Clough Global Allocation Fund
Form N-CSRS
December 07, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21583

Clough Global Allocation Fund
(Exact name of registrant as specified in charter)

1290 Broadway, Suite 1100, Denver, Colorado	80203
(Address of principal executive offices)	(Zip code)

Erin E. Douglas, Secretary
Clough Global Allocation Fund
1290 Broadway, Suite 1100
Denver, Colorado 80203
(Name and address of agent for service)

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

Date of fiscal year end: March 31

Date of reporting period: September 30, 2007

Item 1. **Reports to Stockholders.**

Semi-Annual Report

September 30, 2007
(unaudited)

Shareholder Letter

September 30, 2007 (unaudited)

To Our Shareholders:

Since the Clough Global Allocation Fund s market price is significantly below its net asset value, we thought it important to make the following points

During the six months ended September 30, 2007, the Fund s net asset value assuming reinvestment of all distributions has increased 9.3%. That compares with an 8.4% gain in the S&P 500.

Since the Fund s inception on July 28, 2004, the total growth in net asset value assuming reinvestment of all distributions has been 59.3%. This compares with a cumulative gain of 47.0% in the S&P 500.

The growth in net asset value has compounded at an annual rate of 15.8% since inception while the S&P 500 rise has compounded at an annual rate of 12.9%.

The Fund s quarterly distribution has increased from $0.30 per share at inception to $0.45 per share today. In addition, $1.38 per share has been distributed in special distributions in the three years since the Fund began trading for a total of $5.61 in distributions since inception.

The Fund s quarterly distributions have grown in line with the increase in net assets and at the current price they offer a yield of approximately 9%.

It is our view that such fundamental results are incompatible with such a large discount in the Fund s current market price and we think that discount to net asset value over time should close.

The Fund s investment strategy has been to focus on a few sectors or markets where investment returns are likely to be high. At present, our investments in Asian markets make up the Fund s largest single exposure. They are focused on Hong Kong, Korea and smaller markets like Malaysia and Indonesia. Whereas the U.S. economy is slowing under the weight of high consumer debt, Asian economies are relatively debt free and are just entering long periods of rising consumer spending and infrastructure investment cycles. The U.S. may be ending a multi-decade debt super cycle; Asia may be just beginning one.

Hong Kong is benefiting from both a combination of strong growth in China and falling U.S. short term interest rates. Because the Hong Kong dollar is pegged to the U.S. currency, declining U.S. rates translate directly into lower rates in Hong Kong. Since growth is already strong there, falling interest rates are likely to benefit both real estate and equities. Hong Kong property prices are still approximately 60% below their 1997 levels and there is little likelihood of excess supply growth due to the shortage of buildable land available.

The financial markets have begun to realize the coming relaxation of Chinese capital controls but the fact that it is recognized does not diminish its potential impact on markets the Fund is not exposed to the inflated Chinese domestic stock market. Nevertheless, in our view, the long term China story is far from discounted in the financial markets. The domestic markets may be inflated but other national markets in Asia still offer good values. Meanwhile, the Chinese currency is undervalued, and that supports profits; the gap between corporate ROE and borrowing costs is still wide and getting wider and China s export markets are highly diversified.

Energy also remains an important secular investment theme for the Fund. The stocks have done well but remain undervalued in our view. OPEC production has been struggling to grow since September of 2005 as have global oil inventories. Declines in OPEC production began well before the so-called voluntary production declines took effect. The great issue for the industry is whether depletion rates in the major oil fields will continue to exceed new production. So long as that is the case there will be upward pressures on oil prices and day by day the value of companies that own oil and gas reserves or sophisticated deepwater drilling rigs increases. Some estimates of annual global depletion rates are as high as 3.2 to 5.0 million barrels/day. The scramble to replace those reserves is underway as evidenced by the huge lease sale that just occurred in the Gulf of Mexico. The total bids for drilling rights totaled more than five times the total amount bid over the past five years, and the need for deepwater rigs and supplies will continue strong.

The Fund s holdings of energy producer stocks have migrated toward the North American gas producers. The price of natural gas has been held hostage to a series of warm winters, an explosion of drilling rigs producing gas and a sharp rise in imports of liquid natural gas. Yet the depletion of most North American gas fields has accelerated, demand for LNG is rising abroad limiting supplies for North America, and warm winters may become less common. Gas stocks are cheap and we think represent the best values in the sector at present.

