THE GABELLI GLOBAL DEAL FUND

Shareholder Commentary
September 30, 2009

THE GABELLI

GLOBAL DEAL FUND

Our cover icon represents the underpinnings of Gabelli. The Teton mountains in Wyoming represent what we believe in in America – that creativity, ingenuity, hard work, and a global uniqueness provide enduring values. They also stand out in an increasingly complex, interconnected, and interdependent economic world.

Investment Objective:

The Gabelli Global Deal Fund is a non-diversified, closed-end management investment company. The Fund's investment objective is to achieve absolute returns in various market conditions without excessive risk of capital. Absolute returns are defined as positive total returns, regardless of the direction of securities markets. The Fund will seek to achieve its objective by investing primarily in merger arbitrage transactions and, to a lesser extent, in corporate reorganizations involving stubs, spin-offs, and liquidations.

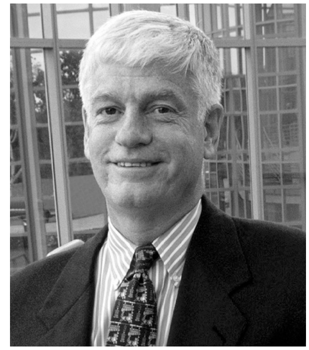
We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

This report is printed on recycled paper.

To Our Shareholders,

The goal of The Gabelli Global Deal Fund (the "Fund") is to earn absolute returns in excess of short-term interest rates, and with less volatility than usually experienced in traditional equity investing. Over time, a consistent and disciplined arbitrage investment strategy seeks to produce attractive rates of return that are not correlated with the overall equity markets.

Our investment strategy is a classic merger arbitrage approach. In its basic form, this entails the purchase of shares of a target acquisition company at a discount to the expected value of the shares once the merger or acquisition is completed. We aim to earn the "spread" between the purchase price and the offer price for the target company.



THE GABELLI GLOBAL DEAL FUND

Comparative Results

Average Annual Returns through September 30, 2009 (a)

	Quarter	1 Year	2 Year	Since Inception (01/31/07)
Gabelli Global Deal Fund				
NAV Total Return (b)	**3.25%**	**3.20%**	**0.06%**	**1.69%**
Investment Total Return (c)	**12.05**	**15.88**	**2.44**	**(2.33)**
3 Month U.S. Treasury Bill Index	0.07	0.39	1.35	2.54
S&P 500 Index	15.59	(6.91)	(14.77)	(8.85)

(a) ***Returns represent past performance and do not guarantee future results.*** *Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized.* ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.*** *The 3 Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into the outstanding Treasury Bill that matures closest to, but not beyond three months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month end) date. The S&P 500 Index is an unmanaged indicator of stock market performance. Dividends are considered reinvested except for the 3 Month U.S. Treasury Bill Index. You cannot invest directly in an index.*

(b) *Total returns and average annual returns reflect changes in the net asset value ("NAV") per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of $19.06.*

(c) *Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange ("NYSE") and reinvestment of distributions. Since inception return is based on an initial offering price of $20.00.*

The Fund's NAV total return was 3.3% during the third quarter of 2009, compared with a gain of 0.1% for the 3 Month U.S. Treasury Bill Index. The total return for the Fund's publicly traded shares was 12.1% during the third quarter. On September 30, 2009, the Fund's NAV per share was $16.22, while the price of the publicly traded shares closed at $14.84 on the NYSE.

Premium / Discount Discussion

As a refresher for our shareholders, the NAV of any fund is the total market value of the securities and other assets held by a fund, less any liabilities. The NAV is calculated each business day and often presented on a per share basis.

However, the price of a closed end fund is determined in the open market by willing buyers and sellers. Shares of the Fund trade on the NYSE under the symbol "GDL" and may trade at a premium to (higher than) net asset value or at a discount to (lower than) net asset value.

Ideally, the Fund's market price will generally track the NAV. In actuality, the Fund's premium or discount to NAV may vary over time. It is important to remember that "Mr. Market" is a pendulum that swings both ways, and that any number of factors can influence that swing on a day-to-day basis. This is the case even with our Fund, which invests in merger arbitrage deals, and therefore is not particularly correlated with the market in general.

Deals…Deals…and More Deals

In the third quarter of 2009, the merger and acquisitions ("M&A") market showed signs of a tentative recovery, mirroring the overall markets. Carrying over weakness from the second quarter, the early third quarter was stagnant, but activity picked up rapidly in September. As reported by Citi in its "Executive M&A Summary", global announced M&A volume in the third quarter totaled $453 billion, down about 43% compared with the third quarter of 2008.

