

Clough Global Allocation Fund
Form N-Q
August 29, 2006

**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)

1625 Broadway, Suite 2200, Denver, Colorado
(Address of principal executive offices)

80202
(Zip code)

Erin Douglas

Clough Global Allocation Fund

1625 Broadway, Suite 2200

Denver, Colorado 80202
(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: June 30, 2006

Item 1 Schedule of Investments.**CLOUGH GLOBAL ALLOCATION FUND****QUARTERLY STATEMENT OF INVESTMENTS**

June 30, 2006 (UNAUDITED)

| | Shares | Value |
|---|---------|--------------|
| COMMON STOCKS 102.41% | | |
| Consumer/Retail 5.86% | | |
| B & G Foods, Inc. | 67,000 | \$ 1,086,070 |
| Bridgestone Corp. (a) | 51,000 | 982,655 |
| Coinmach Service Class A | 50,000 | 512,500 |
| Daimaru, Inc. | 95,900 | 1,270,398 |
| Fast Retailing Company, Ltd. (a) | 15,200 | 1,241,873 |
| Komeri Company, Ltd. | 49,500 | 1,565,799 |
| Matsumotokiyoshi Co. | 20,900 | 531,449 |
| Mitsukoshi, Ltd. | 90,000 | 411,307 |
| Nikon Corp. | 86,000 | 1,501,468 |
| Sapporo Holdings, Ltd. | 111,000 | 561,596 |
| Sugi Pharmacy Co. | 8,300 | 164,636 |
| Toppan Forms Company, Ltd. | 38,300 | 487,619 |
| Uni-Charm Corp. | 47,000 | 2,595,596 |
| Wacoal Holdings Corp. | 33,900 | 475,145 |
| Yamada Denki Co., Ltd. | 3,300 | 336,517 |
| | | 13,724,628 |
| Energy 21.86% | | |
| Coal 0.50% | | |
| KFx, Inc. (a) | 33,700 | 514,936 |
| Massey Energy Company | 18,100 | 651,600 |
| | | 1,166,536 |
| Exploration & Production 9.39% | | |
| Anadarko Petroleum Corp. | 5,000 | 238,450 |
| Canadian Natural Resources, Ltd. | 26,600 | 1,473,108 |
| Carrizo Oil & Gas, Inc. (a) | 15,000 | 469,650 |
| Chesapeake Energy Corp. * | 46,800 | 1,415,700 |
| Chevron Corp. | 24,800 | 1,539,088 |
| ConocoPhillips * | 68,600 | 4,495,358 |
| Encana Corp. | 22,000 | 1,158,080 |
| Hess Corp. | 25,800 | 1,363,530 |
| Newfield Exploration Co. (a) | 34,300 | 1,678,642 |
| Nexen, Inc. | 9,000 | 508,860 |
| OADO Gazprom - Spon ADR | 54,000 | 2,270,700 |
| Petrohawk Energy (a)(b) | 18,000 | 226,800 |
| Petroleo Brasileiro - Spon ADR | 18,100 | 1,616,511 |
| Range Resources Corp. | 6,000 | 163,140 |
| Southwestern Energy (a) | 10,000 | 311,600 |
| Suncor Energy, Inc. | 32,000 | 2,592,320 |
| Talisman Energy, Inc. | 28,000 | 488,614 |
| | | 22,010,151 |
| Oil Services and Drillers 11.63% | | |

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| | | |
|-----------------------------------|--------|-----------|
| Addax Petro Cor 144A (a)(c) | 12,200 | 326,230 |
| Addax Petroleum Corp. (a) | 4,300 | 114,983 |
| Baker Hughes, Inc. | 22,000 | 1,800,700 |
| BJ Services Company | 16,900 | 629,694 |
| Cooper Cameron Corp. (a) | 47,200 | 2,254,744 |
| Diamond Offshore Drilling, Inc. * | 47,200 | 3,961,496 |

