

CBRE CLARION GLOBAL REAL ESTATE INCOME FUND

Form N-CSRS

August 28, 2014

Table of Contents

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.

Edgar Filing: CBRE CLARION GLOBAL REAL ESTATE INCOME FUND - Form N-CSRS

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.

**Table of Contents**

**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:

**Table of Contents**

CBRE CLARION GLOBAL REAL ESTATE

INCOME FUND

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

**Table of Contents**

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.

**Table of Contents**

Table of Contents

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

<u>Letter to Shareholders</u>	2
<u>Portfolio of Investments</u>	7
<u>Financial Statements</u>	9
<u>Notes to Financial Statements</u>	14
<u>Supplemental Information</u>	19

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.

SEMI-ANNUAL REPORT 2014 1

## **Table of Contents**

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) <sup>(1)</sup>, rose 12.3% and the MSCI REIT Preferred Index (MSRPI) <sup>(2)</sup> rose 15.5%, out-performing broad stock and bond indices. <sup>(3)</sup> 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 <sup>(4)</sup>. 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.

## 2 CBRE CLARION GLOBAL REAL ESTATE INCOME FUND



## Table of Contents

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.

## Table of Contents

**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

4 **CBRE CLARION GLOBAL REAL ESTATE INCOME FUND**

## Table of Contents

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

**Table of Contents**

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.***

**6 CBRE CLARION GLOBAL REAL ESTATE INCOME FUND**

**Table of Contents**

Portfolio of Investments (unaudited)

**June 30, 2014**

Shares		Market Value (\$)
	<b>Real Estate Securities* 109.6%</b>	
	<b>Common Stock 100.0%</b>	
	<b>Australia 8.9%</b>	
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 <sup>(a)</sup>	35,122,776
		105,682,338
	<b>Canada 9.1%</b>	
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
	<b>France 7.3%</b>	
67,789	Altearea	12,947,459
351,122	Societe de la Tour Eiffel	27,930,924
158,851	Unibail-Rodamco SE	46,205,941
		87,084,324
	<b>Germany 1.2%</b>	
630,260	Deutsche Wohnen AG	13,591,001
	<b>Hong Kong 4.0%</b>	
8,913,000	Link REIT (The)	47,955,525
	<b>Japan 6.9%</b>	
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

Edgar Filing: CBRE CLARION GLOBAL REAL ESTATE INCOME FUND - Form N-CSRS

	<b>Mexico 1.1%</b>	
6,043,300	Prologis Property Mexico SA de CV <sup>(a)</sup>	12,833,802
	<b>Netherlands 4.5%</b>	
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
		<b>Market</b>
<b>Shares</b>		<b>Value (\$)</b>
	<b>New Zealand 0.7%</b>	
9,050,000	Goodman Property Trust	\$ 8,359,534
	<b>Singapore 4.4%</b>	
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
	<b>United Kingdom 7.7%</b>	
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
	<b>United States 44.2%</b>	
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
	<b>Total Common Stock</b>	
	(cost \$918,787,012)	1,186,423,471



*See notes to financial statements.*

**Table of Contents**

## Portfolio of Investments concluded

Shares		Market Value (\$)
	<b>Preferred Stock 9.6%</b>	
	<b>United States 9.6%</b>	
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
	<b>Total Preferred Stock</b>	
	(cost \$104,240,879)	113,448,210
	<b>Total Investments 109.6%</b>	
	(cost \$1,023,027,891)	1,299,871,681
	Liabilities in Excess of Other Assets (9.6)%	(114,138,815)
	<b>Net Assets 100.0%</b>	<b>\$ 1,185,732,866</b>
* 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.

**8 CBRE CLARION GLOBAL REAL ESTATE INCOME FUND***See notes to financial statements.*

**Table of Contents**

## Statement of Assets and Liabilities (unaudited)

	<b>June 30, 2014</b>
<b>Assets</b>	
Investments, at value (cost \$1,023,027,891)	\$1,299,871,681
Cash and cash equivalents (including foreign currency of \$225,630 with a cost of \$225,630)	297,135
Unrealized appreciation on spot contracts	2,811
Dividends and interest receivable	11,760,703
Dividend withholding reclaims receivable	558,945
Other assets	95,266
<b>Total Assets</b>	<b>1,312,586,541</b>
<b>Liabilities</b>	
Payable for investment securities purchased	20,254,134
Line of credit payable	105,282,700
Unrealized depreciation on spot contracts	5,502
Management fee payable	888,581
Accrued expenses	422,758
<b>Total Liabilities</b>	<b>126,853,675</b>
<b>Net Assets</b>	<b>\$1,185,732,866</b>
<b>Composition of Net Assets</b>	
\$0.001 par value per share; unlimited number of shares authorized, 116,590,494 shares issued and outstanding	\$116,590
Additional paid-in capital	1,329,609,903
Distributions in excess of net investment income	(79,670,786)
Accumulated net realized loss on investments, written options, swap contracts and foreign currency transactions	(341,186,255)
Net unrealized appreciation on investments and foreign currency denominated assets and liabilities	276,863,414
<b>Net Assets</b>	<b>\$1,185,732,866</b>
<b>Net Asset Value (based on 116,590,494 shares outstanding)</b>	<b>\$10.17</b>

*See notes to financial statements.*

**Table of Contents**

Statement of Operations (unaudited)

