

CINCINNATI BELL INC
Form 425
October 31, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **October 30, 2017**

Hawaiian Telcom Holdco, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-34686
(Commission File Number)

1177 Bishop Street, Honolulu, Hawaii
(Address of Principal Executive Offices)

16-1710376
(IRS Employer Identification No.)

96813
(Zip Code)

(808) 546-4511

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(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, If Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 8 Other Events

Item 8.01 Other Events.

On October 13, 2017, a putative stockholder class action complaint (the *Complaint*) was filed in the United States District Court for the District of Hawaii against Hawaiian Telcom Holdco, Inc. (the *Company*), each member of the Company's board of directors, Cincinnati Bell Inc. (Cincinnati Bell) and Twin Acquisition Corp (Merger Sub). This case is captioned *Franchi v. Hawaiian Telcom Holdco, Inc., et al.* (No. CV-17-00519) (the *Stockholder Litigation*). The *Complaint* alleges violations of federal securities laws due to the alleged omission of material information in the registration statement filed by Cincinnati Bell on Form S-4 on August 17, 2017 in connection with the Agreement and Plan of Merger (as it may be amended from time to time, the *merger agreement*) entered into on July 9, 2017 by the Company, Cincinnati Bell and Merger Sub, a direct wholly owned subsidiary of Cincinnati Bell (which registration statement contains the form of proxy statement/prospectus mailed to stockholders of the Company beginning on October 10, 2017). The merger agreement provides for Merger Sub to be merged with and into the Company (the *merger*), after which the Company will survive the merger as a wholly owned subsidiary of Cincinnati Bell.

Supplemental Disclosures

The additional disclosures contained in this Current Report on Form 8-K supplement the disclosures contained in the Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission (the *SEC*) by the Company on October 5, 2017 (the *Definitive Proxy Statement*), which should be read in its entirety.

The Company believes that no further disclosure is required to supplement the Definitive Proxy Statement under applicable laws; however, to avoid the risk that the *Stockholder Litigation* may delay or otherwise adversely affect the consummation of the merger and to minimize the expense of defending such actions, the Company wishes to voluntarily make supplemental disclosures related to the proposed merger, all of which are set forth below, in response to certain of the allegations raised in the *Complaint*. Nothing in this Current Report on Form 8-K shall be deemed an admission of the legal necessity or materiality of the disclosures set forth herein. To the contrary, the Company specifically denies all allegations in the *Stockholder Litigation* that any additional disclosure was or is required. To the extent that information in this Current Report on Form 8-K differs from or updates information contained in the Definitive Proxy Statement, the information in this Current Report on Form 8-K shall supersede or supplement the information in the Definitive Proxy Statement. Defined terms used but not defined herein have the meanings set forth in the Definitive Proxy Statement.

The following disclosure supplements and restates the table under the first full paragraph on page 98 of the Definitive Proxy Statement (beginning UBS reviewed, among other things, . . .) under the heading The Merger Opinion of Hawaiian Telcom's Financial Advisor Hawaiian Telcom Financial Analyses Selected Public Companies Analysis :

Selected Public Companies	Implied Multiples	
	Enterprise Value as Multiple of EBITDA(1):	
	2017E	2018E
Alaska Communications Systems Group, Inc.	4.9x	4.7x
Cincinnati Bell Inc.	7.1x	6.8x
Consolidated Communications Holdings, Inc.	6.0x	6.2x
Frontier Communications Corporation	5.3x	5.4x
Windstream Holdings, Inc.	4.6x	4.6x
Mean	5.6x	5.5x
Median	5.3x	5.4x
High	7.1x	6.8x
Low	4.6x	4.6x
Hawaiian Telcom Based on Closing Stock Price on July 7, 2017 of \$24.44	5.4x	5.1x
Hawaiian Telcom Based on Per Share Value of the Aggregate Merger Consideration of \$30.75	6.1x	5.7x

(1) Enterprise value of Hawaiian Telcom as multiple of Adjusted EBITDA.

The following disclosure supplements and restates the table under the second full paragraph on page 99 of the Definitive Proxy Statement (beginning UBS reviewed the enterprise values . . .) under the heading The Merger Opinion of Hawaiian Telcom's Financial Advisor Hawaiian Telcom Financial Analyses Selected Transactions Analysis :

Acquiror / Target	Implied Multiples
	Transaction Value as Multiple of Latest 12 Months EBITDA(1):
Consolidated Communications Holdings, Inc. / FairPoint Communications, Inc.	5.8x
Windstream Holdings, Inc. / EarthLink Holdings Corp.	4.8x
Frontier Communications Corporation / Verizon Wirelines Operations in California, Florida and Texas	6.2x
Consolidated Communications Holdings, Inc. / Enventis Corporation	7.2x
Frontier Communications Corporation / AT&T Wireline Residential and Business Services and Associated Assets in Connecticut	4.8x
Consolidated Communications Holdings, Inc. / SureWest Communications	6.4x
Mean	5.9x
Median	6.0x
High	7.2x
Low	4.8x
Hawaiian Telcom Based on Per Share Value of the Aggregate Merger Consideration of \$30.75	6.0x

(1) Transaction value of Hawaiian Telcom as multiple of Adjusted EBITDA.

The following disclosure supplements and restates the paragraph beginning at the end of page 99 and continuing on to page 100 of the Definitive Proxy Statement (beginning UBS performed a discounted . . .) under the heading The Merger Opinion of Hawaiian Telcom s Financial Advisor Hawaiian Telcom Financial Analyses Discounted Cash Flow Analysis, with the supplemental language in bold and underlined text:

UBS performed a discounted cash flow analysis of Hawaiian Telcom using the Updated Five-Year Hawaiian Telcom Forecast. UBS calculated a range of implied present values (as of June 30, 2017) of the standalone unlevered, after-tax free cash flows that Hawaiian Telcom was forecasted to generate from July 1, 2017 through calendar year 2021, and of terminal values for Hawaiian Telcom based on Hawaiian Telcom s calendar year 2021 estimated Adjusted EBITDA, plus the present value of Hawaiian Telcom s federal net operating loss carryforwards, referred to as NOLs. Standalone unlevered, after-tax free cash flows were derived from the Updated Five-Year Hawaiian Telcom Forecast by subtracting from estimated Adjusted EBITDA stock-based compensation and other non-recurring items, depreciation and amortization and taxes at an effective rate of 38% and adding to such amount anticipated cash flow from Hawaiian Telcom s Southeast Asia to United States trans-Pacific submarine cable system capacity agreements, depreciation and amortization and subtracting from such amount capital expenditures, pension and other postemployment benefits, adding or subtracting, as applicable, increases or decreases in net working capital and adding provisions for uncollectible amounts and other non-cash income. Implied terminal values were derived by applying to Hawaiian Telcom s calendar year 2021 estimated Adjusted EBITDA a range of Adjusted EBITDA terminal value multiples of 4.5x to 5.5x. UBS selected the range of Adjusted EBITDA multiples based on its professional judgment and expertise. Present values of cash flows and terminal values were calculated using discount rates ranging from 7.00% to 8.00%, based on an analysis of Hawaiian Telcom s weighted average cost of capital **(derived by utilizing the capital asset pricing model, and taking into account macroeconomic assumptions and estimates of risk, the expected cost of debt, expected returns and other appropriate factors)**, and the present value of Hawaiian Telcom s NOLs (the Hawaiian Telcom NOLs) was calculated by discounting the estimated value of the cash tax savings from usage of the Hawaiian Telcom NOLs, as set forth in Hawaiian Telcom s public filings and approved for UBS s use by Hawaiian Telcom s management, using a discount rate of 7.50%, the mid-point of the range, based on Hawaiian Telcom s weighted average cost of capital. The discounted cash flow analysis resulted in a range of implied present values of \$23.31 to \$33.31 per share of Hawaiian Telcom common stock, as compared to the per share value of the aggregate merger consideration of \$30.75.

