CBRE CLARION GLOBAL REAL ESTATE INCOME FUND
Form N-CSRS
August 28, 2014
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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 811-21465

CBRE Clarion Global Real Estate Income Fund

(Exact name of registrant as specified in charter)

201 King of Prussia Road, Suite 600

Radnor, PA 19087

(Address of principal executive offices) (Zip code)

T. Ritson Ferguson, President and Chief Executive Officer

CBRE Clarion Global Real Estate Income Fund

201 King of Prussia Road, Suite 600

Radnor, PA 19087

(Name and address of agent for service)

Registrant s telephone number, including area code: 1-877-711-4272

Date of fiscal year end: December 31

Date of reporting period: June 30, 2014

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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Item 1. Reports to Stockholders.

The semi-annual Report of CBRE Clarion Global Real Estate Income Fund (the Trust) transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is as follows:

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CBRE CLARION GLOBAL REAL ESTATE

INCOME FUND

Semi-Annual Report for the Six Months Ended June 30, 2014

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CBRE Clarion Global Real Estate Income Fund (the Trust), acting in accordance with an exemptive order received from the Securities and Exchange Commission (SEC) and with approval of its Board of Trustees (the Board), has adopted a managed distribution policy (the Policy) with the purpose of distributing over the course of each year, through periodic distributions as nearly equal as practicable and any required special distributions, an amount closely approximating the total taxable income of the Trust during such year and all of the returns of capital paid by portfolio companies to the Trust during such year. In accordance with its Policy, the Trust distributes a fixed amount per common share, currently $0.045, each month to its common shareholders. This amount is subject to change from time to time in the discretion of the Board. Although the level of distributions is independent of fund performance, the Trust expects such distributions to correlate with its performance over time. Each monthly distribution to shareholders is expected to be at the fixed amount established by the Board, except for extraordinary distributions and potential increases or decreases in the final dividend periods for each year in light of the Trust s performance for the entire calendar year and to enable the Trust to comply with the distribution requirements imposed by the Internal Revenue Code. Over time, the Trust expects that the distribution rate in relation to the Trust s Net Asset Value (NAV) will approximately equal the Trust s total return on NAV.

The fixed amount of distributions will be reviewed and amended as necessary by the Board at regular intervals with consideration of the level of investment income and realized gains. The Board strives to establish a level regular distribution that will meet the Trust s requirement to pay out all taxable income (including amounts representing return of capital paid by portfolio companies) with a minimum of special distributions. The Trust s total return in relation to changes in NAV is presented in the financial highlights table. Shareholders should not draw any conclusions about the Trust s investment performance from the amount of the current distribution or from the terms of the Trust s managed distribution policy. The Board may amend or terminate the managed distribution policy without prior notice to Trust shareholders.

Shareholders should note that the Trust s Policy is subject to change or termination as a result of many factors. The Trust is subject to risks through ownership of its portfolio company holdings including, but not limited to, declines in the value of real estate held by the portfolio company, risks related to general and local economic conditions, and portfolio company losses. Moreover, an economic downturn could have a material adverse effect on the real estate markets and on real estate companies in which the Trust invests, which in turn could result in the Trust not achieving its investment or distribution objectives thereby jeopardizing the continuance of the Policy. Please refer to the prospectus for a fuller description of the Trust s risks.

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CBRE CLARION GLOBAL REAL ESTATE INCOME FUND SEMI-ANNUAL REPORT 2014 (unaudited)

Investors should consider a fund s investment objectives, risks, charges and expenses carefully before investing. A copy of the prospectus that contains this and other information about the Fund may be obtained by calling 888-711-4272. Please read the prospectus carefully before investing. Investing in closed-end funds involves risk, including possible loss of principal. Past performance does not guarantee future results.

Real Estate investments are subject to changes in economic conditions, credit risk, and interest rate fluctuations. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Because real estate funds concentrate their investments in the real estate industry, the portfolio may experience more volatility and be exposed to greater risk than the portfolios of other funds.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund s investment return and principal value will fluctuate so that an investor s shares may be worth more or less than the original cost. Shares of closed-end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the fund s portfolio. There is no assurance that the Fund will achieve its investment objective.

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Letter to Shareholders

T. Ritson Ferguson

Steven D. Burton

Dear Shareholder:

We are pleased to present the 2014 Semi-Annual Report for the CBRE Clarion Global Real Estate Income Fund (the Trust).