	<b>For the Six Months Ended June 30, 2014</b>
<b>Investment Income</b>	
Dividends (net of foreign withholding taxes of \$1,841,522)	\$33,493,925
Interest	84
Total Investment Income	33,494,009
<b>Expenses</b>	
Management fees	4,954,031
Printing and mailing fees	283,944
Interest expense on line of credit	266,504
Administration fees	126,857
Transfer agent fees	96,802
Custodian fees	91,489
Insurance fees	81,968
Trustees fees and expenses	78,187
NYSE listing fee	52,873
Audit and tax fees	39,434
Legal fees	31,077
Miscellaneous expenses	17,155
Total Expenses	6,120,321
<b>Net Investment Income</b>	<b>27,373,688</b>
<b>Net Realized and Unrealized Gain (Loss) on Investments and Foreign Currency Transactions</b>	
Net realized gain (loss) on:	
Investments	17,363,851
Foreign currency transactions	(89,267)
Total Net Realized Gain	17,274,584
Net change in unrealized appreciation (depreciation) on:	
Investments	119,006,915
Foreign currency denominated assets and liabilities	21,990
Total Net Change in Unrealized Appreciation (Depreciation)	119,028,905
<b>Net Realized and Unrealized Gain on Investments and Foreign Currency Transactions</b>	<b>136,303,489</b>
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>\$163,677,177</b>

*See notes to financial statements.*

**Table of Contents**

## Statements of Changes in Net Assets

	<b>For the Six Months Ended June 30, 2014 (unaudited)</b>	<b>For the Year Ended December 31, 2013</b>
<b>Change in Net Assets Resulting from Operations</b>		
Net investment income	\$27,373,688	\$38,303,062
Net realized gain on investments and foreign currency transactions	17,274,584	13,397,490
Net change in unrealized appreciation (depreciation) on investments and foreign currency denominated assets and liabilities	119,028,905	(40,203,214)
Net increase in net assets resulting from operations	163,677,177	11,497,338
<b>Dividends and Distributions on Common Shares*</b>		
Distribution of net investment income	(31,479,434)	(44,911,599)
Distribution of return of capital		(18,047,268)
Total dividends and distributions on Common Shares	(31,479,434)	(62,958,867)
Net Increase (Decrease) in Net Assets	132,197,743	(51,461,529)
<b>Net Assets</b>		
Beginning of period	1,053,535,123	1,104,996,652
End of period (net of distributions in excess of net investment income of \$79,670,786 and \$75,565,040, respectively)	\$1,185,732,866	\$1,053,535,123

\* The final determination of the source of the 2014 distributions for tax purposes will be made after the Trust's fiscal year.

*See notes to financial statements.*

**Table of Contents**

## Statement of Cash Flows (unaudited)

	<b>For the Six Months Ended June 30, 2014</b>
<b>Cash Flows from Operating Activities:</b>	
Net increase in net assets resulting from operations	\$163,677,177
<b>Adjustments to Reconcile Net Increase in Net Assets Resulting from Operations to Net Cash Provided by Operating Activities:</b>	
Net change in unrealized appreciation/depreciation on investments	(119,006,915)
Net realized gain on investments	(17,363,851)
Cost of securities purchased	(207,556,268)
Proceeds from sale of securities	169,397,725
Decrease in receivable for investment securities sold	42,962,195
Increase in dividends and interest receivable	(5,412,626)
Increase in dividend withholding reclaims receivable	(511,783)
Increase in unrealized appreciation on spot contracts	(2,811)
Decrease in other assets	23,162
Decrease in unrealized depreciation on spot contracts	(7,367)
Decrease in payable for investment securities purchased	(41,062,554)
Increase in management fee payable	92,460
Decrease in accrued expenses	(7,238)
Net Cash Used by Operating Activities	(14,778,694)
<b>Cash Flows From Financing Activities:</b>	
Cash distributions paid on common shares	(31,479,434)
Proceeds from borrowing on line of credit	101,153,700
Payments on line of credit	(54,598,500)
Net Cash Provided in Financing Activities	15,075,766
Net increase in cash	297,072
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>63</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$297,135</b>
<b>Supplemental disclosure</b>	
Interest paid on line of credit	\$266,504

*See notes to financial statements.*

**12 CBRE CLARION GLOBAL REAL ESTATE INCOME FUND**

**Table of Contents**

## Financial Highlights

**Per share operating performance for a**

<b>share outstanding throughout the period</b>	<b>For the Six Months Ended June 30, 2014 (unaudited)</b>	<b>For the Year Ended December 31, 2013</b>	<b>For the Year Ended December 31, 2012</b>	<b>For the Year Ended December 31, 2011</b>	<b>For the Year Ended December 31, 2010</b>	<b>For the Year Ended December 31, 2009</b>
<b>Net asset value, beginning of period</b>	\$9.04	\$9.48	\$8.14	\$8.58	\$7.51	\$5.63
<b>Income from investment operations</b>						
Net investment income <sup>(1)</sup>	0.23	0.33	0.33	0.34	0.36	0.39
Net realized and unrealized gain (loss) on investments, written options, swap contracts and foreign currency transactions	1.17	(0.23)	1.59	(0.24)	1.25	2.03
Total from investment operations	1.40	0.10	1.92	0.10	1.61	2.42
<b>Dividends and distributions on Common Shares</b>						
Net investment income	(0.27)	(0.39)	(0.58)	(0.33)	(0.54)	(0.54)
Return of capital	(0.27)	(0.15)	(0.58)	(0.21)	(0.54)	(0.54)



