THE GABELLI GLOBAL DEAL FUND

Shareholder Commentary
December 31, 2008

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.

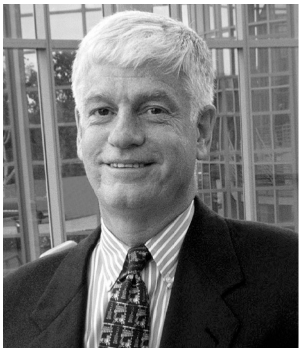
Investment Objective:

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,



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 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.

THE GABELLI GLOBAL DEAL FUND

We witnessed unprecedented market turbulence in 2008. However, in the face of drastic declines across most market indices, the drop in the Fund's net asset value ("NAV") was more subdued. In contrast, the market price of the Fund reflected the impact of the market sell-off, as investors coped with credit market disruptions and recession.

The Fund's NAV total return was –2.2% during the fourth quarter of 2008, compared with a gain of 0.2% for the 3 Month U.S. Treasury Bill Index. The total return for the Fund's publicly traded shares was –3.4% during the fourth quarter. On December 31, 2008, the Fund's NAV per share was $16.20, while the price of the publicly traded shares closed at $13.14 on the New York Stock Exchange ("NYSE").

Comparative Results

Average Annual Returns through December 31, 2008 (a)

	Quarter	1 Year	Since Inception (01/31/07)
Gabelli Global Deal Fund			
NAV Total Return (b)	**(2.16)%**	**(4.06)%**	**(0.85)%**
Investment Total Return (c)	**(3.40)**	**(8.39)**	**(21.72)**
3 Month U.S. Treasury Bill Index	0.22	2.06	3.47
S&P 500 Index	(21.95)	(36.99)	(19.82)

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

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

(c) *Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange 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. In actuality, the Fund's premium or discount to NAV may vary over time. It is important to remember that "Mr. Market" is a pendulum that swings both ways, and that any number of factors can influence that swing on a day-to-day basis. This is the case even with our Fund, which invests in merger arbitrage deals, and therefore is not particularly correlated with the market in general.

Deals…Deals…Where are the Deals?

2008 was a period of upheaval in the equities market, and deal making was not immune. As reported by Citi in its "Executive M&A Summary", announced deal volume for the year was $2.9 trillion, down 30% from the $4.2 trillion of 2007.

Deal activity in the fourth quarter of 2008 was dominated by the financial sector. Government investment accounted for six of the ten largest deals and 42% of the volume. Total deal volume of $557 billion was substantially below the fourth quarter volumes of each of the previous four years.

As part of an ongoing trend, we expect that there will be more strategic corporate restructurings and fewer large leveraged buyouts when deal activity rebounds. Companies possessing available resources continue to launch offers, whether hostile or friendly, motivated by the substantially lower market prices of their target acquisitions.

Positions Closed in the Fourth Quarter 2008

The following are stock specifics on selected holdings of our Fund whose shares were tendered at a profit during the fourth quarter of 2008. Individual securities, profits, and annualized rates of return mentioned are not necessarily representative of the entire portfolio or of future returns.

Anheuser-Busch Cos. Inc. – On July 11, 2008, this leading American brewer announced that Belgium based InBev would acquire the company for $52 billion or $70.00 per share. This was an increase from InBev's original offer of $65.00 per share, which Anheuser-Busch's board considered inadequate. This deal was completed on November 18, 2008, creating the world's largest brewer. We began purchasing Anheuser-Busch at the original announcement in May and continued to add to our position through October. Our weighted average holding period was 180 days, and our annualized rate of return was 16.4%.

Enodis plc – On April 9, 2008, this manufacturer of equipment for the fast food industry received a proposed bid of 260 pence per share from U.S. competitor Manitowoc Company. A month later, fellow U.S. firm Illinois Tool Works made a counteroffer of 280 pence per share. In response, Manitowoc raised its bid for the company to 294 pence per share. The U.K.'s regulatory Panel on Takeovers and Mergers stepped in on June 24, 2008, and announced that the fate of Enodis would be decided by an auction between the two bidders. Ultimately, Manitowoc succeeded by offering 328 pence per share for Enodis. After receiving approvals and clearances, the deal closed on October 27, 2008. We began purchasing shares of Enodis at the announcement in April and opportunistically sold for gains throughout the bidding battle. For shares we continued to hold on the closing date, our holding period was 165 days and our annualized rate of return was 10.2%.