The following disclosure supplements and restates the paragraph beginning on page 100 and continuing on to page 101 of the Definitive Proxy Statement (beginning UBS performed a discounted . . .) under the heading The Merger Opinion of Hawaiian Telcom s Financial Advisor Cincinnati Bell Financial Analyses Discounted Cash Flow Analyses Cincinnati Bell Pro Forma for the OnX Acquisition, with the supplemental language in bold and underlined text:

UBS performed a discounted cash flow analysis of Cincinnati Bell, taking into account the pro forma effect of the OnX acquisition, but without giving effect to the merger, using (i) financial forecasts and estimates relating to Cincinnati Bell prepared by Hawaiian Telcom s management and (ii) estimates of the pro forma effect of the OnX acquisition and the synergies anticipated to result from the OnX acquisition prepared by the management of Cincinnati Bell and approved for UBS s use by Hawaiian Telcom. UBS calculated a range of implied present values (as of June 30, 2017) of the unlevered, after-tax free cash flows that Cincinnati Bell was forecasted to generate from July 1, 2017 through calendar year 2021, and of terminal values for Cincinnati Bell based on Cincinnati Bell s calendar year 2021 estimated Adjusted EBITDA (as defined in the section of this proxy statement/prospectus titled Certain Hawaiian Telcom Unaudited Management Financial Forecasts Use of Non-GAAP Measures in the Hawaiian Telcom Management CBB Forecasts), plus the present value of Cincinnati Bell s NOLs, in each case taking into account the pro forma effect of the OnX acquisition, but without giving effect to the merger. Unlevered, after-tax free cash flows were derived from the Five-Year Cincinnati Bell Forecast (Pro Forma for OnX Acquisition) by subtracting from estimated Adjusted EBITDA stock-based compensation, depreciation and amortization and taxes at an effective rate of 38% and adding to such amount depreciation and amortization and subtracting from such amount capital expenditures, pension and other postemployment benefits, adding or subtracting, as applicable, increases or decreases in net working capital and adding provisions for loss on receivables, non-cash interest expense and loss on debt extinguishment and other. Implied terminal values were derived by applying to Cincinnati Bell s calendar year 2021 estimated Adjusted EBITDA (taking into account the pro forma effect of the OnX acquisition, but without giving effect to the merger) a range of Adjusted EBITDA terminal value multiples of 6.5x to 7.5x. UBS selected the range of Adjusted EBITDA multiples based on its professional judgment and expertise. Present values of cash flows and terminal values were

calculated using discount rates ranging from 6.50% to 7.50%, based on an analysis of Cincinnati Bell's weighted average cost of capital **(derived by utilizing the capital asset pricing model, and taking into account macroeconomic assumptions and estimates of risk, the expected cost of debt, expected returns and other appropriate factors)**, and the present value of Cincinnati Bell's NOLs (the Cincinnati Bell NOLs) was calculated by discounting the estimated value of the cash tax savings from usage of Cincinnati Bell's NOLs, as set forth in Cincinnati Bell's public filings and approved for UBS's use by Hawaiian Telecom's management, using a discount rate of 7.00%, the mid-point of the range, based on Cincinnati Bell's weighted average cost of capital. The discounted cash flow analysis resulted in a range of implied present values of \$14.76 to \$22.86 per Cincinnati Bell common share, as compared to the volume weighted average price of Cincinnati Bell common shares for the 20-day period ended July 7, 2017 of \$18.86.

The following disclosure supplements and restates the first full paragraph on page 101 of the Definitive Proxy Statement (beginning UBS also performed . . .) under the heading The Merger Opinion of Hawaiian Telecom's Financial Advisor Cincinnati Bell Financial Analyses Discounted Cash Flow Analyses Cincinnati Bell Pro Forma for Both the Merger and the OnX Acquisition, with the supplemental language in bold and underlined text:

UBS also performed discounted cash flow analyses of Cincinnati Bell, taking into account the pro forma effect of both the merger and the OnX acquisition, using (i) financial forecasts and estimates relating to Cincinnati Bell prepared by Hawaiian Telecom's management and (ii) estimates of the pro forma effect of the merger and the OnX acquisition and the synergies anticipated to result from the merger and the OnX acquisition prepared by the management of Cincinnati Bell and approved for UBS's use by Hawaiian Telecom. UBS calculated a range of implied present values (as of June 30, 2017) of the unlevered, after-tax free cash flows that Cincinnati Bell was forecasted to generate from July 1, 2017 through calendar year 2021, and of terminal values for Cincinnati Bell based on Cincinnati Bell's calendar year 2021 estimated Adjusted EBITDA, plus the present value of Cincinnati Bell's NOLs, in each case taking into account the pro forma effect of both the merger and the OnX acquisition. Unlevered, after-tax free cash flows were derived from the Five-Year Cincinnati Bell Forecast (Pro Forma for OnX Acquisition and the Merger) by subtracting from estimated Adjusted EBITDA stock-based compensation and other non-recurring items, depreciation and amortization and taxes at an effective rate of 38% and adding to such amount anticipated cash flow from Hawaiian Telecom's Southeast Asia to United States trans-Pacific submarine cable system capacity agreements, depreciation and amortization and subtracting from such amount capital expenditures, pension and other postemployment benefits, adding or subtracting, as applicable, increases or decreases in net working capital and adding provisions for uncollectible amounts, other non-cash income, loss on receivables, non-cash interest expense, loss on debt extinguishment and other. Implied terminal values were derived by applying to Cincinnati Bell's calendar year 2021 estimated Adjusted EBITDA (taking into account the pro forma effect of both the merger and the OnX acquisition) a range of Adjusted EBITDA terminal value multiples of 6.0x to 7.0x. UBS selected the range of Adjusted EBITDA multiples based on its professional judgment and expertise. Present values of cash flows and terminal values were calculated using discount rates ranging from 6.50% to 7.50%, based on an analysis of Cincinnati Bell's weighted average cost of capital **(derived by utilizing the capital asset pricing model, and taking into account macroeconomic assumptions and estimates of risk, the expected cost of debt, expected returns and other appropriate factors)**, and the present value of Cincinnati Bell's NOLs was calculated by discounting the estimated values of the cash tax savings from usage of the Hawaiian Telecom NOLs and the Cincinnati Bell NOLs using a discount rate of 7.00%, the mid-point of the range, based on Cincinnati Bell's weighted average cost of capital. UBS then calculated a range of implied present values per Hawaiian Telecom share of the merger consideration, assuming for purposes of the calculation, that (a) a holder of Hawaiian Telecom common stock would elect to receive the mixed consideration of \$18.45 in cash and 0.6522 Cincinnati Bell common shares and (b) a holder of Hawaiian Telecom common stock would elect to receive the share consideration of 1.6305 Cincinnati Bell common shares and not be subject to proration. These discounted cash flow analyses resulted in ranges of implied present values per Hawaiian Telecom share of the merger consideration based upon (1) the mixed consideration, of \$27.70 to \$33.88, and (2) the share consideration, of \$23.11 to \$38.57, as compared to the per share value of the aggregate merger consideration of \$30.75.

The following disclosure supplements and restates the third full paragraph on page 102 of the Definitive Proxy Statement (beginning Under the terms . . .) under the heading The Merger Opinion of Hawaiian Telcom s Financial Advisor Miscellaneous, with the supplemental language in bold and underlined text:

Under the terms of UBS s engagement, Hawaiian Telcom agreed to pay UBS for its financial advisory services in connection with the merger an aggregate fee currently estimated to be approximately \$8.9 million, of which \$750,000 became payable in connection with the delivery of UBS s opinion and the remainder of which is contingent upon consummation of the merger. In addition, Hawaiian Telcom agreed to reimburse UBS certain of UBS s expenses arising, and indemnify UBS against certain liabilities that may arise, out of UBS s engagement. In the past, UBS and its affiliates have provided investment banking, commercial banking and other financial services to Hawaiian Telcom and Cincinnati Bell unrelated to the proposed merger, however, UBS has not received compensation from Hawaiian Telcom or Cincinnati Bell for providing any such services unrelated to the proposed merger in the two-year period ended July 9, 2017. **In addition, during the period from January 1, 2013 to July 9, 2015, UBS received less than \$5 million in aggregate compensation from Hawaiian Telcom and Cincinnati Bell for such services unrelated to the proposed merger.** In the ordinary course of business, UBS and its affiliates may hold or trade, for their own accounts and the accounts of their customers, securities of Hawaiian Telcom and Cincinnati Bell, and, accordingly, may at any time hold a long or short position in such securities.