Performance Review

Global real estate stocks had a good start to the year, delivering double digit total returns in the first 6 months of 2014. During this period, the S&P Developed Property Index (S&PDPI) [(1)], rose 12.3% and the MSCI REIT Preferred Index (MSRPI) [(2)] rose 15.5%, out-performing broad stock and bond indices. [(3)] Global real estate stocks delivered positive returns across all regions, with particularly strong returns in the U.S., Continental Europe and Australia. Japan was the only major country with negative returns in the first half, but Japanese real estate stocks rebounded during the second quarter after a tough start to the year. Despite their performance year-to-date, property stocks still trail the broader equity market over the preceding 12-months, and we believe there is further upside potential. Real estate stocks have benefitted from continued low interest rates, improving demand for real estate space, and limited new construction.

The Trust s Net Asset Value return (NAV Return i.e., NAV appreciation plus dividends) was 15.7%, exceeding the 13.0% return of a blended index comprised of 80% S&PDPI and 20% MSRPI [(4)]. The Trust s market price return of 18.7% (i.e., stock price appreciation plus reinvested dividends) exceeded its NAV Return due to the narrowing of the discount of the Trust s share price to NAV. The discount was 12% at the end of 2013 and 10% on June 30, 2014. The Trust s performance was driven by both strong security selection and country allocation. The Trust s portfolio holdings outperformed corresponding benchmark returns across all regions and countries. Most notably, the Trust s Japanese investments were up 7.5% while the Japanese sub-index of the S&PDPI fell 2.3%. The Trust s investments in the US, Canada, and Europe also performed well on a relative basis. Asset allocation also helped performance. The Trust s relatively small exposure to Japan (just 6% of the portfolio) generated a substantial benefit, given the country s negative performance in an otherwise solidly positive real estate market, and the relatively significant exposure to Australia (8% of the portfolio) also contributed to performance. On the other hand, the Trust s underweight to U.S. preferred stocks and overweight to Canada created a modest drag on its NAV Return. The Trust continues to employ minimal leverage in an effort to reduce volatility. Leverage stood at just over 8% at the end of the period.

The Trust paid total dividends of $0.27 per share for the first six months of 2014, consisting of six regular monthly dividends of $0.045 per share. The annualized dividend of $0.54 per share represents a 5.9% yield on the $9.11 share price and a 5.3% yield on the $10.17 NAV as of June 30.

(1) The S&P Developed Property Index is an unmanaged market-weighted total return index which consists of over 350 real estate companies from 22 developed markets with a free float total market capitalization of at least U.S. $100 million that derive more than 60% of their revenue from real estate development, management, rental and/or direct investment in physical property.

(2) The MSCI REIT Preferred Index is a preferred stock market capitalization weighted index of all exchange traded preferred securities of equity REITs.

(3) The MSCI World Index is the broad stock index and the Barclays Capital Bond Index is the broad bond index.

(4) We include the return of this blended index as a reference point, since the Trust invests in both common and preferred stocks issued by listed property companies. The Trust does not have a formal performance benchmark.

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The Trust s dividend is established by the Board of Trustees at regular intervals with consideration of its investment income, realized gains, returns of capital from portfolio companies, potential net appreciation of investments in passive foreign investment companies (PFICs) and other net unrealized appreciation and other expected income. The Board strives to establish a level monthly dividend that, over the course of the year, will serve to distribute an amount closely approximating the Trust s total taxable income and all of the returns of capital received by portfolio companies received during the year. The Board continues to review the sustainability of the Trust s regular monthly dividend in light of the current market environment. Based on the Trust s anticipated income and the appreciation of its portfolio in 2014, the Board has decided to maintain the monthly dividend at the current level rate of $0.045 per share.

Portfolio Review

The Trust s investments remain well-diversified by property type and geography as shown in the charts below. We made some changes to the geographic mix of the portfolio over the past 6 months. We decreased our Asia-Pacific portfolio by 4.5% and increased our European and US portfolios by 2% each. We also established a position in Mexico (around 1%). At June 30, the Trust s portfolio was approximately 50% invested in common stock within the Americas region, 19% in Europe and 23% in the Asia-Pacific region, with 9% of the portfolio invested in preferred stock of US real estate companies. By property type, we continue to favor retail properties including top-quality malls and shopping centers, where cash flow growth tends to benefit during economic recovery cycles. A number of the Trust s investments in the Asia-Pacific region are classified as diversified, since companies in this region tend to specialize by geography, owning a mix of high quality office, retail and residential properties. The Trust also has meaningful positions in the industrial, apartment and office sectors, which stand to benefit from the acceleration in economic activity we expect, particularly in the U.S.