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| | | |
|--|-----------|------------|
| ENSCO International, Inc. | 24,200 | 1,113,684 |
| FMC Technologies, Inc. (a) | 7,000 | 472,220 |
| Global SantaFe Corp. | 32,200 | 1,859,550 |
| Grant Prideco, Inc. (a) | 23,600 | 1,056,100 |
| Halliburton Company | 37,300 | 2,768,033 |
| Helix Energy Solutions (a) | 38,800 | 1,565,968 |
| Hydril (a) | 15,000 | 1,177,800 |
| Noble Corp. | 31,500 | 2,344,230 |
| Oil States International, Inc. (a) | 22,300 | 764,444 |
| Rowan Companies, Inc. | 31,331 | 1,115,070 |
| Transocean, Inc. (a) | 27,500 | 2,208,800 |
| Veritas DGC, Inc. (a) | 15,000 | 773,700 |
| Weatherford International, Ltd. (a) | 19,300 | 957,666 |
| | | 27,265,112 |
| Refiners 0.34% | | |
| Valero Energy Corp. | 12,100 | 804,892 |
| TOTAL ENERGY | | 51,246,691 |
| Finance 21.64% | | |
| Banks 16.41% | | |
| Banco Itau Holding Financeira - Spon ADR | 14,900 | 434,484 |
| Banco Bilbao Vizcaya - Spon ADR | 35,300 | 727,180 |
| Banco Bradesco - Spon ADR | 30,000 | 932,700 |
| Bank of Ireland | 8,100 | 144,526 |
| Bank of New York Co., Inc. | 67,000 | 2,157,400 |
| Bank of Yokohama, Ltd. | 626,000 | 4,841,052 |
| Barclays Plc - Spon ADR | 21,700 | 993,426 |
| Brookline Bancorp, Inc. | 40,000 | 550,800 |
| Daiwa Securities Group, Inc. | 541,000 | 6,448,130 |
| Fidelity Bankshares, Inc. | 25,470 | 810,455 |
| HSBC Holdings Plc - Spon ADR | 18,100 | 1,599,135 |
| Joyo Bank, Ltd. | 333,000 | 2,019,416 |
| Mellon Financial Corp. | 46,900 | 1,614,767 |
| Mizuho Financial Group, Inc. | 346 | 2,929,693 |
| Nikko Cordial Corp. | 328,000 | 4,196,015 |
| Nomura Holdings, Inc. - ADR | 129,000 | 2,425,200 |
| Nomura Holdings, Inc. | 76,000 | 1,424,502 |
| Shizuoka Bank, Ltd. | 202,000 | 2,181,685 |
| Siam Commercial Bank | 1,350,000 | 2,036,333 |
| | | 38,466,899 |
| Non-Bank 5.23% | | |
| Apollo Investment Corp. | 414,089 | 7,652,365 |
| Mitsubishi Tokyo Financial - ADR | 198 | 2,768,263 |
| Mitsubishi UFJ Financial Group, Inc. | 105,800 | 1,475,910 |
| Thomas Weisel Group (a) | 19,100 | 363,091 |
| | | 12,259,629 |
| TOTAL FINANCE | | 50,726,528 |
| Healthcare 2.00% | | |
| BioSphere Medical (a) (b) | 50,000 | 317,500 |
| Biosphere Medical, Inc. (a) | 182,703 | 1,160,164 |
| Elan Corp Plc - Spon ADR (a) | 9,000 | 150,300 |
| Sepracor, Inc. (a) | 53,700 | 3,068,418 |
| | | 4,696,382 |

| Industrial 9.79% | | |
|---|---------|-----------|
| Airport Facilities Co., Ltd. | 59,000 | 401,101 |
| American Science & Engineering, Inc. (a) * | 43,000 | 2,490,560 |
| Dresser-Rand Group, Inc. (a) | 42,971 | 1,008,959 |
| Empresa Brasileira de Aeronautica -Spon ADR | 53,600 | 1,954,792 |
| Foster Wheeler, Ltd. (a) | 10,500 | 453,600 |
| General Electric Co. | 55,800 | 1,839,168 |
| Hexcel Corp. (a) | 80,800 | 1,269,368 |
| Infrasource Services, Inc. (a) | 12,000 | 218,520 |
| Insituform Technologies - Class A (a) | 30,100 | 688,989 |
| Jacobs Engineering Group, Inc. (a) | 9,000 | 716,760 |
| Kokuyo Company, Ltd. | 108,500 | 1,814,654 |
| Magal Security Systems, Ltd. (a) | 76,443 | 726,973 |
| McDermott International, Inc. (a) | 16,400 | 745,708 |
| Mueller Water Products, Inc. - Class A (a) | 100 | 1,741 |

