

Clough Global Allocation Fund  
Form N-Q  
February 28, 2012

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

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 Douglas

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: December 31, 2011

**Item 1 Schedule of Investments.**

## Clough Global Allocation Fund

## STATEMENT OF INVESTMENTS

December 31, 2011 (Unaudited)

	Shares	Value
<b>COMMON STOCKS 121.72%</b>		
<b>Consumer Discretionary 15.84%</b>		
Amazon.com, Inc. <sup>(a)</sup>	3,600	\$623,160
Arezzo Industria e Comercio S.A.	27,052	336,473
Bosideng International Holdings, Ltd.	4,494,000	1,272,989
CBS Corp. - Class B <sup>(b)</sup>	47,590	1,291,593
Cinemark Holdings, Inc. <sup>(b)</sup>	30,500	563,945
DIRECTV - Class A <sup>(a) (b)(c)</sup>	17,700	756,852
Dongfeng Motor Group Co., Ltd. - Class H	496,175	850,958
Focus Media Holding, Ltd. - ADR <sup>(a) (b)(c)</sup>	52,399	1,021,257
GOME Electrical Appliances Holdings, Ltd.	1,956,000	453,326
The Goodyear Tire & Rubber Co. <sup>(a) (b)(c)</sup>	354,471	5,022,854
Great Wall Motor Co., Ltd.	223,381	326,158
H&R Block, Inc. <sup>(b)(c)</sup>	116,563	1,903,474
Lamar Advertising Co. - Class A <sup>(a) (b)(c)</sup>	29,269	804,897
Liberty Interactive Corp. - Class A <sup>(a) (b)(c)</sup>	78,912	1,279,558
Liberty Media Corp. - Liberty Capital <sup>(a) (b)(c)</sup>	15,770	1,230,849
Man Wah Holdings, Ltd.	1,498,600	899,168
MGM Resorts International <sup>(a) (b)(c)</sup>	50,712	528,926
Monro Muffler Brake, Inc. <sup>(b)</sup>	9,200	356,868
News Corp.- Class A <sup>(b)</sup>	71,700	1,279,128
NIKE, Inc. - Class B <sup>(b)(c)</sup>	10,900	1,050,433
Orient-Express Hotels, Ltd. <sup>(a) (b)</sup>	51,900	387,693
Parkson Retail Asia, Ltd. <sup>(a)(d)</sup>	419,000	403,801
Time Warner, Inc. <sup>(b)(c)</sup>	14,073	508,598
Valassis Communications, Inc. <sup>(a) (b)(c)</sup>	25,871	497,499
Viacom, Inc. - Class B <sup>(b)(c)</sup>	24,100	1,094,381
		24,744,838
<b>Consumer Staples 1.97%</b>		
Brazil Pharma S.A. <sup>(a)(d)</sup>	66,772	304,282
China Agri-Industries Holdings, Ltd.	728,900	554,657
China Resources Enterprise, Ltd.	92,800	318,430
Cia de Bebidas das Americas - ADR <sup>(b)(c)</sup>	25,700	927,513
Julio Simoes Logistica S.A.	75,641	378,763
Raia Drogasil S.A.	25,588	177,926
Vinda International Holdings, Ltd.	323,301	415,022
		3,076,593

