Clough Global Equity Fund
Form N-CSR
June 07, 2013

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: 811-21712

Clough Global Equity Fund

(exact name of registrant as specified in charter)

1290 Broadway, Suite 1100, Denver, Colorado 80203

(Address of principal executive offices) (Zip code)

Erin D. Nelson, Secretary

Clough Global Equity Fund

1290 Broadway, Suite 1100

Denver, Colorado 80203

(Name and address of agent for service)

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

Date of fiscal year end: March 31

Date of reporting period: March 31, 2013

Item 1. **Reports to Stockholders.**

Section 19(b) Disclosure

March 31, 2013 (Unaudited)

Clough Global Allocation Fund and Clough Global Equity 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 currently distributes $0.30 per share on a quarterly basis and Clough Global Equity Fund distributes $0.29 per share on a quarterly 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 quarterly basis, each Fund will distribute long-term capital gains and/or return of capital to shareholders in order to maintain a level distribution. Each quarterly 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 either 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 either Fund s Plan without prior notice if it deems such action to be in the best interest of either Fund or its shareholders. The suspension or termination of the Plan could have the effect of creating a trading discount (if either 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.

Clough Global Funds

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Shareholder Letter

Clough Global Funds

March 31, 2013 (Unaudited)

To our Shareholders:

Clough Global Allocation Fund (GLV)

During the twelve-months ended March 31, 2013, the Clough Global Allocation Fund s total return, assuming reinvestment of all distributions, was 16.19% based on the net asset value and 17.81% based on the market price of the stock. The S&P 500 and the MSCI World Index returned 13.96% and 12.62% respectively over the same period. The Fund paid $1.20 per share in distributions during the year. As of March 31st , the Fund had distribution rate on the market price of 7.69%.

Clough Global Equity Fund (GLQ)

During the twelve-months ended March 31, 2013, the Clough Global Equity Fund s total return, assuming reinvestment of all distributions, was 16.90% based on the net asset value and 22.60% based on the market price of the stock. The S&P 500 and the MSCI World Index returned 13.96% and 12.62% respectively over the same period. The Fund paid $1.16 per share in distributions during the year. As of March 31st , the Fund had distribution rate on the market price of 7.89%.

Clough Global Opportunities Fund (GLO)

During the twelve-months ended March 31, 2013, the Clough Global Opportunities Fund s total return, assuming reinvestment of all distributions, was 15.87% based on the net asset value and 19.67% based on the market price of the stock. The S&P 500 and the MSCI World Index returned 13.96% and 12.62% respectively over the same period. The Fund paid $1.08 per share in distributions during the year. As of March 31st , the Fund had distribution rate on the market price of 8.39%.

The Funds were close to fully invested and benefitted from strong equity markets during their fiscal year ended March 31, 2013. Long positions returned 19.23% while the Funds short positions also returned a positive 2.78%.

The three most effective strategies during the year consisted of companies generating high free cash flow yields, financial companies and companies involved with the delivery of health care. H&R Block, a dominant provider of tax services, was a positive contributor to the Funds as were holdings of Ford Motor Group and Liberty Interactive, a media holding company. Detractors in the Funds came from a long position in OGX Petroleo e Gas, a Brazilian oil exploration company, and short positions in European banks and put options in the Standard and Poor s Index.

There are a number of strong catalysts for further equity market gains in our view. For one, profit fundamentals are strong, and we can find a number of investable strategies. Developed world economies are in a sluggish expansion, but that is not new news and companies have adjusted to that reality by managing for cash and controlling investment. If companies manage investment to match slower demand, they will throw off free cash flow and that has been happening throughout the business expansion. Looking for those

free cash flow opportunities has been at the heart of our strategies for the past few years. In many industries and sectors we can find free cash flow yields as high as 7-10%, and that compares well with low bond yields.

Here are a few examples of our current opportunity set:

Wellpoint Inc. Health maintenance organizations actually could be an important beneficiary of health care reform. Stable employment and sluggish hospital utilization are positives for the industry. The industry generates more than 20% EBITDA (earnings before interest, taxes, depreciation and amortization) margins; the P/E (price-to-earnings) ratios are 9. The stock sells at 90% of book value and at only one third of sales[1] .

