

THE GABELLI
GLOBAL DEAL
FUND

Shareholder Commentary
June 30, 2010



THE GABELLI GLOBAL DEAL FUND

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

Investment Objective:

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

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

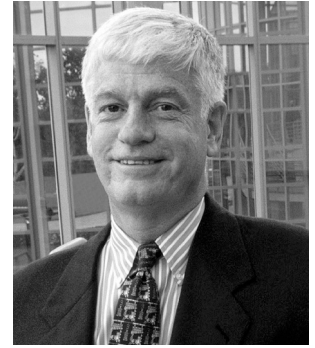
This report is printed on recycled paper.

To Our Shareholders,

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

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

The Fund’s net asset value (“NAV”) total return was –2.8% during the second quarter of 2010, compared with a total return of 0.04% for the 3 Month U.S. Treasury Bill Index. The total return for the Fund’s publicly traded shares was –5.7% during the second quarter. For the one year period ended June 30, 2010, the Fund’s NAV total return was 1.5% and the total return for the Fund’s publicly traded shares was 7.3%, compared with a total return of 0.2% for the 3 Month U.S. Treasury Bill Index. On June 30, 2010, the Fund’s NAV per share was \$14.88, while the price of the publicly traded shares closed at \$13.17 on the New York Stock Exchange (“NYSE”).



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Comparative Results

Average Annual Returns through June 30, 2010 (a)

	<u>Quarter</u>	<u>Year to Date</u>	<u>1 Year</u>	<u>3 Year</u>	<u>Since Inception (01/31/07)</u>
Gabelli Global Deal Fund					
NAV Total Return (b)	(2.76)%	(2.09)%	1.49%	(0.05)%	0.81%
Investment Total Return (c)	(5.65)	(4.33)	7.26	(1.63)	(3.07)
3 Month U.S. Treasury Bill Index	0.04	0.05	0.16	1.57	2.00

- (a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The 3 Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into the outstanding Treasury Bill that matures closest to, but not beyond three months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month end) date. Dividends are considered reinvested except for the 3 Month U.S. Treasury Bill Index. You cannot invest directly in an index.
- (b) Total returns and average annual returns reflect changes in the net asset value (“NAV”) per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.
- (c) Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00.

Premium / Discount Discussion

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

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

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

Deals...Deals...Deals Continued....

During the second quarter of 2010, the merger and acquisitions (“M&A”) market sustained the momentum of the first quarter, which had seen renewed confidence in deal making. Again, cash rich companies took advantage of target companies trading at depressed earnings multiples, supported by historically low interest rates, making the M&A market ripe for acquirers. As reported by Citi in its “Executive M&A Summary,” global announced M&A volume in the second quarter totaled \$533 billion, up 6.1% compared with the first quarter of 2010 and up 8.1% for the first six months of the year compared with the same period of the prior year.

Overseas cross border M&A activity rose dramatically, with \$206 billion of deals announced, including forty-four transactions greater than \$1 billion. M&A activity in Europe showed renewed strength, with \$153 billion worth of deals announced, almost a 50% increase in volume from the first quarter. However, the first six months of 2010 represented the weakest deal activity in Europe since 2003, with a total of only \$258 billion announced deals.

Numerous sectors saw increased deal making in the second quarter, including technology, media and telecom, industrials, healthcare, and financial companies. Interestingly, a common theme among announced deals in the second quarter was “hostile” bids. Three of the six largest announced deals were unsolicited or hostile bids made to take advantage of historically depressed multiples of target companies. In the second half of 2010, we look for deal activity to continue to follow the first six months of the year, with continuing strength in the broad markets, as cash rich companies and private equity firms invest in acquisitions.

Positions Closed in the Second Quarter 2010

The following are stock specifics on selected holdings of our Fund whose shares were tendered at a profit during the second quarter of 2010. Individual securities, profits, and annualized rates of return mentioned are not necessarily representative of the entire portfolio or of future returns.

3Com Corp. provides worldwide enterprise networking solutions. On November 11, 2009, Hewlett-Packard announced that it had entered into an agreement with 3Com to acquire the company for \$7.90 per share, a 31.8% premium to where the stock had been trading. The deal, valued at \$2.7 billion, was completed on April 12, 2010, and the Fund realized an annualized rate of return of 13.17%.

K-Tron International Inc. engages in the design, production, marketing, sales, and servicing of material handling equipment and systems for a range of industrial markets worldwide. On January 11, 2010, the company announced that it had entered into an agreement with Hillenbrand Inc. to be acquired for \$150.00 a share in cash. The deal was completed on April 1, 2010. The annualized rate of return on our investment was 3.84%.

SkillSoft plc is an Irish company that produces electronic training programs for corporate and government users. On February 12, 2010, the company received a bid by a consortium to take the company private. The consortium, comprised of private equity firms Berkshire Partners, Advent International, and Bain Capital, announced it would purchase SkillSoft for \$10.80 per share in cash, valuing the total deal at \$1.1 billion. On April 4, 2010, the consortium raised its offer for the company to \$11.25 per share in cash. The deal received its customary regulatory and shareholder approvals and closed on May 27, 2010, with shareholders receiving \$11.25 per share, for an annualized rate of return of 7.00%.

Deals in the Pipeline – U.S. and Worldwide

Arriva plc (ARI - \$11.43 - London Stock Exchange) is a large transportation company based in England. The company operates transportation services, including trains and buses, in twelve European countries. On April 22, 2010, Arriva received an offer from German transportation operator Deutsche Bahn of 775 pence per share in cash, valuing the company at 1.59 billion GBP. The deal is subject to customary approvals and regulations and is expected to close by the end of August 2010.

DynCorp International Inc. (DCP - \$17.52 - NYSE) is a global government services provider in support of U.S. national security and foreign policy objectives, delivering support solutions for defense, diplomacy, and international development. On April 12, 2010, the company announced that it had entered into an agreement to be acquired by Cerberus Capital for \$17.55 per share. The deal, valued at \$1.5 billion, is at a 49% premium to where the stock had been previously trading. It is anticipated to close in the beginning of the third quarter.

ev3 Inc. (EVVV - \$22.41 - Nasdaq) is a technology provider for specialists treating a wide range of vascular diseases and disorders. On June 1, 2010 the company entered into an agreement to be acquired by Covidien plc for \$2.6 billion or \$22.50 per share, nearly a 20% premium to where the stock had been previously trading. The acquisition, by tender offer, is expected to close on July 31, 2010.

Millipore Corp. (MIL - \$106.65 - NYSE) is a life science provider of technologies, tools, and services for bioscience research and biopharmaceutical manufacturing. On March 1, 2010 the company entered into an agreement with Merck KGaA to be acquired for \$107.00 per share. The merger, valued at roughly \$6 billion, is subject to antitrust and shareholder approvals and is expected to close early in the third quarter of 2010.

Sperian Protection (SPR FP - \$140.63 - NYSE Euronext) is a French manufacturer of personal protective equipment. On March 31, 2010, private investment group Cinven made a cash offer of 70 euros per share for the company. Then, on May 19, 2010, U.S. based Honeywell Inc. made a counteroffer of 117 euros per share for Sperian that included a 1 euro dividend, valuing the company at \$1.4 billion. The tender offer, which requires customary shareholder approvals as well as various government regulatory approvals, is expected to close by the end of September 2010.

