

Clough Global Allocation Fund  
Form N-CSR  
June 04, 2012  
**Table of Contents**

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: March 31, 2012

**Table of Contents**

Item 1. **Reports to Stockholders.**

**Table of Contents**

Table of Contents

Table of Contents

Clough Global Funds

|  |    |
|--|----|
| <u>Shareholder Letter</u>                                      | 1  |
| <u>Portfolio Allocation</u>                                    | 4  |
| <u>Global Allocation Fund</u>                                  | 4  |
| <u>Global Equity Fund</u>                                      | 5  |
| <u>Global Opportunities Fund</u>                               | 6  |
| <u>Report of Independent Registered Public Accounting Firm</u> | 7  |
| <u>Statement of Investments</u>                                | 8  |
| <u>Global Allocation Fund</u>                                  | 8  |
| <u>Global Equity Fund</u>                                      | 13 |
| <u>Global Opportunities Fund</u>                               | 18 |
| <u>Statements of Assets and Liabilities</u>                    | 24 |
| <u>Statements of Operations</u>                                | 25 |
| <u>Statements of Changes in Net Assets</u>                     | 26 |
| <u>Statements of Cash Flows</u>                                | 27 |
| <u>Financial Highlights</u>                                    | 28 |
| <u>Global Allocation Fund</u>                                  | 28 |
| <u>Global Equity Fund</u>                                      | 30 |
| <u>Global Opportunities Fund</u>                               | 32 |

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|   |    |
|---|----|
| <u>Notes to Financial Statements</u>                      | 34 |
| <u>Dividend Reinvestment Plan</u>                         | 46 |
| <u>Change in Independent Registered Public Accountant</u> | 47 |
| <u>Additional Information</u>                             | 48 |
| <u>Fund Proxy Voting Policies &amp; Procedures</u>        | 48 |
| <u>Portfolio Holdings</u>                                 | 48 |
| <u>Notice</u>   | 48 |
| <u>Tax Designations</u>                                   | 48 |
| <u>Trustees &amp; Officers</u>                            | 49 |

**Table of Contents**

**Clough Global Funds**

**Shareholder Letter**

March 31, 2012 (Unaudited)

To our Shareholders:

**Performance**

During the twelve-months ended March 31, 2012, the Clough Global Allocation Fund's total return, assuming reinvestment of all distributions, was -3.48% based on the net asset value and -6.73% based on the market price of the stock. That compares with 8.54% return for the S&P 500 for the same period. Since the Fund's inception on July 28, 2004, the average annual total return in net asset value assuming reinvestment of all distributions has been 6.79%, this compares to an average annual total return of 5.48% for the S&P 500 through March 31, 2012. Total distributions since inception has been \$10.73 per share, and based on the current quarterly dividend rate of \$0.30 per share, offer a yield of 8.61% on market price as of March 31, 2012, of \$13.94.

During the twelve-months ended March 31, 2012, the Clough Global Equity Fund's total return, assuming reinvestment of all distributions, was -4.08% based on the net asset value and -7.32% based on the market price of the stock. That compares with 8.54% return for the S&P 500 for the same period. Since the Fund's inception on April 27, 2005, the average annual total return in net asset value assuming reinvestment of all distributions has been 5.89%, this compares to an average annual total return of 5.12% for the S&P 500 through March 31, 2012. Total distributions since inception has been \$9.20 per share, and based on the current quarterly dividend rate of \$0.29 per share, offer a yield of 8.86% on market price as of March 31, 2012, of \$13.09.

During the twelve-months ended March 31, 2012, the Clough Global Opportunities Fund's total return, assuming reinvestment of all distributions, was -3.88% based on the net asset value and -7.14% based on the market price of the stock. That compares with 8.54% return for the S&P 500 for the same period. Since the Fund's inception on April 25, 2006, the average annual total return in net asset value assuming reinvestment of all distributions has been 2.86%, this compares to an average annual total return of 3.43% for the S&P 500 through March 31, 2012. Total distributions since inception has been \$6.86 per share, and based on the current quarterly dividend rate of \$0.27 per share, offer a yield of 9.17% on market price as of March 31, 2012, of \$11.78.

**Fiscal Year Fund Review**

The Funds underperformed the broader indices in the fiscal year ended March 31, 2012. In summary, few equity strategies worked throughout the calendar year 2011, and those that did worked only marginally. We were early on our purchase of US banks, which have begun to perform better more recently. We also reduced our emerging market exposure to a group of core long term and high conviction investments, but the Funds were not spared the intensive liquidation emerging markets faced during the year. And finally, although the price of oil remained strong during the year reflecting global production limits, the stocks declined. Frustratingly, our fundamental analysis, for the most part, proved correct. For many of our holdings, earnings rose as the year progressed, balance sheets

improved, yet the price of many of these equities declined substantially to valuation levels we think are unnecessarily low.

During the first half of the fiscal year, the Funds suffered largely from sharp declines in three sectors: emerging markets, US financials, and energy. The FTSE Hong Kong Mid Cap Index, for example, was off more than 29% during the calendar year 2011<sup>1</sup>. Despite the big sell-offs, our companies generally did not disappoint fundamentally; they delivered strong earnings and improved balance sheets.

Year-to-date performance in 2012 has been more favorable, slightly trailing the returns of the S&P 500. We can still list the majority of our holdings under one of four separate long strategies. They can be summarized as (1) high free cash flow yields; (2) energy resources; (3) emerging market consumer; and (4) long US financials and Mortgage Backed Security REITs.

The markets have begun to recognize the value of free cash flow in a zero interest rate world. We have used Microsoft as the poster boy and after years of frustrating shareholders it is performing well. We have adjusted the strategy to further include companies which combine both strong revenue growth and high free cash flow yields, companies we call "compounders." In technology we have focused on the smart phone revolution by investing in companies which will benefit from rising mobile phone payment streams, companies like eBay and VeriFone Corp. Almost 5% of the Fund is invested in media companies like CBS Corp. and Viacom, which have announced they will return a significant

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percentage of their current market capitalization in the form of dividends and stock buybacks over the next five years.

We have had some disappointments. We have made a strong investment case for Goodyear Tire and Rubber Co, based on the likelihood that declining raw material costs would ultimately lead to free cash generation, allowing the company to begin deleveraging its balance sheet. The fundamental judgment proved correct. During 2011 market estimates for earnings per share rose from 50 cents to \$1.60. The company ended the year earning \$1.99 per share, yet the stock declined each time it reported positive earnings. As a result, we sold this holding until free cash flow is a present reality, perhaps in 2013, and the market appears more willing to reward the company for it.

Our China strategy is coming to life and we still believe it could be one of the best performing markets in 2012. Even the given up for dead Shanghai Index has rallied and broken its long-lived downward trend-line. There are positive divergences in China stocks with consumer related issues breaking out while investment related securities such as construction machinery and cements lag. China's wage costs are rising but we see that as a positive, reflecting improved productivity and the migration up the quality curve. Even in old traditionally export-driven industries such as textiles, a number of companies have found new life. Textile exports rose only 8.9% in the fourth quarter, down from earlier 22-27% growth rates, but domestic sales rose 17% because retail garment sales in China

<sup>1</sup> *Source: Bloomberg*

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**Table of Contents**

## Shareholder Letter

March 31, 2012 (Unaudited)

## Clough Global Funds

grew 27% as China's manufacturers no longer make textiles solely for export. For example, Chinese shoppers now spend \$40 billion per year on shoes<sup>2</sup>. The stronger companies are moving from an export focus to greater concentration on manufacturing and domestic retail.

We think our energy strategies will work this year as conventional crude output of oil peaked six years ago according to the International Energy Association (IEA), and new supplies of shale or unconventional energy sources will not change this. The oil industry is simply straining to meet demand and there is very little slack in the system. It is noteworthy that the US consumes less oil than it did six years ago, but pays nearly twice as much for it. The Saudis insist they can increase production 25% but there is very little transparency to that statement. Their current production is at a three decade high. They've even drilled the Dammam field, which had been mothballed 30 years ago. Most oil fields are in steep decline and the new ones are beneath 10,000 feet of water, meaning the cost to produce is high.

The growth of unconventional oil makes sense only if oil production from conventional sources is peaking. Shale is very expensive and can only be supported by high oil prices. If the current oil price level is here to stay the producers are severely undervalued. We think the normal forces of depletion, aging fields and politically charged supply issues will combine with emerging economy demand to sustain high prices.

The two primary short strategies are focused on commodities, in particular the global iron ore industry and the price of natural gas in North America. The China centric credit boom of the past decade has been a boon for the iron ore miners. The price of iron ore is up ten times but now China's construction cycle is only beginning to peak as the stimulative credit policies of 2009-2010 run their course. Keep in mind that construction is still strong in China as projects planned earlier are brought to completion. In other words, construction and steel production are just beginning a lengthy decline. China's steel production is predicted to be down 10% year on year by summer; In January Japanese steel exports were off 16%, down for the 11<sup>th</sup> straight month<sup>3</sup>. Meanwhile the industry has invested heavily to bring on new mines, faces high capital spending costs, excessive supplies and lower prices. One major company just took delivery of a fleet of iron ore carriers contracted in an inflated market. A reflex rally in the miners held back the Fund's January results but the stocks have since encouragingly declined.

Our short natural gas strategy focuses on the US Natural Gas Trust, an ETF that in our judgment is a flawed security. The Trust holds the nearest expiring futures contract to build exposure to the spot price for natural gas. Upon expiration the Trust is forced to replace the expiring contract by buying futures with later expiration dates, futures which today are priced markedly higher, a so-called contango. So long as natural gas remains depressed or falls further, the equity will suffer. The natural gas industry is overproducing to the extent it will likely run out of storage early in the summer.

<sup>2</sup> Source: Research-Works

<sup>3</sup> Source: Nikkei Inc.

Nevertheless it is unlikely the industry will reduce production anywhere near enough to avoid lower spot prices. Production efficiency is rising too rapidly and the loss of critical cash flow is incentive enough to keep producing.

### **Outlook for the Next Twelve Months**

Our fundamental view of the forces that will drive worldwide equity prices has not changed. We believe OECD (Organization for Economic Cooperation and Development) interest rates will likely remain extremely low as inflation wanes and banking systems contract. In this environment, companies with reasonable growth prospects and high cash flows are attractively priced. Growth in the OECD could be tepid. But confounding skeptics, we believe growth in China will continue to be robust, particularly in the consumer sector. We also think areas in the energy sector provide very attractive growth prospects.

We are focusing on companies that are growing and generating rising free cash flow yields, our so-called compounders. These investments are focused in a limited number of industries. We believe technology, in particular, offers top line growth, rising cash flow and substantial dividend potential. Companies that produce media content also have strong pricing power and growing free cash flow as entertainment is streamed through more outlets. Finally, we are invested in selected aerospace and industrial companies with profit sources independent of the business cycle.



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On the fixed income side, in a low interest rate environment, we think a premium should be placed on reliable cash flows and 2012 could offer investors an attractive backdrop for Agency MBS REIT <sup>4</sup>. As in 2011, a Federal Reserve on hold along with a steep yield curve should produce mid-teen dividend yields for MBS REIT <sup>s</sup>. We also view the sector as attractively priced with valuations at book value. One of our holdings in the space which reflects these attributes is American Capital Agency Corp. During last summer <sup>s</sup> market volatility, our exposure to 10-year and 30-year US Treasuries provided a benefit to the Funds. We have since reduced some of this exposure as well as our exposure to US corporate debt as rates moved lower. But US corporations generally continue to demonstrate strong balance sheets and healthy levels of liquidity, so we would view any significant back-up in credit valuations as a potential re-entry point, provided the cash flow and liquidity outlook remained favorable.

Asian and Brazilian markets traded poorly in the calendar year 2011. They have traded better in the first quarter of 2012 and we think they will continue to outperform in the year ahead as central banks continue to inject liquidity into the financial system. Moreover, the true source of sovereign risk is being re-evaluated. Bond issuance by

<sup>4</sup> *MBS REIT Stands for a Mortgage Backed Security (MBS) Real Estate Investment Trust (REIT). These securities invest in mortgage pools that are wrapped by government agencies (such as FNMA and Freddie Mac). The revenues for these vehicles are generated primarily by the interest that they earn on the mortgage loans, and they are required to pay out 90% of taxable earnings in a given year to avoid some forms of taxation.*

**Table of Contents**

**Clough Global Funds**

**Shareholder Letter**

March 31, 2012 (Unaudited)

countries in Asia and Latin America are finding far better reception than that of the developed nations. Investing in the transition of China's profit cycle to the consumer will continue to be a major strategy in the year ahead. The Funds own companies in the consumer and financial industries. Domestic consumption is far less credit and resource intensive. It can be supported not only by liquidation of China's huge stock of domestic savings but also rapid productivity and personal income growth.

Opportunities still abound in energy even though the market did not agree with us in 2011. Apart from dislocations in the Middle East, global crude inventories are being drawn down suggesting production is struggling to meet demand. Drilling has to compensate for three to four percent annual depletion rates for existing crude fields while OECD figures indicate no slowdown in global crude demand, even in the face of weak developed economies and slowing emerging economies. We have hedged some of our energy investments with short positions on natural gas focused producers and service stocks. With natural gas inventory at an all time high, we think there will be a slowdown in US land drilling focused on natural gas production.

We are appreciative of your patience and support in a period of under-performance. Fortunately, such periods have been rare for us. We think our long book has a great deal of upside. The market refused to agree with us in the fiscal year ended March 31, 2012, but the fundamental behavior of our companies was strong, and as central bank liquidity builds in 2012, we believe we can extend our longer-term outperformance.

Sincerely,

Charles I. Clough, Jr.

*Past performance is no guarantee of future results.*

*The information in this Portfolio Managers' Shareholder Commentary 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.*

*Book Value - The value at which an asset is carried on a balance sheet.*

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

*FTSE Hong Kong Mid Cap Index - A free float market capitalization weighted index. FTSE World Indices include constituents of the Large and Mid capitalization universe for Developed and Emerging Market segments. It is not possible to invest directly in an index.*

*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.*

*Shanghai Index - A capitalization weighted index. The index tracks the daily price performance of all A shares and B shares listed on the Shanghai Stock Exchange. It is not possible to invest directly in an index.*

**Table of Contents****Portfolio Allocation**

March 31, 2012 (Unaudited)

**Clough Global Allocation Fund****Asset Allocation\***

|                                  |                |
|----------------------------------|----------------|
| Common Stocks - US               | 62.20%         |
| Common Stocks - Foreign          | 17.39%         |
| ETFs/ETNs                        | -6.11%         |
| <b>Total Equities</b>            | <b>73.48%</b>  |
| Government L/T                   | 9.63%          |
| Corporate Debt                   | 1.96%          |
| Preferred Stocks                 | 0.31%          |
| Asset/Mortgage Backed Securities | 0.28%          |
| <b>Total Fixed Income</b>        | <b>12.18%</b>  |
| Short-Term Investments           | 13.76%         |
| Options                          | 0.57%          |
| Other (Foreign Cash)             | 0.01%          |
| <b>Total Other</b>               | <b>14.34%</b>  |
| <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.

**Global Securities Holdings^**

|                |        |
|----------------|--------|
| United States  | 82.32% |
| China          | 7.69%  |
| Norway         | 3.18%  |
| United Kingdom | 2.48%  |
| Brazil         | 1.59%  |
| South Korea    | 1.54%  |
| Malaysia       | 1.16%  |
| Singapore      | 1.07%  |
| Hong Kong      | 0.84%  |
| Germany        | 0.52%  |
| Philippines    | 0.37%  |
| Japan          | 0.36%  |
| Luxembourg     | 0.34%  |

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|                          |                |
|--------------------------|----------------|
| Canada                   | 0.25%          |
| France                   | -0.01%         |
| Sweden                   | -0.08%         |
| European Union           | -0.22%         |
| Italy                    | -0.36%         |
| Spain                    | -0.40%         |
| Australia                | -2.64%         |
| <b>TOTAL INVESTMENTS</b> | <b>100.00%</b> |

**Table of Contents****Clough Global Equity Fund****Portfolio Allocation**

March 31, 2012 (Unaudited)

**Asset Allocation\***

|                                  |                |
|----------------------------------|----------------|
| Common Stocks - US               | 65.31%         |
| Common Stocks - Foreign          | 17.37%         |
| ETFs/ETNs                        | -6.02%         |
| <b>Total Equities</b>            | <b>76.66%</b>  |
| Government L/T                   | 4.46%          |
| Corporate Debt                   | 1.90%          |
| Preferred Stocks                 | 0.31%          |
| Asset/Mortgage Backed Securities | 0.21%          |
| <b>Total Fixed Income</b>        | <b>6.88%</b>   |
| Short-Term Investments           | 15.88%         |
| Options                          | 0.57%          |
| Other (Foreign Cash)             | 0.01%          |
| <b>Total Other</b>               | <b>16.46%</b>  |
| <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.

**Global Securities Holdings^**

|                |        |
|----------------|--------|
| United States  | 82.37% |
| China          | 7.58%  |
| Norway         | 3.21%  |
| United Kingdom | 2.58%  |
| Brazil         | 1.55%  |
| South Korea    | 1.52%  |
| Malaysia       | 1.14%  |
| Singapore      | 1.06%  |
| Hong Kong      | 0.83%  |
| Germany        | 0.51%  |
| Philippines    | 0.37%  |
| Japan          | 0.35%  |
| Luxembourg     | 0.33%  |

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|                          |                |
|--------------------------|----------------|
| Canada                   | 0.25%          |
| France                   | -0.01%         |
| Sweden                   | -0.08%         |
| European Union           | -0.21%         |
| Italy                    | -0.36%         |
| Spain                    | -0.39%         |
| Australia                | -2.60%         |
| <b>TOTAL INVESTMENTS</b> | <b>100.00%</b> |

**Table of Contents****Portfolio Allocation**

March 31, 2012 (Unaudited)

**Clough Global Opportunities Fund****Asset Allocation\***

|                                  |                |
|----------------------------------|----------------|
| Common Stocks - US               | 61.79%         |
| Common Stocks - Foreign          | 17.36%         |
| ETFs/ETNs                        | -6.10%         |
| <b>Total Equities</b>            | <b>73.05%</b>  |
| Government L/T                   | 8.65%          |
| Corporate Debt                   | 1.89%          |
| Preferred Stocks                 | 0.31%          |
| Asset/Mortgage Backed Securities | 0.04%          |
| <b>Total Fixed Income</b>        | <b>10.89%</b>  |
| Short-Term Investments           | 15.01%         |
| Options                          | 1.04%          |
| Other (Foreign Cash)             | 0.01%          |
| <b>Total Other</b>               | <b>16.06%</b>  |
| <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.

**Global Securities Holdings^**

|                |        |
|----------------|--------|
| United States  | 82.35% |
| China          | 7.67%  |
| Norway         | 3.16%  |
| United Kingdom | 2.47%  |
| Brazil         | 1.59%  |
| South Korea    | 1.53%  |
| Malaysia       | 1.16%  |
| Singapore      | 1.08%  |
| Hong Kong      | 0.84%  |
| Germany        | 0.52%  |
| Philippines    | 0.37%  |
| Japan          | 0.36%  |

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|                   |         |
|-------------------|---------|
| Luxembourg        | 0.34%   |
| Canada            | 0.25%   |
| France            | -0.01%  |
| Sweden            | -0.08%  |
| European Union    | -0.21%  |
| Italy             | -0.36%  |
| Spain             | -0.40%  |
| Australia         | -2.63%  |
| TOTAL INVESTMENTS | 100.00% |



**Table of Contents**

**Report of Independent Registered  
Public Accounting Firm**

To the Shareholders and Board of Trustees of

Clough Global Allocation Fund,

Clough Global Equity Fund, and

Clough Global Opportunities Fund

We have audited the accompanying statements of assets and liabilities, including the statements of investments, of Clough Global Allocation Fund, Clough Global Equity Fund, and Clough Global Opportunities Fund (each a Fund, collectively the Funds), as of March 31, 2012, and the related statements of operations, cash flows, and changes in net assets, and financial highlights for the year then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit. The statements of changes in net assets for the year ended March 31, 2011, and the financial highlights for the years indicated prior to the year ended March 31, 2012, were audited by another independent registered public accounting firm, who expressed unqualified opinions on those statements and financial highlights.

We conducted our audit in accordance with the 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. 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 March 31, 2012, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. 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 audit provides 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 Clough Global Allocation Fund, Clough Global Equity Fund, and Clough Global Opportunities Fund as of March 31, 2012, the results of their operations, their cash flows, the changes in their net assets, and their financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

COHEN FUND AUDIT SERVICES, LTD.

Westlake, Ohio

May 22, 2012

Annual Report | March 31, 2012

7

**Table of Contents****Statement of Investments**

March 31, 2012

**Clough Global Allocation Fund**

|  | Shares        | Value        |
|--|---------------|--------------|
| <b>COMMON STOCKS 118.56%</b>                               |               |              |
| <b>Consumer Discretionary 15.19%</b>                       |               |              |
| Allison Transmission Holdings, Inc. <sup>(a)(b)(c)</sup>   | 33,100        | \$790,428    |
| AMC Networks, Inc. - Class A <sup>(a)(b)</sup>             | 15,028        | 670,700      |
| Arezzo Industria e Comercio S.A.                           | 22,652        | 388,650      |
| Bosideng International Holdings, Ltd.                      | 5,330,000     | 1,667,866    |
| CBS Corp. - Class B <sup>(b)</sup>                         | 47,590        | 1,613,777    |
| China Lilang, Ltd.   | 545,000       | 581,807      |
| Cia Hering   | 20,499        | 529,474      |
| Cinemark Holdings, Inc. <sup>(b)</sup>                     | 78,263        | 1,717,873    |
| Focus Media Holding, Ltd. - ADR <sup>(b)(d)</sup>          | 61,418        | 1,542,820    |
| Galaxy Entertainment Group, Ltd. <sup>(a)</sup>            | 159,000       | 439,190      |
| The Goodyear Tire & Rubber Co. <sup>(a)(b)</sup>           | 6,358         | 71,337       |
| H&R Block, Inc. <sup>(b)(d)</sup>                          | 149,363       | 2,460,009    |
| Lamar Advertising Co. - Class A <sup>(a)(b)(d)</sup>       | 30,614        | 992,200      |
| Las Vegas Sands Corp. <sup>(b)</sup>                       | 2,511         | 144,558      |
| Liberty Global, Inc. - Class A <sup>(a)(b)</sup>           | 13,300        | 666,064      |
| Liberty Interactive Corp. - Class A <sup>(a)(b)(d)</sup>   | 78,912        | 1,506,430    |
| Liberty Media Corp. - Liberty Capital <sup>(a)(b)(d)</sup> | 20,170        | 1,777,985    |
| Man Wah Holdings, Ltd.                                     | 1,498,600     | 876,132      |
| MGM Resorts International <sup>(a)(b)(d)</sup>             | 50,712        | 690,697      |
| Monro Muffler Brake, Inc. <sup>(b)</sup>                   | 9,200         | 381,708      |
| News Corp. - Class A <sup>(b)</sup>                        | 80,000        | 1,575,200    |
| Orient-Express Hotels, Ltd. <sup>(a)(b)</sup>              | 69,764        | 711,593      |
| priceline.com, Inc. <sup>(a)(b)</sup>                      | 500           | 358,750      |
| Time Warner, Inc. <sup>(b)(d)</sup>                        | 38,455        | 1,451,676    |
| Viacom, Inc. - Class B <sup>(b)(d)</sup>                   | 38,200        | 1,812,972    |
| The Walt Disney Co. <sup>(b)</sup>                         | 9,702         | 424,753      |
|  |               | 25,844,649   |
| <b>Consumer Staples 2.83%</b>                              |               |              |
| Brazil Pharma S.A. <sup>(a)(c)</sup>                       | 66,772        | 385,902      |
| China Mengniu Dairy Co., Ltd.                              | 183,000       | 536,118      |
| China Resources Enterprise, Ltd.                           | 212,800       | 742,623      |
| Cia de Bebidas das Americas - ADR <sup>(b)(d)</sup>        | 25,700        | 1,061,924    |
| Raia Drogasil S.A.   | 25,588        | 245,724      |
| Tingyi (Cayman Islands) Holding Corp.                      | 266,000       | 768,999      |
| Vinda International Holdings, Ltd.                         | 500,960       | 774,127      |
|  | <b>Shares</b> | <b>Value</b> |
| <b>Consumer Staples (continued)</b>                        |               |              |
| Want Want China Holdings, Ltd.                             | 269,000       | \$300,677    |
|  |               | 4,816,094    |

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**Energy 22.45%**

*Non-North American Producers 2.48%*

|   |         |           |
|---|---------|-----------|
| BP PLC - Sponsored<br>ADR <sup>(b)</sup>                | 21,700  | 976,500   |
| Inpex Corp.   | 87      | 587,568   |
| InterOil<br>Corp. <sup>(a)(b)(d)</sup>                  | 25,259  | 1,298,565 |
| OGX Petroleo e Gas Participacoes<br>S.A. <sup>(a)</sup> | 163,900 | 1,357,566 |
|   |         | 4,220,199 |

*Oil Leveraged Exploration & Production 3.17%*

|   |        |           |
|---|--------|-----------|
| Anadarko Petroleum Corp. <sup>(b)(d)</sup>        | 17,887 | 1,401,267 |
| Energy XXI Bermuda,<br>Ltd. <sup>(a)(b)</sup>     | 11,649 | 420,645   |
| EOG Resources,<br>Inc. <sup>(b)(d)</sup>          | 7,400  | 822,140   |
| Hess Corp. <sup>(b)</sup>                         | 11,548 | 680,755   |
| Petrobank Energy & Resources, Ltd. <sup>(a)</sup> | 33,423 | 530,104   |
| Pioneer Natural Resources Co. <sup>(b)(d)</sup>   | 13,800 | 1,539,942 |
|   |        | 5,394,853 |

*Oil Services & Drillers 9.20%*

|  |        |            |
|--|--------|------------|
| Cameron International<br>Corp. <sup>(a)(b)</sup>       | 28,226 | 1,491,180  |
| Diamond Offshore Drilling,<br>Inc. <sup>(b)</sup>      | 15,700 | 1,047,975  |
| EnSCO PLC - Sponsored<br>ADR <sup>(b)(d)</sup>         | 35,172 | 1,861,654  |
| National Oilwell Varco,<br>Inc. <sup>(b)(d)</sup>      | 39,350 | 3,127,144  |
| Noble<br>Corp. <sup>(a)(b)(d)</sup>                    | 42,200 | 1,581,234  |
| Oil States International,<br>Inc. <sup>(a)(b)(d)</sup> | 14,889 | 1,162,235  |
| Rowan Cos., Inc. <sup>(a)(b)</sup>                     | 18,559 | 611,148    |
| Seadrill,<br>Ltd. <sup>(b)(d)</sup>                    | 26,000 | 975,260    |
| Tidewater,<br>Inc. <sup>(b)</sup>                      | 27,700 | 1,496,354  |
| Transocean,<br>Ltd. <sup>(b)(d)</sup>                  | 41,900 | 2,291,930  |
|  |        | 15,646,114 |

*Refiners 5.00%*

|  |        |           |
|--|--------|-----------|
| HollyFrontier Corp. <sup>(b)</sup>         | 44,148 | 1,419,358 |
| Marathon Petroleum Corp. <sup>(b)(d)</sup> | 76,904 | 3,334,558 |
| Tesoro<br>Corp. <sup>(a)(b)</sup>          | 37,200 | 998,448   |
| Valero Energy<br>Corp. <sup>(b)(d)</sup>   | 62,000 | 1,597,740 |
|  | 61,156 | 1,150,956 |

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Western Refining,  
Inc.<sup>(b)</sup>

8,501,060

*Tankers 2.60%*

Golar LNG Partners

LP<sup>(b)</sup> 28,143 1,044,668

Golar LNG,

Ltd.<sup>(b)(d)</sup> 88,836 3,380,210

4,424,878

**TOTAL ENERGY**

38,187,104

**Energy Infrastructure & Capital Equipment 2.65%**

Dresser-Rand Group,

Inc.<sup>(a)(b)(d)</sup> 13,171 611,003

**Table of Contents****Clough Global Allocation Fund****Statement of Investments**

March 31, 2012

|  | Shares    | Value      |
|--|-----------|------------|
| <b>Energy Infrastructure &amp; Capital Equipment (continued)</b> |           |            |
| Foster Wheeler<br>AG <sup>(a)(b)</sup>                           | 39,600    | \$901,296  |
| KBR, Inc. <sup>(b)</sup>   | 17,300    | 615,015    |
| McDermott International, Inc. <sup>(a)(b)</sup>                  | 130,500   | 1,671,705  |
| Tenaris S.A. -<br>ADR <sup>(b)</sup>                             | 18,750    | 716,812    |
|  |           | 4,515,831  |
| <b>Financials 32.51%</b>   |           |            |
| <i>Capital Markets 9.95%</i>                                     |           |            |
| Ares Capital<br>Corp. <sup>(b)(d)</sup>                          | 259,592   | 4,244,329  |
| CITIC Securities Co., Ltd. -<br>Class H <sup>(a)</sup>           | 216,000   | 433,917    |
| The Goldman Sachs Group, Inc. <sup>(b)(d)</sup>                  | 23,300    | 2,897,821  |
| Golub Capital BDC,<br>Inc. <sup>(b)(d)</sup>                     | 53,100    | 810,837    |
| Indochina Capital Vietnam Holdings,<br>Ltd. <sup>(a)(c)(e)</sup> | 15,596    | 19,963     |
| Medley Capital Corp. <sup>(b)(d)</sup>                           | 34,088    | 384,172    |
| Morgan Stanley <sup>(b)(d)</sup>                                 | 142,522   | 2,799,132  |
| PennantPark Floating Rate Capital, Ltd. <sup>(b)(d)</sup>        | 21,800    | 256,150    |
| PennantPark Investment Corp. <sup>(b)</sup>                      | 182,346   | 1,896,398  |
| Solar Capital,<br>Ltd. <sup>(b)(d)</sup>                         | 115,394   | 2,546,746  |
| Solar Senior Capital,<br>Ltd. <sup>(b)(d)</sup>                  | 39,147    | 630,658    |
|  |           | 16,920,123 |
| <i>Commercial Banks 3.78%</i>                                    |           |            |
| Bank of China, Ltd. - Class H                                    | 3,776,000 | 1,521,963  |
| China Construction Bank<br>Corp. - Class H                       | 3,490,757 | 2,697,110  |
| Industrial & Commercial Bank of China<br>- Class H               | 3,420,500 | 2,206,760  |
|  |           | 6,425,833  |
| <i>Consumer Finance 2.50%</i>                                    |           |            |
| Discover Financial Services <sup>(b)</sup>                       | 12,800    | 426,752    |
| Mastercard, Inc. - Class A <sup>(b)</sup>                        | 4,657     | 1,958,455  |