Total dividends and distributions to Common Shareholders						
<b>Net asset value, end of period</b>	\$10.17	\$9.04	\$9.48	\$8.14	\$8.58	\$7.51
<b>Market value, end of period</b>	\$9.11	\$7.92	\$8.86	\$6.84	\$7.75	\$6.37
<b>Total investment return <sup>(2)</sup></b>						
Net asset value	15.69%	0.91%	24.15%	0.94%	22.41%	46.79%
Market value	18.70%	(4.93)%	38.77%	(5.38)%	31.06%	79.09%
<b>Ratios and supplemental data</b>						
Net assets, applicable to Common Shares, end of period (thousands)	\$1,185,733	\$1,053,535	\$1,104,997	\$949,576	\$1,000,238	\$875,448
Ratios to average net assets applicable to Common Shares of:						
Net expenses, after fee waiver +	1.11% <sup>(3)</sup>	1.06% <sup>(4)</sup>	0.99%	1.03%	0.94%	1.14%
Net expenses, before fee waiver +	1.11% <sup>(3)</sup>	1.07% <sup>(4)</sup>	1.05%	1.14%	1.11%	1.38%
Net expenses, after the fee waiver excluding interest on line of credit +	1.06% <sup>(3)</sup>	1.04% <sup>(4)</sup>	0.98%	0.97%	0.90%	1.12%
Net expenses, before the fee waiver excluding interest on line of credit +	1.06% <sup>(3)</sup>	1.04% <sup>(4)</sup>	1.04%	1.09%	1.07%	1.35%
Net investment income, after	4.97% <sup>(3)</sup>	3.43%	3.68%	3.98%	4.60%	6.75%

preferred share dividends						
Preferred share dividends	N/A	N/A	N/A	N/A	N/A	0.04%
Net investment income, before preferred share dividends +	4.97% <sup>(3)</sup>	3.43%	3.68%	3.98%	4.60%	6.79%
Portfolio turnover rate	14.04%	11.38%	14.42%	1.53%	12.91%	28.04%

(1) Based on average shares outstanding.

(2) Total investment return does not reflect brokerage commissions. A return calculated for a period of less than one year is not annualized. Dividends and distributions are assumed to be reinvested at the prices obtained under the Trust's Dividend Reinvestment Plan. Net Asset Value ( NAV ) total return is calculated assuming reinvestment of distributions at NAV on the date of the distribution.

(3) Annualized.

(4) Effective February 28, 2013, the investment management fee waiver agreement expired.

+ Does not reflect the effects of dividends to Preferred Shareholders.

*See notes to financial statements.*

## **Table of Contents**

Notes to Financial Statements (unaudited)

### **1. Fund Organization**

CBRE Clarion Global Real Estate Income Fund (the Trust) is a diversified, closed-end management investment company that was organized as a Delaware statutory trust on November 6, 2003 under the Investment Company Act of 1940, as amended. CBRE Clarion Securities LLC (the Advisor) is the Trust's investment advisor. The Advisor is a majority-owned subsidiary of CBRE Group, Inc. and is partially owned by its senior management team. The Trust commenced operations on February 18, 2004.

### **2. Significant Accounting Policies**

The following accounting policies are in accordance with U.S. general accepted accounting principles (GAAP) and are consistently followed by the Trust.

**Securities Valuation** The net asset value of the common shares of the Trust will be computed based upon the value of the Trust's portfolio securities and other assets. The Trust calculates net asset value per common share by subtracting the Trust's liabilities (including accrued expenses, dividends payable and any borrowings of the Trust) and the liquidation value of any outstanding preferred shares from the Trust's total assets (the value of the securities the Trust holds, plus cash and/or other assets, including interest accrued but not yet received) and dividing the result by the total number of common shares of the Trust outstanding. Net asset value per common share will be determined as of the close of the regular trading session (usually 4:00 p.m., EST) on the New York Stock Exchange (NYSE) on each business day on which the NYSE is open for trading.

For purposes of determining the net asset value of the Trust, readily marketable portfolio assets traded principally on an exchange, or on a similar regulated market reporting contemporaneous transaction prices, are valued, except as indicated below, at the last sale price for such assets on such principal markets on the business day on which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices on such day. Foreign securities are valued based upon quotations from the primary market in which they are traded and are translated from the local currency into U.S. dollars using current exchange rates. Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Trust's Board of Trustees (the Board).

Short-term securities which mature in more than 60 days are valued at current market quotations. Short-term securities, which mature in 60 days or less, are valued at amortized cost, which approximates market value.

GAAP provides guidance on fair value measurements. In accordance with the standard, fair value is defined as the price that the Trust would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. It establishes a single definition of fair value, creates a three-tier hierarchy as a framework for measuring fair value based on inputs used to value the Trust's investments, and requires additional disclosure about fair value. The hierarchy of inputs is summarized below:

Level 1 unadjusted quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Trust's own assumptions in determining the fair value of investments)

For Level 1 inputs, the Trust uses unadjusted quoted prices in active markets for assets or liabilities with sufficient frequency and volume to provide pricing information as the most reliable evidence of fair value.

The Trust's Level 2 valuation techniques include inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 observable inputs may include quoted prices for similar assets and liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active in which there are few transactions, the prices are not current, or price quotations vary substantially over time or among market participants. Inputs that are observable for the asset or liability in Level 2 include such factors as interest rates, yield curves, prepayment speeds, credit risk, and default rates for similar liabilities.