However, the third quarter ended on a positive note, with $165 billion of deals announced in September, making it the most active month of 2009. As in the U.S., cross border transactions began weakly but strengthened in number towards quarter end. Following the pattern of the prior three months, the technology, industrial, and healthcare sectors provided the most deal activity.

Of these deals, the great majority were initiated by companies with cash rich balance sheets seeking to take opportunistic advantage of depressed valuations of competitors. We expect that these opportunities will continue to emerge as companies look to strategic acquisitions to expand their businesses.

Positions Closed in the Third Quarter 2009

The following are stock specifics on selected holdings of our Fund whose shares were tendered at a profit during the third quarter of 2009. Individual securities, profits, and annualized rates of return mentioned are not necessarily representative of the entire portfolio or of future returns.

Addax Petroleum Corp., incorporated in Calgary, is engaged in the exploration and production of oil and gas in the Middle East and Africa. On June 24, 2009, Sinopec International Petroleum Exploration and Production Corporation of China announced that it had entered into an agreement to acquire Addax for C$52.80 per share in cash, valuing the transaction at C$8.3 billion. After receiving all required regulatory approvals, the transaction closed on August 17, 2009, with an 88.32% annualized return for a 57 day weighted average holding period.

Axsys Technologies Inc. designs and develops high performance surveillance cameras, imaging systems, and related motion control technologies for aerospace, defense, and high performance commercial markets. On June 4, 2009, the company announced that it had entered into an agreement to be acquired by General Dynamics. Axsys shareholders received $54.00 per share in cash, valuing the deal at $650 million. On September 2, 2009, the annualized rate of return for a weighted average holding period of 61 days was 6.74%.

Cougar Biotechnology Inc. (CGRB) announced on May 21, 2009 that it had entered into an agreement to be acquired by Johnson & Johnson. Cougar Biotechnology develops and licenses clinical stage oncology drugs. The transaction was carried out by a tender offer, through which shareholders of CGRB received $43.00 per share in cash, valuing the total offer at approximately $1 billion. The deal closed on July 3, 2009. The annualized rate of return was 3.83% for a weighted average holding period of 28 days.

Medarex Inc. is a biopharmaceutical company focused on the discovery, development, and potential commercialization of fully human antibody-based therapeutics to treat life threatening and debilitating diseases including cancer, inflammation, autoimmune disorders, and infectious diseases. On July 23, 2009 the company entered into an agreement with Bristol-Myers Squibb to be acquired for $16.00 per share in cash. The deal, valued at a total of $2.1 billion, closed on September 1, 2009. The holding period for the deal was 30 days and the annualized rate of return was 8.30%.

Deals in the Pipeline – U.S. and Worldwide

Our current holdings include positions in both U.S. and international stocks. These individual companies are examples of positions that we may hold at any point in time. The share prices of the following holdings are stated in U.S. dollars or U.S. dollar equivalent terms as of September 30, 2009, or unless otherwise stated.

Canadian Hydro Developers Inc. (KHD CN - $4.81 - Toronto Stock Exchange) is based in Calgary, Alberta, and develops and operates “EcoPower” power generating centers in British Columbia, Alberta, Ontario, and Quebec. The power from these centers is generated via hydroelectric generation, wind, and biomass. On July 20, 2009, wholesale power generator TransAlta announced an unsolicited offer to acquire Canadian Hydro for C$4.55 per share in cash, pending required approval from the majority of Canadian Hydro shareholders as well as regulatory approvals. The tender offer is expected to be completed during the fourth quarter of 2009.

Global Village Telecom Holding SA (GVTT3 BZ - $22.91 - Sao Paulo Stock Exchange) is based in Curitiba, Brazil, and provides telecommunication, multimedia, and Internet services. It operates a telephone network in Brazil as well as other smaller subsidiaries in the region. On September 9, 2009, European telecom and media giant Vivendi announced that it planned to launch a tender offer to acquire GVT for 42 Brazilian reais per share for a total of 5.4 billion reais, or $2.88 billion USD. The completion of the deal is contingent on Vivendi obtaining at least 51% of GVT’s fully diluted share capital, as well as other required shareholder and regulatory approvals.