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|   |        |           |
|---|--------|-----------|
| Visa, Inc. -<br>Class A <sup>(b)(d)</sup> | 15,896 | 1,875,728 |
|   |        | 4,260,935 |

*Diversified Financials 6.90%*

|  |         |            |
|--|---------|------------|
| Bank of America<br>Corp. <sup>(b)(d)</sup>           | 583,609 | 5,585,138  |
| Citigroup, Inc. <sup>(b)(d)</sup>                    | 101,564 | 3,712,164  |
| The NASDAQ OMX Group, Inc. <sup>(a)(b)</sup>         | 10,983  | 284,460    |
| People's United Financial,<br>Inc. <sup>(b)(d)</sup> | 112,843 | 1,494,041  |
| Valley National<br>Bancorp <sup>(b)(d)</sup>         | 51,680  | 669,256    |
|  |         | 11,745,059 |

*Mortgage-Backed Securities Real Estate*

*Investment Trusts 6.63%*

|   |         |           |
|---|---------|-----------|
| American Capital Agency Corp. <sup>(b)</sup>              | 123,109 | 3,636,640 |
| American Capital Mortgage Investment Corp. <sup>(b)</sup> | 22,734  | 494,919   |

|  | Shares  | Value       |
|--|---------|-------------|
| <b>Financials (continued)</b>                |         |             |
| Capstead Mortgage<br>Corp. <sup>(b)(d)</sup> | 193,203 | \$2,532,891 |
| CYS Investments, Inc. <sup>(b)(d)</sup>      | 85,581  | 1,120,255   |
| Dynex Capital,<br>Inc. <sup>(b)(d)</sup>     | 94,894  | 906,238     |
| Hatteras Financial Corp. <sup>(b)</sup>      | 92,866  | 2,590,962   |
|  |         | 11,281,905  |

*Real Estate Investment Trusts 1.30%*

|  |         |           |
|--|---------|-----------|
| AIMS AMP Capital Industrial REIT           | 103,927 | 93,010    |
| Ascendas Real Estate Investment Trust      | 838,000 | 1,346,613 |
| Ascott Residence Trust                     | 416,874 | 353,184   |
| Select Income<br>REIT <sup>(a)(b)(c)</sup> | 18,300  | 413,214   |
|  |         | 2,206,021 |

*Real Estate Management & Development*

*1.45%*

|   |        |           |
|---|--------|-----------|
| Aliansce Shopping Centers S.A.                        | 29,080 | 275,913   |
| BHG S.A. - Brazil Hospitality<br>Group <sup>(a)</sup> | 26,103 | 314,589   |
| BR Malls Participacoes S.A.                           | 53,957 | 697,573   |
| Iguatemi Empresa de Shopping Centers S.A.             | 10,251 | 235,294   |
| Multiplan Empreendimentos Imobiliarios S.A.           | 18,300 | 420,144   |
| Sonae Sierra Brasil S.A.                              | 32,752 | 522,647   |
|   |        | 2,466,160 |

|                         |  |            |
|-------------------------|--|------------|
| <b>TOTAL FINANCIALS</b> |  | 55,306,036 |
|-------------------------|--|------------|

**Health Care 1.39%**

|                                |        |           |
|--------------------------------|--------|-----------|
| Sanofi - ADR <sup>(b)(d)</sup> | 61,247 | 2,373,321 |
|--------------------------------|--------|-----------|

**Industrials 6.15%**

|             |        |           |
|-------------|--------|-----------|
| Brenntag AG | 14,110 | 1,727,924 |
|-------------|--------|-----------|

|                                   |       |         |
|-----------------------------------|-------|---------|
| Copa Holdings S.A. <sup>(b)</sup> | 6,179 | 489,377 |
|-----------------------------------|-------|---------|

|  |         |           |
|--|---------|-----------|
| Delta Air Lines, Inc. <sup>(a)(b)(d)</sup> | 145,096 | 1,437,901 |
|--|---------|-----------|

|  |        |           |
|--|--------|-----------|
| Sensata Technologies Holding NV <sup>(a)(b)(d)</sup> | 30,512 | 1,021,542 |
|--|--------|-----------|

|                                      |        |         |
|--------------------------------------|--------|---------|
| TE Connectivity, Ltd. <sup>(b)</sup> | 23,600 | 867,300 |
|--------------------------------------|--------|---------|

|                                    |       |         |
|------------------------------------|-------|---------|
| Towers Watson & Co. <sup>(b)</sup> | 6,100 | 403,027 |
|------------------------------------|-------|---------|

|   |        |           |
|---|--------|-----------|
| TransDigm Group, Inc. <sup>(a)(b)</sup> | 19,706 | 2,281,167 |
|---|--------|-----------|

|  |        |         |
|--|--------|---------|
| United Continental Holdings, Inc. <sup>(a)(b)(d)</sup> | 29,685 | 638,228 |
|--|--------|---------|

|  |        |         |
|--|--------|---------|
| Verisk Analytics, Inc. - Class A <sup>(a)(b)</sup> | 17,921 | 841,749 |
|--|--------|---------|

|   |        |         |
|---|--------|---------|
| Wesco Aircraft Holdings, Inc. <sup>(a)(b)</sup> | 46,800 | 758,160 |
|---|--------|---------|

|  |  |            |
|--|--|------------|
|  |  | 10,466,375 |
|--|--|------------|

**Information Technology 22.66%**

|                                  |       |           |
|----------------------------------|-------|-----------|
| Apple, Inc. <sup>(a)(b)(d)</sup> | 7,437 | 4,458,258 |
|----------------------------------|-------|-----------|

|  |        |           |
|--|--------|-----------|
| Arrow Electronics, Inc. <sup>(a)(b)(d)</sup> | 68,600 | 2,879,142 |
|--|--------|-----------|

|                                  |        |           |
|----------------------------------|--------|-----------|
| Avnet, Inc. <sup>(a)(b)(d)</sup> | 61,129 | 2,224,484 |
|----------------------------------|--------|-----------|

|                                 |        |           |
|---------------------------------|--------|-----------|
| eBay, Inc. <sup>(a)(b)(d)</sup> | 64,290 | 2,371,658 |
|---------------------------------|--------|-----------|

**Table of Contents****Statement of Investments**

March 31, 2012

**Clough Global Allocation Fund**

|  | Shares    | Value       |
|--|-----------|-------------|
| <b>Information Technology (continued)</b>        |           |             |
| EMC Corp. <sup>(a)(b)(d)</sup>                   | 56,437    | \$1,686,338 |
| Google, Inc. -<br>Class A <sup>(a)(b)(d)</sup>   | 8,712     | 5,586,483   |
| Lenovo Group, Ltd.                               | 3,398,000 | 3,058,640   |
| Micron Technology,<br>Inc. <sup>(a)(b)</sup>     | 65,914    | 533,904     |
| Microsoft Corp. <sup>(b)(d)</sup>                | 206,301   | 6,653,207   |
| Samsung Electronics Co., Ltd.                    | 1,999     | 2,249,437   |
| Seagate<br>Technology <sup>(b)(d)</sup>          | 92,000    | 2,479,400   |
| VeriFone Systems,<br>Inc. <sup>(a)(b)</sup>      | 21,807    | 1,131,129   |
| Viasat, Inc. <sup>(a)(b)</sup>                   | 25,700    | 1,238,997   |
| Western Digital<br>Corp. <sup>(a)(b)</sup>       | 48,200    | 1,994,998   |
|  |           | 38,546,075  |
| <b>Materials 2.01 %</b>                          |           |             |
| Crown Holdings,<br>Inc. <sup>(a)(b)(d)</sup>     | 34,353    | 1,265,221   |
| Georgia Gulf Corp. <sup>(a)(b)</sup>             | 18,800    | 655,744     |
| LG Chem, Ltd.                                    | 2,976     | 971,819     |
| Westlake Chemical Corp.                          | 8,000     | 518,320     |
|  |           | 3,411,104   |
| <b>Telecommunication Services 2.14 %</b>         |           |             |
| DiGi.Com Bhd                                     | 338,000   | 447,945     |
| Maxis Bhd  | 771,900   | 1,534,477   |
| Philippine Long Distance Telephone Co.           | 12,415    | 780,727     |
| StarHub, Ltd.                                    | 183,438   | 452,375     |
| Telekom Malaysia Bhd                             | 240,900   | 418,341     |
|  |           | 3,633,865   |
| <b>Utilities 8.58 %</b>                          |           |             |
| AES Corp. <sup>(a)(b)</sup>                      | 107,416   | 1,403,927   |
| American Electric Power Co., Inc. <sup>(b)</sup> | 24,100    | 929,778     |
| Calpine Corp. <sup>(a)(b)</sup>                  | 74,789    | 1,287,119   |
| CMS Energy Corp. <sup>(b)(d)</sup>               | 34,300    | 754,600     |
| Edison International <sup>(b)(d)</sup>           | 21,605    | 918,428     |



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|   |         |            |
|---|---------|------------|
| National Grid PLC - Sponsored ADR <sup>(b)(d)</sup> | 58,672  | 2,961,763  |
| NiSource, Inc. <sup>(b)(d)</sup>                    | 46,512  | 1,132,567  |
| Northeast Utilities <sup>(b)(d)</sup>               | 20,598  | 764,598    |
| OGE Energy Corp. <sup>(b)(d)</sup>                  | 18,465  | 987,877    |
| The Williams Cos,<br>Inc. <sup>(b)(d)</sup>         | 112,207 | 3,457,098  |
|   |         | 14,597,755 |

**TOTAL COMMON STOCKS**

(Cost \$184,942,080) 201,698,209

|   | Shares | Value     |
|---|--------|-----------|
| <b>EXCHANGE TRADED FUNDS 0.38%</b>                        |        |           |
| iShares <sup>®</sup> MSCI Japan Index Fund <sup>(b)</sup> | 64,300 | \$654,574 |

**TOTAL EXCHANGE TRADED FUNDS**

(Cost \$648,108) 654,574

**PREFERRED STOCKS 0.39%**

The Goodyear Tire & Rubber Co., 5.875%<sup>(b)</sup> 15,900 658,737

**TOTAL PREFERRED STOCKS**

(Cost \$795,994) 658,737

**Description and**

|  | Principal<br>Amount | Value   |
|--|---------------------|---------|
| <b>Maturity Date</b>   |                     |         |
| <b>CORPORATE BONDS 2.41%</b>   |                     |         |
| Dana Holding Corp.<br>02/15/2021, 6.750% <sup>(b)</sup>                | \$505,000           | 540,350 |
| Ford Motor Credit Co. LLC<br>02/01/2021, 5.750% <sup>(b)</sup>         | 600,000             | 648,650 |
| Hanesbrands, Inc.<br>12/15/2020, 6.375% <sup>(b)</sup>                 | 535,000             | 552,388 |
| Manufacturers & Traders Trust Co. 12/01/2021, 5.629% <sup>(b)(f)</sup> | 885,000             | 866,268 |
| TAM Capital 2, Inc.<br>01/29/2020, 9.500% <sup>(b)(g)</sup>            | 520,000             | 572,780 |
| Visteon Corp.<br>04/15/2019, 6.750% <sup>(b)</sup>                     | 895,000             | 912,900 |

**TOTAL CORPORATE BONDS**

(Cost \$3,915,946) 4,093,336

**ASSET/MORTGAGE BACKED SECURITIES 0.34%**

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### Government National Mortgage Association (GNMA)

|  |         |         |
|--|---------|---------|
| Series 2007-37, Class SA, 03/20/2037,<br>21.265% <sup>(b)(f)</sup> | 57,802  | 62,447  |
| Series 2007-37, Class SB, 03/20/2037,<br>21.265% <sup>(b)(f)</sup> | 23,838  | 24,693  |
| <b>Small Business Administration Participation Certificates</b>    |         |         |
| Series 2008-20L, Class 1, 12/01/2028,<br>6.220% <sup>(b)</sup>     | 437,572 | 501,223 |

### **TOTAL ASSET/MORTGAGE BACKED SECURITIES**

|                         |  |         |
|-------------------------|--|---------|
| <b>(Cost \$513,400)</b> |  | 588,363 |
|-------------------------|--|---------|

### **GOVERNMENT & AGENCY OBLIGATIONS 11.85%**

|                                   |           |           |
|-----------------------------------|-----------|-----------|
| <b>U.S. Treasury Bonds</b>        |           |           |
| 08/15/2020, 2.625% <sup>(b)</sup> | 7,700,000 | 8,115,684 |
| 11/15/2020, 2.625% <sup>(b)</sup> | 4,975,000 | 5,229,969 |
| 02/15/2021, 3.625% <sup>(b)</sup> | 1,460,000 | 1,652,310 |
| 05/15/2021, 3.125% <sup>(b)</sup> | 2,900,000 | 3,155,562 |
| 02/15/2026, 6.000% <sup>(b)</sup> | 1,450,000 | 1,998,735 |

Table of Contents

## Clough Global Allocation Fund

## Statement of Investments

March 31, 2012

| Description                                      | Principal Amount | Value        |
|--|------------------|--------------|
| <b>TOTAL GOVERNMENT &amp; AGENCY OBLIGATIONS</b> |                  |              |
| (Cost \$20,399,259)                              |                  | \$20,152,260 |

| Description   | Number of Contracts | Value  |
|---|---------------------|--------|
| <b>PURCHASED OPTIONS 0.80% CALL OPTIONS PURCHASED 0.02%</b>                   |                     |        |
| Market Vectors Oil Service ETF, Expires January, 2013, Exercise Price \$53.33 | 624                 | 40,560 |
| <b>TOTAL CALL OPTIONS PURCHASED</b>   |                     |        |
| (Cost \$106,501)  |                     | 40,560 |

|  |       |           |
|--|-------|-----------|
| <b>PUT OPTIONS PURCHASED 0.78%</b>   |       |           |
| United States Natural Gas Fund LP, Expires July, 2012, Exercise Price \$16.00    | 1,000 | 168,000   |
| United States Natural Gas Fund LP, Expires July, 2012, Exercise Price \$19.00    | 1,692 | 626,040   |
| United States Natural Gas Fund LP, Expires October, 2012, Exercise Price \$17.00 | 1,809 | 525,515   |
| <b>TOTAL PUT OPTIONS PURCHASED</b>   |       |           |
| (Cost \$776,588)   |       | 1,319,555 |

|                                |  |           |
|--------------------------------|--|-----------|
| <b>TOTAL PURCHASED OPTIONS</b> |  |           |
| (Cost \$883,089)               |  | 1,360,115 |

| Description  | Shares/Principal Amount | Value      |
|--|-------------------------|------------|
| <b>SHORT-TERM INVESTMENTS 16.95%</b>   |                         |            |
| <b>Money Market Fund</b>   |                         |            |
| Dreyfus Treasury Prime Money Market Fund (0.000% 7-day yield) <sup>(h)</sup> | 16,635,117              | 16,635,117 |
| <b>U.S. Treasury Bills</b>   |                         |            |
| U.S. Treasury Bill Discount Notes  |                         |            |
| 05/03/2012, 0.060% <sup>(b)(i)</sup>   | \$2,500,000             | 2,499,864  |
| 08/09/2012, 0.120% <sup>(b)(i)</sup>   | 2,600,000               | 2,598,836  |
| 11/15/2012, 0.139% <sup>(b)(i)</sup>   | 5,100,000               | 5,095,492  |

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|  |           |                      |
|--|-----------|----------------------|
| 02/07/2013, 0.190% <sup>(b)(3)</sup>             | 2,000,000 | 1,997,154            |
|  |           | 12,191,346           |
| <b>TOTAL SHORT-TERM INVESTMENTS</b>              |           |                      |
| <b>(Cost \$28,825,999)</b>                       |           | <b>28,826,463</b>    |
|  |           | <b>Value</b>         |
| <b>Total Investments - 151.68%</b>               |           |                      |
| (Cost \$240,923,875)                             |           | \$258,032,057        |
| Liabilities in Excess of Other Assets - (51.68%) |           | (87,911,733)         |
| <b>NET ASSETS - 100.00%</b>                      |           | <b>\$170,120,324</b> |

|   | <b>Number of<br/>Contracts</b> | <b>Value</b>     |
|---|--------------------------------|------------------|
| <b>SCHEDULE OF OPTIONS WRITTEN</b>                        |                                |                  |
| <b>CALL OPTIONS WRITTEN</b>                               |                                |                  |
| Apple, Inc., Expires April, 2012, Exercise Price \$525.00 | 23                             | \$(175,893)      |
| <b>TOTAL CALL OPTIONS WRITTEN</b>                         |                                |                  |
| <b>(Premiums received \$40,409)</b>                       |                                | <b>(175,893)</b> |

**SCHEDULE OF SECURITIES SOLD**

| <b>SHORT<sup>(a)</sup></b>                          | <b>Shares</b> | <b>Value</b> |
|---|---------------|--------------|
| <b>COMMON STOCK</b>                                 |               |              |
| Alpha Natural Resources, Inc.                       | (53,959)      | (820,716)    |
| ArcelorMittal - New York Registered Shares          | (23,637)      | (452,176)    |
| Banco Santander S.A.                                | (108,936)     | (838,316)    |
| Barclays PLC - ADR                                  | (15,686)      | (237,643)    |
| Basic Energy Services, Inc.                         | (37,300)      | (647,155)    |
| BHP Billiton, Ltd. - ADR                            | (31,199)      | (2,258,808)  |
| BNP Paribas S.A.                                    | (8,983)       | (426,213)    |
| C&J Energy Services, Inc.                           | (15,861)      | (282,167)    |
| Cablevision Systems Corp. - New York Group A Shares | (41,100)      | (603,348)    |
| Caterpillar, Inc.                                   | (17,108)      | (1,822,344)  |
| Chesapeake Energy Corp.                             | (46,100)      | (1,068,137)  |
| Cimarex Energy Co.                                  | (8,600)       | (649,042)    |
| Cloud Peak Energy, Inc.                             | (58,300)      | (928,719)    |
| Credit Agricole S.A.                                | (52,344)      | (325,322)    |
| Deutsche Bank AG                                    | (8,865)       | (441,388)    |
| EXCO Resources, Inc.                                | (65,740)      | (435,856)    |
| Fiat SpA  | (59,377)      | (349,076)    |
| Fortescue Metals Group, Ltd.                        | (129,189)     | (777,497)    |
| Freeport-McMoRan Copper & Gold, Inc.                | (29,031)      | (1,104,339)  |
| Gannett Co., Inc.                                   | (45,000)      | (689,850)    |
| Gardner Denver, Inc.                                | (10,200)      | (642,804)    |
| Intesa Sanpaolo SpA                                 | (231,070)     | (414,193)    |
| Joy Global, Inc.                                    | (1,440)       | (105,840)    |
| Key Energy Services, Inc.                           | (51,025)      | (788,336)    |
| Komatsu, Ltd.                                       | (17,300)      | (493,062)    |
| Nabors Industries, Ltd.                             | (63,700)      | (1,114,113)  |
| Oracle Corp.  | (27,200)      | (793,152)    |

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|                                |          |             |
|--------------------------------|----------|-------------|
| Patterson-UTI Energy, Inc.     | (66,800) | (1,154,972) |
| Peabody Energy Corp.           | (24,800) | (718,208)   |
| Petroleo Brasileiro S.A. - ADR | (49,100) | (1,304,096) |
| The Procter & Gamble Co.       | (19,600) | (1,317,316) |
| Rio Tinto PLC - ADR            | (38,235) | (2,125,484) |

Annual Report | March 31, 2012

11

**Table of Contents****Statement of Investments**

March 31, 2012

**Clough Global Allocation Fund****SCHEDULE OF SECURITIES SOLD**

| <b>SHORT<sup>(a)</sup> (continued)</b> | <b>Shares</b> | <b>Value</b> |
|--|---------------|--------------|
| RR Donnelley & Sons Co.                | (38,517)      | \$(477,226)  |
| Salesforce.com, Inc.                   | (1,680)       | (259,577)    |
| Schneider Electric S.A.                | (20,604)      | (1,346,230)  |
| Siemens AG - ADR                       | (2,045)       | (206,218)    |
| Societe Generale S.A.                  | (10,213)      | (299,188)    |
| Superior Energy Services, Inc.         | (10,639)      | (280,444)    |
| Vale SA - ADR                          | (101,945)     | (2,378,377)  |
| Volvo AB                               | (12,195)      | (177,696)    |
| The Weir Group PLC                     | (14,005)      | (395,151)    |
|  |               | (31,949,795) |

**EXCHANGE TRADED NOTES**

|   |          |             |
|---|----------|-------------|
| iPath <sup>®</sup> Dow Jones-UBS Copper Subindex Total Return ETN | (26,400) | (1,295,448) |
|   |          | (1,295,448) |

**EXCHANGE TRADED FUNDS**

|   |           |              |
|---|-----------|--------------|
| iShares <sup>®</sup> MSCI Australia Index Fund            | (15,157)  | (356,341)    |
| iShares <sup>®</sup> MSCI Hong Kong Index Fund            | (16,436)  | (286,644)    |
| iShares <sup>®</sup> Russell 2000 <sup>®</sup> Index Fund | (70,285)  | (5,823,112)  |
| SPDR <sup>®</sup> S&P 500 <sup>®</sup> ETF Trust          | (40,400)  | (5,685,088)  |
| United States Natural Gas Fund LP                         | (199,611) | (3,177,807)  |
|   |           | (15,328,992) |

**TOTAL SECURITIES SOLD SHORT**

**(Proceeds \$49,564,851)** **\$(48,574,235)**

(a) Non-income producing security.

(b) Pledged security; a portion or all of the security is pledged as collateral for securities sold short or borrowings as of March 31, 2012. (See Note 1 and Note 6)

(c) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. As of March 31, 2012, these securities had a total value of \$1,609,507 or 0.95% of net assets.

(d) Loaned security; a portion or all of the security is on loan at March 31, 2012.

(e) Fair valued security; valued by management in accordance with procedures approved by the Fund's Board of Trustees. As of March 31, 2012, these securities had a total value of \$19,963 or 0.01% of total net assets.

(f) Floating or variable rate security - rate disclosed as of March 31, 2012.

(g) Securities were purchased pursuant to Regulation S under the Securities Act of 1933, which exempts securities offered and sold outside of the United States from registration. Such securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. These securities have been deemed liquid under guidelines approved by the Fund's Board of Trustees. As of March 31, 2012, the aggregate market value of those securities was \$572,780, representing 0.34% of net assets.

(h) Less than 0.0005%.

(i) Rate shown represents the bond equivalent yield to maturity at date of purchase.

*See Notes to the Financial Statements.*

**Table of Contents****Clough Global Equity Fund****Statement of Investments**

March 31, 2012

|  | Shares        | Value        |
|--|---------------|--------------|
| <b>COMMON STOCKS 124.09%</b>                             |               |              |
| <b>Consumer Discretionary 15.16%</b>                     |               |              |
| Allison Transmission Holdings, Inc. <sup>(a)(b)(c)</sup> | 54,000        | \$1,289,520  |
| AMC Networks, Inc. - Class A <sup>(a)(b)</sup>           | 24,445        | 1,090,980    |
| Arezzo Industria e Comercio S.A.                         | 37,169        | 637,724      |
| Bosideng International Holdings, Ltd.                    | 8,708,000     | 2,724,912    |
| CBS Corp. - Class B <sup>(b)</sup>                       | 72,895        | 2,471,869    |
| China Lilang, Ltd.                                       | 889,000       | 949,039      |
| Cia Hering   | 33,399        | 862,671      |
| Cinemark Holdings, Inc. <sup>(b)</sup>                   | 127,732       | 2,803,717    |
| Focus Media Holding, Ltd. - ADR <sup>(b)(d)</sup>        | 100,388       | 2,521,747    |
| Galaxy Entertainment Group, Ltd. <sup>(a)</sup>          | 260,000       | 718,172      |
| The Goodyear Tire & Rubber Co. <sup>(a)(b)</sup>         | 10,529        | 118,135      |
| H&R Block, Inc. <sup>(b)(d)</sup>                        | 243,459       | 4,009,770    |
| Lamar Advertising Co. - Class A <sup>(a)(b)(d)</sup>     | 49,720        | 1,611,425    |
| Las Vegas Sands Corp. <sup>(b)</sup>                     | 4,077         | 234,713      |
| Liberty Global, Inc. - Class A <sup>(a)(b)</sup>         | 21,700        | 1,086,736    |
| Liberty Interactive Corp. - Class A <sup>(a)(b)(d)</sup> | 129,086       | 2,464,252    |
| Liberty Media Corp. - Liberty Capital <sup>(a)(b)</sup>  | 32,787        | 2,890,174    |
| Man Wah Holdings, Ltd.                                   | 2,456,000     | 1,435,860    |
| MGM Resorts International <sup>(a)(b)(d)</sup>           | 83,217        | 1,133,416    |
| Monro Muffler Brake, Inc. <sup>(b)</sup>                 | 15,000        | 622,350      |
| News Corp. - Class A <sup>(b)</sup>                      | 130,400       | 2,567,576    |
| Orient-Express Hotels, Ltd. <sup>(a)(b)</sup>            | 113,786       | 1,160,617    |
| priceline.com, Inc. <sup>(a)(b)</sup>                    | 800           | 574,000      |
| Time Warner, Inc. <sup>(b)(d)</sup>                      | 62,708        | 2,367,227    |
| Viacom, Inc. - Class B <sup>(b)(d)</sup>                 | 62,400        | 2,961,504    |
| The Walt Disney Co. <sup>(b)</sup>                       | 15,827        | 692,906      |
|  |               | 42,001,012   |
| <b>Consumer Staples 2.84%</b>                            |               |              |
| Brazil Pharma S.A. <sup>(a)(c)</sup>                     | 109,224       | 631,249      |
| China Mengniu Dairy Co., Ltd.                            | 299,000       | 875,952      |
| China Resources Enterprise, Ltd.                         | 342,900       | 1,196,643    |
| Cia de Bebidas das Americas - ADR <sup>(b)(d)</sup>      | 42,100        | 1,739,572    |
| Raia Drogasil S.A.                                       | 42,007        | 403,398      |
| Tingyi (Cayman Islands) Holding Corp.                    | 432,000       | 1,248,901    |
| Vinda International Holdings, Ltd.                       | 818,885       | 1,265,412    |
|  | <b>Shares</b> | <b>Value</b> |
| <b>Consumer Staples (continued)</b>                      |               |              |
| Want Want China Holdings, Ltd.                           | 439,000       | \$490,695    |



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|   |         |            |
|---|---------|------------|
|   |         | 7,851,822  |
| <b>Energy 22.60%</b>                                    |         |            |
| <i>Non-North American Producers 2.48%</i>               |         |            |
| BP PLC - Sponsored ADR <sup>(b)</sup>                   | 35,300  | 1,588,500  |
| Inpex Corp.   | 142     | 959,019    |
| InterOil Corp. <sup>(a)(b)</sup>                        | 41,134  | 2,114,699  |
| OGX Petroleo e Gas Participacoes S.A. <sup>(a)</sup>    | 267,100 | 2,212,359  |
|   |         | 6,874,577  |
| <i>Oil Leveraged Exploration &amp; Production 3.18%</i> |         |            |
| Anadarko Petroleum Corp. <sup>(b)(d)</sup>              | 28,875  | 2,262,067  |
| Energy XXI Bermuda, Ltd. <sup>(a)(b)</sup>              | 18,998  | 686,018    |
| EOG Resources, Inc. <sup>(b)(d)</sup>                   | 12,200  | 1,355,420  |
| Hess Corp. <sup>(b)</sup>                               | 18,908  | 1,114,627  |
| Petrobank Energy & Resources, Ltd. <sup>(a)</sup>       | 54,489  | 864,220    |
| Pioneer Natural Resources Co. <sup>(b)(d)</sup>         | 22,500  | 2,510,775  |
|   |         | 8,793,127  |
| <i>Oil Services &amp; Drillers 9.23%</i>                |         |            |
| Cameron International Corp. <sup>(a)(b)(d)</sup>        | 46,077  | 2,434,248  |
| Diamond Offshore Drilling, Inc. <sup>(b)</sup>          | 25,600  | 1,708,800  |
| EnSCO PLC - Sponsored ADR <sup>(b)(d)</sup>             | 57,363  | 3,036,224  |
| National Oilwell Varco, Inc. <sup>(b)</sup>             | 64,582  | 5,132,332  |
| Noble Corp. <sup>(a)(b)</sup>                           | 68,900  | 2,581,683  |
| Oil States International, Inc. <sup>(a)(b)(d)</sup>     | 24,323  | 1,898,653  |
| Rowan Cos., Inc. <sup>(a)(b)</sup>                      | 30,295  | 997,614    |
| Seadrill, Ltd. <sup>(b)(d)</sup>                        | 42,500  | 1,594,175  |
| Tidewater, Inc. <sup>(b)</sup>                          | 45,100  | 2,436,302  |
| Transocean, Ltd. <sup>(b)(d)</sup>                      | 68,500  | 3,746,950  |
|   |         | 25,566,981 |
| <i>Refiners 5.01%</i>                                   |         |            |
| HollyFrontier Corp. <sup>(b)</sup>                      | 71,942  | 2,312,935  |
| Marathon Petroleum Corp. <sup>(b)(d)</sup>              | 125,695 | 5,450,135  |
| Tesoro Corp. <sup>(a)(b)</sup>                          | 60,700  | 1,629,188  |
| Valero Energy Corp. <sup>(b)</sup>                      | 101,100 | 2,605,347  |
| Western Refining, Inc. <sup>(b)</sup>                   | 99,717  | 1,876,674  |
|   |         | 13,874,279 |
| <i>Tankers 2.70%</i>                                    |         |            |
| Golar LNG Partners LP <sup>(b)</sup>                    | 46,036  | 1,708,856  |



