Clough Global Long/Short Fund – Third Quarter 2018 Portfolio Commentary

For the third quarter of 2018, the Clough Global Long/Short Fund (the "Fund") had a total return of -1.17% for Class I, compared to 7.71% for the S&P 500 and 0.67% for the HFRI Equity Hedge Index. See total returns chart for performance for all other share classes.

For the quarter, the Fund underperformed its long/short benchmark, the HFRI Equity Hedge Index, by 184 basis points, and underperformed its long-only benchmark, the S&P 500 Index, by 888 basis points. The Fund carried an average long exposure of 86%, and an average short exposure of 21% for the quarter, which resulted in an average net investment level for the Fund of approximately 65%.

The Fund finished Q3 in the bottom quartile of its Morningstar Long/Short Equity category, although it remained in the top quartile of its Morningstar category on both a year-to-date ("YTD") and one-year trailing basis.

During the quarter, the long book contributed 77 basis points to returns while the short book detracted 156 basis points from returns. On a YTD basis, the long book contributed 665 bps to performance while the short book detracted 76 basis points.

By region, the portfolio had meaningful gains from the U.S. offset by losses in emerging markets (primarily India and China). By sector, the greatest contributions to returns were from Healthcare and Information Technology. Consumer Discretionary, Financials, and Consumer Staples were the sectors that most negatively impacted performance in the quarter.

The following is a summary of the key themes currently expressed in the Fund:

Consumer Dynamism in Asia

The Fund's average exposure to emerging markets (primarily China and India) during the quarter was 17%, which detracted 306 basis points from performance. With the MSCI India Index and MSCI China Index down 2.39% and down 7.76% respectively, emerging market exposure presented a clear headwind, especially relative to the Fund's more domestic-oriented benchmarks.

Headlines are dominating emerging market sentiment, often masking important underlying changes. In India, we believe the progress Prime Minister Modi and his administration have accomplished over the last four years is unprecedented, while China continues to gain market share of global consumption and gross domestic product ("GDP").

In an environment where sentiment trumps fundamentals, we have been reducing exposure to these markets. The Fund's net emerging market exposure had peaked near 26% in the first quarter of this year (on the heels of meaningful outperformance last year) but this exposure had been reduced to about 11% by the end of the third quarter. Turbulence stemming from U.S. and China trade tensions, along with the impact to India's current account balance from rising U.S. rates and higher oil prices may prove transient, but they have fed negative sentiment and thus weighed on performance.

China

After 2017's 54% rise, China's equity markets are suffering a bout of investor fatigue, but we think the secular positives still outweigh the politically-driven negatives. Consumer spending is softening, auto sales are down, the currency has declined this year, and we are constantly reminded that debt levels in the shadow banking system loom over the economy - but Asia still has strong growth, stable interest rates and very attractive valuations.

China's capital markets are maturing. There were $100 billion in securitizations in the first half of 2018, with trade credit available to mitigate trade conflict. While China's total exports are 17% of GDP (down from 35% a decade ago), net exports are closer to 7% of GDP - and 80% of these go to places other than the United States.

India

India's stock market and its currency declined in the third quarter. India imports 80% of its oil, so the rise in both oil prices and U.S. interest rates has left India quite vulnerable. Liquidity is tightening in the money markets, which threaten non-bank financial companies and raises the risk of contagion within the financial system. The triggering event was a default by a subsidiary of Infrastructure Leasing & Financial Services, which, according to Gavekal Research, owes its lenders as much as $12.5 billion. The fear is that other non-bank financials will have trouble rolling over their loans and servicing debt. The Fund's investments have been centered in high quality, well-managed and diversified financial companies that are critical to India's economy. As a broad restructuring of India's public banks takes place, these diversified financial institutions should become the go-to sources of credit.

