickup in mortgage activity. We understand that there are structural and policy induced impediments to ROE performance, but from a valuation standpoint that is offset by much lower leverage. By contrast, Europe's banks are far more leveraged and have accomplished little to no restructuring.

## Clough Global Funds

## Shareholder Letter

September 30, 2012 (Unaudited)

**3) Emerging market consumer growth investments.** Emerging market negatives are dissipating as equities reach historically low valuations and their central banks ease credit. Emerging market investing will not be as easy as it was in the first decade of the century and our analysts are focusing their efforts on discovering the companies they think will build the important brands in these developing consumer markets. Emerging market funds are beginning to experience inflows after two years of liquidation. They saw a modest \$1.45 billion inflow, suggesting it may not be difficult to generate renewed interest in that asset class.

The China story has generated its fair share of controversy over the last couple of years. A popular target of Western economists and politicians, our view remains, that China's ascendancy from an insignificant economy to becoming the second largest in the world should continue, not at the double digit GDP growth rates that we saw in the past, but at a more sustainable level. Growth at these levels would be the envy of the West and still provide a fertile environment for not only earnings, but the development of world class operations and brands.

While US policies are directed toward inflating assets, Chinese officials are determined to prevent asset bubbles and liquidity remains constrained in the economy. Sentiment toward emerging markets and China in particular is about as negative as we have seen it. Since the peak in China equities in 2010, the Shanghai A share index is down 43% and continues to plumb new lows, while the S&P 500 is 40% higher. In the beginning of October, valuations of Chinese listed corporations hit those levels found during the Global Financial Crisis in 2008. Clearly the market feared an economic hard landing for the Chinese economy. Recent data points released from industrial production, monetary aggregates, and inflation reflect a more benign environment, which has resulted in a rally in the local equity markets. Given this improved sentiment, we have opportunistically increased our exposure to China.

A bullish event for Chinese equities would occur if the financial sector was reformed and a strong private capital market developed. Data from the Bank for International Settlements show that in two years the volume of non-financial corporate debt issued by Chinese companies nearly doubled to almost \$700 billion. We hold two of the largest investment banks in China who should be at the forefront in taking advantage of financial sector reform. Unlike investment houses based in the West, these institutions have very little leverage.

**4) Our investments in the Energy sector.** We have inaugurated a position in US based coal companies, particularly low cost producers leveraged to steam coal used in power generation. We will explain our thinking on coal more thoroughly in subsequent letters but suffice it to point out equities of the major North American producers in some instances have lost 85-90% of their value, and we find tremendous value. Coal will likely lose share to natural gas in coming years, high cost mines throughout Appalachia are being closed or legislated out of existence and many of the remaining mines are more than competitive with gas at \$3.50 per MMBtu, a price we think will be comfortably exceeded in coming years. Even as coal usage declines these properties could be highly profitable. Many inefficient producers are bankrupt, supply has been cut back

sharply and the industry's remaining market capitalization for the listed companies is \$341 billion, down from \$403 billion in 2007. Demand for steam coal could recover strongly in 2013. Given how depressed they are that could send them sharply higher. Meanwhile, natural gas inventories have narrowed from 700 bcf over the five year average in March to 270 bcf due to flat production, a very warm summer and coal to gas switching. Normal winter weather should increase demand for gas and derivatively, coal.

**5) Short positions in over-valued commodities.** Among commodities we are short iron ore mining, other industrial metals stocks, and the capital equipment companies that supply them but have initial long positions in both gold mining companies and North American coal producers.

Metal stocks rallied on the basis of QE3 and the announcement of China's infrastructure spending. Yet supply/demand fundamentals remain weak and capacity remains overbuilt. BHP Billiton, the world's largest mining company, cancelled more than \$30 billion of planned development in Australia. And trading was temporarily halted in another Australian mining company's stock as a debt restructuring was forced upon it. We think these are just the first salvos in the metal sector's secular problems. In the recent rally our short positions did not lose much value.