The Fund has investments in a number of other varied themes. Product upgrade cycles are underway in both the personal computer and telecommunications markets, enhancing the profit outlook for computer manufacturers, software companies and telecommunications equipment manufacturers. For the first time in years we see opportunities in the large capitalization technology companies such as Oracle Systems (ORCL NYSE) and Cisco Systems (CSCO NYSE). We also see opportunities in companies supplying flat screen TV s and the proliferation of broadband. We have further diversified the Fund with investments in global agriculture, involving companies that grow and process agricultural commodities and provide capital goods for global agriculture. A growing middle class in China consumes 130,000 tons of pork a day and that economy does not have capacity to grow hogs or the feed with which to feed them. We think this once prosaic industry could become a recognized growth sector.

Many financial stocks have declined sharply and we think the sector offers opportunity on both the long and short sides. The Funds do own Citigroup NA (C NYSE) and the American Depository Receipts of UBS AG (UBS NYSE), for example. These companies have been in the headlines as the mortgage cycle and its related derivatives bubble unwind. The positive is that underneath the write-offs and excesses in the sub-prime and CDO space there are highly profitable franchises with high barriers to entry that provide huge cash flows. UBS for example has a highly profitable global wealth management business that allowed the firm to write off a $4 billion mistake with only a minor hit to book value. Our thinking is that management will eventually find the common sense to stop making $4 billion mistakes and the underlying value of the firm will show through. Citigroup has an important global broker-dealer franchise and a strong global consumer credit operation. Both companies should benefit from a more positive U.S. yield curve. We currently have these positions partially hedged with short positions in the Regional Bank Holders Trust and in specific regional banks with particularly vulnerable mortgage holdings. We also currently hold modest short positions in the mortgage insurers which have branched out from their original franchises to insure more exotic CDO tranches.

The summer months were particularly volatile for the financial markets and that volatility may be with us for a while. In the developed economies, we live in a highly indebted world, and growth is moving away from the developed economies and toward the emerging world with ever greater speed. One subtle signal from the marketplace that suggests the credit stress we experienced this summer is not over is the behavior of so-called swap spreads for financial companies. These are the interest rates at which financial companies are willing to lend to each other and they have remained at the punitive levels seen during the August turmoil even though the equities have rallied. That suggests that there is still concern over the quality of the collective financial sector balance sheet. For that and for other reasons the Fund is currently balanced among themes and is partially hedged.

In that vein, we think that global equities markets are acting quite rationally and offer meaningful investment upside. In other words, there is a silver lining in all of this for the financial markets. With financial companies announcing write offs of supposedly highly rated mortgage paper and financial executives falling on their swords, the reality is the only way the Federal Reserve can stabilize the financial sector is to reduce short term interest rates and create a positive yield curve. Then, and only then can banks and brokerage firms generate the cash flow that allows the write downs of impaired assets so they can once again function as credit intermediaries.

The media puts an unending negative spin on events, and the current market decline centered on pressures based upon the sub-prime mortgage fallout, is creating concern among investors. However, we think the markets are simply separating winners from losers in an increasingly globalized economy. The winners are those companies exposed to global growth and the losers are those that grew on the back of the huge and unsustainable mortgage boom. Wal-Mart is only the latest company to announce a cutback in U.S. expansion to spend more in countries like China and India. GE recently announced that China, India, Latin America and Russia account for $32 billion in revenues and that sector is growing 20% per annum.

It is important as an investor to realize the reason why global growth can continue in the face of a U.S. credit slowdown. U.S. financial companies in particular have benefited from the decades long secular expansion in debt. Consumer and business debt combined were 125% of GDP back in the 1960s. Today it is 350% of GDP and it has reached the point of saturation. If debt cannot grow faster than GDP and support growth, U.S. domestic profits will stagnate, particularly for financial companies.

The opposite is true in Asia and in emerging economies generally. As U.S. interest rates fall, capital should migrate to these economies, Asian growth should rise on the support of consumer spending and balance sheets there are clean. Interest rates are 4% while growth rates in domestic spending are 6-10%.

We think the values remain in the sectors that benefit from global growth and the Fund is positioned to benefit from it.

We thank you for investing in the Clough Global Allocation Fund and invite you to visit www.cloughglobal.com for updates. If you have questions about your investment, please call 1-877-256-8445.