Since the demonetization policy was implemented, the number of Indians with bank accounts has grown by approximately 50%. That gives these citizens access to legitimate credit. Not surprisingly, bank credit growth is accelerating, which suggests a further pick-up in GDP growth. Retail credit growth is running 20% higher year-over-year, and credit card growth is up 45%. Housing investment is also set to rise sharply under government plans to build 50 million houses by 2022. Affordability metrics are solid, with mortgage service costs at roughly 20% of incomes and mortgage rates near 6%.

Indians save 40% of their incomes. Much of that has been stored in gold, with the level of household gold holdings on par with the level of deposit savings. As more Indians move their personal savings from physical gold into the banking system, they increase their ability to access credit.

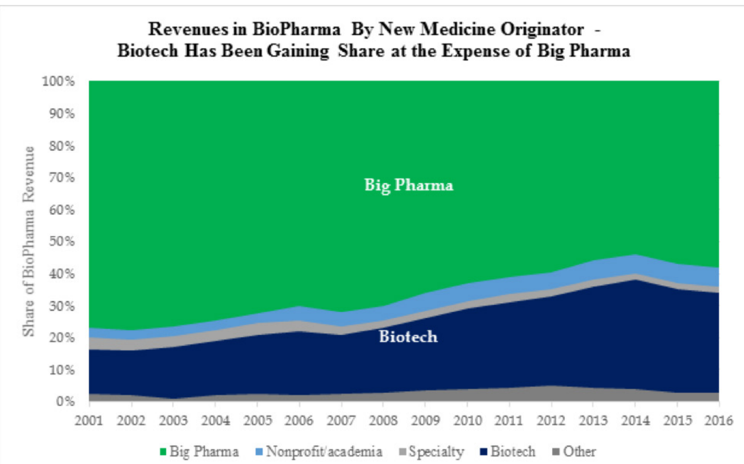
Although liquidity will remain tight, we don't think contagion will spread broadly. The central bank can inject liquidity where needed and the economy is still growing 8% annually. The rural economy is particularly strong. Once the U.S. rates peak, oil prices fall, and dollar strength reverses, we believe it is likely that money flows back into India.

Biotechnology and Pharmaceuticals

The Fund's exposure to the healthcare sector added 162 basis points to performance during the third quarter, on an average net exposure of 17% for the period. Healthcare has been the Fund's leading contributor to performance, by sector, for the YTD period.

We continue to monitor the Trump administration's actions and rhetoric on drug costs. The administration, through the Centers for Medicare and Medicaid Services and the U.S. Food and Drug Administration, remains focused on innovation within biotech and has stated its support of a high-risk / high-innovation approach. Our longer-term outlook for small and mid-cap biotech companies remains bullish. As shown in the chart below, biotech has seen its share of new medicine development increase significantly since 2001, whereas big pharma has seen its share of innovation decrease.

We believe these smaller, more prolific drug developers are likely to continue to be rewarded through premium priced mergers and acquisitions ("M&A"), as the largest companies continue to look outside their own labs for products.



Source: EvaluatePharma; Pharmaprojects; McKinsey analysis

U.S. Household Formations

The portfolio had a 13% weighting to our household formation theme during the quarter, which created a 133 basis point drag on performance.

The move higher in interest rates and related concerns about the end of the current housing cycle pressured homebuilders and home improvement retailers in the quarter. In our view, housing activity is closer to a trough than a peak. The recent slowdown will likely reverse with the first sign of economic slowing and a downtick in yields. Millennials can afford to enter the housing market but are slow to do so after a 130-basis point jump in mortgage rates and higher home prices. The trend is still toward higher income levels and growing household formations, amidst tight rental markets and a low inventory of affordable houses. Absorption of outstanding inventories should occur relatively quickly. ISI Evercore Research estimates that 7.4% of the owned housing stock has been converted to rentals. With household formations moving up rapidly (2.26 million new family formations occurred in June, the highest since 2005) the supply/demand imbalance may favor the builders and home improvement businesses for many years.

Information Technology

During the third quarter, the Fund's average net exposure to Information Technology ("IT") was 10% and contributed 88 basis points to performance. This sector is expected to continue to absorb the bulk of global capital spending and the engines of growth are artificial intelligence, social media and mobile technologies.