**Table of Contents****Statement of Investments**

March 31, 2012

**Clough Global Equity Fund**

|  | Shares    | Value       |
|--|-----------|-------------|
| <b>Energy (continued)</b>  |           |             |
| Golar LNG, Ltd. <sup>(b)(d)</sup>                                | 151,954   | \$5,781,850 |
|  |           | 7,490,706   |
| <b>TOTAL ENERGY</b>  |           | 62,599,670  |
| <b>Energy Infrastructure &amp; Capital Equipment 2.66%</b>       |           |             |
| Dresser-Rand Group, Inc. <sup>(a)(b)(d)</sup>                    | 21,801    | 1,011,349   |
| Foster Wheeler<br>AG <sup>(a)(b)</sup>                           | 64,600    | 1,470,296   |
| KBR, Inc. <sup>(b)</sup>   | 28,200    | 1,002,510   |
| McDermott International, Inc. <sup>(a)(b)</sup>                  | 212,700   | 2,724,687   |
| Tenaris S.A. -<br>ADR <sup>(b)</sup>                             | 30,536    | 1,167,391   |
|  |           | 7,376,233   |
| <b>Financials 32.67%</b>   |           |             |
| <i>Capital Markets 10.06%</i>                                    |           |             |
| Ares Capital<br>Corp. <sup>(b)(d)</sup>                          | 430,880   | 7,044,888   |
| CITIC Securities Co., Ltd. -<br>Class H <sup>(a)</sup>           | 351,500   | 706,119     |
| The Goldman Sachs Group, Inc. <sup>(b)(d)</sup>                  | 38,100    | 4,738,497   |
| Golub Capital BDC, Inc. <sup>(b)(d)</sup>                        | 87,100    | 1,330,017   |
| Indochina Capital Vietnam Holdings,<br>Ltd. <sup>(a)(c)(e)</sup> | 23,394    | 29,944      |
| Medley Capital Corp. <sup>(b)(d)</sup>                           | 55,928    | 630,309     |
| Morgan Stanley <sup>(b)(d)</sup>                                 | 232,323   | 4,562,824   |
| PennantPark Floating Rate Capital, Ltd. <sup>(b)(d)</sup>        | 35,700    | 419,475     |
| PennantPark Investment<br>Corp. <sup>(b)</sup>                   | 311,306   | 3,237,582   |
| Solar Capital,<br>Ltd. <sup>(b)(d)</sup>                         | 188,119   | 4,151,786   |
| Solar Senior Capital, Ltd. <sup>(b)(d)</sup>                     | 64,139    | 1,033,279   |
|  |           | 27,884,720  |
| <i>Commercial Banks 3.78%</i>                                    |           |             |
| Bank of China, Ltd. - Class H                                    | 6,160,000 | 2,482,863   |
| China Construction Bank Corp. - Class H                          | 5,690,688 | 4,396,872   |
| Industrial & Commercial Bank of China - Class H                  | 5,580,600 | 3,600,364   |

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10,480,099

|   |        |           |
|---|--------|-----------|
| <i>Consumer Finance 2.50%</i>                   |        |           |
| Discover Financial Services <sup>(b)</sup>      | 20,900 | 696,806   |
| Mastercard, Inc. -<br>Class A <sup>(b)(d)</sup> | 7,515  | 3,160,358 |
| Visa, Inc. -<br>Class A <sup>(b)(d)</sup>       | 25,965 | 3,063,870 |
|   |        | 6,921,034 |

|  |         |           |
|--|---------|-----------|
| <i>Diversified Financials 6.92%</i>                  |         |           |
| Bank of America Corp. <sup>(b)(d)</sup>              | 952,268 | 9,113,205 |
| Citigroup, Inc. <sup>(b)(d)</sup>                    | 166,006 | 6,067,519 |
| The NASDAQ OMX Group, Inc. <sup>(a)(b)</sup>         | 17,910  | 463,869   |
| People's United Financial,<br>Inc. <sup>(b)(d)</sup> | 183,975 | 2,435,829 |

|   | Shares | Value       |
|---|--------|-------------|
| <b>Financials (continued)</b>             |        |             |
| Valley National Bancorp <sup>(b)(d)</sup> | 84,545 | \$1,094,858 |
|   |        | 19,175,280  |

*Mortgage-Backed Securities Real Estate*

|  |         |            |
|--|---------|------------|
| <i>Investment Trusts 6.65%</i>                               |         |            |
| American Capital Agency<br>Corp. <sup>(b)(d)</sup>           | 200,846 | 5,932,991  |
| American Capital Mortgage Investment<br>Corp. <sup>(b)</sup> | 37,003  | 805,555    |
| Capstead Mortgage<br>Corp. <sup>(b)(d)</sup>                 | 316,378 | 4,147,716  |
| CYS Investments, Inc. <sup>(b)(d)</sup>                      | 139,539 | 1,826,566  |
| Dynex Capital,<br>Inc. <sup>(b)(d)</sup>                     | 155,613 | 1,486,104  |
| Hatteras Financial Corp. <sup>(b)</sup>                      | 151,628 | 4,230,421  |
|  |         | 18,429,353 |

|  |           |           |
|--|-----------|-----------|
| <i>Real Estate Investment Trusts 1.30%</i> |           |           |
| AIMS AMP Capital Industrial REIT           | 169,381   | 151,588   |
| Ascendas Real Estate Investment Trust      | 1,370,000 | 2,201,504 |
| Ascott Residence Trust                     | 682,302   | 578,061   |
| Select Income REIT <sup>(a)(b)(c)</sup>    | 29,700    | 670,626   |
|  |           | 3,601,779 |

*Real Estate Management & Development*

|  |        |           |
|--|--------|-----------|
| <i>1.46%</i>                                       |        |           |
| Aliansce Shopping Centers S.A.                     | 47,653 | 452,135   |
| BHG S.A. - Brazil Hospitality Group <sup>(a)</sup> | 42,939 | 517,493   |
| BR Malls Participacoes S.A.                        | 88,128 | 1,139,347 |
| Iguatemi Empresa de Shopping Centers S.A.          | 16,791 | 385,408   |
| Multiplan Empreendimentos Imobiliarios S.A.        | 29,800 | 684,170   |
| Sonae Sierra Brasil S.A.                           | 53,577 | 854,966   |

|  |         |            |
|--|---------|------------|
|  |         | 4,033,519  |
| <b>TOTAL FINANCIALS</b>                                |         | 90,525,784 |
| <b>Health Care 1.40%</b>                               |         |            |
| Sanofi - ADR <sup>(b)(d)</sup>                         | 100,162 | 3,881,277  |
| <b>Industrials 6.20%</b>                               |         |            |
| Brenntag AG  | 23,030  | 2,820,276  |
| Copa Holdings S.A. <sup>(b)</sup>                      | 10,124  | 801,821    |
| Delta Air Lines, Inc. <sup>(a)(b)(d)</sup>             | 236,716 | 2,345,855  |
| Sensata Technologies Holding NV <sup>(a)(b)(d)</sup>   | 50,240  | 1,682,035  |
| TE Connectivity, Ltd. <sup>(b)(d)</sup>                | 38,600  | 1,418,550  |
| Towers Watson & Co. <sup>(b)</sup>                     | 9,900   | 654,093    |
| TransDigm Group, Inc. <sup>(a)(b)</sup>                | 32,349  | 3,744,720  |
| United Continental Holdings, Inc. <sup>(a)(b)(d)</sup> | 48,324  | 1,038,966  |
| Verisk Analytics, Inc. - Class A <sup>(a)(b)</sup>     | 30,600  | 1,437,282  |

**Table of Contents****Clough Global Equity Fund****Statement of Investments**

March 31, 2012

|  | Shares    | Value       |
|--|-----------|-------------|
| <b>Industrials (continued)</b>                     |           |             |
| Wesco Aircraft Holdings, Inc. <sup>(a)(b)(d)</sup> | 76,600    | \$1,240,920 |
|  |           | 17,184,518  |
| <b>Information Technology 22.69%</b>               |           |             |
| Apple, Inc. <sup>(a)(b)(d)</sup>                   | 12,130    | 7,271,571   |
| Arrow Electronics, Inc. <sup>(a)(b)(d)</sup>       | 112,000   | 4,700,640   |
| Avnet, Inc. <sup>(a)(b)(d)</sup>                   | 100,213   | 3,646,751   |
| eBay, Inc. <sup>(a)(b)(d)</sup>                    | 104,850   | 3,867,916   |
| EMC Corp. <sup>(a)(b)(d)</sup>                     | 92,050    | 2,750,454   |
| Google, Inc. - Class A <sup>(a)(b)(d)</sup>        | 14,077    | 9,026,735   |
| Lenovo Group, Ltd.                                 | 5,538,000 | 4,984,917   |
| Micron Technology, Inc. <sup>(a)(b)</sup>          | 107,419   | 870,094     |
| Microsoft Corp. <sup>(b)(d)</sup>                  | 338,550   | 10,918,238  |
| Samsung Electronics Co., Ltd.                      | 3,259     | 3,667,292   |
| Seagate Technology <sup>(b)(d)</sup>               | 150,100   | 4,045,195   |
| VeriFone Systems, Inc. <sup>(a)(b)</sup>           | 35,509    | 1,841,852   |
| Viasat, Inc. <sup>(a)(b)</sup>                     | 41,900    | 2,019,999   |
| Western Digital Corp. <sup>(a)(b)</sup>            | 78,600    | 3,253,254   |
|  |           | 62,864,908  |
| <b>Materials 2.01%</b>                             |           |             |
| Crown Holdings, Inc. <sup>(a)(b)</sup>             | 56,063    | 2,064,800   |
| Georgia Gulf Corp. <sup>(a)(b)</sup>               | 30,700    | 1,070,816   |
| LG Chem, Ltd.                                      | 4,853     | 1,584,758   |
| Westlake Chemical Corp.                            | 13,100    | 848,749     |
|  |           | 5,569,123   |
| <b>Telecommunication Services 2.15%</b>            |           |             |
| DiGi.Com Bhd                                       | 555,000   | 735,531     |
| Maxis Bhd  | 1,262,900 | 2,510,547   |
| Philippine Long Distance Telephone Co.             | 20,310    | 1,277,210   |
| StarHub, Ltd.                                      | 300,669   | 741,477     |
| Telekom Malaysia Bhd                               | 395,200   | 686,295     |

5,951,060

| <b>Utilities 13.71%</b>                             |         |           |
|---|---------|-----------|
| AES Corp. <sup>(a)(b)(d)</sup>                      | 175,242 | 2,290,413 |
| Alliant Energy Corp. <sup>(b)(d)</sup>              | 33,200  | 1,438,224 |
| American Electric Power Co., Inc. <sup>(b)(d)</sup> | 77,700  | 2,997,666 |
| Calpine Corp. <sup>(a)(b)</sup>                     | 121,923 | 2,098,295 |
| CMS Energy Corp. <sup>(b)(d)</sup>                  | 67,900  | 1,493,800 |
| Duke Energy Corp. <sup>(b)(d)</sup>                 | 209,000 | 4,391,090 |
| Edison International <sup>(b)(d)</sup>              | 38,298  | 1,628,048 |
| Entergy Corp. <sup>(b)(d)</sup>                     | 16,700  | 1,122,240 |
| Exelon Corp. <sup>(b)</sup>                         | 26,505  | 1,039,261 |

|   | <b>Shares</b> | <b>Value</b> |
|---|---------------|--------------|
| <b>Utilities (continued)</b>                        |               |              |
| National Grid PLC - Sponsored ADR <sup>(b)(d)</sup> | 105,399       | \$5,320,541  |
| NiSource, Inc. <sup>(b)(d)</sup>                    | 81,054        | 1,973,665    |
| Northeast Utilities <sup>(b)(d)</sup>               | 36,697        | 1,362,193    |
| NV Energy, Inc. <sup>(b)(d)</sup>                   | 223,200       | 3,597,984    |
| OGE Energy Corp. <sup>(b)</sup>                     | 30,052        | 1,607,782    |
| The Williams Cos,<br>Inc. <sup>(b)(d)</sup>         | 182,796       | 5,631,945    |
|   |               | 37,993,147   |

**TOTAL COMMON STOCKS**

|                             |                    |
|-----------------------------|--------------------|
| <b>(Cost \$314,984,248)</b> | <b>343,798,554</b> |
|-----------------------------|--------------------|

**EXCHANGE TRADED FUNDS 0.38%**

|   |         |           |
|---|---------|-----------|
| iShares <sup>®</sup> MSCI Japan Index Fund <sup>(b)</sup> | 104,800 | 1,066,864 |
|---|---------|-----------|

**TOTAL EXCHANGE TRADED FUNDS**

|                           |                  |
|---------------------------|------------------|
| <b>(Cost \$1,056,326)</b> | <b>1,066,864</b> |
|---------------------------|------------------|

**PREFERRED STOCKS 0.39%**

|  |        |           |
|--|--------|-----------|
| The Goodyear Tire & Rubber Co.,<br>5.875% <sup>(b)</sup> | 26,000 | 1,077,180 |
|--|--------|-----------|

**TOTAL PREFERRED STOCKS**

|                           |                  |
|---------------------------|------------------|
| <b>(Cost \$1,301,625)</b> | <b>1,077,180</b> |
|---------------------------|------------------|

**Description and****Maturity Date****CORPORATE BONDS 2.38%**

Dana Holding Corp.

|                             |              |
|-----------------------------|--------------|
| <b>Principal<br/>Amount</b> | <b>Value</b> |
|-----------------------------|--------------|

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|   |           |           |
|---|-----------|-----------|
| 02/15/2021, 6.750% <sup>(b)</sup>       | \$830,000 | 888,100   |
| Ford Motor Credit Co. LLC               |           |           |
| 02/01/2021, 5.750% <sup>(b)</sup>       | 985,000   | 1,064,868 |
| Hanesbrands, Inc.                       |           |           |
| 12/15/2020, 6.375% <sup>(b)</sup>       | 860,000   | 887,950   |
| Manufacturers & Traders Trust Co.       |           |           |
| 12/01/2021, 5.629% <sup>(b)(f)</sup>    | 1,435,000 | 1,404,627 |
| TAM Capital 2, Inc.                     |           |           |
| 01/29/2020,<br>9.500% <sup>(b)(g)</sup> | 775,000   | 853,662   |
| Visteon Corp.                           |           |           |
| 04/15/2019, 6.750% <sup>(b)</sup>       | 1,455,000 | 1,484,100 |

**TOTAL CORPORATE BONDS**

(Cost \$6,302,470) 6,583,307

**ASSET/MORTGAGE BACKED SECURITIES 0.26%**

|  |         |         |
|--|---------|---------|
| Freddie Mac REMICS   |         |         |
| Series 2007-3271, Class AS, 02/15/2037, 37.369% <sup>(b)(e)(f)</sup> | 472,229 | 585,045 |



**Table of Contents****Statement of Investments**

March 31, 2012

**Clough Global Equity Fund****Description and**

|  | <b>Principal<br/>Amount</b>    | <b>Value</b> |
|--|--------------------------------|--------------|
| <b>Maturity Date</b>   |                                |              |
| <b>ASSET/MORTGAGE BACKED SECURITIES (continued)</b>                              |                                |              |
| Government National Mortgage Association (GNMA)                                  |                                |              |
| Series 2007-37, Class SA, 03/20/2037, 21.265% <sup>(b)(f)</sup>                  | \$98,311                       | \$106,211    |
| Series 2007-37, Class SB, 03/20/2037, 21.265% <sup>(b)(f)</sup>                  | 40,543                         | 41,998       |
| <b>TOTAL ASSET/MORTGAGE BACKED SECURITIES</b>                                    |                                |              |
| <b>(Cost \$595,447)</b>  |                                | 733,254      |
| <b>GOVERNMENT &amp; AGENCY OBLIGATIONS 5.58%</b>                                 |                                |              |
| U.S. Treasury Bonds  |                                |              |
| 11/15/2020, 2.625% <sup>(b)</sup>  | 6,770,000                      | 7,116,963    |
| 05/15/2021, 3.125% <sup>(b)</sup>  | 4,675,000                      | 5,086,984    |
| 02/15/2026, 6.000% <sup>(b)</sup>  | 2,370,000                      | 3,266,898    |
| <b>TOTAL GOVERNMENT &amp; AGENCY</b>   |                                |              |
| <b>OBLIGATIONS</b>   |                                |              |
| <b>(Cost \$15,682,232)</b>   |                                | 15,470,845   |
|  | <b>Number of<br/>Contracts</b> | <b>Value</b> |
| <b>PURCHASED OPTIONS 0.81%</b>   |                                |              |
| <b>CALL OPTIONS PURCHASED 0.02%</b>  |                                |              |
| Market Vectors Oil Service ETF, Expires January, 2013, Exercise Price \$53.33    | 939                            | 61,035       |
| <b>TOTAL CALL OPTIONS PURCHASED</b>  |                                |              |
| <b>(Cost \$160,264)</b>  |                                | 61,035       |
| <b>PUT OPTIONS PURCHASED 0.79%</b>   |                                |              |
| United States Natural Gas Fund LP, Expires July, 2012, Exercise Price \$16.00    | 1,600                          | 268,800      |
| United States Natural Gas Fund LP, Expires July, 2012, Exercise Price \$19.00    | 2,821                          | 1,043,770    |
| United States Natural Gas Fund LP, Expires October, 2012, Exercise Price \$17.00 | 2,990                          | 868,595      |
| <b>TOTAL PUT OPTIONS PURCHASED</b>   |                                |              |
| <b>(Cost \$1,281,665)</b>  |                                | 2,181,165    |

**TOTAL PURCHASED OPTIONS**

(Cost \$1,441,929) 2,242,200

|  | Shares     | Value      |
|--|------------|------------|
| <b>SHORT-TERM INVESTMENTS 19.88%</b>   |            |            |
| <b>Money Market Fund</b>   |            |            |
| Dreyfus Treasury Prime Money Market Fund (0.000% 7-day yield) <sup>(h)</sup> | 30,688,906 | 30,688,906 |

|   | Principal Amount | Value       |
|---|------------------|-------------|
| <b>SHORT-TERM INVESTMENTS (continued)</b> |                  |             |
| <b>U.S. Treasury Bills</b>                |                  |             |
| U.S. Treasury Bill Discount Notes         |                  |             |
| 05/03/2012,<br>0.060% <sup>(b)(i)</sup>   | \$3,000,000      | \$2,999,837 |
| 08/09/2012,<br>0.120% <sup>(b)(i)</sup>   | 2,200,000        | 2,199,015   |
| 11/15/2012,<br>0.129% <sup>(b)(i)</sup>   | 10,200,000       | 10,191,643  |
| 02/07/2013,<br>0.178% <sup>(b)(i)</sup>   | 9,000,000        | 8,987,193   |
|   |                  | 24,377,688  |
| <b>TOTAL SHORT-TERM INVESTMENTS</b>       |                  |             |
| (Cost \$55,065,522)                       |                  | 55,066,594  |

**Total Investments - 153.77%**

(Cost \$396,429,799) 426,038,798

Liabilities in Excess of Other Assets - (53.77%) (148,977,319)

NET ASSETS - 100.00% \$277,061,479

|   | Number of Contracts | Value       |
|---|---------------------|-------------|
| <b>SCHEDULE OF OPTIONS WRITTEN</b>                        |                     |             |
| <b>CALL OPTIONS WRITTEN</b>                               |                     |             |
| Apple, Inc., Expires April, 2012, Exercise Price \$525.00 | 38                  | \$(290,605) |
| <b>TOTAL CALL OPTIONS WRITTEN</b>                         |                     |             |
| (Premiums received \$66,763)                              |                     | (290,605)   |

|   | Shares | Value |
|---|--------|-------|
| <b>SCHEDULE OF SECURITIES SOLD SHORT <sup>(a)</sup></b> |        |       |
| <b>COMMON STOCK</b>                                     |        |       |

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|   |           |             |
|---|-----------|-------------|
| Alpha Natural Resources, Inc.                       | (88,019)  | (1,338,769) |
| ArcelorMittal - New York Registered Shares          | (38,445)  | (735,453)   |
| Banco Santander S.A.                                | (177,579) | (1,366,557) |
| Barclays PLC - ADR                                  | (25,618)  | (388,113)   |
| Basic Energy Services, Inc.                         | (60,686)  | (1,052,902) |
| BHP Billiton, Ltd. - ADR                            | (50,860)  | (3,682,264) |
| BNP Paribas S.A.                                    | (14,644)  | (694,808)   |
| C&J Energy Services, Inc.                           | (25,896)  | (460,690)   |
| Cablevision Systems Corp. - New York Group A Shares | (67,100)  | (985,028)   |
| Caterpillar, Inc.                                   | (27,890)  | (2,970,843) |
| Chesapeake Energy Corp.                             | (75,200)  | (1,742,384) |
| Cimarex Energy Co.                                  | (14,000)  | (1,056,580) |
| Cloud Peak Energy, Inc.                             | (95,100)  | (1,514,943) |
| Credit Agricole S.A.                                | (85,370)  | (530,581)   |
| Deutsche Bank AG                                    | (14,261)  | (710,055)   |
| EXCO Resources, Inc.                                | (107,167) | (710,517)   |
| Fiat SpA  | (96,789)  | (569,021)   |
| Fortescue Metals Group, Ltd.                        | (210,563) | (1,267,230) |
| Freeport-McMoRan Copper & Gold, Inc.                | (47,399)  | (1,803,058) |
| Gannett Co., Inc.                                   | (73,500)  | (1,126,755) |
| Gardner Denver, Inc.                                | (16,700)  | (1,052,434) |

**Table of Contents****Clough Global Equity Fund****Statement of Investments**

March 31, 2012

**SCHEDULE OF SECURITIES SOLD**

| <b>SHORT <sup>(a)</sup> (continued)</b> | <b>Shares</b> | <b>Value</b> |
|---|---------------|--------------|
| Intesa Sanpaolo SpA                     | (376,815)     | \$(675,442)  |
| Joy Global, Inc.                        | (2,362)       | (173,607)    |
| Key Energy Services, Inc.               | (83,248)      | (1,286,182)  |
| Komatsu, Ltd.                           | (28,200)      | (803,719)    |
| Nabors Industries, Ltd.                 | (103,800)     | (1,815,462)  |
| Oracle Corp.                            | (44,400)      | (1,294,704)  |
| Patterson-UTI Energy, Inc.              | (108,900)     | (1,882,881)  |
| Peabody Energy Corp.                    | (40,300)      | (1,167,088)  |
| Petroleo Brasileiro<br>S.A. - ADR       | (80,100)      | (2,127,456)  |
| The Procter & Gamble Co.                | (32,000)      | (2,150,720)  |
| Rio Tinto PLC - ADR                     | (62,501)      | (3,474,431)  |
| RR Donnelley & Sons Co.                 | (62,906)      | (779,405)    |
| Salesforce.com, Inc.                    | (2,646)       | (408,833)    |
| Schneider Electric S.A.                 | (33,587)      | (2,194,517)  |
| Siemens AG - ADR                        | (3,329)       | (335,696)    |
| Societe Generale S.A.                   | (16,652)      | (487,818)    |
| Superior Energy Services, Inc.          | (17,395)      | (458,532)    |
| Vale SA - ADR                           | (166,070)     | (3,874,413)  |
| Volvo AB                                | (19,880)      | (289,675)    |
| The Weir Group PLC                      | (22,875)      | (645,417)    |
|   |               | (52,084,983) |

**EXCHANGE TRADED NOTES**

|   |          |             |
|---|----------|-------------|
| iPath <sup>®</sup> Dow Jones-UBS Copper Subindex Total Return ETN | (43,100) | (2,114,917) |
|   |          | (2,114,917) |

**EXCHANGE TRADED FUNDS**

|   |           |              |
|---|-----------|--------------|
| iShares <sup>®</sup> MSCI Australia Index Fund            | (24,773)  | (582,413)    |
| iShares <sup>®</sup> MSCI Hong Kong Index Fund            | (26,812)  | (467,601)    |
| iShares <sup>®</sup> Russell 2000 <sup>®</sup> Index Fund | (114,670) | (9,500,410)  |
| SPDR <sup>®</sup> S&P 500 <sup>®</sup> ETF Trust          | (66,000)  | (9,287,520)  |
| United States Natural Gas Fund LP                         | (325,518) | (5,182,247)  |
|   |           | (25,020,191) |

**TOTAL SECURITIES SOLD SHORT**

**(Proceeds \$80,840,343)** \$ (79,220,091)

(a) Non-income producing security.