Sincerely,



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

July 23, 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 the annual proxy statement for GAMCO Investors, Inc. (NYSE:GBL). Mr. Gabelli receives no base salary, no annual bonus, and no stock options.

As founder and portfolio manager of The Gabelli Global Deal Fund, Mr. Gabelli received \$1,870,796 in calendar year 2009. For the Fund's first twelve months of operation starting in January 2007, Mr. Gabelli did not receive any compensation for serving as portfolio manager of the Fund. Mario J. Gabelli and various entities he is deemed to control owned 1,343,365 and 648,616 common and preferred shares, respectively, of the Fund for a total amount invested of \$17,692,121 and \$34,538,802 in the common and preferred shares, respectively, as of June 30, 2010. Mr. Gabelli may not have pecuniary interest equal to a one hundred percent economic ownership in some of the entities he is deemed to control.

Common Share Repurchase Plan

On November 8, 2006, the Board of Trustees of the Fund (the "Board") voted to authorize the repurchase of the Fund's common shares in the open market from time to time when such shares are trading at a discount of 7.5% or more from NAV. In total through June 30, 2010, the Fund has repurchased and retired 133,300 common shares in the open market under this share repurchase plan at an average cost of \$14.71 per share and an average discount of approximately 14.7% from its NAV. The Fund did not repurchase any common shares during the first half of 2010.

Quarterly Distributions

The Fund paid a \$0.32 per share quarterly cash distribution on June 23, 2010 to common shareholders of record on June 16, 2010.

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

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

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

Short-term capital gains, qualified dividend income, ordinary income, and paid-in capital, if any, will be allocated on a pro-rata basis to all distributions to common shareholders for the year. Based on the accounting records of the Fund as of June 16, 2010, each of the distributions paid in 2010 would include approximately 2% from net capital gains and 98% from paid-in capital. The estimated components of each distribution are provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2010 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2010 distributions in early 2011 via Form 1099-DIV.

Series A Cumulative Callable Preferred Shares

The Fund's 8.50% Series A Cumulative Callable Preferred Shares paid a \$1.0625 per share cash distribution on June 28, 2010 to preferred shareholders of record on June 21, 2010. The Series A Preferred Shares, which trade on the NYSE under the symbol "GDL Pr A", have an annual dividend rate of \$4.25 per share. The Series A Preferred Shares were issued on February 10, 2009 at \$50.00 per share and pay distributions quarterly. The Series A Preferred Shares are subject to mandatory redemption in full on February 16, 2016 at the liquidation preference of \$50.00 per share. The Series A Preferred Shares are callable at any time with 30 to 60 days prior notice, at the liquidation preference plus any accumulated and unpaid dividends. The next distribution is scheduled for September 2010.

A portion of the distribution may be treated as long-term capital gain and qualified dividend income for individuals, each subject to the maximum federal income tax rate, which is currently 15% in taxable accounts for individuals. Short-term capital gains, qualified dividend income, and ordinary income, if any, will be allocated on a pro-rata basis to all distributions to preferred shareholders for the year. Based on the accounting records of the Fund as of June 16, 2010, each of the distributions paid in 2010 would include approximately 1% from net investment income and 99% from capital gains. The estimated components of each distribution are provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2010 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2010 distributions in early 2011 via Form 1099-DIV.

www.gabelli.com

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

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

e-delivery

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

Top Ten Holdings
June 30, 2010

Millipore Corp.

ev3 Inc.

CyberSource Corp.

Sybase Inc.

Phase Forward Inc.

SenoRx Inc.

Stanley Inc.

DynCorp. International Inc.

Sperian Protection

Somanetics Corp.

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

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

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

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

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

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

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

Voluntary Cash Purchase Plan

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

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

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

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

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



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

Trustees

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

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

James P. Conn
*Former Managing Director &
Chief Investment Officer,
Financial Security Assurance Holdings Ltd.*

Clarence A. Davis
*Former Chief Executive Officer,
Nestor, Inc.*

Mario d'Urso
Former Italian Senator

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

Michael J. Melarkey
*Attorney-at-Law,
Avansino, Melarkey, Knobel & Mulligan*

Edward T. Tokar
*Senior Managing Director,
Beacon Trust Company*

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

Officers

Bruce N. Alpert
President & Acting Treasurer

Carter W. Austin
Vice President

Peter D. Goldstein
Chief Compliance Officer & Acting Secretary

Laurissa M. Martire
Vice President

Agnes Mullady*
Treasurer & Secretary

Delian Naydenov
Assistant Vice President & Ombudsman

David I. Schachter
*Vice President
Investment Adviser
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422*

Custodian
The Bank of New York Mellon

Counsel
Skadden, Arps, Slate, Meagher & Flom LLP

Transfer Agent and Registrar
American Stock Transfer and Trust Company

Stock Exchange Listing

	<u>Common</u>	8.50%
	GDL	<u>Preferred</u>
NYSE-Symbol:	GDL	GDL PrA
Shares Outstanding:	21,177,810	1,920,242

*Agnes Mullady is on a leave of absence for a limited period of time.

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

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

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

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

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Shareholder Commentary
June 30, 2010

The Gabelli Global Deal Fund

Semi-Annual Report
June 30, 2010



Mario J. Gabelli, CFA

To Our Shareholders,

The Gabelli Global Deal Fund's (the "Fund") net asset value ("NAV") total return was (2.1)% during the semi-annual period ended June 30, 2010, compared with a return of 0.1% for the 3 Month U.S. Treasury Bill Index. The total return for the Fund's publicly traded shares was (4.3)% during the first half of the year. For the one year period ended June 30, 2010, the Fund's NAV total return was 1.5% and the total return for the Fund's publicly traded shares was 7.3%, compared with a return of 0.2% for the 3 Month U.S. Treasury Bill Index. On June 30, 2010, the Fund's NAV per share was \$14.88, while the price of the publicly traded shares closed at \$13.17 on the New York Stock Exchange ("NYSE").

Enclosed are the financial statements and the investment portfolio as of June 30, 2010.

Comparative Results

Average Annual Returns through June 30, 2010 (a) (Unaudited)

	<u>Quarter</u>	<u>Year to Date</u>	<u>1 Year</u>	<u>3 Year</u>	<u>Since Inception (01/31/07)</u>
Gabelli Global Deal Fund					
NAV Total Return (b)	(2.76)%	(2.09)%	1.49%	(0.05)%	0.81%
Investment Total Return (c)	(5.65)	(4.33)	7.26	(1.63)	(3.07)
3 Month U.S. Treasury Bill Index	0.04	0.05	0.16	1.57	2.00

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- (b) Total returns and average annual returns reflect changes in the NAV per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.
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THE GABELLI GLOBAL DEAL FUND
Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of June 30, 2010:

Long Positions		Restaurants	0.4%
U.S. Government Obligations	33.3%	Aerospace and Defense	0.3%
Health Care	26.8%	Consumer Products	0.2%
Computer Software and Services	9.1%	Automotive Rental/Equipment	0.2%
Energy and Utilities	4.4%	Building and Construction	0.2%
Business Services	4.3%	Machinery	0.1%
Diversified Industrial	3.7%	Aerospace	0.1%
Telecommunications	2.5%	Semiconductors	0.1%
Commercial Services	2.3%	Cable and Satellite	0.1%
Electronics	2.2%	Equipment and Supplies	0.1%
Financial Services	1.8%	Hotels and Gaming	0.0%
Computer Hardware	1.6%	Materials	0.0%
Food and Beverage	1.3%	Real Estate	0.0%
Media	1.2%	Publishing	0.0%
Metals and Mining	1.1%	Environmental Services	0.0%
Entertainment	0.8%	Educational Services	0.0%
Specialty Chemicals	0.7%		<u>100.0%</u>
Transportation	0.7%	Short Positions	
Retail	0.4%	Energy and Utilities	(0.0)%

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (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 March 31, 2010. Shareholders may obtain this information at 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 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.