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	Shares	Value
<b>Energy 21.98%</b>		
<i>Natural Gas Leveraged Exploration &amp; Production 1.22%</i>		
Forest Oil Corp. <sup>(a) (b)</sup>	65,624	\$889,205
Quicksilver Resources, Inc. <sup>(a)(b)(c)</sup>	151,290	1,015,156
		1,904,361
<i>Non-North American Producers 2.75%</i>		
BP PLC - Sponsored ADR <sup>(b)</sup>	18,200	777,868
InterOil Corp. <sup>(a) (b)(c)</sup>	31,159	1,593,160
Royal Dutch Shell PLC - ADR <sup>(b)</sup>	26,350	1,925,921
		4,296,949
<i>Oil Leveraged Exploration &amp; Production 5.09%</i>		
Anadarko Petroleum Corp. <sup>(b)</sup>	31,303	2,389,358
Energy XXI Bermuda, Ltd. <sup>(a) (b)</sup>	11,649	371,370
EOG Resources, Inc. <sup>(b)(c)</sup>	7,900	778,229
Exxon Mobil Corp. <sup>(b)(c)</sup>	6,800	576,368
Hess Corp. <sup>(b)</sup>	23,000	1,306,400
Kodiak Oil & Gas Corp. <sup>(a) (b)(c)</sup>	48,746	463,087
Kunlun Energy Co., Ltd.	28,324	40,335
Nexen, Inc. <sup>(b)(c)</sup>	32,560	518,030
Occidental Petroleum Corp. <sup>(b)(c)</sup>	3,470	325,139
Petrobank Energy & Resources, Ltd. <sup>(a)</sup>	16,523	171,596
Pioneer Natural Resources Co. <sup>(b)(c)</sup>	11,300	1,011,124
		7,951,036
<i>Oil Services &amp; Drillers 9.82%</i>		
Cameron International Corp. <sup>(a) (b)</sup>	32,600	1,603,594
Dresser-Rand Group, Inc. <sup>(a) (b)(c)</sup>	22,080	1,102,013
Ensco PLC - Sponsored ADR <sup>(b)(c)</sup>	34,572	1,622,118
Halliburton Co. <sup>(b)(c)</sup>	55,922	1,929,868
Helmerich & Payne, Inc. <sup>(b)</sup>	10,600	618,616
Hornbeck Offshore Services, Inc. <sup>(a) (b)(c)</sup>	19,100	592,482
Nabors Industries, Ltd. <sup>(a) (b)</sup>	35,500	615,570
National Oilwell Varco, Inc. <sup>(b)(c)</sup>	41,983	2,854,424
Oil States International, Inc. <sup>(a) (b)(c)</sup>	14,889	1,137,073
Patterson-UTI Energy, Inc. <sup>(b)</sup>	31,100	621,378
Superior Energy Services, Inc. <sup>(a) (b)(c)</sup>	47,576	1,353,062
Tenaris S.A. - ADR <sup>(b)</sup>	34,450	1,280,851
		15,331,049

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	Shares	Value
<b>Energy (continued)</b>		
<i>Refiners 0.81%</i>		
Marathon Petroleum Corp. <sup>(b)</sup>	38,004	\$1,265,153
<i>Tankers 2.29%</i>		
Golar LNG Partners LP <sup>(b)</sup>	14,043	430,418
Golar LNG, Ltd. <sup>(b)(c)</sup>	70,836	3,148,660
		3,579,078
<b>TOTAL ENERGY</b>		34,327,626
<b>Financials 24.75%</b>		
<i>Capital Markets 8.23%</i>		
Ares Capital Corp. <sup>(b)(c)</sup>	260,953	4,031,724
CITIC Securities Co., Ltd. <sup>(a)</sup>	216,000	355,430
The Goldman Sachs Group, Inc. <sup>(b)</sup>	7,174	648,745
Golub Capital BDC, Inc. <sup>(b)(c)</sup>	53,100	823,050
Indochina Capital Vietnam Holdings, Ltd. <sup>(a)(d)(e)</sup>	15,596	57,393
Medley Capital Corp. <sup>(b)(c)</sup>	34,088	354,515
Morgan Stanley <sup>(b)(c)</sup>	67,564	1,022,243
PennantPark Floating Rate Capital, Ltd. <sup>(b)(c)</sup>	21,800	224,540
PennantPark Investment Corp. <sup>(b)</sup>	177,530	1,791,278
Solar Capital, Ltd. <sup>(b)(c)</sup>	132,378	2,924,230
Solar Senior Capital, Ltd. <sup>(b)(c)</sup>	39,147	616,565
		12,849,713
<i>Commercial Banks 3.72%</i>		
Banco do Brasil S.A.	15,971	202,929
Banco Santander Brasil S.A. - ADR <sup>(b)</sup>	54,100	440,374
China Construction Bank Corp. - Class H	3,988,757	2,783,594
China Merchants Bank Co., Ltd. - Class H	182,000	367,909
Chongqing Rural Commercial Bank - Class H <sup>(a)</sup>	746,000	386,130
Industrial & Commercial Bank of China - Class H	1,682,500	998,677
Valley National Bancorp <sup>(b)(c)</sup>	51,680	639,282
		5,818,895
<i>Consumer Finance 0.70%</i>		
American Express Co. <sup>(b)</sup>	23,269	1,097,599
<i>Diversified Financials 2.77%</i>		
Bank of America Corp. <sup>(b)(c)</sup>	181,677	1,010,124
Citigroup, Inc. <sup>(b)(c)</sup>	76,164	2,003,875
M&T Bank Corp. <sup>(b)</sup>	17,140	1,308,467
		4,322,466