(b)

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*Pledged security; a portion or all of the security is pledged as collateral for securities sold short or borrowings as of March 31, 2012. (See Note 1 and Note 6)*

- (c) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. As of March 31, 2012, these securities had a total value of \$2,621,339 or 0.95% of net assets.*
- (d) Loaned security; a portion or all of the security is on loan at March 31, 2012.*
- (e) Fair valued security; valued by management in accordance with procedures approved by the Fund's Board of Trustees. As of March 31, 2012, these securities had a total value of \$614,989 or 0.22% of total net assets.*
- (f) Floating or variable rate security - rate disclosed as of March 31, 2012.*
- (g) Securities were purchased pursuant to Regulation S under the Securities Act of 1933, which exempts securities offered and sold outside of the United States from registration. Such securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. These securities have been deemed liquid under guidelines approved by the Fund's Board of Trustees. As of March 31, 2012, the aggregate market value of those securities was \$853,662, representing 0.31% of net assets.*
- (h) Less than 0.0005%.*
- (i) Rate shown represents the bond equivalent yield to maturity at date of purchase.*

*See Notes to the Financial Statements.*

**Table of Contents****Statement of Investments**

March 31, 2012

**Clough Global Opportunities Fund**

|  | Shares     | Value       |
|--|------------|-------------|
| <b>COMMON STOCKS 119.67%</b>                               |            |             |
| <b>Consumer Discretionary 15.37%</b>                       |            |             |
| Allison Transmission Holdings, Inc. <sup>(a)(b)(c)</sup>   | 140,000    | \$3,343,200 |
| AMC Networks, Inc. - Class A <sup>(a)(b)</sup>             | 63,918     | 2,852,660   |
| Arezzo Industria e Comercio S.A.                           | 96,395     | 1,653,889   |
| Bosideng International Holdings, Ltd.                      | 22,744,000 | 7,117,065   |
| CBS Corp. - Class B <sup>(b)</sup>                         | 203,431    | 6,898,345   |
| China Lilang, Ltd.   | 2,317,000  | 2,473,480   |
| Cia Hering   | 87,300     | 2,254,893   |
| Cinemark Holdings, Inc. <sup>(b)</sup>                     | 333,353    | 7,317,098   |
| Focus Media Holding, Ltd. - ADR <sup>(b)(d)</sup>          | 261,847    | 6,577,597   |
| Galaxy Entertainment Group, Ltd. <sup>(a)</sup>            | 677,000    | 1,870,009   |
| The Goodyear Tire & Rubber Co. <sup>(a)(b)</sup>           | 27,074     | 303,770     |
| H&R Block, Inc. <sup>(b)(d)</sup>                          | 635,812    | 10,471,824  |
| Lamar Advertising Co. - Class A <sup>(a)(b)(d)</sup>       | 130,325    | 4,223,833   |
| Las Vegas Sands Corp. <sup>(b)</sup>                       | 10,647     | 612,948     |
| Liberty Global, Inc. - Class A <sup>(a)(b)</sup>           | 56,700     | 2,839,536   |
| Liberty Interactive Corp. - Class A <sup>(a)(b)(d)</sup>   | 334,902    | 6,393,279   |
| Liberty Media Corp. - Liberty Capital <sup>(a)(b)(d)</sup> | 85,846     | 7,567,325   |
| Man Wah Holdings, Ltd.                                     | 6,430,900  | 3,759,719   |
| MGM Resorts International <sup>(a)(b)(d)</sup>             | 216,763    | 2,952,312   |
| Monro Muffler Brake, Inc. <sup>(b)</sup>                   | 39,000     | 1,618,110   |
| News Corp. - Class A <sup>(b)(d)</sup>                     | 340,600    | 6,706,414   |
| Orient-Express Hotels, Ltd. <sup>(a)(b)</sup>              | 296,550    | 3,024,810   |
| priceline.com, Inc. <sup>(a)(b)</sup>                      | 2,200      | 1,578,500   |
| Time Warner, Inc. <sup>(b)(d)</sup>                        | 163,636    | 6,177,259   |
| Viacom, Inc. - Class B <sup>(b)(d)</sup>                   | 162,600    | 7,716,996   |
| The Walt Disney Co. <sup>(b)</sup>                         | 41,309     | 1,808,508   |
|  |            | 110,113,379 |
| <b>Consumer Staples 2.86%</b>                              |            |             |
| Brazil Pharma S.A. <sup>(a)(c)</sup>                       | 282,974    | 1,635,419   |
| China Mengniu Dairy Co., Ltd.                              | 780,000    | 2,285,093   |

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|  |               |              |
|--|---------------|--------------|
| China Resources Enterprise, Ltd.                       | 892,600       | 3,114,971    |
| Cia de Bebidas das Americas -<br>ADR <sup>(b)(d)</sup> | 109,900       | 4,541,068    |
| Raia Drogasil S.A.                                     | 109,048       | 1,047,200    |
| Tingyi (Cayman Islands) Holding Corp.                  | 1,130,000     | 3,266,800    |
| Vinda International Holdings, Ltd.                     | 2,135,589     | 3,300,097    |
|  | <b>Shares</b> | <b>Value</b> |
| <b>Consumer Staples (continued)</b>                    |               |              |
| Want Want China Holdings, Ltd.                         | 1,144,000     | \$1,278,714  |
|  |               | 20,469,362   |

**Energy 22.71%**

*Non-North American Producers 2.51%*

|  |         |            |
|--|---------|------------|
| BP PLC - Sponsored<br>ADR <sup>(b)</sup>             | 92,400  | 4,158,000  |
| Inpex Corp.  | 371     | 2,505,606  |
| InterOil<br>Corp. <sup>(a)(b)(d)</sup>               | 108,009 | 5,552,743  |
| OGX Petroleo e Gas Participacoes S.A. <sup>(a)</sup> | 697,100 | 5,774,002  |
|  |         | 17,990,351 |

*Oil Leveraged Exploration & Production*

*3.21%*

|  |         |            |
|--|---------|------------|
| Anadarko Petroleum<br>Corp. <sup>(b)(d)</sup>      | 75,439  | 5,909,891  |
| Energy XXI Bermuda,<br>Ltd. <sup>(a)(b)</sup>      | 49,663  | 1,793,331  |
| EOG Resources, Inc. <sup>(b)(d)</sup>              | 32,200  | 3,577,420  |
| Hess Corp. <sup>(b)</sup>                          | 49,362  | 2,909,890  |
| Petrobank Energy & Resources, Ltd. <sup>(a)</sup>  | 142,033 | 2,252,706  |
| Pioneer Natural Resources<br>Co. <sup>(b)(d)</sup> | 58,700  | 6,550,333  |
|  |         | 22,993,571 |

*Oil Services & Drillers 9.31%*

|   |         |            |
|---|---------|------------|
| Cameron International Corp. <sup>(a)(b)(d)</sup>    | 120,540 | 6,368,128  |
| Diamond Offshore Drilling,<br>Inc. <sup>(b)</sup>   | 66,700  | 4,452,225  |
| Ensco PLC - Sponsored<br>ADR <sup>(b)(d)</sup>      | 149,098 | 7,891,757  |
| National Oilwell Varco,<br>Inc. <sup>(b)(d)</sup>   | 168,795 | 13,414,139 |
| Noble<br>Corp. <sup>(a)(b)</sup>                    | 179,600 | 6,729,612  |
| Oil States International, Inc. <sup>(a)(b)(d)</sup> | 63,440  | 4,952,126  |
| Rowan Cos.,<br>Inc. <sup>(a)(b)</sup>               | 78,822  | 2,595,609  |
| Seadrill,<br>Ltd. <sup>(b)(d)</sup>                 | 110,800 | 4,156,108  |
| Tidewater,<br>Inc. <sup>(b)</sup>                   | 117,700 | 6,358,154  |
| Transocean, Ltd. <sup>(b)(d)</sup>                  | 178,400 | 9,758,480  |
|   |         | 66,676,338 |

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|  |         |            |
|--|---------|------------|
| <i>Refiners 5.06%</i>                      |         |            |
| HollyFrontier Corp. <sup>(b)</sup>         | 187,760 | 6,036,484  |
| Marathon Petroleum Corp. <sup>(b)(d)</sup> | 327,991 | 14,221,690 |
| Tesoro Corp. <sup>(a)(b)</sup>             | 158,300 | 4,248,772  |
| Valero Energy Corp. <sup>(b)</sup>         | 263,700 | 6,795,549  |
| Western Refining, Inc. <sup>(b)</sup>      | 260,037 | 4,893,896  |
|  |         | 36,196,391 |

|                                      |         |           |
|--------------------------------------|---------|-----------|
| <i>Tankers 2.62%</i>                 |         |           |
| Golar LNG Partners LP <sup>(b)</sup> | 119,744 | 4,444,897 |



**Table of Contents****Clough Global Opportunities Fund****Statement of Investments**

March 31, 2012

|   | Shares     | Value              |
|---|------------|--------------------|
| <b>Energy (continued)</b>                                     |            |                    |
| Golar LNG, Ltd. <sup>(b)(d)</sup>                             | 376,910    | \$14,341,426       |
|   |            | 18,786,323         |
| <b>TOTAL ENERGY</b>   |            | <b>162,642,974</b> |
| <b>Energy Infrastructure &amp; Capital Equipment 2.69%</b>    |            |                    |
| Dresser-Rand Group, Inc. <sup>(a)(b)(d)</sup>                 | 56,597     | 2,625,535          |
| Foster Wheeler AG <sup>(a)(b)</sup>                           | 168,400    | 3,832,784          |
| KBR, Inc. <sup>(b)</sup>                                      | 73,600     | 2,616,480          |
| McDermott International, Inc. <sup>(a)(b)</sup>               | 555,300    | 7,113,393          |
| Tenaris S.A. - ADR <sup>(b)</sup>                             | 80,004     | 3,058,553          |
|   |            | 19,246,745         |
| <b>Financials 32.78%</b>                                      |            |                    |
| <i>Capital Markets 9.96%</i>                                  |            |                    |
| Ares Capital Corp. <sup>(b)(d)</sup>                          | 1,095,236  | 17,907,109         |
| CITIC Securities Co., Ltd. - Class H <sup>(a)</sup>           | 919,000    | 1,846,154          |
| The Goldman Sachs Group, Inc. <sup>(b)(d)</sup>               | 99,200     | 12,337,504         |
| Golub Capital BDC, Inc. <sup>(b)(d)</sup>                     | 226,900    | 3,464,763          |
| Indochina Capital Vietnam Holdings, Ltd. <sup>(a)(c)(e)</sup> | 54,585     | 69,869             |
| Medley Capital Corp. <sup>(b)(d)</sup>                        | 146,188    | 1,647,539          |
| Morgan Stanley <sup>(b)(d)</sup>                              | 606,698    | 11,915,549         |
| PennantPark Floating Rate Capital, Ltd. <sup>(b)</sup>        | 92,500     | 1,086,875          |
| PennantPark Investment Corp. <sup>(b)</sup>                   | 726,788    | 7,558,595          |
| Solar Capital, Ltd. <sup>(b)(d)</sup>                         | 487,745    | 10,764,532         |
| Solar Senior Capital, Ltd. <sup>(b)(d)</sup>                  | 167,431    | 2,697,313          |
|   |            | 71,295,802         |
| <i>Commercial Banks 3.82%</i>                                 |            |                    |
| Bank of China, Ltd. - Class H                                 | 16,058,000 | 6,472,373          |
| China Construction Bank Corp. - Class H                       | 14,869,203 | 11,488,590         |
| Industrial & Commercial Bank of China - Class H               | 14,559,600 | 9,393,230          |
|   |            | 27,354,193         |

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*Consumer Finance 2.52%*

|  |        |           |
|--|--------|-----------|
| Discover Financial Services <sup>(b)</sup>   | 54,500 | 1,817,030 |
| Mastercard, Inc. - Class A <sup>(b)(d)</sup> | 19,628 | 8,254,359 |
| Visa, Inc. - Class A <sup>(b)(d)</sup>       | 67,683 | 7,986,594 |

18,057,983

*Diversified Financials 6.98%*

|  |           |            |
|--|-----------|------------|
| Bank of America Corp. <sup>(b)(d)</sup>      | 2,481,917 | 23,751,946 |
| Citigroup, Inc. <sup>(b)(d)</sup>            | 432,846   | 15,820,521 |
| The NASDAQ OMX Group, Inc. <sup>(a)(b)</sup> | 46,772    | 1,211,395  |

**Shares Value**

**Financials (continued)**

|   |         |             |
|---|---------|-------------|
| People's United Financial, Inc. <sup>(b)(d)</sup> | 480,652 | \$6,363,832 |
| Valley National Bancorp <sup>(b)(d)</sup>         | 220,985 | 2,861,756   |

50,009,450

*Mortgage-Backed Securities Real Estate Investment*

*Trusts 6.71%*

|   |         |            |
|---|---------|------------|
| American Capital Agency Corp. <sup>(b)(d)</sup>           | 524,115 | 15,482,357 |
| American Capital Mortgage Investment Corp. <sup>(b)</sup> | 96,554  | 2,101,981  |
| Capstead Mortgage Corp. <sup>(b)(d)</sup>                 | 825,479 | 10,822,030 |
| CYS Investments, Inc. <sup>(b)(d)</sup>                   | 364,122 | 4,766,357  |
| Dynex Capital, Inc. <sup>(b)(d)</sup>                     | 405,253 | 3,870,166  |
| Hatteras Financial Corp. <sup>(b)</sup>                   | 395,187 | 11,025,717 |

48,068,608

*Real Estate Investment Trusts 1.32%*

|   |           |           |
|---|-----------|-----------|
| AIMS AMP Capital Industrial REIT        | 442,692   | 396,188   |
| Ascendas Real Estate Investment Trust   | 3,597,000 | 5,780,152 |
| Ascott Residence Trust                  | 1,781,824 | 1,509,600 |
| Select Income REIT <sup>(a)(b)(c)</sup> | 77,000    | 1,738,660 |

9,424,600

*Real Estate Management & Development 1.47%*

|  |         |           |
|--|---------|-----------|
| Aliansce Shopping Centers S.A.                     | 124,534 | 1,181,587 |
| BHG S.A. - Brazil Hospitality Group <sup>(a)</sup> | 111,949 | 1,349,190 |
| BR Malls Participacoes S.A.                        | 230,248 | 2,976,720 |
| Iguatemi Empresa de Shopping Centers S.A.          | 43,830  | 1,006,041 |
| Multiplan Empreendimentos Imobiliarios S.A.        | 77,900  | 1,788,484 |
| Sonae Sierra Brasil S.A.                           | 140,238 | 2,237,877 |

10,539,899

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|                         |  |             |
|-------------------------|--|-------------|
| <b>TOTAL FINANCIALS</b> |  | 234,750,535 |
|-------------------------|--|-------------|

**Health Care 1.42%**

|                                |         |            |
|--------------------------------|---------|------------|
| Sanofi - ADR <sup>(b)(d)</sup> | 261,718 | 10,141,572 |
|--------------------------------|---------|------------|

**Industrials 6.25%**

|   |         |           |
|---|---------|-----------|
| Brenntag AG   | 60,270  | 7,380,722 |
| Copa Holdings S.A. <sup>(b)</sup>                       | 26,388  | 2,089,929 |
| Delta Air Lines, Inc. <sup>(a)(b)(d)</sup>              | 617,879 | 6,123,181 |
| Sensata Technologies Holding<br>NV <sup>(a)(b)(d)</sup> | 131,100 | 4,389,228 |
| TE Connectivity, Ltd. <sup>(b)</sup>                    | 100,500 | 3,693,375 |
| Towers Watson & Co. <sup>(b)</sup>                      | 25,900  | 1,711,213 |
| TransDigm Group, Inc. <sup>(a)(b)</sup>                 | 83,347  | 9,648,249 |

**Table of Contents****Statement of Investments**

March 31, 2012

**Clough Global Opportunities Fund**

|  | Shares     | Value       |
|--|------------|-------------|
| <b>Industrials (continued)</b>                         |            |             |
| United Continental Holdings, Inc. <sup>(a)(b)(d)</sup> | 126,180    | \$2,712,870 |
| Verisk Analytics, Inc. - Class A <sup>(a)(b)</sup>     | 81,313     | 3,819,272   |
| Wesco Aircraft Holdings, Inc. <sup>(a)(b)(d)</sup>     | 198,300    | 3,212,460   |
|  |            | 44,780,499  |
| <b>Information Technology 22.91%</b>                   |            |             |
| Apple, Inc. <sup>(a)(b)(d)</sup>                       | 31,615     | 18,952,244  |
| Arrow Electronics, Inc. <sup>(a)(b)(d)</sup>           | 292,600    | 12,280,422  |
| Avnet, Inc. <sup>(a)(b)(d)</sup>                       | 261,758    | 9,525,373   |
| eBay, Inc. <sup>(a)(b)(d)</sup>                        | 273,918    | 10,104,835  |
| EMC Corp. <sup>(a)(b)(d)</sup>                         | 240,359    | 7,181,927   |
| Google, Inc. - Class A <sup>(a)(b)(d)</sup>            | 36,714     | 23,542,485  |
| Lenovo Group, Ltd.                                     | 14,474,000 | 13,028,473  |
| Micron Technology, Inc. <sup>(a)(b)(d)</sup>           | 280,410    | 2,271,321   |
| Microsoft Corp. <sup>(b)(d)</sup>                      | 884,979    | 28,540,573  |
| Samsung Electronics Co., Ltd.                          | 8,506      | 9,571,643   |
| Seagate Technology <sup>(b)(d)</sup>                   | 391,900    | 10,561,705  |
| VeriFone Systems, Inc. <sup>(a)(b)</sup>               | 92,595     | 4,802,903   |
| Viasat, Inc. <sup>(a)(b)</sup>                         | 109,200    | 5,264,532   |
| Western Digital Corp. <sup>(a)(b)(d)</sup>             | 205,000    | 8,484,950   |
|  |            | 164,113,386 |
| <b>Materials 2.03%</b>                                 |            |             |
| Crown Holdings, Inc. <sup>(a)(b)</sup>                 | 146,498    | 5,395,521   |
| Georgia Gulf Corp. <sup>(a)(b)</sup>                   | 80,100     | 2,793,888   |
| LG Chem, Ltd.  | 12,660     | 4,134,151   |
| Westlake Chemical Corp. <sup>(b)</sup>                 | 34,100     | 2,209,339   |
|  |            | 14,532,899  |
| <b>Telecommunication Services 2.17%</b>                |            |             |
| DiGi.Com Bhd   | 1,450,000  | 1,921,658   |
| Maxis Bhd  | 3,314,700  | 6,589,366   |
| Philippine Long Distance Telephone Co.                 | 53,015     | 3,333,889   |

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|                      |           |            |
|----------------------|-----------|------------|
| StarHub, Ltd.        | 783,893   | 1,933,152  |
| Telekom Malaysia Bhd | 1,033,200 | 1,794,230  |
|                      |           | 15,572,295 |

**Utilities 8.48%**

|  |         |           |
|--|---------|-----------|
| AES Corp. <sup>(a)(b)</sup>                            | 457,046 | 5,973,591 |
| American Electric Power Co.,<br>Inc. <sup>(b)(d)</sup> | 102,700 | 3,962,166 |
| Calpine Corp. <sup>(a)(b)</sup>                        | 318,244 | 5,476,979 |
| CMS Energy Corp. <sup>(b)(d)</sup>                     | 130,300 | 2,866,600 |
| Edison<br>International <sup>(b)(d)</sup>              | 93,097  | 3,957,553 |

**Shares Value**

**Utilities (continued)**

|  |         |              |
|--|---------|--------------|
| National Grid PLC - Sponsored<br>ADR <sup>(b)(d)</sup> | 250,729 | \$12,656,800 |
| NiSource, Inc. <sup>(b)(d)</sup>                       | 149,873 | 3,649,408    |
| Northeast Utilities <sup>(b)(d)</sup>                  | 88,731  | 3,293,695    |
| OGE Energy<br>Corp. <sup>(b)(d)</sup>                  | 78,491  | 4,199,268    |
| The Williams Cos,<br>Inc. <sup>(b)(d)</sup>            | 477,033 | 14,697,387   |

60,733,447

**TOTAL COMMON STOCKS**

**(Cost \$794,092,250)** 857,097,093

**EXCHANGE TRADED FUNDS 0.39%**

|   |         |           |
|---|---------|-----------|
| iShares <sup>®</sup> MSCI Japan Index Fund <sup>(b)</sup> | 273,500 | 2,784,230 |
|---|---------|-----------|

**TOTAL EXCHANGE TRADED FUNDS**

**(Cost \$2,756,728)** 2,784,230

**PREFERRED STOCKS 0.39%**

|  |        |           |
|--|--------|-----------|
| The Goodyear Tire & Rubber<br>Co., 5.875% <sup>(b)</sup> | 67,800 | 2,808,954 |
|--|--------|-----------|

**TOTAL PREFERRED STOCKS**

**(Cost \$3,394,237)** 2,808,954

**Description and**

| <b>Maturity Date</b>                                    | <b>Principal<br/>Amount</b> | <b>Value</b> |
|---|-----------------------------|--------------|
| <b>CORPORATE BONDS 2.35%</b>                            |                             |              |
| Dana Holding Corp.<br>02/15/2021, 6.750% <sup>(b)</sup> | \$2,165,000                 | 2,316,550    |
| Ford Motor Credit Co. LLC                               |                             |              |

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|  |           |           |
|--|-----------|-----------|
| 02/01/2021, 5.750% <sup>(b)</sup><br>Hanesbrands, Inc.                 | 2,415,000 | 2,610,818 |
| 12/15/2020, 6.375% <sup>(b)</sup><br>Manufacturers & Traders Trust Co. | 2,105,000 | 2,173,413 |
| 12/01/2021, 5.629% <sup>(b)(f)</sup><br>TAM Capital 2, Inc.            | 3,680,000 | 3,602,109 |
| 01/29/2020, 9.500% <sup>(b)(g)</sup><br>Visteon Corp.                  | 2,205,000 | 2,428,807 |
| 04/15/2019, 6.750% <sup>(b)</sup>                                      | 3,650,000 | 3,723,000 |

**TOTAL CORPORATE BONDS**

**(Cost \$16,120,494)** 16,854,697

**ASSET/MORTGAGE BACKED SECURITIES 0.06%**

|  |         |         |
|--|---------|---------|
| Government National Mortgage Association (GNMA) Series 2007-37, Class SA,<br>03/20/2037, 21.265% <sup>(b)(f)</sup> | 265,019 | 286,316 |
|--|---------|---------|

Table of Contents

## Clough Global Opportunities Fund

## Statement of Investments

March 31, 2012

## Description and

|   | Principal<br>Amount            | Value        |
|---|--------------------------------|--------------|
| <b>Maturity Date</b>  |                                |              |
| <b>ASSET/MORTGAGE BACKED SECURITIES (continued)</b>                           |                                |              |
| Series 2007-37, Class SB, 03/20/2037, 21.265% <sup>(b)(f)</sup>               | \$ 109,293                     | \$ 113,215   |
| <b>TOTAL ASSET/MORTGAGE BACKED SECURITIES</b>                                 |                                |              |
| <b>(Cost \$347,667)</b>   |                                | 399,531      |
| <b>GOVERNMENT &amp; AGENCY OBLIGATIONS 10.81%</b>                             |                                |              |
| U.S. Treasury Bonds   |                                |              |
| 08/15/2020, 2.625% <sup>(b)</sup>   | 20,000,000                     | 21,079,700   |
| 11/15/2020, 2.625% <sup>(b)</sup>   | 12,830,000                     | 13,487,537   |
| 02/15/2021, 3.625% <sup>(b)</sup>   | 18,570,000                     | 21,016,022   |
| 05/15/2021, 3.125% <sup>(b)</sup>   | 12,200,000                     | 13,275,125   |
| 02/15/2026, 6.000% <sup>(b)</sup>   | 6,180,000                      | 8,518,747    |
| <b>TOTAL GOVERNMENT &amp; AGENCY OBLIGATIONS</b>                              |                                |              |
| <b>(Cost \$78,045,912)</b>  |                                | 77,377,131   |
|   | <b>Number of<br/>Contracts</b> | <b>Value</b> |
| <b>PURCHASED OPTIONS 1.46%</b>  |                                |              |
| <b>CALL OPTIONS PURCHASED 0.67%</b>   |                                |              |
| Cameron International Corp., Expires January, 2013, Exercise Price \$57.50    | 1,000                          | 460,000      |
| EnSCO PLC, Expires January, 2013, Exercise Price \$55.00                      | 1,000                          | 485,000      |
| Market Vectors Oil Service ETF, Expires January, 2013, Exercise Price \$53.33 | 2,514                          | 163,410      |
| Microsoft Corp., Expires January, 2013, Exercise Price \$30.00                | 1,792                          | 654,080      |
| Noble Corp., Expires January, 2013, Exercise Price \$40.00                    | 1,000                          | 327,500      |
| Transocean, Ltd., Expires January, 2013, Exercise Price \$50.00               | 1,000                          | 947,500      |
| The Walt Disney Co., Expires July, 2012, Exercise Price \$41.00               | 4,500                          | 1,777,500    |
| <b>TOTAL CALL OPTIONS PURCHASED</b>   |                                |              |
| <b>(Cost \$5,218,932)</b>   |                                | 4,814,990    |
| <b>PUT OPTIONS PURCHASED 0.79%</b>  |                                |              |
| United States Natural Gas Fund LP, Expires July, 2012, Exercise Price \$16.00 | 4,000                          | 672,000      |
| United States Natural Gas Fund LP, Expires July, 2012, Exercise Price \$19.00 | 7,241                          | 2,679,170    |
|   | <b>Number of<br/>Contracts</b> | <b>Value</b> |
| <b>PUT OPTIONS PURCHASED (continued)</b>                                      |                                |              |
|   | 7,869                          | \$2,285,945  |

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United States Natural Gas Fund LP, Expires October, 2012, Exercise Price  
\$17.00

### TOTAL PUT OPTIONS PURCHASED

(Cost \$3,311,423) 5,637,115

### TOTAL PURCHASED OPTIONS

(Cost \$8,530,355) 10,452,105

|  | Shares/<br>Principal<br>Amount | Value      |
|--|--------------------------------|------------|
| <b>SHORT-TERM INVESTMENTS 18.72%</b>   |                                |            |
| <b>Money Market Fund</b>   |                                |            |
| Dreyfus Treasury Prime Money Market Fund (0.000% 7-day yield) <sup>(h)</sup> | 69,232,507                     | 69,232,507 |

#### U.S. Treasury Bills

|  |              |            |
|--|--------------|------------|
| <b>U.S. Treasury Bill Discount Notes</b> |              |            |
| 05/03/2012, 0.060% <sup>(b)(i)</sup>     | \$21,500,000 | 21,498,835 |
| 08/09/2012, 0.120% <sup>(b)(i)</sup>     | 11,200,000   | 11,194,984 |
| 11/15/2012, 0.139% <sup>(b)(i)</sup>     | 22,200,000   | 22,180,404 |
| 02/07/2013, 0.190% <sup>(b)(i)</sup>     | 10,000,000   | 9,985,770  |
|  |              | 64,859,993 |

### TOTAL SHORT-TERM INVESTMENTS

(Cost \$134,090,177) 134,092,500

#### Total Investments - 153.85%

(Cost \$1,037,377,820) 1,101,866,241

Liabilities in Excess of Other  
Assets - (53.85%) (385,653,273)

NET ASSETS - 100.00% \$716,212,968

### SCHEDULE OF OPTIONS WRITTEN

|   | Number of<br>Contracts | Value       |
|---|------------------------|-------------|
| <b>CALL OPTIONS WRITTEN</b>                                     |                        |             |
| Apple, Inc., Expires April, 2012, Exercise Price \$525.00       | 101                    | \$(772,398) |
| The Walt Disney Co., Expires July, 2012, Exercise Price \$46.00 | 4,500                  | (479,250)   |

### TOTAL CALL OPTIONS WRITTEN

(Premiums received \$601,577) (1,251,648)





**Table of Contents****Statement of Investments**

March 31, 2012

**Clough Global Opportunities Fund****SCHEDULE OF  
SECURITIES SOLD**

| <b>SHORT <sup>(a)</sup></b>                         | <b>Shares</b> | <b>Value</b>   |
|---|---------------|----------------|
| <b>COMMON STOCK</b>                                 |               |                |
| Alpha Natural Resources, Inc.                       | (229,556)     | \$ (3,491,547) |
| ArcelorMittal - New York Registered Shares          | (100,446)     | (1,921,532)    |
| Banco Santander S.A.                                | (463,485)     | (3,566,743)    |
| Barclays PLC - ADR                                  | (66,611)      | (1,009,157)    |
| Basic Energy Services, Inc.                         | (158,514)     | (2,750,218)    |
| BHP Billiton, Ltd. - ADR                            | (132,678)     | (9,605,887)    |
| BNP Paribas S.A.                                    | (38,222)      | (1,813,505)    |
| C&J Energy Services, Inc.                           | (67,445)      | (1,199,846)    |
| Cablevision Systems Corp. - New York Group A Shares | (174,900)     | (2,567,532)    |
| Caterpillar, Inc.                                   | (72,688)      | (7,742,726)    |
| Chesapeake Energy Corp.                             | (196,300)     | (4,548,271)    |
| Cimarex Energy Co.                                  | (36,600)      | (2,762,202)    |
| Cloud Peak Energy, Inc.                             | (248,000)     | (3,950,640)    |
| Credit Agricole S.A.                                | (222,566)     | (1,383,264)    |
| Deutsche Bank AG                                    | (37,275)      | (1,855,922)    |
| EXCO Resources, Inc.                                | (279,494)     | (1,853,045)    |
| Fiat SpA  | (252,630)     | (1,485,207)    |
| Fortescue Metals Group, Ltd.                        | (549,988)     | (3,309,989)    |
| Freeport-McMoRan Copper & Gold, Inc.                | (123,511)     | (4,698,358)    |
| Gannett Co., Inc.                                   | (191,400)     | (2,934,162)    |
| Gardner Denver, Inc.                                | (43,600)      | (2,747,672)    |
| Intesa Sanpaolo SpA                                 | (982,636)     | (1,761,377)    |
| Joy Global, Inc.                                    | (6,158)       | (452,613)      |
| Key Energy Services, Inc.                           | (216,934)     | (3,351,630)    |
| Komatsu, Ltd.                                       | (73,700)      | (2,100,499)    |
| Nabors Industries, Ltd.                             | (270,600)     | (4,732,794)    |
| Oracle Corp.  | (115,800)     | (3,376,728)    |
| Patterson-UTI Energy, Inc.                          | (284,000)     | (4,910,360)    |
| Peabody Energy Corp.                                | (105,300)     | (3,049,488)    |
| Petroleo Brasileiro S.A. - ADR                      | (208,800)     | (5,545,728)    |
| The Procter & Gamble Co.                            | (83,600)      | (5,618,756)    |
| Rio Tinto PLC - ADR                                 | (163,097)     | (9,066,562)    |
| RR Donnelley & Sons Co.                             | (164,004)     | (2,032,009)    |
| Salesforce.com, Inc.                                | (7,025)       | (1,085,433)    |
| Schneider Electric S.A.                             | (87,672)      | (5,728,339)    |
| Siemens AG - ADR                                    | (8,664)       | (873,678)      |
| Societe Generale S.A.                               | (43,445)      | (1,272,716)    |
| Superior Energy Services, Inc.                      | (45,327)      | (1,194,820)    |
| Vale SA - ADR                                       | (434,397)     | (10,134,482)   |
| Volvo AB  | (51,894)      | (756,157)      |
| The Weir Group PLC                                  | (59,686)      | (1,684,039)    |
|   |               | (135,925,633)  |

**EXCHANGE TRADED NOTES**

|   |           |             |
|---|-----------|-------------|
| iPath® Dow Jones-UBS Copper Subindex Total Return ETN | (112,200) | (5,505,654) |
|   |           | (5,505,654) |

**EXCHANGE TRADED FUNDS**

|                                    |          |             |
|------------------------------------|----------|-------------|
| iShares® MSCI Australia Index Fund | (64,654) | (1,520,015) |
| iShares® MSCI Hong Kong Index Fund | (69,888) | (1,218,847) |

**SCHEDULE OF  
SECURITIES SOLD**

| <b>SHORT <sup>(a)</sup> (continued)</b> | <b>Shares</b> | <b>Value</b>     |
|---|---------------|------------------|
| iShares® Russell 2000® Index Fund       | (299,164)     | \$(24,785,737)   |
| SPDR® S&P 500® ETF Trust                | (172,000)     | (24,203,840)     |
| United States Natural Gas Fund LP       | (849,215)     | (13,519,503)     |
|   |               | (65,247,942)     |
| <b>TOTAL SECURITIES SOLD SHORT</b>      |               |                  |
| <b>(Proceeds \$210,906,681)</b>         |               | \$ (206,679,229) |

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> Pledged security; a portion or all of the security is pledged as collateral for securities sold short or borrowings as of March 31, 2012. (See Note 1 and Note 6)

<sup>(c)</sup> Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. As of March 31, 2012, these securities had a total value of \$6,787,148 or 0.95% of net assets.

<sup>(d)</sup> Loaned security; a portion or all of the security is on loan at March 31, 2012.

<sup>(e)</sup> Fair valued security; valued by management in accordance with procedures approved by the Fund's Board of Trustees. As of March 31, 2012, these securities had a total value of \$69,869 or 0.01% of total net assets.

<sup>(f)</sup> Floating or variable rate security - rate disclosed as of March 31, 2012.

<sup>(g)</sup> Securities were purchased pursuant to Regulation S under the Securities Act of 1933, which exempts securities offered and sold outside of the United States from registration. Such securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. These securities have been deemed liquid under guidelines approved by the Fund's Board of Trustees. As of March 31, 2012, the aggregate market value of those securities was \$2,428,807, representing 0.34% of net assets.

<sup>(h)</sup> Less than 0.0005%.

<sup>(i)</sup> Rate shown represents the bond equivalent yield to maturity at date of purchase.

