



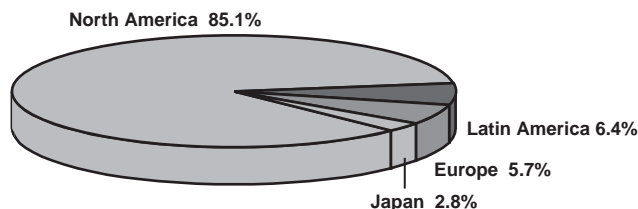
## Our Approach

We weigh both country specific and company specific factors to make our investment decisions. Country specific factors include political stability, economic growth, inflation, and trends in interest rates. With regard to companies, we seek firms that are undervalued in relation to their long-term potential value. We then look for some dynamic in the country or company, which can unlock this value. For example, in developing countries, it is the need to provide the infrastructure for growth. In Japan, it is the change from an industrial to a consumer oriented economy. In commodities, it is the increase in industrial demand.

## Global Allocation

The accompanying chart presents the Fund's holdings by geographic region as of December 31, 2009. The geographic allocation will change based on current global market conditions. Countries and/or regions represented in the chart and below may or may not be included in the Fund's future portfolio.

### HOLDINGS BY GEOGRAPHIC REGION – 12/31/09



## What are Global Convertible Securities?

Global convertible securities are bonds, preferred shares, and warrants of domestic or foreign issuers, which may be converted into a fixed number of shares of the underlying company. Convertibles are hybrid securities which combine the capital appreciation potential of equities with the higher yield of fixed income instruments. They can be thought of as a straight bond together with an embedded call option (or warrant) on the underlying equity.

## What are the Benefits of Global Convertible Securities?

Reduced volatility is foremost. Investing in foreign equity markets can be rewarding but volatile. Our goal is to earn a high, risk adjusted rate of return. Due to its fixed income characteristics, a convertible security will provide more stability than its underlying common stock. In the current market environment, the Fund provides an attractive alternative by combining the capital appreciation potential of global equity investing with the higher current income usually associated with bonds.

## Market Review

Convertibles saw positive returns in the fourth quarter of 2009 and generally moved in tandem with equity markets. A post recession rally propelled U.S. convertibles to record performance in 2009, after an abysmal showing in 2008. The largest positive contributor to returns was the surprisingly sharp recovery of credit spreads. This is illustrated by high yield spreads, which tightened nearly 1,200 basis points year over year. The U.S. convertibles market richened further as constituents regained equity sensitivity, benefiting from the general appreciation of underlying equities and revaluation of their respective "option" components as convertibles rose from bond floors.

Convertibles gained 6.0% in the fourth quarter of 2009, with full year performance up 49.1% as represented by the Merrill Lynch All U.S. Convertibles Index (VXA0). During those same periods, the underlying equities rose 6.8% and 61.0%, respectively. Individual monthly index returns during the fourth quarter were -1.7%, 3.6%, and 4.1%, while the underlying equities posted corresponding returns of -6.6%, 7.0%, and 6.9%. Speculative grade and small cap convertible issues again tended to outperform higher quality issues during the quarter, wholly consistent with the relative outperformance of the lowest (most speculative) grades of high yield bonds.

For the year, speculative grade converts outperformed investment grades by more than a factor of three (up 82% vs. 25.5%), due to the stronger performance of the underlying stocks (99% vs. 35%) and greater relative spread tightening attributable to these speculative grade names. For the year, all industry sectors showed positive performance. As compiled by Bank of America (Merrill Lynch), Materials (Commodities) converts had the best performance as a group, up 99% with underlying equities up 121%. Other top performing sectors for the year included Consumer Discretionary (+90%), Media (+62%), Transportation (+60%), Technology (+60%), and Financials (52%).

Demand for new convertible issuance was strong throughout the fourth quarter and continuing into 2010. During the fourth quarter, Bank of America (Merrill Lynch) reported inconsistent primary market activity, with twenty-seven new deals pricing for aggregate proceeds of \$11.5 billion. New issuance proceeds for the full year was a disappointing \$37.2 billion, the lowest aggregate annual new issuance in more than a decade. Redemptions remained at an elevated level, outpacing new issuance in the fourth quarter and totaling \$15.9 billion, resulting in further net supply contraction.

The total market value of the U.S. convertible universe grew from \$211.9 billion to \$220.9 billion during the fourth quarter, driven largely by positive secondary market performance throughout the quarter and despite the supply contraction that acted as a headwind on the asset class.

Similar performance was evident in the European and Asian convertibles markets. The Europe Middle East Africa (EMEA) and Asia Pacific markets posted full year performance of 41.7% and 36.9%, respectively, as tracked by Barclays, corresponding to underlying equity performance of 52.7% and 72.8%, respectively. Much like the U.S. market, the best performing EMEA and Asia Pacific convertibles were speculative grade names which outperformed their investment grade cohorts by a factor of nearly five (82% vs. 17%) and three (40% vs. 15%), respectively.

As of December 1, 2009, Barclays' EMEA convertible bond universe was comprised of 198 bonds representing €81.3 billion of nominal value (€79.4 billion by market value). The current universe consists predominantly of French, German, and UK issuers (97 issues, €43.6 billion of market value) and is comprised of approximately 44% investment grade and 56% high yield bonds. Healthy new issuance totaling approximately €23 billion outpaced redemptions of €12 billion, resulting in positive net supply. As of December 31, 2009, Barclays' Asia Pacific convertible bond universe is comprised of Asian convertibles and thirty-two of the most liquid and active Japanese convertible bonds, with a \$66.5 billion market value. Japanese converts account for nearly one third of the index by market value, with India, Hong Kong, and Singapore making up most of the balance. Credit quality is about equally split between investment grade and high yield, with Japanese corporates representing the bulk of the investment grade bonds. New issuance in the Asia Pacific market was relatively weak in 2009, totaling \$9.0 billion from thirty-three deals, which offset \$7.4 billion of redemptions, resulting in modest supply growth.

## Outlook

In 2009, convertible performance proved to be the mirror image of 2008, with rebounding index returns effectively making back almost 90% of the previous year's losses. 2010 performance expectations are for more muted returns, more in line with the historical norm, reflecting a continued market movement to normalized conditions. We believe that the current market in convertibles represents a timely opportunity, with attractive current yield and future upside potential for investors in the Fund.

Current market conditions provide opportunities for potential future gains. Attractive investments range from low premium convertibles with upside potential should stocks continue their rebound, to some higher yielding convertibles that are attractive on an outright basis. This view is supported by continued signs of an economic recovery, interest rates that are expected to rise slowly, credit spreads that could further narrow despite the last year's substantial tightening, elevated stock specific volatility, and a convertibles market that is still marginally "cheap" on a theoretical basis. New convertible issuance offers an additional opportunity for potential gain, especially in the currently constrained supply environment. Finally, as the market moves from beta driven performance (simply being exposed to a rebounding asset class) to alpha driven performance (security selection), we expect this current environment to favor specifically our research driven process to add value.

The current portfolio represents a combination approach to the convertible asset class, blending a number of attractive situations in a balanced approach to provide safety and capital appreciation. Over the past year, the portfolio has benefited from a broad range of positive situational outcomes including attractive outright yield to put/maturity plays, credit spread contraction, rebounding equity-sensitive names, a rebound in merger and acquisition activity, and new issuance.

## Let's Talk Investments

The following are security specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher security prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, their percentages of net assets and terms are stated in U.S. dollar equivalents as of December 31, 2009.

*Ferro Corp. (2.7% of net assets as of December 31, 2009) (FOE) (Cv., 6.500%, 08/15/13)*, based in Cleveland, OH, is a producer of performance chemicals and specialty materials with operations in twenty-three countries. Its product offerings include polymer additives, fine chemicals, and specialty plastics. In recent years, the company has made substantial progress restructuring operations, reducing costs, implementing operational excellence initiatives, and investing in new product development. Ferro continued to tighten spending during the 2008 downturn and saw higher gross margins and income segment margins in the third quarter of 2009. An offering of approximately 41 million shares of common stock was completed late in 2009. \$50 million of the offering proceeds was used to pay for restructuring programs and strategic initiatives, with the balance used to reduce borrowings under Ferro's credit facility.

*Griffon Corp. (2.5%) (GFF) (Cv. 4.000%, 01/15/17)*, based in Jericho, NY, operates three businesses: Clopay Building Products, which manufactures residential garage doors; Clopay Plastic Products, which develops plastic films used as moisture barriers in baby diapers and adult incontinence products; and Griffon Telephonics, which manufactures a variety of electronic systems used in defense and commercial markets worldwide. For the fiscal year ended September 30, 2009, Griffon generated revenues of \$1.2 billion and EBITDA of approximately \$90 million. Currently, Griffon trades at a significant discount to its private market value. The company's adult incontinence products should benefit as the number of baby boomers in the 65+ age group grows at the fastest rate in history. Additionally, improving fundamentals in the housing sector should provide tailwinds to the company's garage door business. Finally, CEO Ron Kramer could help surface value by spinning off or selling some businesses or by streamlining existing operations.

*IMS Health Inc. (2.0%) (RX - \$21.06 - NYSE)* Operating in more than 100 countries, IMS Health is the world's leading provider of market intelligence to the pharmaceutical and healthcare industries. With \$2.2 billion in 2009 revenue and more than 55 years of industry experience, IMS Health offers leading edge market intelligence products and services that are integral to clients' day-to-day operations. In November 2009, IMS announced that it would become a private company, agreeing to be acquired by investment funds managed by TPG Capital and the CPP Investment Board in a transaction with a total value of \$5.2 billion. With the backing of world class private equity partners, IMS will continue its focus on expanding into new markets, further improving the quality and depth of offerings delivered to clients, and playing a bigger role in the healthcare market. The transaction is expected to close in the first quarter of 2010.

*Johnson Controls Inc. (1.5%) (Cv., 6.50%, 09/30/12)*, headquartered in Milwaukee, WI, is a global automotive interiors supplier, as well as a leading supplier of lead acid batteries for OEMs and the global automotive aftermarket. The company also provides commercial building services, HVAC equipment, and building control systems to more than one million customers in 125 countries. With its industry leading position as a supplier of interior products and systems for the automotive industry, JCI can gain share of market as the "strong get stronger" amid the downturn in the North American automotive industry. JCI generated \$1.2 billion of EBITDA on \$28 billion in revenue during its 2009 fiscal year.