The Funds also own a number of industrial companies that generate free cash flow. Wherever the US advantage in energy costs can be linked to companies with high returns on capital and good managements, we can find investment opportunities. Wabco Holdings Inc. is gaining share of air disk brakes sold to the heavy duty truck industry. Since the company is using excess cash flow to buy back stock, the current shareholders increasingly own more of the enterprise. Allison Transmission Holdings Inc. should benefit from a cyclical rebound in heavy duty trucks and should generate cash flow which can be used to delever the balance sheet.

In the energy sector, we think Halliburton Company is well positioned to benefit from a pickup in drilling in the Gulf of Mexico given its strong North American footprint. Fifty deep water rigs are about to enter the Gulf in the coming months alone[2] .

Our free cash flow strategy has led us to the semiconductor industry. We think an upturn in the cycle is imminent and the Funds are positioned in companies with strong balance sheets that we believe can generate free cash. Supply/demand characteristics are particularly strong in memory where consolidation, secular growth drivers, and constrained capital spending are providing for better pricing and profitability. Industry capital spending levels are the lowest in years and the top three NAND producers now control over 80% of the market[1] . Micron Technologies should benefit from the acquisition of its largest Japanese competitor, Elpida. It purchased the company at a price well below replacement cost and gained exposure to handset growth in developed and emerging markets. To hedge this, the Fund holds short positions in companies exposed to the weakening personal computer industry.

A second positive for equities comes from US merger and acquisition and buyout activity, which is picking up as a result of strong business cash flow. The economy s growth is grudging but persistent, and in a low interest rate world, acquisitions are an attractive growth avenue for many companies. Private equity funds are bursting with cash to deploy and banks seem ready to fund a seemingly unlimited amount of leveraged lending. And the numbers are ramping up. Liberty Global announced its intent to purchase Virgin Media for $23 billion and Comcast Corporation acquired the rest of NBC it did not own for $18 billion. Similarly, Michael Dell s $24 billion attempt to buy in his namesake company will be funded by leveraged loans.

[1] *Source: Bloomberg (March 31, 2013)*
[2] *Source: Halliburton, http://www.halliburton.com/ps default.aspx?navid=2103&pageid=2721*

Clough Global Funds

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Third, the rise in leveraged lending adds to the risks borne by investment grade bondholders whose securities would be downgraded should these companies pile on debt. In addition, high yield has been the safety trade for a lot of equity money in recent months and that opportunity may be wearing thin. With prices high and yields low, the call features imbedded in this paper reduce its attractiveness by limiting the upside. Stocks may be more attractive than corporate bonds.

We still believe the stocks of many banking and insurance franchises are undervalued. This is particularly true of financial companies with national franchises which sell at discounts to tangible book value. Bank of America Corp., Citigroup Inc. and American International Group Inc. are examples of companies whose stocks still sell as if the credit structure is tenuous, when we think its true quality has improved dramatically over the past four years. The Fund holds modest short positions in European financial institutions which will likely require large and costly recapitalization efforts.

We added two modest positions to the financial trade. It will be difficult for Great Britain to avoid being dragged down with Europe and we added a domestically focused British bank to our short list, while on the long side we added a large insurance company to our holdings of US financial companies. As the passage of time leaves the 2008 credit collapse behind we will opportunistically add US companies with strong financial franchises but whose equities sell at deep discounts to tangible book value.

We still think the investment opportunities globally are in the US and in Asia and the bulk of the Fund s non-US investments are in Japan and China. The Bank of Japan has done its part to depreciate the Yen and should Prime Minister Shinzo Abe deliver on tax and regulation reforms the Japan story could go on for a long time. Japanese equities most leveraged to monetary inflation are the banks, the capital markets-brokerage and the real estate stocks and the Fund has positions in Nomura Holdings and Sumitomo Mitsui Financial Group. We are also finding opportunity in Japan s depressed consumer stocks. In a deflationary environment, consumers defer spending and hoard cash. With an increase in asset prices and expectations for higher inflation, this dynamic reverses and consumer spending should accelerate. Consumer spending rose more than 5% in March, a strong uptick. We have built positions in underappreciated brands such as Kirin Holdings, as well as in retailer Don Quijote.