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	Shares	Value
<b>Financials (continued)</b>		
<i>Real Estate Investment Trusts 7.05%</i>		
AIMS AMP Capital Industrial REIT	103,927	\$75,719
American Capital Agency Corp. <sup>(b)(c)</sup>	106,409	2,987,965
Ascendas Real Estate Investment Trust	838,000	1,182,329
Ascott Residence Trust	416,874	318,188
CapitaCommercial Trust	903,039	734,518
Capstead Mortgage Corp. <sup>(b)(c)</sup>	193,203	2,403,445
CYS Investments, Inc. <sup>(b)(c)</sup>	46,281	608,132
Dynex Capital, Inc. <sup>(b)(c)</sup>	94,894	866,382
Hatteras Financial Corp. <sup>(b)</sup>	69,782	1,840,151
		11,016,829
<i>Real Estate Management &amp; Development 1.50%</i>		
Aliansce Shopping Centers S.A.	36,734	280,638
BHG S.A. - Brazil Hospitality Group <sup>(a)</sup>	26,103	216,913
BR Malls Participacoes S.A.	57,626	559,809
CapitaMalls Asia, Ltd.	116,821	101,775
Iguatemi Empresa de Shopping Centers S.A.	16,077	298,742
Multiplan Empreendimentos Imobiliarios S.A.	18,300	375,468
Sonae Sierra Brasil S.A.	40,000	514,676
		2,348,021
<i>Thrift &amp; Mortgage Finance 0.78%</i>		
People's United Financial, Inc. <sup>(b)(c)</sup>	94,443	1,213,592
<b>TOTAL FINANCIALS</b>		38,667,115
<b>Health Care 1.43%</b>		
Sanofi - ADR <sup>(b)(c)</sup>	61,247	2,237,965
<b>Industrials 8.63%</b>		
Air China, Ltd.	506,900	374,631
Brenntag AG	12,500	1,164,014
Copa Holdings S.A. <sup>(b)</sup>	13,330	782,071
Delta Air Lines, Inc. <sup>(a)(b)(c)</sup>	207,926	1,682,121
GZI Transport, Ltd.	765,700	335,202
Jardine Strategic Holdings, Ltd. <sup>(b)</sup>	21,295	589,233
Santos Brasil Participacoes S.A.	37,264	492,858
Sensata Technologies Holding NV <sup>(a)(b)(c)</sup>	30,512	801,855
TE Connectivity, Ltd. <sup>(b)</sup>	23,600	727,116
Towers Watson & Co. <sup>(b)</sup>	6,100	365,573
TransDigm Group, Inc. <sup>(a)(b)(c)</sup>	23,006	2,201,214