Much of the Fund's IT exposure is in software, where we are in the early innings of a seismic move from "on-premise" to "cloud-based" software. As disrupters like Uber Technologies, Inc. and Airbnb Inc. (not currently held in the Fund) invade industries, incumbents are being forced to ramp up software spending to compete, and the Fund owns a suite of software vendors that we believe are well-positioned to benefit.

Other areas of exposure in the portfolio related to technological innovation can be found in some of the "digital disruptors" that are taking share from legacy retailers and providers of communications content and infrastructure. We've had a longstanding preference for innovative business models led by strong management teams, and we continue to identify holdings from this arena.

Financials

The number of shares outstanding for the U.S. money center banks keep falling and U.S. banks are returning ever larger portions of profits to shareholders in the form of dividends and share repurchases. For example, JP Morgan Chase's shares outstanding dropped 5% over the past year; Citigroup's ("Citi") dropped 8%. Citi's management is particularly incentivized to grow profits: its bonus pool pays out fully if Citi earns at least $22.50 of cumulative earnings per share between 2018 and 2020. Regulators seem to be satisfied with capital levels.

Third quarter earnings of many U.S. financial companies were strong despite lower mortgage and investment banking activity, weak trading, and sluggish loan growth. Bank of America's investment banking fees fell 18%, but total revenues were up 5%, built upon strong credit card operations. Expenses were down 2% in the quarter, meaning margins are expanding.

We think Citi can potentially achieve much higher margins. Outside of its highly profitable credit card business, Citi's efficiency ratios (roughly costs as a percentage of revenues) are still high compared to peers. Management's target is to reduce them 200 basis points each year.

As scale benefits the larger players, as margins expand, and as management teams are both incentivized and enabled to return capital to shareholders, we think equity holders of some of the money-center banks are positioned to benefit.

The Short Book

For the quarter, short positions carried an average weighting of -21% in the Fund, which helped to lower overall volatility but detracted 156 basis points from returns.

We remain short several European banks. A recent sell-off in Italian bonds translated into lower bank stock prices across Europe, demonstrating the link between weak banks and weak government finances. The cost of credit is rising in response to aggressive fiscal stimulus plans. Falling bond prices weaken bank capital positions since the banks are a key source of government funding. Italian banks are particularly vulnerable. Italy's banks are hurt by rising bond yields and remain vulnerable to a $290 billion pile of nonperforming loans. Moody's recently cut Italy's credit rating to a notch above junk status, while S&P downgraded its outlook for Italy's sovereign debt.

Meanwhile, French banks have written down less than 6% of their loans and they likely remain insolvent. At least they are liquid, but the European Central Bank is gradually turning off the liquidity spigot. We think a new solvency crisis looms in Europe and what little capital Europe's banks still have is fragile. At the same time, offshore dollar liquidity is tightening as U.S. corporations bring back their overseas cash hordes. The U.S. is tightening monetary policy while loosening fiscal policy, which draws more money into the U.S. Eventually, heavy subprime borrowing in the U.S. may reverse and force deleveraging, but that dynamic does not appear to be imminent.

The Fund has also currently established short positions in certain smartphone suppliers and select semiconductor manufacturers. Both industries face stagnant to declining demand and declining margins. While the semiconductor industry has been a key enabler of a data-driven economy and has become inherently less cyclical, the current demand cycle has led to pricing and profit margin levels which are unsustainable for certain suppliers. Many suppliers have responded by building capacity, perhaps more than the demand that exists at current prices.

Technological innovation creates an array of investment opportunities on both the long and short sides. From our perspective, several legacy tech companies which generate revenues by maintaining legacy systems are in a state of decline. Their franchises, whether in hardware or software, are eroding. They may claim opportunities in the cloud, but too often they are in no position to compete with the likes of Amazon.com, Microsoft or Google (Alphabet).