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|--|---------|------------|
| Nisshinbo Industries, Inc. | 130,000 | 1,422,230 |
| Noritz Corp. | 39,200 | 710,765 |
| Olin Corp. | 103,100 | 1,848,583 |
| Pasona, Inc. | 635 | 1,215,178 |
| Primary Energy Recycling Corp. (a) (c) | 116,600 | 1,044,522 |
| Sasol Ltd - Spon ADR | 40,340 | 1,558,738 |
| Washington Group International, Inc. | 10,000 | 533,400 |
| Willbros Group, Inc. (a) | 15,500 | 293,570 |
| | | 22,957,879 |

Insurance 8.42%

| | | |
|--------------------------------|--------|------------|
| ACE, Ltd. | 21,400 | 1,082,626 |
| Allstate Corp / The | 12,500 | 684,125 |
| American International Group | 36,000 | 2,125,800 |
| Arch Capital Group, Ltd. (a) | 10,000 | 594,600 |
| Arthur J Gallagher & Co. | 15,600 | 395,304 |
| Aspen Insurance Holdings | 8,200 | 190,978 |
| Axis Capital Holdings | 20,000 | 572,200 |
| Everest Re Group, Ltd. | 30,400 | 2,631,728 |
| Hanover Insurance Group, Inc. | 3,500 | 166,110 |
| Marsh & McLennan Cos., Inc. | 33,900 | 911,571 |
| PartnerRe, Ltd. * | 95,500 | 6,116,775 |
| Platinum Underwriters Holdings | 53,600 | 1,499,728 |
| RAM Holdings, Ltd. (a) | 24,100 | 302,937 |
| St. Paul Travelers Cos., Inc. | 44,400 | 1,979,352 |
| Willis Group Holdings, Ltd. | 15,000 | 481,500 |
| | | 19,735,334 |

Media 0.37%

| | | |
|----------------|--------|---------|
| Toho Co., Ltd. | 44,000 | 878,539 |
|----------------|--------|---------|

Metals & Mining 2.71%

| | | |
|------------------------------------|---------|-----------|
| BHP Billiton, Ltd. - Spon ADR | 18,300 | 788,181 |
| Cia Vale do Rio Doce - ADR | 29,200 | 701,968 |
| Coeur d Alene Mines Corp. (a) | 273,600 | 1,316,016 |
| North American Palladium, Ltd. (a) | 29,700 | 258,390 |
| Pan American Silver Corp. (a) | 53,500 | 962,465 |
| Rio Tinto Plc - Spon ADR | 2,700 | 566,217 |
| Sherritt International Corp. | 174,900 | 1,750,097 |
| | | 6,343,334 |

Real Estate 1.73%

| | | |
|----------------------------|---------|-----------|
| Ashford Hospitality (a) | 48,000 | 605,760 |
| Goldcrest Company, Ltd. | 24,700 | 1,210,826 |
| TOC Co., Ltd. | 25,650 | 135,826 |
| Trinity Capital Plc (a)(b) | 564,168 | 927,987 |
| Trustreet Properties, Inc. | 88,600 | 1,168,634 |
| | | 4,049,033 |

REIT - 0.06%

| | | |
|-------------------|---------|---------|
| Champion REIT (a) | 270,600 | 134,145 |
|-------------------|---------|---------|

Technology & Communications 14.43%

| | | |
|---------------------------|--------|-----------|
| Avnet, Inc. (a) | 52,800 | 1,057,056 |
| Canadian Satellite (a) c) | 32,000 | 274,048 |
| Canadian Satellite (a) | 16,000 | 137,024 |
| Cisco Systems, Inc. (a) | 94,500 | 1,845,585 |
| CTC Media, Inc. (a) | 1,300 | 23,738 |