In conclusion, we have observed that The Funds continue to sell at discounts to net asset value, but we feel that our efforts to support the current distributions make the dividend yields very attractive and, we think, sustainable. One consideration regarding the nearly 9% dividend yields of the three Funds, is this yield is calculated on market price, which has been magnified by the discount to NAV. Since the Funds trade at discounts over 13%, the distribution levels that we can sustain on net asset values are amplified to investors. Further, the Funds employ leverage within the portfolios, which also augments the income generation capabilities of the underlying investments. We feel this dynamic is worth mentioning given a fair amount of attention that has been recently placed on the sustainability of dividends within the universe of closed end mutual funds. For our portfolios we feel the investment opportunities that exist in the marketplace today with a now steeper yield curve (at low funding costs), combined with the investments we have made in high dividend paying equities, give us confidence that our portfolios invested with modest

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leverage, while trading at a near 13% discounts to net asset value, are capable of sustaining their attractive dividend yield to investors.

We appreciate your confidence in us and endeavor to do the best job we can of investing our clients' assets. We sincerely appreciate your interest in our funds. If you have any questions about your investment, please call 1-877-256-8445.

Sincerely,

Charles I. Clough, Jr.

# Shareholder Letter

September 30, 2012 (Unaudited)

## Clough Global Funds

*Past performance is no guarantee of future results.*

*The information in this letter represents the opinions of the individual Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice.*

*MSCI World Index - A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index includes reinvestment of dividends, net of foreign withholding taxes.*

*The S&P 500 Index - Standard & Poor's composite index of 500 stocks, a widely recognized, unmanaged index of common stock prices.*

*It is not possible to invest directly in an Index.*

*Fiscal Cliff - refers to a large predicted reduction in the budget deficit and a corresponding projected slowdown of the economy if specific laws are allowed to automatically expire or go into effect at the beginning of 2013.*

*BB rated index - An index tracks the performance of BB rated high yield bonds.*

*Price to book - A financial ratio used to compare a company's book value to its current market price.*

*Charge-offs - is the declaration by a creditor that an amount of debt is unlikely to be collected*

*Shanghai A Share Index- index tracks the daily price performance of all A-shares listed on the Shanghai Stock Exchange.*

*Free Cash Flow - A measure of financial performance calculated as operating cash flow minus capital expenditures.*

*QE3 - third round of quantitative easing*

*REIT - Real Estate Investment Trust*

*ETF - Exchange Traded Funds*

*ROE - Return on Equity*

*GDP - Gross Domestic Product*

*MMBtu - One million British thermal units*

*Bcf - Billion Cubic Feet*

### GLV

#### Top 10 Equity Holdings\*

|                           | % of Total Portfolio |
|---------------------------|----------------------|
| 1. Bank of America Corp.  | 3.22%                |
| 2. Google, Inc. - Class A | 3.22%                |
| 3. Citigroup, Inc.        | 2.87%                |
| 4. Apple, Inc.            | 2.78%                |
| 5. H&R Block, Inc.        | 2.19%                |
| 6. EMC Corp.              | 2.00%                |
| 7. Golar LNG, Ltd.        | 1.83%                |
| 8. QUALCOMM, Inc.         | 1.79%                |
| 9. Ares Capital Corp.     | 1.71%                |
| 10. Ford Motor Co.        | 1.68%                |

**GLQ**

| <b>Top 10 Equity Holdings*</b> | <b>% of Total Portfolio</b> |
|--------------------------------|-----------------------------|
| 1. Bank of America Corp.       | 3.23%                       |
| 2. Google, Inc. - Class A      | 3.22%                       |
| 3. Citigroup, Inc.             | 2.87%                       |
| 4. Apple, Inc.                 | 2.77%                       |
| 5. H&R Block, Inc.             | 2.19%                       |
| 6. EMC Corp.                   | 2.00%                       |
| 7. Golar LNG, Ltd.             | 1.90%                       |
| 8. QUALCOMM, Inc.              | 1.79%                       |
| 9. Ares Capital Corp.          | 1.75%                       |
| 10. Ford Motor Co.             | 1.68%                       |