*Kinross Gold Corp. (2.5%) (Cv., 1.75%, 03/15/28)* is a senior gold producer with operations located in North America, Brazil, Chile, and Russia. It is advancing three growth projects: Paracatu in Brazil, Kupol in Russia, and Buckhorn in the U.S. Recently the company reached an asset swap agreement with Goldcorp on their joint ventures. Kinross will acquire the remaining 50% share of the La Coipa mine in Chile and receive \$200 million in cash. In exchange, Goldcorp will acquire Kinross' 32% interest in Porcupine and 49% interest in Musselwhite, both in Ontario. These and other projects should result in a strong production growth over the next three years.

*SanDisk (7.0%) (SNDK) (Cv., 1.000%, 05/15/13)*, headquartered in Milpitas, CA, manufactures NAND based flash memory cards. The company generated \$3.35 billion in sales in 2008. The NAND flash memory cards are widely used in consumer electronics products, e.g., digital cameras, multimedia players, handsets, smartphones, and solid state drives. SanDisk's major end markets are mobile devices and imaging applications, which accounted for 33% and 25% of 2008 revenue, respectively. Other end markets include USB, audio/visual, and embedded SSD. The NAND flash memory market has seen oversupply, excess inventories, and up to 60% average annual selling price decline (based on memory size) until early 2009. Oversupply and global macroeconomic recession have driven major flash memory manufacturers to lower their production significantly. This is leading to a more balanced demand/supply market and favorable pricing trends. Market

research predicts that even if all major players return to full production levels, the NAND flash memory market will still end up in supply shortage by the end of 2009. SanDisk is working toward large volume production of its advanced NAND memory chip. The advanced NAND memory chip can store 3-bits (X3) and 4-bits (X4) of memory in one cell versus 1-bit and 2-bits of memory widely used today. SNDK expects producing 50% of its total X3 and X4 production in 2009 will help generate 15–20% extra margins. On the cost side, SanDisk has significantly reduced its capital requirements, strategically moving toward a mix of captive and non-captive production, by cementing a supply agreement with Samsung. This will help SanDisk manage the cyclical nature of demand/supply imbalance in the future. Lastly, SanDisk has a strong balance sheet, with \$1.11 billion in cash, or \$4.90/share.

*Varian Inc. (0.6%) (VARI - \$51.54 - Nasdaq)* is a worldwide supplier of scientific instruments and vacuum technologies for life science, environmental, energy, applied research, and other applications. On July 27 the company entered into an agreement to be acquired by Agilent Technologies Inc. Under the terms of the merger agreement, Agilent will acquire all outstanding shares of Varian for \$52.00 per share, valuing the transaction at \$1.5 billion. The merger is subject to regulatory approval as well as a shareholder vote and is expected to be completed in early 2010.

## **In Conclusion**

Our bottom-up, fundamental research driven investment process should ultimately lead to positive returns in the months and years ahead. We expect continued volatility in both credit and equity markets, which should provide opportunities to capture value in convertible securities. As fundamental value investors, we look for a margin of safety in our investments – a concept pioneered by value investor guru Benjamin Graham. This margin is the amount by which a stock's intrinsic value is above its market price. When we analyze a company, we calculate its Private Market Value ("PMV") – the value an informed buyer would pay for it. We look at a company's earnings, cash flow, industry position, and many other factors to calculate this intrinsic value. If we can buy stock in a company whose PMV is comfortably above its market price – buying in for less than what it is worth – we do so. We take into account that if a company happens to be in a volatile industry, we require a larger margin of safety and a bigger discount to PMV. Over time, this investment style yields superior returns while minimizing downside risk. Our experience has taught us that today's market volatility will provide attractive entry points to maximize the potential of our long-time strategy.

Sincerely,



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

January 29, 2010

**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 GAMCO Investors, Inc.'s (NYSE: GBL) annual proxy statement. Mr. Gabelli receives no base salary, no annual bonus, and no options.

As beneficial owner, Mr. Gabelli had \$14,013 invested in The GAMCO Global Convertible Securities Fund as of December 31, 2009, which includes the holdings of GBL and GGCP, Inc., GBL's parent holding company.

### **Minimum Initial Investment – \$1,000**

The Fund's minimum initial investment for regular accounts is \$1,000. There are no subsequent investment minimums. No initial minimum is required for those establishing an Automatic Investment Plan. Additionally, the Fund and other Gabelli/GAMCO Funds are available through the no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold in seven days or less of a purchase. See the prospectus for more details.

### **www.gabelli.com**

Please visit us on the Internet. Our homepage at [www.gabelli.com](http://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. You can send us e-mail at [info@gabelli.com](mailto:info@gabelli.com).

The Fund's daily net asset value is available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). The Fund's Nasdaq symbol is GAGCX for Class AAA Shares. Please call us during the business day for further information.

You may sign up for our e-mail alerts at [www.gabelli.com](http://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. Direct shareholders of our open end mutual funds can now elect to receive their Annual, Semiannual, and Quarterly Fund Reports, Manager Commentaries and Prospectuses via e-delivery. For more information or to sign-up for e-delivery, please visit our website at [www.gabelli.com](http://www.gabelli.com).

#### **Top Ten Convertible Holdings (Percent of Net Assets) December 31, 2009**

SanDisk Corp., Cv., 1.000%, 05/15/13 7.0%	Chemed Corp., Cv., 1.875%, 05/15/14 4.2%
Covanta Holding Corp., 3.250% 06/01/14 4.8%	The Interpublic Group of Companies Inc., Cv., 4.250%, 03/15/23 4.2%
Macrovision Corp., Cv., 2.625%, 08/15/11 4.4%	Vedanta Finance Jersey Ltd., Cv., 4.600%, 02/21/26 3.8%
Freeport-McMoRan Copper & Gold Inc., 6.750% Cv. Pfd. 4.4%	Newmont Mining Corp., Cv., 1.625% 07/15/17 3.7%
Janus Capital Group Inc., Cv., 3.250%, 07/15/14 4.3%	Transocean Ltd., Ser. A, Cv., 1.625%, 12/15/37 3.6%

## Multi-Class Shares

The GAMCO Global Series Funds, Inc. began offering additional classes of Fund shares in March of 2000. Class AAA Shares are no-load shares offered directly by selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available solely to certain institutions which invest directly with the Fund. The minimum initial investment amount for Class I Shares is \$500,000. The Board of Directors determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

### Average Annual Returns — December 31, 2009 (a)

	<u>Class AAA Shares</u>	<u>Class A Shares</u>	<u>Class B Shares</u>	<u>Class C Shares</u>	<u>Class I Shares</u>
1 Year .....	44.67%	44.51% 36.20(c)	43.72% 38.72(d)	43.45% 42.45(e)	45.22%
5 Year .....	(0.37)	(0.32) (1.50)(c)	(1.06) (1.46)(d)	(1.13) (1.13)	(0.22)
10 Year .....	(0.56)	(0.54) (1.12)(c)	(1.19) (1.19)	(1.15) (1.15)	(0.49)
Life of Fund (b) .....	4.16	4.17 3.79(c)	3.75 3.75	3.77 3.77	4.21
<b>Gross Expense Ratio . . . .</b>	<b>3.38</b>	<b>3.38</b>	<b>4.13</b>	<b>4.13</b>	<b>3.13</b>
<b>Current Expense Ratio after Adviser Reimbursements</b>	<b>2.02</b>	<b>2.02</b>	<b>2.77</b>	<b>2.77</b>	<b>1.77</b>
<b>Maximum Sales Charge . . .</b>	<b>None</b>	<b>5.75</b>	<b>5.00</b>	<b>1.00</b>	<b>None</b>
<b>Ticker Symbols . . . . .</b>	<b>.GAGCX</b>	<b>GAGAX</b>	<b>36464T869</b>	<b>GACCX</b>	<b>GAGIX</b>

- (a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Performance results have been enhanced by expense reimbursements from the Adviser. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** Investing in foreign securities involves risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks. The Class AAA Share net asset values ("NAV") per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, Class C Shares, and Class I Shares on May 2, 2001, March 28, 2001, November 26, 2001, and January 11, 2008, respectively. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expense for this class.
- (b) Performance is calculated from inception of Class AAA Shares on February 3, 1994.
- (c) Includes the effect of the maximum 5.75% sales charge at the beginning of the period.
- (d) Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the one year and five year periods of 5% and 2%, respectively, of the Fund's NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.
- (e) Performance results include the deferred sales charges for the Class C Shares upon redemption at the end of the one year period of 1% of the Fund's NAV per share at the time of purchase or sale, whichever is lower.

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/funds](http://www.gabelli.com/funds).

This page was intentionally left blank.

## **Gabelli/GAMCO Funds and Your Personal Privacy**

---

### **Who are we?**

The Gabelli/GAMCO Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC or Teton Advisors, Inc., which are affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients. Teton Advisors, Inc. is a publicly held company that provides investment advisory services to the GAMCO Westwood Funds.

### **What kind of non-public information do we collect about you if you become a shareholder?**

If you apply to open an account directly with us, you will be giving us some non-public information about yourself. The non-public information we collect about you is:

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us, any transactions with our affiliates, and transactions with the entities we hire to provide services to you.* This would include information about the shares that you buy or redeem. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

### **What information do we disclose and to whom do we disclose it?**

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, [www.sec.gov](http://www.sec.gov).