The following disclosure is an additional paragraph that is inserted after the last table on page 108 of the Definitive Proxy Statement under the heading The Merger Certain Hawaiian Telcom Unaudited Management Financial Forecasts The Five-Year Hawaiian Telcom Forecast and the Updated Five-Year Hawaiian Telcom Forecast :

As set forth in Hawaiian Telcom s Form 10-K for the fiscal year ended December 31, 2016, as of December 31, 2016, net operating losses available to Hawaiian Telcom for carry forward through 2036 amounted to \$166.5 million for federal purposes.

The following disclosure is an additional paragraph that is inserted after the first full paragraph on page 110 of the Definitive Proxy Statement (beginning Reconciliations of the non-GAAP . . .) under the heading The Merger Certain Hawaiian Telcom Unaudited Management Financial Forecasts The Five-Year Cincinnati Bell Forecast (Pro Forma for OnX Acquisition) and the Five-Year Cincinnati Bell Forecast (Pro Forma for OnX Acquisition and the Merger) :

As set forth in Cincinnati Bell s Form 10-K for the fiscal year ended December 31, 2016, as of December 31, 2016, Cincinnati Bell had federal tax operating loss carryforwards with a deferred tax asset value of \$76.8 million, with the majority of the remaining federal tax loss carryforwards generally expiring in 2023.

No Offer or Solicitation

This report is neither an offer to sell, nor a solicitation of an offer to buy any securities, the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act, and otherwise in accordance with applicable law.

Additional Information and Where to Find it

The proposed transaction involving the Company and Cincinnati Bell will be submitted to the Company's stockholders for their consideration. In connection with the proposed transaction, Cincinnati Bell has filed with the SEC a registration statement on Form S-4 on August 17, 2017, as amended on August 30, 2017 and October 2, 2017 (the Amended Registration Statement) (which Amended Registration Statement was declared effective on October 5, 2017), which includes a final prospectus with respect to Cincinnati Bell's common shares to be issued in the proposed transaction and the Definitive Proxy Statement, and the Company began mailing the Definitive Proxy Statement to its stockholders on October 10, 2017 and may file other documents regarding the proposed transaction with the SEC. SECURITY HOLDERS ARE URGED AND ADVISED TO READ ALL RELEVANT MATERIALS FILED WITH THE SEC, INCLUDING THE AMENDED REGISTRATION STATEMENT AND THE DEFINITIVE PROXY STATEMENT, CAREFULLY, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. The Amended Registration Statement and the Definitive Proxy Statement and any other documents filed or furnished by Cincinnati Bell or the Company with the SEC may be obtained free of charge at the SEC's web site at www.sec.gov. In addition, security holders are able to obtain free copies of the Amended Registration Statement and the Definitive Proxy Statement from Cincinnati Bell by going to its investor relations page on its corporate web site at www.cincinnati-bell.com and from the Company by going to its investor relations page on its corporate web site at www.hawaiiantel.com.

Participants in the Solicitation

The Company, Cincinnati Bell, their respective directors and certain of their respective executive officers and employees may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction involving the Company and Cincinnati Bell. Information about Cincinnati Bell's directors and executive officers is set forth in its definitive proxy statement for its 2017 Annual Meeting of Shareholders, which was filed with the SEC on March 24, 2017, and information about the Company's directors and executive officers is set forth in its definitive proxy statement for its 2017 Annual Meeting of Stockholders, which was filed with the SEC on March 14, 2017, and in the Amended Registration Statement (which Amended Registration Statement was declared effective on October 5, 2017). These documents are available free of charge from the sources indicated above, and from Cincinnati Bell by going to its investor relations page on its corporate web site at www.cincinnati-bell.com and from the Company by going to its investor relations page on its corporate web site at www.hawaiiantel.com. Additional information regarding the interests of participants in the solicitation of proxies in connection with the proposed transaction involving the Company and Cincinnati Bell is included in the Amended Registration Statement and the Definitive Proxy Statement.

Forward-Looking Statements

Statements about the expected timing, completion and effects of the proposed merger and related transactions and all other statements in this report and any exhibits furnished or filed herewith, other than historical facts, constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. When used in this report, the words expect, believe, anticipate, goal, plan, intend, estimate, may, will or similar words are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements and any such forward-looking statements are qualified in their entirety by reference to the following cautionary statements. All forward-looking statements speak only as of the date hereof and are based on current expectations and involve a number of assumptions, risks, uncertainties and other factors that could cause the actual results to differ materially from such forward-looking statements, including, but not limited to (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement or conditions to the closing of the merger may not be satisfied or waived, (2) the failure to obtain the approval of the Company's stockholders or the failure to satisfy the closing conditions, (3) risks related to disruption of management's attention from the Company's ongoing business operations due to the proposed merger, (4) the effect of the announcement of the merger on the ability of the Company to retain and hire key personnel and maintain relationships with its customers, suppliers, operating results and business generally, (5) the transaction may involve unexpected costs, liabilities or delays, (6) the Company's business may suffer as a result of the uncertainty surrounding the transaction, (7) the outcome of any legal proceeding relating to the transaction, (8) the Company may be adversely affected by other economic, business and/or competitive factors, and (9) other risks to consummation of the transaction, including the risk that the

transaction will not be consummated within the expected time period or at all.

Actual results may differ materially from those indicated by such forward-looking statements. In addition, the forward-looking statements represent the Company's views as of the date on which such statements were made. The Company anticipates that subsequent events and developments may cause its views to change. However, although the Company may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so, whether as a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date hereof. Additional factors that may affect the business or financial results of the Company are described in the risk factors included in the Company's filings with the SEC, including the Company's 2016 Annual Report on Form 10-K, the Company's quarterly reports on Form 10-Q and Current Reports on Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 30, 2017

HAWAIIAN TELCOM HOLDCO, INC.

/s/ Scott K. Barber
Scott K. Barber
President and CEO

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(d) Larceny and Embezzlement as it applies to any named Insured means those acts as set forth in Section 37 of the Investment Company Act of 1940.

(e) Items of Deposit means any one or more checks and drafts. Items of Deposit shall not be deemed uncollectible until the Insured's collection procedures have failed.

SECTION 2. EXCLUSIONS

THIS BOND, DOES NOT COVER:

- (a) loss effected directly or indirectly by means of forgery or alteration of, on or in any instrument, except when covered by Insuring Agreement (A), (E), (F) or (G).
- (b) loss due to riot or civil commotion outside the United States of America and Canada; or loss due to military, naval or usurped power, war or insurrection unless such loss occurs in transit in the circumstances recited in Insuring Agreement (D), and unless, when such transit was initiated, there was no knowledge of such riot, civil commotion, military, naval or usurped power, war or insurrection on the part of any person acting for the Insured in initiating such transit.
- (c) loss, in time of peace or war, directly or indirectly caused by or resulting from the effects of nuclear fission or fusion or radioactivity; provided, however, that this paragraph shall not apply to loss resulting from industrial uses of nuclear energy.

(d) loss resulting from any wrongful act or acts of any person who is a member of the Board of Directors of the Insured or a member of any equivalent body by whatsoever name known unless such person is also an Employee or an elected official, partial owner or partner of the Insured in some other capacity, nor, in any event, loss resulting from the act or acts of any person while acting in the capacity of a member of such Board or equivalent body.

(e) loss resulting from the complete or partial non-payment of, or default upon, any loan or transaction in the nature of, or amounting to, a loan made by or obtained from the Insured or any of its partners, directors or Employees, whether authorized or unauthorized and whether procured in good faith or through trick, artifice fraud or false pretenses, unless such loss is covered under Insuring Agreement (A), (E) or (F).

(f) loss resulting from any violation by the Insured or by any Employee:

(1) of law regulating (a) the issuance, purchase or sale of securities, (b) securities transactions upon Security Exchanges or over the counter market, (c) Investment Companies, or (d) Investment Advisors, or

(2) of any rule or regulation made pursuant to any such law.

unless such loss, in the absence of such laws, rules or regulations, would be covered under Insuring Agreements (A) or (E).

(g) loss of Property or loss of privileges through the misplacement or loss of Property as set forth in Insuring Agreement (C) or (D) while the Property is in the custody of any armored motor vehicle company, unless such loss shall be in excess of the amount recovered or received by the Insured under (a) the Insured's contract with said armored motor vehicle company, (b) insurance carried by said armored motor vehicle company for the benefit of users of its service, and (c) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service, and then this bond shall cover only such excess.