Philadelphia Consolidated Holding Corp. – designs, markets, and underwrites commercial and personal property, as well as casualty and professional liability insurance products. On July 23, 2008, Japan based Tokio Marine announced that it had entered into an agreement with Philadelphia Consolidated to purchase the company for $4.7 billion, or $61.50 per share. The deal was completed on December 1, 2008, after regulatory and shareholder approval. For a weighted average holding period of 132 days, our annualized rate of return was 14.0%.

Tanganyika Oil Co. Ltd. – On September 25, 2008, this Alberta, Canada based international oil and gas exploration company announced that it had entered into a merger agreement with China Petrochemical Corporation ("SINOPEC"). Under the terms of the agreement, shareholders of Tanganyika would receive C$31.50 per share in cash. The deal was financed via SINOPEC's internal resources and closed on December 24, 2008 after receiving all Chinese regulatory and government approvals. We held our position for 43 days, earning an annualized rate of return of 54.4%.

Wm. Wrigley Jr. Co. – This well known leader in confections produces a wide variety of products, including gum, mints, hard and chewy candies, lollipops, and chocolates. On April 28, 2008, it agreed to be acquired jointly by Mars Inc. and Berkshire Hathaway for $80.00 per share. This deal was one of the largest of the year, valued at approximately $22 billion, and it closed on October 6, 2008. We began to build our position upon the announcement, and after a weighted average holding period of 162 days, our annualized rate of return was 9.8%.

Deals in the Pipeline – U.S. and Worldwide

Our current holdings include positions in both U.S. and international stocks. These individual companies are examples of positions that we may hold at any point in time. The share prices of the following holdings are stated in U.S. dollars or U.S. dollar equivalent terms as of December 31, 2008.

Centennial Communications Corp. (CYCL - $8.06 - Nasdaq) is a small telephone service provider with 1.1 million wireless subscribers in Puerto Rico and the U.S. Virgin Islands. On November 7, 2008, the company announced that it had entered into a merger agreement with AT&T to be acquired for $944 million or $8.50 per share. The deal is subject to regulatory approvals as well as shareholder vote. We anticipate that the deal will be completed in April 2009.

Ciba Holding AG (CIBN VX - $45.23 - SWX Europe) This Swiss based specialty chemicals manufacturer provides chemicals for various markets including paper, plastics, packaging, lubricants, automotive, electronics, water treatment, agriculture, and personal care. With production locations across the globe, Ciba services customers in more than 120 countries. On September 15, 2008, German company BASF AG made a tender offer to purchase Ciba for 50 Swiss francs per share, valuing the company at $5 billion USD. The deal hinges upon acceptance by 66.7% of the shareholders and regulatory approval from various jurisdictions, including the U.S. and the European Union. The deal is expected to close in the first quarter of 2009.

Distribución y Servicio D&S SA (DYS - $24.19 - NYSE) Based in Santiago, Chile, D&S is Chile's largest grocery chain with over 140 locations. On December 19, 2008, U.S. based retailing giant Wal-Mart announced that it had offered to purchase D&S via tender offer for $24.48 per ADS, valuing the total tender at $2.8 billion USD. With all required approvals and tender conditions met, this corporate strategic deal should close by the end of January 2009.

Forsys Metals Corp. (FSY - $4.80 - Toronto Stock Exchange) Based in Ontario, Canada, Forsys Metals explores and acquires properties with the potential for mining uranium and other minerals. Its major interests are located in Namibia, Africa. On November 14, 2008, private industrial conglomerate George Forrest International Afrique S.P.R.L. announced that it had entered into an agreement with Forsys to acquire the company for C$7.00 per share, valuing Forsys at C$579 million. The deal is contingent on approval by the Ontario Superior Court of Justice and Forsys shareholders. Pending regulatory and required approvals, the deal is expected to close in February 2009.