Shareholder Meeting – May 17, 2010 – Final Results

The Fund's Annual Meeting of Shareholders was held on May 17, 2010 at the Greenwich Library in Greenwich, Connecticut. At that meeting, common and preferred shareholders, voting together as a single class, elected Edward T. Tokar and Salvatore J. Zizza as Trustees of the Fund. A total of 18,803,713 votes and 17,585,848 votes were cast in favor of each Trustee and a total of 2,029,304 votes and 3,247,169 votes were withheld for each Trustee, respectively. In addition, preferred shareholders, voting as a separate class, elected Anthony J. Colavita as Trustee of the Fund. A total of 930,154 votes were cast in favor of this Trustee and a total of 342,484 votes were withheld for this Trustee.

James P. Conn, Clarence A. Davis, Arthur V. Ferrara, Mario J. Gabelli, Mario d'Urso, and Michael J. Melarkey continue to serve in their capacities as Trustees of the Fund.

We thank you for your participation and appreciate your continued support.

THE GABELLI GLOBAL DEAL FUND
SCHEDULE OF INVESTMENTS
June 30, 2010 (Unaudited)

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>	<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>
COMMON STOCKS — 65.8%				Consumer Products — 0.2%			
Aerospace and Defense — 0.3%				Harman International			
19,000	Argon ST Inc.†	\$ 651,328	\$ 651,510	30,000	Industries Inc.†	\$ 1,115,698	\$ 896,700
79,000	The Allied Defense Group Inc.†	568,195	298,620	8,000	Heelys Inc.†	20,860	19,440
15,000	VT Group plc	163,354	173,689			<u>1,136,558</u>	<u>916,140</u>
		<u>1,382,877</u>	<u>1,123,819</u>	Diversified Industrial — 3.7%			
Automotive Rental/Equipment — 0.2%				450,000	Myers Industries Inc.	9,813,283	3,640,500
20,000	Dollar Thrifty Automotive Group Inc.†	859,729	852,200	65,000	Sperian Protection	9,185,538	9,140,824
Building and Construction — 0.2%				60,000	Tyco International Ltd.	2,357,003	2,113,800
40,000	Seacliff Construction Corp.	647,755	642,525			<u>21,355,824</u>	<u>14,895,124</u>
Business Services — 4.3%				Educational Services — 0.0%			
8,000	Axiom Corp.†	97,703	117,520	1,000	Corinthian Colleges Inc.†	7,515	9,850
380,000	Bowne & Co. Inc.	4,280,468	4,263,600	Electronics — 2.2%			
90,000	Clear Channel Outdoor Holdings Inc., Cl. A†	631,561	781,200	211,700	Alliance Semiconductor Corp.†	1,041,598	45,516
80,000	Diebold Inc.	2,951,772	2,180,000	103,000	Bel Fuse Inc., Cl. A	3,176,068	1,709,800
20,000	Scott Wilson Group plc	78,433	79,486	896,500	Bell Microproducts Inc.†	6,236,586	6,257,570
50,000	SonicWALL Inc.†	563,338	587,500	25,000	International Rectifier Corp.†	397,307	465,250
250,000	Stanley Inc.†	9,269,401	9,345,000	20,000	Virage Logic Corp.†	237,380	237,800
		<u>17,872,676</u>	<u>17,354,306</u>	50,000	Zygo Corp.†	460,352	405,500
Cable and Satellite — 0.1%						<u>11,549,291</u>	<u>9,121,436</u>
14,000	British Sky Broadcasting Group plc	146,229	146,526	Energy and Utilities — 4.3%			
25,000	Zon Multimedia Servicios de Telecomunicacoes e Multimedia SGPS SA	245,750	97,278	110,000	Allegheny Energy Inc.	2,377,599	2,274,800
		<u>391,979</u>	<u>243,804</u>	5,000	Arena Resources Inc.†	176,405	159,500
Commercial Services — 2.3%				20,000	Arrow Energy Ltd.†	91,828	81,650
525,700	DynCorp International Inc., Cl. A†	9,088,778	9,210,264	30,000	Constellation Energy Group Inc.	699,777	967,500
Computer Hardware — 1.1%				450,000	Dragon Oil plc†	2,767,018	2,743,164
622,200	Palm Inc.†	3,542,250	3,540,318	278,000	Endesa SA	11,886,429	5,947,478
26,000	SanDisk Corp.†	257,371	1,093,820	60,000	NorthWestern Corp.	1,645,895	1,572,000
		<u>3,799,621</u>	<u>4,634,138</u>	100,000	NRG Energy Inc.†	2,355,635	2,121,000
Computer Software and Services — 9.1%				1,000	Origin Energy Ltd.	15,738	12,576
700,000	CyberSource Corp.†	17,965,929	17,871,000	2,000	Prosafe Production Public Ltd.†	4,623	4,072
30,000	Double-Take Software Inc.†	308,962	314,700	190,000	Scorpion Offshore Ltd.†	1,190,431	1,179,517
100,000	Global IP Solutions Holding AB†	199,790	192,847	6,000	Smith International Inc.	246,308	225,900
101,700	Intelligroup Inc.†	470,965	470,871	10,000	Southwest Water Co.	103,775	104,800
18,000	Mentor Graphics Corp.†	136,156	159,300	100,000	UTS Energy Corp.†	110,747	193,509
5,000	Novell Inc.†	29,685	28,400	100,000	WesternZagros Resources Ltd.†	303,795	44,150
21,600	Soapstone Networks Inc.	8,730	454			<u>23,976,003</u>	<u>17,631,616</u>
260,000	Sybase Inc.†	16,749,967	16,811,600	Entertainment — 0.8%			
84,000	Yahoo! Inc.†	2,264,132	1,161,720	10,000	Cedar Fair LP	112,440	123,200
		<u>38,134,316</u>	<u>37,010,892</u>	30,000	Madison Square Garden Inc., Cl. A†	495,327	590,100
				285,000	Take-Two Interactive Software Inc.†	4,734,898	2,565,000
						<u>5,342,665</u>	<u>3,278,300</u>

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND
SCHEDULE OF INVESTMENTS (Continued)
June 30, 2010 (Unaudited)