**GLO**

| <b>Top 10 Equity Holdings*</b> | <b>% of Total Portfolio</b> |
|--------------------------------|-----------------------------|
| 1. Bank of America Corp.       | 3.23%                       |
| 2. Google, Inc. - Class A      | 3.22%                       |
| 3. Citigroup, Inc.             | 2.88%                       |
| 4. Apple, Inc.                 | 2.77%                       |
| 5. H&R Block, Inc.             | 2.20%                       |
| 6. EMC Corp.                   | 2.00%                       |
| 7. Golar LNG, Ltd.             | 1.83%                       |
| 8. QUALCOMM, Inc.              | 1.78%                       |
| 9. Ares Capital Corp.          | 1.70%                       |
| 10. Ford Motor Co.             | 1.68%                       |

*Holdings are subject to change.*

*\*Only long positions are listed.*

## Clough Global Allocation Fund

## Portfolio Allocation

September 30, 2012 (Unaudited)

## Asset Allocation\*

|                         |        |
|-------------------------|--------|
| Common Stocks - US      | 70.22% |
| Common Stocks - Foreign | 6.97%  |
| Exchange Traded Funds   | -4.08% |

|                       |               |
|-----------------------|---------------|
| <b>Total Equities</b> | <b>73.11%</b> |
|-----------------------|---------------|

|                                  |        |
|----------------------------------|--------|
| Government L/T                   | 16.69% |
| Preferred Stock                  | 0.36%  |
| Corporate Debt                   | 0.29%  |
| Asset/Mortgage Backed Securities | 0.26%  |

|                           |               |
|---------------------------|---------------|
| <b>Total Fixed Income</b> | <b>17.60%</b> |
|---------------------------|---------------|

|                        |        |
|------------------------|--------|
| Short-Term Investments | 9.23%  |
| Rights                 | 0.08%  |
| Foreign Cash           | 0.01%  |
| Options                | -0.03% |

|                    |              |
|--------------------|--------------|
| <b>Total Other</b> | <b>9.29%</b> |
|--------------------|--------------|

|                          |                |
|--------------------------|----------------|
| <b>TOTAL INVESTMENTS</b> | <b>100.00%</b> |
|--------------------------|----------------|

## Global Securities Holdings^

|               |        |
|---------------|--------|
| United States | 93.44% |
| China         | 2.70%  |
| Norway        | 2.32%  |
| Malaysia      | 1.45%  |
| Great Britain | 1.42%  |
| Singapore     | 1.06%  |
| Brazil        | 0.47%  |
| Philippines   | 0.42%  |
| Netherlands   | 0.32%  |
| Belgium       | 0.30%  |
| Hong Kong     | 0.28%  |
| Israel        | 0.24%  |
| Mexico        | 0.18%  |
| South Korea   | 0.17%  |
| France        | -0.10% |
| Italy         | -0.68% |
| Germany       | -0.71% |
| Spain         | -0.79% |
| Sweden        | -0.80% |
| Australia     | -1.69% |

|                          |                |
|--------------------------|----------------|
| <b>TOTAL INVESTMENTS</b> | <b>100.00%</b> |
|--------------------------|----------------|

\* *Percentages are based on total investments, including options written and securities sold short. Holdings are subject to change.*  
^ *Includes securities sold short and foreign cash balances.*

## Portfolio Allocation

September 30, 2012 (Unaudited)