Lithium mining companies are bringing online what may become excess capacity from Latin America to China. Two Chinese lithium miners are about to list shares in Hong Kong, potentially accelerating the rate of capital into this area. Yes, electronic vehicles will grow in number and the demand for lithium as a component for batteries will also grow, but probably not fast enough to use oncoming supplies at current prices. We think this supply/demand imbalance is creating short opportunities among lithium miners.

In Conclusion

Emerging market headwinds and the recent spike in Treasury yields have negatively impacted several areas of exposure for the Fund. Inflation expectations are actually falling, so we think the recent rise in bond yields may be reflecting growth in the economy and could be close to peaking.

Equities are clearly discounting a peak in the profit cycle. Residential housing and auto sales are weak and forward-looking indicators of business capital spending point to a slowdown. Global Purchasing Managers Index ("PMI") is falling, cyclicals are underperforming, and the global profit cycle is peaking. Central banks are focused on labor costs and headline consumer inflation indicators (which tend to be backward-looking) at a time when private debt is high, and a raft of high yield debt has been added to balance sheets.

As we evaluate the investment landscape with a global perspective and a long/short mandate, we see a few crosscurrents. Abundant amounts of liquidity throughout the capital markets, broad strength in the real economy and palatable valuations should provide support for equities. Yet, the market's near-term response to heightened trade tensions, a peaking profit cycle, and the onward march of the Fed tightening cycle has been to discount a wide range of equities, some meaningfully, and many beyond where fundamentals should dictate.

We believe that as rates, currencies and trade tensions stabilize, capital will again flow into compelling areas of growth. Some of those growth opportunities exist in the biotech space, in the information technology sector, amongst digital disruptors, and in the Asian emerging markets. Meanwhile, an environment like this creates compelling opportunities with the short book, which we are finding in European financials, legacy retailers, and some legacy tech companies.

Charles I. Clough, Jr.

Vincent M. Lorusso, Jr.

Total Returns (As of 9/30/2018[1,2])

	Q2 2018	YTD	1 YEAR	SINCE INCEPTION
Clough Global Long/Short Fund - I	-1.17%	4.70%	10.49%	4.28%
Clough Global Long/Short Fund - Investor (NAV)	-1.27%	4.47%	10.08%	3.95%
Clough Global Long/Short Fund - A (NAV)	-1.27%	4.47%	10.08%	3.95%
Clough Global Long/Short Fund - A (MOP)	-6.70%	-1.27%	4.00%	2.39%
Clough Global Long/Short Fund - C (NAV)	-1.46%	3.88%	9.32%	3.36%
Clough Global Long/Short Fund - C (CDSC)	-2.44%	2.88%	8.32%	3.36%
S&P 500 Index[3]	*7.71%*	*10.56%*	*17.91%*	*12.00%*
HFRI Equity Hedge (Total) Index[3]	*0.67%*	*1.85%*	*5.27%*	*5.10%*

As of the latest prospectus, the gross expense ratio for the Fund's Class INV, Class C, and Class I shares is 4.00%, 4.52%, and 3.41%, net expense ratio is 2.51%, 3.16% and 2.16% and net expense ratio excluding acquired fund fees and expenses and dividend and interest expenses on short sales is 1.95%, 2.60% and 1.60%, respectively. Clough Capital Partners L.P. (the "Adviser") has agreed contractually to limit the operating expenses of each class of the Fund (excluding Rule 12b-1 Distribution and Service Fees, Shareholder Services Fees, acquired fund fees and expenses, interest, taxes, brokerage costs and commissions, dividend and interest expense on short sales, and litigation, indemnification and extraordinary expenses as determined under generally accepted accounting principles) to an annual rate of 1.60% through February 28, 2020.