	Shares	Value
<b>Industrials (continued)</b>		
United Continental Holdings, Inc. <sup>(a) (b)(c)</sup>	70,682	\$1,333,769
Verisk Analytics, Inc. - Class A <sup>(a) (b)</sup>	17,921	719,170
WABCO Holdings, Inc. <sup>(a) (b)</sup>	5,471	237,441
Wesco Aircraft Holdings, Inc. <sup>(a) (b)</sup>	46,800	654,732
Zhejiang Expressway Co., Ltd. - Class H	1,579,500	1,024,989
		13,485,989
<b>Information Technology 20.65%</b>		
Apple, Inc. <sup>(a) (b)</sup>	15,212	6,160,860
Arrow Electronics, Inc. <sup>(a) (b)(c)</sup>	68,600	2,566,326
Avnet, Inc. <sup>(a) (b)(c)</sup>	61,000	1,896,490
Dell, Inc. <sup>(a) (b)</sup>	30,300	443,289
Dena Co., Ltd.	11,400	341,985
eBay, Inc. <sup>(a) (b)</sup>	32,290	979,356
EMC Corp. <sup>(a) (b)</sup>	25,100	540,654
Google, Inc. - Class A <sup>(a) (b)</sup>	2,275	1,469,422
Ingram Micro, Inc. - Class A <sup>(a) (b)(c)</sup>	41,800	760,342
International Business Machines Corp.	4,094	752,805
Lenovo Group, Ltd.	3,398,000	2,266,325
Mastercard, Inc. <sup>(b)</sup>	5,240	1,953,577
Micron Technology, Inc. <sup>(a) (b)</sup>	125,400	788,766
Microsoft Corp. <sup>(b)(c)</sup>	206,301	5,355,574
priceline.com, Inc. <sup>(a)</sup>	500	233,855
SanDisk Corp. <sup>(a) (b)</sup>	29,700	1,461,537
Seagate Technology <sup>(b)</sup>	43,500	713,400
Visa, Inc. <sup>(b)(c)</sup>	18,123	1,840,028
Xerox Corp. <sup>(b)(c)</sup>	153,137	1,218,971
ZTE Corp.	162,800	510,414
		32,253,976
<b>Materials 1.69%</b>		
Crown Holdings, Inc. <sup>(a) (b)(c)</sup>	13,076	439,092
Owens-Illinois, Inc. <sup>(a) (b)(c)</sup>	98,312	1,905,287
WR Grace & Co. <sup>(a) (b)</sup>	6,400	293,888
		2,638,267
<b>Telecommunication Services 2.71%</b>		
Chunghwa Telecom Co., Ltd. - ADR <sup>(b)(c)</sup>	34,835	1,159,309
DiGi.Com Bhd	338,000	413,703
Maxis Bhd	771,900	1,334,388
Philippine Long Distance Telephone Co.	12,415	719,620
StarHub, Ltd.	105,438	236,556
Telekom Malaysia Bhd	240,900	376,929
		4,240,505

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	Shares	Value
<b>Utilities 22.07%</b>		
AES Corp. <sup>(a) (b)</sup>	50,316	\$595,741
American Electric Power Co., Inc. <sup>(b)(c)</sup>	58,600	2,420,766
Babcock & Wilcox Co. <sup>(a) (b)</sup>	8,025	193,724
Calpine Corp. <sup>(a) (b)</sup>	65,234	1,065,271
CenterPoint Energy, Inc. <sup>(b)(c)</sup>	73,900	1,484,651
CMS Energy Corp. <sup>(b)(c)</sup>	90,900	2,007,072
Dominion Resources, Inc. <sup>(b)(c)</sup>	46,900	2,489,452
DTE Energy Co. <sup>(b)(c)</sup>	28,800	1,568,160
Edison International <sup>(b)(c)</sup>	42,800	1,771,920
FirstEnergy Corp. <sup>(b)</sup>	37,300	1,652,390
National Grid PLC - Sponsored ADR <sup>(b)(c)</sup>	142,400	6,903,552
NiSource, Inc. <sup>(b)(c)</sup>	91,357	2,175,210
Northeast Utilities <sup>(b)(c)</sup>	60,676	2,188,583
OGE Energy Corp. <sup>(b)(c)</sup>	24,549	1,392,174
PG&E Corp. <sup>(b)</sup>	11,400	469,908
Pinnacle West Capital Corp. <sup>(b)</sup>	20,162	971,405
Power Assets Holdings, Ltd.	211,000	1,560,780
PPL Corp. <sup>(b)(c)</sup>	84,007	2,471,486
The Williams Cos, Inc. <sup>(b)</sup>	10,907	360,149
Xcel Energy, Inc. <sup>(b)</sup>	26,234	725,108
		34,467,502

**TOTAL COMMON STOCKS**

(Cost \$183,392,280) 190,140,376

**PREFERRED STOCKS 0.50%**

The Goodyear Tire & Rubber Co., 5.875%<sup>(b)</sup> 15,900 773,535

**TOTAL PREFERRED STOCKS**

(Cost \$795,994) 773,535

Description and Maturity Date	Principal	
	Amount	Value
<b>CORPORATE BONDS 5.41 %</b>		
American Axle & Manufacturing, Inc. 03/01/2017, 7.875% <sup>(b)(c)</sup>	\$900,000	895,500
ArvinMeritor, Inc. 03/15/2018, 10.625% <sup>(b)</sup>	425,000	401,625
Constellation Brands, Inc. 09/01/2016, 7.250% <sup>(b)</sup>	210,000	231,787
Crown Americas LLC / Crown Americas Capital Corp. III Series WI, 02/01/2021, 6.250% <sup>(b)</sup>	595,000	624,750