The Fund also has large holdings in high quality exporters such as auto makers Toyota Motor and Honda Motor. The case for automakers is straightforward. Toyota and Honda are global leaders whose competitiveness has eroded due to excessive Yen strength. The companies have lost market share in the mass market vs. Korean and US competitors, such as Hyundai and Ford Motor, as well as at the high end where the Lexus brand, for example, has given ground to BMW and Mercedes. The immediate benefit of the Yen depreciation shows up in earnings, which are surging. Toyota s operating profits increase by approximately $400 million for every 1 Yen decline vs. the US dollar[1]. That is huge considering that Toyota s depressed operating profits were just $4.5 billion in fiscal 2012[1].

China s economic rebalancing continues to present opportunities, particularly in the consumer sector. While it s important to note that slower growth in China also means slower retail sales growth, consumption remains robust and will likely outpace the rest of the economy. Consumer spending accelerated in the first quarter. Passenger vehicle sales grew 17% with the Chinese auto market poised to reach 21 million units in 2013, significantly larger than the US[1]. The airline sector is similarly large and air traffic grew over 13% in the first quarter[1]. Quite clearly, China s consumer end markets are now huge and with growth rates so high, we think there are plenty of opportunities for investment. The Fund owns Sands China in the casino sector and Air China in airlines and has more broad exposure to the auto sector.

The China consumer landscape has always been fiercely competitive and that will continue to be the case. A huge and booming passenger car market, for example, offers many growth opportunities and for many global auto makers it s a must win situation. Alas, not everyone will survive, let alone thrive. Consolidation is likely to occur over the next decade. The long term winners are being determined now and we find the most interesting opportunities in the domestic companies. It s likely only a handful of domestic companies will emerge with enough scale and share to generate meaningful profits. The Fund owns Great Wall Motor, China s most successful SUV (sports utility vehicle) provider with its market leading Haval series. Great Wall is the only large Chinese auto company without a Western joint venture partner and has wisely captured the leading market share in what is now a booming SUV market. The SUV market highlights the maturation of the Chinese consumer in our opinion. The SUV segment has evolved into primarily an upgrade purchase for a second or third time car buyer. Five years ago, the market was small and the primary SUV buyer was a taxi driver. First time buyers of autos in China were motivated by displaying their wealth when they purchased an automobile and very few wanted to run the risk of owning an SUV and being mistaken for a taxi driver. Today however, that has changed. China s sprawling suburbs and more frequent trips to hypermarkets have highlighted the utility of the SUV and demand is booming. Great Wall now has over half its revenues in the high margin SUV segment and is still seeing strong growth there. Great Wall reported earnings last week which were very strong; SUV sales ramped 90% year-over-year and net profits expanded by 73.4%[1]. Despite strong share price gains, the shares remain inexpensive at just at just 12.1x expected earnings for 2013 and the market capitalization is now $16.7 billion[1] .

We have observed that the Funds continue to sell at discounts to net asset value, but we feel that our efforts to support the current distributions make the dividend distribution rate very attractive. One consideration regarding the dividend distribution rate in excess of 8% of the three Funds is this rate is calculated on market price, which has been magnified by the discount to NAV. Since the Funds trade at discounts over 11%, the distribution levels that we strive to maintain on net asset values are amplified to investors. Further, the Funds employ leverage within the portfolios, which also augments the income generation capabilities of the underlying investments.

Shareholder Letter

Clough Global Funds

March 31, 2013 (Unaudited)

We feel this dynamic is worth mentioning given a fair amount of attention that has been recently placed on the level of distributions within the universe of closed end mutual funds.

In conclusion, we are more sanguine about the Funds recent performance, particularly so far in 2013. We appreciate your confidence in us and endeavor to do the best job we can of investing your assets. If you have any questions about your investment, please call 1-877-256-8445.

Sincerely,

Charles I. Clough, Jr.

Past performance is no guarantee of future results.

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.

MSCI World Index - A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index includes reinvestment of dividends, net of foreign withholding taxes.

The S&P 500 Index - Standard & Poor s composite index of 500 stocks, a widely recognized, unmanaged index of common stock prices.

It is not possible to invest directly in an Index.

Call Options An option to buy assets at an agreed price on or before a particular date.

Investment Grade A rating that indicates a municipal or corporate bond has a relatively low risk of default.

Price to Earnings (P/E) Ratio The price of a stock divided by its earnings.

Put Options An option to sell assets at an agreed price on or before a particular date.

NAND flash memory a type of non-volatile storage technology that does not require power to retain data.