For Level 3 valuation techniques, the Trust uses unobservable inputs that reflect assumptions market participants would be expected to use in pricing the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available and are developed based on the best information available under the circumstances. In

## 14 CBRE CLARION GLOBAL REAL ESTATE INCOME FUND

**Table of Contents**

## Notes to Financial Statements continued

developing unobservable inputs, market participant assumptions are used if they are reasonably available without undue cost and effort.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used as of June 30, 2014 in valuing the Trust's investments carried at fair value:

	Level 1	Level 2	Level 3	Total
<b>Investments in Real Estate</b>				
<b>Securities</b>				
<b>Common Stocks</b>				
Australia	\$ 105,682,338	\$	\$	\$ 105,682,338
Canada	107,793,790			107,793,790
France	87,084,324			87,084,324
Germany	13,591,001			13,591,001
Hong Kong	47,955,525			47,955,525
Japan	81,709,246			81,709,246
Mexico	12,833,802			12,833,802
Netherlands	53,881,532			53,881,532
New Zealand	8,359,534			8,359,534
Singapore	52,556,499			52,556,499
United Kingdom	91,475,100			91,475,100
United States	523,500,780			523,500,780
<b>Total Common Stocks</b>	1,186,423,471			1,186,423,471
<b>Preferred Stocks</b>				
United States	100,407,630	13,040,580		113,448,210
<b>Total Investments in Real Estate</b>				
<b>Securities</b>	\$ 1,286,831,101	\$ 13,040,580	\$	\$ 1,299,871,681

The primary third party pricing vendor for the Trust's listed preferred stock investments is FT Interactive Data (IDC). When available, the Trust will obtain a closing exchange price to value the preferred stock investments and, in such instances, the investment will be classified as Level 1 since an unadjusted quoted price was utilized. When a closing price is not available for the listed preferred stock investments, IDC will produce an evaluated mean price (midpoint between the bid and the ask evaluation) and such investments will be classified as Level 2 since other observable inputs were used in the valuation. Factors used in the IDC evaluation include trading activity, the presence of a two-sided market, and other relevant market data.

The Trust's policy is to recognize transfers in and transfers out at the fair value as of the beginning of the period. The

portfolio may hold securities which are periodically fair valued in accordance with the Trust's fair value procedures. This may result in movements between Levels 1, 2 and 3 throughout the period. The fair value of Level 2 and Level 1 investments at

December 31, 2013 was \$0 and \$1,125,342,372, respectively. \$12,552,277 was transferred out of Level 1 into Level 2 during the period ended June 30, 2014 as a result of exchange closing prices not being available. Pursuant to the Trust's fair value procedures noted previously, equity securities (including exchange traded securities and open-end regulated investment companies) exchange traded derivatives (i.e. futures contracts and options) are generally categorized as Level 1 securities in the fair value hierarchy. Fixed income securities, non-exchange traded derivatives and money market instruments are generally categorized as Level 2 securities in the fair value hierarchy. Investments for which there are no such quotations, or for which quotations do not appear reliable, are valued at fair value as determined in accordance with procedures established by and under the general supervision of the Trustees. These valuations are typically categorized as Level 2 or Level 3 securities in the fair value hierarchy.

For the period ended June 30, 2014, there have been no significant changes to the Trust's fair valuation methodology.

**Foreign Currency Translation** The books and records of the Trust are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars on the following basis:

(i) market value of investment securities, other assets and liabilities at the current rates of exchange;

(ii) purchases and sales of investment securities, income and expenses at the rate of exchange prevailing on the respective dates of such transactions.

Although the net assets of the Trust are presented at the foreign exchange rates and market values at the close of each fiscal period, the Trust does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of long-term securities held at the end of the fiscal period. Similarly, the Trust does not isolate the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of portfolio securities sold during the fiscal period. Accordingly, realized foreign currency gains or losses will be included in the reported net realized gains or losses on investment transactions.

Net realized gains or losses on foreign currency transactions represent net foreign exchange gains or losses from the holding of foreign currencies, currency gains or losses realized between the trade date and settlement date on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Trust's books and the U.S. dollar equivalent amounts actually received or

**Table of Contents**

Notes to Financial Statements continued

paid. Net unrealized currency gains or losses from valuing foreign currency denominated assets or liabilities (other than investments) at period end exchange rates are reflected as a component of net unrealized appreciation or depreciation on investments and foreign currencies.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin as a result of, among other factors, the possibility of political or economic instability, or the level of governmental supervision and regulation of foreign securities markets.

**Forward Exchange Currency Contracts** The Trust may enter into forward exchange currency contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to hedge certain Trust purchase and sales commitments denominated in foreign currencies and for investment purposes. A forward exchange currency contract is a commitment to purchase or sell a foreign currency on a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts would be included in net realized gain or loss on foreign currency transactions.

Fluctuations in the value of open forward exchange currency contracts are recorded for financial reporting purposes as unrealized appreciation and depreciation by the Trust.

The Trust's custodian will place and maintain cash not available for investment or other liquid assets in a separate account of the Trust having a value at least equal to the aggregate amount of the Trust's commitments under forward exchange currency contracts entered into with respect to position hedges.

Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The face or contract amount, in U.S. dollars, reflects the total exposure the Trust has in that particular currency contract. As of June 30, 2014, the Trust did not hold any forward exchange currency contracts.

**Options** The Fund may purchase or sell (write) options on securities and securities indices which are listed on a national securities exchange or in the over-the-counter (OTC) market as a means of achieving additional return or of hedging the value of the Trust's portfolio.