Shares	Cost	Market Value	Shares	Cost	Market Value
COMMON STOCKS (Continued)			Hotels and Gaming — 0.0%		
Environmental Services — 0.0%			15,000		
1,000	Waste Services Inc.† \$ 7,798	\$ 11,660			
Equipment and Supplies — 0.1%					
4,000	The Middleby Corp.† 95,182	212,760			
Financial Services — 1.8%					
10,000	Climate Exchange plc† . . . 109,707	111,609			
50,000	GLG Partners Inc.† 219,100	219,000	6,000		
165,000	Interactive Data Corp. 5,422,359	5,507,700			
120,000	SLM Corp.† 2,473,231	1,246,800	5,000		
	<u>8,224,397</u>	<u>7,085,109</u>		45,956	33,912
Food and Beverage — 1.3%					
100,000	American Italian Pasta Co.,				
	Cl. A† 5,275,380	5,287,000	68,000	319,421	113,619
175,000	China Huiyuan Juice		205,000		
	Group Ltd. 171,825	120,683		4,600,501	4,922,050
1,000	Reddy Ice Holdings Inc.† . . . 5,181	3,230		<u>4,919,922</u>	<u>5,035,669</u>
	<u>5,452,386</u>	<u>5,410,913</u>	Media — 1.2%		
Health Care — 26.8%					
4,000	Abraxis BioScience Inc.† . . 296,005	296,800	28,000	5,242	6,838
30,500	Alcon Inc. 4,712,133	4,519,795	20,000	99,402	44,714
16,000	ArthroCare Corp.† 138,864	490,400	400,000	4,403,070	4,360,000
93,800	ATS Medical Inc.† 369,543	372,386	5,000	73,737	105,408
3,000	Biogen Idec Inc.† 159,613	142,350	9,000	53,675	119,247
44,000	Crucell NV, ADR† 879,204	806,080		<u>4,635,126</u>	<u>4,636,207</u>
2,000	Enzon Pharmaceuticals Inc.† 17,870	21,300	Publishing — 0.0%		
800,000	ev3 Inc.† 17,833,226	17,928,000	136,000	48,079	22,879
400,000	HealthTronics Inc.† 1,920,858	1,932,000	Real Estate — 0.0%		
44,500	Indevis Pharmaceuticals Inc.,		5,000		
	Escrow† (a) 0	48,950		39,976	39,437
3,000	inVentiv Health Inc.† 75,555	76,800	Restaurants — 0.4%		
1,100,000	Javelin Pharmaceuticals Inc.† 2,430,645	2,420,000	120,000	1,477,300	1,503,600
8,000	Life Technologies Corp.† . . . 277,916	378,000	1,000	14,657	24,460
345,000	Millipore Corp.† 36,488,135	36,794,250	12,000	100,868	101,640
200,000	National Dentex Corp.† 3,391,476	3,370,000		<u>1,592,825</u>	<u>1,629,700</u>
44,000	Odyssey HealthCare Inc.† . . . 1,167,716	1,175,680	Retail — 0.4%		
860,000	Phase Forward Inc.† 14,454,613	14,344,800	50,000	1,817,029	1,745,000
32,000	Psychiatric Solutions Inc.† . . 1,040,223	1,047,040	Semiconductors — 0.1%		
997,600	SenoRx Inc.† 10,852,768	10,953,648	33,000	300,023	302,940
310,400	Somanetics Corp.† 7,728,624	7,744,480	Specialty Chemicals — 0.5%		
20,000	Talecris Biotherapeutics		9,000	235,080	170,640
	Holdings Corp.† 413,858	422,000	1,500	90,499	93,300
20,000	Trimeris Inc.† 71,450	43,200	34,500	470,380	1,601,490
1,000	Valeant Pharmaceuticals			<u>795,959</u>	<u>1,865,430</u>
	International Inc.† 45,740	52,290			
24,000	Virtual Radiologic Corp.† . . . 407,518	411,840			
225,000	WuXi PharmaTech				
	(Cayman) Inc., ADR† 4,213,278	3,591,000			
	<u>109,386,831</u>	<u>109,383,089</u>			

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2010 (Unaudited)

Assets:	
Investments, at value (cost \$425,149,451)	\$407,556,596
Foreign currency, at value (cost \$5,510,849)	5,025,227
Cash	106,538
Receivable for investments sold	10,215,334
Dividends and interest receivable	170,051
Unrealized appreciation on swap contracts	218,495
Deferred offering expense	677,714
Prepaid expense	6,697
Total Assets	<u>423,976,652</u>
Liabilities:	
Securities sold short, at value (proceeds \$213,082)	192,749
Payable to brokers	9,896
Payable for investments purchased	12,276,413
Distributions payable	68,009
Dividends payable on securities sold short	731
Payable for investment advisory fees	170,928
Payable for payroll expenses	13,371
Payable for accounting fees	7,500
Unrealized depreciation on swap contracts	7,390
Series A 8.50% Cumulative Preferred Shares, callable and mandatory redemption 02/26/16 (See Notes 2 and 5)	96,012,100
Other accrued expenses	140,382
Total Liabilities	<u>108,899,469</u>
Net Assets Attributable to Common Shareholders ..	<u>\$315,077,183</u>
Net Assets Attributable to Common Shareholders Consist of:	
Paid-in capital	\$336,695,086
Accumulated net investment loss	(4,196,344)
Accumulated net realized gain on investments, swap contracts, securities sold short, and foreign currency transactions	819,293
Net unrealized depreciation on investments	(17,592,855)
Net unrealized appreciation on swap contracts	211,105
Net unrealized appreciation on securities sold short ...	20,333
Net unrealized depreciation on foreign currency translations	(879,435)
Net Assets	<u>\$315,077,183</u>
Net Asset Value per Common Share:	
(\$315,077,183 ÷ 21,177,810 shares outstanding, at \$0.001 par value; unlimited number of shares authorized)	<u>\$14.88</u>

STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 2010 (Unaudited)

Investment Income:	
Dividends (net of foreign taxes of \$109,192)	\$ 1,078,253
Interest	371,728
Total Investment Income	<u>1,449,981</u>
Expenses:	
Investment advisory fees	1,057,159
Interest expense and amortization of offering costs	4,057,845
Shareholder communications expenses	65,871
Payroll expenses	57,322
Offering expense for issuance of common shares	49,912
Trustees' fees	45,863
Legal and audit fees	27,070
Custodian fees	25,998
Accounting fees	22,500
Shareholder services fees	6,776
Dividends on securities sold short	731
Miscellaneous expenses	43,380
Total Expenses	<u>5,460,427</u>
Less:	
Advisory fee reduction on unsupervised assets (See Note 3)	(384)
Net Expenses	<u>5,460,043</u>
Net Investment Loss	<u>(4,010,062)</u>
Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, Securities Sold Short, and Foreign Currency:	
Net realized gain on investments	4,100,096
Net realized gain on swap contracts	757,228
Net realized loss on securities sold short	(55,472)
Net realized gain on foreign currency transactions	8,724
Net realized gain on investments, swap contracts, securities sold short, and foreign currency transactions	<u>4,810,576</u>
Net change in unrealized appreciation/depreciation:	
on investments	(6,971,735)
on swap contracts	175,277
on securities sold short	20,333
on foreign currency translations	(879,750)
Net change in unrealized appreciation/depreciation on investments, swap contracts, securities sold short, and foreign currency translations	<u>(7,655,875)</u>
Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, Securities Sold Short, and Foreign Currency	<u>(2,845,299)</u>
Net Decrease in Net Assets Attributable to Common Shareholders Resulting from Operations	<u>\$ (6,855,361)</u>