## Clough Global Equity Fund

### Asset Allocation\*

|                         |        |
|-------------------------|--------|
| Common Stocks - US      | 74.48% |
| Common Stocks - Foreign | 8.66%  |
| Exchange Traded Funds   | -4.08% |

|                       |               |
|-----------------------|---------------|
| <b>Total Equities</b> | <b>79.06%</b> |
|-----------------------|---------------|

|                                  |       |
|----------------------------------|-------|
| Government L/T                   | 8.89% |
| Preferred Stock                  | 0.36% |
| Corporate Debt                   | 0.27% |
| Asset/Mortgage Backed Securities | 0.11% |

|                           |              |
|---------------------------|--------------|
| <b>Total Fixed Income</b> | <b>9.63%</b> |
|---------------------------|--------------|

|                        |        |
|------------------------|--------|
| Short-Term Investments | 11.25% |
| Rights                 | 0.08%  |
| Foreign Cash           | 0.01%  |
| Options                | -0.03% |

|                    |               |
|--------------------|---------------|
| <b>Total Other</b> | <b>11.31%</b> |
|--------------------|---------------|

|                          |                |
|--------------------------|----------------|
| <b>TOTAL INVESTMENTS</b> | <b>100.00%</b> |
|--------------------------|----------------|

### Global Securities Holdings^

|               |        |
|---------------|--------|
| United States | 91.78% |
| China         | 3.01%  |
| Norway        | 2.39%  |
| Great Britain | 1.72%  |
| Malaysia      | 1.46%  |
| Hong Kong     | 1.25%  |
| Singapore     | 1.07%  |
| Brazil        | 0.45%  |
| Philippines   | 0.43%  |
| Netherlands   | 0.32%  |
| Belgium       | 0.30%  |
| Israel        | 0.24%  |
| Mexico        | 0.18%  |
| South Korea   | 0.17%  |
| France        | -0.09% |
| Italy         | -0.68% |
| Germany       | -0.71% |
| Spain         | -0.79% |
| Sweden        | -0.80% |
| Australia     | -1.70% |

|                          |                |
|--------------------------|----------------|
| <b>TOTAL INVESTMENTS</b> | <b>100.00%</b> |
|--------------------------|----------------|

\* *Percentages are based on total investments, including options written and securities sold short. Holdings are subject to change.*

^ *Includes securities sold short and foreign cash balances.*

## Clough Global Opportunities Fund

## Portfolio Allocation

September 30, 2012 (Unaudited)

## Asset Allocation\*

|                         |        |
|-------------------------|--------|
| Common Stocks - US      | 69.97% |
| Common Stocks - Foreign | 7.04%  |
| Exchange Traded Funds   | -4.08% |

|                       |               |
|-----------------------|---------------|
| <b>Total Equities</b> | <b>72.93%</b> |
|-----------------------|---------------|

|                                  |        |
|----------------------------------|--------|
| Government L/T                   | 15.56% |
| Preferred Stock                  | 0.36%  |
| Corporate Debt                   | 0.29%  |
| Asset/Mortgage Backed Securities | 0.02%  |

|                           |               |
|---------------------------|---------------|
| <b>Total Fixed Income</b> | <b>16.23%</b> |
|---------------------------|---------------|

|                        |        |
|------------------------|--------|
| Short-Term Investments | 10.65% |
| Options                | 0.10%  |
| Rights                 | 0.08%  |
| Foreign Cash           | 0.01%  |

|                    |               |
|--------------------|---------------|
| <b>Total Other</b> | <b>10.84%</b> |
|--------------------|---------------|

|                          |                |
|--------------------------|----------------|
| <b>TOTAL INVESTMENTS</b> | <b>100.00%</b> |
|--------------------------|----------------|

## Global Securities Holdings^

|               |        |
|---------------|--------|
| United States | 93.35% |
| China         | 2.71%  |
| Norway        | 2.32%  |
| Malaysia      | 1.46%  |
| Great Britain | 1.46%  |
| Singapore     | 1.07%  |
| Brazil        | 0.48%  |
| Philippines   | 0.43%  |
| Netherlands   | 0.32%  |
| Belgium       | 0.30%  |
| Hong Kong     | 0.28%  |
| Israel        | 0.24%  |
| Mexico        | 0.18%  |
| South Korea   | 0.17%  |
| France        | -0.09% |
| Italy         | -0.68% |
| Germany       | -0.71% |
| Spain         | -0.79% |
| Sweden        | -0.80% |
| Australia     | -1.70% |

|                          |                |
|--------------------------|----------------|
| <b>TOTAL INVESTMENTS</b> | <b>100.00%</b> |
|--------------------------|----------------|