Description and Maturity Date	Principal	
	Amount	Value
<b>CORPORATE BONDS (continued)</b>		
Dana Holding Corp. 02/15/2021, 6.750% <sup>(b)</sup>	\$505,000	\$520,150
Ford Motor Credit Co. LLC 02/01/2021, 5.750% <sup>(b)</sup>	890,000	929,394
Forest Oil Corp. 06/15/2019, 7.250% <sup>(b)</sup>	600,000	615,000
Gol Finance 07/20/2020, 9.250% <sup>(b)(d)</sup>	545,000	508,213
Hanesbrands, Inc. 12/15/2020, 6.375% <sup>(b)</sup>	535,000	545,700
Manufacturers & Traders Trust Co. 12/01/2021, 5.629% <sup>(b)(f)</sup>	885,000	833,502
Newfield Exploration Co. 05/15/2018, 7.125% <sup>(b)</sup>	250,000	268,125
TAM Capital 2, Inc. 01/29/2020, 9.500% <sup>(b)(g)</sup>	520,000	560,300
Tenneco, Inc. 08/15/2018, 7.750% <sup>(b)</sup>	300,000	319,500
Terex Corp. 11/15/2017, 8.000% <sup>(b)</sup>	300,000	295,500
Visteon Corp. 04/15/2019, 6.750% <sup>(b)(d)</sup>	895,000	897,237
<b>TOTAL CORPORATE BONDS</b>		
<b>(Cost \$8,285,220)</b>		<b>8,446,283</b>
<b>ASSET/MORTGAGE BACKED SECURITIES 0.39%</b>		
Government National Mortgage Association (GNMA) Series 2007-37, Class SA, 03/20/2037, 21.125% <sup>(b)(f)</sup>	71,731	81,322
Series 2007-37, Class SB, 03/20/2037, 21.125% <sup>(b)(f)</sup>	23,838	30,079
Small Business Administration Participation Certificates Series 2008-20L, Class 1, 12/01/2028, 6.220% <sup>(b)</sup>	437,572	500,807
<b>TOTAL ASSET/MORTGAGE BACKED SECURITIES</b>		
<b>(Cost \$526,562)</b>		<b>612,208</b>
<b>GOVERNMENT &amp; AGENCY OBLIGATIONS 21.10%</b>		
U.S. Treasury Bonds 11/15/2020, 2.625% <sup>(b)</sup>	5,075,000	5,462,760
02/15/2021, 3.625% <sup>(b)</sup>	9,210,000	10,690,793
02/15/2027, 6.625% <sup>(b)</sup>	3,920,000	6,028,839
08/15/2040, 3.875% <sup>(b)</sup>	2,105,000	2,518,106
U.S. Treasury Notes 06/30/2018, 2.375% <sup>(b)</sup>	7,700,000	8,252,837
<b>TOTAL GOVERNMENT &amp; AGENCY OBLIGATIONS</b>		
		<b>32,953,335</b>

(Cost \$32,024,168)

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	Number of Contracts	Value
<b>CALL OPTIONS PURCHASED 0.06%</b>		
HOLDRs Oil Services, Expires January, 2013, Exercise Price \$160.00 <sup>(e)</sup>	208	\$91,520
<b>TOTAL CALL OPTIONS PURCHASED</b>		
<b>(Cost \$416,421)</b>		91,520

	Shares	Value
<b>SHORT-TERM INVESTMENTS 3.02%</b>		
<b>Money Market Fund</b>		
Dreyfus Treasury Prime Money Market Fund (0.000% 7-day yield) <sup>(h)</sup>	2,317,457	2,317,457
Morgan Stanley Institutional Liquidity Fund (0.010% 7-day yield)	203,954	203,954
<b>U.S. Treasury Bills</b>		
U.S. Treasury Bill Discount Notes 08/23/2012, 0.072% <sup>(b)(i)</sup>	2,200,000	2,199,039
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
<b>(Cost \$4,720,384)</b>		4,720,450