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS

	Six Months Ended June 30, 2010 (Unaudited)	Year Ended December 31, 2009
Operations:		
Net investment loss	\$ (4,010,062)	\$ (11,427,327)
Net realized gain on investments, swap contracts, securities sold short, and foreign currency transactions	4,810,576	3,131,336
Net change in unrealized appreciation/depreciation on investments, swap contracts, securities sold short, and foreign currency translations	<u>(7,655,875)</u>	<u>27,739,123</u>
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations	<u>(6,855,361)</u>	<u>19,443,132</u>
Distributions to Common Shareholders:		
Net realized short-term gain	(271,076)*	—
Return of capital	<u>(13,282,722)*</u>	<u>(27,128,321)</u>
Total Distributions to Common Shareholders	<u>(13,553,798)</u>	<u>(27,128,321)</u>
Fund Share Transactions:		
Net decrease from repurchase of common shares	—	<u>(485,000)</u>
Net Decrease in Net Assets from Fund Share Transactions	<u>—</u>	<u>(485,000)</u>
Net Decrease in Net Assets Attributable to Common Shareholders	(20,409,159)	(8,170,189)
Net Assets Attributable to Common Shareholders:		
Beginning of period	<u>335,486,342</u>	<u>343,656,531</u>
End of period (including undistributed net investment income of \$0 and \$0, respectively)	<u>\$315,077,183</u>	<u>\$335,486,342</u>

*Based on year to date book income. Amounts are subject to change and recharacterization at year end.

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND

STATEMENT OF CASH FLOWS For the Six Months Ended June 30, 2010 (Unaudited)

Cash Flows from Operating Activities:

Net Decrease in net assets resulting from operations	\$ (6,855,361)
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Adjustments to Reconcile Net Increase in Net Assets Resulting from Operations to Net Cash from Operating Activities:

Purchase of long-term investment securities	(410,290,437)
Proceeds from sales of long-term investment securities	319,369,514
Net sales of short-term investment securities	120,802,318
Net realized gain on investments	(4,100,096)
Net change in unrealized appreciation/depreciation on investments	6,971,735
Net amortization of premium/(discount)	(274,017)
Net change in unrealized appreciation/depreciation on swap contracts	(175,277)
Increase in securities sold short	192,749
Increase in receivable for investments sold	(10,162,453)
Increase in payable for investments purchased	7,049,764
Increase in payable to broker	9,896
Increase in dividends and interest receivable	(14,692)
Decrease in deferred offering expense	49,912
Decrease in prepaid expense	5,702
Increase in payable for dividends on securities sold short	731
Decrease in payable for investment advisory fees	(5,882,566)
Decrease in payable for payroll expenses	(11,938)
Decrease in payable for accounting fees	(3,750)
Increase in other accrued expenses	14,899
	16,696,633
Net cash used in operating activities	16,696,633

Cash Flows from Financing Activities:

Distributions payable	(22,669)
Distributions to Common Shareholders	(13,553,798)
Net cash from financing activities	(13,576,467)
Net increase in cash	3,120,166
Cash (including foreign currency):	
Beginning of period	2,011,599
Ending of period	\$ 5,131,765

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND FINANCIAL HIGHLIGHTS

Selected data for a share of beneficial interest outstanding throughout each period:

	Six Months Ended June 30, 2010 (Unaudited)	Year Ended December 31,		Period Ended December 31, 2007 (g)
		2009	2008	
Operating Performance:				
Net asset value, beginning of period	\$ 15.84	\$ 16.20	\$ 18.50	\$ 19.06(h)
Net investment income/(loss)	(0.19)	(0.54)	0.18	0.37
Net realized and unrealized gain/(loss) on investments, swap contracts, securities sold short, and foreign currency transactions	(0.13)	1.46	(0.89)	0.27
Total from investment operations	(0.32)	0.92	(0.71)	0.64
Distributions to Common Shareholders:				
Net investment income	—	—	(0.18)	(0.30)
Net realized gain	(0.01)*	—	(0.43)	(0.90)
Return of capital	(0.63)*	(1.28)	(0.99)	—
Total distributions to common shareholders	(0.64)	(1.28)	(1.60)	(1.20)
Common Share Transactions:				
Increase in net asset value from common share transactions	—	—	0.01	0.00(f)
Decrease in net asset value from repurchase of common shares	—	(0.00)(f)	—	—
Total fund share transactions	—	0.00(f)	0.01	0.00(f)
Net Asset Value, End of Period	<u>\$ 14.88</u>	<u>\$ 15.84</u>	<u>\$ 16.20</u>	<u>\$ 18.50</u>
Net asset value total return †	<u>(2.09)%</u>	<u>5.90%</u>	<u>(4.06)%</u>	<u>3.35%**</u>
Market value, end of period	<u>\$ 13.17</u>	<u>\$ 14.41</u>	<u>\$ 13.14</u>	<u>\$ 15.96</u>
Total investment return ††	<u>(4.33)%</u>	<u>20.03%</u>	<u>(8.39)%</u>	<u>(14.55)%***</u>

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND FINANCIAL HIGHLIGHTS (Continued)

Selected data for a share of beneficial interest outstanding throughout each period:

	Six Months Ended	Year Ended December 31,		Period Ended
	June 30, 2010 (Unaudited)	2009	2008	December 31, 2007 (g)
Ratios to Average Net Assets and Supplemental Data:				
Net assets including liquidation value of preferred shares, end of period (in 000's)	\$411,089	\$431,498	—	—
Net assets attributable to common shares, end of period (in 000's)	\$315,077	\$335,486	\$343,657	\$394,017
Ratio of net investment income to average net assets attributable to common shares including interest and offering costs	(2.44)%(e)	(3.35)%	1.02%	2.12%(e)
Ratio of operating expenses including interest, custodian fee credits and offering costs to average net assets attributable to common shares (a)(b)	3.32%(e)	4.67%	0.66%	0.63%(e)
Ratio of operating expenses excluding interest and offering costs to average net assets attributable to common shares	0.82%(e)	2.53%	0.65%	0.62%(e)
Portfolio turnover rate	144%	371%	334%	177%†††
Preferred Stock:				
8.500% Series A Cumulative Preferred Shares (c)				
Liquidation value, end of period (in 000's)	\$ 96,012	\$ 96,012	—	—
Total shares outstanding (in 000's)	1,920	1,920	—	—
Liquidation preference per share	\$ 50.00	\$ 50.00	—	—
Average market value (d)	\$ 53.59	\$ 53.40	—	—
Asset coverage per share	\$ 214.08	\$ 224.71	—	—
Asset coverage	428%	449%	—	—

† Based on net asset value per share, adjusted for reinvestment of distributions at the net asset value per share on the ex-dividend dates. Total return for a period of less than one year is not annualized.

†† Based on market value per share, adjusted for reinvestment of distributions at prices obtained under the Fund's dividend reinvestment plan. 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 period ended December 31, 2007 would have been 411%.

* Based on year to date book income. Amounts are subject to change and recharacterization at year end.