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|----------------------------|---------|------------|
| Google, Inc. - Class A (a) | 3,700 | 1,551,521 |
| Micron Technology (a) | 68,000 | 1,024,080 |
| Microsoft Corp. * | 315,100 | 7,341,830 |
| Motorola, Inc. | 133,900 | 2,698,085 |
| News Corp - Class B | 184,500 | 3,723,210 |
| Oracle Corp. (a) * | 341,600 | 4,949,784 |
| Photon Dynamics, Inc. (a) | 30,000 | 375,600 |
| Radvision, Ltd. (a) | 192,445 | 3,067,573 |
| Research In Motion (a) * | 32,500 | 2,267,525 |
| Semitool, Inc. (a) | 95,000 | 856,900 |
| Verint Systems, Inc. (a) | 9,300 | 271,467 |
| Yahoo!, Inc. (a) | 71,800 | 2,369,400 |
| | | 33,834,426 |

Transportation 3.98%

| | | |
|-------------------------------|---------|-----------|
| All Nippon Airways | 405,000 | 1,557,148 |
| AMR Corp. (a) | 31,900 | 810,898 |
| Central Japan Railway Company | 30 | 298,847 |
| East Japan Railway Company | 180 | 1,336,945 |
| Gol - Linhas Aereas - ADR | 58,800 | 2,087,400 |
| Nippon Express Co., Ltd. | 256,000 | 1,382,454 |
| Tokyo Corp. | 319,000 | 1,862,041 |
| | | 9,335,733 |

Utilities 9.56%

| | | |
|---------------------------------------|---------|------------|
| British Energy Group Plc (a) | 111,200 | 1,383,908 |
| Duke Energy Corp. | 10,000 | 293,700 |
| Edison International | 59,300 | 2,312,700 |
| Exelon Corp. | 47,000 | 2,671,010 |
| FPL Group, Inc. | 45,000 | 1,862,100 |
| ITC Holdings Corp. | 20,600 | 547,548 |
| Mirant Corp. (a) | 68,100 | 1,825,080 |
| NiSource, Inc. | 50,000 | 1,092,000 |
| NRG Energy, Inc. (a) | 30,000 | 1,445,400 |
| PPL Corp. | 28,000 | 904,400 |
| Public Service Enterprise Group, Inc. | 31,700 | 2,096,004 |
| Reliant Energy, Inc. (a) | 76,400 | 915,272 |
| Southern Company | 40,000 | 1,282,000 |
| Southern Union Company | 31,550 | 853,743 |
| Williams Cos., Inc. * | 125,500 | 2,931,680 |
| | | 22,416,545 |

TOTAL COMMON STOCKS

| | | |
|----------------------|--|-------------|
| (Cost \$216,433,538) | | 240,079,197 |
|----------------------|--|-------------|

EXCHANGE TRADED FUNDS 6.46%

| | | |
|---|---------|-----------|
| iShares FTSE/Xinhua China 25 Index Fund * | 40,900 | 3,138,666 |
| iShares MSCI Canada | 28,000 | 665,000 |
| iShares MSCI Hong Kong * | 268,800 | 3,634,176 |
| iShares MSCI Malaysia | 461,100 | 3,361,419 |
| iShares MSCI Pacific | 20,000 | 2,146,000 |
| iShares MSCI South Korea | 9,000 | 405,630 |
| iShares MSCI Taiwan | 140,700 | 1,800,960 |

TOTAL EXCHANGE TRADED FUNDS

| | | |
|---------------------|--|------------|
| (Cost \$13,854,436) | | 15,151,851 |
|---------------------|--|------------|

PREFERRED STOCKS 1.33%

| | | |
|--|--------|-----------|
| Arch Capital Group, 7.875% (a) | 75,000 | 1,852,500 |
| Ashford Hospitality Trust, Inc., 8.55% (a) | 50,000 | 1,258,000 |

TOTAL PREFERRED STOCKS

| | | |
|--------------------|--|-----------|
| (Cost \$3,107,500) | | 3,110,500 |
|--------------------|--|-----------|

CLOSED-END FUNDS 0.43%

| | | |
|-------------------------|---------|-----------|
| The Ottoman Fund (a) c) | 515,340 | 1,005,388 |
|-------------------------|---------|-----------|