**Total Investments - 152.20%**

(Cost \$230,161,029)	237,737,707
Liabilities in Excess of Other Assets - (52.20%)	(81,532,231)
NET ASSETS - 100.00%	\$156,205,476

**SCHEDULE OF SECURITIES SOLD SHORT <sup>(a)</sup>**

	Shares	Value
<b>COMMON STOCK</b>		
Alfa Laval AB	(16,117)	\$(305,382)
Apollo Group, Inc. - Class A	(15,044)	(810,420)
Barclays PLC - ADR	(33,900)	(372,561)
Berkshire Hathaway, Inc. - Class B	(3,314)	(252,858)
BHP Billiton, Ltd. - ADR	(33,087)	(2,336,935)
Caterpillar, Inc.	(7,408)	(671,165)
Cummins, Inc.	(3,900)	(343,278)
Deutsche Bank AG	(36,178)	(1,369,699)
Diamond Offshore Drilling, Inc.	(4,543)	(251,046)
First Quantum Minerals, Ltd.	(11,438)	(225,111)
Fortescue Metals Group, Ltd.	(161,486)	(705,266)
Freeport-McMoRan Copper & Gold, Inc.	(14,092)	(518,445)
HDFC Bank, Ltd. - ADR	(12,804)	(336,489)

<b>SCHEDULE OF SECURITIES SOLD SHORT <sup>(a)</sup> (continued)</b>	<b>Shares</b>	<b>Value</b>
ICICI Bank, Ltd. - ADR	(12,590)	\$(332,754)
Isetan Mitsukoshi Holdings, Ltd.	(5,423)	(56,858)
ITT Educational Services, Inc.	(3,900)	(221,871)
Joy Global, Inc.	(8,246)	(618,203)
Kohl's Corp.	(5,000)	(246,750)
Komatsu, Ltd.	(40,400)	(944,259)
Li & Fung, Ltd.	(156,627)	(289,998)
The Mosaic Co.	(7,201)	(363,146)
PACCAR, Inc.	(9,300)	(348,471)
Potash Corp. of Saskatchewan, Inc.	(10,525)	(434,472)
Rio Tinto PLC	(38,514)	(1,884,105)
Rio Tinto, Ltd. - ADR	(6,010)	(370,665)
Salesforce.com, Inc.	(10,341)	(1,049,198)
Sandvik AB	(35,003)	(429,524)
Schneider Electric S.A.	(18,100)	(952,964)
Siemens AG - ADR	(5,612)	(536,563)
Suncor Energy, Inc.	(35,614)	(1,026,752)
TAL International Group, Inc.	(2,309)	(66,476)
United States Oil Fund LP	(58,280)	(2,221,051)
Vale SA - ADR	(73,910)	(1,585,369)
Volvo AB	(34,576)	(378,313)
		(22,856,417)
<b>EXCHANGE TRADED FUNDS</b>		
iShares <sup>®</sup> Dow Jones U.S. Real Estate Index Fund	(5,002)	(284,064)
iShares <sup>®</sup> MSCI Australia Index Fund	(32,298)	(692,469)
iShares <sup>®</sup> MSCI Emerging Markets Index Fund	(50,972)	(1,933,878)
iShares <sup>®</sup> MSCI Germany Index Fund	(12,525)	(240,730)
iShares <sup>®</sup> Russell 2000 <sup>®</sup> Index Fund	(31,022)	(2,286,011)
Market Vectors Oil Service ETF	(10,900)	(1,251,865)
Market Vectors Russia ETF	(43,400)	(1,156,610)
United States Natural Gas Fund LP	(71,500)	(461,890)
Vanguard REIT ETF	(52,610)	(3,051,380)
		(11,358,897)

**TOTAL SECURITIES SOLD SHORT**

**(Proceeds \$35,340,365)** **\$(34,215,314)**

**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*

*HOLDERS - Holding Company Depositary Receipt*

*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

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

- (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 December 31, 2011. (See Note 1)
  - (c) Loaned security; a portion or all of the security is on loan at December 31, 2011.
  - (d) 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 December 31, 2011, these securities had a total value of \$2,170,926 or 1.39% of net assets.
  - (e) Fair valued security; valued by management in accordance with procedures approved by the Fund's Board of Trustees. As of December 31, 2011, these securities had a total value of \$148,913 or 0.10% of total net assets.
  - (f) Floating or variable rate security - rate disclosed as of December 31, 2011.
  - (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 December 31, 2011, the aggregate market value of those securities was \$560,300, representing 0.36% 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 Quarterly Statement of Investments.