** Based on net asset value per share at commencement of operations of \$19.06 per share, adjusted for reinvestment of distributions at the net asset value per share on the ex-dividend dates.

*** Based on market value per share at initial public offering of \$20.00 per share, adjusted for reinvestments of distributions at prices obtained under the Fund's dividend reinvestment plan.

(a) The ratios do include a reduction for custodian fee credits on cash balances maintained with the custodian ("Custodian Fee Credits"). Historically, the ratios reflected operating expenses before the reduction for Custodian Fee Credits. If the ratios did not reflect a reduction for Custodian Fee Credits, the ratios for the year ended December 31, 2008 and the period ended December 31, 2007 would have been 0.67% and 0.64%, respectively. For the six months ended June 30, 2010, and the year ended December 31, 2009, the effect of Custodian Fee Credits was minimal.

(b) The Fund incurred interest expense during the six months ended June 30, 2010 and the periods ended December 31, 2009, 2008, and 2007. In the six months ended June 30, 2010 and the 2009 period, interest and offering costs include amounts relating to the 8.50% Series A Preferred Shares issued during this period.

(c) Series A Cumulative Preferred Shares were first issued on February 6, 2009.

(d) Based on weekly prices.

(e) Annualized.

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

(g) The Gabelli Global Deal Fund commenced investment operations on January 31, 2007.

(h) The beginning of period NAV reflects a \$0.04 reduction for costs associated with the initial public offering.

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND

NOTES TO FINANCIAL STATEMENTS (Unaudited)

1. Organization. The Gabelli Global Deal Fund (the “Fund”) is a non-diversified closed-end management investment company organized as a Delaware statutory trust on October 17, 2006 and registered under the Investment Company Act of 1940, as amended (the “1940 Act”). Investment operations commenced on January 31, 2007.

The Fund’s primary investment objective is to achieve absolute returns in various market conditions without excessive risk of capital. The Fund will seek to achieve its objective by investing primarily in merger arbitrage transactions and, to a lesser extent, in corporate reorganizations involving stubs, spin-offs, and liquidations. Under normal market conditions, the Fund will invest at least 80% of its assets in securities or hedging arrangements relating to companies involved in corporate transactions or reorganizations, giving rise to the possibility of realizing gains upon or within relatively short periods of time after the completion of such transactions or reorganizations.

The Fund may invest a high percentage of its assets in specific sectors of the market in order to achieve a potentially greater investment return. As a result, the Fund may be more susceptible to economic, political, and regulatory developments in a particular sector of the market, positive or negative, and may experience increased volatility to the Fund’s NAV and a magnified effect in its total return.

2. Significant Accounting Policies. The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) has become the exclusive reference of authoritative United States of America (“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 Trustees (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. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

THE GABELLI GLOBAL DEAL FUND
NOTES TO FINANCIAL STATEMENTS (Continued) (Unaudited)

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 ADR 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 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 in securities and other financial instruments by inputs used to value the Fund's investments as of June 30, 2010 is as follows:

	Valuation Inputs			Total Market Value at 6/30/10
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Health Care	\$109,334,139	\$ —	\$48,950	\$109,383,089
Other Industries (a)	158,533,893	—	—	158,533,893
Total Common Stocks	267,868,032	—	48,950	267,916,982
Rights (a)	786	—	—	786
Convertible Corporate Bonds	—	3,272,250	—	3,272,250
Corporate Bonds	—	538,500	—	538,500
U.S. Government Obligations	—	135,828,078	—	135,828,078
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$267,868,818	\$139,638,828	\$48,950	\$407,556,596
INVESTMENTS IN SECURITIES:				
LIABILITIES (Market Value):				
Common Stocks Sold Short (a)	\$ (192,749)	\$ —	\$ —	\$ (192,749)
TOTAL INVESTMENTS IN SECURITIES – LIABILITIES	\$ (192,749)	\$ —	\$ —	\$ (192,749)
OTHER FINANCIAL INSTRUMENTS:				
ASSETS (Unrealized Appreciation): *				
EQUITY CONTRACT				
Contract for Difference Swap Agreement	\$ —	\$ 218,495	\$ —	\$ 218,495
LIABILITIES (Unrealized Depreciation): *				
EQUITY CONTRACTS				
Contract for Difference Swap Agreements	\$ —	\$ (7,390)	\$ —	\$ (7,390)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$ —	\$ 211,105	\$ —	\$ 211,105

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

* Other financial instruments are derivatives not reflected in the SOI, such as futures, forwards, and swaps, which are valued at the unrealized appreciation/depreciation of the instrument.

THE GABELLI GLOBAL DEAL FUND
NOTES TO FINANCIAL STATEMENTS (Continued) (Unaudited)

The Fund did not have significant transfers between Level 1 and Level 2 during the reporting period.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Balance as of 12/31/09	Accrued discounts/ (premiums)	Realized gain/ (loss)	Change in unrealized appreciation/ depreciation†	Net purchases/ (sales)	Transfers into Level 3††	Transfers out of Level 3††	Balance as of 6/30/10	Net change in unrealized appreciation/ depreciation during the period on Level 3 investments held at 6/30/10†
INVESTMENTS IN SECURITIES:									
ASSETS (Market Value):									
Common Stocks:									
Health Care	\$48,950	\$—	\$—	\$—	\$—	\$—	\$—	\$48,950	\$—
TOTAL INVESTMENTS IN SECURITIES	\$48,950	\$—	\$—	\$—	\$—	\$—	\$—	\$48,950	\$—

† Net change in unrealized appreciation/depreciation on investments is included in the related amounts in the Statement of Operations.

†† The Fund's policy is to recognize transfers into and transfers out of Level 3 as of the beginning of the reporting period.

In January 2010, the FASB issued amended guidance to improve disclosure about fair value measurements which requires additional disclosures about transfers between Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements in the reconciliation of fair value measurements using significant unobservable inputs (Level 3). It also clarifies existing disclosure requirements relating to the levels of disaggregation of fair value measurement and inputs and valuation techniques used to measure fair value. Disclosures about purchases, sales, issuances, and settlements in the rollforward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. Management is currently evaluating the implications of this guidance on the Fund's financial statements. The remainder of the amended guidance is effective for financial statements for fiscal years beginning after December 15, 2009 and interim periods within those fiscal years. Management has evaluated the impact of this guidance on the Fund's financial statements and determined that there is no impact as of June 30, 2010.

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 increasing the income of the Fund, 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 GABELLI GLOBAL DEAL FUND
NOTES TO FINANCIAL STATEMENTS (Continued) (Unaudited)

The Fund's derivative contracts held at June 30, 2010, if any, are not accounted for as hedging instruments under GAAP.

Swap Agreements. The Fund may enter into equity and contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In a swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at the time a swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability in the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps, is reported as unrealized gain or loss in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements.

