ING CLARION GLOBAL REAL ESTATE INCOME FUND
Form N-CSRS
September 04, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number 811-21465
ING Clarion Global Real Estate Income Fund
(Exact name of registrant as specified in charter)
201 King of Prussia Road
Radnor, PA 19087
(Address of principal executive offices) (Zip code)
T. Ritson Ferguson, President and Chief Executive Officer
ING Clarion Global Real Estate Income Fund
201 King of Prussia Road
Radnor, PA 19087
(Name and address of agent for service)
Registrant s telephone number, including area code: 1-888-711-4272
Date of fiscal year end: December 31
Date of reporting period: June 30, 2008

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

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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Item 1. Report(s) to Stockholders.

The Trust s semi-annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is as follows:

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On August 5, 2008, ING Clarion Global Real Estate Income Fund (the Fund), acting in accordance with an exemptive order received from the Securities and Exchange Commission (SEC) and with approval of its Board of Trustees, has adopted a managed distribution policy under which the Fund intends to make regular monthly cash distributions to common shareholders, stated in terms of a fixed amount per common share. Currently, the fixed amount per common share is $0.115 monthly. The Board of Trustees views their approval of this policy as a potential means of further supporting the market price of the Fund through the payment of a steady and predictable level of cash distributions to shareholders.

Shareholders should note that the Fund s total regular distribution amount is subject to change as a result of many factors. The Fund 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 Fund invests, which in turn could result in the Fund not achieving its investment or distribution objectives thereby jeopardizing the continuance of the existing distribution level. Please refer to the prospectus for a fuller description of the Fund s risks. The Board of Trustees may amend or terminate the managed distribution policy without prior notice to Fund shareholders.

The Fund s distribution policy will be established and amended by the Board of Trustees at regular intervals with consideration of the level of investment income and realized gains. The Board of Trustees strives to establish a level regular distribution that will meet the Fund s requirement to pay out all income and realized gains with a minimum of special distributions. The Fund s total return in relation to changes in Net Asset Value is presented in the financial highlights table. Shareholders should not draw any conclusions about the Fund s investment performance from the amount of the current distribution or from the terms of the Fund s managed distribution policy.

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ING Clarion Global Real Estate Income Fund
Letter to **Shareholders ï**

Dear Shareholder:

We are pleased to deliver the 2008 semi-annual report for the ING Clarion Global Real Estate Income Fund (the Fund).

Performance Review

Global real estate stocks continued their sell-off which began last year, falling in four of the first six months of 2008 including an 11.7% decline in June. The ING Clarion Global Real Estate Income Fund (Fund) was down for the same period. The Net Asset Value (NAV) return for the first half of 2008 was 16.2%, driven largely by a 14.4% decline in June. The Fund s market return (i.e., share price appreciation plus dividends received) was actually up +0.5% for the same period because the fund s share price rose from a 17% discount to NAV at the end of last year to a 3% premium to NAV at June 30th. The closing price of the Fund on June 30th was $13.27 per share versus an NAV per share of $12.93. During the first six months of 2008 the S&P/Citigroup World Property Index (S&PWPI)[(1)] declined 14.2% and the Morgan Stanley REIT Preferred Index (MSRPI)[(2)] rose 6.2%. A blended benchmark of 80% S&PWPI and 20% MSRPI fell 10.3% in the first six months of 2008. The average return on our portfolio s gross investments was 10.2% which was very slightly better than the 10.3% return of the blended benchmark. Our common stock positions, which comprised about 87% of the portfolio thus far in 2008, fell an average of 11.6% which was considerably better than the 14.2% return on the S&PWPI. The average 4.0% gain on our preferred stock positions, however, trailed the MSRPI return for the first half. The difference between the Fund s gross portfolio return of 10.2% and the 16.2% NAV return is due entirely to leverage. Despite our reduction of the Fund s gross leverage by $200 million during the second quarter (as described below), the remaining leverage was still sufficient to magnify the effects of price declines on the NAV per share of the Fund.

Turnover in the Fund was relatively limited in the first six months, but we did realize some substantial net gains in the course of repositioning the portfolio during some of the market volatility and as we eliminated positions in companies with weak balance sheets or material risk of negative news.