<sup>\*</sup> *Percentages are based on total investments, including options written and securities sold short. Holdings are subject to change.*

<sup>^</sup> *Includes securities sold short and foreign cash balances.*

## Statement of Investments

September 30, 2012 (Unaudited)

## Clough Global Allocation Fund

|  | Shares        | Value        |
|--|---------------|--------------|
| <b>COMMON STOCKS 116.27%</b>                               |               |              |
| <b>Consumer Discretionary 22.98%</b>                       |               |              |
| Allison Transmission Holdings, Inc. <sup>(a)(b)(c)</sup>   | 52,500        | \$1,056,300  |
| AMC Networks, Inc. -<br>Class A <sup>(a)(d)</sup>          | 22,000        | 957,440      |
| Arcos Dorados Holdings, Inc. -<br>Class A <sup>(a)</sup>   | 26,600        | 410,438      |
| Arezzo Industria e Comercio S.A.                           | 21,638        | 390,226      |
| AutoZone, Inc. <sup>(a)(b)(d)</sup>                        | 3,700         | 1,367,779    |
| BorgWarner, Inc. <sup>(d)</sup>                            | 14,800        | 1,022,828    |
| Bosideng International Holdings, Ltd.                      | 5,330,000     | 1,498,494    |
| CBS Corp. - Class B <sup>(a)</sup>                         | 36,110        | 1,311,876    |
| China Lilang, Ltd.   | 449,078       | 236,294      |
| Cia Hering   | 20,499        | 458,162      |
| Cinemark Holdings,<br>Inc. <sup>(a)(b)</sup>               | 78,263        | 1,755,439    |
| Ford Motor Co. <sup>(a)(b)</sup>                           | 332,509       | 3,278,539    |
| The Goodyear Tire & Rubber Co. <sup>(a)(b)(d)</sup>        | 29,732        | 362,433      |
| H&R Block, Inc. <sup>(a)(b)</sup>                          | 246,786       | 4,276,801    |
| International Meal Co. Holdings S.A.                       | 38,400        | 355,540      |
| Lamar Advertising Co. - Class A <sup>(a)(b)(d)</sup>       | 22,287        | 825,956      |
| Liberty Global, Inc. - Class A <sup>(a)(b)(d)</sup>        | 27,234        | 1,654,466    |
| Liberty Interactive Corp. - Class A <sup>(a)(b)(d)</sup>   | 71,012        | 1,313,722    |
| Liberty Media Corp. - Liberty Capital <sup>(a)(b)(d)</sup> | 20,170        | 2,101,109    |
| Liberty Ventures - Series A <sup>(a)(b)(d)</sup>           | 12,694        | 630,130      |
| Man Wah Holdings, Ltd.                                     | 1,498,600     | 817,518      |
| News Corp. - Class A <sup>(a)</sup>                        | 53,396        | 1,309,804    |
| Orient-Express Hotels, Ltd. - Class A <sup>(a)(d)</sup>    | 69,764        | 620,900      |
| priceline.com, Inc. <sup>(a)(b)(d)</sup>                   | 4,336         | 2,682,813    |
| Sally Beauty Holdings, Inc. <sup>(a)(b)(d)</sup>           | 56,061        | 1,406,571    |
| Time Warner, Inc. <sup>(a)</sup>                           | 42,055        | 1,906,353    |
| UNICASA Industria de Moveis S.A. <sup>(c)(d)</sup>         | 64,300        | 341,284      |
| Viacom, Inc. -<br>Class B <sup>(a)(b)</sup>                | 39,600        | 2,122,164    |
| The Walt Disney<br>Co. <sup>(a)(b)</sup>                   | 20,670        | 1,080,628    |
|  |               | 37,552,007   |
| <b>Consumer Staples 6.61%</b>                              |               |              |
| Altria Group, Inc. <sup>(a)</sup>                          | 13,800        | 460,782      |
| Anheuser-Busch InBev NV - ADR <sup>(a)</sup>               | 6,754         | 580,236      |
| Brazil Pharma S.A. <sup>(c)</sup>                          | 183,320       | 1,105,029    |
| China Mengniu Dairy Co., Ltd.                              | 183,000       | 547,533      |
|  | <b>Shares</b> | <b>Value</b> |
| <b>Consumer Staples (continued)</b>                        |               |              |
| Cia de Bebidas das Americas -                              | 11,930        | \$456,561    |