GLV

Top 10 Equity Holdings*	**% of Total Portfolio**
1. American International Group, Inc.	3.86%
2. Citigroup, Inc.	3.75%
3. Google, Inc. - Class A	3.54%
4. Bank of America Corp.	3.10%
5. Golar LNG, Ltd.	1.71%
6. Wells Fargo & Co.	1.54%
7. eBay, Inc.	1.47%
8. Honeywell International, Inc.	1.47%
9. Liberty Ventures - Series A	1.45%
10. TransDigm Group, Inc.	1.36%

GLQ

Top 10 Equity Holdings*	**% of Total Portfolio**

1. Citigroup, Inc.	4.13%
2. American International Group, Inc.	4.11%
3. Google, Inc. - Class A	3.84%
4. Bank of America Corp.	3.33%
5. Golar LNG, Ltd.	1.79%
6. Honeywell International, Inc.	1.76%
7. TransDigm Group, Inc.	1.70%
8. eBay, Inc.	1.57%
9. Wells Fargo & Co.	1.57%
10. Liberty Ventures - Series A	1.54%

GLO

Top 10 Equity Holdings*	**% of Total Portfolio**
1. American International Group, Inc.	3.84%
2. Citigroup, Inc.	3.74%
3. Google, Inc. - Class A	3.54%
4. Bank of America Corp.	3.09%
5. Golar LNG, Ltd.	1.71%
6. Wells Fargo & Co.	1.54%
7. Honeywell International, Inc.	1.46%
8. eBay, Inc.	1.46%
9. Liberty Ventures - Series A	1.45%
10. TransDigm Group, Inc.	1.35%

Holdings are subject to change.

**Only long positions are listed.*

Clough Global Allocation Fund

Portfolio Allocation

March 31, 2013 (Unaudited)

Asset Allocation*

Common Stocks - US	68.17%
Common Stocks - Foreign	14.62%
Exchange Traded Funds	-14.54%
Total Equities	68.25%
Government L/T	20.66%
Corporate Debt	0.80%
Preferred Stock	0.35%
Asset/Mortgage Backed Securities	0.22%
Total Fixed Income	22.03%
Short-Term Investments	9.82%
Other (Foreign Cash)	0.18%
Total Return Swap Contracts	-0.28%
Total Other	9.72%
TOTAL INVESTMENTS	100.00%

Global Securities Holdings^

United States	64.27%
U.S. Multinationals	22.06%
Japan	5.36%
China	3.76%
Ireland	1.73%
Norway	1.71%
Brazil	1.47%
Singapore	1.18%
Israel	1.02%
Hong Kong	1.01%
Netherlands	0.81%
Argentina	0.32%
Canada	0.25%
India	-0.14%
Australia	-0.16%
Germany	-0.20%
Luxembourg	-0.32%
South Korea	-0.37%
Italy	-0.52%
Great Britain	-0.86%
Sweden	-1.07%
France	-1.31%

TOTAL INVESTMENTS	100.00%

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

^ *Includes securities sold short and foreign cash balances.*

Portfolio Allocation

Clough Global Equity Fund

March 31, 2013 (Unaudited)

Asset Allocation*

Common Stocks - US	77.27%
Common Stocks - Foreign	17.96%
Exchange Traded Funds	-14.69%
Total Equities	80.54%
Government L/T	14.32%
Corporate Debt	0.27%
Preferred Stock	0.35%
Total Fixed Income	14.94%
Short-Term Investments	4.71%
Other (Foreign Cash)	0.18%
Total Return Swap Contracts	-0.37%
Total Other	4.52%
TOTAL INVESTMENTS	100.00%

Global Securities Holdings^

United States	58.26%
U.S. Multinationals	24.77%
Japan	5.98%
China	4.22%
Ireland	1.99%
Norway	1.79%
Hong Kong	1.53%
Brazil	1.46%
Singapore	1.20%
Netherlands	1.15%
Israel	1.13%
Canada	0.88%
Argentina	0.40%
India	-0.14%
Australia	-0.17%
Germany	-0.25%
Luxembourg	-0.37%
South Korea	-0.38%
Great Britain	-0.52%
Italy	-0.53%

Sweden	-1.08%
France	-1.32%
TOTAL INVESTMENTS	100.00%

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

^ *Includes securities sold short and foreign cash balances.*