Geographic Diversification

Sector Diversification

Source CBRE Clarion. Geographic and Sector diversification are unaudited. Percentages presented are based on managed trust assets, which includes borrowings. The percentages in the pie charts will differ from those on the Portfolio of Investments because the figures on the Portfolio of Investments are calculated using net assets of the Trust.

Market Commentary

Property values continue to rise as earnings grow and investors appetite for real estate grows given the very attractive spreads between real estate yields (i.e., cap rates) and the interest rates on bonds. In addition to growth from improving rents and occupancy, property companies are growing cash flow per share additionally via external growth from acquisitions often funded with value-adding capital recycling. Active balance sheet management is also adding value as the cost of debt for many companies remains low with conservative levels of financial leverage.

Real estate shares are benefitting from an ideal environment of improving growth and subdued inflation. The current shape of the yield curve is good for property companies and reflects a low inflationary environment. At June 30th, the rate on U.S. 10-year Treasury bond yields was 2.5%, down from 3.0% at the beginning of the year. This unexpected decline in rates is likely the result of mixed economic data releases. For instance, 1Q14 GDP declined 2.9% (no doubt influenced by difficult winter weather), and housing data has also been generally weaker than expected. More recently there has been some encouraging employment data with monthly non-farm payroll increases exceeding 200,000 and consumer confidence is inching higher, both of which directly underpin improving demand for commercial property including office space, apartments and retail spending. We find ourselves with a potentially powerful combination of gradually improving economic growth but scant evidence of inflation, thus providing the framework for potential continued strong performance for real estate companies, given their attractive current yields and steady earnings growth. Outside the U.S., the stage of economic recovery varies. The U.K. and Japan both show signs of accelerating economic growth. The Euro zone is improving tenuously. China s economic growth rate, while still positive, is clearly decelerating more than expected. The disparity in regional growth trends is a return to normal and requires careful stock selection and regional allocation decisions based on understanding the different prospects for growth.

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We expect property companies   earnings to grow 6-7% in 2014-2015 as the economic recovery begins to gain further traction, and positively affect real estate cash flows. Given that the majority of the cash flows are largely contractual in nature, there is a fairly high degree of visibility to these projections, with   risk to the upside   meaning that any potential revisions are likely to be positive not negative.

Growing earnings leads to increased dividends. Current income generated by listed property s dividend yield remains a defining investment characteristic of the sector. Listed property companies   dividend yield currently averages 3-4% globally and is growing at a very healthy rate. We expect average dividend growth will be approximately 7% (which is the same growth as 2013), driven primarily by earnings growth.

Listed real estate values are still discounted relative to private market values. We estimate that listed property companies are trading at an average discount of 4% to NAV. As shown in the graph below, real estate is trading near par or at a discount in many major markets around the world, and comfortably within its 10-year range as indicated by each bar.

NAV Premium/Discount by Country

Information is the opinion of CBRE Clarion as of 06/30/2014, is subject to change and is not intended to be a forecast of future events, or a guarantee of future results, or investment advice. ***Forecasts and any factors discussed are not indicative of future investment performance.*** ** Singapore s historical range is from December 2004 through the end of June 2014.*

The discount to NAV provides a   cushion   for REIT pricing should interest rates move higher. In effect, the market has already built into its pricing higher cap rates than we are expecting. This provides some additional potential upside as the year unfolds.

The listed sector continues to grow through equity issuance. Capital markets year-to-date have seen a steady flow of new equity issuance from all parts of the globe. 2013 was a banner year in which property companies raised nearly $59 billion of equity (including $26 billion of Initial Public Offerings (IPOs)) up from $36 billion raised in 2012 and $31 billion in 2011. The increased volume of equity issuance means many things, most of them healthy, including a number of interesting new public real estate companies to invest in, plentiful capital for well-conceived and executed investment activity, and the opportunity to actively manage balance sheets to improve flexibility, leverage and cost of capital.

