

Clough Global Allocation Fund
Form N-CSR
January 08, 2016
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)

Abigail J. Murray, 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: October 31

Date of reporting period: November 1, 2014 - October 31, 2015

Table of Contents

Item 1. **Reports to Stockholders.**

Table of Contents

Table of Contents

SECTION 19(B) DISCLOSURE

October 31, 2015 (Unaudited)

Clough Global Allocation Fund, Clough Global Equity Fund, and Clough Global Opportunities Fund (each a Fund and collectively, the Funds), acting pursuant to a Securities and Exchange Commission (SEC) exemptive order and with the approval of each Fund's Board of Trustees (the Board), have adopted a plan, consistent with each Fund's investment objectives and policies to support a level distribution of income, capital gains and/or return of capital (the Plan). In accordance with the Plan, Clough Global Allocation Fund distributes \$0.120 per share on a monthly basis, Clough Global Equity Fund distributes \$0.115 per share on a monthly basis and Clough Global Opportunities Fund distributes \$0.100 per share on a monthly basis.

The fixed amount distributed per share is subject to change at the discretion of each Fund's Board. Under the Plan, each Fund will distribute all available investment income to its shareholders, consistent with each Fund's primary investment objectives and as required by the Internal Revenue Code of 1986, as amended (the Code). If sufficient investment income is not available on a monthly basis, each Fund will distribute long-term capital gains and/or return of capital to shareholders in order to maintain a level distribution. Each monthly distribution to shareholders is expected to be at the fixed amount established by the Board, except for extraordinary distributions and potential distribution rate increases or decreases to enable each Fund to comply with the distribution requirements imposed by the Code.

Shareholders should not draw any conclusions about each Fund's investment performance from the amount of these distributions or from the terms of the Plan. Each Fund's total return performance on net asset value is presented in its financial highlights table.

The Board may amend, suspend or terminate each Fund's Plan without prior notice if it deems such action to be in the best interest of either the Fund or its shareholders. The suspension or termination of the Plan could have the effect of creating a trading discount (if a Fund's stock is trading at or above net asset value) or widening an existing trading discount. Each Fund is subject to risks that could have an adverse impact on its ability to maintain level distributions. Examples of potential risks include, but are not limited to, economic downturns impacting the markets, increased market volatility, companies suspending or decreasing corporate dividend distributions and changes in the Code. Please refer to each Fund's prospectus for a more complete description of its risks.

Please refer to Additional Information for a cumulative summary of the Section 19(a) notices for each Fund's current fiscal period. Section 19(a) notices for each Fund, as applicable, are available on the Clough Global Closed-End Funds website www.cloughglobal.com.

Table of Contents

Clough Global Funds

Table of Contents

<u>Shareholder Letter</u>	2
<u>Portfolio Allocation</u>	
<u>Global Allocation Fund</u>	5
Table of Contents	6

<u>Global Equity Fund</u>	6
<u>Global Opportunities Fund</u>	7
<u>Statement of Investments</u>	
<u>Global Allocation Fund</u>	8
<u>Global Equity Fund</u>	14
<u>Global Opportunities Fund</u>	20
<u>Statements of Assets and Liabilities</u>	27
<u>Statements of Operations</u>	28
<u>Statements of Changes in Net Assets</u>	29
<u>Statements of Cash Flows</u>	32
<u>Financial Highlights</u>	
<u>Global Allocation Fund</u>	33
<u>Global Equity Fund</u>	34
<u>Global Opportunities Fund</u>	35
<u>Notes to Financial Statements</u>	36
<u>Report of Independent Registered Public Accounting Firm</u>	54
<u>Dividend Reinvestment Plan</u>	55
<u>Additional Information</u>	
<u>Fund Proxy Voting Policies & Procedures</u>	56
<u>Portfolio Holdings</u>	56
<u>Notice</u>	56
<u>Shareholder Meeting</u>	56
<u>Section 19(A) Notices</u>	56
<u>Tax Designations</u>	57
<u>Trustees & Officers</u>	58
<u>Privacy Policy</u>	62

Table of Contents

Clough Global Funds

Shareholder Letter

October 31, 2015 (Unaudited)

To Our Investors:

Clough Global Allocation Fund (GLV)

During the twelve months ended October 31, 2015, the Clough Global Allocation Fund's total return, assuming reinvestment of all distributions, was 1.61% based on the net asset value and 2.57% based on the market price of the Fund. The S&P 500 and the MSCI World Index returned 5.20% and 2.43% respectively over the same period. During the twelve months ended October 31, 2015, the Fund paid \$1.41 per share in distributions. As of October 31st, the Fund had an annualized dividend distribution rate on the market price of 10.37%.