### **What do we do to protect your personal information?**

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

# GABELLI FAMILY OF FUNDS

## VALUE

### Gabelli Asset Fund

Seeks to invest primarily in a diversified portfolio of common stocks selling at significant discounts to their private market value. The Fund's primary objective is growth of capital. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

### Gabelli Blue Chip Value Fund

Seeks long term growth of capital through investment primarily in the common stocks of established companies which are temporarily out of favor. The fund's objective is to identify a catalyst or sequence of events that will return the company to a higher value. (Multiclass)

Portfolio Manager: Barbara Marcin, CFA

### GAMCO Westwood Equity Fund

Seeks to invest primarily in the common stock of well seasoned companies that have recently reported positive earnings surprises and are trading below Westwood's proprietary growth rate estimates. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Susan M. Byrne

## FOCUSED VALUE

### Gabelli Value Fund

Seeks to invest in securities of companies believed to be undervalued. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

## SMALL CAP VALUE

### Gabelli Small Cap Fund

Seeks to invest primarily in common stock of smaller companies (market capitalizations at the time of investment of \$2 billion or less) believed to have rapid revenue and earnings growth potential. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

### GAMCO Westwood SmallCap Equity Fund

Seeks to invest primarily in smaller capitalization equity securities – market caps of \$2.5 billion or less. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Portfolio Manager: Nicholas F. Galluccio

### Gabelli Woodland Small Cap Value Fund

Seeks to invest primarily in the common stocks of smaller companies (market capitalizations generally less than \$3.0 billion) believed to be undervalued with shareholder oriented management teams that are employing strategies to grow the company's value. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Elizabeth M. Lilly, CFA

## GROWTH

### GAMCO Growth Fund

Seeks to invest primarily in large cap stocks believed to have favorable, yet undervalued, prospects for earnings growth. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Howard F. Ward, CFA

### GAMCO International Growth Fund

Seeks to invest in the equity securities of foreign issuers with long-term capital appreciation potential. The Fund offers investors global diversification. (Multiclass)

Portfolio Manager: Caesar Bryan

## AGGRESSIVE GROWTH

### GAMCO Global Growth Fund

Seeks capital appreciation through a disciplined investment program focusing on the globalization and interactivity of the world's marketplace. The Fund invests in companies at the forefront of accelerated growth. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

## MICRO-CAP

### GAMCO Westwood Mighty Mites<sup>SM</sup> Fund

Seeks to invest in micro-cap companies that have market capitalizations of \$300 million or less. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Team Managed

## EQUITY INCOME

### Gabelli Equity Income Fund

Seeks to invest primarily in equity securities with above average market yields. The Fund pays monthly dividends and seeks a high level of total return with an emphasis on income. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

### GAMCO Westwood Balanced Fund

Seeks to invest in a balanced and diversified portfolio of stocks and bonds. The Fund's primary objective is both capital appreciation and current income. (Multiclass)

Co-Portfolio Managers: Susan M. Byrne  
Mark Freeman, CFA

### GAMCO Westwood Income Fund

Seeks to provide a high level of current income as well as long-term capital appreciation by investing in income producing equity and fixed income securities. (Multiclass)

Portfolio Manager: Barbara Marcin, CFA

## SPECIALTY EQUITY

### GAMCO Global Convertible Securities Fund

Seeks to invest principally in bonds and preferred stocks which are convertible into common stock of foreign and domestic companies. The Fund's primary objective is total return through a combination of current income and capital appreciation. (Multiclass)

Team Managed

### GAMCO Global Opportunity Fund

Seeks to invest in common stock of companies which have rapid growth in revenues and earnings and potential for above average capital appreciation or are undervalued. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

### Gabelli SRI Green Fund

Seeks to invest in common and preferred stocks meeting guidelines for social responsibility (avoiding defense contractors and manufacturers of alcohol, abortifacients, gaming, and tobacco products) and sustainability (companies engaged in climate change, energy security and independence, natural resource shortages, organic living, and urbanization). The Fund's primary objective is capital appreciation. (Multiclass)

Co-Portfolio Managers: Christopher C. Desmarais  
John M. Segrich, CFA

## SECTOR

### GAMCO Global Telecommunications Fund

Seeks to invest in telecommunications companies throughout the world – targeting undervalued companies with strong earnings and cash flow dynamics. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

## GAMCO Gold Fund

Seeks to invest in a global portfolio of equity securities of gold mining and related companies. The Fund's objective is long-term capital appreciation. Investment in gold stocks is considered speculative and is affected by a variety of worldwide economic, financial, and political factors. (Multiclass)

Portfolio Manager: Caesar Bryan

## Gabelli Utilities Fund

Seeks to provide a high level of total return through a combination of capital appreciation and current income. (Multiclass)

Team Managed

## MERGER AND ARBITRAGE

### Gabelli ABC Fund

Seeks to invest in securities with attractive opportunities for appreciation or investment income. The Fund's primary objective is total return in various market conditions without excessive risk of capital loss. (No-load)

Portfolio Manager: Mario J. Gabelli, CFA

### Gabelli Enterprise Mergers and Acquisitions Fund

Seeks to invest in securities believed to be likely acquisition targets within 12–18 months or in arbitrage transactions of publicly announced mergers or other corporate reorganizations. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

## CONTRARIAN

### GAMCO Mathers Fund

Seeks long-term capital appreciation in various market conditions without excessive risk of capital loss. (No-load)

Portfolio Manager: Henry Van der Eb, CFA

### Comstock Capital Value Fund

Seeks capital appreciation and current income. The Fund may use either long or short positions to achieve its objective. (Multiclass)

Portfolio Manager: Martin Weiner, CFA

## FIXED INCOME

### GAMCO Westwood Intermediate Bond Fund

Seeks to invest in a diversified portfolio of bonds with various maturities. The Fund's primary objective is total return. (Multiclass)

Portfolio Manager: Mark Freeman, CFA

## CASH MANAGEMENT-MONEY MARKET

### Gabelli U.S. Treasury Money Market Fund

Seeks to invest exclusively in short-term U.S. Treasury securities. The Fund's primary objective is to provide high current income consistent with the preservation of principal and liquidity. (No-load)

Co-Portfolio Managers: Judith A. Raneri  
Ronald S. Eaker

An investment in the above Money Market Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

The Funds may invest in foreign securities which involve risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks.

To receive a prospectus, call **800-GABELLI** (422-3554). Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.

GAMCO Global Series Funds, Inc.  
**The GAMCO Global Convertible Securities Fund**

One Corporate Center  
Rye, New York 10580-1422

**800-GABELLI**

**800-422-3554**

**fax: 914-921-5118**

**website: [www.gabelli.com](http://www.gabelli.com)**

**e-mail: [info@gabelli.com](mailto:info@gabelli.com)**

Net Asset Value per share available daily by calling  
**800-GABELLI** after 7:00 P.M.

**Board of Directors**

Mario J. Gabelli, CFA  
*Chairman and Chief  
Executive Officer  
GAMCO Investors, Inc.*

John D. Gabelli  
*Senior Vice President  
Gabelli & Company, Inc.*

E. Val Cerutti  
*Chief Executive Officer  
Cerutti Consultants, Inc.*

Werner J. Roeder, MD  
*Medical Director  
Lawrence Hospital*

Anthony J. Colavita  
*President  
Anthony J. Colavita, P.C.*

Anthonie C. van Ekris  
*Chairman  
BALMAC International, Inc.*

Arthur V. Ferrara  
*Former Chairman and  
Chief Executive Officer  
Guardian Life Insurance  
Company of America*

Salvatore J. Zizza  
*Chairman  
Zizza & Co., Ltd.*

**Officers**

Bruce N. Alpert  
*President and Secretary*

Peter D. Goldstein  
*Chief Compliance Officer*

Agnes Mullady  
*Treasurer*

**Distributor**

Gabelli & Company, Inc.

**Custodian, Transfer Agent, and Dividend Agent**

State Street Bank and Trust Company

**Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP

**GAMCO**

**The  
GAMCO  
Global  
Convertible  
Securities  
Fund**

---

This report is submitted for the general information of the shareholders of The GAMCO Global Convertible Securities Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

---

GAB441Q409SC

**SHAREHOLDER COMMENTARY  
DECEMBER 31, 2009**

# The GAMCO Global Convertible Securities Fund

Annual Report  
December 31, 2009



Mario Gabelli, CFA

## To Our Shareholders,

The Sarbanes-Oxley Act requires a fund's principal executive and financial officers to certify the entire contents of the semi-annual and annual shareholder reports in a filing with the Securities and Exchange Commission ("SEC") on Form N-CSR. This certification would cover the portfolio manager's commentary and subjective opinions if they are attached to or a part of the financial statements. Many of these comments and opinions would be difficult or impossible to certify.

Because we do not want our portfolio managers to eliminate their opinions and/or restrict their commentary to historical facts, we have separated their commentary from the financial statements and investment portfolio and have sent it to you separately. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at [www.gabelli.com/funds](http://www.gabelli.com/funds).

Enclosed are the audited financial statements including the investment portfolio as of December 31, 2009 with a description of factors that affected the performance during the past year.

## Performance Discussion (Unaudited)

During the twelve month period ended December 31, 2009, The GAMCO Global Convertible Securities Fund (the "Fund") (Class AAA) net asset value ("NAV") per share rose 44.67% compared with gains of 36.78% for the Merrill Lynch Global 300 Convertible Index.

A post recession rally propelled U.S. convertibles to record performance in 2009, after an abysmal showing in 2008. The largest positive contributor to returns was the surprisingly sharp recovery of credit spreads, as illustrated by high yield spreads which tightened nearly 1,200 basis points, year over year. Making a further contribution to performance, the U.S. convertibles market richened as constituents regained equity sensitivity benefiting from the general appreciation of underlying equities and revaluation of their respective "option" components as convertibles rose from bond floors.

For the year, speculative grade converts outperformed investment grades by more than a factor of three (up 82% vs. 25.5%), primarily resulting from the stronger performance of the underlying stocks (99% vs. 35%) and the greater relative spread tightening attributable to these speculative grade names. For the year, all industry sectors showed positive performance. As compiled by Bank of America (Merrill Lynch), Materials (Commodities) converts had the best performance as a group up 99% with underlying equities up 121%. Other top performing sectors for the year included: Consumer Discretionary (+90%), Media (+62%), Transportation (+60%), Technology (+60%), and Financials (52%).

The current portfolio represents a combination approach to the convertible asset class, blending a number of attractive situations to provide a balanced approach in an attempt to provide safety and capital appreciation. Over the past year, the portfolio has benefited from a broad range of positive situational outcomes including: attractive outright yield to put/maturity plays, credit spread contraction, rebounding equity sensitive names, a rebound in merger and acquisition activity, and new issuance.

Selected holdings that contributed positively to performance in 2009 were SanDisk Corp., which develops and manufactures NAND-based flash memory cards, (7.0% of net assets as of December 31, 2009), Vedanta Finance Jersey Ltd. (3.8%), and The Providence Service Corp. (3.0%). Some of our weaker performing stocks during the year were Softbank Corp. (2.8%) and Cephalon Inc. (2.7%).