(h) potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this bond, except as included under Insuring Agreement (I).

(i) all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this bond.

(j) loss through the surrender of Property away from an office of the Insured as a result of a threat:

(1)

to do bodily harm to any person, except loss of Property in transit in the custody of any person acting as messenger provided that when such transit was initiated there was no knowledge by the Insured of any such threat, or

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- (2) to do damage to the premises or Property of the Insured, except when covered under Insuring Agreement (A).
- (k) all costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this bond unless such indemnity is provided for under Insuring Agreement (B).
- (l) loss resulting from payments made or withdrawals from the account of a customer of the Insured, shareholder or subscriber to shares involving funds erroneously credited to such account, unless such payments are made to or withdrawn by such depositors or representative of such person, who is within the premises of the drawee bank of the Insured or within the office of the Insured at the time of such payment or withdrawal or unless such payment is covered under Insuring Agreement (A).
- (m) any loss resulting from Uncollectible Items of Deposit which are drawn from a financial institution outside the fifty states of the United States of America, District of Columbia, and territories and possessions of the United States of America, and Canada.

SECTION 3. ASSIGNMENT OF RIGHTS

This bond does not afford coverage in favor of any Employers of temporary personnel or of processors as set forth in sub-sections (6) and (7) of Section 1(a) of this bond, as aforesaid, and upon payment to the Insured by the Underwriter on account of any loss through dishonest or fraudulent act(s) including Larceny or Embezzlement committed by any of the partners, officers or employees of such Employers, whether acting alone or in collusion with others, an assignment of such of the Insured's rights and causes of action as it may have against such Employers by reason of such acts so committed shall, to the extent of such payment, be given by the Insured to the Underwriter, and the Insured shall execute all papers necessary to secure to the Underwriter the rights herein provided for.

SECTION 4. LOSS - NOTICE - PROOF - LEGAL PROCEEDINGS

This bond is for the use and benefit only of the Insured named in the Declarations and the Underwriter shall not be liable hereunder for loss sustained by anyone other than the Insured unless the Insured, in its sole discretion and at its option, shall include such loss in the Insured's proof of loss. At the earliest practicable moment after discovery of any loss hereunder the Insured shall give the

Underwriter written notice thereof and shall also within six months after such discovery furnish to the Underwriter affirmative proof of loss with full particulars. If claim is made under this bond for loss of securities or shares, the Underwriter shall not be liable unless each of such securities or shares is identified in such proof of loss by a certificate or bond number or, where such securities or shares are uncertificated, by such identification means as agreed to by the Underwriter. The Underwriter shall have thirty days after notice and proof of loss within which to investigate the claim, but where the loss is clear and undisputed, settlement shall be made within forty-eight hours; and this shall apply notwithstanding the loss is made up wholly or in part of securities of which duplicates may be obtained. Legal proceedings for recovery of any loss hereunder shall not be brought prior to the expiration of sixty days after such proof of loss is filed with the Underwriter nor after the expiration of twenty-four months from the discovery of such loss, except that any action or proceedings to recover hereunder on account of any judgment against the Insured in any suit mentioned in General Agreement C or to recover attorneys' fees paid in any such suit, shall be begun within twenty-four months from the date upon which the judgment in such suit shall become final. If any limitation embodied in this bond is prohibited by any law controlling the construction hereof, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

Discovery occurs when the Insured:

(a) becomes aware of facts, or

(b) receives written notice of an actual or potential claim by a third party which alleges that the Insured is liable under circumstances,

which would cause a reasonable person to assume that a loss covered by the bond has been or will be incurred even though the exact amount or details of loss may not be then known.

SECTION 5. VALUATION OF PROPERTY

The value of any Property, except books of accounts or other records used by the Insured in the conduct of its business, for the loss of which a claim shall be made hereunder, shall be determined by the average market value of such Property on the business day next preceding the discovery of such loss; provided, however, that the value of any Property replaced by the Insured prior to the payment of claim therefor shall be the actual market value at the time of replacement; and further provided that in case of a loss or misplacement of interim certificates, warrants,

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rights, or other securities, the production of which is necessary to the exercise of subscription, conversion, redemption or deposit privileges, the value thereof shall be the market value of such privileges immediately preceding the expiration thereof if said loss or misplacement is not discovered until after their expiration. If no market price is quoted for such Property or for such privileges, the value shall be fixed by agreement between the parties or by arbitration.

In case of any loss or damage to Property consisting of books of accounts or other records used by the Insured in the conduct of its business, the Underwriter shall be liable under this bond only if such books or records are actually reproduced and then for not more than the cost of blank books, blank pages or other materials plus the cost of labor for the actual transcription or copying of data which shall have been furnished by the Insured in order to reproduce such books and other records.

SECTION 6. VALUATION OF PREMISES AND FURNISHINGS

In case of damage to any office of the Insured, or loss of or damage to the furnishings, fixtures, stationery, supplies, equipment, safes or vaults therein, the Underwriter shall not be liable for more than the actual cash value thereof, or for more than the actual cost of their replacement or repair. The Underwriter may, at its election, pay such actual cash value or make such replacement or repair. If the underwriter and the Insured cannot agree upon such cash value or such cost of replacement or repair, such shall be determined by arbitration.

SECTION 7. LOST SECURITIES

If the Insured shall sustain a loss of securities the total value of which is in excess of the limit stated in Item 3 of the Declarations of this bond, the liability of the Underwriter shall be limited to payment for, or duplication of, securities having value equal to the limit stated in Item 3 of the Declarations of this bond.

If the Underwriter shall make payment to the Insured for any loss of securities, the Insured shall thereupon assign to the Underwriter all of the Insured's rights, title and interest in and to said securities.

With respect to securities the value of which do not exceed the Deductible Amount (at the time of the discovery of the loss) and for which the Underwriter may at its sole discretion and option and at the request of the Insured issue a Lost Instrument Bond or Bonds to effect replacement thereof, the Insured will pay the usual premium charged therefor and will

indemnify the Underwriter against all loss or expense that the Underwriter may sustain because of the issuance of such Lost Instrument Bond or Bonds.

With respect to securities the value of which exceeds the Deductible Amount (at the time of discovery of the loss) and for which the Underwriter may issue or arrange for the issuance of a Lost Instrument Bond or Bonds to effect replacement thereof, the Insured agrees that it will pay as premium therefor a proportion of the usual premium charged therefor, said proportion being equal to the percentage that the Deductible Amount bears to the value of the securities upon discovery of the loss, and that it will indemnify the issuer of said Lost Instrument Bond or Bonds against all loss and expense that is not recoverable from the Underwriter under the terms and conditions of this Investment Company Blanket Bond subject to the Limit of Liability hereunder.

SECTION 8. SALVAGE

In case of recovery, whether made by the Insured or by the Underwriter, on account of any loss in excess of the Limit of Liability hereunder plus the Deductible Amount applicable to such loss, from any source other than suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Underwriter, the net amount of such

recovery, less the actual costs and expenses of making same, shall be applied to reimburse the Insured in full for the excess portion of such loss, and the remainder, if any, shall be paid first in reimbursement of the Underwriter and thereafter in reimbursement of the Insured for that part of such loss within the Deductible Amount. The Insured shall execute all necessary papers to secure to the Underwriter the rights provided for herein.

SECTION 9. NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY

At all times prior to termination hereof, this bond shall continue in force for the limit stated in the applicable sections of Item 3 of the Declarations of this bond notwithstanding any previous loss for which the Underwriter may have paid or be liable to pay hereunder; PROVIDED, however, that regardless of the number of years this bond shall continue in force and the number or premiums which shall be payable or paid, the liability of the Underwriter under this bond with respect to all loss resulting from:

- (a) any one act of burglary, robbery or holdup, or attempt thereat, in which no Partner or Employee is concerned or implicated shall be deemed to be one loss, or

- (b) any one unintentional or negligent act on the part of any other person resulting in damage

to or destruction or misplacement of Property, shall be deemed to be one loss, or

- (c) all wrongful acts, other than those specified in (a) above, of any one person shall be deemed to be one loss, or
- (d) all wrongful acts, other than those specified in (a) above, of one or more persons (which dishonest act(s) or act(s) of Larceny or Embezzlement include, but are not limited to, the failure of an Employee to report such acts of others) whose dishonest act or acts intentionally or unintentionally, knowingly or unknowingly, directly or indirectly, aid or aids in any way, or permits the continuation of, the dishonest act or acts of any other person or persons shall be deemed to be one loss with the act or acts of the persons aided, or
- (e) any one casualty or event other than those specified in (a), (b), (c) or (d) preceding, shall be deemed to be one loss, and

shall be limited to the applicable Limit of Liability stated in Item 3 of the Declarations of this bond irrespective of the total amount of such loss or losses and shall not be cumulative in amounts from year to year or from period to period.