**Table of Contents**

**Clough Global Funds**

**Statements of Investments**

March 31, 2012

***Abbreviations:***

*AB - Aktiebolag is the Swedish equivalent of the term corporation*

*ADR - American Depositary Receipt*

*AG - Aktiengesellschaft is a German term that refers to a corporation that is limited by shares, i.e., owned by shareholders*

*Bhd - Berhad (in Malaysia, a form of a public company)*

*ETF - Exchange Traded Fund*

*ETN - Exchange Traded Note*

*LLC - Limited Liability Corporation*

*LP - Limited Partnership*

*Ltd. - Limited*

*MSCI - Morgan Stanley Capital International*

*NV - Naamloze Vennootschap (Dutch: Limited Liability Company)*

*PLC - Public Limited Liability*

*REIT - Real Estate Investment Trust*

*REMICS - Real Estate Mortgage Investment Conduits*

*S.A. - Generally designates corporations in various countries, mostly those employing the civil law*

*SpA - Societa` Per Azioni is an Italian shared company*

*For Fund compliance purposes, each Fund's industry classifications refer to any one of the industry sub-classifications used by one or more widely recognized market indexes, and/or as defined by each Fund's management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets. These industry classifications are unaudited.*

*See Notes to the Financial Statements.*

**Table of Contents****Statements of Assets and Liabilities****Clough Global Funds**

March 31, 2012

|   | <b>Clough Global<br/>Allocation Fund</b> | <b>Clough Global<br/>Equity Fund</b> | <b>Clough Global<br/>Opportunities Fund</b> |
|---|--|--------------------------------------|---|
| <b>ASSETS:</b>  |  |                                      |   |
| Investments, at value (Cost - see below)  | \$ 258,032,057                           | \$ 426,038,798                       | \$ 1,101,866,241                            |
| Cash  | 221,812                                  | 363,175                              | 29,184                                      |
| Foreign Currency, at value (Cost \$20,165, \$32,984 and \$86,583)   | 20,165                                   | 32,984                               | 86,583                                      |
| Deposit with broker for securities sold short   | 47,155,145                               | 75,878,592                           | 197,230,223                                 |
| Dividends receivable  | 587,316                                  | 971,581                              | 2,486,324                                   |
| Interest receivable   | 210,220                                  | 267,764                              | 774,760                                     |
| Receivable for investments sold   | 10,394,308                               | 17,012,146                           | 59,523,112                                  |
| <b>Total Assets</b>   | <b>316,621,023</b>                       | <b>520,565,040</b>                   | <b>1,361,996,427</b>                        |
| <b>LIABILITIES:</b>   |  |                                      |   |
| Loan payable  | 89,800,000                               | 147,000,000                          | 388,900,000                                 |
| Interest due on loan payable  | 11,735                                   | 19,210                               | 50,821                                      |
| Securities sold short (Proceeds \$49,564,851, \$80,840,343 and \$210,906,681)   | 48,574,235                               | 79,220,091                           | 206,679,229                                 |
| Options written, at value (Premiums received \$40,409, \$66,763 and \$601,577)  | 175,893                                  | 290,605                              | 1,251,648                                   |
| Payable for investments purchased   | 7,573,983                                | 16,281,033                           | 46,987,225                                  |
| Dividends payable - short sales   | 79,523                                   | 129,834                              | 338,684                                     |
| Interest payable - margin account   | 23,697                                   | 38,668                               | 100,904                                     |
| Accrued investment advisory fee   | 182,656                                  | 383,392                              | 1,114,004                                   |
| Accrued administration fee  | 74,367                                   | 136,317                              | 356,482                                     |
| Accrued trustees fee  | 4,310                                    | 4,111                                | 4,112                                       |
| Other payables and accrued expenses   | 300                                      | 300                                  | 350   |
| <b>Total Liabilities</b>  | <b>146,500,699</b>                       | <b>243,503,561</b>                   | <b>645,783,459</b>                          |
| <b>Net Assets</b>   | <b>\$ 170,120,324</b>                    | <b>\$ 277,061,479</b>                | <b>\$ 716,212,968</b>                       |
| <br>  |  |                                      |   |
| Cost of Investments   | \$ 240,923,875                           | \$ 396,429,799                       | \$ 1,037,377,820                            |
| <b>COMPOSITION OF NET ASSETS:</b>   |  |                                      |   |
| Paid-in capital   | \$ 171,150,108                           | \$ 281,543,329                       | \$ 790,350,128                              |
| Overdistributed net investment income   | (194,347)                                | (484,189)                            | (1,841,611)                                 |
| Accumulated net realized loss on investment securities, written options, securities sold short and foreign currency transactions  | (18,799,804)                             | (35,004,787)                         | (140,365,826)                               |
| Net unrealized appreciation in value of investment securities, written options, securities sold short and translation of assets and liabilities denominated in foreign currency | 17,964,367                               | 31,007,126                           | 68,070,277                                  |
| <b>Net Assets</b>   | <b>\$ 170,120,324</b>                    | <b>\$ 277,061,479</b>                | <b>\$ 716,212,968</b>                       |
| <br>  |  |                                      |   |
| Shares of common stock outstanding of no par value, unlimited shares authorized   | 10,434,606                               | 17,840,705                           | 51,736,859                                  |
| <br>  |  |                                      |   |
| Net assets value per share  | \$ 16.30                                 | \$ 15.53                             | \$ 13.84                                    |

*See Notes to the Financial Statements.*



Table of Contents

## Clough Global Funds

## Statements of Operations

For the Year Ended March 31, 2012

|  | Clough Global<br>Allocation Fund | Clough Global<br>Equity Fund | Clough Global<br>Opportunities Fund |
|--|----------------------------------|------------------------------|-------------------------------------|
| <b>INVESTMENT INCOME:</b>  |                                  |                              |                                     |
| Dividends (net of foreign withholding taxes of \$100,791, \$165,232 and \$431,848)                                 | \$ 5,753,070                     | \$ 10,137,182                | \$ 24,140,479                       |
| Interest on investment securities  | 1,995,422                        | 2,850,780                    | 8,551,246                           |
| Hypothecated securities income (See Note 6)  | 85,617                           | 102,653                      | 352,868                             |
| <b>Total Income</b>  | <b>7,834,109</b>                 | <b>13,090,615</b>            | <b>33,044,593</b>                   |
| <b>EXPENSES:</b>   |                                  |                              |                                     |
| Investment advisory fee  | 2,058,146                        | 4,319,657                    | 12,537,228                          |
| Administration fee   | 837,960                          | 1,535,878                    | 4,011,913                           |
| Interest on loan   | 1,359,115                        | 2,224,832                    | 5,885,967                           |
| Interest expense - margin account  | 231,047                          | 377,355                      | 984,001                             |
| Trustees fee   | 135,172                          | 134,974                      | 134,974                             |
| Dividend expense - short sales   | 500,108                          | 816,179                      | 2,126,846                           |
| Other expenses   | 2,110                            | 2,110                        | 2,685                               |
| <b>Total Expenses</b>  | <b>5,123,658</b>                 | <b>9,410,985</b>             | <b>25,683,614</b>                   |
| <b>Net Investment Income</b>   | <b>2,710,451</b>                 | <b>3,679,630</b>             | <b>7,360,979</b>                    |
| <b>NET REALIZED GAIN/(LOSS) ON:</b>  |                                  |                              |                                     |
| Investment securities  | 3,921,480                        | 5,899,035                    | 22,058,687                          |
| Securities sold short  | (3,187,186)                      | (5,060,458)                  | (13,376,652)                        |
| Written options  | 533,161                          | 888,686                      | 2,113,455                           |
| Foreign currency transactions  | 513,129                          | 855,880                      | 2,193,963                           |
| <b>NET CHANGE IN UNREALIZED APPRECIATION/(DEPRECIATION) ON:</b>  |                                  |                              |                                     |
| Investment securities  | (15,658,046)                     | (26,610,384)                 | (71,113,197)                        |
| Securities sold short  | 2,677,007                        | 4,362,476                    | 11,335,026                          |
| Written options  | (135,484)                        | (223,842)                    | (650,071)                           |
| Translation of assets and liabilities denominated in foreign currencies  | (234,599)                        | (389,201)                    | (1,010,916)                         |
| <b>Net loss on investment securities, securities sold short, written options and foreign currency transactions</b> | <b>(11,570,538)</b>              | <b>(20,277,808)</b>          | <b>(48,449,705)</b>                 |
| <b>Net Decrease in Net Assets Attributable to Common Shares from Operations</b>                                    | <b>\$ (8,860,087)</b>            | <b>\$ (16,598,178)</b>       | <b>\$ (41,088,726)</b>              |

See Notes to the Financial Statements.

**Table of Contents****Statements of Changes in Net Assets****Clough Global Funds**

|   | <b>Clough Global Allocation Fund</b> |                           | <b>Clough Global Equity Fund</b> |                           | <b>Clough Global Opportunities Fund</b> |                           |
|---|--------------------------------------|---------------------------|----------------------------------|---------------------------|---|---------------------------|
|   | <b>For the Year Ended</b>            | <b>For the Year Ended</b> | <b>For the Year Ended</b>        | <b>For the Year Ended</b> | <b>For the Year Ended</b>               | <b>For the Year Ended</b> |
|   | <b>March 31, 2012</b>                | <b>March 31, 2011</b>     | <b>March 31, 2012</b>            | <b>March 31, 2011</b>     | <b>March 31, 2012</b>                   | <b>March 31, 2011</b>     |
| <b>COMMON SHAREHOLDERS OPERATIONS:</b>  |                                      |                           |                                  |                           |   |                           |
| Net investment income   | \$ 2,710,451                         | \$ 3,976,232              | \$ 3,679,630                     | \$ 5,360,821              | \$ 7,360,979                            | \$ 13,033,273             |
| Net realized gain/(loss) from:  |                                      |                           |                                  |                           |   |                           |
| Investment securities   | 3,921,480                            | 25,713,336                | 5,899,035                        | 39,676,674                | 22,058,687                              | 109,950,500               |
| Securities sold short   | (3,187,186)                          | (7,980,536)               | (5,060,458)                      | (13,094,188)              | (13,376,652)                            | (33,435,924)              |
| Written options   | 533,161                              | 4,495,684                 | 888,686                          | 7,275,856                 | 2,113,455                               | 18,887,512                |
| Foreign currency transactions   | 513,129                              | (320,679)                 | 855,880                          | (528,398)                 | 2,193,963                               | (1,387,326)               |
| Net change in unrealized appreciation/(depreciation) on investment securities, securities sold short, written options and translation of assets and liabilities denominated in foreign currencies | (13,351,122)                         | 1,822,686                 | (22,860,951)                     | 5,782,193                 | (61,439,158)                            | 2,404,283                 |
| <b>Net Increase/(Decrease) in Net Assets From Operations</b>  | <b>(8,860,087)</b>                   | <b>27,706,723</b>         | <b>(16,598,178)</b>              | <b>44,472,958</b>         | <b>(41,088,726)</b>                     | <b>109,452,318</b>        |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>  |                                      |                           |                                  |                           |   |                           |
| Net investment income   | (12,521,527)                         | (12,521,527)              | (20,279,371)                     | (20,695,217)              | (54,503,782)                            | (55,875,807)              |
| Tax return of capital   |                                      |                           | (415,846)                        |                           | (1,372,025)                             |                           |
| <b>Net Decrease in Net Assets from Distributions</b>  | <b>(12,521,527)</b>                  | <b>(12,521,527)</b>       | <b>(20,695,217)</b>              | <b>(20,695,217)</b>       | <b>(55,875,807)</b>                     | <b>(55,875,807)</b>       |
| <b>Net Increase/(Decrease) in Net Assets Attributable to Common Shares</b>  | <b>(21,381,614)</b>                  | <b>15,185,196</b>         | <b>(37,293,395)</b>              | <b>23,777,741</b>         | <b>(96,964,533)</b>                     | <b>53,576,511</b>         |
| <b>NET ASSETS ATTRIBUTABLE TO COMMON SHARES:</b>  |                                      |                           |                                  |                           |   |                           |
| Beginning of period   | 191,501,938                          | 176,316,742               | 314,354,874                      | 290,577,133               | 813,177,501                             | 759,600,990               |
| End of period*  | \$ 170,120,324                       | \$ 191,501,938            | \$ 277,061,479                   | \$ 314,354,874            | \$ 716,212,968                          | \$ 813,177,501            |
| *Includes Overdistributed Net Investment Income of:   | \$ (194,347)                         | \$ (698,881)              | \$ (484,189)                     | \$ (1,146,152)            | \$ (1,841,611)                          | \$ (2,988,299)            |

See Notes to the Financial Statements.



**Table of Contents****Clough Global Funds****Statements of Cash Flows**

March 31, 2012

|   | <b>Clough Global<br/>Allocation Fund</b> | <b>Clough Global<br/>Equity Fund</b> | <b>Clough Global<br/>Opportunities Fund</b> |
|---|--|--------------------------------------|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |  |                                      |   |
| Net decrease in net assets from operations  | \$ (8,860,087)                           | \$ (16,598,178)                      | \$ (41,088,726)                             |
| Adjustments to reconcile net decrease in net assets from operations to net cash provided by operating activities: |  |                                      |   |
| Purchase of investment securities   | (455,128,068)                            | (701,311,752)                        | (1,937,844,162)                             |
| Proceeds from disposition of investment securities  | 481,411,504                              | 754,004,128                          | 2,070,071,788                               |
| Proceeds from securities sold short transactions  | 195,691,516                              | 320,401,387                          | 835,172,048                                 |
| Cover securities sold short transactions  | (163,323,414)                            | (267,527,086)                        | (697,250,292)                               |
| Premiums received from written options transactions   | 849,298                                  | 1,411,914                            | 3,914,069                                   |
| Premiums paid on closing written options transactions   | (275,727)                                | (456,465)                            | (1,199,038)                                 |
| Purchased options transactions  | (2,512,956)                              | (4,184,381)                          | (15,515,327)                                |
| Proceeds from purchased options transactions  | 251,297                                  | 447,530                              | 2,528,925                                   |
| Net proceeds from short-term investment securities  | (24,584,283)                             | (50,034,375)                         | (120,347,096)                               |
| Net realized gain from investment securities  | (3,921,480)                              | (5,899,035)                          | (22,058,687)                                |
| Net realized loss on securities sold short  | 3,187,186                                | 5,060,458                            | 13,376,652                                  |
| Net realized gain on written options  | (533,161)                                | (888,686)                            | (2,113,455)                                 |
| Net realized gain on foreign currency transactions  | (513,129)                                | (855,880)                            | (2,193,963)                                 |
| Net change in unrealized depreciation on investment securities  | 13,351,122                               | 22,860,951                           | 61,439,158                                  |
| Premium amortization  | 212,518                                  | 245,332                              | 1,051,874                                   |
| Discount accretion  | (28,923)                                 | (43,638)                             | (120,491)                                   |
| Increase in deposits with brokers for securities sold short and written options                                   | (31,135,208)                             | (49,709,198)                         | (129,150,790)                               |
| Decrease in dividends receivable  | 112,018                                  | 223,511                              | 487,028                                     |
| Decrease in interest receivable   | 592,361                                  | 862,193                              | 2,755,739                                   |
| Increase in interest due on loan payable  | 4,732                                    | 7,746                                | 20,492                                      |
| Increase in dividends payable - short sales   | 78,705                                   | 128,498                              | 335,189                                     |
| Increase in interest payable - margin account   | 11,872                                   | 19,294                               | 50,874                                      |
| Increase in accrued investment advisory fee   | 4,682                                    | 7,706                                | 26,671                                      |
| Increase in accrued administration fee  | 1,906                                    | 2,740                                | 8,535                                       |
| Increase in accrued trustees fee  | 456                                      | 257                                  | 258   |
| Increase in other payables  | 300                                      | 300                                  | 350   |
| <b>Net cash provided by operating activities</b>  | <b>4,945,037</b>                         | <b>8,175,271</b>                     | <b>22,357,623</b>                           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |  |                                      |   |
| Cash distributions paid   | (12,521,527)                             | (20,695,217)                         | (55,875,807)                                |
| <b>Net cash used in financing activities</b>  | <b>(12,521,527)</b>                      | <b>(20,695,217)</b>                  | <b>(55,875,807)</b>                         |
| <b>Net decrease in cash and foreign currency</b>  | <b>(7,576,490)</b>                       | <b>(12,519,946)</b>                  | <b>(33,518,184)</b>                         |
| <b>Cash and foreign currency, beginning of period</b>   | <b>\$ 7,818,467</b>                      | <b>\$ 12,916,105</b>                 | <b>\$ 33,633,951</b>                        |
| <b>Cash and foreign currency, ending of period</b>  | <b>\$ 241,977</b>                        | <b>\$ 396,159</b>                    | <b>\$ 115,767</b>                           |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>  |  |                                      |   |
| Cash paid during the period for interest from bank borrowing:   | \$ 1,354,383                             | \$ 2,217,086                         | \$ 5,865,475                                |

*See Notes to the Financial Statements.*

**Table of Contents****Financial Highlights****Clough Global Allocation Fund**

For a share outstanding throughout the periods indicated

|  | For the<br>Year Ended<br>March 31, 2012 | For the<br>Year Ended<br>March 31, 2011 | For the<br>Year Ended<br>March 31, 2010 | For the<br>Year Ended<br>March 31, 2009 | For the<br>Year Ended<br>March 31, 2008 |
|--|---|---|---|---|---|
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                                   |   |   |   |   |   |
| Net asset value - beginning of period  | \$18.35                                 | \$16.90                                 | \$13.24                                 | \$21.60                                 | \$22.61                                 |
| Income from investment operations:   |   |   |   |   |   |
| Net investment income  | 0.26*                                   | 0.38*                                   | 0.32*                                   | 0.30*                                   | 0.46*                                   |
| Net realized and unrealized gain/(loss) on investments                           | (1.11)                                  | 2.27                                    | 4.44                                    | (7.05)                                  | 1.47                                    |
| Distributions to preferred shareholders from:                                    |   |   |   |   |   |
| Net investment income  |   |   |   | (0.05)                                  | (0.49)                                  |
| Total Income from Investment Operations  | (0.85)                                  | 2.65                                    | 4.76                                    | (6.80)                                  | 1.44                                    |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:</b>                                |   |   |   |   |   |
| Net investment income  | (1.20)                                  | (1.20)                                  | (0.46)                                  | (0.81)                                  | (1.72)                                  |
| Net realized gains   |   |   |   | (0.31)                                  | (0.73)                                  |
| Tax return of capital  |   |   | (0.64)                                  | (0.44)                                  |   |
| Total Distributions to Common Shareholders                                       | (1.20)                                  | (1.20)                                  | (1.10)                                  | (1.56)                                  | (2.45)                                  |
| Net asset value - end of period  | \$16.30                                 | \$18.35                                 | \$16.90                                 | \$13.24                                 | \$21.60                                 |
| Market price - end of period   | \$13.94                                 | \$16.24                                 | \$15.92                                 | \$10.68                                 | \$18.90                                 |
| Total Investment Return - Net Asset Value: <sup>(1)</sup>                        | (3.48)%                                 | 17.30%                                  | 38.14%                                  | (32.20)%                                | 7.10%                                   |
| Total Investment Return - Market Price: <sup>(1)</sup>                           | (6.73)%                                 | 10.20%                                  | 61.32%                                  | (37.50)%                                | 1.77%                                   |
| <b>RATIOS AND SUPPLEMENTAL DATA:</b>   |   |   |   |   |   |
| Net assets attributable to common shares, end of period (000s)                   | \$170,120                               | \$191,502                               | \$176,317                               | \$138,185                               | \$225,359                               |
| Ratios to average net assets attributable to common shareholders:                |   |   |   |   |   |
| Total expenses   | 3.05%                                   | 2.87%                                   | 3.22%                                   | 3.35% <sup>(2)</sup>                    | 2.10% <sup>(2)</sup>                    |
| Total expenses excluding interest expense and dividends on short sales expense   | 1.80%                                   | 1.74%                                   | 1.88%                                   | 2.76% <sup>(2)</sup>                    | 1.73% <sup>(2)</sup>                    |
| Net investment income  | 1.61%                                   | 2.28%                                   | 1.96%                                   | 1.73% <sup>(2)</sup>                    | 2.02% <sup>(2)</sup>                    |
| Preferred share dividends  | N/A                                     | N/A                                     | N/A                                     | 0.30%                                   | 2.14%                                   |
| Portfolio turnover rate  | 192%                                    | 172%                                    | 115%                                    | 233%                                    | 136%                                    |
| <b>AUCTION MARKET PREFERRED SHARES ( AMPS )</b>                                  |   |   |   |   |   |
| Liquidation value, end of period, including dividends on preferred shares (000s) | N/A                                     | N/A                                     | N/A                                     | (3)                                     | \$95,052                                |
| Total shares outstanding (000s)  | N/A                                     | N/A                                     | N/A                                     | (3)                                     | 3.8                                     |
| Asset coverage per share <sup>(4)</sup>  | N/A                                     | N/A                                     | N/A                                     | (3)                                     | \$84,319                                |
| Liquidation preference per share   | N/A                                     | N/A                                     | N/A                                     | (3)                                     | \$25,000                                |
| Average market value per share <sup>(5)</sup>                                    | N/A                                     | N/A                                     | N/A                                     | (3)                                     | \$25,000                                |
| <b>Borrowings at End of Period</b>   |   |   |   |   |   |
| Aggregate Amount Outstanding (000s)  | \$89,800                                | \$89,800                                | \$89,800                                | \$60,200                                | N/A                                     |
| Asset Coverage Per \$1,000 (000s)  | \$2,894                                 | \$3,133                                 | \$2,963                                 | \$3,295                                 | N/A                                     |

**Table of Contents**

## Clough Global Allocation Fund

## Financial Highlights

For a share outstanding throughout the periods indicated

\* *Based on average shares outstanding.*

(1) *Total investment return is calculated assuming a purchase of a common share at the opening on the first day and a sale at the closing on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at price obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions on the purchase or sale of the Fund's common shares. Past performance is not a guarantee of future results.*

(2) *Ratios do not reflect dividend payments to preferred shareholders.*

(3) *All series of AMPS issued by the Fund were fully redeemed, at par value, on May 22, 2008.*

(4) *Calculated by subtracting the Fund's total liabilities (excluding preferred shares) from the Fund's total assets and dividing by the number of preferred shares outstanding.*

(5) *Based on monthly prices.*

*See Notes to the Financial Statements.*

**Table of Contents****Financial Highlights**

For a share outstanding throughout the periods indicated

**Clough Global Equity Fund**

|  | For the<br>Year Ended<br>March 31, 2012 | For the<br>Year Ended<br>March 31, 2011 | For the<br>Year Ended<br>March 31, 2010 | For the<br>Year Ended<br>March 31, 2009 | For the<br>Year Ended<br>March 31, 2008 |
|--|---|---|---|---|---|
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                                   |   |   |   |   |   |
| Net asset value - beginning of period  | \$17.62                                 | \$16.29                                 | \$12.28                                 | \$20.88                                 | \$22.17                                 |
| Income from investment operations:   |   |   |   |   |   |
| Net investment income  | 0.21*                                   | 0.30*                                   | 0.22*                                   | 0.16*                                   | 0.34*                                   |
| Net realized and unrealized gain/(loss) on investments                           | (1.14)                                  | 2.19                                    | 4.82                                    | (7.21)                                  | 1.38                                    |
| Distributions to preferred shareholders from:                                    |   |   |   |   |   |
| Net investment income  |   |   |   | (0.03)                                  | (0.53)                                  |
| Total Income from Investment Operations  | (0.93)                                  | 2.49                                    | 5.04                                    | (7.08)                                  | 1.19                                    |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:</b>                                |   |   |   |   |   |
| Net investment income  | (1.14)                                  | (1.16)                                  | (0.39)                                  | (0.24)                                  | (1.67)                                  |
| Net realized gains   |   |   |   | (0.48)                                  | (0.81)                                  |
| Tax return of capital  | (0.02)                                  |   | (0.64)                                  | (0.80)                                  |   |
| Total Distributions to Common Shareholders                                       | (1.16)                                  | (1.16)                                  | (1.03)                                  | (1.52)                                  | (2.48)                                  |
| Net asset value - end of period  | \$15.53                                 | \$17.62                                 | \$16.29                                 | \$12.28                                 | \$20.88                                 |
| Market price - end of period   | \$13.09                                 | \$15.37                                 | \$14.33                                 | \$9.77                                  | \$18.00                                 |
| Total Investment Return - Net Asset Value: <sup>(1)</sup>                        | (4.08)%                                 | 17.05%                                  | 43.62%                                  | (34.55)%                                | 6.24%                                   |
| Total Investment Return - Market Price: <sup>(1)</sup>                           | (7.32)%                                 | 16.07%                                  | 58.80%                                  | (39.60)%                                | 0.86%                                   |
| <b>RATIOS AND SUPPLEMENTAL DATA:</b>   |   |   |   |   |   |
| Net assets attributable to common shares, end of period (000s)                   | \$277,061                               | \$314,355                               | \$290,577                               | \$219,059                               | \$372,490                               |
| Ratios to average net assets attributable to common shareholders:                |   |   |   |   |   |
| Total expenses   | 3.43%                                   | 3.23%                                   | 3.57%                                   | 3.81% <sup>(2)</sup>                    | 2.50% <sup>(2)</sup>                    |
| Total expenses excluding interest expense and dividends on short sales expense   | 2.18%                                   | 2.10%                                   | 2.25%                                   | 2.26% <sup>(2)</sup>                    | 2.14% <sup>(2)</sup>                    |
| Net investment income  | 1.34%                                   | 1.87%                                   | 1.43%                                   | 0.95% <sup>(2)</sup>                    | 1.53% <sup>(2)</sup>                    |
| Preferred share dividends  | N/A                                     | N/A                                     | N/A                                     | 0.20%                                   | 2.35%                                   |
| Portfolio turnover rate  | 183%                                    | 173%                                    | 116%                                    | 207%                                    | 155%                                    |
| <b>AUCTION MARKET PREFERRED SHARES ( AMPS )</b>                                  |   |   |   |   |   |
| Liquidation value, end of period, including dividends on preferred shares (000s) | N/A                                     | N/A                                     | N/A                                     | - (3)                                   | \$175,346                               |
| Total shares outstanding (000s)  | N/A                                     | N/A                                     | N/A                                     | - (3)                                   | 7                                       |
| Asset coverage per share <sup>(4)</sup>  | N/A                                     | N/A                                     | N/A                                     | - (3)                                   | \$78,262                                |
| Liquidation preference per share   | N/A                                     | N/A                                     | N/A                                     | - (3)                                   | \$25,000                                |
| Average market value per share <sup>(5)</sup>                                    | N/A                                     | N/A                                     | N/A                                     | - (3)                                   | \$25,000                                |
| <b>Borrowings at End of Period</b>   |   |   |   |   |   |
| Aggregate Amount Outstanding (000s)  | \$147,000                               | \$147,000                               | \$147,000                               | \$98,200                                | N/A                                     |
| Asset Coverage Per \$1,000 (000s)  | \$2,885                                 | \$3,138                                 | \$2,977                                 | \$3,231                                 | N/A                                     |

**Table of Contents**

**Clough Global Equity Fund**

**Financial Highlights**

For a share outstanding throughout the periods indicated

\* *Based on average shares outstanding.*

(1) *Total investment return is calculated assuming a purchase of a common share at the opening on the first day and a sale at the closing on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at price obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions on the purchase or sale of the Fund's common shares. Past performance is not a guarantee of future results.*

(2) *Ratios do not reflect dividend payments to preferred shareholders.*

(3) *All series of AMPS issued by the Fund were fully redeemed, at par value, on May 5, 2008.*

(4) *Calculated by subtracting the Fund's total liabilities (excluding preferred shares) from the Fund's total assets and dividing by the number of preferred shares outstanding.*