1 *The performance data quoted for periods prior to September 30, 2015 is that of an unregistered investment fund (the "Predecessor Fund") that was managed by the Adviser and was reorganized into the Fund as of the date the Fund commenced investment operations. The Predecessor Fund was not a registered mutual fund and therefore was not subject to the same investment and tax restrictions as the Fund. Performance information reflects all fees and expenses incurred by the Predecessor Fund, and has not been adjusted to reflect Fund expenses. If it had been so adjusted, the Predecessor Fund's performance might have been higher or lower for a given period depending on the amount of such expenses incurred for any given period. Performance information for Class A and Class C have been adjusted to reflect 12b-1 fees and shareholder services fees, as applicable. The Predecessor Fund commenced operations on January 2, 2015.*

2 *Total return for periods greater than one year are annualized*

3 *Sources: Hedge Fund Research, Inc., Bloomberg. The "HFRI" returns shown herein are those of the HFRI Equity Hedge (Total) Index, which is an index designed by Hedge Fund Research, Inc. to represent the performance of investment managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed by such managers to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. The S&P 500 tracks the performance of the equity securities of a representative sample of 500 U.S. based large-cap companies. The S&P 500 is an unmanaged, market-value weighted index with each stock's weight in the index proportionate to its market value. S&P 500 reflects the reinvestment of dividends. Both indices referenced herein reflect the reinvestment of dividends. It is not possible to invest directly in an index.*

The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Performance reflects the deduction of management fees and other applicable expenses. For the most current month-end performance data please call 1-855-425-6844.

Maximum Offering Price (MOP) for Class A shares includes the Fund's maximum sales charge of 5.50%. On December 1, 2017 Class A shares were renamed Investor Class shares and such shares are offered without an initial sales charge or a contingent deferred sales charge. Contingent Deferred Sales Charge (CDSC) performance for Class C shares includes a 1% CDSC on C shares redeemed within 12 months of purchase. Performance shown at Net Asset Value (NAV) does not include these sales charges and would have been lower had it been taken into account.

Investment returns and value of the Fund shares will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost.

Effective December 1, 2017, Class A shares of the Clough Global Long/Short Fund were renamed Investor Class shares and such shares will be offered without an initial sales charge or a contingent deferred sales charge. Contingent Deferred Sales Charge (CDSC) performance for Class C shares includes a 1% CDSC on C shares redeemed within 12 months of purchase. Performance shown at Net Asset Value (NAV) does not include these sales charges and would have been lower had it been taken into account.

Effective June 29, 2018, Class A shares of the Clough Global Long/Short Fund were added as a new available share class. Performance for Class A Shares prior to June 29, 2018 reflects the historical performance of the respective Fund's Investor Class Shares, calculated using the fees and expense of Class A Shares.

An investor cannot invest in an index.

Past performance is not a guarantee of future returns.

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The information in this letter represents the opinions of the Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. This letter has been prepared from original sources and data believed to be reliable. However no representations are made as to the accuracy or completeness thereof. The information set forth in this letter, including, without limitation, information relating to the investment themes and portfolio allocations of the Fund, is subject to change at any time without notice to the recipients of this letter. An investment in the Fund involves a high degree of risk and is suitable only for sophisticated investors. No guarantee or representation is made that the Funds' investment program, including, without limitation, their investment objectives, will be successful.

Risks

An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, annual report or semi-annual report which contains this and other information visit www.cloughglobal.com or call 1-855-425-6844. Read them carefully before investing.

Investing involves risks, including loss of principal. The Fund's use of derivatives (which may include forward foreign currency contracts, futures, participation notes, and swaps) may reduce the Fund's returns and/or increase the volatility of the Fund's net asset value. Foreign investing involves special risks such as currency fluctuations and political uncertainty.

S&P 500: The Standard & Poor's composite index of 500 stocks, a widely recognized, unmanaged index of common stock prices. Index performance does not reflect fund performance. An investor cannot invest directly in an index.

HFRI Equity Hedge (Total) Index (HFRI): An index designed by Hedge Fund Research, Inc. to represent the performance of investment managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed by such managers to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. The HFRI family of indices reserves the right to revise historical performance data for a period of up to four months following the as of date. The performance shown was calculated using current, available data at the time of publication, but is subject to change outside of the control of the Fund and its affiliates. An investor cannot invest directly in an index.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the Clough Global Long/Short Fund.

Clough Capital Partners L.P. is the Investment Adviser.

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