An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise

or strike price. The writer of an option on a security has an obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price (in the case of a call) or to pay the exercise price upon delivery of the underlying security (in the case of a put).

There are several risks associated with transactions in options on securities. As the writer of a covered call option, the Trust forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call but has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fill its obligation as writer of the option. Once an option writer has received an exercise notice, it cannot

effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price. As of June 30, 2014, the Trust did not hold any option contracts.

**Securities Transactions and Investment Income** Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the basis of identified cost. Dividend income is recorded on the ex-dividend date. Distributions received from investments in REITs are recorded as dividend income on ex-dividend date, subject to reclassification upon notice of the character of such distributions by the issuer. The portion of dividend attributable to the return of capital is recorded against the cost basis of the security. Withholding taxes on foreign dividends are recorded net of reclaimable amounts, at the time the related income is earned. Non-cash dividends included in dividend income, if any, are recorded at the fair market value of the securities received. Interest income, including accretion of original issue discount, where applicable, and accretion of discount on short-term investments, is recorded on the accrual basis. Realized gains and losses from securities transactions are recorded on the basis of identified cost.

**Dividends and Distributions to Shareholders** Dividends from net investment income, if any, are declared and paid on a monthly basis. Income dividends and capital gain distributions to common shareholders are recorded on the ex-dividend date. To the extent the Trust's net realized capital gains, if any, can be offset by capital loss carryforwards, it is the policy of the Trust not to distribute such gains.

On August 5, 2008, the Trust acting in accordance with an exemptive order received from the Securities and Exchange Commission and with approval of the Board, adopted a managed distribution policy under which the Trust intends to



## **Table of Contents**

### Notes to Financial Statements continued

make regular monthly cash distributions to common shareholders, stated in terms of a fixed amount per common share. With this new policy the Trust can now include long-term capital gains in its distribution as frequently as twelve times a year. In practice, the Board views their approval of this policy as a potential means of further supporting the market price of the Trust through the payment of a steady and predictable level of cash distributions to shareholders.

The current monthly distribution rate is \$0.045 per share. The Trust continues to evaluate its monthly distribution policy in light of ongoing economic and market conditions and may change the amount of the monthly distributions in the future.

**Use of Estimates** The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

### **3. Concentration of Risk**

Under normal market conditions, the Trust's investments will be concentrated in income-producing common equity securities, preferred securities, convertible securities and non-convertible debt securities issued by companies deriving the majority of their revenue from the ownership, construction, financing, management and/or sale of commercial, industrial, and/or residential real estate. Values of the securities of such companies may fluctuate due to economic, legal, cultural, geopolitical or technological developments affecting various global real estate industries.

### **4. Investment Management Agreement and Other Agreements**

Pursuant to an investment management agreement between the Advisor and the Trust, the Advisor is responsible for the daily management of the Trust's portfolio of investments, which includes buying and selling securities for the Trust, as well as investment research. The Trust pays for investment advisory services and facilities through a fee payable monthly in arrears at an annual rate equal to 0.85% of the average daily value of the Trust's managed assets plus certain direct and allocated expenses of the Advisor incurred on the Trust's behalf. The Advisor agreed to waive a portion of its management fee in the amount of 0.25% of the average daily values of the Trust's managed assets for the first five years of the Trust's operations (through February, 2009), and for a declining amount for an additional four years (through February, 2013). During the period ended June 30, 2014, the Trust incurred management fees of \$4,954,031.

The Trust has multiple service agreements with The Bank of New York Mellon (BNYM). Under the servicing agreements, BNYM will perform custodial, fund accounting, certain administrative services, and transfer agency services for the Trust. As custodian, BNYM is responsible for the custody of the Trust's assets. As administrator, BNYM is responsible for maintaining the books and records of the Trust's securities and cash. As transfer agent, BNYM is responsible for performing transfer agency services for the Trust.

## 5. Portfolio Securities

For the period ended June 30, 2014, there were purchases and sales transactions (excluding short-term securities and options) of \$207,556,268 and \$169,397,725, respectively.

## 6. Federal Income Taxes

The Trust intends to elect to be, and qualify for treatment as, a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code). A regulated investment company generally pays no federal income tax on the income and gains that it distributes. The Trust intends to meet the calendar year distribution requirements imposed by the Code to avoid the imposition of a 4% excise tax.

The Trust is required to evaluate tax positions taken or expected to be taken in the course of preparing the Trust's tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Trust as tax expense in the Statement of Operations if the tax positions were deemed to not meet the more-likely-than-not threshold. For the period ended June 30, 2014, the Trust did not incur any income tax, interest, or penalties. As of June 30, 2014, the Advisor has reviewed all open tax years and concluded that there was no impact to the Trust's net assets or results of operations. Tax years ended December 31, 2010, through December 31, 2013, remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Advisor will monitor its tax positions to determine if adjustments to this conclusion are necessary.

The Trust distinguishes between dividends on a tax basis and on a financial reporting basis and only distributions in excess of tax basis earnings and profits are reported in the financial statements as a tax return of capital. Differences in the recognition or classification of income between the financial statements and tax earnings and profits which result in temporary over-distributions for financial statement purposes are classified as distributions in excess of net investment income or accumulated net realized losses in the components of net assets on the Statement of Assets and Liabilities.