Sincerely,

Charles I. Clough, Jr.

Clough Capital Partners, L.P. is a Boston-based investment management firm that has approximately $3.1 billion under management. For equities, the firm uses a global and theme-based investment approach based on identifying chronic shortages and growth opportunities. For fixed-income, Clough believes changing economic fundamentals help reveal potential global credit market opportunities based primarily on flow of capital into or out of a country. Clough was founded in 2000 by Chuck Clough and partners James Canty and Eric Brock. These three are the portfolio managers for the Clough Global Allocation Fund.

Portfolio allocation

September 30, 2007 (unaudited)

ASSET TYPE*

Common Stocks	72.35%
Short-Term Investments	7.66%
Government & Agency Obligations	6.41%
Structured Notes	4.70%
Asset/Mortgage - Backed Securities	3.81%
Exchange Traded Funds	2.35%
Corporate Bonds	1.38%
Preferred Stocks	1.01%
Closed-End Funds	0.28%
Options Purchased	0.05%

GLOBAL BREAKDOWN*

US	62.74%
South Korea	4.44%
Hong Kong	4.29%
Brazil	3.88%
Japan	3.70%
China	3.30%
Great Britain	2.46%
Indonesia	2.23%
Bermuda	1.87%
Canada	1.69%
Thailand	1.45%
Switzerland	1.31%
Malaysia	1.27%
Israel	0.95%
Taiwan	0.93%
Singapore	0.56%
Vietnam	0.50%
Russia	0.45%
Argentina	0.38%
India	0.31%
Papua New Guinea	0.28%
Australia	0.25%
Germany	0.25%
Netherlands	0.24%
Chile	0.16%
South Africa	0.06%
Ireland	0.04%
Columbia	0.01%

* As a percentage of total investments, not including securities sold short or any foreign cash balances.

STATEMENT OF INVESTMENTS

September 30, 2007 (unaudited)

	Shares		Value
COMMON STOCKS 105.91%			
Agriculture 0.60%			
Pilgrim s Pride Corp.	15,100	$	524,423
Sadia - S.A. *	76,000		424,986
Smithfield Foods, Inc. (a)	7,400		548,100
			1,497,509
Consumer/Retail 3.48%			
ASKUL Corp.	27,600		669,186
B&G Foods, Inc.	11,300		144,640
Belle International Holdings Ltd.	316,000		415,434
DSW, Inc. (a)	11,892		299,322
GOME Electrical Appliances Holdings Ltd.	515,000		1,010,940
Home Inns & Hotels Management, Inc. - ADR (a)	11,700		407,160
Hyundai Department Store Co. Ltd.	8,400		1,009,615
Isetan Co. Ltd.	41,000		552,901
Jardine Matheson Holdings Ltd.	32,143		919,290
Jardine Strategic Holdings Ltd.	25,724		406,439
Kraft Foods, Inc.	24,700		852,397
Lotte Shopping Co. Ltd.	1,700		724,432
Regal Hotels International Holdings Ltd.	3,743,900		284,145
Takashimaya Co. Ltd.	55,000		610,499
Yamada Denki Co. Ltd.	3,300		326,653
			8,633,053
Energy 27.83%			
Alternative Energy Technologies 4.13%			
China Sunergy Co. Ltd. - ADR (a)	2,400		21,960
Conergy AG	9,600		924,012
Evergreen Solar, Inc. (a)	100,000		893,000
First Solar, Inc. (a)	13,100		1,542,394
JA Solar Holdings Co. Ltd. - ADR (a)	31,900		1,433,905
LDK Solar Co. Ltd. - ADR (a)	36,600		2,521,740
Sunpower Corp. (a)	14,387		1,191,531
Suntech Power Holdings Co. Ltd. - ADR (a)	43,100		1,719,690
			10,248,232
Coal 0.38%			
CONSOL Energy, Inc.	18,100		843,460
Peabody Energy Corp.	2,400		114,888
			958,348
Exploration & Production 9.25%			
Anadarko Petroleum Corp.	37,800		2,031,750
Apache Corp.	5,000		450,300
Chesapeake Energy Corp. *	80,300		2,831,378
ConocoPhillips	32,000		2,808,640
Devon Energy Corp.	32,200		2,679,040
Hess Corp.	28,300		1,882,799
InterOil Corp. (a)	32,800		1,036,480
OAO Gazprom - S.A.	8,100		1,239,210
Occidental Petroleum Corp.	6,000		384,480
Parallel Petro Corp. (a)	22,867		388,510