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ADR<sup>(a)</sup>

|  |         |            |
|--|---------|------------|
| Green Mountain Coffee Roasters, Inc. <sup>(d)</sup>  | 25,600  | 608,000    |
| Heineken NV  | 22,300  | 1,329,380  |
| M Dias Branco<br>S.A. <sup>(d)</sup>                 | 12,300  | 403,053    |
| Molson Coors Brewing Co. - Class B <sup>(a)(b)</sup> | 35,910  | 1,617,745  |
| Raia Drogasil S.A.                                   | 13,488  | 153,360    |
| Reynolds American,<br>Inc. <sup>(a)(b)</sup>         | 29,000  | 1,256,860  |
| SABMiller PLC  | 27,800  | 1,221,051  |
| Vinda International Holdings, Ltd.                   | 772,498 | 1,063,996  |
|  |         | 10,803,586 |

**Energy 12.58%**

*Coal 2.46%*

|  |         |           |
|--|---------|-----------|
| Alpha Natural Resources,<br>Inc. <sup>(a)(d)</sup> | 64,692  | 425,026   |
| Arch Coal, Inc. <sup>(a)(b)</sup>                  | 352,305 | 2,230,091 |
| CONSOL Energy, Inc. <sup>(a)</sup>                 | 24,811  | 745,571   |
| Peabody Energy Corp. <sup>(a)</sup>                | 27,581  | 614,780   |
|  |         | 4,015,468 |

*Natural Gas Leveraged Exploration & Production 1.67%*

|                                      |        |           |
|--------------------------------------|--------|-----------|
| Cabot Oil & Gas Corp. <sup>(a)</sup> | 25,000 | 1,122,500 |
| EQT Corp. <sup>(a)</sup>             | 19,200 | 1,132,800 |
| Range Resources Corp.                | 6,700  | 468,129   |
|                                      |        | 2,723,429 |

*Non-North American Producers 0.44%*

|                                     |       |         |
|-------------------------------------|-------|---------|
| InterOil Corp. <sup>(a)(b)(d)</sup> | 9,359 | 723,076 |
|-------------------------------------|-------|---------|

*Oil Leveraged Exploration & Production 2.24%*

|  |        |           |
|--|--------|-----------|
| Anadarko Petroleum<br>Corp. <sup>(a)(b)</sup>  | 13,115 | 917,001   |
| EOG Resources,<br>Inc. <sup>(a)(b)</sup>       | 6,000  | 672,300   |
| Kodiak Oil & Gas<br>Corp. <sup>(a)(b)(d)</sup> | 61,664 | 577,175   |
| Noble Energy,<br>Inc. <sup>(a)(b)</sup>        | 9,100  | 843,661   |
| Pioneer Natural ResourcesCo. <sup>(a)</sup>    | 6,254  | 652,918   |
|  |        | 3,663,055 |

*Oil Services &  
Drillers 3.11%*

|  |        |         |
|--|--------|---------|
| National Oilwell Varco,<br>Inc. <sup>(a)</sup> | 11,050 | 885,216 |
| Noble Corp. <sup>(a)(b)(d)</sup>               | 20,300 | 726,334 |
|  | 11,637 | 924,676 |