**Table of Contents**

## Notes to Financial Statements concluded

In order to present paid-in capital in excess of par and accumulated net realized gains or losses on the Statement of Assets and Liabilities that more closely represent their tax character, certain adjustments have been made to additional paid-in capital, undistributed net investment income and accumulated net realized gains or losses on investments. For the year ended December 31, 2013, the adjustments were to decrease additional paid-in capital by \$15,479,007, decrease accumulated net realized loss on investments by \$3,567,625, and decrease distributions in excess of net investment income by \$11,911,382 due to the difference in the treatment for book and tax purposes of certain investments. Results of operations and net assets were not affected by these reclassifications.

At December 31, 2013, the Trust had capital loss carryforwards which will reduce the Trust's taxable income arising from future net realized gain on investments, if any, to the extent permitted by the code and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve the Trust of any liability for federal income tax. Pursuant to the code, such capital loss carryforwards, if unused, will expire, \$11,888,920, \$319,860,163 and \$26,711,743 in 2016, 2017 and 2018, respectively.

The Regulated Investment Company Modernization Act of 2010 (the Act) eliminated the eight-year carryover period for capital losses that arise in taxable years beginning after its enactment date of December 22, 2010. Consequently, these capital losses can be carried forward for an unlimited period. However, capital losses with an expiration period may not be used to offset capital gains until all net capital losses without an expiration date have been utilized. Additionally, post-enactment capital loss carryovers will retain their character as either short-term or long-term capital losses instead of as short-term capital losses as under prior law. The Trust does not have capital losses with no expiration.

The final determination of the source of the 2014 distributions for tax purposes will be made after the end of the Trust's fiscal year and will be reported to shareholders in February 2015 on the Form 1099-DIV.

For the year ended December 31, 2013, the tax character of distributions paid, as reflected in the Statements of Changes in Net Assets, was \$44,911,599 of ordinary income and \$18,047,268 of return of capital.

Information on the tax components of net assets as of June 30, 2014 is as follows:

<b>Cost of Investments</b>	<b>Gross Unrealized Appreciation</b>	<b>Gross Unrealized Depreciation</b>	<b>Net Unrealized Appreciation on Investments</b>
\$1,023,027,891	\$295,397,342	\$(18,553,552)	\$ 276,843,790

**7. Borrowings**

The Trust has access to a secured line of credit up to \$300,000,000 from BNYM for borrowing purposes. Borrowings under this arrangement bear interest at the Federal funds rate plus 75 basis points. At June 30, 2014, there were borrowings in the amount of \$105,282,700 on the Trust's line of credit.

The average daily amount of borrowings during the period ended June 30, 2014 was \$63,566,727 with a related weighted average interest rate of 0.83%. The maximum amount outstanding for the period ended June 30, 2014, was

\$105,282,700. The Trust had borrowings under the line of credit for 181 days during 2014.

#### **8. Capital**

During 2014, the Trust issued 101,000,000 shares of common stock at \$15.00. In connection with the Trust's DRIP plan, the Trust issued no common shares for the period ended June 30, 2014 and the year ended December 31, 2013, respectively. At June 30, 2014, the Trust had outstanding common shares of 116,590,494 with a par value of \$0.001 per share. The Advisor owned 12,741 shares of the common shares outstanding as of June 30, 2014.

At June 30, 2014, the Trust had no shares of auction rate preferred securities outstanding.

#### **9. Indemnifications**

The Trust enters into contracts that contain a variety of indemnifications. The Trust's exposure under these arrangements is unknown. However, the Trust has not had prior claims or losses or current claims or losses pursuant to these contracts.

#### **10. Subsequent Events**

Events or transactions that occur after the balance sheet date but before the financial statements are issued are categorized as recognized or non-recognized for financial statement purposes. Since June 30, 2014, the Trust paid a dividend on July 31, 2014 of \$0.045 per share for the month of July 2014. No other notable events have occurred between year-end and the issuance of these financial statements.

**Table of Contents**

Supplemental Information (unaudited)

**Trustees**

The Trustees of the CBRE Clarion Global Real Estate Income Fund and their principal occupations during the past five years:

<b>Name, Address and Age</b>	<b>Term of Office and Length of Time Served <sup>(1)</sup></b>	<b>Title</b>	<b>Principal Occupations During The Past Five Years</b>	<b>Number of Portfolios in the Fund Complex Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
T. Ritson Ferguson* 201 King of Prussia Road, Suite 600 Radnor, PA 19087 Age: 54	3 years/ since inception	Trustee, President and Chief Executive Officer	Chief Executive Officer and Co-Chief Investment Officer of CBRE Clarion Securities LLC	1	
Asuka Nakahara** 201 King of Prussia Road, Suite 600 Radnor, PA 19087 Age: 58	3 years/ since inception	Trustee	Associate Director of the Zell-Lurie Real Estate Center at the Wharton School, University of Pennsylvania (since 1999); Lecturer of Real Estate at the Wharton School, University of Pennsylvania (since 1999); Partner of Triton Atlantic Partners (since 2009).	1	
Frederick S. Hammer 201 King of Prussia Road, Suite 600	3 years/ since inception	Trustee	Co-Chairman of Inter-Atlantic Group (since 1994) and a member of its investment committee.	1	Serves on the Boards of Universal Business Payment Solutions Corp. (since 2011); Inter-Atlantic Financial, Inc.