Clough Global Equity Fund (GLQ)

During the twelve months ended October 31, 2015, the Clough Global Equity Fund's total return, assuming reinvestment of all distributions, was 0.76% based on the net asset value and -0.98% based on the market price of the Fund. The S&P 500 and the MSCI World Index returned 5.20% and 2.43% respectively over the same period. During the twelve months ended October 31, 2015, the Fund paid \$1.36 per share in distributions. As of October 31st, the Fund had an annualized dividend distribution rate on the market price of 10.53%.

Clough Global Opportunities Fund (GLO)

During the twelve months ended October 31, 2015, the Clough Global Opportunities Fund's total return, assuming reinvestment of all distributions, was 1.13% based on the net asset value and 1.93% based on the market price of the Fund. The S&P 500 and the MSCI World Index returned 5.20% and 2.43% respectively over the same period. During the twelve months ended October 31, 2015, the Fund paid \$1.19 per share in distributions. As of October 31st, the Fund had an annualized dividend distribution rate on the market price of 10.58%.

For the year ending October 31, 2015, the Global Allocation Fund finished up 1.61%, the Global Equity Fund finished up 0.76%, and the Global Opportunities Fund finished up 1.13%.

The Consumer Discretionary sector was the largest contributor to performance. Homebuilders such as DR Horton, jewelry retailer Signet, and theater operator IMAX were top contributors within the consumer sector. The Information Technology sector was also a significant help to performance including names like Salesforce.com and Facebook.

Our investments in some homebuilders have been profitable, but nowhere near the extent had we thought likely at this point in the cycle. They were up modestly in a strong tape this month. Disappointing pending home sales were reported for September, but that was due to supply shortages. Fundamentals at some companies in the field are strong, with major firms reporting double digit order

and backlog growth, and we still think pent up demand is likely to cause a breakout in single family housing activity in 2016 and 2017.

Detractors to performance were in the Energy and Financial sectors. Two holdings on the long side in Lumber Liquidators and Calpine also hurt performance. The Funds no longer hold the former but are sticking with the latter as we believe the fundamentals and cash flow generation are strong.

The short book was strong in the first half of 2015 as positions designed to benefit from a strong dollar and collapsing commodities markets outperformed. These positions became a drag in the last quarter when a sharp snap back rally in energy equipment suppliers and industrial commodity producers took back earlier profits. We believe these rallies won't last. For one, the renewed raise in the dollar's foreign exchange value only aggravates the deflationary world in which commodity producers exist. Industrial and precious metal prices have already reversed in a weak rally and many have declined to new lows. Profits for many of these companies are in secular decline.

Free cash flow is becoming a powerful stock selection tool on both the long and short sides. There are companies that generate excess free cash flow after funding dividends and capital spending requirements and there are those that do not. Those that do we call compounders – companies which can grow shareholder value year in and year out. We have seen any number of instances where companies facing fundamental decline have aggravated the destruction of shareholder value by leveraging to purchase shares at prices higher than what their stock sells for today. Many of the former, companies generating sufficient free cash flow to fund necessary capex and add to cash holdings, performed well. Interestingly, free cash flow is negative for the corporate sector as a whole so far in 2015, and companies which are taking on debt to support buybacks and dividends are typically moving onto our short/hedge list. The more the leveraged loan market comes under stress, the greater the short side opportunity becomes.

The comparable to free cash flow in the financial sector is excess capital and one holding in which we see that accreting is Citigroup Inc. The company is in a unique position of building excess capital while being able to buy back stock at a discount to its tangible book value. It also faces a market share opportunity as weaker competitive global banks shrink operations. Such examples include Standard Charter and Credit Suisse, both of whom recently announced capital raises and business restructuring. Deutsche Bank and Unicredit also announced staff and asset reductions.

Broadly speaking, our current short book is focused on industries in which we believe earnings will likely suffer from chronic industry overinvestment. Examples include energy, suppliers to smartphone manufacturers, and excess capacity in the European airline industry.

According to a Simmons & Co. analyst, dividend and capital spending by the major oil companies will exceed cash flow by \$90 billion in 2015 even after all announced capital spending cuts. The most

Table of Contents

Clough Global Funds

Shareholder Letter

October 31, 2015 (Unaudited)

vulnerable service companies we see are the deep water drillers. The companies must take delivery of excess rigs ordered during the period of higher oil prices but now face few new contract opportunities.

Finally, we still hold firm in our belief that we are in a low interest rate environment, regardless of the possible upcoming Fed rate hike in December. We are long duration in the form of 30 year US treasuries and will continue to build this position when temporary rise in yields provide an attractive entry point.

If you have any questions about your investment, please call
1-877-256-8445.