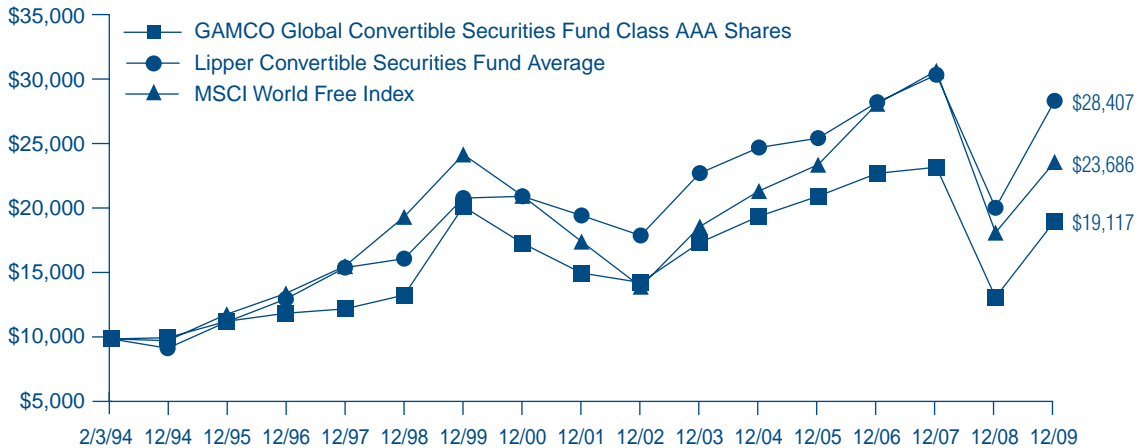
Sincerely yours,



Bruce N. Alpert  
President

February 19, 2010

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE GAMCO GLOBAL CONVERTIBLE SECURITIES FUND CLASS AAA SHARES, THE LIPPER CONVERTIBLE SECURITIES FUND AVERAGE, AND THE MSCI WORLD FREE INDEX (Unaudited)**



*Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.*

## Comparative Results

### Average Annual Returns through December 31, 2009 (a) (Unaudited)

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (2/3/94)
<b>GAMCO Global Convertible Securities Fund</b>						
Class AAA .....	3.49%	44.67%	(5.71)%	(0.37)%	(0.56)%	4.16%
Merrill Lynch Global 300 Convertible Index .....	3.48	36.78	2.75	4.74	3.43	N/A*
Lipper Convertible Securities Fund Average .....	4.88	41.09	(0.24)	2.53	3.33	6.90
MSCI World Free Index .....	4.07	29.99	(5.63)	2.01	(0.24)	5.57
Class A .....	3.48	44.51	(5.68)	(0.32)	(0.54)	4.17
	(2.47)(b)	36.20(b)	(7.53)(b)	(1.50)(b)	(1.12)(b)	3.79(b)
Class B .....	3.37	43.72	(6.36)	(1.06)	(1.19)	3.75
	(1.63)(c)	38.72(c)	(7.30)(c)	(1.46)(c)	(1.19)	3.75
Class C .....	3.32	43.45	(6.47)	(1.13)	(1.15)	3.77
	2.32(d)	42.45(d)	(6.47)	(1.13)	(1.15)	3.77
Class I .....	3.82	45.22	(5.47)	(0.22)	(0.49)	4.21

**In the current prospectus, the gross expense ratios for Class AAA, A, B, C, and I Shares are 3.38%, 3.38%, 4.13%, 4.13%, and 3.13%, respectively. The net expense ratios in the current prospectus for these share classes are 2.02%, 2.02%, 2.77%, 2.77%, and 1.77%, respectively. See page 10 for the expense ratios for the year ended December 31, 2009. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.**

(a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** Investing in foreign securities involves risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks.

The Class AAA Shares NAVs per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, Class C Shares, and Class I Shares on May 2, 2001, March 28, 2001, November 26, 2001, and January 11, 2008, respectively. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The Merrill Lynch Global 300 Convertible Index and the Morgan Stanley Capital International ("MSCI") World Free Index are unmanaged indicators of investment performance, while the Lipper Convertible Securities Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

(b) Includes the effect of the maximum 5.75% sales charge at the beginning of the period.

(c) Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the quarter, one year, three year, and five year periods of 5%, 5%, 3%, and 2%, respectively, of the Fund's NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.

(d) Performance results include the deferred sales charges for the Class C Shares upon redemption at the end of the quarter and one year periods of 1% of the Fund's NAV per share at the time of purchase or sale, whichever is lower.

\* There is no data available for the Merrill Lynch Global 300 Convertible Index prior to December 31, 1994.

# The GAMCO Global Convertible Securities Fund

## Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2009 through December 31, 2009

## Expense Table

We believe it is important for you to understand the impact of fees and expenses regarding your investment. All mutual funds have operating expenses. As a shareholder of a fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of a fund. When a fund's expenses are expressed as a percentage of its average net assets, this figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The Expense Table below illustrates your Fund's costs in two ways:

**Actual Fund Return:** This section provides information about actual account values and actual expenses. You may use this section to help you to estimate the actual expenses that you paid over the period after any fee waivers and expense reimbursements. The "Ending Account Value" shown is derived from the Fund's **actual** return during the past six months, and the "Expenses Paid During Period" shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your Fund under the heading "Expenses Paid During Period" to estimate the expenses you paid during this period.

**Hypothetical 5% Return:** This section provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio. It assumes a hypothetical annualized return of 5% before expenses during the period shown. In this case – because the hypothetical return used is **not** the Fund's actual return – the results do not apply to your investment and you cannot use the hypothetical account value and expense to estimate the actual ending account balance or expenses you paid for the period. This example is useful in making comparisons of the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended December 31, 2009.

	Beginning Account Value 07/01/09	Ending Account Value 12/31/09	Annualized Expense Ratio	Expenses Paid During Period*
<b>The GAMCO Global Convertible Securities Fund</b>				
<b>Actual Fund Return</b>				
Class AAA	\$1,000.00	\$1,226.10	2.01%	\$11.28
Class A	\$1,000.00	\$1,225.40	2.01%	\$11.27
Class B	\$1,000.00	\$1,220.90	2.76%	\$15.45
Class C	\$1,000.00	\$1,220.80	2.76%	\$15.45
Class I	\$1,000.00	\$1,226.10	1.76%	\$ 9.88
<b>Hypothetical 5% Return</b>				
Class AAA	\$1,000.00	\$1,015.07	2.01%	\$10.21
Class A	\$1,000.00	\$1,015.07	2.01%	\$10.21
Class B	\$1,000.00	\$1,011.59	2.76%	\$13.99
Class C	\$1,000.00	\$1,011.29	2.76%	\$13.99
Class I	\$1,000.00	\$1,016.33	1.76%	\$ 8.94

\* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, then divided by 365.

## Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total net assets as of December 31, 2009:

### The GAMCO Global Convertible Securities Fund

Metals and Mining .....	17.5%	Commercial Services .....	3.0%
Energy and Utilities .....	16.4%	Specialty Chemicals .....	2.7%
Health Care .....	11.9%	Equipment and Supplies .....	2.6%
Computer Hardware .....	7.0%	Diversified Industrial .....	2.5%
Telecommunications .....	6.4%	Automotive: Parts and Accessories .....	1.5%
Business Services .....	6.2%	Aviation .....	1.0%
Financial Services .....	6.1%	Electronics .....	0.6%
Consumer Products .....	5.2%	Broadcasting .....	0.4%
Entertainment .....	5.1%	Other Assets and Liabilities (Net) .....	<u>(0.3)%</u>
U.S. Government Obligations .....	4.2%		<u>100.0%</u>

*The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, the last of which was filed for the quarter ended September 30, 2009. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.*

### Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30th, no later than August 31st of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

# The GAMCO Global Convertible Securities Fund

## Schedule of Investments — December 31, 2009

Principal Amount		Cost	Market Value	Principal Amount		Cost	Market Value
	<b>Convertible Corporate Bonds — 87.1%</b>				<b>Entertainment — 5.1%</b>		
	<b>Automotive: Parts and Accessories — 1.5%</b>				Rovi Corp., Cv.,		
\$ 50,000	Johnson Controls Inc., Cv.,		\$ 300,000	2.625%, 08/15/11	\$ 288,057	\$ 372,375	
	6.500%, 09/30/12	\$ 50,290	\$ 127,250	50,000	Take-Two Interactive		
					Software Inc., Cv.,		
	<b>Aviation — 1.0%</b>				4.375%, 06/01/14	50,000	59,000
50,000	Textron Inc., Ser. TXT, Cv.,					338,057	431,375
	4.500%, 05/01/13	50,000	80,813				
					<b>Equipment and Supplies — 2.6%</b>		
	<b>Broadcasting — 0.4%</b>				Danaher Corp., Cv.,		
400,000	Citadel Broadcasting Corp.,		200,000		Zero Coupon, 01/22/21	237,126	221,000
	Sub. Deb. Cv.,						
	4.000%, 02/15/11†	342,365	36,000		<b>Financial Services — 6.1%</b>		
					CompuCredit Holdings Corp., Cv.,		
	<b>Business Services — 6.2%</b>			400,000	3.625%, 05/30/25	301,890	150,000
100,000	Akamai Technologies Inc., Cv.,			300,000	Janus Capital Group Inc., Cv.,		
	1.000%, 12/15/33	223,462	167,250		3.250%, 07/15/14	300,000	363,000
350,000	The Interpublic Group of					601,890	513,000
	Companies Inc., Cv.,						
	4.250%, 03/15/23	323,947	349,563		<b>Health Care — 9.3%</b>		
		547,409	516,813	200,000	Cephalon Inc., Ser. B,		
					Sub. Deb. Cv.,		
	<b>Commercial Services — 3.0%</b>				Zero Coupon, 06/15/33	239,672	228,250
300,000	The Providence Service Corp.,			400,000	Chemed Corp., Cv.,		
	Sub. Deb. Cv.,				1.875%, 05/15/14	356,566	350,000
	6.500%, 05/15/14	268,217	252,000	200,000	Kinetic Concepts Inc., Cv.,		
					3.250%, 04/15/15 (a)	159,043	198,500
	<b>Computer Hardware — 7.0%</b>					755,281	776,750
700,000	SanDisk Corp., Cv.,				<b>Metals and Mining — 13.1%</b>		
	1.000%, 05/15/13	478,649	587,125	100,000	Alcoa Inc., Cv.,		
					5.250%, 03/15/14	100,000	259,875
	<b>Consumer Products — 5.2%</b>			200,000	Kinross Gold Corp., Cv.,		
300,000	Eastman Kodak Co., Cv.,				1.750%, 03/15/28 (a)	202,333	209,250
	7.000%, 04/01/17 (a)	287,782	275,250	250,000	Newmont Mining Corp., Cv.,		
200,000(b)	Givaudan Nederland Finance BV, Cv.,				1.625%, 07/15/17	326,535	310,937
	5.375%, 03/01/10	163,983	157,454	300,000	Vedanta Finance Jersey Ltd., Cv.,		
		451,765	432,704		4.600%, 02/21/26	439,709	322,125
						1,068,577	1,102,187
	<b>Diversified Industrial — 2.5%</b>				<b>Specialty Chemicals — 2.7%</b>		
200,000	Griffon Corp., Sub. Deb. Cv.,			250,000	Ferro Corp., Cv.,		
	4.000%, 01/15/17 (a)	200,000	211,750		6.500%, 08/15/13	124,212	223,125
	<b>Electronics — 0.6%</b>				<b>Telecommunications — 6.4%</b>		
52,000	Advanced Micro Devices Inc., Cv.,			50,000	American Tower Corp., Cv.,		
	5.750%, 08/15/12	42,385	51,545		5.000%, 02/15/10	49,742	50,250
				250,000	Level 3 Communications Inc., Cv.,		
	<b>Energy and Utilities — 14.4%</b>				2.875%, 07/15/10	244,434	244,062
200,000	Cameron International Corp., Cv.,			20,000,000(c)	Softbank Corp., Cv.,		
	2.500%, 06/15/26	339,895	270,250		1.500%, 03/31/13	233,908	238,149
350,000	Covanta Holding Corp., Cv.,					528,084	532,461
	3.250%, 06/01/14 (a)	350,000	405,125				
300,000	Ja Solar Holdings Co., Ltd., Cv.,				<b>TOTAL CONVERTIBLE</b>		
	4.500%, 05/15/13	287,132	235,500		<b>CORPORATE BONDS</b>	7,406,193	7,305,273
300,000	Transocean Ltd., Ser. A, Cv.,						
	1.625%, 12/15/37	344,859	298,500				
		1,321,886	1,209,375				