The Fund paid total dividends of $0.69 per share for the first 6 months of 2008 consisting of six regular monthly dividends of $0.115 per share. The annualized dividend of $1.38 per share represents a 10.4% yield on share price and a 10.7% yield on NAV. The board has continued to review the sustainability of our regular monthly dividend in light of the substantial dividends that have been paid out over the last two years and the difficult market environment. Based on income and realized gains to date, the board has thus far seen fit to maintain the monthly dividend at the same level rate. In July, we were notified by the SEC that we received approval of our long-pending application for exemptive relief to allow us to implement a managed dividend policy. This will allow the board more flexibility when establishing dividend policy and provides the ability to spread realized gains over more than one annual distribution.

Portfolio Review

The Fund s investments remain well-diversified by property type and geography as shown in the pie charts below. After some fairly significant changes last year, the geographic mix of the portfolio has been fairly stable during the past 12 months. At June 30th, the Fund s portfolio was 45% in the North America, 25% in Europe, 17% in Asia-Pacific, with 13% in preferred stock of real estate companies. Retail is the largest property type represented in the portfolio at 29%. Retail properties have historically shown more stable cash flows during economic slow-downs than other commercial property types.

In April, the Fund completed a partial retirement of $200 million (or 22%) of the outstanding preferred stock. At the end of the second quarter the Fund s total leverage stood at 35% consisting entirely of $710 million of remaining adjustable rate preferred stock. We have a swap agreement in place which has fixed the interest rate at 4.3% on $200 million (28% of the leverage), for the remaining term on the swap until July of 2009. We continue to explore possible alternatives for refinancing more or all of the adjustable rate preferred stock but have thus far been unable to find a viable solution in this difficult credit market environment. We are pursuing solutions that provide liquidity for the preferred shareholders on terms that are advantageous to the Fund s continuing stakeholders.

(1) The S&P/Citigroup World Property Index is an unmanaged market-weighted total return index which consists of over 350 real estate companies from 18 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 Morgan Stanley REIT Preferred Index is a preferred stock market capitalization weighted index of all exchange traded preferred securities of equity REITS.

Market Commentary

Real estate stocks experienced one of their worst months in history falling almost 12% in June. It was a difficult month for stocks in general as the broader world equity markets declined 8%. Equity markets, including property companies, were hard hit as investors have become increasingly nervous about the economy and inflation. For the quarter, property companies had a negative total return of nearly 9% as positive total returns generated early in the quarter in many countries were more than offset by retreating equity markets late in the quarter. North American property companies have been the best performers for the quarter and year-to-date. Property stocks in the Asia-Pacific region have been the worst performers year-to-date, though their declines in the second quarter were less than the property stocks of Europe. European property companies were hard hit during the quarter, particularly in the U.K. where investors remain wary of the eventual impact of slowing economic growth on commercial property demand, particularly in the London office market.

As was true six months ago, we are cautiously optimistic about the return potential for listed securities. The disappointing performance of property stock prices of late appears to be driven by macro sentiment rather than by fundamental conditions in the property markets or a deterioration in observable conditions at property companies. Some things remain the same: (1) economic conditions will be a paramount driver of property stock results, and (2) property companies are holding up pretty well and have staying power. What has changed is: (1) the market is more concerned about inflation now, and (2) property stock values have become more compelling following further declines in the first half of 2008.

Volatility is up not good, but a reality. Real estate stocks have shown a disquieting increase in volatility during the last two years along with the broader equity markets. Once known for more stability, stemming in part from their higher dividend yields, property stock prices have experienced increasing volatility tied to the broader stock market. Though underlying earnings remain fairly predictable and transparent, the pricing filter through which they are priced has become less predictable in these unsettled times. Other factors contributing to increased volatility include the increased availability of derivatives (e.g., index options and futures) and ETFs (Exchange Traded Funds) based on or including property stocks. Use of these instruments has increased the trading volumes in real estate stocks by investors with shorter-term investment horizons.

Inflation concerns are rising ...what does it mean? Driven by escalating commodity prices and wage inflation in developing countries that are being exported in part through higher levels of global trade, inflation is increasing. History suggests real estate and REITs can be a good long-term inflation hedge. Real estate securities have delivered total returns through time which have outpaced inflation, providing attractive real returns. In environments of relative equilibrium between real estate supply and demand, rents generally move up in periods of inflation. This is especially true when leases include automatic escalations tied to inflation. Since REITs are required to distribute a high percentage of income and dividends, increased rents should translate to increased dividends. Rising cash flows and dividends have historically helped offset the pressure on valuations due to higher interest rates which often accompany inflation.