Sincerely,

Charles I. Clough, Jr.

Robert M. Zdunczyk

Past performance is no guarantee of future results.

This letter is provided for informational purposes only and is not an offer to purchase or sell shares. Clough Global Allocation Fund, Clough Global Equity Fund and Clough Opportunities Fund are closed-end funds, which are traded on the New York Stock Exchange AMEX, and does not continuously issue shares for sale as open-end mutual funds do. The market price of a closed end Fund is based on the market's value.

The information in this letter represents the opinions of the individual Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Past performance is no guarantee of future results.

Tangible Book Value: Computed by deducting intangible assets, start-up expenses, and deferred financing costs from the firm's normal book value (BV).

MSCI World Index: a stock market index of world stocks. It is maintained by MSCI Inc. and is often used as a common benchmark for world or global stock funds. The index includes a collection of stocks of all the developed markets in the world as defined by MSCI.

S&P 500 Index: Broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks commonly known as the Standard & Poor's 500[®] or S&P 500[®].

It is not possible to invest directly in an index.

The net asset value (NAV) of a closed-end fund is the market price of the underlying investments (i.e., stocks and bonds) in the fund's portfolio, minus liabilities, divided by the total number of fund shares outstanding. However, the fund also has a market price; the value of which it trades on an exchange. This market price can be more or less than its NAV.

Table of Contents

Clough Global Funds

Shareholder Letter

October 31, 2015 (Unaudited)

CLOUGH GLOBAL ALLOCATION FUND

Top 10 Equity Holdings*	% of Total Portfolio
1. Citigroup, Inc.	5.61%
2. Bank of America Corp.	4.48%
3. Liberty Ventures - Series A	3.37%
4. Lennar Corp. - Class A	3.23%
5. DR Horton, Inc.	2.93%
6. American International Group, Inc.	2.85%
7. Calpine Corp.	2.57%
8. Starbucks Corp.	2.54%
9. Roper Technologies, Inc.	2.46%
10. Facebook, Inc. - Class A	2.38%

CLOUGH GLOBAL EQUITY FUND

Top 10 Equity Holdings*	% of Total Portfolio
1. Citigroup, Inc.	5.83%
2. Bank of America Corp.	4.68%
3. Liberty Ventures - Series A	4.05%
4. Lennar Corp. - Class A	3.36%
5. American International Group, Inc.	3.23%
6. DR Horton, Inc.	3.05%
7. Calpine Corp.	2.65%
8. Starbucks Corp.	2.63%
9. Roper Technologies, Inc.	2.56%
10. W.R. Grace & Co.	2.53%

CLOUGH GLOBAL OPPORTUNITIES FUND

Top 10 Equity Holdings*	% of Total Portfolio
1. Citigroup, Inc.	5.68%
2. Bank of America Corp.	4.48%
3. Liberty Ventures - Series A	3.41%
4. Lennar Corp. - Class A	3.24%
5. American International Group, Inc.	3.21%
6. DR Horton, Inc.	2.94%
7. Calpine Corp.	2.55%
8. Starbucks Corp.	2.54%
9. W.R. Grace & Co.	2.44%

10. Roper Technologies, Inc.

2.44%

Holdings are subject to change.

**Only long positions are listed.*

4

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Table of Contents

Clough Global Allocation Fund

Portfolio Allocation

October 31, 2015 (Unaudited)

Asset Allocation*

Common Stock - US	73.61%
Closed-End Funds	3.46%
Common Stock - Foreign	2.22%
Preferred Stock	-0.48%
Exchange Traded Funds	-16.79%
Total Equities	62.02%
Government L/T	12.97%
Corporate Debt	7.22%
Asset/Mortgage Backed	4.14%
Participation Notes	2.87%
Total Fixed Income	27.20%
Short-Term Investments	9.90%
Other (Foreign Cash)	1.02%
Warrant	0.01%
Future	0.01%
Total Return Swap Contracts	-0.16%
Total Other	10.78%
TOTAL INVESTMENTS	100.00%

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

^ Includes securities sold short and foreign cash balances.

US Multinational Corporations has more than 50% of revenues derived outside of the U.S.