Radnor, PA  
19087

Age: 78

(2007 - 2011);  
E-Duction, Inc.  
(2005 - 2008),  
Avalon Insurance  
Holdings, Inc.  
(2006 - 2009) and  
Homeowners  
Insurance Corp.  
(since 2006);  
Director of US  
Fiduciary Corp.  
(2006 - 2009);  
Chairman of the  
Board of Annuity  
and Life Re  
(Holdings), Ltd.  
(1998 - 2005).  
Board of Directors  
of Investors in  
Global Real Estate  
Ltd. (since 2006).

Richard L. Sutton 3 years/  
since inception

Trustee

Partner, Morris, Nichols, 1  
Arsht & Tunnel  
(1966 - 2000).

201 King of  
Prussia Road,  
Suite 600

Radnor, PA  
19087

Age: 79

**Table of Contents**

Supplemental Information (unaudited) continued

<b>Name, Address and Age</b>	<b>Term of Office and Length of Time Served <sup>(1)</sup></b>	<b>Title</b>	<b>Principal Occupations During The Past Five Years</b>	<b>Number of Portfolios in the Fund Complex Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
<b>Trustees:</b> John Bartholdson	3 years/ 9 years	Trustee/Audit Committee	Senior Vice President, CFO and Treasurer, and a Director of Triumph Group, Inc. (1993 - 2007).	1	Trustee of Berwyn Cornerstone Fund, Berwyn Income Fund, and Berwyn Fund (since 2013). Board of Old Mutual Advisor Funds, Old Mutual Funds II and Old Mutual Insurance Series Fund (2004 - 2012), and Old Mutual Funds III (2008 - 2009).
201 King of Prussia Road, Suite 600  Radnor, PA 19087  Age: 69		Financial Expert			

(1) After a Trustee's initial term, each Trustee is expected to serve a three-year term concurrent with the class of Trustees for which he serves. Messrs. Ferguson and Hammer, as Class I Trustees, are expected to stand for re-election at the Trust's 2014 annual meeting of shareholders; Mr. Nakahara, as Class II Trustee, is expected to stand for re-election at the Trust's 2015 annual meeting of shareholders; Messrs. Sutton and Bartholdson, as Class III Trustees, are expected to stand for re-election at the Trust's 2013 annual meeting of shareholders.

\* Mr. Ferguson is deemed to be an interested person of the Trust as defined in the Investment Company Act of 1940 (the "1940 ACT"), as amended, due to his position with the Advisor.

\*\* Mr. Nakahara owned 5,000 shares of CB Richard Ellis Group, Inc. ("CB Richard Ellis"), of which the advisor is an indirect majority-owned subsidiary, as of July 1, 2011, the date CB Richard Ellis acquired the advisor, and through September 2, 2011, technically making him an interested person of the Trust (as defined in the 1940 Act) during that period. Mr. Nakahara purchased the shares several years ago. Mr. Nakahara no longer owns those shares and is an independent Trustee of the Trust.

**Table of Contents**

Supplemental Information (unaudited) continued

**Officers**

The Officers of the CBRE Clarion Global Real Estate Income Fund and their principal occupations during the past five years:

<b>Name, Address, Age and Position(s) Held with Registrant Officers:</b>	<b>Length of Time Served</b>	<b>Principal Occupations During the Past Five Years and Other Affiliations</b>
Jonathan A. Blome  201 King of Prussia Road, Suite 600  Radnor, PA 19087  Age: 37	since 2006	Chief Financial Officer and Director of Operations of CBRE Clarion Securities LLC (since 2011); Director and Head of Operations of CBRE Clarion Securities LLC (since 2010); Senior Vice President of CBRE Clarion Securities LLC (2005 - 2010).
Chief Financial Officer William E. Zitelli  201 King of Prussia Road, Suite 600  Radnor, PA 19087  Age: 46	since 2007	General Counsel of CBRE Clarion Securities LLC (since 2007), Chief Compliance Officer of CBRE Clarion Securities LLC (2007 - 2010).
Chief Compliance Officer and Secretary		

SEMI-ANNUAL REPORT 2014 21



## **Table of Contents**

Supplemental Information (unaudited) concluded

### **Additional Information**

Statement of Additional Information includes additional information regarding the Trustees. This information is available upon request, without charge, by calling the following toll-free telephone number: 1-888-711-4272.

The Trust has delegated the voting of the Trust's voting securities to the Trust's advisor pursuant to the proxy voting policies and procedures of the advisor. You may obtain a copy of these policies and procedures by calling 1-888-711-4272. The policies may also be found on the website of the Securities and Exchange Commission (<http://www.sec.gov>).

Information regarding how the Trust voted proxies for portfolio securities, if applicable, during the most recent 12-month period ended June 30, is also available, without charge and upon request by calling the Trust at 1-888-711-4272 or by accessing the Trust's Form N-PX on the Commission's website at <http://www.sec.gov>.

The Trust files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Qs are available on the SEC website at <http://www.sec.gov>. The Trust's Form N-Qs may also be viewed and copied at the Commission's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

### **Dividend Reinvestment Plan (unaudited)**

Pursuant to the Trust's Dividend Reinvestment Plan (the Plan), shareholders of the Trust are automatically enrolled, to have all distributions of dividends and capital gains reinvested by The Bank of New York Mellon (the Plan Agent) in the Trust's shares pursuant to the Plan. You may elect not to participate in the Plan and to receive all dividends in cash by sending written instructions or by contacting The Bank of New York Mellon, as dividend disbursing agent, at the address set forth below. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by contacting the Plan Agent before the dividend record date; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution. Shareholders who do not participate in the Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street or other nominee name, then to the nominee) by the Plan Agent, which serves as agent for the shareholders in administering the Plan.