The Fund has entered into equity contract for difference swap agreements with The Goldman Sachs Group, Inc. Details of the swaps at June 30, 2010 are as follows:

<u>Notional Amount</u>	<u>Equity Security Received</u>	<u>Interest Rate/ Equity Security Paid</u>	<u>Termination Date</u>	<u>Net Unrealized Appreciation/ Depreciation</u>
	Market Value	One month LIBOR plus 90 bps plus		
	Appreciation on:	Market Value Depreciation on:		
\$1,914,968 (370,000 Shares)	Chloride Group plc	Chloride Group plc	6/27/11	\$218,495
108,870 (100,000 Shares)	Gulf Keystone Petroleum Ltd.	Gulf Keystone Petroleum Ltd.	6/27/11	(7,294)
4,898 (1,000 Shares)	J Sainsbury plc	J Sainsbury plc	6/27/11	(96)
				<u>\$211,105</u>

The Fund's volume of activity in equity contract for difference swap agreements during the six months ended June 30, 2010 had an average monthly notional amount of approximately \$1,340,804.

As of June 30, 2010, the value of equity contract for difference swap agreements that were held with equity risk exposure can be found in the Statement of Assets and Liabilities under Unrealized appreciation on swap contracts and Liabilities, Unrealized depreciation on swap contracts.

For the six months ended June 30, 2010, the effect of equity contract for difference swap agreements with equity risk exposure can be found in the Statement of Operations under Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, Securities Sold Short, and Foreign Currency, Net realized gain on swap contracts and Net change in unrealized appreciation/depreciation on swap contracts.

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, and are included in unrealized appreciation/depreciation on futures. 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

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NOTES TO FINANCIAL STATEMENTS (Continued) (Unaudited)

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 six months ended June 30, 2010, the Fund had no investment 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 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 six months ended June 30, 2010, 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 receive and maintain securities as collateral whose market value is not less than their repurchase price. 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 June 30, 2010, there were no open repurchase agreements.

Securities Sold Short. The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. Securities sold short at June 30, 2010 are reported in the Schedule of Investments.

Series A 8.50% Cumulative Preferred Shares. For financial reporting purposes only, the liquidation value of preferred shares that have a mandatory call date is classified as a liability within the Statement of Assets and Liabilities

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NOTES TO FINANCIAL STATEMENTS (Continued) (Unaudited)

and the dividends paid on these preferred shares are included as a component of “Interest expense and amortization of offering costs” within the Statement of Operations. Offering costs are amortized over the life of the preferred shares.

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 purchase 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.

Merger Arbitrage Risk. The principal risk associated with the Fund’s investment strategy is that certain of the proposed reorganizations in which the Fund invests may involve a longer time frame than originally contemplated or be renegotiated or terminated, in which case losses may be realized. The Fund invests all or a portion of its assets to seek short-term capital appreciation. This can be expected to increase the portfolio turnover rate and cause increased brokerage commission costs.

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.

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 110% of the 90 day Treasury Bill rate on outstanding balances. This amount, if any, would be included in “interest expense” in the Statement of Operations. There were neither custodian fee credits earned nor such interest expense incurred during the six months ended June 30, 2010.

Distributions to Common 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

THE GABELLI GLOBAL DEAL FUND
NOTES TO FINANCIAL STATEMENTS (Continued) (Unaudited)

regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. 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. These reclassifications have no impact on the NAV of the Fund.

The tax character of distributions paid during the year ended December 31, 2009 was as follows:

Distributions paid from:	
Return of capital	\$27,128,321

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.

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

Net unrealized depreciation on investments, swap contracts, and foreign currency translations ..	\$(13,034,867)
Post-October currency loss deferral	(1,330,052)
Other temporary differences*	(126,547)
Total	<u><u>\$(14,491,466)</u></u>

* Other temporary differences are primarily due to adjustments on preferred share class distribution payables and mark-to-market adjustments on investments in swap contracts.

Under the current tax law, capital losses related to securities and foreign currency realized after October 31 and prior to the Fund’s year end may be treated as occurring on the first day of the following year. For the year ended December 30, 2009, the Fund deferred capital losses of \$1,270,277 and currency losses of \$59,775.

The following summarizes the tax cost of investments and the related net unrealized appreciation/depreciation at June 30, 2010:

	<u>Cost/ (Proceeds)</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation/ Depreciation</u>
Investments	\$27,715,195	\$6,350,597	\$(26,509,196)	\$(20,158,599)
Short sales	(213,082)	20,333	—	20,333
	<u><u>\$427,502,113</u></u>	<u><u>\$6,370,930</u></u>	<u><u>\$(26,509,196)</u></u>	<u><u>\$(20,138,266)</u></u>

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 not to meet the more-likely-than-not threshold. For the six months ended June 30, 2010, the Fund did not incur any income tax, interest, or penalties. As of June 30, 2010, 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

THE GABELLI GLOBAL DEAL FUND

NOTES TO FINANCIAL STATEMENTS (Continued) (Unaudited)

taxing authorities. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

3. Agreements and Transactions with Affiliates. 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 base fee, computed weekly and paid monthly, equal on an annual basis to 0.50% of the value of the Fund's average weekly managed assets. Managed assets consist of all of the assets of the Fund without deduction for borrowings, repurchase transactions, and other leveraging techniques, the liquidation value of any outstanding preferred shares, or other liabilities except for certain ordinary course expenses. In addition, the Fund may pay the Adviser an annual performance fee at a calendar year end if the Fund's total return on its managed assets during the year exceeds the total return of the 3 Month U.S. Treasury Bill Index (the "T-Bill Index") during the same period. For every four basis points that the Fund's total return exceeds the T-Bill Index, the Fund will accrue weekly and pay annually one basis point performance fee up to a maximum performance fee of 150 basis points. Under the performance fee arrangement, the annual rate of the total fees paid to the Adviser can range from 0.50% to 2.00% of the average weekly managed assets. For the six months ended June 30, 2010, the Fund did not accrue a performance fee to the Adviser. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio and oversees the administration of all aspects of the Fund's business and affairs.

During the six months ended June 30, 2010, the Fund paid brokerage commissions on security trades of \$258,218 to Gabelli & Company, Inc. ("Gabelli & Co."), an affiliate of the Adviser.

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. During the six months ended June 30, 2010, the Fund paid or accrued \$22,500 to the Adviser in connection with the cost of computing the Fund's NAV.

As per the approval of the Board, the Fund compensates officers who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser) and pays its allocated portion of the cost of the Fund's Chief Compliance Officer. For the six months ended June 30, 2010, the Fund paid or accrued \$57,322 in payroll expenses in the Statement of Operations.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$6,000 plus \$1,000 for each Board meeting attended. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended, the Audit Committee Chairman receives an annual fee of \$3,000, the Nominating Committee Chairman receives an annual fee of \$2,000, and the Lead Trustee receives an annual fee of \$1,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

There was a reduction in the advisory fee paid to the Adviser relating to certain portfolio holdings, i.e., unsupervised assets, of the Fund with respect to which the Adviser has transferred dispositive and voting control to the Fund's Proxy Voting Committee. During the six months ended June 30, 2010, the Fund's Proxy Voting Committee exercised control and discretion over all rights to vote or consent with respect to such securities and the Adviser reduced its fee with respect to such securities by \$384.

4. Portfolio Securities. Purchases and sales of securities for the six months ended June 30, 2010, other than short-term securities and U.S. Government obligations, aggregated \$400,256,116 and \$302,638,572, respectively.