PetroHawk Energy Corp. (a) (d)	18,000	295,560

	Shares		Value
Exploration & Production (continued)			
PetroHawk Energy Corp. (a)	64,600	$	1,060,732
Petroleo Brasileiro - S.A.	33,400		2,521,700
Range Resources Corp.	18,700		760,342
Southwestern Energy (a)	54,400		2,276,640
Ultra Petroleum Corp. (a)	5,000		310,200
			22,957,761
Oil Services and Drillers 14.07%			
Baker Hughes, Inc.	38,000		3,434,060
Diamond Offshore Drilling, Inc.	3,000		3,738,570
FMC Technologies, Inc. (a)	14,000		807,240
Global SantaFe Corp.	52,000		3,953,040
Halliburton Co.	45,000		1,728,000
Helmerich & Payne, Inc.	14,100		462,903
Marathon Oil Corp.	4,200		239,484
Noble Corp.	79,000		3,874,950
Schlumberger Ltd.	80,000		8,400,000
Tenaris - S.A.	25,900		1,362,858
Transocean, Inc. (a)	51,000		5,765,550
Weatherford International Ltd.(a)	7,000		1,142,060
			34,908,715
TOTAL ENERGY			69,073,056
Finance 27.35%			
Banks 23.48%			
Banco Bradesco - S.A.	127,200		3,735,864
Banco Itau Holding Financeira - S.A.	55,700		2,819,534
Banco Santander Chile - S.A.	1,400		576,498
BanColombia - S.A.	1,200		41,580
Bangkok Bank PLC	249,500		844,406
Bank Mandiri Persero Tbk PT	3,816,000		1,470,902
Bank of Yokohama Ltd.	231,800		1,600,291
BlackRock Kelso Capital Corp.	105,700		1,532,650
BOC Hong Kong Holdings Ltd.	395,000		1,000,984
Brookline Bancorp, Inc.	133,424		1,546,384
CIT Group, Inc.	18,500		743,700
Citigroup, Inc. *	116,900		5,455,723
Daewoo Securities Co.	18,800		564,904
Hana Financial Group, Inc.	69,600		3,281,512
ICICI Bank Ltd. - S.A.	21,400		1,128,208
Indochina Capital Vietnam Holdings Ltd. (a)	200,000		1,816,000
Joyo Bank Ltd.	146,000		814,748
Kasikornbank PLC	290,600		686,757
Kookmin Bank - ADR	11,700		959,283
Korea Exchange Bank	73,900		1,199,099
Lion Diversified Holdings BHD	197,500		672,340
Malayan Banking BHD	204,100		658,870
Melco International Development Ltd.	218,000		407,180
Merrill Lynch & Co., Inc	18,500		1,318,680
Mirae Asset Securities	4,600		439,795
NewAlliance Bancshares, Inc.	12,500		183,500