Real estate companies can perform well in the face of rising rates. Despite the recent decline in interest rates, we expect interest rates to start increasing in the next 6-18 months. However, despite conventional wisdom that rising rates are bad for REITs (as investments with high yield), we are optimistic about the total return prospects for listed real estate as rates rise. History suggests that property company shares ultimately benefit from the underlying forces that cause rates to move higher, namely positive economic growth. Globally, data from the last 15-20 years suggests that property shares generally perform better when rates are stable or rising. The following charts show the average 12-month performance of property shares in four major listed property markets (U.S., Hong Kong, the U.K. and Japan) during periods when yields on 10-year government bonds moved up or down by the amount shown at the bottom of the graphs (rising rates to the right, falling rates to the left). Each country s graph shows the same tendency property companies tend to generate positive returns during periods of rising interest rates and, in fact, better returns than during

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periods of falling interest rates. The favorable performance is not surprising given that improving economic conditions also tend to lead to improvement of the revenue line for owners/operators of commercial property and that this over time typically more than offsets any increase in debt expenses or re-pricing of real estate values due to higher interest rates.

REIT Performance in a Rising Interest Rate Environment

Historically, REITs have generated positive returns in rising interest rate environments.

*Source: Bloomberg and CBRE Clarion as of 06/30/2014. *Hong Kong data is from June 1999-June 2014 (169 twelve month observations). All other data from December 1994- June 30, 2014 (223 twelve month observations) UK: FTSE EPRA/NAREIT UK Index, UK Gov Bonds 10 Year Note Generic Bid Yield; Hong Kong: FTSE EPRA/NAREIT Hong Kong Index, HK Generic 10 Year Yield Index; , U.S.: MSCI U.S. REIT Index, U.S. Generic Govt. Bond 10-Year Yield, Japan: FTSE EPRA/NAREIT Japan Index; Japan Govt. Bond Year to Maturity 10-Year Simple Yield. An index is unmanaged and not available for direct investment. Yields fluctuate and are not guaranteed.* ***Past performance is no guarantee of future results.***

Despite strong performance year-to-date we expect listed property company shares to continue to move higher on the basis of attractive and growing dividends, earnings growth prospects of 6-7%, and an expectation of stable or improving earnings multiples since listed real estate currently trades in-line or at discounts to estimated underlying private market real estate values. In a world of gradual economic improvement, listed real estate should offer investors attractive total return potential over time.

We appreciate your continued faith and confidence.

Sincerely,

CBRE CLARION SECURITIES, LLC

T. Ritson Ferguson, CFA
President & CEO
Co-Portfolio Manager

Steven D. Burton, CFA
Co-Portfolio Manager

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The views expressed represent the opinion of CBRE Clarion Securities which are subject to change and are not intended as a forecast or guarantee of future results. This material is for informational purposes only. It does not constitute investment advice and is not intended as an endorsement of any specific investment. Stated information is derived from proprietary and non-proprietary sources which have not been independently verified for accuracy or completeness. While CBRE Clarion Securities believes the information to be accurate and reliable, we do not claim or have responsibility for its completeness, accuracy, or reliability. Statements of future expectations, estimate, projections, and other forward-looking statements are based on available information and management s view as of the time of these statements. Accordingly, such statements are inherently speculative as they are based on assumptions which may involve known and unknown risks and uncertainties. The securities discussed herein should not be perceived as a recommendation to purchase or sell any particular security. It should not be assumed that investments in any of the securities discussed were or will be profitable. Actual results, performance or events may differ materially from those expressed or implied in such statements. Investing in real estate securities involves risks including the potential loss of principal. Real estate equities are subject to risks similar to those associated with the direct ownership of real estate. Portfolios concentrated in real estate securities may experience price volatility and other risks associated with non-diversification. While equities may offer the potential for greater long-term growth than most debt securities, they generally have higher volatility. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations. ***Past performance is no guarantee of future results.***

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Portfolio of Investments (unaudited)

June 30, 2014

Shares		Market Value ($)
	Real Estate Securities* 109.6%	
	Common Stock 100.0%	
	Australia 8.9%	
536,929	Charter Hall Group	$ 2,158,885
38,529,000	Dexus Property Group	40,365,827
6,338,800	Federation Centres, Ltd.	14,897,368
1,410,723	Goodman Group	6,724,132
1,769,500	GPT Group	6,413,350
11,628,822	Scentre Group [(a)]	35,122,776
		105,682,338
	Canada 9.1%	
200,100	Calloway Real Estate Investment Trust	4,989,584
500,000	Crombie Real Estate Investment Trust	6,308,971
1,856,000	H&R Real Estate Investment Trust	40,355,781
2,522,900	InnVest Real Estate Investment Trust	12,600,881
1,698,100	RioCan Real Estate Investment Trust	43,538,573
		107,793,790
	France 7.3%	
67,789	Altarea	12,947,459
351,122	Societe de la Tour Eiffel	27,930,924
158,851	Unibail-Rodamco SE	46,205,941
		87,084,324
	Germany 1.2%	
630,260	Deutsche Wohnen AG	13,591,001
	Hong Kong 4.0%	
8,913,000	Link REIT (The)	47,955,525
	Japan 6.9%	
840	Activia Properties, Inc.	7,387,987
1,240	Frontier Real Estate Investment Corp.	6,744,386
18,897	Japan Retail Fund Investment Corp.	42,492,834
385,800	Mitsui Fudosan Co., Ltd.	13,009,158
281,400	Sumitomo Realty & Development Co., Ltd.	12,074,881
		81,709,246