TOTAL CLOSED-END FUNDS

| | | |
|------------------|--|-----------|
| (Cost \$896,434) | | 1,005,388 |
|------------------|--|-----------|

| | Coupon | Principal Amount | |
|---------------------------------------|--------|------------------|-----------|
| CORPORATE BONDS 8.47% | | | |
| Merrill Lynch * | | | |
| 06/13/2008 | 15.22 | % 3,000,000 | 3,066,600 |
| Barclays Bank Plc | | | |
| 09/24/2007 | 17.00 | % 3,000,000 | 3,199,875 |
| Barclays Bank Plc | | | |
| 09/26/2007 | 17.05 | % 5,000,000 | 5,320,325 |
| 09/28/2007 | 16.90 | % 5,000,000 | 5,339,475 |
| Consolidated Edison Co. of New York * | | | |
| 06/15/2036 (b) | 6.20 | % 3,000,000 | 2,930,469 |

TOTAL CORPORATE BONDS

| | | |
|---------------------|--|------------|
| (Cost \$18,994,333) | | 19,856,744 |
|---------------------|--|------------|

ASSET/MORTGAGE BACKED SECURITIES 6.30%

| | | | |
|---|------|--------------|-----------|
| Federal Home Loan Mortgage Corporation (FHLMC) Gold | | | |
| 04/01/2036 (a) * | 6.00 | % 10,000,000 | 9,850,310 |
| 06/01/2036 (a) * | 6.00 | % 5,000,000 | 4,925,155 |

TOTAL ASSET/MORTGAGE BACKED SECURITIES

| | | |
|---------------------|--|------------|
| (Cost \$14,899,263) | | 14,775,465 |
|---------------------|--|------------|

GOVERNMENT & AGENCY OBLIGATIONS 11.99%

Non-U.S. Government Obligations - 2.21%

| | | | |
|-------------|------|-------------|-----------|
| UK Treasury | | | |
| 09/07/2015 | 4.75 | % 2,800,000 | 5,190,747 |

U.S. Government Obligations - 9.78%

| | | | |
|--|-------|-------------|-----------|
| Federal Home Loan Mortgage Corporation (FHLMC) | | | |
| 07/15/2006 (b) * | 5.50 | % 3,000,000 | 2,999,955 |
| U.S. Treasury Bond | | | |
| 08/15/2022 * | 7.25 | % 6,500,000 | 7,844,180 |
| 02/15/2025 * | 7.625 | % 5,500,000 | 6,986,722 |
| 02/15/2031 * | 5.375 | % 5,000,000 | 5,087,895 |

| | | | |
|-----------------------------------|--|--|------------|
| TOTAL U.S. GOVERNMENT OBLIGATIONS | | | 22,918,752 |
|-----------------------------------|--|--|------------|

TOTAL GOVERNMENT & AGENCY OBLIGATIONS

| | | |
|---------------------|--|------------|
| (Cost \$29,080,458) | | 28,109,499 |
|---------------------|--|------------|

| | Expiration Date | Exercise Price | Number of Contracts | |
|-------------------------------------|--------------------|-------------------|------------------------|-----------|
| PURCHASED OPTIONS 1.85% | | | | |
| Call Options Purchased | | | | |
| iShares Lehman 20+ | December, 2006 | \$ 87.00 | 5,000 | 562,500 |
| TOTAL CALL OPTIONS PURCHASED | | | | 562,500 |
| Put Options Purchased | | | | |
| Energy Select Sector | July, 2006 | 51.00 | 5,000 | 50,000 |
| Ishares Russell 2000 | November, 2006 | 71.00 | 5,000 | 1,625,000 |
| Oil Service HOLDRS | July, 2006 | 150.00 | 2,000 | 920,000 |
| | October, 2006 | 145.00 | 1,000 | 860,000 |
| Phil Gold/Silver Ind | July, 2006 | 142.50 | 700 | 304,500 |
| TOTAL PUT OPTIONS PURCHASED | | | | 3,759,500 |
| TOTAL PURCHASED OPTIONS | | | | |
| (Cost \$8,098,730) | | | | 4,322,000 |