	Shares		Value
Banks (continued)			
Nomura Holdings, Inc.	64,700	$	1,084,858
PennantPark Investment Corp.	150,900		2,022,060
People s United Financial, Inc.	42,500		734,400
Public Bank BHD	307,700		898,493
Shizuoka Bank Ltd.	111,800		1,086,221
Siam Commercial Bank PLC NVDR	460,000		1,060,248
Siam Commercial Bank PLC	958,700		2,209,695
Sime Darby BHD	314,000		958,357
Sovereign Bancorp, Inc.	70,900		1,208,136
Star Asia Financial Ltd. (b) (c)	75,000		693,750
UBS AG - Registered	22,800		1,225,922
UBS AG	66,500		3,541,125
Unibanco - Uniao de Bancos Brasileiros - GDR	23,600		3,104,580
Woori Finance Holdings Co. Ltd.	108,000		2,466,346
Woori Investments	16,600		469,777
			58,263,360
Non-Bank 3.87%			
Apollo Investment Corp.	298,489		6,208,571
Ares Capital Corp.	82,900		1,348,783
Broadridge Financial Solutions, Inc.	3,600		68,220
Daiwa Securities Group, Inc.	102,400		975,281
InterContinental Exchange, Inc. (a)	5,000		759,500
Maiden Holdings Ltd. (c)	23,900		239,000
			9,599,355
TOTAL FINANCE			67,862,715
Healthcare 0.79%			
Athenahealth, Inc. (a)	200		6,782
BioSphere Medical, Inc. (a) (d)	50,000		238,500
BioSphere Medical, Inc. (a)	182,703		871,493
Molecular Insight Pharmaceuticals, Inc. (a)	42,900		291,291
Pharmion Corp. (a)	12,000		553,680
			1,961,746
Industrial 7.34%			
Advantest Corp.	22,500		701,258
Altra Holdings, Inc. (a)	2,900		48,343
American Science & Engineering, Inc. *	32,258		2,021,286
Bunge Ltd.	5,500		590,975
Caterpillar, Inc.	26,000		2,039,180
Chicago Bridge & Iron Co. - NY shares	20,200		869,812
Empresa Brasileira de Aeronautica - S.A.	16,355		718,312
General Cable Corp. (a)	10,000		671,200
General Electric Co.	77,800		3,220,920
General Motors Corp.	23,800		873,460
Grant Prideco, Inc. (a)	32,000		1,744,640
Kokuyo Co. Ltd.	50,000		519,741
Smurfit-Stone Container Corp. (a)	217,100		2,535,728
Spirit Aerosystems Holdings, Inc. (a)	31,000		1,207,140
Textron, Inc.	7,400		460,354
			18,222,349

	Shares		Value
Insurance 3.58%			
ACE Ltd.	16,400	$	993,348
Allstate Corp.	15,800		903,602
Castlepoint Holdings Ltd.	31,100		357,650
Fidelity National Financial, Inc.	154,100		2,693,668
Loews Corp.	39,700		1,919,495
Montpelier Re Holdings Ltd.	62,800		1,111,560
Platinum Underwriters Holdings Ltd.	25,484		916,405
			8,895,728
Media 0.64%			
Kyocera Corp.	3,400		318,792
Nippon Television Network Corp.	9,900		1,274,722
			1,593,514
Metals & Mining 2.83%			
Anglo American PLC - ADR	18,134		606,582
Barrick Gold Corp.	1,200		48,336
Cameco Corp.	19,500		901,680
Denison Mines Corp. (a)	57,900		649,058
First Uranium Corp. (a)	22,000		209,461
Freeport-McMoRan Copper & Gold, Inc.	12,500		1,311,125
Gerdau - S.A.	29,800		781,356
Goldcorp, Inc.	19,300		589,808
Paladin Resources Ltd. (a)	67,500		463,596
Uex Corp. (a)	8,500		51,873
Uranium One, Inc. (a)	99,385		1,313,942
Ur-Energy, Inc. (a)	32,200		98,738
			7,025,555
Real Estate 7.43%			
Aeon Mall Co. Ltd.	25,280		772,496
Beijing Capital Land Ltd. (c)	225,000		202,023
Cheung Kong Holdings Ltd.	199,800		3,294,939
China Resources Land Ltd.	276,000		575,159
Ciputra Development Tbk PT (a)	3,429,000		348,712
Cosco Corp. (Singapore) Ltd.	204,000		817,099
Great Eagle Holdings Ltd.	235,080		892,075
Greentown China Holdings Ltd.	213,000		496,480
Hang Lung Properties Ltd.	117,000		523,756
Henderson Land Development Co. Ltd.	148,000		1,173,704
Hopewell Holdings Ltd.	95,000		453,379
Hysan Development Co. Ltd.	401,771		1,113,755
Hyundai Development Co.	11,600		1,083,698
Italian-Thai Development PLC (a)	2,088,000		462,985
Kerry Properties Ltd.	63,500		487,654
Shimao Property Holdings Ltd.	163,500		497,408
Shun Tak Holdings Ltd. (c)	60,000		96,632
Sun Hung Kai Properties Ltd.	165,000		2,780,476
Trinity Capital PLC (a) (c)	564,168		979,179
Wharf Holdings Ltd.	226,000		1,110,544
YNH Property BHD	350,100		274,326
			18,436,479

	Shares		Value
Real Estate Investment Trusts (REITS) 0.89%			
Annaly Capital Management, Inc.	137,600	$	2,191,968
Regal Real Estate Investment Trust	37,439		11,703
			2,203,671
Technology & Communications 15.24%			