See accompanying notes to financial statements.

# The GAMCO Global Convertible Securities Fund

## Schedule of Investments (Continued) — December 31, 2009

Principal Amount	Cost	Market Value	Geographic Diversification	% of Market Value	Market Value
<b>CORPORATE BONDS — 2.0%</b>					
<b>Energy and Utilities — 2.0%</b>					
\$ 200,000	Texas Competitive Electric Holdings Co. LLC, Ser. B (STEP), 10.250%, 11/01/15 . . . . .	\$ 112,193			\$ 163,000
			North America . . . . .	85.1%	\$7,154,985
			Latin America . . . . .	6.4	534,000
			Europe . . . . .	5.7	479,579
			Japan . . . . .	2.8	238,149
				<u>100.0%</u>	<u>\$8,406,713</u>
<b>Shares</b>					
<b>CONVERTIBLE PREFERRED STOCKS — 4.4%</b>					
<b>Metals and Mining — 4.4%</b>					
3,200	Freeport-McMoRan Copper & Gold Inc., 6.750% Cv. Pfd. . . . .	390,062			368,640
<b>COMMON STOCKS — 2.6%</b>					
<b>Health Care — 2.6%</b>					
8,000	IMS Health Inc. . . . .	170,240			168,480
1,000	Varian Inc.† . . . . .	51,257			51,540
	<b>TOTAL COMMON STOCKS</b> . . . . .	<u>221,497</u>			<u>220,020</u>
<b>Principal Amount</b>					
<b>U.S. GOVERNMENT OBLIGATIONS — 4.2%</b>					
<b>U.S. Treasury Bills — 1.9%</b>					
\$160,000	U.S. Treasury Bill, 0.112%††, 05/13/10 . . . . .	159,937			159,933
<b>U.S. Treasury Cash Management Bills — 2.3%</b>					
190,000	U.S. Treasury Cash Management Bill, 0.167%††, 06/17/10 . . . . .	189,857			189,847
	<b>TOTAL U.S. GOVERNMENT OBLIGATIONS</b> . . . . .	<u>349,794</u>			<u>349,780</u>
	<b>TOTAL INVESTMENTS — 100.3%</b>	<u>\$8,479,739</u>			8,406,713
	<b>Other Assets and Liabilities (Net) — (0.3%)</b>				(23,419)
	<b>NET ASSETS — 100.0%</b> . . . . .				<u>\$8,383,294</u>

- (a) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2009, the market value of Rule 144A securities amounted to \$1,299,875 or 15.51% of net assets.
- (b) Principal amount denoted in Swiss Francs.
- (c) Principal amount denoted in Japanese Yen.
- † Non-income producing security.
- †† Represents annualized yield at date of purchase.
- STEP Step coupon bond. The rate disclosed is that in effect at December 31, 2009.

See accompanying notes to financial statements.

# The GAMCO Global Convertible Securities Fund

## Statement of Assets and Liabilities December 31, 2009

<b>Assets:</b>	
Investments, at value (cost \$8,479,739) . . . . .	\$ 8,406,713
Foreign currency, at value (cost \$4) . . . . .	4
Receivable for Fund shares sold . . . . .	9,462
Receivable from Adviser . . . . .	275
Dividends and interest receivable . . . . .	76,565
Prepaid expenses . . . . .	21,824
<b>Total Assets</b> . . . . .	<u>8,514,843</u>
<b>Liabilities:</b>	
Payable to custodian . . . . .	68,099
Payable for Fund shares redeemed . . . . .	4,806
Payable for distribution fees . . . . .	1,862
Payable for legal and audit fees . . . . .	25,650
Payable for shareholder communications expenses . . . . .	17,115
Other accrued expenses . . . . .	14,017
<b>Total Liabilities</b> . . . . .	<u>131,549</u>
<b>Net Assets</b> applicable to 2,304,461 shares outstanding . . . . .	<u>\$ 8,383,294</u>
<b>Net Assets Consist of:</b>	
Paid-in capital . . . . .	\$10,522,287
Accumulated distributions in excess of net investment income . . . . .	(3,577)
Accumulated net realized loss on investments and foreign currency transactions . . . . .	(2,062,675)
Net unrealized depreciation on investments . . . . .	(73,026)
Net unrealized appreciation on foreign currency translations . . . . .	285
<b>Net Assets</b> . . . . .	<u>\$ 8,383,294</u>
<b>Shares of Capital Stock:</b>	
<b>Class AAA:</b>	
Net Asset Value, offering, and redemption price per share (\$7,680,801 ÷ 2,107,834 shares outstanding, at \$0.001 par value; 75,000,000 shares authorized) . . . . .	<u>\$3.64</u>
<b>Class A:</b>	
Net Asset Value and redemption price per share (\$471,761 ÷ 129,176 shares outstanding, at \$0.001 par value; 50,000,000 shares authorized) . . . . .	<u>\$3.65</u>
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price) . . . . .	<u>\$3.87</u>
<b>Class B:</b>	
Net Asset Value and offering price per share (\$1,459 ÷ 446 shares outstanding, at \$0.001 par value; 25,000,000 shares authorized) . . . . .	<u>\$3.27</u> (a)
<b>Class C:</b>	
Net Asset Value and offering price per share (\$162,267 ÷ 48,690 shares outstanding, at \$0.001 par value; 25,000,000 shares authorized) . . . . .	<u>\$3.33</u> (a)
<b>Class I:</b>	
Net Asset Value, offering, and redemption price per share (\$67,006 ÷ 18,315 shares outstanding, at \$0.001 par value; 25,000,000 shares authorized) . . . . .	<u>\$3.66</u>

(a) Redemption price varies based on the length of time held.

## Statement of Operations For the Year Ended December 31, 2009

<b>Investment Income:</b>	
Dividends (net of foreign taxes of \$320) . . . . .	\$ 19,967
Interest . . . . .	396,723
<b>Total Investment Income</b> . . . . .	<u>416,690</u>
<b>Expenses:</b>	
Investment advisory fees . . . . .	70,591
Distribution fees – Class AAA . . . . .	16,440
Distribution fees – Class A . . . . .	761
Distribution fees – Class B . . . . .	22
Distribution fees – Class C . . . . .	1,255
Custodian fees . . . . .	33,289
Shareholder communications expenses . . . . .	30,151
Legal and audit fees . . . . .	27,595
Registration expenses . . . . .	23,684
Shareholder services fees . . . . .	20,735
Tax expense . . . . .	2,788
Directors' fees . . . . .	1,102
Interest expense . . . . .	381
Miscellaneous expenses . . . . .	9,593
<b>Total Expenses</b> . . . . .	<u>238,387</u>
Less:	
Expense reimbursement (See Note 3) . . . . .	<u>(93,206)</u>
<b>Net Expenses</b> . . . . .	<u>145,181</u>
<b>Net Investment Income</b> . . . . .	<u>271,509</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:</b>	
Net realized loss on investments . . . . .	(379,996)
Net realized loss on foreign currency transactions . . . . .	<u>(62)</u>
Net realized loss on investments and foreign currency transactions . . . . .	<u>(380,058)</u>
Net change in unrealized appreciation: on investments . . . . .	2,638,739
on foreign currency translations . . . . .	<u>134</u>
Net change in unrealized appreciation on investments and foreign currency translations . . . . .	<u>2,638,873</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency</b> . . . . .	<u>2,258,815</u>
<b>Net Increase in Net Assets Resulting from Operations</b> . . . . .	<u>\$2,530,324</u>

See accompanying notes to financial statements.

# The GAMCO Global Convertible Securities Fund

## Statement of Changes in Net Assets

	Year Ended December 31, 2009	Year Ended December 31, 2008
<b>Operations:</b>		
Net investment income .....	\$ 271,509	\$ 136,145
Net realized loss on investments and foreign currency transactions .....	(380,058)	(1,349,084)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations .....	<u>2,638,873</u>	<u>(2,307,238)</u>
<b>Net Increase/(Decrease) in Net Assets Resulting from Operations .....</b>	<u>2,530,324</u>	<u>(3,520,177)</u>
<b>Distributions to Shareholders:</b>		
Net investment income		
Class AAA .....	(290,133)	(197,833)
Class A .....	(12,599)	(7,065)
Class B .....	(83)	(482)
Class C .....	(4,698)	(2,027)
Class I .....	<u>(2,234)</u>	<u>(1,348)</u>
<b>Total Distributions to Shareholders .....</b>	<u>(309,747)</u>	<u>(208,755)</u>
<b>Capital Share Transactions:</b>		
Class AAA .....	1,609,009	(1,772,190)
Class A .....	179,782	285,955
Class B .....	(3,035)	(27,015)
Class C .....	37,198	35,150
Class I .....	<u>21,671</u>	<u>51,134</u>
<b>Net Increase/(Decrease) in Net Assets from Capital Share Transactions .....</b>	<u>1,844,625</u>	<u>(1,426,966)</u>
<b>Redemption Fees .....</b>	<u>3,232</u>	<u>348</u>
<b>Net Increase/(Decrease) in Net Assets .....</b>	4,068,434	(5,155,550)
<b>Net Assets:</b>		
Beginning of period .....	<u>4,314,860</u>	<u>9,470,410</u>
End of period (including undistributed net investment income of \$0 and \$32,612, respectively) .....	<u>\$8,383,294</u>	<u>\$ 4,314,860</u>

See accompanying notes to financial statements.