**Income Tax Information:**

Net unrealized appreciation/depreciation of investments based on federal tax costs were as follows:

	As of December 31, 2011	
Gross appreciation (excess of value over tax cost)	\$	13,103,549
Gross depreciation (excess of tax cost over value)		(10,343,277)
Net unrealized appreciation	\$	2,760,272
Cost of investments for income tax purposes	\$	234,977,435

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**CLOUGH GLOBAL ALLOCATION FUND**

**NOTES TO QUARTERLY STATEMENT OF INVESTMENTS**

**DECEMBER 31, 2011 (UNAUDITED)**

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

Clough Global Allocation Fund (the Fund) is a closed-end management investment company that was organized under the laws of the state of Delaware by an Amended Agreement and Declaration of Trust dated April 27, 2004. The 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 net asset value per share of the Fund is determined no less frequently than daily, on each day that the New York Stock Exchange (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 the Fund is not open for business. As a result, the Fund's net asset value may change at times when it is not possible to purchase or sell shares of the Fund.

**Investment Valuation:** Securities held by the 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 Fund 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 the 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 December 31, 2011, securities which have been fair valued represented 0.10% of net assets of the Fund.

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

Various inputs are used in determining the value of the 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 the Fund has the ability to access at the measurement date;

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- 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.

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The following is a summary of the inputs used as of December 31, 2011 in valuing the Fund's investments carried at value. The Fund recognizes transfers between the levels as of the beginning of the annual period in which the transfer occurred. There were no significant transfers between Levels 1 and 2 during the period ended December 31, 2011:

**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	\$ 24,744,838	\$	\$	\$ 24,744,838
Consumer Staples	3,076,593			3,076,593
Energy	34,327,626			34,327,626
Financials	38,609,722		57,393	38,667,115
Health Care	2,237,965			2,237,965
Industrials	13,485,989			13,485,989
Information Technology	32,253,976			32,253,976
Materials	2,638,267			2,638,267
Telecommunication Services	4,240,505			4,240,505
Utilities	34,467,502			34,467,502
Preferred Stocks	773,535			773,535
Corporate Bonds		8,446,283		8,446,283
Asset/Mortgage Backed Securities		612,208		612,208
Government & Agency Obligations	32,953,335			32,953,335
Call Options Purchased			91,520	91,520
Short-Term Investments	4,720,450			4,720,450
<b>TOTAL</b>	<b>\$ 228,530,303</b>	<b>\$ 9,058,491</b>	<b>\$ 148,913</b>	<b>\$ 237,737,707</b>

**Other Financial Instruments\***

<b>Liabilities</b>				
Securities Sold Short	\$ (34,215,314)	\$	\$	\$ (34,215,314)
<b>TOTAL</b>	<b>\$ (34,215,314)</b>	<b>\$</b>	<b>\$</b>	<b>\$ (34,215,314)</b>

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

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

**Clough Global Allocation Fund**

	<b>Balance as of</b>	<b>Realized gain/(loss)</b>	<b>Change in unrealized appreciation/(depreciation)</b>	<b>Net purchases/(sales)</b>	<b>Transfers in and/or (out) of Level 3</b>	<b>Balance as of December 31, 2011</b>	<b>Net Change in unrealized appreciation/(depreciation) included in the statement of operations attributable to level 3 investments still held at December 31, 2011</b>
<b>Investments in Securities</b>	<b>March 31, 2011</b>						
Common Stocks	\$57,389	\$	\$4	\$	\$	\$57,393	\$4
Call Options Purchased			(324,901)	416,421		91,520	(324,901)
<b>TOTAL</b>	<b>\$57,389</b>	<b>\$</b>	<b>\$(324,897)</b>	<b>\$416,421</b>	<b>\$</b>	<b>\$148,913</b>	<b>\$(324,897)</b>

**Foreign Securities:** The Fund may invest a portion of its assets in foreign securities. In the event that the 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



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may carry more risk than U.S. securities, such as political, market and currency risks.