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| | Shares | |
|---|------------|-----------------------|
| SHORT TERM INVESTMENTS 8.06% | | |
| AIM Liquid Assets | 8,000,000 | 8,000,000 |
| GE Capital Corp. U.S C/P 07/17/2006 * | 10,000,000 | 9,979,972 |
| JP Morgan Prime | 903,166 | 903,166 |
| TOTAL SHORT TERM INVESTMENTS | | |
| (Cost \$18,883,138) | | 18,883,138 |
| Total Investments - 147.30% | | |
| (Cost \$324,247,830) | | 345,293,782 |
| Liabilities in Excess of Other Assets - (6.71)% | | (15,719,563) |
| Liquidation Preference of Auction Market Preferred Shares, Series W28 | | |
| (including dividends payable on preferred shares) - (40.59%) | | (95,152,391) |
| NET ASSETS - 100.00% | | \$ 234,421,828 |

SCHEDULE OF OPTIONS WRITTEN

| | Expiration Date | Exercise Price | Number of Contracts | Value |
|---|-----------------|----------------|---------------------|-----------------|
| COVERED CALL OPTIONS WRITTEN | | | | |
| Energy Select Sector | July, 2006 | \$ 57.00 | 5,000 | \$ (612,500) |
| TOTAL COVERED CALL OPTIONS WRITTEN | | | | |
| (Premiums received \$100,847) | | | | (612,500) |
| PUT OPTIONS WRITTEN | | | | |
| Energy Select Sector | July, 2006 | 47.00 | 5,000 | (12,500) |
| Ishares Russell 2000 | November, 2006 | 61.00 | 5,000 | (412,500) |
| Oil Service HOLDRS | July, 2006 | 135.00 | 2,000 | (140,000) |
| | October, 2006 | 130.00 | 1,000 | (395,000) |
| Phil Gold/Silver Ind | July, 2006 | 117.50 | 700 | (7,000) |
| TOTAL PUT OPTIONS WRITTEN | | | | |
| (Premiums received \$2,355,032) | | | | (967,000) |
| TOTAL OPTIONS WRITTEN | | | | |
| (Premiums received \$2,455,879) | | | | \$ (1,579,500) |

SCHEDULE OF SECURITIES SOLD SHORT

| Name | Shares | |
|--------------------------------|------------|-----------------|
| Cheniere Energy, Inc. (a) | (54,100) | \$ (2,109,900) |
| Comerica, Inc. | (10,000) | (519,900) |
| Dillard's, Inc. - Class A | (34,800) | (1,108,380) |
| El Paso Corp. | (138,000) | (2,070,000) |
| Energy Select Sector | (100,000) | (5,672,000) |
| Factset Research Systems, Inc. | (44,400) | (2,100,120) |
| Frontline Limited | (26,600) | (1,006,810) |
| Jefferies Group, Inc. | (65,600) | (1,943,728) |

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| LandAmerica Financial | (57,300 |) | (3,701,580 |) |
| Lear Corp. | (17,000 |) | (377,570 |) |
| Longs Drug Stores Corp. | (24,600 |) | (1,122,252 |) |
| MicroStrategy, Inc. (a) | (3,000 |) | (292,560 |) |
| Polaris Industries, Inc. | (76,900 |) | (3,329,770 |) |
| Royal Caribbean Cruises, Ltd. | (28,200 |) | (1,078,650 |) |
| Sony Corp. - ADR | (49,600 |) | (2,184,384 |) |
| Thor Industries, Inc. | (38,200 |) | (1,850,790 |) |
| Toro Co. | (55,200 |) | (2,577,840 |) |
| Unit Corp. (a) | (19,100 |) | (1,086,599 |) |
| Winnebago Industries | (18,300 |) | (568,032 |) |
| Wynn Resorts, Ltd. (a) | (13,400 |) | (982,220 |) |
| TOTAL SECURITIES SOLD SHORT | | | | |
| (Proceeds \$34,642,906) | | | \$ | (35,683,085) |

ADR - American Depositary Receipt

(a) Non Income Producing Security

(b) Private Placement; these securities may only be resold in transactions exempt from registration under the securities Act of 1933.

(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 June 30, 2006, these securities had total value of \$2,650,188 or 1.12% of net assets.