Sub-section (c) is not applicable to any situation to which the language of sub-section (d) applies.

SECTION 10. LIMIT OF LIABILITY

With respect to any loss set forth in the PROVIDED clause of Section 9 of this bond which is recoverable or recovered in whole or in part under any other bonds or policies issued by the Underwriter to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period of discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Underwriter under this bond and under other bonds or policies shall not exceed, in the aggregate, the amount carried hereunder on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss if the latter amount be the larger.

SECTION 11. OTHER INSURANCE

If the Insured shall hold, as indemnity against any loss covered hereunder, any valid and enforceable insurance or suretyship, the Underwriter shall be liable hereunder only for such amount of such loss which is in excess of the amount of such other insurance or suretyship, not exceeding, however, the Limit of Liability of this bond applicable to such loss.

SECTION 12. DEDUCTIBLE

The Underwriter shall not be liable under any of the Insuring Agreements of this bond on account of loss as specified, respectively, in sub-sections (a), (b), (c), (d) and (e) of Section 9, NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY, unless the amount of such loss, after deducting the net amount of all reimbursement and/or recovery obtained or made by the Insured, other than from any bond or policy of insurance issued by an insurance company and covering such loss, or by the Underwriter on account thereof prior to payment by the Underwriter of such loss, shall exceed the Deductible Amount set forth in Item 3 of the Declarations hereof (herein called Deductible Amount), and then for such excess only, but in no event for more than the applicable Limit of Liability stated in Item 3 of the Declarations.

The Insured will bear, in addition to the Deductible Amount, premiums on Lost Instrument Bonds as set forth in Section 7.

There shall be no deductible applicable to any loss under Insuring Agreement A sustained by any Investment Company named as Insured herein.

SECTION 13. TERMINATION

The Underwriter may terminate this bond as an entirety by furnishing written notice specifying the termination date, which cannot be prior to 60 days after the receipt of such written notice by each Investment Company named as Insured and the Securities and Exchange Commission, Washington, D.C. The Insured may terminate this bond as an entirety by furnishing written notice to the Underwriter. When the Insured cancels, the Insured shall furnish written notice to the Securities and Exchange Commission, Washington, D.C., prior to 60 days before the effective date of the termination. The Underwriter shall notify all other Investment Companies named as Insured of the receipt of such termination notice and the termination cannot be effective prior to 60 days after receipt of written notice by all other Investment Companies. Premiums are earned until the termination date as set forth herein.

This Bond will terminate as to any one Insured immediately upon taking over of such Insured by a receiver or other liquidator or by State or Federal officials, or immediately upon the filing of a petition under any State or Federal statute relative to bankruptcy or reorganization of the Insured, or assignment for the benefit of creditors of the Insured, or immediately upon such Insured ceasing to exist, whether through merger into another entity, or by disposition of all of its assets.

The Underwriter shall refund the unearned premium computed at short rates in accordance with the standard short rate cancellation tables if terminated by the Insured or pro rata if terminated for any other reason.

This Bond shall terminate:

- (a) as to any Employee as soon as any partner, officer or supervisory Employee of the Insured, who is not in collusion with such Employee, shall learn of any dishonest or fraudulent act(s), including Larceny or Embezzlement on the part of such Employee without prejudice to the loss of any Property then in transit in the custody of such Employee (see Section 16(d)), or
- (b) as to any Employee 60 days after receipt by each Insured and by the Securities and Exchange Commission of a written notice from the Underwriter of its desire to terminate this bond as to such Employee, or
- (c) as to any person, who is a partner, officer or employee of any Electronic Data Processor covered under this bond, from and after the time that the Insured or any partner or officer thereof not in collusion with such person shall have knowledge or information that such person has committed any dishonest or fraudulent act(s), including Larceny or Embezzlement in the service of the Insured or otherwise, whether such act be committed before or after the time this bond is effective.

SECTION 14. RIGHTS AFTER TERMINATION OR CANCELLATION

At any time prior to the termination or cancellation of this bond as an entirety, whether by the Insured or the Underwriter, the Insured may give the Underwriter notice that it desires under this bond an additional period of 12 months within which to discover loss sustained by the Insured prior to the effective date of such termination or cancellation and shall pay an additional premium therefor.

Upon receipt of such notice from the Insured, the Underwriter shall give its written consent thereto; provided, however, that such additional period of time shall terminate immediately:

- (a) on the effective date of any other insurance obtained by the Insured, its successor in business or any other party, replacing in whole or in part the insurance afforded by this bond, whether or not such other insurance provides coverage for loss sustained prior to its effective date, or
- (b) upon takeover of the Insured's business by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed for this purpose without the necessity of the Underwriter giving notice of such termination. In the event that such additional period of time is terminated, as provided above, the Underwriter shall refund any unearned premium.

The right to purchase such additional period for the discovery of loss may not be exercised by any State or Federal official or agency, or by a receiver or liquidator, acting or appointed to take over the Insured's business for the operation or for the liquidation thereof or for any purpose.

SECTION 15. CENTRAL HANDLING OF SECURITIES

Securities included in the system for the central handling of securities established and maintained by Depository Trust Company, Midwest Depository Trust Company, Pacific Securities Depository Trust Company, and Philadelphia Depository Trust Company, hereinafter called Corporations, to the extent of the Insured's interest therein as effected

by the making of appropriate entries on the books and records of such Corporations shall be deemed to be Property.

The words Employee and Employees shall be deemed to include the officers, partners, clerks and other employees of the New York Stock Exchange, Boston Stock Exchange, Midwest Stock Exchange, Pacific Stock Exchange and Philadelphia Stock Exchange, hereinafter called Exchanges, and of the above named Corporations, and of any nominee in whose name is registered any security included within the systems for the central handling of securities established and maintained by such Corporations, and any employee or any recognized service company, while such officers, partners, clerks and other employees and employees of service companies perform services for such Corporations in the operation of such systems. For the purpose of the above definition a recognized service company shall be any company providing clerks or other personnel to the said Exchanges or Corporations on a contract basis.

The Underwriter shall not be liable on account of any loss(es) in connection with the central handling of securities within the systems established and maintained by such Corporations, unless such loss(es) shall be in excess of the amount(s) recoverable or recovered under any bond or policy of insurance indemnifying such Corporations against such loss(es), and then the Underwriter shall be liable hereunder

only for the Insured's share of such excess loss(es), but in no event for more than the Limit of Liability applicable hereunder.

For the purpose of determining the Insured's share of excess loss(es) it shall be deemed that the Insured has an interest in any certificate representing any security included within such systems equivalent to the interest the Insured then has in all certificates representing the same security included within such systems and that such Corporations shall use their best judgment in apportioning the amount(s) recoverable or recovered under any bond or policy of insurance indemnifying such Corporations against such loss(es) in connection with the central handling of securities within such systems among all those having an interest as recorded by appropriate entries in the books and records of such Corporations in Property involved in such loss(es) on the basis that each such interest shall share in the amount(s) so recoverable or recovered in the ratio that the value of each such interest bears to the total value all such interests and that the Insured's share of such excess loss(es) shall be the amount of the Insured's interest in such Property in excess of the amount(s) so apportioned to the Insured by such Corporations.

This bond does not afford coverage in favor of such Corporations or Exchanges or any nominee in whose name is registered any security included within the systems for the central handling of securities established and maintained by such Corporations, and upon payment to the Insured by the Underwriter on account of any loss(es) within the systems, an assignment of such of the Insured's rights and causes of action as it may have against such Corporations or Exchanges shall to the extent of such payment, be given by the Insured to the Underwriter, and the Insured shall execute all papers necessary to secure the Underwriter the rights provided for herein.