(5) *Based on monthly prices.*

*See Notes to the Financial Statements.*

**Table of Contents****Financial Highlights****Clough Global Opportunities Fund**

For a share outstanding throughout the periods indicated

|  | For the<br>Year Ended<br>March 31, 2012 | For the<br>Year Ended<br>March 31, 2011 | For the<br>Year Ended<br>March 31, 2010 | For the<br>Year Ended<br>March 31, 2009 | For the<br>Year Ended<br>March 31, 2008 |
|--|---|---|---|---|---|
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                                   |   |   |   |   |   |
| Net asset value - beginning of period  | \$15.72                                 | \$14.68                                 | \$11.55                                 | \$19.03                                 | \$19.17                                 |
| Income from investment operations:   |   |   |   |   |   |
| Net investment income  | 0.14*                                   | 0.25*                                   | 0.17*                                   | 0.12*                                   | 0.35*                                   |
| Net realized and unrealized gain/(loss) on investments                           | (0.94)                                  | 1.87                                    | 3.94                                    | (6.20)                                  | 1.50                                    |
| Distributions to preferred shareholders from:                                    |   |   |   |   |   |
| Net investment income  |   |   |   | (0.04)                                  | (0.46)                                  |
| Total Income from Investment Operations  | (0.80)                                  | 2.12                                    | 4.11                                    | (6.12)                                  | 1.39                                    |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:</b>                                |   |   |   |   |   |
| Net investment income  | (1.05)                                  | (1.08)                                  | (0.29)                                  | (0.06)                                  | (1.46)                                  |
| Net realized gains   |   |   |   | (0.03)                                  | (0.07)                                  |
| Tax return of capital  | (0.03)                                  |   | (0.69)                                  | (1.27)                                  |   |
| Total Distributions to Common Shareholders                                       | (1.08)                                  | (1.08)                                  | (0.98)                                  | (1.36)                                  | (1.53)                                  |
| <b>CAPITAL SHARE TRANSACTIONS:</b>   |   |   |   |   |   |
| Preferred share offering costs and sales load charged to paid-in capital         |   |   |   |   |   |
| Total Capital Share Transactions   |   |   |   | 0.00 <sup>(1)</sup>                     |   |
| Net asset value - end of period  | \$13.84                                 | \$15.72                                 | \$14.68                                 | \$11.55                                 | \$19.03                                 |
| Market price - end of period   | \$11.78                                 | \$13.85                                 | \$13.04                                 | \$9.20                                  | \$16.32                                 |
| Total Investment Return - Net Asset Value: <sup>(2)</sup>                        | (3.88)%                                 | 16.21%                                  | 37.93%                                  | (32.68)%                                | 8.06%                                   |
| Total Investment Return - Market Price: <sup>(2)</sup>                           | (7.14)%                                 | 15.27%                                  | 53.82%                                  | (37.48)%                                | 1.86%                                   |
| <b>RATIOS AND SUPPLEMENTAL DATA:</b>   |   |   |   |   |   |
| Net assets attributable to common shares, end of period (000s)                   | \$716,213                               | \$813,178                               | \$759,601                               | \$597,605                               | \$984,608                               |
| Ratios to average net assets attributable to common shareholders:                |   |   |   |   |   |
| Total expenses   | 3.61%                                   | 3.40%                                   | 3.72%                                   | 3.84% <sup>(3)</sup>                    | 2.52% <sup>(3)</sup>                    |
| Total expenses excluding interest expense and dividends on short sales expense   | 2.35%                                   | 2.25%                                   | 2.39%                                   | 2.38% <sup>(3)</sup>                    | 2.29% <sup>(3)</sup>                    |
| Net investment income  | 1.04%                                   | 1.74%                                   | 1.19%                                   | 0.80% <sup>(3)</sup>                    | 1.76% <sup>(3)</sup>                    |
| Preferred share dividends  | N/A                                     | N/A                                     | N/A                                     | 0.23%                                   | 2.34%                                   |
| Portfolio turnover rate  | 193%                                    | 171%                                    | 115%                                    | 224%                                    | 171%                                    |
| <b>AUCTION MARKET PREFERRED SHARES ( AMPS )</b>                                  |   |   |   |   |   |
| Liquidation value, end of period, including dividends on preferred shares (000s) | N/A                                     | N/A                                     | N/A                                     | (4)                                     | \$450,380                               |
| Total shares outstanding (000s)  | N/A                                     | N/A                                     | N/A                                     | (4)                                     | 18                                      |
| Asset coverage per share <sup>(5)</sup>  | N/A                                     | N/A                                     | N/A                                     | (4)                                     | \$79,722                                |
| Liquidation preference per share   | N/A                                     | N/A                                     | N/A                                     | (4)                                     | \$25,000                                |
| Average market value per share <sup>(6)</sup>                                    | N/A                                     | N/A                                     | N/A                                     | (4)                                     | \$25,000                                |
| <b>Borrowings at End of Period</b>   |   |   |   |   |   |
| Aggregate Amount Outstanding (000s)  | \$388,900                               | \$388,900                               | \$388,900                               | \$239,500                               | N/A                                     |
| Asset Coverage Per \$1,000 (000s)  | \$2,842                                 | \$3,091                                 | \$2,953                                 | \$3,495                                 | N/A                                     |



**Table of Contents**

**Clough Global Opportunities Fund**

**Financial Highlights**

For a share outstanding throughout the periods indicated

\* *Based on average shares outstanding.*

(1) *Less than \$0.005.*

(2) *Total investment return is calculated assuming a purchase of a common share at the opening on the first day and a sale at the closing on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at price obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions on the purchase or sale of the Fund's common shares. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.*

(3) *Ratios do not reflect dividend payments to preferred shareholders.*

(4) *All series of AMPS issued by the Fund were fully redeemed, at par value, on May 23, 2008.*

(5) *Calculated by subtracting the Fund's total liabilities (excluding preferred shares) from the Fund's total assets and dividing by the number of preferred shares outstanding.*

(6) *Based on monthly prices.*

*See Notes to the Financial Statements.*



Table of Contents

## Notes to Financial Statements

March 31, 2012

## Clough Global Funds

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING AND OPERATING POLICIES**

Clough Global Allocation Fund, Clough Global Equity Fund, and Clough Global Opportunities Fund, (each, a Fund and collectively, the Funds ) are closed-end management investment companies that were organized under the laws of the state of Delaware by an Amended Agreement and Declaration of Trust dated April 27, 2004 and January 25, 2005, respectively for Clough Global Allocation Fund and Clough Global Equity Fund and an Agreement and Declaration of Trust dated January 12, 2006 for Clough Global Opportunities Fund. Each Fund is a non-diversified series with an investment objective to provide a high level of total return. Each Declaration of Trust provides that the Trustees may authorize separate classes of shares of beneficial interest.

The following is a summary of significant accounting policies followed by the Funds. These policies are in conformity with U.S. generally accepted accounting principles ( GAAP ). The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements during the reporting period. Management believes the estimates and security valuations are appropriate; however, actual results may differ from those estimates, and the security valuations reflected in the financial statements may differ from the value the Funds ultimately realize upon sale of the securities. The financial statements have been prepared as of the close of the New York Stock Exchange ( NYSE or the Exchange ) on March 30, 2012.

The net asset value per share of each Fund is determined no less frequently than daily, on each day that the Exchange is open for trading, as of the close of regular trading on the Exchange (normally 4:00 p.m. New York time). Trading may take place in foreign issues held by the Fund at times when a Fund is not open for business. As a result, each Fund's net asset value may change at times when it is not possible to purchase or sell shares of a Fund.

**Investment Valuation:** Securities held by each Fund for which exchange quotations are readily available are valued at the last sale price, or if no sale price or if traded on the over-the-counter market, at the mean of the bid and asked prices on such day. Most securities listed on a foreign exchange are valued at the last sale price at the close of the exchange on which the security is primarily traded. In certain countries market maker prices are used since they are the most representative of the daily trading activity. Market maker prices are usually the mean between the bid and ask prices. Certain markets are not closed at the time that the Funds prices its portfolio securities. In these situations, snapshot prices are provided by the individual pricing services or other alternate sources at the close of the NYSE as appropriate. Securities not traded on a particular day are valued at the mean between the last reported bid and the asked quotes, or the last sale price when appropriate; otherwise fair value will be determined by the board-appointed fair valuation committee. Debt securities for which the over-the-counter market is the primary market are normally valued on the basis of prices furnished by one or more pricing services or dealers at the mean between the latest available bid and asked prices. As authorized by the Trustees, debt securities (other than short-term obligations) may be valued on the basis of valuations furnished by a pricing service which determines valuations based upon market transactions for normal, institutional-size trading units of securities or a matrix method which considers yield or price of comparable bonds provided by a pricing service. Short-term obligations maturing within 60 days are valued at amortized cost, which approximates value, unless the Trustees determine that under particular circumstances such method does not result in fair value. Over-the-counter options are valued at the mean between bid and asked prices provided by dealers. Financial futures contracts listed on commodity exchanges and exchange-traded options are valued at closing settlement prices.

If the price of a security is unavailable in accordance with the aforementioned pricing procedures, or the price of a security is unreliable, e.g., due to the occurrence of a significant event, the security may be valued at its fair value determined by management pursuant to procedures adopted by the Board of Trustees. For this purpose, fair value is the price that a Fund reasonably expects to receive on a current sale of the security. Due to the number of variables affecting the price of a security, however; it is possible that the fair value of a security may not accurately reflect the price that a Fund could actually receive on a sale of the security. As of March 31, 2012, securities which have been fair valued represented 0.01%, 0.22% and 0.01% of net assets of Clough Global Allocation Fund, Clough Global Equity Fund, and Clough Global Opportunities Fund, respectively.

A three-tier hierarchy has been established to classify fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own

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assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available.

**Table of Contents****Clough Global Funds****Notes to Financial Statements**

March 31, 2012

Various inputs are used in determining the value of each Fund's investments as of the reporting period end. These inputs are categorized in the following hierarchy under applicable financial accounting standards:

- Level 1 Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that a Fund has the ability to access at the measurement date;
- Level 2 Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 Significant unobservable prices or inputs (including the Fund's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

The following is a summary of the inputs used as of March 31, 2012 in valuing each Fund's investments carried at value. The Funds recognize transfers between the levels as of the beginning of the annual period in which the transfer occurred. There were no significant transfers between any levels during the year ended March 31, 2012.

**Clough Global Allocation Fund**

| <b>Investments in Securities at Value*</b> | <b>Level 1</b>        | <b>Level 2</b>      | <b>Level 3</b>   | <b>Total</b>          |
|--|-----------------------|---------------------|------------------|-----------------------|
| <b>Assets</b>                              |                       |                     |                  |                       |
| Common Stocks                              |                       |                     |                  |                       |
| Consumer Discretionary                     | \$ 25,844,649         | \$                  | \$               | \$ 25,844,649         |
| Consumer Staples                           | 4,816,094             |                     |                  | 4,816,094             |
| Energy                                     | 38,187,104            |                     |                  | 38,187,104            |
| Energy Infrastructure & Capital Equipment  | 4,515,831             |                     |                  | 4,515,831             |
| Financials                                 | 55,286,073            |                     | 19,963           | 55,306,036            |
| Health Care                                | 2,373,321             |                     |                  | 2,373,321             |
| Industrials                                | 10,466,375            |                     |                  | 10,466,375            |
| Information Technology                     | 38,546,075            |                     |                  | 38,546,075            |
| Materials                                  | 3,411,104             |                     |                  | 3,411,104             |
| Telecommunication Services                 | 3,633,865             |                     |                  | 3,633,865             |
| Utilities                                  | 14,597,755            |                     |                  | 14,597,755            |
| Exchange Traded Funds                      | 654,574               |                     |                  | 654,574               |
| Preferred Stocks                           | 658,737               |                     |                  | 658,737               |
| Corporate Bonds                            |                       | 4,093,336           |                  | 4,093,336             |
| Asset/Mortgage Backed Securities           |                       | 588,363             |                  | 588,363               |
| Government & Agency Obligations            | 20,152,260            |                     |                  | 20,152,260            |
| Purchased Options                          | 1,360,115             |                     |                  | 1,360,115             |
| Short-Term Investments                     | 28,826,463            |                     |                  | 28,826,463            |
| <b>TOTAL</b>                               | <b>\$ 253,330,395</b> | <b>\$ 4,681,699</b> | <b>\$ 19,963</b> | <b>\$ 258,032,057</b> |

**Other Financial Instruments\***

|                       |                        |           |           |                        |
|-----------------------|------------------------|-----------|-----------|------------------------|
| <b>Liabilities</b>    |                        |           |           |                        |
| Call Options Written  | \$ (175,893)           | \$        | \$        | \$ (175,893)           |
| Securities Sold Short | (48,574,235)           |           |           | (48,574,235)           |
| <b>TOTAL</b>          | <b>\$ (48,750,128)</b> | <b>\$</b> | <b>\$</b> | <b>\$ (48,750,128)</b> |

**Clough Global Equity Fund**

| <b>Investments in Securities at Value*</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|--|----------------|----------------|----------------|---------------|
| <b>Assets</b>                              |                |                |                |               |
| Common Stocks                              |                |                |                |               |
| Consumer Discretionary                     | \$ 42,001,012  | \$             | \$             | \$ 42,001,012 |
| Consumer Staples                           | 7,851,822      |                |                | 7,851,822     |
| Energy                                     | 62,599,670     |                |                | 62,599,670    |
| Energy Infrastructure & Capital Equipment  | 7,376,233      |                |                | 7,376,233     |
| Financials                                 | 90,495,840     |                | 29,944         | 90,525,784    |
| Health Care                                | 3,881,277      |                |                | 3,881,277     |
| Industrials                                | 17,184,518     |                |                | 17,184,518    |

Annual Report | March 31, 2012

35

**Table of Contents****Notes to Financial Statements**

March 31, 2012

**Clough Global Funds****Clough Global Equity Fund (continued)**

| <b>Investments in Securities at Value*</b> | <b>Level 1</b>        | <b>Level 2</b>      | <b>Level 3</b>    | <b>Total</b>          |
|--|-----------------------|---------------------|-------------------|-----------------------|
| <b>Assets (continued)</b>                  |                       |                     |                   |                       |
| Information Technology                     | \$ 62,864,908         | \$                  | \$                | \$ 62,864,908         |
| Materials                                  | 5,569,123             |                     |                   | 5,569,123             |
| Telecommunication Services                 | 5,951,060             |                     |                   | 5,951,060             |
| Utilities                                  | 37,993,147            |                     |                   | 37,993,147            |
| Exchange Traded Funds                      | 1,066,864             |                     |                   | 1,066,864             |
| Preferred Stocks                           | 1,077,180             |                     |                   | 1,077,180             |
| Corporate Bonds                            |                       | 6,583,307           |                   | 6,583,307             |
| Asset/Mortgage Backed Securities           |                       | 148,209             | 585,045           | 733,254               |
| Government & Agency Obligations            | 15,470,845            |                     |                   | 15,470,845            |
| Purchased Options                          | 2,242,200             |                     |                   | 2,242,200             |
| Short-Term Investments                     | 55,066,594            |                     |                   | 55,066,594            |
| <b>TOTAL</b>                               | <b>\$ 418,692,293</b> | <b>\$ 6,731,516</b> | <b>\$ 614,989</b> | <b>\$ 426,038,798</b> |

**Other Financial Instruments\***

|                       |                        |           |           |                        |
|-----------------------|------------------------|-----------|-----------|------------------------|
| <b>Liabilities</b>    |                        |           |           |                        |
| Call Options Written  | \$ (290,605)           | \$        | \$        | \$ (290,605)           |
| Securities Sold Short | (79,220,091)           |           |           | (79,220,091)           |
| <b>TOTAL</b>          | <b>\$ (79,510,696)</b> | <b>\$</b> | <b>\$</b> | <b>\$ (79,510,696)</b> |

**Clough Global Opportunities Fund**

| <b>Investments in Securities at Value*</b> | <b>Level 1</b>          | <b>Level 2</b>       | <b>Level 3</b>   | <b>Total</b>            |
|--|-------------------------|----------------------|------------------|-------------------------|
| <b>Assets</b>                              |                         |                      |                  |                         |
| Common Stocks                              |                         |                      |                  |                         |
| Consumer Discretionary                     | \$ 110,113,379          | \$                   | \$               | \$ 110,113,379          |
| Consumer Staples                           | 20,469,362              |                      |                  | 20,469,362              |
| Energy                                     | 162,642,974             |                      |                  | 162,642,974             |
| Energy Infrastructure & Capital Equipment  | 19,246,745              |                      |                  | 19,246,745              |
| Financials                                 | 234,680,666             |                      | 69,869           | 234,750,535             |
| Health Care                                | 10,141,572              |                      |                  | 10,141,572              |
| Industrials                                | 44,780,499              |                      |                  | 44,780,499              |
| Information Technology                     | 164,113,386             |                      |                  | 164,113,386             |
| Materials                                  | 14,532,899              |                      |                  | 14,532,899              |
| Telecommunication Services                 | 15,572,295              |                      |                  | 15,572,295              |
| Utilities                                  | 60,733,447              |                      |                  | 60,733,447              |
| Exchange Traded Funds                      | 2,784,230               |                      |                  | 2,784,230               |
| Preferred Stocks                           | 2,808,954               |                      |                  | 2,808,954               |
| Corporate Bonds                            |                         | 16,854,697           |                  | 16,854,697              |
| Asset/Mortgage Backed Securities           |                         | 399,531              |                  | 399,531                 |
| Government & Agency Obligations            | 77,377,131              |                      |                  | 77,377,131              |
| Purchased Options                          | 10,452,105              |                      |                  | 10,452,105              |
| Short-Term Investments                     | 134,092,500             |                      |                  | 134,092,500             |
| <b>TOTAL</b>                               | <b>\$ 1,084,542,144</b> | <b>\$ 17,254,228</b> | <b>\$ 69,869</b> | <b>\$ 1,101,866,241</b> |

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### Other Financial Instruments\*

#### Liabilities

|                       |                         |           |           |                         |
|-----------------------|-------------------------|-----------|-----------|-------------------------|
| Call Options Written  | \$ (1,251,648)          | \$        | \$        | \$ (1,251,648)          |
| Securities Sold Short | (206,679,229)           |           |           | (206,679,229)           |
| <b>TOTAL</b>          | <b>\$ (207,930,877)</b> | <b>\$</b> | <b>\$</b> | <b>\$ (207,930,877)</b> |

\*For detailed Industry descriptions, see the accompanying Statement of Investments

Table of Contents

## Clough Global Funds

## Notes to Financial Statements

March 31, 2012

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

**CLOUGH GLOBAL ALLOCATION FUND**

|                | Balance   |             |                |                | Transfers in | Balance as of | Net Change in   |
|----------------|-----------|-------------|----------------|----------------|--------------|---------------|-----------------|
|                | as of     |             | Change in      | Net purchases/ | and/or       | March 31,     | unrealized      |
| Investments in | March 31, | Realized    | unrealized     | (sales)        | (out) of     | 2012          | appreciation/   |
| Securities     | 2011      | gain/(loss) | (depreciation) |                | Level 3      |               | (depreciation)  |
|                |           |             |                |                |              |               | included in the |
|                |           |             |                |                |              |               | statement of    |
|                |           |             |                |                |              |               | operations      |
|                |           |             |                |                |              |               | attributable to |
|                |           |             |                |                |              |               | Level 3         |
|                |           |             |                |                |              |               | investments     |
|                |           |             |                |                |              |               | still held at   |
|                |           |             |                |                |              |               | March 31, 2012  |
| Common Stocks  | \$57,389  | \$          | \$ (37,426)    | \$             | \$           | \$ 19,963     | \$(37,426)      |
| Total          | \$57,389  | \$          | \$ (37,426)    | \$             | \$           | \$ 19,963     | \$(37,426)      |

**CLOUGH GLOBAL EQUITY FUND**

|                                  | Balance   |             |                |                | Transfers  | Balance as of | Net Change in   |
|----------------------------------|-----------|-------------|----------------|----------------|------------|---------------|-----------------|
|                                  | as of     |             | Change in      | Net purchases/ | in         | March 31,     | unrealized      |
| Investments in                   | March 31, | Realized    | unrealized     | (sales)        | and/or     | 2012          | appreciation/   |
| Securities                       | 2011      | gain/(loss) | (depreciation) |                | (out)      |               | (depreciation)  |
|                                  |           |             |                |                | of Level 3 |               | included in the |
|                                  |           |             |                |                |            |               | statement of    |
|                                  |           |             |                |                |            |               | operations      |
|                                  |           |             |                |                |            |               | attributable to |
|                                  |           |             |                |                |            |               | Level 3         |
|                                  |           |             |                |                |            |               | investments     |
|                                  |           |             |                |                |            |               | still held at   |
|                                  |           |             |                |                |            |               | March 31, 2012  |
| Common Stocks                    | \$ 86,086 | \$          | \$ (56,142)    | \$             | \$         | \$ 29,944     | \$(56,142)      |
| Asset/Mortgage Backed Securities |           | 2,852       | (33,925)       | (228,094)      | 844,212    | 585,045       | (33,925)        |
| Total                            | \$ 86,086 | \$ 2,852    | \$ (90,067)    | \$ (228,094)   | \$ 844,212 | \$ 614,989    | \$(90,067)      |

**CLOUGH GLOBAL OPPORTUNITIES FUND**

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| Investments in Securities | Balance as of March 31, 2011 | Realized gain/(loss) | Change in unrealized appreciation/(depreciation) | Net purchases/(sales) | Transfers in and/or (out) of Level 3 | Balance as of March 31, 2012 | Net Change in unrealized appreciation/(depreciation) included in the statement of operations attributable to Level 3 investments still held at March 31, 2012 |
|---------------------------|------------------------------|----------------------|--|-----------------------|--------------------------------------|------------------------------|---|
| Common Stocks             | \$200,869                    | \$                   | \$ (131,000)                                     | \$                    | \$                                   | \$ 69,869                    | \$(131,000)   |
| Total                     | \$200,869                    | \$                   | \$ (131,000)                                     | \$                    | \$                                   | \$ 69,869                    | \$(131,000)   |

**Foreign Securities:** Each Fund may invest a portion of its assets in foreign securities. In the event that a Fund executes a foreign security transaction, the Fund will generally enter into a forward foreign currency contract to settle the foreign security transaction. Foreign securities may carry more risk than U.S. securities, such as political, market and currency risks.

The accounting records of each Fund are maintained in U.S. dollars. Prices of securities denominated in foreign currencies are translated into U.S. dollars at the closing rates of exchange at period end. Amounts related to the purchase and sale of foreign securities and investment income are translated at the rates of exchange prevailing on the respective dates of such transactions.

The effect of changes in foreign currency exchange rates on investments is reported with all other foreign currency realized and unrealized gains and losses in the Funds' Statements of Operations.

A foreign currency contract is a commitment to purchase or sell a foreign currency at a future date, at a negotiated rate. Each Fund may enter into foreign currency contracts to settle specific purchases or sales of securities denominated in a foreign currency and for protection from adverse exchange rate fluctuation. Risks to a Fund include the potential inability of the counterparty to meet the terms of the contract.

The net U.S. dollar value of foreign currency underlying all contractual commitments held by a Fund and the resulting unrealized appreciation or depreciation are determined using prevailing forward foreign currency exchange rates. Unrealized appreciation and depreciation on foreign currency contracts are reported in the Funds' Statements of Assets and Liabilities as a receivable or a payable and in the Funds' Statements of Operations with the change in unrealized appreciation or depreciation on translation of assets and liabilities denominated in foreign currencies. These spot contracts are used by the broker to settle investments denominated in foreign currencies.

A Fund may realize a gain or loss upon the closing or settlement of the foreign transaction. Such realized gains and losses are reported with all other foreign currency gains and losses in the Statements of Operations.



Table of Contents

## Notes to Financial Statements

March 31, 2012

## Clough Global Funds

As of March 31, 2012, the Funds had the following open spot foreign currency contracts:

**Spot Foreign Exchange Contracts**

| Buy/Sell                                | Foreign       |              |                  | Settlement Date | Unrealized Gain/(Loss) |
|---|---------------|--------------|------------------|-----------------|------------------------|
|   | Currency Type | Cost USD     | Market Value USD |                 |                        |
| <b>Clough Global Allocation Fund</b>    |               |              |                  |                 |                        |
| <b>Sell</b>                             | Euro          | \$ (612,939) | \$ (615,341)     | 4/3/12          | \$ (2,402)             |
| <b>Clough Global Equity Fund</b>        |               |              |                  |                 |                        |
| <b>Sell</b>                             | Euro          | (999,776)    | (1,003,694)      | 4/3/12          | (3,918)                |
| <b>Clough Global Opportunities Fund</b> |               |              |                  |                 |                        |
| <b>Sell</b>                             | Euro          | (2,605,755)  | (2,615,967)      | 4/3/12          | (10,212)               |

**Short Sales:** Each Fund may sell a security it does not own in anticipation of a decline in the fair value of that security. When a Fund sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale. A gain, limited to the price at which a Fund sold the security short, or a loss, unlimited in size, will be recognized upon the termination of the short sale.

Each Fund's obligation to replace the borrowed security will be secured by collateral deposited with the broker-dealer, usually cash, U.S. government securities or other liquid securities. Each Fund will also be required to designate on its books and records similar collateral with its custodian to the extent, if any, necessary so that the aggregate collateral value is at all times at least equal to the current market value of the security sold short. The cash amount is reported on the Statement of Assets and Liabilities as Deposit with broker for securities sold short. The market value of securities held as collateral for securities sold short as of March 31, 2012, was \$26,536,232, \$39,945,184 and \$101,913,342 for Clough Global Allocation Fund, Clough Global Equity Fund and Clough Global Opportunities Fund, respectively. Each Fund is obligated to pay interest to the broker for any debit balance of the margin account relating to short sales. The interest incurred on the Funds for the year ended March 31, 2012 is reported on the Statement of Operations as Interest expense margin account. Interest amounts payable by the Funds as of March 31, 2012 are reported on the Statement of Assets and Liabilities as Interest payable margin account.

Each Fund may also sell a security short if it owns at least an equal amount of the security sold short or another security convertible or exchangeable for an equal amount of the security sold short without payment of further compensation (a short sale against-the-box). In a short sale against-the-box, the short seller is exposed to the risk of being forced to deliver stock that it holds to close the position if the borrowed stock is called in by the lender, which would cause gain or loss to be recognized on the delivered stock. Each Fund expects normally to close its short sales against-the-box by delivering newly acquired stock.

**Derivatives Instruments and Hedging Activities:** The following discloses the Funds' use of derivative instruments and hedging activities.

The Funds' investment objectives not only permit the Funds to purchase investment securities, they also allow the Funds to enter into various types of derivative contracts, including, but not limited to, purchased and written options and warrants. In doing so, the Funds will employ strategies in differing combinations to permit them to increase, decrease, or change the level or types of exposure to market factors. Central to those strategies are features inherent to derivatives that make them more attractive for this purpose than equity securities; they require little or no initial cash investment, they can focus exposure on only certain selected risk factors, and they may not require the ultimate receipt or delivery of the underlying security (or securities) to the contract. This may allow the Funds to pursue their objectives more quickly and efficiently than if they were to make direct purchases or sales of securities capable of effecting a similar response to market factors.

**Market Risk Factors:** In pursuit of their investment objectives, certain Funds may seek to use derivatives to increase or decrease their exposure to the following market risk factors:

Equity Risk: Equity risk relates to the change in value of equity securities as they relate to increases or decreases in the general market.

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**Risk of Investing in Derivatives:** The Funds use of derivatives can result in losses due to unanticipated changes in the market risk factors and the overall market. In instances where the Funds are using derivatives to decrease or hedge exposures to market risk factors for securities held by the Funds, there are also risks that those derivatives may not perform as expected, resulting in losses for the combined or hedged positions.

Derivatives may have little or no initial cash investment relative to their market value exposure and therefore can produce significant gains or losses in excess of their cost. This use of embedded leverage allows the Funds to increase their market value exposure relative to their net assets and can substantially increase the volatility of the Funds performance.

Table of Contents

## Clough Global Funds

## Notes to Financial Statements

March 31, 2012

Additional associated risks from investing in derivatives also exist and potentially could have significant effects on the valuation of the derivative and the Funds. Typically, the associated risks are not the risks that the Funds are attempting to increase or decrease exposure to, per their investment objectives, but are the additional risks from investing in derivatives.

Examples of these associated risks are liquidity risk, which is the risk that the Funds will not be able to sell the derivative in the open market in a timely manner, and counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Funds. Associated risks can be different for each type of derivative and are discussed by each derivative type in the notes that follow.

**Option Writing/Purchasing:** Each Fund may purchase or write (sell) put and call options. One of the risks associated with purchasing an option among others, is that a Fund pays a premium whether or not the option is exercised. Additionally, a Fund bears the risk of loss of premium and change in market value should the counterparty not perform under the contract. The cost of securities acquired through the exercise of call options is increased by premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid. Each Fund is obligated to pay interest to the broker for any debit balance of the margin account relating to options. The interest incurred on the Funds for the fiscal year ended March 31, 2012 is reported on the Statement of Operations as Interest expense margin account. Interest amounts payable by the Funds as of March 31, 2012 are reported on the Statement of Assets and Liabilities as Interest payable margin account.

When a Fund writes an option, an amount equal to the premium received by a Fund is recorded as a liability and is subsequently adjusted to the current value of the option written. Premiums received from writing options that expire unexercised are treated by a Fund on the expiration date as realized gains. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is recorded as a realized gain or loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether a Fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by a Fund. Each Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option.

Written option activity for the year ended March 31, 2012 was as follows:

**CLOUGH GLOBAL ALLOCATION FUND:**

|                              | Written Call Options |              | Written Put Options |           |
|------------------------------|----------------------|--------------|---------------------|-----------|
|                              | Contracts            | Premiums     | Contracts           | Premiums  |
| Outstanding, March 31, 2011  |                      | \$           |                     | \$        |
| Positions opened             | 1,449                | 395,787      | 312                 | 453,511   |
| Exercised                    | (202)                | (44,980)     |                     |           |
| Expired                      | (598)                | (48,363)     | (48)                | (24,383)  |
| Closed                       | (626)                | (262,035)    | (264)               | (429,128) |
| Split                        |                      |              |                     |           |
| Outstanding, March 31, 2012  | 23                   | \$ 40,409    |                     | \$        |
| Market Value, March 31, 2012 |                      | \$ (175,893) |                     | \$        |

**CLOUGH GLOBAL EQUITY FUND:**

|                             | Written Call Options |           | Written Put Options |           |
|-----------------------------|----------------------|-----------|---------------------|-----------|
|                             | Contracts            | Premiums  | Contracts           | Premiums  |
| Outstanding, March 31, 2011 |                      | \$        |                     | \$        |
| Positions opened            | 2,451                | 633,601   | 545                 | 778,313   |
| Exercised                   |                      |           |                     |           |
| Expired                     | (1,122)              | (90,744)  | (78)                | (39,621)  |
| Closed                      | (1,291)              | (476,064) | (467)               | (738,692) |
| Split                       |                      |           |                     |           |

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|                              |    |              |    |
|------------------------------|----|--------------|----|
| Outstanding, March 31, 2012  | 38 | \$ 66,763    | \$ |
| Market Value, March 31, 2012 |    | \$ (290,605) | \$ |

**Table of Contents****Notes to Financial Statements**

March 31, 2012

**Clough Global Funds****CLOUGH GLOBAL OPPORTUNITIES FUND:**

|                              | Written Call Options |                | Written Put Options |             |
|------------------------------|----------------------|----------------|---------------------|-------------|
|                              | Contracts            | Premiums       | Contracts           | Premiums    |
| Outstanding, March 31, 2011  |                      | \$             |                     | \$          |
| Positions opened             | 9,887                | 1,935,938      | 1,361               | 1,978,132   |
| Exercised                    | (426)                | (84,633)       |                     |             |
| Expired                      | (2,543)              | (205,729)      | (203)               | (103,118)   |
| Closed                       | (2,317)              | (1,043,999)    | (1,158)             | (1,875,014) |
| Split                        |                      |                |                     |             |
| Outstanding, March 31, 2012  | 4,601                | \$ 601,577     |                     | \$          |
| Market Value, March 31, 2012 |                      | \$ (1,251,648) |                     | \$          |

**Warrants:** Each Fund may purchase or otherwise receive warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a set price. Funds typically use warrants and rights in a manner similar to their use of purchased options on securities, as described in options above. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of purchased options. However, warrants and rights often do not have standardized terms, and may have longer maturities and may be less liquid than exchange-traded options. In addition, the terms of warrants or rights may limit each Fund's ability to exercise the warrants or rights at such times and in such quantities as each Fund would otherwise wish. Each Fund held no rights or warrants at the end of the period. The following tables disclose the amounts related to each Fund's use of derivative instruments.