# The GAMCO Global Convertible Securities Fund

## Financial Highlights

Selected data for a share of capital stock outstanding throughout each year:

Period Ended December 31,	Income from Investment Operations				Distributions				Ratios to Average Net Assets/Supplemental Data							
	Net Asset Value, Beginning of Period	Net Investment Income (Loss) <sup>(a)</sup>	Net Realized and Unrealized Gain (Loss) on Investments	Total from Operations	Net Investment Income	Net Realized Gain on Investments	Return of Capital	Total Distributions	Redemption Fees <sup>(g)</sup>	Net Asset Value, End of Period	Total Return	Net Assets End of Period (in 000's)	Net Investment Income (Loss)	Operating Expenses Before Reimbursement	Operating Expenses Net of Reimbursement <sup>(b)(c)</sup>	Portfolio Turnover Rate <sup>††</sup>
<b>Class AAA</b>																
2009	\$2.62	\$0.12	\$ 1.03	\$ 1.15	\$(0.13)	—	—	\$(0.13)	\$0.00(d)	\$3.64	44.7%	\$ 7,681	3.87%	3.37%	2.04%	62%
2008	4.77	0.08	(2.11)	(2.03)	(0.12)	—	—	(0.12)	0.00(d)	2.62	(43.2)	4,000	1.88	3.38	2.02	110
2007	5.48	(0.04)	0.16	0.12	(0.19)	\$(0.51)	\$(0.13)	(0.83)	0.00(d)	4.77	2.1	9,294	(0.70)	2.46	2.12	141
2006	6.22	0.08	0.44	0.52	(0.10)	(1.16)	—	(1.26)	0.00(d)	5.48	8.4	10,691	1.21	2.14	2.03	130
2005	6.26	0.04	0.40	0.44	(0.17)	(0.32)	—	(0.49)	0.01	6.22	8.0	13,781	0.63	2.11	2.03	58
<b>Class A</b>																
2009	\$2.63	\$0.12	\$ 1.03	\$ 1.15	\$(0.13)	—	—	\$(0.13)	\$0.00(d)	\$3.65	44.5%	\$ 472	3.71%	3.37%	2.04%	62%
2008	4.78	0.10	(2.13)	(2.03)	(0.12)	—	—	(0.12)	0.00(d)	2.63	(43.1)	196	2.78	3.38	2.02	110
2007	5.49	(0.04)	0.16	0.12	(0.19)	\$(0.51)	\$(0.13)	(0.83)	0.00(d)	4.78	2.1	57	(0.69)	2.45	2.12	141
2006	6.23	0.08	0.44	0.52	(0.10)	(1.16)	—	(1.26)	0.00(d)	5.49	8.4	49	1.24	2.14	2.03	130
2005	6.26	0.04	0.41	0.45	(0.17)	(0.32)	—	(0.49)	0.01	6.23	8.2	93	0.68	2.06	2.04	58
<b>Class B</b>																
2009	\$2.36	\$0.10	\$ 0.91	\$ 1.01	\$(0.10)	—	—	\$(0.10)	\$0.00(d)	\$3.27	43.7%	\$ 1	3.53%	4.12%	2.79%	62%
2008	4.34	0.02	(1.88)	(1.86)	(0.12)	—	—	(0.12)	0.00(d)	2.36	(43.6)	4	0.56	4.13	2.77	110
2007	5.10	(0.08)	0.15	0.07	(0.19)	\$(0.51)	\$(0.13)	(0.83)	0.00(d)	4.34	1.3	37	(1.49)	3.21	2.87	141
2006	5.91	0.03	0.42	0.45	(0.10)	(1.16)	—	(1.26)	0.00(d)	5.10	7.6	42	0.47	2.89	2.78	130
2005	6.01	(0.01)	0.39	0.38	(0.17)	(0.32)	—	(0.49)	0.01	5.91	7.3	73	(0.13)	2.84	2.78	58
<b>Class C</b>																
2009	\$2.41	\$0.09	\$ 0.94	\$ 1.03	\$(0.11)	—	—	\$(0.11)	\$0.00(d)	\$3.33	43.5%	\$ 162	2.96%	4.12%	2.79%	62%
2008	4.43	0.04	(1.94)	(1.90)	(0.12)	—	—	(0.12)	0.00(d)	2.41	(43.6)	86	1.11	4.13	2.77	110
2007	5.19	(0.09)	0.16	0.07	(0.19)	\$(0.51)	\$(0.13)	(0.83)	0.00(d)	4.43	1.2	82	(1.65)	3.19	2.87	141
2006	5.99	0.04	0.42	0.46	(0.10)	(1.16)	—	(1.26)	0.00(d)	5.19	7.8	164	0.57	2.90	2.78	130
2005	6.09	0.00(d)	0.38	0.38	(0.17)	(0.32)	—	(0.49)	0.01	5.99	7.2	145	(0.01)	2.91	2.78	58
<b>Class I</b>																
2009	\$2.63	\$0.13	\$ 1.04	\$ 1.17	\$(0.14)	—	—	\$(0.14)	\$0.00(d)	\$3.66	45.2%	\$ 67	3.97%	3.12%	1.79%	62%
2008(e)	4.62	0.08	(1.95)	(1.87)	(0.12)	—	—	(0.12)	0.00(d)	2.63	(41.2)	29	2.14(f)	3.13(f)	1.77(f)	110

† Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the period and sold at the end of the period including reinvestment of distributions and does not reflect the applicable sales charges. Total return for a period of less than one year is not annualized.

†† Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the years ended 2007, 2006, and 2005 would have been as shown.

(a) Per share amounts have been calculated using the average shares outstanding method.

(b) The Fund incurred interest expense during the years ended December 31, 2008, 2007, 2006, and 2005. If interest expense had not been incurred, the ratios of operating expenses to average net assets would have been 2.00%, 2.00%, 2.00%, and 2.00% (Class AAA and Class A), 2.75%, 2.75%, 2.75%, and 2.75% (Class B and Class C), and 1.75% (Class I), respectively. For the year ended December 31, 2009, the effect of the interest expense was minimal. The Fund also incurred tax expense during the year ended December 31, 2009. If tax expense had not been incurred, the ratios of operating expenses to average net assets would have been 2.00% (Class AAA and Class A), 2.75% (Class B and Class C), and 1.75% (Class I), respectively.

(c) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian fee credits, the expense ratios for the years ended December 31, 2006 and 2005 would have been 2.02% and 2.03% (Class AAA), 2.02% and 2.03% (Class A), 2.77% and 2.78% (Class B), and 2.77% and 2.78% (Class C), respectively. For the years ended December 31, 2008 and 2007, the effect of the custodian fee credits was minimal. For the year ended December 31, 2009, there were no custodian fee credits.

(d) Amount represents less than \$0.005 per share.

(e) From the commencement of offering Class I Shares on January 11, 2008 through December 31, 2008.

(f) Annualized.

See accompanying notes to financial statements.

# The GAMCO Global Convertible Securities Fund

## Notes to Financial Statements

---

**1. Organization.** The GAMCO Global Convertible Securities Fund (the “Fund”), a series of GAMCO Global Series Funds, Inc. (the “Corporation”), was organized on July 16, 1993 as a Maryland corporation. The Fund is a non-diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and one of four separately managed portfolios (collectively, the “Portfolios”) of the Corporation. The Fund’s primary objective is to obtain a high level of total return through a combination of income and capital appreciation. The Fund commenced investment operations on February 3, 1994.

**2. Significant Accounting Policies.** The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) has become the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The ASC has superseded all existing non-SEC accounting and reporting standards. The Fund’s financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

**Security Valuation.** Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market’s official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors (the “Board”) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the “Adviser”).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities’ fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

## The GAMCO Global Convertible Securities Fund

### Notes to Financial Statements (Continued)

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments by inputs used to value the Fund's investments as of December 31, 2009 is as follows:

	Valuation Inputs		Total Market Value at 12/31/09
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	
<b>INVESTMENTS IN SECURITIES:</b>			
<b>ASSETS (Market Value):</b>			
Convertible Corporate Bonds	—	\$7,305,273	\$7,305,273
Corporate Bonds	—	163,000	163,000
Convertible Preferred Stocks (a)	\$368,640	—	368,640
Common Stocks (a)	220,020	—	220,020
U.S. Government Obligations	—	349,780	349,780
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>\$588,660</b>	<b>\$7,818,053</b>	<b>\$8,406,713</b>

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings.

There were no Level 3 investments held at December 31, 2009 or December 31, 2008.

#### ***Derivative Financial Instruments.***

The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

## The GAMCO Global Convertible Securities Fund

### Notes to Financial Statements (Continued)

---

**Futures Contracts.** The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the “initial margin.” Subsequent payments (“variation margin”) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, which are included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. During the year ended December 31, 2009, the Fund had no investments in futures contracts.

**Forward Foreign Exchange Contracts.** The Fund may engage in forward foreign exchange contracts for the purpose of hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on investments and foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund’s portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. During the year ended December 31, 2009, the Fund had no investments in forward foreign exchange contracts.

**Repurchase Agreements.** The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund’s holding period. It is the policy of the Fund to always receive and maintain securities as collateral whose market value, including accrued interest, is at least equal to 102% of the dollar amount invested by the Fund in each agreement. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At December 31, 2009, there were no open repurchase agreements.

## The GAMCO Global Convertible Securities Fund

### Notes to Financial Statements (Continued)

---

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at the current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial trade date and subsequent sale trade date is included in realized gain/loss on investments.

**Foreign Securities.** The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

**Foreign Taxes.** The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

**Securities Transactions and Investment Income.** Securities transactions are accounted for on the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date except for certain dividends which are recorded as soon as the Fund is informed of the dividend.