	Mexico 1.1%	
6,043,300	Prologis Property Mexico SA de CV [a]	12,833,802
	Netherlands 4.5%	
268,455	Corio NV	13,709,811
528,401	Eurocommercial Properties NV	26,059,043
277,161	Vastned Retail NV	14,112,678
		53,881,532

Shares		Market Value ($)
	New Zealand 0.7%	
9,050,000	Goodman Property Trust	$ 8,359,534
	Singapore 4.4%	
6,735,000	Ascendas Real Estate Investment Trust	12,425,701
12,075,000	CapitaCommercial Trust	16,466,129
5,109,700	Global Logistic Properties, Ltd.	11,066,610
8,677,000	Suntec Real Estate Investment Trust	12,598,059
		52,556,499
	United Kingdom 7.7%	
2,226,800	British Land Co. Plc	26,747,628
2,839,300	Land Securities Group Plc	50,295,459
2,445,110	Segro Plc	14,432,013
		91,475,100
	United States 44.2%	
979,167	American Homes 4 Rent	17,390,006
134,400	AvalonBay Communities, Inc.	19,110,336
1,145,353	Brandywine Realty Trust	17,867,507
583,200	Camden Property Trust	41,494,680
666,632	CBL & Associates Properties, Inc.	12,666,008
548,269	General Growth Properties, Inc.	12,917,218
414,515	Health Care REIT, Inc.	25,977,655
748,600	Highwoods Properties, Inc.	31,403,770
1,720,500	Host Hotels & Resorts, Inc.	37,868,205
1,703,200	Liberty Property Trust	64,602,376
949,785	Macerich Co. (The)	63,398,149
890,370	OMEGA Healthcare Investors, Inc.	32,819,038
595,531	Prologis, Inc.	24,470,369
100,000	Regency Centers Corp.	5,568,000
1,040,500	Retail Properties of America, Inc., Class A	16,002,890
3,147,787	Spirit Realty Capital, Inc.	35,758,860
210,800	Starwood Hotels & Resorts Worldwide, Inc.	17,036,856
1,646,834	UDR, Inc.	47,148,857
		523,500,780
	Total Common Stock (cost $918,787,012)	1,186,423,471

See notes to financial statements.

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Portfolio of Investments concluded

Shares			Market Value ($)
	Preferred Stock 9.6%		
	United States 9.6%		
100,000	CBL & Associates Properties, Inc., Series D	$	2,535,000
320,000	Digital Realty Trust, Inc., Series E		8,147,200
1,050,000	EPR Properties, Series F		25,830,000
444,300	General Growth Properties, Inc., Series A		10,707,630
319,479	Glimcher Realty Trust, Series G		8,135,533
150,000	iStar Financial, Inc., Series F		3,718,350
765,000	iStar Financial, Inc., Series I		18,796,050
192,468	LaSalle Hotel Properties, Series G		4,905,047
400,000	LaSalle Hotel Properties, Series I		9,588,000
268,000	Pebblebrook Hotel Trust, Series A		7,061,800
272,000	Pennsylvania Real Estate Investment Trust, Series B		6,908,800
280,000	Urstadt Biddle Properties, Inc., Series F		7,114,800
	Total Preferred Stock		
	(cost $104,240,879)		113,448,210
	Total Investments 109.6%		
	(cost $1,023,027,891)		1,299,871,681
	Liabilities in Excess of Other Assets (9.6)%		(114,138,815)
	Net Assets 100.0%	$	1,185,732,866

* Include U.S. Real Estate Investment Trusts (REIT) and Real Estate Operating Companies (REOC) as well as entities similarly formed under the laws of non-U.S. Countries.

(a) Non-income producing security.

See notes to financial statements.

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Statement of Assets and Liabilities (unaudited)