The effect of derivatives instruments on each Fund's Balance Sheet as of March 31, 2012:

| Fund                             | Risk Exposure    | Asset Derivatives       |           |               |
|----------------------------------|------------------|-------------------------|-----------|---------------|
|                                  |                  | Statement of Assets and |           |               |
|                                  |                  | Liabilities Location    | Contracts | Fair Value    |
| Clough Global Allocation Fund    | Equity Contracts | Investments, at value   | 5,125     | \$ 1,360,115  |
| Clough Global Equity Fund        | Equity Contracts | Investments, at value   | 8,350     | \$ 2,242,200  |
| Clough Global Opportunities Fund | Equity Contracts | Investments, at value   | 31,916    | \$ 10,452,105 |

| Fund                             | Risk Exposure    | Liability Derivatives     |           |                |
|----------------------------------|------------------|---------------------------|-----------|----------------|
|                                  |                  | Statement of Assets and   |           |                |
|                                  |                  | Liabilities Location      | Contracts | Fair Value     |
| Clough Global Allocation Fund    | Equity Contracts | Options written, at value | 23        | \$ (175,893)   |
| Clough Global Equity Fund        | Equity Contracts | Options written, at value | 38        | \$ (290,605)   |
| Clough Global Opportunities Fund | Equity Contracts | Options written, at value | 4,601     | \$ (1,251,648) |

Table of Contents

## Clough Global Funds

## Notes to Financial Statements

March 31, 2012

The effect of derivatives instruments on each Fund's Statement of Operations for the year ended March 31, 2012:

| Fund                             | Risk Exposure       | Statement of Operations Location  | Realized<br>Gain/(Loss) on<br>Derivatives<br>Recognized<br>in Income | Change in<br>Unrealized<br>Gain/(Loss) on<br>Derivatives<br>Recognized in<br>Income |
|----------------------------------|---------------------|---|--|---|
| Clough Global Allocation Fund    | Equity<br>Contracts | Net realized gain/(loss) on Investment securities/Net realized gain/(loss) on Written options/Net change in unrealized appreciation/(depreciation) on Investment securities/Net change in unrealized appreciation/(depreciation) on Written options | \$ (845,409)   | \$ 341,542  |
| Clough Global Equity Fund        | Equity<br>Contracts | Net realized gain/(loss) on Investment securities/Net realized gain/(loss) on Written options/Net change in unrealized appreciation/(depreciation) on Investment securities/Net change in unrealized appreciation/(depreciation) on Written options | \$ (1,406,237)   | \$ 576,430  |
| Clough Global Opportunities Fund | Equity<br>Contracts | Net realized gain/(loss) on Investment securities/Net realized gain/(loss) on Written options/Net change in unrealized appreciation/(depreciation) on Investment securities/Net change in unrealized appreciation/(depreciation) on Written options | \$ (7,520,994)   | \$ 4,466,071  |

The average purchased and written option contracts volume and the average purchased and written option contracts notional volume during the year ended March 31, 2012 is noted below for each of the Funds.

| Fund                             | Average Purchased<br>Option<br>Contract<br>Volume | Average Purchased<br>Option Contract<br>Notional<br>Volume | Average Written<br>Option<br>Contract<br>Volume | Average Written<br>Option<br>Contract<br>Notional<br>Volume |
|----------------------------------|---|--|---|---|
| Clough Global Allocation Fund    | 615   | \$ 4,386,989   | 67  | \$ 1,803,015  |
| Clough Global Equity Fund        | 983   | \$ 7,291,050   | 119   | \$ 3,317,151  |
| Clough Global Opportunities Fund | 15,828  | \$ 55,162,447  | 1,036   | \$ 11,168,782   |

**Income Taxes:** Each Fund's policy is to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax provision is required. During the year ended March 31, 2012, none of the Funds recorded a liability for any uncertain tax positions in the accompanying financial statements.

Each Fund files income tax returns in the U.S. federal jurisdiction and Colorado. The statute of limitations on each Fund's federal and state tax filings remains open for the fiscal years ended March 31, 2012, March 31, 2011, March 31, 2010, and March 31, 2009 as well as for March 31,

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2008 for state purposes only.

On December 22, 2010, The Regulated Investment Company Modernization Act of 2010 (the Modernization Act ) was signed into law. The Modernization Act is the first major piece of legislation affecting regulated investment companies ( RICs ) since 1986 and it modernizes several of the federal income and excise tax provisions related to RICs. Some highlights of the enacted provisions are as follows:

New capital losses may now be carried forward indefinitely, and retain the character of the original loss. Under pre-enactment law, capital losses could be carried forward for eight years and were carried forward as short-term capital losses, irrespective of the character of the original loss.

The Modernization Act contains simplification provisions, which are aimed at preventing disqualification of a RIC for inadvertent failures of the asset diversification and/or qualifying income tests. Additionally, the Modernization Act exempts RICs from the preferential dividend rule, and repealed the 60-day designation requirement for certain types of pay-through income and gains.

Table of Contents

## Notes to Financial Statements

## Clough Global Funds

March 31, 2012

Finally, the Modernization Act contains several provisions aimed at preserving the character of distributions made by a fiscal year RIC during the portion of its taxable year ending after October 31 or December 31, reducing the circumstances under which a RIC might be required to file amended Forms 1099 to restate previously reported distributions.

**Distributions to Shareholders:** Each Fund intends to make a level dividend distribution each quarter to Common Shareholders after payment of interest on any outstanding borrowings. The level dividend rate may be modified by the Board of Trustees from time to time. Any net capital gains earned by a Fund are distributed at least annually to the extent necessary to avoid federal income and excise taxes. Distributions to shareholders are recorded by each Fund on the ex-dividend date. Each Fund has received approval from the Securities and Exchange Commission (the Commission) for exemption from Section 19(b) of the Investment Company Act of 1940, as amended (the 1940 Act), and Rule 19b-1 thereunder permitting each Fund to make periodic distributions of long-term capital gains, provided that the distribution policy of a fund with respect to its Common Shares calls for periodic (e.g. quarterly/monthly) distributions in an amount equal to a fixed percentage of each Fund's average net asset value over a specified period of time or market price per common share at or about the time of distributions or pay-out of a level dollar amount. At this time, none of the Funds have implemented a managed distribution plan as permitted under the exemption.

**Securities Transactions and Investment Income:** Investment security transactions are accounted for as of trade date basis. Dividend income is recorded on the ex-dividend date. Certain dividend income from foreign securities will be recorded, in the exercise of reasonable diligence, as soon as a Fund is informed of the dividend if such information is obtained subsequent to the ex-dividend date and may be subject to withholding taxes in these jurisdictions. Interest income, which includes amortization of premium and accretion of discount, is recorded on the accrual basis. Realized gains and losses from securities transactions and unrealized appreciation and depreciation of securities are determined using the highest cost basis for both financial reporting and income tax purposes.

**Counterparty Risk:** Each of the Funds run the risk that the issuer or guarantor of a fixed income security, the counterparty to an over-the-counter derivatives contract, a borrower of each Fund's securities or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to make timely principal, interest, or settlement payments or otherwise honor its obligations. In addition, to the extent that each of the Funds use over-the-counter derivatives, and/or has significant exposure to a single counterparty, this risk will be particularly pronounced for each of the Funds.

**Other Risk Factors:** Investing in the Funds may involve certain risks including, but not limited to, the following:

Unforeseen developments in market conditions may result in the decline of prices of, and the income generated by, the securities held by the Funds. These events may have adverse effects on the Funds such as a decline in the value and liquidity of many securities held by the Funds, and a decrease in net asset value. Such unforeseen developments may limit or preclude the Funds' ability to achieve their investment objective.

Investing in stocks may involve larger price fluctuation and greater potential for loss than other types of investments. This may cause the securities held by the Funds to be subject to larger short-term declines in value.

The Funds may have elements of risk due to concentrated investments in foreign issuers located in a specific country. Such concentrations may subject the Funds to additional risks resulting from future political or economic conditions and/or possible impositions of adverse foreign governmental laws or currency exchange restrictions. Investments in securities of non-U.S. issuers have unique risks not present in securities of U.S. issuers, such as greater price volatility and less liquidity. At March 31, 2012, Clough Global Allocation Fund, Clough Global Equity Fund and Clough Global Opportunities Fund each had a significant concentration of their investment securities in companies based in the United States 100.76%, 102.50% and 102.27% of net assets, respectively.

Fixed income securities are subject to credit risk, which is the possibility that a security could have its credit rating downgraded or that the issuer of the security could fail to make timely payments or default on payments of interest or principal. Additionally, fixed income securities are subject to interest rate risk, meaning the decline in the price of debt securities that accompanies a rise in interest rates. Bonds with longer maturities are subject to greater price fluctuations than bonds with shorter maturities.



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The Funds invest in bonds which are rated below investment grade. These high yield bonds may be more susceptible than higher grade bonds to real or perceived adverse economic or industry conditions. The secondary market, on which high yield bonds are traded, may also be less liquid than the market for higher grade bonds.

**Application of Recent Accounting Pronouncement:** In May 2011, the FASB issued ASU No. 2011-04 Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in GAAP and the International Financial Reporting Standards ( IFRSs ). ASU No.2011-04 amends FASB ASC Topic 820, Fair Value Measurements and Disclosures , to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP and IFRSs. ASU No.2011-04 is effective for fiscal years beginning after December 15, 2011 and for interim periods within those fiscal years. Management is currently evaluating the impact these amendments may have on the Funds financial statements.

Table of Contents

## Clough Global Funds

## Notes to Financial Statements

March 31, 2012

**2. TAXES**

**Classification of Distributions:** Net investment income (loss) and net realized gain (loss) may differ for financial statement and tax purposes. The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or realized gain was recorded by the Funds. The amount and characteristics of the tax basis distributions and composition of distributable earnings/(accumulated losses) are finalized at fiscal year end; accordingly, tax basis balances have not been determined as of March 31, 2012.

The tax character of the distributions paid by the Funds during the years ended March 31, 2012 and March 31, 2011 were as follows:

|                        | Clough Global Allocation Fund |               | Clough Global Equity Fund |               | Clough Global Opportunities Fund |               |
|------------------------|-------------------------------|---------------|---------------------------|---------------|----------------------------------|---------------|
|                        | 2012                          | 2011          | 2012                      | 2011          | 2012                             | 2011          |
| Ordinary Income        | \$ 12,521,527                 | \$ 12,521,527 | \$ 20,279,371             | \$ 20,695,217 | \$ 54,503,782                    | \$ 55,875,807 |
| Long-Term Capital Gain |                               |               |                           |               |                                  |               |
| Return of Capital      |                               |               | 415,846                   |               | 1,372,025                        |               |
| Total                  | \$ 12,521,527                 | \$ 12,521,527 | \$ 20,695,217             | \$ 20,695,217 | \$ 55,875,807                    | \$ 55,875,807 |

**Components of Earnings:** Tax components of distributable earnings are determined in accordance with income tax regulations which may differ from composition of net assets reported under accounting principles generally accepted in the United States. Accordingly, for the year ended March 31, 2012, certain differences were reclassified. These differences were primarily due to the differing tax treatment of certain investments.

The reclassifications were as follows:

|                                 | Clough Global Allocation Fund | Clough Global Equity Fund | Clough Global Opportunities Fund |
|---------------------------------|-------------------------------|---------------------------|----------------------------------|
| Undistributed Ordinary Income   | \$ 10,315,610                 | \$ 17,261,704             | \$ 48,289,491                    |
| Accumulated Capital Gain/(Loss) | (370,584)                     | (616,050)                 | (1,603,038)                      |
| Paid-In Capital                 | (9,945,026)                   | (16,645,654)              | (46,686,453)                     |

As of March 31, 2012 the Funds had capital loss carryforwards which may reduce the Funds' taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code and thus may reduce the amount of the distributions to shareholders which would otherwise be necessary to relieve the Funds of any liability for federal tax. Pursuant to the Code, such capital loss carryforwards will expire as follows:

|                 | Clough Global Allocation Fund | Clough Global Equity Fund | Clough Global Opportunities Fund |
|-----------------|-------------------------------|---------------------------|----------------------------------|
| Expiration Date |                               |                           |                                  |

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March 31, 2018 \$8,327,692      \$17,188,410      \$96,275,344  
 During the year ended March 31, 2012, \$10,024,076, \$16,648,035 and \$46,706,571 of capital loss carryforwards were utilized by the Clough Global Allocation Fund, Clough Global Equity Fund, and Clough Global Opportunities Fund respectively.

As of March 31, 2012, the components of distributable earnings on a tax basis were as follows:

| Fund  | Clough Global Allocation Fund | Clough Global Equity Fund | Clough Global Opportunities Fund |
|---|-------------------------------|---------------------------|----------------------------------|
| Undistributed net investment income           | \$                            | \$                        | \$                               |
| Accumulated net realized losses               | (14,606,618)                  | (28,238,466)              | (122,045,334)                    |
| Unrealized appreciation                       | 13,584,202                    | 23,942,918                | 48,966,525                       |
| Other cumulative effect of timing differences | (7,368)                       | (186,302)                 | (1,058,351)                      |
| <b>Total</b>                                  | <b>\$ (1,029,784)</b>         | <b>\$ (4,481,850)</b>     | <b>\$ (74,137,160)</b>           |

**Table of Contents****Notes to Financial Statements**

March 31, 2012

**Clough Global Funds**

Net unrealized appreciation/(depreciation) of investments based on federal tax cost as of March 31, 2012, were as follows:

|  | <b>Clough Global</b>   |                                      |   |
|--|------------------------|--------------------------------------|---|
|  | <b>Allocation Fund</b> | <b>Clough Global<br/>Equity Fund</b> | <b>Clough Global<br/>Opportunities Fund</b> |
| Gross unrealized appreciation on investments (excess of value over tax cost) | \$ 18,563,967          | \$ 31,929,593                        | \$ 71,617,663                               |
| Gross unrealized depreciation on investments (excess of tax cost over value) | (5,835,950)            | (9,384,802)                          | (26,232,994)                                |
| Net appreciation of foreign currency and derivatives                         | 856,185                | 1,398,127                            | 3,581,856                                   |
| Net unrealized appreciation  | 13,584,202             | 23,942,918                           | 48,966,525                                  |
| Cost of investments for income tax purposes                                  | \$ 245,304,040         | \$ 403,494,007                       | \$ 1,056,481,572                            |

**Post October Loss:** Under current tax law, capital and currency losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. For the year ended March 31, 2012, the Funds elected to defer capital losses occurring between November 1, 2011 and March 31, 2012 in the amounts listed below.

|                         | <b>Clough Global</b>            |                             |                      |
|-------------------------|---------------------------------|-----------------------------|----------------------|
|                         | <b>Clough Global Allocation</b> | <b>Clough Global Equity</b> | <b>Opportunities</b> |
|                         | <b>Fund</b>                     | <b>Fund</b>                 | <b>Fund</b>          |
| Capital losses deferred | \$6,278,926                     | \$11,050,056                | \$25,769,990         |

The Funds elect to defer to the period ending March 31, 2013, certain ordinary losses recognized during the period 11/1/2011 - 3/31/2012 in the amounts of \$73,309 for Clough Global Allocation Fund, \$285,530 for Clough Global Equity Fund and \$1,324,018 for Clough Global Opportunities Fund.

**3. CAPITAL TRANSACTIONS**

**Common Shares:** There are an unlimited number of no par value common shares of beneficial interest authorized for each Fund.

Transactions in common shares were as follows:

|                   |               |                      |
|-------------------|---------------|----------------------|
| <b>Clough</b>     | <b>Clough</b> | <b>Clough</b>        |
| <b>Global</b>     | <b>Global</b> | <b>Global</b>        |
| <b>Allocation</b> | <b>Equity</b> | <b>Opportunities</b> |

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|   | Fund       |            | Fund       |            | Fund       |            |
|---|------------|------------|------------|------------|------------|------------|
|   | For the    | For the    | For the    | For the    | For the    | For the    |
|   | Year       | Year       | Year       | Year       | Year       | Year       |
|   | Ended      | Ended      | Ended      | Ended      | Ended      | Ended      |
|   | March 31,  | March 31,  | March 31,  | March 31,  | March 31,  | March 31,  |
|   | 2012       | 2011       | 2012       | 2011       | 2012       | 2011       |
| Common Shares Outstanding - beginning of period   | 10,434,606 | 10,434,606 | 17,840,705 | 17,840,705 | 51,736,859 | 51,736,859 |
| Common shares issued as reinvestment of dividends |            |            |            |            |            |            |
| Common shares outstanding - end of period         | 10,434,606 | 10,434,606 | 17,840,705 | 17,840,705 | 51,736,859 | 51,736,859 |

**4. PORTFOLIO SECURITIES**

Purchases and sales of investment securities, other than short-term securities, for the year ended March 31, 2012, are listed in the table below.

| Fund                             | Purchases of Securities | Proceeds from Sales of Securities | Proceeds from Sales         |                             |
|----------------------------------|-------------------------|-----------------------------------|-----------------------------|-----------------------------|
|                                  |                         |                                   | U.S. Government Obligations | U.S. Government Obligations |
| Clough Global Allocation Fund    | \$ 375,946,477          | \$ 393,601,456                    | \$ 82,616,775               | \$ 90,554,993               |
| Clough Global Equity Fund        | 621,621,008             | 657,984,144                       | 88,742,633                  | 100,489,195                 |
| Clough Global Opportunities Fund | 1,630,844,377           | 1,700,891,422                     | 336,305,444                 | 396,020,474                 |

**5. INVESTMENT ADVISORY AND ADMINISTRATION AGREEMENTS**

Clough Capital Partners L.P. ( Clough ) serves as each Fund s investment adviser pursuant to an Investment Advisory Agreement (each an Advisory Agreement and collectively, the Advisory Agreements ) with each Fund. As compensation for its services to the Fund, Clough receives an annual investment advisory fee of 0.70%, 0.90% and 1.00% based on Clough Global Allocation Fund s, Clough Global Equity Fund s and Clough Global Opportunities Fund s, respectively, average daily total assets, computed daily and payable monthly. ALPS Fund Services, Inc. ( ALPS ) serves as each Fund s administrator pursuant to an Administration, Bookkeeping and Pricing Services Agreement with each Fund. As compensation for its services to the Fund, ALPS receives an annual administration fee of 0.285%, 0.32%, and 0.32% based on Clough Global Allocation Fund s, Clough Global Equity Fund s and Clough Global Opportunities Fund s, respectively, average daily total assets, computed daily and payable monthly. ALPS will pay all expenses incurred by each Fund, with the exception of advisory fees, trustees fees, portfolio transaction expenses, litigation expenses, taxes, expenses of conducting repurchase offers for the purpose of repurchasing fund shares, interest on margin accounts, interest on loans, dividends on short sales, and extraordinary expenses.

Table of Contents

## Clough Global Funds

## Notes to Financial Statements

March 31, 2012

Both Clough and ALPS are considered to be affiliates of the Funds as defined in the 1940 Act.

**6. COMMITTED FACILITY AGREEMENT AND LENDING AGREEMENT**

In January 2009, each Fund entered into a financing package that includes a Committed Facility Agreement (the Agreement) with BNP Paribas Prime Brokerage, Inc. (BNP) that allowed each Fund to borrow funds. Each Fund is currently borrowing the maximum commitment covered by the agreement. Borrowings under the Agreement are secured by assets of each Fund that are held by a Fund's custodian in a separate account (the pledged collateral) valued at \$174,372,436, \$283,407,254 and \$750,018,688 for Clough Global Allocation Fund, Clough Global Equity Fund and Clough Global Opportunities Fund, respectively. Each Fund may, with 30 days notice, reduce the Maximum Commitment Financing (Initial Limit amount plus the increased borrowing amount in excess of the Initial Limit) to a lesser amount if drawing on the full amount would result in a violation of the applicable asset coverage requirement of Section 18 of the 1940 Act. Interest is charged at the three month LIBOR (London Inter-bank Offered Rate) plus 1.10% on the amount borrowed and 1.00% on the undrawn balance. Each Fund also pays a one time arrangement fee of 0.25% on (i) the Initial Limit and (ii) any increased borrowing amount in the excess of the Initial Limit, paid in monthly installments for the six months immediately following the date on which borrowings were drawn by the Fund. For the year ended March 31, 2012 the average borrowings outstanding for Clough Global Allocation Fund, Clough Global Equity Fund and Clough Global Opportunities Fund under the agreement were \$89,800,000, \$147,000,000 and \$388,900,000, respectively, and the average interest rate for the borrowings was 1.49%. As of March 31, 2012, the outstanding borrowings for Clough Global Allocation Fund, Clough Global Equity Fund and Clough Global Opportunities Fund were \$89,800,000, \$147,000,000 and \$388,900,000, respectively. The interest rate applicable to the borrowings of Clough Global Allocation Fund, Clough Global Equity Fund and Clough Global Opportunities Fund on March 31, 2012 was 1.57%.

The Lending Agreement is a separate side-agreement between each Fund and BNP pursuant to which BNP may borrow a portion of the pledged collateral (the Lent Securities) in an amount not to exceed the outstanding borrowings owed by a Fund to BNP under the Agreement. The Lending Agreement is intended to permit each Fund to significantly reduce the cost of its borrowings under the Agreement. BNP has the ability to reregister the Lent Securities in its own name or in another name other than the Fund to pledge, re-pledge, sell, lend or otherwise transfer or use the collateral with all attendant rights of ownership. (It is each Fund's understanding that BNP will perform due diligence to determine the creditworthiness of any party that borrows Lent Securities from BNP.) Each Fund may designate any security within the pledged collateral as ineligible to be a Lent Security, provided there are eligible securities within the pledged collateral in an amount equal to the outstanding borrowing owed by a Fund. During the period in which the Lent Securities are outstanding, BNP must remit payment to each Fund equal to the amount of all dividends, interest or other distributions earned or made by the Lent Securities.

Under the terms of the Lending Agreement, the Lent Securities are marked to market daily, and if the value of the Lent Securities exceeds the value of the then-outstanding borrowings owed by a Fund to BNP under the Agreement (the Current Borrowings), BNP must, on that day, either (1) return Lent Securities to each Fund's custodian in an amount sufficient to cause the value of the outstanding Lent Securities to equal the Current Borrowings; or (2) post cash collateral with each Fund's custodian equal to the difference between the value of the Lent Securities and the value of the Current Borrowings. If BNP fails to perform either of these actions as required, each Fund will recall securities, as discussed below, in an amount sufficient to cause the value of the outstanding Lent Securities to equal the Current Borrowings. Each Fund can recall any of the Lent Securities and BNP shall, to the extent commercially possible, return such security or equivalent security to each Fund's custodian no later than three business days after such request. If a Fund recalls a Lent Security pursuant to the Lending Agreement, and BNP fails to return the Lent Securities or equivalent securities in a timely fashion, BNP shall remain liable for the ultimate delivery to each Fund's custodian of such Lent Securities, or equivalent securities, and for any buy-in costs that the executing broker for the sales transaction may impose with respect to the failure to deliver. Each Fund shall also have the right to apply and set-off an amount equal to one hundred percent (100%) of the then-current fair market value of such Lent Securities against the Current Borrowings.

The Board of Trustees has approved each Agreement and the Lending Agreement. No violations of the Agreement or the Lending Agreement have occurred during the year ended March 31, 2012.

## Edgar Filing: Clough Global Allocation Fund - Form N-CSR

Each Fund receives income from BNP based on the value of the Lent Securities. This income is recorded as Hypothecated Securities income on the Statements of Operations. The interest incurred on borrowed amounts is recorded as Interest on Loan in the Statements of Operations, a part of Total Expenses.

### **7. OTHER**

The Independent Trustees of each Fund receive from each Fund a quarterly retainer of \$3,500 and an additional \$1,500 for each board meeting attended. The Chairman of the Board of Trustees of each Fund receives a quarterly retainer from each Fund of \$4,200 and an additional \$1,800 for each board meeting attended. The Chairman of the Audit Committee of each Fund receives a quarterly retainer from each Fund of \$3,850 and an additional \$1,650 for each board meeting attended.

### **8. SUBSEQUENT EVENTS**

The Funds have evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no adjustments were required to the financial statements.

Table of Contents

## Dividend Reinvestment Plan

## Clough Global Funds

March 31, 2012 (Unaudited)

Unless the registered owner of Common Shares elects to receive cash by contacting Computershare (the Plan Administrator), all dividends declared on Common Shares will be automatically reinvested by the Plan Administrator for shareholders in each Fund's Dividend Reinvestment Plan (the Plan), in additional Common Shares. Shareholders who elect not to participate in the Plan will receive all dividends and other distributions in cash paid by check mailed directly to the shareholder of record (or, if the Common Shares are held in street or other nominee name, then to such nominee) by Computershare as dividend disbursing agent. You may elect not to participate in the Plan and to receive all dividends in cash by contacting Computershare, as dividend disbursing agent, at the address set forth below. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Plan Administrator prior to the dividend record date; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution. Some brokers may automatically elect to receive cash on your behalf and may reinvest that cash in additional Common Shares for you. If you wish for all dividends declared on your Common Shares to be automatically reinvested pursuant to the Plan, please contact your broker.

The Plan Administrator will open an account for each Common Shareholder under the Plan in the same name in which such Common Shareholder's Common Shares are registered. Whenever a Fund declares a dividend or other distribution (together, a Dividend) payable in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in Common Shares. The Common Shares will be acquired by the Plan Administrator for the participants' accounts, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized Common Shares from a Fund (Newly Issued Common Shares) or (ii) by purchase of outstanding Common Shares on the open market (Open Market Purchases) on the American Stock Exchange or elsewhere. If, on the payment date for any Dividend, the closing market price plus estimated brokerage commissions per Common Share is equal to or greater than the net asset value per Common Share, the Plan Administrator will invest the Dividend amount in Newly Issued Common Shares on behalf of the participants. The number of Newly Issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the Dividend by the net asset value per Common Share on the payment date; provided that, if the net asset value is less than or equal to 95% of the closing market value on the payment date, the dollar amount of the Dividend will be divided by 95% of the closing market price per Common Share on the payment date. If, on the payment date for any Dividend, the net asset value per Common Share is greater than the closing market value plus estimated brokerage commissions, the Plan Administrator will invest the Dividend amount in Common Shares acquired on behalf of the participants in Open Market Purchases. In the event of a market discount on the payment date for any Dividend, the Plan Administrator will have until the last business day before the next date on which the Common Shares trade on an ex-dividend basis or 30 days after the payment date for such Dividend, whichever is sooner (the Last Purchase Date), to invest the Dividend amount in Common Shares acquired in Open Market Purchases. If, before the Plan Administrator has completed its Open Market Purchases, the market price per Common Share exceeds the net asset value per Common Share, the average per Common Share purchase price paid by the Plan Administrator may exceed the net asset value of the Common Shares, resulting in the acquisition of fewer Common Shares than if the Dividend had been paid in Newly Issued Common Shares on the Dividend payment date. Because of the foregoing difficulty with respect to Open Market Purchases, the Plan provides that if the Plan Administrator is unable to invest the full Dividend amount in Open Market Purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Administrator may cease making Open Market Purchases and may invest the uninvested portion of the Dividend amount in Newly Issued Common Shares at the net asset value per Common Share at the close of business on the Last Purchase Date provided that, if the net asset value is less than or equal to 95% of the then current market price per Common Share; the dollar amount of the Dividend will be divided by 95% of the market price on the payment date.

The Plan Administrator maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common Shares in the account of each Plan participant will be held by the Plan Administrator on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Administrator will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants.

In the case of Common Shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, the Plan Administrator will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan.

There will be no brokerage charges with respect to Common Shares issued directly by a Fund. However, each participant will pay a pro rata share of brokerage commissions incurred in connection with Open Market Purchases. The automatic reinvestment of Dividends will not relieve



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participants of any federal, state or local income tax that may be payable (or required to be withheld) on such Dividends. Participants that request a sale of Common Shares through the Plan Administrator are subject to brokerage commissions.

Each Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants with regard to purchases in the Plan; however, each Fund reserves the right to amend the Plan to include a service charge payable by the participants.

All correspondence or questions concerning the Plan should be directed to the Plan Administrator, Computershare, P.O. Box 358035, Pittsburgh, PA 15252-8035.

Table of Contents

Clough Global Funds

Change in Independent Registered Public

Accountant

March 31, 2012 (Unaudited)

On March 16, 2012, the Audit Committees of the Board of Trustees of each of Clough Global Allocation Fund, Clough Global Equity Fund, and Clough Global Opportunities Fund (each individually a Fund, and together, the Funds) dismissed Deloitte & Touche LLP (D&T) as the independent registered public accounting firm of the respective Funds.