SECTION 16. ADDITIONAL COMPANIES INCLUDED AS INSURED

If more than one corporation, co-partnership or person or any combination of them be included as the Insured herein:

- (a) the total liability of the Underwriter hereunder for loss or losses sustained by any one or more or all of them shall not exceed the limit for which the Underwriter would be liable hereunder if all such loss were sustained by any one of them;
- (b) the one first named herein shall be deemed authorized to make, adjust and receive and enforce payment of all claims hereunder and shall be deemed to be the agent of the others for such purposes and for the giving or receiving of any notice required or permitted to be given by the terms hereof, provided that the Underwriter shall furnish each named Investment Company with a copy of the bond and with any amendment thereto, together with a copy of each formal filing of the settlement of each such claim prior to the execution of such settlement;
- (c) the Underwriter shall not be responsible for the proper application of any payment made hereunder to said first named Insured;
- (d) knowledge possessed or discovery made by any partner, officer or supervisory Employee of any Insured shall for the purposes of Section 4 and Section 13 of this bond constitute knowledge or discovery by all the Insured; and
- (e)

if the first named Insured ceases for any reason to be covered under this bond, then the Insured next named shall thereafter be considered as the first, named Insured for the purposes of this bond.

SECTION 17. NOTICE AND CHANGE OF CONTROL

Upon the Insured obtaining knowledge of a transfer of its outstanding voting securities which results in a change in control (as set forth in Section 2(a) (9) of the Investment Company Act of 1940) of the Insured, the Insured shall within thirty (30) days of such knowledge give written notice to the Underwriter setting forth:

- (a) the names of the transferors and transferees (or the names of the beneficial owners if the voting securities are requested in another name), and
- (b) the total number of voting securities owned by the transferors and the transferees (or the beneficial owners), both immediately before and after the transfer, and
- (c) the total number of outstanding voting securities.

As used in this section, control means the power to exercise a controlling influence over the management or policies of the Insured.

Failing to give the required notice shall result in termination of coverage of this bond, effective upon the date of stock transfer for any loss in which any transferee is concerned or implicated.

Such notice is not required to be given in the case of an Insured which is an Investment Company.

SECTION 18. CHANGE OR MODIFICATION

This bond or any instrument amending or effecting same may not be changed or modified orally. No changes in or modification thereof shall be effective unless made by written endorsement issued to form a part hereof over the signature of the Underwriter's Authorized Representative. When a bond covers only one Investment Company no change or modification which would adversely affect the rights of the Investment Company shall be effective prior to 60 days after written notification has been furnished to

the Securities and Exchange Commission, Washington, D.C., by the Insured or by the Underwriter. If more than one Investment Company is named as the Insured herein, the Underwriter shall give written notice to each Investment Company and to the Securities and Exchange Commission, Washington, D.C., not less than 60 days prior to the effective date of any change or modification which would adversely affect the rights of such Investment Company.

ENDORSEMENT OR RIDER NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following spaces preceded by an () need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

ATTACHED TO AND FORMING PART OF BOND OR POLICY NO.	DATE ENDORSEMENT OR RIDER EXECUTED	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER 12:01 A.M. STANDARD TIME AS SPECIFIED IN THE BOND OR POLICY
ZBN-91M38000-15-N2	08/03/15	
		07/27/15

* ISSUED TO

Clough Global Allocation Fund

Named Insured Endorsement

It is agreed that:

1. From and after the time this rider becomes effective the Insured under the attached bond are:

Clough Global Allocation Fund

Clough Global Equity Fund

Clough Global Opportunities Fund

2. The first named Insured shall act for itself and for each and all of the Insured for all the purposes of the attached bond.

3. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall for all the purposes of the attached bond constitute knowledge or discovery by all the Insured.

4. If, prior to the termination of the attached bond in its entirety, the attached bond is terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered before the time such termination as to such Insured becomes effective.
5. The liability of the Underwriter for loss or losses sustained by any or all of the Insured shall not exceed the amount for which the Underwriter would be liable had all such loss or losses been sustained by any one of the Insured. Payment by the Underwriter to the first named Insured of loss sustained by any Insured shall fully release the Underwriter on account of such loss.
6. If the first named Insured ceases for any reason to be covered under the attached bond, then the Insured next named shall thereafter be considered as the first named Insured for all the purposes of the attached bond. Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

INSURED

ICB010 Ed. 7-04

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ENDORSEMENT OR RIDER NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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ATTACHED TO AND FORMING PART OF	DATE ENDORSEMENT OR RIDER EXECUTED	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER 12:01 A.M. STANDARD TIME AS SPECIFIED IN THE BOND OR POLICY
BOND OR POLICY NO.		
ZBN-91M38000-15-N2	08/03/15	07/27/15

* ISSUED TO

Clough Global Allocation Fund

UNAUTHORIZED SIGNATURES

It is agreed that:

1. The attached bond is amended by inserting an additional Insuring Agreement as follows:

INSURING AGREEMENT J UNAUTHORIZED SIGNATURE

- (A) Loss resulting directly from the Insured having accepted, paid or cashed any check or withdrawal order, draft, made or drawn on a customer's account which bears the signature or endorsement of one other than a person whose name and signature is on the application on file with the Insured as a signatory on such account.
- (B) It shall be a condition precedent to the Insured's right of recovery under this Rider that the Insured shall have on file signatures of all persons who are authorized signatories on such account.

2. The total liability of the Underwriter under Insuring Agreement J is limited to the sum of Twenty-five Thousand Dollars (\$25,000), it being understood, however, that such liability shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations of the attached bond or amendment thereof.

3. With respect to coverage afforded under this Rider, the Deductible Amount shall be
Two Thousand Five Hundred Dollars (\$2,500).

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

INSURED

ICB012 Ed. 7-04

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ENDORSEMENT OR RIDER NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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ATTACHED TO AND FORMING PART OF	DATE ENDORSEMENT	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER 12:01 A.M. STANDARD TIME AS SPECIFIED IN THE BOND OR POLICY
BOND OR POLICY NO.	OR RIDER EXECUTED	
ZBN-91M38000-15-N2	08/03/15	07/27/15

* ISSUED TO

Clough Global Allocation Fund

TELEFACSIMILE TRANSACTIONS

It is agreed that:

1. The attached Bond is amended by adding an additional Insuring Agreement as follows:
INSURING AGREEMENT N TELEFACSIMILE TRANSACTIONS

Loss caused by a Telefacsimile Transaction, where the request for such Telefacsimile Transaction is unauthorized or fraudulent and is made with the manifest intent to deceive; provided, that the entity which receives such request generally maintains and follows during the Bond Period all Designated Fax Procedures with respect to Telefacsimile Transactions. The isolated failure of such entity to maintain and follow a particular Designated Fax Procedure in a particular instance will not preclude coverage under this Insuring Agreement, subject to the exclusions herein and in the Bond.

2. Definitions. The following terms used in this Insuring Agreement shall have the following meanings:

- a. **Telefacsimile System** means a system of transmitting and reproducing fixed graphic material (as, for example, printing) by means of signals transmitted over telephone lines.

- b. Telefacsimile Transaction means any Fax Redemption, Fax Election, Fax Exchange, or Fax Purchase.
- c. Fax Redemption means any redemption of shares issued by an Investment Company which is requested through a Telefacsimile System.
- d. Fax Election means any election concerning dividend options available to Fund shareholders which is requested through a Telefacsimile System.
- e. Fax Exchange means any exchange of shares in a registered account of one Fund into shares in an identically registered account of another Fund in the same complex pursuant to exchange privileges of the two Funds, which exchange is requested through a Telefacsimile System.
- f. Fax Purchase means any purchase of shares issued by an Investment Company which is requested through a Telefacsimile System.

g. Designated Fax Procedures means the following procedures:

- (1) Retention: All Telefacsimile Transaction requests shall be retained for at least six (6) months. Requests shall be capable of being retrieved and produced in legible form within a reasonable time after retrieval is requested.

- (2) Identity Test: The identity of the sender in any request for a Telefacsimile Transaction shall be tested before executing that Telefacsimile Transaction, either by requiring the sender to include on the face of the request a unique identification number or to include key specific account information. Requests of Dealers must be on company letterhead and be signed by an authorized representative. Transactions by occasional users are to be verified by telephone confirmation.