Mentor Corp. (MNT - $30.93 - NYSE) On December 1, 2008, this leading global supplier of medical products for the aesthetics market announced that Johnson & Johnson would acquire the company by means of a tender offer for approximately $1.1 billion, or $31.00 per share in cash. The completion of the deal is subject to regulatory approval as well as the tender of a majority of the shares and is expected to conclude by the end of January 2009.

UST Inc. (UST - $69.38 - NYSE) is a holding company for its principal subsidiaries, U.S. Smokeless Tobacco Company and Ste. Michelle Wine Estates. On September 8, 2008, Altria Group entered into a merger agreement with UST by which Altria would pay a total of $11.6 billion, or $69.50 per share for all shares outstanding. This offer was about a 29% premium to where the stock had previously been trading. The merger closed on January 6, 2009.

Sincerely,

Mario J. Gabelli

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

January 16, 2009

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

Portfolio Manager Compensation

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

Mr. Gabelli did not receive any compensation for serving as portfolio manager of the Fund in 2007. As beneficial owner, he had $15,954,284 invested in The Gabelli Global Deal Fund as of December 31, 2008, which includes the holdings of GAMCO Investors, Inc.; Gabelli Securities Inc., a GBL subsidiary; and GGCP, Inc., GBL's parent holding company.

Common Share Repurchase Plan

On November 8, 2006, the Board of Trustees of the Fund (the "Board") voted to authorize the repurchase of the Fund's common shares in the open market from time to time, when such shares are trading at a discount of 7.5% or more from NAV. Pursuant to this share repurchase plan, the Fund repurchased and retired 19,100 shares in the fourth quarter of 2008. In total through December 31, 2008, the Fund has repurchased and retired 99,600 shares in the open market under this share repurchase plan at an average investment of $14.81 per share and an average discount to NAV of 15.9%.

Quarterly Distributions

The Fund paid a $0.40 per share quarterly cash distribution on December 17, 2008 to common shareholders of record on December 12, 2008.

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

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

Short-term capital gains, qualified dividend income, ordinary income, and paid-in capital, if any, will be allocated on a pro-rata basis to all distributions to common shareholders for the year. Based on the distribution allocations of the Fund as of December 31, 2008, the total distributions paid in 2008 include approximately 16% from net investment income, 27% from net capital gains, and 57% 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). All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2008 distributions in early 2009 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 Funds 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
December 31, 2008

UST Inc.	Mentor Corp.
Nationwide Financial Services Inc.	Ciba Holding AG
Rohm and Haas Co.	Puget Energy Inc.
Endesa SA	Cablevision Systems Corp.
Genentech Inc.	Myers Industries Inc.

The Annual Meeting of The Gabelli Global Deal Fund's shareholders will be held on Monday, May 18, 2009 at the Greenwich Library in Greenwich, Connecticut.

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.

THE GABELLI GLOBAL DEAL FUND
AND YOUR PERSONAL PRIVACY

Who are we?

The Gabelli Global Deal Fund (the "Fund") is a closed-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

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

When you purchase shares of the Fund on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

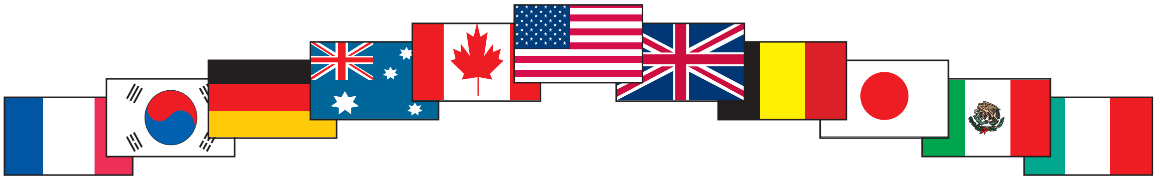
- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us.* This would include information about the shares that you buy or sell; it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

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

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

What do we do to protect your personal information?

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



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

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

	Common
NYSE-Symbol:	GDL
Shares Outstanding:	21,211,510

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 GABELLI GLOBAL DEAL FUND

One Corporate Center, Rye, NY 10580-1422

Phone: 800-GABELLI (800-422-3554)
Fax: 914-921-5118 Internet: www.gabelli.com
e-mail: closedend@gabelli.com

GDL Dec/2008

THE GABELLI
GLOBAL DEAL
FUND

The Gabelli Global Deal Fund

Annual Report
December 31, 2008

To Our Shareholders,

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

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

Enclosed are the audited financial statements and the investment portfolio as of December 31, 2008.