During the fiscal years ended March 31, 2010 and March 31, 2011 and the subsequent interim period through March 16, 2012: (1) there were no disagreements with D&T on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of D&T, would have caused D&T to make reference to the subject matter of the disagreement in connection with its reports, and (2) there were no reportable events as that term is defined in Item 304(a)(1) of Regulation S-K. The audit reports of D&T on each of the Funds' financial statements for the fiscal years ended March 31, 2010 and March 31, 2011 did not contain an adverse opinion or a disclaimer of opinion, nor were such reports qualified or modified as to uncertainty, audit scope, or accounting principles.

Also on March 16, 2012, the Audit Committees of each of the Funds engaged Cohen Fund Audit Services, Ltd. (Cohen) as the independent registered public accounting firm to audit the financial statements of the respective Funds for the fiscal year ended March 31, 2012. During the fiscal years ended March 31, 2010 and March 31, 2011 and the subsequent interim period through March 16, 2012, none of the Funds nor anyone on their behalf consulted with Cohen regarding either: (1) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on any of the Funds' financial statements, and no written report or oral advice was provided to any of the Funds that Cohen concluded was an important factor considered by the respective Funds in reaching a decision as to an accounting, auditing or financial reporting issue or (2) any matter that was the subject of a disagreement or reportable event as defined in Item 304(a)(1) of Regulation S-K.

The Audit Committees of each of the Funds dismissed D&T from its engagement as the independent registered public accounting firm to audit the financial statements of the respective Funds as a result of an independence issue that D&T recently brought to the Audit Committees attention. Specifically, Deloitte Consulting LLP (Deloitte Consulting), a firm affiliated with D&T, purchased certain intellectual property in May 2006 from an entity and certain individuals, including an individual who serves as a Trustee of each of the Funds. In connection with the purchase, and subsequent to this purchase, Deloitte Consulting and its affiliates (together, Deloitte) engaged the Trustee to provide consulting services. The amounts paid to the Trustee in connection with the purchase and consulting services were significant to the Trustee. Deloitte ceased using the Trustee's services in 2010, with the final payment for services to the Trustee occurring in 2011.

D&T conducted an investigation of the facts and circumstances surrounding the business relationships described above and the extent to which they may have impacted D&T's audit process with respect to the financial statements of each of the Funds. D&T informed the Audit Committees of each of the Funds that D&T believes that the Trustee's relationship with Deloitte had no impact on the objectivity, integrity or impartiality of the audit teams conducting the audits of the Funds' financial statements. In reaching this conclusion, D&T informed the Audit Committees of each of the Funds that it had considered that the engagement partners and the primary audit managers of the D&T audit engagement teams who conducted the audits of the financial statements of each of the Funds were unaware of the initial purchase and of the Trustee's consulting relationship with Deloitte and, as a result, the audit teams' objectivity, integrity and impartiality was not impacted in conducting the audits of the respective Funds' financial statements. D&T acknowledged that certain aspects of the relationships described above with the Trustee caused a breach of D&T's compliance with the SEC's independence rules relating to business relationships with audit clients. D&T has further informed the Audit Committees of each of the Funds that, based upon D&T's investigation of the facts and circumstances, D&T does not believe that its prior audit reports with respect to any of the Funds' financial statements need to be withdrawn.

In addition to the information provided by D&T, the Audit Committees considered that, to their knowledge and based upon their investigation: none of the current or former members of the Audit Committees (other than the Trustee was providing the services to Deloitte) and none of the employees of ALPS Funds Services, the administrator of the Funds, that had responsibility for the functions that the administrator performed for the Funds during the relevant period, was aware that the Trustee had sold intellectual property, or was providing services, to Deloitte. The Trustee also confirmed to the other members of the Audit Committees that he had not attempted directly or indirectly to influence D&T's planning or conduct of the audits of the Funds' financial statements.

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Based on their reviews, the Audit Committees, with the Trustee who provided the services to Deloitte abstaining: (1) determined that it does not appear that the Consulting Trustee attempted to influence at any time D&T's planning or conduct of the audits of the Funds' financial statements, (2) determined that D&T's objectivity, integrity and professional skepticism was not impaired, and (3) agrees with the conclusion that the prior audit reports with respect to each of the Funds' financial statements do not need to be withdrawn.

**Table of Contents**

**Additional Information**

March 31, 2012 (Unaudited)

**Clough Global Funds**

**FUND PROXY VOTING POLICIES & PROCEDURES**

Each Fund's policies and procedures used in determining how to vote proxies relating to portfolio securities are available on the Funds' website at <http://www.cloughglobal.com>. Information regarding how each Fund voted proxies relating to portfolio securities held by each Fund for the period ended June 30, are available without charge, upon request, by contacting the Funds at 1-877-256-8445 and on the Commission's website at <http://www.sec.gov>.

**PORTFOLIO HOLDINGS**

The Funds file their complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q within 60 days after the end of the period. Copies of the Funds' Form N-Q are available without a charge, upon request, by contacting the Funds at 1-877-256-8445 and on the Commission's website at <http://www.sec.gov>. You may also review and copy Form N-Q at the Commission's Public Reference Room in Washington, D.C. For more information about the operation of the Public Reference Room, please call the Commission at 1-800-SEC-0330.

**NOTICE**

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that each Fund may purchase at market prices from time to time shares of its common stock in the open market.

**TAX DESIGNATIONS**

The Funds hereby designate the following as a percentage of taxable ordinary income distributions, or up to the maximum amount allowable, for calendar year ended December 31, 2011:

|  | <b>Clough Global</b>   | <b>Clough</b>             | <b>Clough Global</b>      |
|--|------------------------|---------------------------|---------------------------|
|  | <b>Allocation Fund</b> | <b>Global Equity Fund</b> | <b>Opportunities Fund</b> |
| Corporate Dividends Received Deduction | 11.61%                 | 16.52%                    | 11.16%                    |
| Qualified Dividend Income              | 18.20%                 | 23.53%                    | 17.89%                    |

Table of Contents

## Clough Global Funds

## Trustees &amp; Officers

March 31, 2012 (Unaudited)

| Name, Address <sup>1</sup> and Age  | Position(s) Held<br>with the Funds      | Term of office<br>and length of<br>service with  | Principal Occupation(s) During Past<br>Five Years  | Number of<br>Portfolios in<br>Fund Complex<br>Overseen by<br>Trustee <sup>5</sup> | Other Directorships<br>Held by Trustee During<br>the Past Five Years |
|---|---|--|--|---|--|
|   |   | GLV <sup>2</sup> , GLQ <sup>3</sup> &<br>GLO <sup>4</sup>                              |  |   |  |
| <b>Non-Interested Trustees</b>  |   |  |  |   |  |
| Andrew C. Boynton<br>Age, 56  | Trustee                                 | Trustee since:<br><br>GLV: 2005<br><br>GLQ: 2005<br><br>GLO: 2006                      |  | 3   |  |
| Dean, Carroll School of<br>Management<br><br>Boston College, Fulton<br>Bldg., Room 510,<br><br>140 Commonwealth<br>Ave.<br><br>Chestnut Hill, MA<br>02467 |   | Term expires:<br><br>GLV: 2014<br><br>GLQ: 2012<br><br>GLO: 2013                       | Mr. Boynton is currently the Dean of the Carroll School of Management at Boston College. Mr. Boynton served as Professor of Strategy from 1996 to 2005 and Program Director of the Executive MBA Program from 1998 to 2005 at International Institute of Management Development, Lausanne, Switzerland. Mr. Boynton is also the Chief Strategy Officer of Cloud DDS, a dental service company since 2010 and CO-Chief Executive Officer of BlueFish TV, a venture in television production since 2010. Mr. Boynton also is an independent consultant for businesses. |   |  |
| Robert L. Butler<br>Age, 71   | Chairman of<br>the Board and<br>Trustee | Trustee since:<br><br>GLV: 2004<br><br>GLQ: 2005<br><br>GLO: 2006<br><br>Term expires: | Since 2001, Mr. Butler has been an independent consultant for businesses. Mr. Butler has over 45 years experience in the investment business, including 17 years as a senior executive with a global investment management/natural resources company and 20 years with a securities industry regulation organization, neither of which Mr. Butler has been employed by since 2001.   | 3   |  |

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|                   |   |   |   |
|-------------------|---|---|---|
|                   |   | GLV: 2012   |   |
|                   |   | GLQ: 2013   |   |
| Adam D. Crescenzi | Trustee and<br>Chairman of<br>the Nominating<br>Committee | GLO: 2014   | 3 |
| Age, 69           |   | Trustee since:  |   |
|                   |   | GLV: 2004   |   |
|                   |   | GLQ: 2005   |   |
|                   |   | GLO: 2006   |   |
|                   |   | Term expires:   |   |
|                   |   | Mr. Crescenzi is a Trustee of Dean College. He has been a founder and investor of several start-up technology and service firms. He currently is the Founding Partner of Simply Tuscan Imports LLC since 2007. He also serves as a Director of two non-profit organizations. He retired from CSC Index as Executive Vice-President of Management Consulting Services.   |   |
| John F. Mee       | Trustee   | GLO: 2013   | 3 |
| Age, 68           |   | Trustee since:  |   |
|                   |   | GLV: 2004   |   |
|                   |   | GLQ: 2005   |   |
|                   |   | GLO: 2006   |   |
|                   |   | Term expires:   |   |
|                   |   | GLV: 2013   |   |
|                   |   | GLQ: 2014   |   |
|                   | GLO: 2012   | Mr. Mee is an attorney practicing commercial law, family law, product liability and criminal law. Mr. Mee is currently a member of the Bar of the Commonwealth of Massachusetts. He serves on the Board of Directors of The College of the Holy Cross Alumni Association and Concord Carlisle Scholarship Fund, a Charitable Trust. Mr. Mee was from 1990 to 2009 an Advisor at the Harvard Law School Trial Advocacy Workshop. |   |

**Table of Contents****Trustees & Officers**

March 31, 2012 (Unaudited)

**Clough Global Funds**

| <b>Name, Address<sup>1</sup> and Age</b> | <b>Position(s) Held with the Funds</b>      | <b>Term of office and length of service with GLV<sup>2</sup>, GLQ<sup>3</sup> &amp; GLO<sup>4</sup></b>           | <b>Principal Occupation(s) During Past Five Years</b>  | <b>Number of Portfolios in Fund Complex Overseen by Trustee<sup>5</sup></b> | <b>Other Directorships Held by Trustee During the Past Five Years</b>   |
|--|---|---|--|---|---|
| <b>Non-Interested Trustees</b>           |   |   |  |   |   |
| Richard C. Rantzow<br>Age, 73            | Trustee and Chairman of the Audit Committee | Trustee since:<br>GLV: 2004<br>GLQ: 2005<br>GLO: 2006<br><br>Term expires:<br>GLV: 2012<br>GLQ: 2013<br>GLO: 2014 | Mr. Rantzow has over 40 years experience in the financial industry. His professional experience includes serving as an audit partner with Ernst & Young which specifically involved auditing financial institutions. Mr. Rantzow has also served in several executive positions in both financial and non-financial industries. Mr. Rantzow's educational background is in accounting and he is a Certified Public Accountant who has continued to serve on several audit committees of various financial organizations. | 3   | Mr. Rantzow is a Trustee and Chairman of the Audit Committee of the Liberty All-Star Equity Fund and Director and Chairman of the Audit Committee of the Liberty All-Star Growth Fund, Inc. |
| Jerry G. Rutledge<br>Age, 67             | Trustee                                     | Trustee since:<br>GLV: 2004<br>GLQ: 2005<br>GLO: 2006<br><br>Term expires:<br>GLV: 2014<br>GLQ: 2012<br>GLO: 2013 | Mr. Rutledge is the President and owner of Rutledge's Inc., a retail clothing business. Mr. Rutledge was from 1994 to 2007 a Regent of the University of Colorado. In addition, Mr. Rutledge is currently serving as a Director of the University of Colorado Hospital. Mr. Rutledge also served as a Director of the American National Bank from 1985 to 2009.  | 4   | Mr. Rutledge is currently a Trustee of the Financial Investor Trust.  |

**Interested Trustees<sup>6</sup>**





Table of Contents

## Clough Global Funds

## Trustees &amp; Officers

March 31, 2012 (Unaudited)

| Name, Address <sup>1</sup> and<br>Age | Position(s) Held<br>with the Funds | Term of office<br>and length of<br>service with<br>GLV <sup>2</sup> , GLQ <sup>3</sup> &<br>GLO <sup>4</sup> | Principal Occupation(s) During Past<br>Five Years   | Number of<br>Portfolios in<br>Fund<br>Complex<br>Overseen by<br>Trustee <sup>5</sup> | Other Directorships<br>Held by Trustee During<br>the Past Five Years |
|---------------------------------------|------------------------------------|--|---|--|--|
| <b>Officers</b>                       |                                    |  |   |  |  |
| Jeremy O. May<br>Age, 42              | Treasurer                          | Officer since <sup>9</sup> :<br>GLV: 2004<br>GLQ: 2005<br>GLO: 2006  | Mr. May joined ALPS in 1995 and is currently President and Director of ALPS and Director of ALPS Advisors, Inc., ALPS Distributors, Inc., ALPS Holdings, Inc. and FTAM Distributors, Inc. Mr. May is deemed an affiliate of each Fund as defined under the 1940 Act. Mr. May is also the Treasurer of the Liberty All-Star Equity Fund, Liberty All-Star Growth Fund, Inc., Financial Investors Trust and Financial Investors Variable Insurance Trust. Mr. May is also Treasurer and Trustee of the Reaves Utility Income Fund. Mr. May is currently on the Board of Directors of the University of Colorado Foundation. | N/A  | N/A  |
| Monette R. Nickels<br>Age, 40         | Tax Officer                        | Officer since <sup>9</sup> :<br>GLV: 2009<br>GLQ: 2009<br>GLO: 2009  | Ms. Nickels joined ALPS in 2004 and is currently Senior Vice President and Director of Tax Administration of ALPS. Ms. Nickels is deemed an affiliate of each Fund as defined under the 1940 Act. Ms. Nickels is also Tax Officer of ALPS ETF Trust, Financial Investors Trust, Liberty All-Star Equity Fund, Liberty All-Star Growth Fund, Inc., Reaves Utility Income Fund and Financial Investors Variable Insurance Trust.  | N/A  | N/A  |
| Erin E. Douglas<br>Age, 35            | Secretary                          | Officer since <sup>9</sup> :<br>GLV: 2004<br>GLQ: 2005<br>GLO: 2006  | Ms. Douglas joined ALPS in 2003 and is currently Vice-President and Senior Associate Counsel of ALPS and Vice-President of ALPS Advisors, Inc., ALPS Distributors, Inc., and FTAM Distributors, Inc. Ms. Douglas is deemed an affiliate of each Fund as defined under the 1940 Act. Ms. Douglas was formerly Secretary of Financial Investors Trust from 2004 to 2007 and Caldwell & Orkin Funds Inc. from December 2009 to June 2010.  | N/A  | N/A  |



**Table of Contents****Trustees & Officers**

March 31, 2012 (Unaudited)

**Clough Global Funds**

| Name, Address <sup>1</sup> and<br>Age         | Position(s) Held<br>with the Funds                | Term of office<br>and length of<br>service with                             | Principal Occupation(s) During Past<br>Five Years   | Number of<br>Portfolios in<br>Fund Complex<br>Overseen by<br>Trustee <sup>5</sup> | Other Directorships<br>Held by Trustee During<br>the Past Five Years |
|---|---|---|---|---|--|
|   |   | GLV <sup>2</sup> , GLQ <sup>3</sup> &<br>GLO <sup>4</sup>                   |   |   |  |
| <b>Officers</b><br>Theodore J. Uhl<br>Age, 37 | C h i e f<br>C o m p l i a n c e<br>O f f i c e r | Officer since <sup>9</sup> :<br>GLV: 2010<br><br>GLQ: 2010<br><br>GLO: 2010 | Mr. Uhl joined ALPS in October 2006, and is currently Deputy Compliance Officer of ALPS. Prior to his current role, Mr. Uhl served as Senior Risk Manager for ALPS from October 2006 until June 2010. Before joining ALPS, Mr. Uhl served as Sr. Analyst with Enenbach and Associates (RIA), and a Sr. Financial Analyst at Sprint. Because of his position with ALPS, Mr. Uhl is deemed an affiliate of the Trust as defined under the 1940 Act. Mr. Uhl is currently Chief Compliance Officer of Financial Investors Trust, Reaves Utility Income Fund and Transparent Value Trust. | N/A   | N/A  |
| Dawn Cotten<br>Age, 34                        | A s s i s t a n t<br>T r e a s u r e r            | Officer since <sup>9</sup> :<br>GLV: 2010<br><br>GLQ: 2010<br><br>GLO: 2010 | Ms. Cotten joined ALPS in June 2009 as a Fund Controller. Prior to joining ALPS, Ms. Cotten served as Assistant Vice President of Fund Accounting for Madison Capital Management from February 2009 to June 2009. Prior to this, Ms. Cotten served as Financial Reporting Manager for Janus Capital Group. Ms. Cotten is deemed an affiliate of each Fund as defined under the 1940 Act. Ms. Cotten is currently Assistant Treasurer of the James Advantage Funds and RiverNorth Funds, and Assistant Treasurer/Secretary of Stonebridge Funds Trust.                                 | N/A   | N/A  |

<sup>1</sup> Address: 1290 Broadway, Suite 1100, Denver, Colorado 80203, unless otherwise noted.

<sup>2</sup> GLV commenced operations on July 28, 2004.

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<sup>3</sup> *GLQ commenced operations on April 27, 2005.*

<sup>4</sup> *GLO commenced operations on April 25, 2006.*

<sup>5</sup> *The Fund Complex for all Trustees, except Mr. Rutledge and Mr. Burke, consists of the Clough Global Allocation Fund, Clough Global Equity Fund and Clough Global Opportunities Fund. The Fund Complex for Mr. Rutledge and Mr. Burke consists of Clough Global Allocation Fund, Clough Global Equity Fund, Clough Global Opportunities Fund and the Clough China Fund, a series of the Financial Investors Trust.*

<sup>6</sup> *Interested Trustees of a Fund as defined in the 1940 Act.*

<sup>7</sup> *Mr. Burke is considered to be an Interested Trustee because of his affiliation with ALPS, which acts as each Fund's administrator.*

<sup>8</sup> *Mr. Canty is considered to be an Interested Trustee because of his affiliation with Clough, which acts as each Fund's investment adviser.*

<sup>9</sup> *Officers are elected annually and each officer will hold such office until a successor has been elected by the Board.*

**Table of Contents**

**Table of Contents**

**Item 2. Code of Ethics.**

- (a) The registrant, as of the end of the period covered by the report, has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller or any persons performing similar functions on behalf of the registrant.
- (b) Not Applicable.
- (c) During the period covered, by this report, no amendments were made to the provisions of the code of ethics adopted in 2 (a) above.
- (d) During the period covered by this report, no implicit or explicit waivers to the provision of the code of ethics adopted in 2 (a) above were granted.
- (e) Not Applicable.
- (f) The registrant's Code of Ethics is attached as Exhibit 12.A.1 hereto.

**Item 3. Audit Committee Financial Expert.**

The registrant's Board of Trustees has determined that the registrant has as least one audit committee financial expert serving on its audit committee. The Board of Trustees has designated Richard C. Rantzow as the registrant's audit committee financial expert. Mr. Rantzow is independent as defined in paragraph (a)(2) of Item 3 to Form N-CSR.

Mr. Rantzow was the Chief Financial Officer and a Director of Ron Miller Associates, Inc. Prior to that, Mr. Rantzow was managing partner of the Memphis office of Ernst & Young until 1990.

**Item 4. Principal Accounting Fees and Services.**

- (a) **Audit Fees:** The aggregate fees billed for each of the last two fiscal years for professional services rendered by Cohen Fund Audit Services, Ltd (Cohen) for fiscal year ended March 31, 2012 and Deloitte & Touche LLP (Deloitte) for fiscal year ended March 31, 2011 for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for fiscal years 2012 and 2011 were \$20,000 and \$28,333, respectively.
- (b) **Audit-Related Fees:** The aggregate fees billed in each of the last two fiscal years for assurance and related services by Cohen or Deloitte that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item were \$0 in 2012 and \$0 in 2011.

**Table of Contents**

- (c) **Tax Fees:** The aggregate fees billed in each of the last two fiscal years for professional services rendered by Deloitte for tax compliance, tax advice, and tax planning were \$3,000 in 2012 and \$3,040 in 2011. These fees are comprised of fees relating income tax return preparation fees, excise tax return preparation fees and review of dividend distribution calculation fees.
- (d) **All Other Fees:** The aggregate fees billed in each of the last two fiscal years for products and services provided by Cohen or Deloitte, other than the services reported in paragraphs (a) through (c) of this Item were \$0 in 2012 and \$0 in 2011. These services include agreed upon procedures related to the ratings for the Auction Market Preferred Shares.
- (e)(1) **Audit Committee Pre-Approval Policies and Procedures:** All services to be performed by the Registrant's principal auditors must be pre-approved by the registrant's audit committee.
- (e)(2) No services described in paragraphs (b) through (d) were approved pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.
- (f) Not applicable.
- (g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser, and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for each of the last two fiscal years of the registrant were \$0 for 2012 and \$0 for 2011.
- (h) Not applicable.

**Item 5. Audit Committee of Listed Registrant.**

The registrant has a separately designated standing audit committee established in accordance with Section 3 (a)(58)(A) of the Exchange Act and is comprised of the following members:

Andrew C. Boynton

Robert L. Butler

Adam D. Crescenzi

John F. Mee

Richard C. Rantzow, Committee Chairman

Jerry G. Rutledge

**Table of Contents****Item 6. Schedule of Investments.**

Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this form.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Attached, as Exhibit Item 7, is a copy of the policies and procedures of Clough Capital Partners LP, the investment advisor of the registrant.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

**(a)(1) As of: March 31, 2012**

| <b>Portfolio Managers</b> | <b>Title</b>                     | <b>Length of</b> | <b>Business Experience: 5 Years</b>   |
|---------------------------|----------------------------------|------------------|---|
| <b>Name</b>               |                                  | <b>Service</b>   |   |
| Charles I. Clough, Jr.    | Partner and<br>Portfolio Manager | Since Inception  | Founding Partner Clough Capital Partners LP. Portfolio Manager for pooled investment accounts, separately managed accounts, and investment companies for over ten years.  |
| Eric A. Brock             | Partner and<br>Portfolio Manager | Since Inception  | Founding Partner Clough Capital Partners LP. Portfolio Manager for pooled investment accounts, separately managed accounts, and investment companies for over ten years.  |
| James E. Canty            | Partner and<br>Portfolio Manager | Since Inception  | Founding Partner of Clough Capital LP. Portfolio Manager, Chief Financial Officer and General Counsel for pooled investment accounts, separately managed accounts, and investment companies for over ten years. Mr. Canty is currently a member of the Board of Directors of Clough Offshore Fund, Ltd and Clough Offshore Fund (QP), Ltd. and Board of Trustees of Clough Global Equity Fund and Clough Global Opportunities Fund. Because of his affiliation with Clough, Mr. Canty is an interested Trustee of the Fund. |



**Table of Contents**

Robert Zdunczyk Portfolio Manager Since 12/21/11 Mr. Zdunczyk has over 18 years of industry experience which includes analysis of fixed income securities, fixed income trading, equity research, portfolio management, and accounting. He has been an Analyst at Clough Capital Partners since 2005, where he has been managing fixed income portfolios, specialty finance equity research and fixed income trading.

**(a)(2) As of March 31, 2012, the Portfolio Managers listed above are also responsible for the day-to-day management of the following:**

| <b>Portfolio Managers Name</b> | <b>Registered Investment Companies</b>              | <b>Other Pooled Investment Vehicles <sup>(1)</sup></b> | <b>Other Accounts <sup>(2)</sup></b>              | <b>Material Conflicts If Any</b> |
|--------------------------------|---|--|---|----------------------------------|
| Charles I Clough, Jr.          | 4 Accounts<br><u>\$2,307.2 million Total Assets</u> | 4 Accounts<br><u>\$1,286.5 million Total Assets</u>    | 5 Accounts<br><u>\$355.2 million Total Assets</u> | See below <sup>(3)</sup>         |
| Eric A. Brock                  | 4 Accounts<br><u>\$2,307.2 million Total Assets</u> | 4 Accounts<br><u>\$1,286.5 million Total Assets</u>    | 5 Accounts<br><u>\$355.2 million Total Assets</u> | See below <sup>(3)</sup>         |
| James E. Canty                 | 4 Accounts<br><u>\$2,307.2 million Total Assets</u> | 4 Accounts<br><u>\$1,286.5 million Total Assets</u>    | 5 Accounts<br><u>\$355.2 million Total Assets</u> | See below <sup>(3)</sup>         |
| Robert Zdunczyk                | 2 Accounts<br><u>\$1,673.6 million Total Assets</u> | No Accounts  | No Accounts                                       | None                             |

<sup>(1)</sup> The advisory fees are based in part on the performance for each account.

<sup>(2)</sup> The advisory fee is based in part on the performance for four accounts totaling \$350.1 million in assets.

<sup>(3)</sup> Material Conflicts:

Material conflicts of interest may arise as a result of the fact that the Portfolio Managers also have day-to-day management responsibilities with respect to both the Fund and the various accounts listed above (collectively with the Fund, the Accounts ). These potential conflicts include:

*Limited Resources.* The Portfolio Managers cannot devote their full time and attention to the management of each of the Accounts. Accordingly, the Portfolio Managers may be limited in their ability to identify investment opportunities for each of the Accounts that are as attractive as might be the case if the Portfolio Managers were to devote substantially more attention to the management of a single Account. The effects of this potential conflict may be more pronounced where the Accounts have different investment strategies.

*Limited Investment Opportunities.* If the Portfolio Managers identify a limited investment opportunity that may be appropriate for more than one Account, the investment opportunity may be allocated among several Accounts. This could limit any single Account's ability to take full advantage of an investment opportunity that might not be limited if the Portfolio Managers did not provide investment advice to other Accounts.

**Table of Contents**

*Different Investment Strategies.* The Accounts managed by the Portfolio Managers have differing investment strategies. If the Portfolio Managers determine that an investment opportunity may be appropriate for only some of the Accounts or decide that certain of the Accounts should take different positions with respect to a particular security, the Portfolio Managers may effect transactions for one or more Accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other Accounts.

*Variation in Compensation.* A conflict of interest may arise where Clough or Clough Associates, LLC, as applicable, is compensated differently by the Accounts that are managed by the Portfolio Managers. If certain Accounts pay higher management fees or performance-based incentive fees, the Portfolio Managers might be motivated to prefer certain Accounts over others. The Portfolio Managers might also be motivated to favor Accounts in which they have a greater ownership interest or Accounts that are more likely to enhance the Portfolio Managers' performance record or to otherwise benefit the Portfolio Managers.

*Selection of Brokers.* The Portfolio Managers select the brokers that execute securities transactions for the Accounts that they supervise. In addition to executing trades, some brokers provide the Portfolio Managers with research and other services which may require the payment of higher brokerage fees than might otherwise be available. The Portfolio Managers' decision as to the selection of brokers could yield disproportionate costs and benefits among the Accounts that they manage, since the research and other services provided by brokers may be more beneficial to some Accounts than to others.

**(a)(3) Portfolio Manager Compensation as of March 31, 2012.**

The Portfolio Managers Charles Clough, James Canty and Eric Brock own 100% of Clough. They each receive a fixed base salary determined based on market factors. Additionally, Clough distributes substantially all of its annual net profits to those three Portfolio Managers, with Mr. Clough receiving a majority share and the remainder being divided between Mr. Brock and Mr. Canty, with an additional smaller share allocated to an income partner. Mr. Zdunczyk receives a fixed base salary and an annual bonus based on his individual performance and the overall profitability of the firm.

**(a)(4) Dollar Range of Securities Owned as of March 31, 2012.**

| <u>Portfolio Managers</u> | <u>Dollar Range of the Registrant's Securities</u>       |
|---------------------------|--|
| Charles I. Clough, Jr.    | Owned by the Portfolio Managers<br>\$100,001 - \$500,000 |
| Eric A. Brock             | \$50,001 - \$100,000                                     |
| James E. Canty            | \$50,001 - \$100,000                                     |
| Robert Zdunczyk           | \$0-\$10,000   |

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Companies and Affiliated Purchasers.**

None

**Table of Contents**

**Item 10. Submission of Matters to Vote of Security Holders.**

No material changes to the procedures by which the shareholders may recommend nominees to the registrant's Board of Trustees have been implemented after the registrant's last provided disclosure in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item.

**Item 11. Controls and Procedures.**

- (a) The registrant's principal executive officer and principal financial officer have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.
- (b) There was no change in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Item 12. Exhibits.**

(a)(1) The Code of Ethics that applies to the registrant's principal executive officer and principal financial officer is attached hereto as Exhibit 12.A.1.

(a)(2) The certifications required by Rule 30a-2(a) of the Investment Company Act of 1940, as amended, and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto as Ex-99.Cert.

(a)(3) Not applicable.

(b) A certification for the Registrant's Principal Executive Officer and Principal Financial Officer, as required by Rule 30a-2(b) of the Investment Company Act of 1940, as amended, and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto as Ex-99.906Cert.

(c) The Proxy Voting Policies and Procedures are attached hereto as Ex99. Item 7.

**Table of Contents**

**SIGNATURES**

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

CLOUGH GLOBAL ALLOCATION FUND

By: /s/ Edmund J. Burke  
Edmund J. Burke  
President & Trustee

Date: June 4, 2012

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

CLOUGH GLOBAL ALLOCATION FUND

By: /s/ Edmund J. Burke  
Edmund J. Burke  
President/Principal Executive Officer

Date: June 4, 2012

By: /s/ Jeremy O. May  
Jeremy O. May  
Treasurer/Principal Financial Officer

Date: June 4, 2012