* Security, or portion of security, is being held as collateral for written options and/or short sales.

Income Tax Information:

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

As of June 30, 2006

| | |
|--|--------------|
| Gross appreciation (excess of value over tax cost) | 31,825,760 |
| Gross depreciation (excess of tax cost over value) | (9,151,808) |
| Net unrealized appreciation | 22,673,952 |
| Cost of investments for income tax purposes | 322,619,830 |

See Notes to Quarterly Statement of Investments

Notes to Quarterly Statement of Investments

1. Significant Accounting and Operating Policies

Clough Global Allocation Fund is a closed-end management investment company (the Fund) that was organized under the laws of the state of Delaware by an 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. The Declaration of Trust provides that the Trustees may authorize separate classes of shares of beneficial interest.

The following summarizes the significant accounting policies of the Fund.

Security Valuation: The net asset value per Share of the Fund is determined no less frequently than daily, on each day that the American 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. 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. Over-the-counter securities traded on NASDAQ are valued based upon the closing price. 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 pricing services 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. 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. Securities for which there is no such quotation or valuation and all other assets are valued at fair value in good faith by or at the direction of the Trustees.

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 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 separately identified from the fluctuations arising from changes in market values of securities held and reported with all other foreign currency gains and losses in the Fund's Statement of Operations.

Options: In order to hedge against adverse market shifts, the Fund may utilize up to 10% of its total assets to purchase put and call options on securities. The Fund may also utilize an additional

10% of its total assets to purchase put and call options on domestic stock indices to hedge against risks of market-wide price movements affecting its assets. When a Fund purchases a call or put option, an amount equal to the premium paid is included in the Fund's Statement of Assets and Liabilities, which is included in the Annual and Semi-Annual reports to shareholders, as an investment, and is subsequently marked-to-market to reflect the current market value of the option. If an option expires on the stipulated expiration date or if the Fund enters into a closing sale transaction, a gain or loss is realized. If the Fund exercises a call, the cost of the security acquired is increased by the premium paid for the call. If the Fund exercises a put option, a gain or loss is realized from the sale of the underlying security, and the proceeds from such a sale are decreased by the premium originally paid.

The Fund may also write covered put and call options on securities and stock indices. When a Fund writes a put or call option, an amount equal to the premium received is included in the Statement of Assets and Liabilities, which is included in the Annual and Semi-Annual reports to shareholders, as a liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option. If an option expires on its stipulated expiration date or if the Fund enters into a closing purchase transaction, a gain or loss is realized. If a written call option is exercised, a gain or loss is realized for the sale of the underlying security and the proceeds from the sale are increased by the premium originally received. If a written put option is exercised, the cost of the security acquired is decreased by the premium originally received. As a writer of an option, a Fund has no control over whether the underlying securities are subsequently sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the security underlying the written option. Written and purchased options are non-income producing securities.

Written option activity as of June 30, 2006 was as follows:

CALL OPTIONS WRITTEN

| | Number of Contracts | Amount of Premiums |
|---|------------------------|-----------------------|
| Options outstanding as of March 31, 2006 | | |
| Positions opened | 5,000 | \$ 100,847 |
| Options expired | | |
| Options split | | |
| Outstanding, June 30, 2006 | 5,000 | \$ 100,847 |
| Market Value, June 30, 2006 | | \$ (612,500) |

PUT OPTIONS WRITTEN

| | Number of Contracts | Amount of Premiums |
|-----------------------------|------------------------|-----------------------|
| Options outstanding as of | | |
| March 31, 2006 | 12,200 | \$ 491,939 |
| Positions opened | 14,000 | 2,429,432 |
| Options expired | (12,200) | (491,939) |
| Options split | (300) | (74,400) |
| Outstanding, June 30, 2006 | 13,700 | \$ 2,355,032 |
| Market Value, June 30, 2006 | | \$ (967,000) |

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.

Securities Transactions and Investment Income: Investment security transactions are accounted for as of trade date. Dividend income is recorded on the ex-dividend date. Interest income, which includes amortization of premium and accretion of discount, is accrued as earned. 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.

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: August 28, 2006

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: August 28, 2006

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

Date: August 28, 2006