Perot Systems Corp. (PER - $29.70 - NYSE) provides custom information technology services and business solutions that enable clients to accelerate growth, streamline operations, and create new levels of customer value. On September 21, 2009 the company announced that it had entered into an agreement with Dell to be acquired for $30.00 per share in cash. The transaction, which is expected to be carried out by tender offer and close on November 2, 2009, is valued at a total of $3.9 billion.

Sepracor Inc. (SEPR - $22.90 - Nasdaq) is a fully integrated specialty pharmaceutical company with a focus on central nervous system and respiratory disorders. On September 3, 2009, the company announced that it entered into an agreement with Dainippon Sumitomo Pharma Co. to be acquired for $23.00 per share in cash, roughly a 28% premium to where the stock had been previously trading. This tender offer is valued at $2.6 billion. Dainippon Sumitomo Pharma Co. announced the successful completion of the tender offer on October 20, 2009.

Varian Inc. (VARI - $51.06 - Nasdaq) is a worldwide supplier of scientific instruments and vacuum technologies for life science, environmental, energy, applied research, and other applications. On July 27, 2009, the company entered into an agreement to be acquired by Agilent Technologies. Under the terms of the agreement, Agilent will acquire all of the outstanding shares of Varian for $52.00 per share in cash, valuing the transaction at $1.5 billion. The deal is subject to regulatory approval as well as a shareholder vote, and is expected to be completed by the end of 2009.

Sincerely,

Mario J. Gabelli

Mario J. Gabelli, CFA
Portfolio Manager and
Chief Investment Officer

October 20, 2009

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager's views are subject to change at any time based on market and other conditions. The information in this Portfolio Manager's Shareholder Commentary represents the opinions of the individual Portfolio Manager and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Manager and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Portfolio Manager Compensation

Mr. Gabelli's incentive-based, variable compensation structure and dollar amount have been fully disclosed each year since April of 2000 in the annual proxy statement for GAMCO Investors, Inc. (NYSE:GBL). Mr. Gabelli receives no base salary, no annual bonus, and no stock options.

Mr. Gabelli did not receive any compensation for serving as portfolio manager of The Gabelli Global Deal Fund in 2008 or for the Fund's first twelve months of operation starting in January 2007. Mario J. Gabelli and various entities he controls owned 1,323,029 and 691,220 common and preferred shares, respectively, of the Fund for a total amount invested of $19,633,757 and $36,565,538 in the common and preferred shares, respectively, as of September 30, 2009. Mr. Gabelli may not have pecuniary interest equal to a one hundred percent economic ownership in some of the entities he controls.

Common Share Repurchase Plan

On November 8, 2006, the Board of Trustees of the Fund (the "Board") voted to authorize the repurchase of the Fund's common shares in the open market from time to time, when such shares are trading at a discount of 7.5% or more from NAV. Pursuant to this share repurchase plan, the Fund repurchased and retired 18,700 common shares in the third quarter of 2009. In total through September 30, 2009, the Fund has repurchased and retired 123,300 shares in the open market under this share repurchase plan at an average investment of $14.70 per share and an average discount to NAV of 15.3%.

Quarterly Distributions

The Fund paid a $0.32 per share quarterly cash distribution on September 23, 2009 to common shareholders of record on September 16, 2009.

The Fund intends to make quarterly cash distributions of all or a portion of its investment company taxable income (which includes ordinary income and realized short-term capital gains) to common shareholders. The Fund also intends to make annual distributions of its net realized long-term capital gains. Various factors will affect the level of the Fund's income, such as its asset mix and use of merger arbitrage strategies. To permit the Fund to maintain more stable quarterly distributions, the Fund may from time to time distribute more or less than the entire amount of income earned in a particular period. Because the Fund's quarterly distributions are subject to modification by the Board at any time and the Fund's income will fluctuate, there can be no assurance that the Fund will pay distributions at a particular rate.

Each quarter, the Board reviews the amount of any potential distribution and the income, capital gain, or capital available. The Board will continue to monitor the Fund's quarterly distribution level, taking into consideration the Fund's net asset value and the financial market environment.

If the Fund does not generate earnings from dividends and interest received and net realized capital gains equal to or in excess of the aggregate distributions paid by the Fund in a given year, then the amount distributed in excess of the Fund's investment income and net realized capital gains would be deemed a non-taxable return of capital. Since this would be considered a return of a portion of a shareholder's original investment, it is not taxable and is treated as a reduction in the shareholder's cost basis.