Fundamentals and the economy will determine whether this time follows past form. Inflation cycles in the last 20 years have generally been characterized by accelerating economic activity. A strengthening economy often leads to improved real estate demand and rising real estate cash flows. If, as the result of weakening market conditions, cash flow growth becomes flat, then REITs may lose some of their traditional inflation-fighting power. Economic activity is a proxy for real estate demand. The other side of the equation is real estate supply (i.e. construction). The following chart shows new construction as a percentage of existing stock and prevailing vacancy rates for office properties in major metropolitan markets. New construction is at manageable levels, having trended down over the last two years in many markets. Vacancies are near long-term averages and suggest that new supply should not adversely impact conditions in these markets.

(3) Percentages presented are based on managed fund assets and are subject to change.

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ING Clarion Global Real Estate Income Fund ï **Letter to Shareholders** continued

	Net Additions as % of stock 2008	2008	Vacancy Rates Long Term Average
Asia: Office			
Singapore (Raffles)	0.0%	0.9%	10.0%
Hong Kong (Central)(1)	-0.2%	1.7%	8.7%
Tokyo (CBD +3)	3.9%	2.6%	3.6%
U.S.: Office			
Boston (Downtown)	1.5%	6.1%	7.4%
Manhattan (Midtown)	1.2%	6.3%	5.4%
Chicago (Downtown)	1.2%	12.6%	12.2%
Los Angeles	1.2%	11.8%	13.7%
Europe: Office			
Frankfurt (City)	0.2%	14.4%	11.6%
London (Central)	2.8%	9.4%	8.3%
Paris (Central)	1.9%	5.7%	4.8%
Brussels (City)	2.1%	9.7%	8.6%
Madrid (City)	4.0%	6.0%	5.4%

Source: PMA, JLL & TWR, 1Q2008
Long term average: PMA & JLL 1998-2007 simple average, TWR 1997-2007 simple average

Earnings growth remains positive even when stress-tested. Earnings growth for property companies looking out into 2008 and 2009 is clearly decelerating. With expectations of an economic recession, we conducted a stress test of our earnings models to assess what earnings might look like should an extended economic downturn occur. We reduced occupancy, rent, and margin assumptions, as well as external growth assumptions (acquisitions and development) consistent with an extremely negative economic outlook. Our conclusion is that despite a substantial reduction in expectations which would lead to a significant slowing in the growth of cash flow per share over the next two years, earnings growth would remain positive for 2008 and about flat in 2009. More specifically, our aggregate growth in cash flow per share under this stress test scenario goes from the 5% range in 2008 and 2009 under our current expected case scenario to the 3% to 5% range in 2008 and approximately flat in 2009. Even with severely conservative underwriting, we estimate that property companies would still generate stable earnings growth through a protracted economic downturn given the protection provided by long-term leases with credit tenants.

Debt market turmoil and fears of an economic recession have weighed on the markets, and the resultant withdrawal of liquidity and de-leveraging across many asset classes has added to the lack of confidence. A mild recession appears to have been largely priced into the shares of real estate stocks and we believe the market is implying real estate value declines (i.e., cap rate increases) that are well beyond current private market asset values. Real estate stocks look attractive at current levels. Dividend yields on real estate stocks, which are well-covered, are once again at attractive premiums when compared to long-term government bond yields. Price-to-earnings multiples have returned to levels near their long-term average.

A time for quality. Against a somewhat uncertain backdrop of economic conditions in these more volatile markets, we have focused the portfolio on high-quality names. Our stock selection has emphasized earnings quality and visibility, balance sheet strength, and quality of management. This focus has contributed significantly to our outperformance in the first half of the year. We have sought companies with lower leverage and manageable near-term maturities to decrease the risk of forced re-financings at disadvantageous pricing. We have tried to emphasize companies with earnings from high- quality properties and less from development gains or incentive fees tied to funds management. Finally, we have favored investments in companies managed by teams that have a proven track record of value creation and disciplined investing. These challenging times favor those with an experienced hand and a discerning eye. We believe well-capitalized, well-managed companies should deliver superior performance in volatile markets.

In short, we have positioned the portfolio toward well-managed companies, defensive property types and conservative balance sheets while avoiding companies with above-average leverage or any prospective refinancing concerns. Though it remains difficult to call for a sustainable rally until this crisis of confidence passes, it seems possible that the prevailing prices for real estate company stocks may not sufficiently reflect the property quality, strong balance sheets, and stable, growing dividends that characterize the companies held in the portfolio.