Global Securities Holdings[^]

United States	84.78%
China	10.49%
U.S. Multinationals	9.70%
Japan	4.22%
Canada	2.58%
United Kingdom	2.24%
Hong Kong	1.24%
Denmark	0.16%
Other	-15.41%
TOTAL INVESTMENTS	100.00%

Table of Contents

Clough Global Equity Fund

Portfolio Allocation

October 31, 2015 (Unaudited)

Asset Allocation*

Common Stock - US	82.81%
Common Stock - Foreign	3.97%
Preferred Stock	-0.50%
Exchange Traded Funds	-20.03%
Total Equities	66.25%
Government L/T	10.21%
Participation Notes	2.97%
Corporate Debt	1.89%
Asset/Mortgage Backed	0.57%
Total Fixed Income	15.64%
Short-Term Investments	16.84%
Other (Foreign Cash)	1.50%
Warrant	0.01%
Future	0.01%
Total Return Swap Contracts	-0.25%
Total Other	18.11%
TOTAL INVESTMENTS	100.00%

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^ Includes securities sold short and foreign cash balances.

US Multinational Corporations has more than 50% of revenues derived outside of the U.S.

Global Securities Holdings[^]

United States	85.26%
China	11.37%
U.S. Multinationals	9.85%
Japan	4.91%
Canada	3.30%
United Kingdom	2.31%
Hong Kong	1.73%
Denmark	0.16%
Other	-18.89%
TOTAL INVESTMENTS	100.00%

Table of Contents

Clough Global Opportunities Fund

Portfolio Allocation

October 31, 2015 (Unaudited)

Asset Allocation*

Common Stock - US	72.90%
Common Stock - Foreign	2.19%
Preferred Stock	-0.48%
Exchange Traded Funds	-16.85%
Total Equities	57.76%
Government L/T	13.49%
Corporate Debt	7.22%
Asset/Mortgage Backed	4.49%
Participation Notes	2.84%
Total Fixed Income	28.04%
Short-Term Investments	13.09%
Other (Foreign Cash)	1.25%
Warrant	0.01%
Future	0.01%
Total Return Swap Contracts	-0.16%
Total Other	14.20%
TOTAL INVESTMENTS	100.00%

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

^ Includes securities sold short and foreign cash balances.

US Multinational Corporations has more than 50% of revenues derived outside of the U.S.

Global Securities Holdings[^]

United States	84.23%
China	10.38%
U.S. Multinationals	10.11%
Japan	4.19%
Canada	2.56%
United Kingdom	2.22%
Hong Kong	1.46%
Denmark	0.16%
Australia	-0.05%
Other	-15.26%
TOTAL INVESTMENTS	100.00%

Table of Contents

Clough Global Allocation Fund

Statement of Investments

October 31, 2015

	Shares	Value
COMMON STOCKS 108.89%		
Consumer Discretionary 28.06%		
<i>Diversified Consumer Services 3.10%</i>		
Service Corp. International ^{(a)(b)}	45,700	\$1,291,482
Starbucks Corp. ^{(a)(b)}	59,900	3,747,943
		5,039,425
<i>Household Durables 5.59%</i>		
DR Horton, Inc. ^(a)	146,926	4,325,502
Lennar Corp. - Class A ^(a)	95,200	4,766,664
		9,092,166
<i>Internet & Catalog Retail 6.56%</i>		
JD.com, Inc. - ADR ^{(a)(c)}	57,700	1,593,674
Liberty Ventures - Series A ^{(a)(b)(c)}	114,072	4,970,117
NetFlix, Inc. ^{(a)(c)}	5,100	552,738
Priceline Group, Inc. ^{(a)(c)}	1,764	2,565,279
Rakuten, Inc.	70,900	991,496
		10,673,304
<i>Media 9.90%</i>		
AMC Entertainment Holdings, Inc. - Class A ^(a)	63,300	1,732,521
Comcast Corp. - Class A ^{(a)(b)}	55,000	3,444,100
IMAX Corp. ^{(a)(b)(c)}	69,500	2,668,105
Liberty Broadband Corp. - Class A ^{(a)(b)(c)}	12,528	683,528
Liberty Broadband Corp. - Class C ^{(a)(b)(c)}	47,848	2,572,787
Liberty Media Corp. - Class A ^{(a)(b)(c)}	50,112	2,042,565
Liberty Media Corp. - Class C ^{(a)(b)(c)}	48,424	1,895,799

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Lions Gate Entertainment Corp. ^(a)	27,400	1,067,778
		16,107,183
<i>Specialty Retail 2.06%</i>		
Signet Jewelers, Ltd. ^{(a)(b)}	22,150	3,343,321
<i>Textiles 0.85%</i>		
Carter s, Inc. ^(a)	11,700	1,063,296
Samsonite International S.A.	106,500	315,353
		1,378,649
TOTAL CONSUMER DISCRETIONARY		45,634,048
Consumer Staples 0.34%		
CVS Health Corp. ^(a)	5,600	553,168
Energy 4.85%		
Anadarko Petroleum Corp. ^(a)	19,800	1,324,224
Concho Resources, Inc. ^{(a)(c)}	12,500	1,448,875
		Shares Value
Energy (continued)		