- (3) Contents: A Telefacsimile Transaction shall not be executed unless the request for such Telefacsimile Transaction is dated and purports to have been signed by (a) any shareholder or subscriber to shares issued by a Fund, or (b) any financial or banking institution or stockbroker.
- (4) Written Confirmation: A written confirmation of each Telefacsimile Transaction shall be sent to the shareholder(s) to whose account such Telefacsimile Transaction relates, at the record address, by the end of the Insured's next regular processing cycle, but no later than five (5) business days following such Telefacsimile Transaction.
- i. Designated means or refers to a written designation signed by a shareholder of record of a Fund, either in such shareholder's initial application for the purchase of Fund shares, with or without a Signature Guarantee, or in another document with a Signature Guarantee.
- j. Signature Guarantee means a written guarantee of a signature, which guarantee is made by an Eligible Guarantor Institution as defined in Rule 17Ad-15(a)(2) under the Securities Exchange Act of 1934.
3. Exclusions. It is further understood and agreed that this Insuring Agreement shall not cover:
- a. Any loss covered under Insuring Agreement A, Fidelity, of this Bond; and
- b. Any loss resulting from:
- (1) Any Fax Redemption, where the proceeds of such redemption were requested to be paid or made payable to other than (a) the shareholder of record, or (b) a person Designated in the initial application or in writing at least one (1) day prior to such redemption to receive redemption proceeds, or (c) a bank account Designated in the initial application or in writing at least one (1) day prior to such redemption to receive redemption proceeds; or
- (2) Any Fax Redemption of Fund shares which had been improperly credited to a shareholder's account, where such shareholder (a) did not cause, directly or indirectly, such shares to be credited to such account, and (b) directly or indirectly received any proceeds or other benefit from such redemption; or
- (3) Any Fax Redemption from any account, where the proceeds of such redemption were requested to be sent to any address other than the record address or another address for such account which was designated (a) over the telephone or by telefacsimile at least fifteen (15) days prior to such redemption, or (b) in the initial application or in writing at least one (1) day prior to such redemption; or
- (4) The intentional failure to adhere to one or more Designated Fax Procedures; or

(5) The failure to pay for shares attempted to be purchased.

4. The Single Loss Limit of Liability under Insuring Agreement N is limited to the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000) it being understood, however, that such liability shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations of the attached Bond or amendments thereof.

5. With respect to coverage afforded under this Rider the applicable Single loss Deductible Amount is Twenty Five Thousand Dollars (\$25,000).

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

ICB013 Ed. 7-04

INSURED

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ENDORSEMENT OR RIDER NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following spaces preceded by an () need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

ATTACHED TO AND FORMING PART OF BOND OR POLICY NO. ZBN-91M38000-15-N2	DATE ENDORSEMENT OR RIDER EXECUTED 08/03/15	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER 12:01 A.M. STANDARD TIME AS SPECIFIED IN THE BOND OR POLICY 07/27/15
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* ISSUED TO

Clough Global Allocation Fund

VOICE INITIATED TRANSACTIONS

It is agreed that:

1. The attached bond is amended by inserting an additional Insuring Agreement as follows:
INSURING AGREEMENT L - VOICE-INITIATED TRANSACTIONS

Loss caused by a Voice-initiated Transaction, where the request for such Voice-initiated Transaction is unauthorized or fraudulent and is made with the manifest intent to deceive; provided, that the entity which receives such request generally maintains and follows during the Bond Period all Designated Procedures with respect to Voice-initiated Redemptions and the Designated Procedures described in paragraph 2f (1) and (3) of this Rider with respect to all other Voice-initiated Transactions. The isolated failure of such entity to maintain and follow a particular Designated Procedure in a particular instance will not preclude coverage under this Insuring Agreement, subject to the specific exclusions herein and in the Bond.

2. Definitions. The following terms used in this Insuring Agreement shall have the following meanings:

- a. **Voice-initiated Transaction** means any Voice-initiated Redemption, Voice-initiated Election, Voice-initiated Exchange, or Voice-initiated Purchase.

- b. **Voice-initiated Redemption** means any redemption of shares issued by an Investment Company which is requested by voice over the telephone.
- c. **Voice-initiated Election** means any election concerning dividend options available to Fund shareholders which is requested by voice over the telephone.
- d. **Voice-initiated Exchange** means any exchange of shares in a registered account of one Fund into shares in an identically registered account of another Fund in the same complex pursuant to exchange privileges of the two Funds, which exchange is requested by voice over the telephone.
- e. **Voice-initiated Purchase** means any purchase of shares issued by an Investment Company which is requested by voice over the telephone.
- f. **Designated Procedures** means the following procedures:
 - (1) **Recordings:** All Voice-initiated Transaction requests shall be recorded, and the recordings shall be retained for at least six (6) months. Information contained on the recordings shall be capable of being retrieved and produced within a reasonable time after retrieval of specific information is requested, at a success rate of no less than 85%.
 - (2) **Identity Test:** The identity of the caller in any request for a Voice-initiated Redemption shall be tested before executing that Voice-initiated Redemption, either by requesting the caller to state a unique identification number or to furnish key specific account information.
 - (3) **Written Confirmation:** A written confirmation of each Voice-initiated Transaction and of each change of the record address of a Fund shareholder requested by voice over the telephone shall be mailed to the shareholder(s) to whose account such Voice-initiated Transaction or change of address relates, at the original record address (and, in the case of such change of address, at the changed record address) by the end of the Insured's next regular processing cycle, but no later than five (5) business days following such Voice-initiated Transaction or change of address.

- g. **Investment Company** or **Fund** means an investment company registered under the Investment Company Act of 1940.
 - h. **Officially Designated** means or refers to a written designation signed by a shareholder of record of a Fund, either in such shareholder's initial application for the purchase of Fund shares, with or without a Signature Guarantee, or in another document with a Signature Guarantee.
 - i. **Signature Guarantee** means a written guarantee of a signature, which guarantee is made by a financial or banking institution whose deposits are insured by the Federal Deposit Insurance Corporation or by a broker which is a member of any national securities exchange registered under the Securities Exchange Act of 1934.
3. **Exclusions.** It is further understood and agreed that this Insuring Agreement shall not cover:
- a. Any loss covered under Insuring Agreement A, Fidelity, of this Bond; and
 - b. Any loss resulting from:
 - (1) Any Voice-initiated Redemption, where the proceeds of such redemption were requested to be paid or made payable to other than (a) the shareholder of record, or (b) a person Officially Designated to receive redemption proceeds, or (c) a bank account Officially Designated to receive redemption proceeds; or
 - (2) Any Voice-initiated Redemption of Fund shares which had been improperly credited to a shareholder's account, where such shareholder (a) did not cause, directly or indirectly, such shares to be credited to such account, and (b) directly or indirectly received any proceeds or other benefit from such redemption; or
 - (3) Any Voice-initiated Redemption from any account, where the proceeds of such redemption were requested to be sent (a) to any address other than the record address for such account, or (b) to a record address for such account which was either (i) designated over the telephone fewer than thirty (30) days prior to such redemption, or (ii) designated in writing less than on (1) day prior to such redemption; or
 - (4) The intentional failure to adhere to one or more Designated Procedures; or
 - (5) The failure to pay for shares attempted to be purchased; or
 - (6) Any Voice-initiated Transaction requested by voice over the telephone and received by an automated system which receives and converts such request to executable instructions.

4. The total liability of the Underwriter under Insuring Agreement L is limited to the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000), it being understood, however, that such liability shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations of the attached bond or amendment thereof.

5. With respect to coverage afforded under this Rider the applicable Deductible Amount is Twenty Five Thousand Dollars (\$25,000).