The accounting records of the 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 Fund's Statement of Operations.

A foreign currency contract is a commitment to purchase or sell a foreign currency at a future date, at a negotiated rate. The 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 the 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 the 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 Fund's Statement of Assets and Liabilities as a receivable or a payable and in the Fund's Statement of Operations with the change in unrealized appreciation or depreciation on translation of assets and liabilities denominated in foreign currencies. There were no outstanding foreign currency contracts for the Fund as of December 31, 2011.

The 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 Statement of Operations.

**Short Sales:** The Fund may sell a security it does not own in anticipation of a decline in the fair value of that security. When the 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 the Fund sold the security short, or a loss, unlimited in size, will be recognized upon the termination of the short sale.

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

The Fund's investment objectives not only permit the Fund to purchase investment securities, they also allow the Fund to enter into various types of derivative contracts, including, but not limited to, purchased and written options and warrants. In doing so, the Fund will employ strategies in differing combinations to permit it 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 Fund to pursue its objective more quickly and efficiently than if it was to make direct purchases or sales of securities capable of effecting a similar response to market factors.

*Market Risk Factors:* In pursuit of its investment objective, the Fund may seek to use derivatives to increase or decrease its 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.

**Risk of Investing in Derivatives:** The Fund's use of derivatives can result in losses due to unanticipated changes in the market risk factors and the overall market. In instances where the Fund is using derivatives to decrease or hedge exposures to market risk factors for securities held by the Fund, 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 Fund to increase its market value exposure relative to its net assets and can substantially increase the volatility of the Fund's performance.

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

Examples of these associated risks are liquidity risk, which is the risk that the Fund 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 Fund. 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:** The Fund may purchase or write (sell) put and call options. One of the risks associated with purchasing an option among others, is that the Fund pays a premium whether or not the option is exercised. Additionally, the 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. The Fund is obligated to pay interest to the broker for any debit balance of the margin account relating to options.

When the Fund writes an option, an amount equal to the premium received by the 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 the 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 the Fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Fund. The 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 nine months ended December 31, 2011 was as follows:

**CLOUGH GLOBAL ALLOCATION FUND:**

	<b>Written Call Options</b>	
	<b>Contracts</b>	<b>Premiums</b>
Outstanding, March 31, 2011		\$
Positions opened	1,408	327,042
Exercised	(202)	(44,980)
Expired	(598)	(48,363)
Closed	(608)	(233,699)
Outstanding, December 31, 2011		\$
Market Value, December 31, 2011		\$

**CLOUGH GLOBAL ALLOCATION FUND:**

	<b>Written Put Options</b>	
	<b>Contracts</b>	<b>Premiums</b>
Outstanding, March 31, 2011		\$
Positions opened	312	453,511
Exercised		
Expired	(48)	(24,383)
Closed	(264)	(429,128)
Outstanding, December 31, 2011		\$
Market Value, December 31, 2011		\$

**Warrants:** The 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 the Fund's ability to exercise the warrants or rights at such times and in such quantities as the Fund would otherwise wish. The Fund held no rights or warrants at the end of the period.

**Item 2 - Controls and Procedures.**

- (a) The Registrant's Principal Executive Officer and Principal Financial Officer have evaluated the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) within 90 days of this filing and have concluded that the Registrant's disclosure controls and procedures were effective, as of that date.
  
- (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) during Registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Item 3 Exhibits.**

Separate certifications for the Registrant's Principal Executive Officer and Principal Financial Officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 30a-2(a) under the Investment Company Act of 1940, are attached as Ex99.CERT.

**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** (principal executive officer)

Date: February 28, 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.

By: /s/ Edmund J. Burke  
**Edmund J. Burke**  
**President** (principal executive officer)

Date: February 28, 2012

By: /s/ Jeremy O. May  
**Jeremy O. May**  
**Treasurer** (principal financial officer)

Date: February 28, 2012