THE GABELLI GLOBAL DEAL FUND
NOTES TO FINANCIAL STATEMENTS (Continued) (Unaudited)

5. Capital. The Fund is authorized to issue an unlimited number of common shares of beneficial interest (par value \$0.001). The Board has authorized the repurchase of its shares on the open market when the shares are trading at a discount of 7.5% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the six months ended June 30, 2010, the Fund did not repurchase any common shares of beneficial interest in the open market. During the six months ended June 30, 2010, the Fund did not have any transactions in shares of beneficial interest.

Transaction in shares of beneficial interest for the year ended December 31, 2009 were as follows:

	Year Ended	
	December 31, 2009	
	<u>Shares</u>	<u>Amount</u>
Shares repurchased	(33,700)	\$(485,000)

The Fund filed a \$200 million shelf offering with the SEC that went effective August 6, 2008. The shelf offering gave the Fund the ability to offer preferred shares, notes, or subscription rights to purchase preferred shares.

At the Fund’s August 20, 2008 Board meeting, the Board approved a Rights Offering for Series A Cumulative Callable Preferred Shares (“Preferred Shares”). One transferable Right was issued for each common share of the Fund held on December 19, 2008, the Record Date. Ten Rights plus \$50 was required to purchase one Preferred Share of the Fund. On February 6, 2009, the Fund received \$95,532,039 (after solicitation fees of \$480,061) from the issuance of 1,920,242 shares of \$50 Series A Cumulative Callable Preferred Shares, at \$0.001 par value.

Gabelli & Company, Inc., an affiliate of the Adviser acted as “Dealer Manager” for the Rights Offering. The Dealer Manager provided financial structuring and marketing services in connection with the offering and solicited the exercise of Rights. The Fund agreed to pay a solicitation fee equal to \$0.25 per Preferred Share to broker-dealers that had executed and delivered soliciting dealer agreements and had solicited the exercise of Rights. Gabelli & Company, Inc. retained \$215,385 in solicitation fees related to the Rights Offering.

The Fund’s Preferred Shares have an annual dividend rate of 8.50%. Distributions are paid quarterly in March, June, September, and December of each year. The Preferred Shares will be subject to mandatory redemption in full on February 16, 2016 at the liquidation preference of \$50.00 per share. The Preferred Shares are callable at any time within 30 to 60 days prior notice at the liquidation preference plus any accumulated and unpaid dividends. At June 30, 2010, 1,920,242 shares of Series A Cumulative Preferred Shares were outstanding and accrued dividends amounted to \$68,009.

The Preferred Shares are senior to the common shares and result in the financial leveraging of the common shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on the Preferred Shares are cumulative. The Fund is required by the Statement of Preferences to meet certain asset coverage tests with respect to the Preferred Shares. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Preferred Shares at the redemption price of \$50 per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet the requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund’s ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund’s assets may vary in a manner unrelated to the fixed rate, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

THE GABELLI GLOBAL DEAL FUND

NOTES TO FINANCIAL STATEMENTS (Continued) (Unaudited)

The holders of cumulative Preferred Stock generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common stock as a single class. The holders of cumulative Preferred Stock voting together as a single class also have the right currently to elect two Trustees and under certain circumstances are entitled to elect a majority of the Board of Trustees. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the preferred stock, voting as a single class, will be required to approve any plan of reorganization adversely affecting the preferred stock, and the approval of a majority (as defined in the 1940 Act) of the outstanding preferred stock and 75% of the Fund's outstanding voting securities will be required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

6. 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. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

7. Other Matters. On April 24, 2008, the Investment Adviser entered into a settlement with the SEC to resolve an 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 an administrative order that was entered in connection with the settlement, the SEC found that the Investment Adviser had willfully violated Section 206(2) of the Investment Advisers Act of 1940, Section 17(d) of the 1940 Act and Rule 17d-1 thereunder, and had willfully aided and abetted and caused violations of Section 12(d)(1)(B)(i) of the 1940 Act. Under the terms of the settlement, the Investment Adviser, while neither admitting nor denying the SEC's findings and allegations, paid \$16 million (which included a \$5 million civil monetary penalty), approximately \$12.8 million of which is in the process of being paid 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 acceptable to the staff of the SEC, and agreed to cease and desist from future violations of the above referenced federal securities laws. The SEC's order also noted the cooperation that the Investment Adviser gave the staff of the SEC. The settlement will not have a material adverse impact on the Investment Adviser or its ability to fulfill its obligations under the Investment Advisory Agreement. On the same day, the SEC filed a civil action against the Executive Vice President and Chief Operating Officer of the Investment Adviser, alleging violations of certain federal securities laws arising from the same matter. The officer is also an officer of the Fund, the Global Growth Fund, and other funds in the Gabelli/GAMCO fund complex. The officer denied the allegations and is continuing in his positions with the Investment Adviser and the funds. The court dismissed certain claims, finding that the SEC was not entitled to pursue various remedies against the officer while leaving one remedy in the event the SEC were able to prove violations of law. The court, in response to a motion by the SEC, subsequently dismissed the remaining remedy without prejudice against the officer, which would allow the SEC to appeal the court's rulings. The Investment Adviser currently expects that any resolution of the action against the officer will not have a material adverse impact on the Investment Adviser or its ability to fulfill its obligations under the Investment Advisory Agreement.

8. Subsequent Events. Management has evaluated the impact on the Fund of all subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

Certifications

The Fund's Chief Executive Officer has certified to the New York Stock Exchange ("NYSE") that, as of June 30, 2010, he was not aware of any violation by the Fund of applicable NYSE corporate governance listing standards. The Fund reports to the SEC on Form N-CSR which contains certifications by the Fund's principal executive officer and principal financial officer that relate to the Fund's disclosure in such reports and that are required by Rule 30a-2(a) under the 1940 Act.

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

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

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

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

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

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

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

Voluntary Cash Purchase Plan

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

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

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

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

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



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

Trustees

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

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

James P. Conn
Former Managing Director &
Chief Investment Officer,
Financial Security Assurance Holdings Ltd.

Clarence A. Davis
Former Chief Executive Officer,
Nestor, Inc.

Mario d'Urso
Former Italian Senator

Arthur V. Ferrara
Former Chairman & Chief Executive Officer,
Guardian Life Insurance Company of America

Michael J. Melarkey
Attorney-at-Law,
Avansino, Melarkey, Knobel & Mulligan

Edward T. Tokar
Senior Managing Director,
Beacon Trust Company

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

Officers*

Bruce N. Alpert
President & Acting Treasurer

Carter W. Austin
Vice President

Peter D. Goldstein
Chief Compliance Officer & Acting Secretary

Laurissa M. Martire
Vice President

Delian Naydenov
Assistant Vice President & Ombudsman

David I. Schachter
Vice President
Investment Adviser
 Gabelli Funds, LLC
 One Corporate Center
 Rye, New York 10580-1422

Custodian
 The Bank of New York Mellon

Counsel
 Skadden, Arps, Slate, Meagher & Flom LLP

Transfer Agent and Registrar
 American Stock Transfer and Trust Company

Stock Exchange Listing

	<u>Common</u>	<u>8.50% Preferred</u>
NYSE-Symbol:	GDL	GDL PrA
Shares Outstanding:	21,177,810	1,920,242

*Agnes Mullady, Treasurer and Secretary, is on a leave of absence.

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

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

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

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

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Semi Annual Report
June 30, 2010