(1) Net additions are negative for 2008, -4,879 Sqm

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We remain cautiously optimistic about the total return potential of an actively managed portfolio of real estate stocks. We acknowledge that the sector may continue to experience higher-than-average volatility until investors overcome the near-term wall of worry about higher interest rates. We believe the Fund remains well positioned to meet its primary objective of delivering a high level of stable monthly income as well as its secondary objective of capital appreciation.

We appreciate your continued faith and confidence.

Sincerely,

T. Ritson Ferguson
Chief Investment Officer
Steven D. Burton
Co-Portfolio Manager

The views expressed represent the opinion of ING Clarion Real Estate Securities and are subject to change and are not intended as a forecast or guarantee of future results. This material is for informational purposes only, does not constitute investment advice, and is not intended as an endorsement of any specific investment. Information and opinions are derived from proprietary and non-proprietary sources.

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ING Clarion Global Real Estate Income Fund
Portfolio of **Investments ï June 30, 2008** (unaudited)

Shares		U.S. $ Value
	Long-Term Investments 149.3%	
	Common Stock 127.8%	
	Real Estate Investment Trusts (REIT) 127.8%	
	Australia 11.5%	
29,967,000	Dexus Property Group	$ 39,685,792
11,059,530	Goodman Group	32,795,016
14,384,178	Macquarie CountryWide Trust	12,423,394
4,422,427	Westfield Group	69,092,000
		153,996,202
	Brazil 0.8%	
1,132,100	BR Malls Participacoes SA (a)	10,819,189
	Canada 13.1%	
1,545,000	Boardwalk Real Estate Investment Trust	58,096,447
200,100	Calloway Real Estate Investment Trust	3,865,714
264,600	Calloway Real Estate Investment Trust (b)	5,111,784
500,000	Crombie Real Estate Investment Trust (b)	5,889,311
884,800	H&R Real Estate Investment Trust	15,697,994
2,282,900	InnVest Real Estate Investment Trust	21,601,538
440,000	InnVest Real Estate Investment Trust (b)	4,163,422
700,000	Primaris Retail Real Estate Investment Trust (b)	12,633,187
2,447,000	RioCan Real Estate Investment Trust	47,900,468
		174,959,865
	Finland 1.9%	
2,528,457	Citycon Oyj	12,787,710
1,470,267	Sponda Oyj	12,810,130
		25,597,840
	France 10.7%	
67,640	Mercialys SA	2,977,571
403,500	Societe de la Tour Eiffel	47,680,081
398,078	Unibail-Rodamco	92,147,017
		142,804,669
	Hong Kong 7.9%	
20,000,000	Agile Property Holdings Ltd.	17,441,600
14,611,500	China Overseas Land & Investment Ltd.	23,086,224
8,133,000	Hang Lung Properties Ltd.	26,075,832
3,062,900	Hongkong Land Holdings Ltd.	12,986,696
1,750,000	Sun Hung Kai Properties Ltd.	23,744,942
1,153,000	The Link REIT	2,626,151
		105,961,445
	Japan 5.3%	
2,388	Japan Retail Fund Investment Corp.	13,786,670
1,105,000	Mitsubishi Estate Co., Ltd.	25,330,409