After the Trust declares a dividend or determines to make a capital gain distribution, the Plan Agent will acquire shares for the participants' account, depending upon the circumstances described below, either (i) through receipt of unissued but authorized shares from the Trust (newly issued shares) or (ii) by open market purchases. If, on the dividend payment date, the NAV is equal to or less than the market price per share plus estimated brokerage commissions (such condition being referred to herein as market premium), the Plan Agent will invest the dividend amount in newly issued shares on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the NAV on the date the shares are issued. However, if the NAV is less than 95% of the market price on the payment date, the dollar amount of the dividend will be divided by 95% of the market price on the payment date. If, on the dividend payment date, the NAV is greater than the market value per share plus estimated brokerage commissions (such condition being referred to herein as market discount), the Plan Agent will invest the dividend amount in shares acquired on behalf of the

participants in open-market purchases.

The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by the Trust. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any Federal income tax that may be payable on such dividends or distributions.

The Trust reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Trust reserves the right to amend the Plan to include a service charge payable by the participants. Participants that request a sale of shares through the Plan Agent are subject to a \$2.50 sales fee and a \$0.15 per share sold brokerage commission. All correspondence concerning the Plan should be directed to the Plan Agent at Computershare Shareowner Services LLC, P.O. Box 30170 College Station, TX 77842-3170, Phone Number: (866) 221-1580.

## 22 CBRE CLARION GLOBAL REAL ESTATE INCOME FUND

**Table of Contents**

**CBRE CLARION GLOBAL REAL ESTATE INCOME FUND**

**BOARD OF TRUSTEES**

T. RITSON FERGUSON

ASUKA NAKAHARA

FREDERICK S. HAMMER

RICHARD L. SUTTON

JOHN R. BARTHOLDSON

**OFFICERS**

T. RITSON FERGUSON

*PRESIDENT AND*

*CHIEF EXECUTIVE OFFICER*

JONATHAN A. BLOME

*CHIEF FINANCIAL OFFICER*

WILLIAM E. ZITELLI

*CHIEF COMPLIANCE OFFICER*

*AND SECRETARY*

**INVESTMENT ADVISOR**

CBRE CLARION SECURITIES LLC

201 KING OF PRUSSIA ROAD, SUITE 600

RADNOR, PA 19087

888-711-4272

**ADMINISTRATOR AND CUSTODIAN**

THE BANK OF NEW YORK MELLON

NEW YORK, NEW YORK

TRANSFER AGENT

COMPUTERSHARE

COLLEGE STATION, TEXAS

LEGAL COUNSEL

BINGHAM McCUTCHEN LLP

WASHINGTON, DC

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

ERNST & YOUNG LLP

PHILADELPHIA, PENNSYLVANIA

**Table of Contents**

**Item 2. Code of Ethics.**

Not applicable for semi-annual reporting period.

**Item 3. Audit Committee Financial Expert.**

Not applicable for semi-annual reporting period.

**Item 4. Principal Accountant Fees and Services.**

Not applicable for semi-annual reporting period.

**Item 5. Audit Committee of Listed Registrants.**

Not applicable for semi-annual reporting period.

**Item 6. Investments.**

(a) The schedule of investments is included as part of the report to shareholders filed under Item 1 of this form.

(b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Not applicable for semi-annual reporting period.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

There has been no change, as of the date of this filing, in any of the portfolio managers identified in response to paragraph (a)(1) of this Item in the registrant's most recently filed annual report on Form N-CSR.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

None.

**Table of Contents**

**Item 10. Submission of Matters to a Vote of Security Holders.**

Not applicable.

**Item 11. Controls and Procedures.**

- (a) The Trust's principal executive officer and principal financial officer have evaluated the Trust's disclosure controls and procedures within 90 days of this filing and have concluded that the Trust's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the Trust in this Form N-CSR was recorded, processed, summarized, and reported timely.
- (b) The Trust's principal executive officer and principal financial officer are aware of no changes in the Trust's internal control over financial reporting that occurred during the Trust's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Trust's internal control over financial reporting.

**Item 12. Exhibits.**

- (a)(1) Not applicable.
- (a)(2) Certification of chief executive officer and chief financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- (a)(3) Not applicable.
- (b) Certification of chief executive officer and chief financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (c) Notices to Trust's common shareholders in accordance with Investment Company Act Section 19(a) and Rule 19a-1.<sup>1</sup>

<sup>1</sup> The Trust has received exemptive relief from the Securities and Exchange Commission permitting it to make periodic distributions of long-term capital gains with respect to its outstanding common stock as frequently as twelve

times each year. This relief is conditioned, in part, on an undertaking by the Trust to make the disclosures to the holders of the Trust's common shares, in addition to the information required by Section 19(a) of the Investment Company Act and Rule 19a-1 thereunder. The Trust is likewise obligated to file with the Commission the information contained in any such notice to shareholders and, in that regard, has attached hereto copies of each such notice made during the period.

---

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant) CBRE Clarion Global Real Estate Income Fund

By (Signature and Title)\* /s/ T. Ritson Ferguson

T. Ritson Ferguson  
President and Chief Executive Officer

Date 8/28/2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ T. Ritson Ferguson

T. Ritson Ferguson  
President and Chief Executive Officer

Date 8/28/2014

By (Signature and Title)\* /s/ Jonathan A. Blome

Jonathan A. Blome  
Chief Financial Officer

Date 8/28/2014

\* Print the name and title of each signing officer under his or her signature.