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

INSURED

ICB014 Ed. 7-04

Page 2 of 2

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ENDORSEMENT OR RIDER NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following spaces preceded by an () need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

ATTACHED TO AND FORMING PART OF BOND OR POLICY NO.	DATE ENDORSEMENT OR RIDER EXECUTED	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER
ZBN-91M38000-15-N2	08/03/15	12:01 A.M. STANDARD TIME AS SPECIFIED IN THE BOND OR POLICY
		07/27/15

* ISSUED TO

Clough Global Allocation Fund

Amend Definition of Employee (Exclude EDP Coverage for Computer Software or Programs)

It is agreed that:

1. Sub-section 7 of Section 1(a) in the Definition of Employee, is deleted and replaced by the following:

- (7) each natural person, partnership or corporation authorized by written agreement with the Insured to perform services as electronic data processor of checks or other accounting records of the Insured (does not include the creating, preparing, modifying or maintaining the Insured's computer software or programs), but excluding any such processor who acts as transfer agent or in any other agency capacity in issuing checks, drafts or securities for the Insured, unless included under sub-section (9) hereof, and

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

INSURED

ICB015 Ed. 7-04

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ENDORSEMENT OR RIDER NO.

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ZBN-91M38000-15-N2	08/03/15	12:01 A.M. STANDARD TIME AS SPECIFIED IN THE BOND OR POLICY
		07/27/15

* ISSUED TO

Clough Global Allocation Fund

DEFINITION OF INVESTMENT COMPANY

It is agreed that:

1. Section 1, Definitions, under General Agreements is amended to include the following paragraph:

(f) Investment Company means an investment company registered under the Investment Company Act of 1940 and as listed under the names of Insureds on the Declarations.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

INSURED

ICB016 Ed. 7-04

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ENDORSEMENT OR RIDER NO.

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ZBN-91M38000-15-N2	08/03/15	12:01 A.M. STANDARD TIME AS SPECIFIED IN THE BOND OR POLICY
		07/27/15

* ISSUED TO

Clough Global Allocation Fund

**AMEND SECTION 2. - EXCLUSIONS - LOSS REPORTING AFTER
TERMINATION OF BOND**

It is agreed that:

1. Section 2. Exclusions, of the CONDITIONS AND LIMITATIONS is amended to include the following sub-section:

(x) loss not reported to the Company in writing within Sixty (60) days after the termination of this bond as an entirety

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

INSURED

ICB017 Ed. 7-04

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ENDORSEMENT OR RIDER NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following spaces preceded by an () need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

ATTACHED TO AND FORMING PART OF	DATE ENDORSEMENT	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER
BOND OR POLICY NO.	OR RIDER EXECUTED	12:01 A.M. STANDARD TIME AS SPECIFIED IN THE BOND OR POLICY
ZBN-91M38000-15-N2	08/03/15	07/27/15

* ISSUED TO

Clough Global Allocation Fund

AMEND SECTION 13. - TERMINATION AS TO ANY EMPLOYEE

It is agreed that:

1. Sub-sections (b) of Section 13. TERMINATION under CONDITIONS AND LIMITATIONS, is deleted in its entirety, and the following is substituted in lieu thereof:

Upon the detection by any Insured that such Employee has committed any dishonest or fraudulent act(s) or theft, the Insured shall immediately remove such Employee from a position that may enable such Employee to cause the Insured to suffer a loss by any subsequent dishonest or fraudulent act(s) or theft. The Insured, within forty-eight (48) hours of such detection, shall notify the Underwriter with full and complete particulars of the detected dishonest or fraudulent act(s) or theft, or

For purposes of this section, detection occurs when any partner, officer, or supervisory Employee of any Insured, who is not in collusion with such (detected) Employee, becomes aware that the (detected) Employee has committed any dishonest or fraudulent act(s) or theft.

This Bond shall terminate as to any Employee by written notice to each Insured and to the Securities and Exchange Commission from the Underwriter of not less than sixty (60) days prior to the effective date of termination specified in such notice.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

INSURED

ICB018 Ed. 7-04

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ENDORSEMENT OR RIDER NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following spaces preceded by an () need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

ATTACHED TO AND FORMING PART OF	DATE ENDORSEMENT	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER
BOND OR POLICY NO.	OR RIDER EXECUTED	12:01 A.M. STANDARD TIME AS SPECIFIED IN THE BOND OR POLICY
ZBN-91M38000-15-N2	08/03/15	07/27/15

* ISSUED TO

Clough Global Allocation Fund

ADD EXCLUSIONS (N) & (O)

It is agreed that:

1. Section 2, Exclusions, under General Agreements, is amended to include the following sub-sections:
 - (n) loss from the use of credit, debit, charge, access, convenience, identification, cash management or other cards, whether such cards were issued or purport to have been issued by the Insured or by anyone else, unless such loss is otherwise covered under Insuring Agreement A.
 - (o) the underwriter shall not be liable under the attached bond for loss due to liability imposed upon the Insured as a result of the unlawful disclosure of non-public material information by the Insured or any Employee, or as a result of any Employee acting upon such information, whether authorized or unauthorized.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

INSURED

ICB026 Ed. 7-04

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July 27, 2015

Clough Global Allocation Fund

and Clough Global Equity Fund

1290 Broadway, Suite 1100

Denver, Colorado 80203

Re: Fidelity Bond Jointly Insured Letter Agreement

To Whom It May Concern:

The parties hereto (each a Fund and collectively the Funds) will be named as joint insured(s) pursuant to a bond to be issued by St. Paul Fire and Marine Insurance Company, a St. Paul Travelers Insurance Company (the Bond), with a limit of liability set at \$2,500,000 for all three Funds although for a single Fund, the limit would be \$600,000 for the Clough Global Allocation Fund, \$750,000 for the Clough Global Equity Fund, and \$1,000,000 for the Clough Global Opportunities Fund. Rule 17g-1(f) of the Investment Company Act of 1940 (the Act), which provides that where a registered management investment company such as one of the Funds named as insured under a joint insured bond, such investment company shall enter into an agreement with the other joint insured(s) providing for an equitable and proportionate share of any recovery under the bond as a result of any loss sustained.

Accordingly, it is agreed that in the event recovery is received under the Bond as a result of a loss sustained by more than one of the Funds, each such Fund shall receive an equitable and proportionate share of the recovery, but at least equal to the amount of the minimum coverage required for such Fund pursuant to Rule 17g-1(d) under the Act.

Very truly yours,

CLOUGH GLOBAL OPPORTUNITIES FUND

By: /s/ Edmund J. Burke
Name: Edmund J. Burke
Title: President

AGREED:

CLOUGH GLOBAL ALLOCATION FUND

By: /s/ Abigail J. Murray
Name: Abigail J. Murray
Title: Secretary

CLOUGH GLOBAL EQUITY FUND

By: /s/ Abigail J. Murray
Name: Abigail J. Murray
Title: Secretary

APPROVAL OF FIDELITY BOND AND MUTUAL FUND PROFESSIONAL LIABILITY
AND DIRECTORS AND OFFICERS LIABILITY POLICIES AND INSURANCE
ALLOCATION AGREEMENT

Clough Global Opportunities Fund

- RESOLVED:** That the Board of Trustees (the Board) of the Clough Global Opportunities Fund (GLO) hereby authorizes the officers of GLO to negotiate and effect GLO 's fidelity bond and joint mutual fund professional and directors and officers liability policy (Joint D&O/E&O Policy) based on the parameters outlined to the Board;
- RESOLVED:** That the form and amount of the Joint D&O/E&O Policy and joint fidelity bond, as discussed at this meeting, be, and the same hereby is, approved after consideration of all factors deemed relevant by the Board;
- RESOLVED:** That the Joint D&O/E&O Policy, with the coverages and premiums as described at this meeting be, and hereby is approved in accordance with Rule 17-d under the Investment Company Act of 1940, as amended (the 1940 Act);
- RESOLVED:** That the officers of GLO are hereby authorized to execute a letter agreement by and among the Clough Global Allocation Fund, Clough Global Equity Fund, and GLO (each an Insured Party , collectively, the Insured Parties) providing that in the event of a loss sustained by the Insured Parties, each Insured Party shall receive an equitable and proportionate share of the recovery;
- RESOLVED:** That the Secretary of GLO be, and hereby is designated as the officer responsible for making the necessary filings and giving the notices with respect to such fidelity bond required by paragraph (g) of Rule 17g-1 under the 1940 Act; and
- RESOLVED:** That the appropriate officers of GLO be, and each of them hereby is, authorized and empowered to take all actions as they, or any of them in his or her discretion, with the advice of counsel, may deem necessary or appropriate to carry out the intents and purposes of the foregoing resolutions.