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|   |        |         |
|---|--------|---------|
| Oil States International,<br>Inc. <sup>(a)(d)</sup> |        |         |
| Schlumberger,<br>Ltd. <sup>(a)</sup>                | 10,800 | 781,164 |
| Seadrill, Ltd. <sup>(a)(b)</sup>                    | 24,173 | 948,065 |

## Clough Global Allocation Fund

## Statement of Investments

September 30, 2012 (Unaudited)

|   | Shares  | Value      |
|---|---------|------------|
| <b>Energy (continued)</b>                                     |         |            |
| Weatherford International, Ltd. <sup>(a)(d)</sup>             | 64,000  | \$ 811,520 |
|   |         | 5,076,975  |
| <i>Tankers 2.66%</i>  |         |            |
| Golar LNG Partners LP <sup>(a)(b)</sup>                       | 24,171  | 774,439    |
| Golar LNG, Ltd. <sup>(a)(b)</sup>                             | 92,606  | 3,573,665  |
|   |         | 4,348,104  |
| <b>TOTAL ENERGY</b>   |         | 20,550,107 |
| <b>Energy Infrastructure &amp; Capital Equipment 0.49%</b>    |         |            |
| Fluor Corp. <sup>(a)</sup>                                    | 13,600  | 765,408    |
| KBR, Inc. <sup>(a)</sup>                                      | 1,347   | 40,168     |
|   |         | 805,576    |
| <b>Financials 27.60%</b>                                      |         |            |
| <i>Business Development Corporations 6.00%</i>                |         |            |
| Ares Capital Corp. <sup>(a)</sup>                             | 194,992 | 3,342,163  |
| Golub Capital BDC, Inc. <sup>(a)</sup>                        | 53,100  | 844,290    |
| Medley Capital Corp. <sup>(a)</sup>                           | 34,088  | 479,618    |
| PennantPark Floating Rate Capital, Ltd. <sup>(a)</sup>        | 12,750  | 161,415    |
| PennantPark Investment Corp. <sup>(a)</sup>                   | 151,816 | 1,610,768  |
| Solar Capital, Ltd. <sup>(a)</sup>                            | 115,394 | 2,644,830  |
| Solar Senior Capital, Ltd. <sup>(a)</sup>                     | 39,147  | 701,123    |
| THL Credit, Inc. <sup>(a)</sup>                               | 1,120   | 15,714     |
|   |         | 9,799,921  |
| <i>Capital Markets 1.48%</i>                                  |         |            |
| Ameriprise Financial, Inc. <sup>(a)</sup>                     | 9,600   | 544,224    |
| CITIC Securities Co., Ltd. - Class H                          | 235,184 | 414,921    |
| The Goldman Sachs Group, Inc. <sup>(a)</sup>                  | 8,192   | 931,266    |
| Indochina Capital Vietnam Holdings, Ltd. <sup>(c)(d)(e)</sup> | 7,331   | 9,384      |

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|  |        |           |
|--|--------|-----------|
| LPL Financial Holdings, Inc. <sup>(a)</sup>                      | 18,100 | 516,574   |
|  |        | 2,416,369 |
| <i>Commercial Banks 2.01%</i>                                    |        |           |
| Fifth Third Bancorp <sup>(a)</sup>                               | 62,800 | 974,028   |
| Grupo Financiero Santander Mexico SAB de CV - ADR <sup>(d)</sup> | 25,700 | 352,090   |
|  |        |           |
| Wells Fargo & Co. <sup>(a)(b)</sup>                              | 56,700 | 1,957,851 |
|  |        | 3,283,969 |
| <i>Consumer Finance 1.00%</i>                                    |        |           |
| Mastercard, Inc. -<br>Class A <sup>(a)</sup>                     | 2,742  | 1,237,958 |