Short-term capital gains, qualified dividend income, ordinary income, and paid-in capital, if any, will be allocated on a pro-rata basis to all distributions to common shareholders for the year. Based on the accounting records of the Fund as of September 16, 2009, each of the distributions paid in 2009 would include 100% from paid-in capital. The estimated components of each distribution are provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2009 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2009 distributions in early 2010 via Form 1099-DIV.

Series A Cumulative Callable Preferred Shares

The Fund's 8.50% Series A Cumulative Callable Preferred Shares paid a $1.0625 per share cash distribution on September 28, 2009 to preferred shareholders of record on September 21, 2009. The Series A Preferred Shares, which trade on the NYSE under the symbol "GDL Pr A", have an annual dividend rate of $4.25 per share. The Series A Preferred Shares were issued on February 10, 2009 at $50.00 per share and pay distributions quarterly. The Series A Preferred Shares will mature and be subject to mandatory redemption in full on February 16, 2016 at the liquidation preference of $50.00 per share. The Series A Preferred Shares are callable at any time with 30 to 60 days prior notice, at the liquidation preference plus any accumulated and unpaid dividends. The next distribution is scheduled for December 2009.

A portion of the distribution may be treated as long-term capital gain and qualified dividend income for individuals, each subject to the maximum federal income tax rate, which is currently 15% in taxable accounts for individuals. Short-term capital gains, qualified dividend income, and ordinary income, if any, will be allocated on a pro-rata basis to all distributions to preferred shareholders for the year. Based on the accounting records of the Fund as of September 16, 2009, each of the distributions paid in 2009 would include approximately 100% from paid-in capital. The estimated components of each distribution are provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2009 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2009 distributions in early 2010 via Form 1099-DIV.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at closedend@gabelli.com.

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Shareholders of our closed-end funds can now elect to receive e-mail announcements regarding available materials, including shareholder commentaries and fund reports. For more information or to register for e-delivery, please visit our website at www.gabelli.com.

Top Ten Holdings
September 30, 2009

SPSS Inc.	Omniture Inc.
Sepracor Inc.	Centennial Communications Corp.
Sun Microsystems Inc.	Endesa SA
Varian Inc.	Schering-Plough Corp.
Perot Systems Corp.	Wyeth

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

It is the policy of The Gabelli Global Deal Fund (the "Fund") to automatically reinvest dividends payable to common shareholders. As a "registered" shareholder you automatically become a participant in the Fund's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Fund to credit common shares to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Fund. Plan participants may send their share certificates to American Stock Transfer ("AST") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distributions in cash must submit this request in writing to:

The Gabelli Global Deal Fund
c/o American Stock Transfer
6201 15th Avenue
Brooklyn, NY 11219

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan, may contact AST at (888) 422-3262.

If your shares are held in the name of a broker, bank, or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of "street name" and re-registered in your own name. Once registered in your own name your distributions will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in "street name" at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of common shares distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Fund's common shares is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued common shares valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Fund's common shares. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange ("NYSE") trading day, the next trading day. If the net asset value of the common shares at the time of valuation exceeds the market price of the common shares, participants will receive common shares from the Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, AST will buy common shares in the open market, or on the NYSE, or elsewhere, for the participants' accounts, except that AST will endeavor to terminate purchases in the open market and cause the Fund to issue shares at net asset value if, following the commencement of such purchases, the market value of the common shares exceeds the then current net asset value.

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

Voluntary Cash Purchase Plan

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Fund. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to AST for investments in the Fund's common shares at the then current market price. Shareholders may send an amount from $250 to $10,000. AST will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. AST will charge each shareholder who participates a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to American Stock Transfer, 6201 15th Avenue, Brooklyn, NY 11219 such that AST receives such payments approximately 10 days before the investment date. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by AST at least 48 hours before such payment is to be invested.

Shareholders wishing to liquidate shares held at AST must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address, and account number. The cost to liquidate shares is $1.00 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

For more information regarding the Automatic Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Fund.

The Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by AST on at least 90 days written notice to participants in the Plan.

TRUSTEES AND OFFICERS
THE GABELLI GLOBAL DEAL FUND
One Corporate Center, Rye, NY 10580-1422

Stock Exchange Listing

	Common	8.50% Preferred
NYSE-Symbol:	GDL	GDL PrA
Shares Outstanding:	21,187,810	1,920,242

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading "Specialized Equity Funds," in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "Specialized Equity Funds."

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com.

For general information about the Gabelli Funds, call **800-GABELLI** (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: **www.gabelli.com,** or e-mail us at: closedend@gabelli.com

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund's shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

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