968,000	Mitsui Fudosan Co., Ltd.	20,728,834
934	Nippon Building Fund, Inc.	11,013,631
		70,859,544
	Netherlands 13.9%	
116,780	Corio NV	9,131,559
357,401	Eurocommercial Properties NV	17,045,132
1,136,730	Nieuwe Steen Investments NV	29,551,086
393,161	VastNed Retail NV	31,591,685
934,400	Wereldhave NV	98,563,382
		185,882,844
	New Zealand 0.6%	
9,050,000	Goodman Property Trust	8,334,424
	Singapore 0.1%	
500,000	Capitaland Ltd.	2,097,670
	United Kingdom 9.9%	
1,367,200	British Land Co. Plc	19,277,799
945,400	Great Portland Estates Plc	6,364,129
1,209,242	Hammerson Plc	21,478,650
1,902,400	Land Securities Group Plc	46,644,247
603,400	Liberty International Plc	10,351,377
3,621,876	Segro Plc	28,363,764
		132,479,966
	United States 52.1%	
115,300	Acadia Realty Trust	2,669,195
197,300	AMB Property Corp.	9,939,974
1,024,706	American Campus Communities, Inc.	28,527,806
285,800	BioMed Realty Trust, Inc.	7,010,674
393,200	Boston Properties, Inc.	35,474,504
1,215,230	Brandywine Realty Trust	19,152,025
848,300	Camden Property Trust	37,545,758
1,231,800	Cedar Shopping Centers, Inc.	14,436,696
219,900	Douglas Emmet, Inc.	4,831,203
1,208,500	Extra Space Storage, Inc.	18,562,560
294,000	Federal Realty Investment Trust	20,286,000
1,211,100	First Industrial Realty Trust, Inc.	33,268,917
407,700	General Growth Properties, Inc.	14,281,731
675,000	Gramercy Capital Corp.	7,823,250
941,484	HRPT Properties Trust	6,373,847
856,200	Health Care REIT, Inc.	38,100,900
371,000	Hersha Hospitality Trust	2,801,050
475,000	Highwoods Properties, Inc.	14,924,500
755,400	iStar Financial, Inc.	9,978,834
1,260,990	Liberty Property Trust	41,801,819
637,700	Mid-America Apartment Communities, Inc.	32,548,208
570,700	National Retail Properties, Inc.	11,927,630
2,084,400	Nationwide Health Properties, Inc.	65,637,756
1,994,070	OMEGA Healthcare Investors, Inc.	33,201,265
994,000	Pennsylvania Real Estate Investment Trust	23,001,160
200,000	Ramco-Gershenson Properties Trust	4,108,000
498,800	Regency Centers Corp.	29,489,056
530,735	SL Green Realty Corp.	43,902,399

171,100	Sovran Self Storage, Inc.	7,110,916
770,000	Strategic Hotels & Resorts, Inc.	7,214,900
751,900	The Macerich Co.	46,715,547

See notes to financial statements.

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ING Clarion Global Real Estate Income Fund ï **Portfolio of Investments** continued

Shares		U.S. $ Value
	Long-Term Investments (continued)	
	Common Stock (continued)	
	United States (continued)	
200,000	U-Store-It Trust	$ 2,390,000
712,120	Verde Realty (a)(c)	23,499,960
		698,538,040
	Total Common Stock	
	(cost $1,512,313,715)	1,712,331,698
	Preferred Stock 19.5%	
	Real Estate Investment Trusts (REIT) 19.5%	
	United States 19.5%	
450,000	Alexandria Real Estate Equities, Inc., Series C	11,070,000
80,500	Apartment Investment & Management Co., Series U	1,871,625
400,000	Apartment Investment & Management Co., Series V	9,120,000
400,000	Apartment Investment & Management Co., Series Y	9,032,000
174,000	Associated Estates Realty Corp.	4,036,800
400,000	BioMed Realty Trust, Inc., Series A	8,000,000
207,700	Cedar Shopping Centers, Inc.	5,067,880
125,000	Digital Realty Trust, Inc., Series B	2,633,750
200,800	Duke Realty Corp., Series M	4,020,016
121,700	Eagle Hospitality Properties Trust	1,175,172
400,000	Entertainment Properties Trust, Series D	7,724,000
430,700	Glimcher Realty Trust, Series G	7,085,015
520,000	Health Care REIT, Inc., Series F	12,168,000
905,600	Host Hotels & Resorts, Inc., Series E	22,640,000
210,000	Innkeepers USA Trust, Series C	2,593,500
765,000	iStar Financial, Inc., Series I	12,278,250
200,000	LaSalle Hotel Properties, Series D	3,918,000
523,200	LaSalle Hotel Properties, Series E	10,934,880
520,000	LaSalle Hotel Properties, Series G	9,588,800
1,000,000	LTC Properties, Inc., Series F	23,070,000
200,000	Mid-America Apartment Communities, Inc., Series H	4,778,000
237,100	National Retail Properties, Inc., Series C	5,251,765
120,000	OMEGA Healthcare Investors, Inc., Series D	2,880,000
320,000	PS Business Parks, Inc., Series O	6,556,800
320,000	Public Storage, Series K	7,059,200
360,000	Public Storage, Series M	7,153,200
192,500	SL Green Realty Corp., Series C	4,293,712
200,000	SL Green Realty Corp., Series D	4,600,000
275,000	Strategic Hotels & Resorts, Inc. (b)	4,975,795
400,000	Strategic Hotels & Resorts, Inc., Series B	7,200,000
363,600	Strategic Hotels & Resorts, Inc., Series C	6,981,120

368,000