**Determination of Net Asset Value and Calculation of Expenses.** Certain administrative expenses are common to, and allocated among, various affiliated funds. Such allocations are made on the basis of each fund's average net assets or other criteria directly affecting the expenses as determined by the Adviser pursuant to procedures established by the Board.

In calculating the NAV per share of each class, investment income, realized and unrealized gains and losses, redemption fees, and expenses other than class specific expenses are allocated daily to each class of shares based upon the proportion of net assets of each class at the beginning of each day. Distribution expenses are borne solely by the class incurring the expense.

**Custodian Fee Credits and Interest Expense.** When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as "custodian fee credits." When cash balances are overdrawn, the Fund is charged an overdraft fee equal to 2.00% above the federal funds rate on outstanding balances. This amount, if any, would be included in "interest expense" in the Statement of Operations.

## The GAMCO Global Convertible Securities Fund

### Notes to Financial Statements (Continued)

**Distributions to Shareholders.** Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund and timing differences. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to tax treatment of currency gains and losses and non-deductible excise tax. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2009, reclassifications were made to decrease accumulated distributions in excess of net investment income by \$2,049 and decrease accumulated net realized loss on investments and foreign currency transactions by \$739, with an offsetting adjustment to additional paid in capital.

The tax character of distributions paid during the years ended December 31, 2009 and December 31, 2008 was \$309,747 and \$208,755 of ordinary income.

**Provision for Income Taxes.** The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

At December 31, 2009, the components of accumulated earnings/losses on a tax basis were as follows:

Accumulated capital loss carryforwards .....	\$(2,062,653)
Undistributed ordinary income .....	2,114
Net unrealized depreciation on investments and foreign currency translations .....	(81,625)
Other temporary differences* .....	3,171
Total .....	<u>\$(2,138,993)</u>

\*Other temporary differences are primarily due to reversal of income accruals from bonds.

At December 31, 2009, the Fund had net capital loss carryforwards for federal income tax purposes of \$2,062,653, which are available to reduce future required distributions of net capital gains to shareholders. \$1,682,742 is available through 2016; and \$379,911 is available through 2017.

At December 31, 2009, the difference between book basis and tax basis unrealized depreciation was primarily due to deferral of losses from wash sales for tax purposes and taxable bond premiums added back for current and prior years.

The following summarizes the tax cost of investments and the related unrealized appreciation/depreciation at December 31, 2009:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Depreciation</u>
Investments .....	\$8,488,623	\$875,882	\$(957,792)	\$(81,910)

## The GAMCO Global Convertible Securities Fund

### Notes to Financial Statements (Continued)

---

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund'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 Fund 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 year ended December 31, 2009, the Fund did not incur any interest or penalties. As of December 31, 2009, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. Tax years ended December 31, 2007 through December 31, 2009, remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor its tax positions to determine if adjustments to this conclusion are necessary.

**3. Investment Advisory Agreement and Other Transactions.** The Fund has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser. The Adviser has voluntarily agreed to waive the investment advisory fee of the Fund to the extent necessary to maintain the annualized total net operating expenses (exclusive of brokerage, acquired fund fees and expenses, interest, taxes, and extraordinary expenses) at no more than 2.00%, 2.00%, 2.75%, 2.75%, and 1.75% of average daily net assets for Class AAA, Class A, Class B, Class C, and Class I, respectively. For the year ended December 31, 2009, the Adviser reimbursed the Fund in the amount of \$93,206. Such amount is not recoverable in future years.

If total net assets of the Corporation are in excess of \$100 million, the Corporation pays each Director who is not considered to be an affiliated person an annual retainer of \$3,000 plus \$500 for each Board meeting attended and each Director is reimbursed by the Corporation for any out of pocket expenses incurred in attending meetings. If total net assets of the Corporation are below \$100 million, the Corporation pays each Independent Director an annual retainer of \$1,500 plus \$500 for each Board meeting attended and each Director is reimbursed by the Corporation for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Director each receive an annual fee of \$1,000. A Director may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Corporation.

**4. Distribution Plan.** The Fund's Board has adopted a distribution plan (the "Plan") for each class of shares, except for Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Gabelli & Company, Inc. ("Gabelli & Company"), an affiliate of the Adviser, serves as distributor of the Fund. Under the Class AAA, Class A, Class B, and Class C Share Plans, payments are authorized to Gabelli & Company at annual rates of 0.25%, 0.25%, 1.00%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

**5. Portfolio Securities.** Purchases and sales of securities for the year ended December 31, 2009, other than short-term securities and U.S. Government obligations, aggregated \$5,678,170 and \$3,902,234, respectively.

## The GAMCO Global Convertible Securities Fund

### Notes to Financial Statements (Continued)

---

**6. Transactions with Affiliates.** During the year ended December 31, 2009, the Fund paid brokerage commissions on security trades of \$1,002 to Gabelli & Company. Additionally, Gabelli & Company informed the Fund that it retained \$165 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. The Adviser did not seek a reimbursement during the year ended December 31, 2009.

**7. Line of Credit.** The Fund participates in an unsecured line of credit of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at the higher of the sum of the overnight LIBOR plus 100 basis points or the sum of the federal funds rate plus 100 basis points at the time of borrowing. This amount, if any, would be included in "interest expense" in the Statement of Operations. At December 31, 2009, there were no borrowings outstanding under the line of credit.

The average daily amount of borrowings outstanding under the line of credit in during the year ended December 31, 2009 was \$17,689 with a weighted average interest rate of 1.18%. The maximum amount borrowed at any time during the year ended December 31, 2009 was \$379,000.

**8. Capital Stock.** The Fund offers five classes of shares – Class AAA Shares, Class A Shares, Class B Shares, Class C Shares, and Class I Shares. Class AAA Shares are offered without a front-end sales charge only to investors who acquire them directly from Gabelli & Company, through selected broker/dealers, or the transfer agent. Class I Shares are offered to foundations, endowments, institutions, and employee benefit plans without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%. Class B Shares are subject to a contingent deferred sales charge ("CDSC") upon redemption within six years of purchase and automatically convert to Class A Shares approximately eight years after the original purchase. The applicable CDSC is equal to a declining percentage of the lesser of the NAV per share at the date of the original purchase or at the date of redemption, based on the length of time held. Class C Shares are subject to a 1.00% CDSC for one year after purchase. Class B Shares are available only through exchange of Class B Shares of other funds distributed by Gabelli & Company. Class I Shares were first issued on January 11, 2008.

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund. The redemption fees retained by the Fund during the years ended December 31, 2009 and December 31, 2008 amounted to \$3,232, and \$348, respectively.

The redemption fee does not apply to redemptions of shares where (i) the shares were purchased through automatic reinvestment of distributions, (ii) the redemption was initiated by the Fund, (iii) the shares were purchased through programs that collect the redemption fee at the program level and remit them to the Fund, or (iv) the shares were purchased through programs that the Adviser determines to have appropriate anti-short-term trading policies in place or as to which the Adviser has received assurances that look-through redemption fee procedures or effective anti-short-term trading policies and procedures are in place.

## The GAMCO Global Convertible Securities Fund

### Notes to Financial Statements (Continued)

Transactions in shares of capital stock were as follows:

	Year Ended December 31, 2009		Year Ended December 31, 2008*	
	Shares	Amount	Shares	Amount
<b>Class AAA</b>				
Shares sold	2,392,236	\$ 7,237,716	104,223	\$ 403,685
Shares issued upon reinvestment of distributions	86,461	273,175	48,768	178,477
Shares redeemed	(1,894,850)	(5,901,882)	(575,938)	(2,354,352)
Net increase/(decrease)	<u>583,847</u>	<u>\$ 1,609,009</u>	<u>(422,947)</u>	<u>\$(1,772,190)</u>
<b>Class A</b>				
Shares sold	60,175	\$ 199,839	62,919	\$ 287,520
Shares issued upon reinvestment of distributions	1,356	4,456	369	1,337
Shares redeemed	(6,909)	(24,513)	(724)	(2,902)
Net increase	<u>54,622</u>	<u>\$ 179,782</u>	<u>62,564</u>	<u>\$ 285,955</u>
<b>Class B</b>				
Shares issued upon reinvestment of distributions	30	\$ 88	100	\$ 361
Shares redeemed	(1,163)	(3,123)	(7,147)	(27,376)
Net decrease	<u>(1,133)</u>	<u>\$ (3,035)</u>	<u>(7,047)</u>	<u>\$ (27,015)</u>
<b>Class C</b>				
Shares sold	23,071	\$ 64,512	25,866	\$ 63,487
Shares issued upon reinvestment of distributions	499	1,483	246	859
Shares redeemed	(10,579)	(28,797)	(8,853)	(29,196)
Net increase	<u>12,991</u>	<u>\$ 37,198</u>	<u>17,259</u>	<u>\$ 35,150</u>
<b>Class I</b>				
Shares sold	8,794	\$ 26,906	13,028	\$ 59,870
Shares issued upon reinvestment of distributions	692	2,234	369	1,348
Shares redeemed	(2,269)	(7,469)	(2,299)	(10,084)
Net increase	<u>7,217</u>	<u>\$ 21,671</u>	<u>11,098</u>	<u>\$ 51,134</u>

\* From the commencement of offering Class I Shares on January 11, 2008.

**9. Indemnifications.** The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

## The GAMCO Global Convertible Securities Fund

### Notes to Financial Statements (Continued)

---

**10. Other Matters.** On April 24, 2008, the Adviser entered into an administrative settlement with the SEC to resolve the SEC's inquiry regarding prior frequent trading activity in shares of the GAMCO Global Growth Fund (the "Global Growth Fund") by one investor who was banned from the Global Growth Fund in August 2002. In the settlement, the SEC found that the Adviser had violated Section 206(2) of the Investment Advisers Act, Section 17(d) of the 1940 Act, and Rule 17d-1 thereunder, and had aided and abetted and caused violations of Section 12(d)(1)(B)(i) of the 1940 Act. Under the terms of the settlement, the Adviser, while neither admitting nor denying the SEC's findings and allegations, agreed, among other things, to pay the previously reserved total of \$16 million (including a \$5 million penalty), of which at least \$11 million will be distributed to shareholders of the Global Growth Fund in accordance with a plan developed by an independent distribution consultant and approved by the independent directors of the Global Growth Fund and the staff of the SEC, and to cease and desist from future violations of the above referenced federal securities laws. The settlement will not have a material adverse impact on the Adviser or its ability to fulfill its obligations under the Advisory Agreement. On the same day, the SEC filed a civil action against the Executive Vice President and Chief Operating Officer of the Adviser, alleging violations of certain federal securities laws arising from the same matter. The officer is also an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO fund complex including the Fund. The officer denies the allegations and is continuing in his positions with the Adviser and the funds. The Adviser currently expects that any resolution of the action against the officer will not have a material adverse impact on the Fund or the Adviser or its ability to fulfill its obligations under the Advisory Agreement.

**11. Subsequent Events.** Management has evaluated the impact on the Fund of events occurring subsequent to December 31, 2009 through February 25, 2010, the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

## The GAMCO Global Convertible Securities Fund

### Report of Independent Registered Public Accounting Firm

---

To the Shareholders and Board of Directors of  
GAMCO Global Series Funds, Inc.

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The GAMCO Global Convertible Securities Fund (the "Fund"), a series of GAMCO Global Series Funds, Inc., as of December 31, 2009, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2009, by correspondence with the Fund's custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of The GAMCO Global Convertible Securities Fund, a series of GAMCO Global Series Funds, Inc., at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Philadelphia, Pennsylvania  
February 25, 2010

*Ernst & Young LLP*

# The GAMCO Global Convertible Securities Fund

## Board Consideration and Re-Approval of Investment Advisory Agreement (Unaudited)

During the six months ended December 31, 2009, the Board of Directors of the Corporation approved the continuation of the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the directors (the “Independent Board Members”) who are not “interested persons” of the Fund. The following paragraphs summarize the material information and factors considered by the Independent Board Members as well as their conclusions relative to such factors.

**Nature, Extent, and Quality of Services.** The Independent Board Members considered information regarding the portfolio managers, the depth of the analyst pool available to the Adviser and the Fund’s portfolio managers, the scope of supervisory, administrative, shareholder, and other services supervised or provided by the Adviser and the absence of significant service problems reported to the Board. The Independent Board Members noted the experience, length of service, and reputation of the Fund’s portfolio managers.

**Investment Performance.** The Independent Board Members reviewed the short and medium-term performance of the Fund against a peer group of convertible securities funds, noting that the Fund’s performance for the one, three and five year periods was poor. The Independent Board Members also acknowledged the limitations of the peer group selected because there was only one other dedicated global convertible fund in the peer group.

**Profitability.** The Independent Board Members reviewed summary data regarding the lack of profitability of the Fund to the Adviser both with an administrative overhead charge and without such a charge. The Independent Board Members also noted that an affiliated broker of the Adviser received distribution fees and minor amounts of sales commissions.

**Economies of Scale.** The Independent Board Members discussed the major elements of the Adviser’s cost structure and the relationship of those elements to potential economies of scale and reviewed rudimentary data relating to the impact of 20% growth in the Fund on the Adviser’s profitability.

**Sharing of Economies of Scale.** The Independent Board Members noted that the investment management fee schedule for the Fund does not take into account any potential economies of scale that may develop.

**Service and Cost Comparisons.** The Independent Board Members compared the expense ratios of the investment management fee, other expenses and total expenses of the Fund with similar expense ratios of the peer group of convertible securities funds and noted that the Adviser’s management fee includes substantially all administrative services of the Fund as well as investment advisory services. The Independent Board Members noted that the Fund’s expense ratios, after voluntary expense reimbursements, were significantly higher than and the Fund’s size was significantly lower than average within this group. The Independent Board Members also noted that all but one of the peer group were domestic convertible funds, thereby limiting the usefulness of peer group comparisons. The Independent Board Members compared the management fee for other funds managed by the Adviser and noted that neither the Adviser nor any of its affiliates manage other global convertible securities accounts.

**Conclusions.** The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services and good ancillary services, but had a relatively poor performance record. The Independent Board Members also concluded that the Fund’s expense ratios were reasonable, particularly in light of the lack of profitability to the Adviser of managing the Fund, and that economies of scale were not a significant factor in their thinking at this time. The Independent Board Members did not view the potential profitability of ancillary services as material to their decision. On the basis of the foregoing and without assigning particular weight to any single conclusion, the Independent Board Members determined to recommend continuation of the investment management agreement to the full Board.

## The GAMCO Global Convertible Securities Fund

### Additional Fund Information (Unaudited)

The business and affairs of the Corporation are managed under the direction of the Corporation's Board of Directors. Information pertaining to the Directors and officers of the Corporation is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Directors and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The GAMCO Global Convertible Securities Fund at One Corporate Center, Rye, NY 10580-1422.

<u>Name, Position(s) Address<sup>1</sup> and Age</u>	<u>Term of Office and Length of Time Served<sup>2</sup></u>	<u>Number of Funds in Fund Complex Overseen by Director</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Director<sup>4</sup></u>
<b><u>INTERESTED DIRECTORS<sup>3</sup>:</u></b>				
<b>Mario J. Gabelli</b> Director and Chief Investment Officer Age: 67	Since 1993	26	Chairman and Chief Executive Officer of GAMCO Investors, Inc. and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds complex; Chairman and Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications)
<b>John D. Gabelli</b> Director Age: 65	Since 1993	10	Senior Vice President of Gabelli & Company, Inc.	—
<b><u>INDEPENDENT DIRECTORS<sup>5</sup>:</u></b>				
<b>E. Val Cerutti</b> Director Age: 70	Since 2001	7	Chief Executive Officer of Cerutti Consultants, Inc.	Director of The LGL Group, Inc. (diversified manufacturing)
<b>Anthony J. Colavita</b> Director Age: 74	Since 1993	34	President of the law firm of Anthony J. Colavita, P.C.	—
<b>Arthur V. Ferrara</b> Director Age: 79	Since 2001	8	Former Chairman of the Board and Chief Executive Officer of The Guardian Life Insurance Company of America (1993-1995)	—
<b>Werner J. Roeder, MD</b> Director Age: 69	Since 1993	22	Medical Director of Lawrence Hospital and practicing private physician	—
<b>Anthonie C. van Ekris</b> Director Age: 75	Since 1993	20	Chairman of BALMAC International, Inc. (commodities and futures trading)	—
<b>Salvatore J. Zizza</b> Director Age: 64	Since 2004	28	Chairman of Zizza & Co., Ltd. (consulting)	Director of Hollis-Eden Pharmaceuticals (biotechnology); Director of Trans-Lux Corporation (business services)

# The GAMCO Global Convertible Securities Fund

## Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address<sup>1</sup> and Age</u>	<u>Term of Office and Length of Time Served<sup>2</sup></u>	<u>Principal Occupation(s) During Past Five Years</u>
<b>OFFICERS:</b>		
<b>Bruce N. Alpert</b> President and Secretary Age: 58	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex. Director and President of Teton Advisors, Inc. 1998 through 2008; Chairman of Teton Advisors, Inc. since 2008; Senior Vice President of GAMCO Investors, Inc. since 2008
<b>Agnes Mullady</b> Treasurer Age: 51	Since 2006	Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Senior Vice President of U.S. Trust Company, N.A. and Treasurer and Chief Financial Officer of Excelsior Funds from 2004 through 2005
<b>Peter D. Goldstein</b> Chief Compliance Officer Age: 56	Since 2004	Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex

<sup>1</sup> Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

<sup>2</sup> Each Director will hold office for an indefinite term until the earliest of (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Director and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Director resigns or retires, or a Director is removed by the Board of Directors or shareholders, in accordance with the Corporation's By-Laws and Articles of Incorporation. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

<sup>3</sup> "Interested person" of the Corporation as defined in the 1940 Act. Messrs. Gabelli are each considered an "interested person" because of their affiliation with Gabelli Funds, LLC which acts as the Corporation's investment adviser. Mario J. Gabelli and John D. Gabelli are brothers.

<sup>4</sup> This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended (i.e. public companies) or other investment companies registered under the 1940 Act.

<sup>5</sup> Directors who are not interested persons are considered "Independent" Directors.

### 2009 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended December 31, 2009, the Fund paid to shareholders ordinary income distributions (comprised of net investment income) totaling \$0.1295, \$0.1296, \$0.1045, \$0.1090, and \$0.1371 per share for Class AAA, Class A, Class B, Class C, and Class I, respectively. For the year ended December 31, 2009, 26.55% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 13.87% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003.

#### U.S. Government Income

The percentage of the ordinary income distribution paid by the Fund during 2009 which was derived from U.S. Treasury securities was 0.20%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The GAMCO Global Convertible Securities Fund did not meet this strict requirement in 2009. The percentage of U.S. Government securities held as of December 31, 2009 was 4.17%. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

GAMCO Global Series Funds, Inc.  
**The GAMCO Global Convertible Securities Fund**

One Corporate Center  
Rye, New York 10580-1422

**800-GABELLI**

**800-422-3554**

**fax: 914-921-5118**

**website: [www.gabelli.com](http://www.gabelli.com)**

**e-mail: [info@gabelli.com](mailto:info@gabelli.com)**

Net Asset Value per share available daily by calling

**800-GABELLI** after 7:00 P.M.

**Board of Directors**

Mario J. Gabelli, CFA  
*Chairman and Chief  
Executive Officer  
GAMCO Investors, Inc.*

John D. Gabelli  
*Senior Vice President  
Gabelli & Company, Inc.*

E. Val Cerutti  
*Chief Executive Officer  
Cerutti Consultants, Inc.*

Werner J. Roeder, MD  
*Medical Director  
Lawrence Hospital*

Anthony J. Colavita  
*President  
Anthony J. Colavita, P.C.*

Anthonie C. van Ekris  
*Chairman  
BALMAC International, Inc.*

Arthur V. Ferrara  
*Former Chairman and  
Chief Executive Officer  
Guardian Life Insurance  
Company of America*

Salvatore J. Zizza  
*Chairman  
Zizza & Co., Ltd.*

**Officers**

Bruce N. Alpert  
*President and Secretary*

Peter D. Goldstein  
*Chief Compliance Officer*

Agnes Mullady  
*Treasurer*

**Distributor**

Gabelli & Company, Inc.

**Custodian, Transfer Agent, and Dividend Agent**

State Street Bank and Trust Company

**Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP

**GAMCO**

**The  
GAMCO  
Global  
Convertible  
Securities  
Fund**

---

This report is submitted for the general information of the shareholders of The GAMCO Global Convertible Securities Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

---

GAB441Q409SR

**ANNUAL REPORT  
DECEMBER 31, 2009**