Comparative Results

Average Annual Returns through December 31, 2008 (a)

	Quarter	1 Year	Since Inception (01/31/07)
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Sincerely yours,

Bruce N. Alpert

Bruce N. Alpert
President

February 20, 2009

THE GABELLI GLOBAL DEAL FUND
Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2008:

U.S. Government Obligations	55.6%	Hotels and Gaming	0.3%
Consumer Products	9.0%	Metals and Mining	0.2%
Energy and Utilities	8.5%	Computer Hardware	0.2%
Health Care	6.7%	Machinery	0.1%
Specialty Chemicals	5.6%	Educational Services	0.1%
Financial Services	4.7%	Cable and Satellite	0.0%
Media	1.5%	Automotive	0.0%
Telecommunications	1.5%	Retail	0.0%
Business Services	1.2%	Publishing	0.0%
Diversified Industrial	1.2%	Restaurants	0.0%
Computer Software and Services	1.1%	Agriculture	0.0%
Food and Beverage	0.9%	Materials	0.0%
Electronics	0.6%	Broadcasting	0.0%
Environmental Services	0.5%	Wireless Communications	0.0%
Entertainment	0.5%		100.0%

The Gabelli Global Deal Fund (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 September 30, 2008. 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 12 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; and (iii) visiting the SEC's website at www.sec.gov.

THE GABELLI GLOBAL DEAL FUND
SCHEDULE OF INVESTMENTS
December 31, 2008

Shares		Cost	Market Value
	COMMON STOCKS — 44.2%		
	Agriculture — 0.0%		
1,000	Provimi SA	$ 17,102	$ 10,078
	Automotive — 0.0%		
54,000	Lear Corp.†	175,643	76,140
	Broadcasting — 0.0%		
3,000	Cumulus Media Inc., Cl. A†	14,990	7,470
	Business Services — 1.2%		
8,000	Acxiom Corp.	97,703	64,880
60,000	Clear Channel Outdoor Holdings Inc., Cl. A†	401,390	369,000
120,000	Diebold Inc.	4,521,114	3,370,800
10,000	Distribucion y Servicio D&S SA, ADR	239,814	241,900
		5,260,021	4,046,580
	Cable and Satellite — 0.0%		
35,001	Zon Multimedia Servicos de Telecomunicacoes e Multimedia SGPS SA	344,060	180,503
	Computer Hardware — 0.2%		
65,000	SanDisk Corp.†	964,689	624,000
	Computer Software and Services — 1.1%		
500	Affiliated Computer Services Inc., Cl. A†	21,184	22,975
2,000	I2 Technologies Inc.†	23,260	12,780
50,000	Mentor Graphics Corp.†	589,442	258,500
36,000	NDS Group plc, ADR†	2,190,034	2,064,240
120,000	Yahoo! Inc.†	3,438,228	1,464,000
		6,262,148	3,822,495
	Consumer Products — 9.0%		
45,000	Harman International Industries Inc.	1,715,187	752,850
12,000	Heelys Inc.	62,402	27,240
440,000	UST Inc.	29,821,257	30,527,200
		31,598,846	31,307,290
	Diversified Industrial — 1.2%		
510,000	Myers Industries Inc.	11,294,661	4,080,000
	Educational Services — 0.1%		
15,000	Corinthian Colleges Inc.†	115,081	245,550
	Electronics — 0.6%		
211,700	Alliance Semiconductor Corp.	1,045,832	105,850
92,000	Bel Fuse Inc., Cl. A	3,114,576	1,659,680
30,000	International Rectifier Corp.†	494,422	405,000
1,000	Zygo Corp.†	8,365	6,910
		4,663,195	2,177,440
	Energy and Utilities — 8.4%		
1,000	British Energy Group plc	14,357	11,121
145,000	Constellation Energy Group Inc.	3,595,128	3,638,050
260,000	Endesa SA	12,776,941	10,336,391
179,760	Great Plains Energy Inc.	4,659,379	3,474,761
2,000	Imperial Energy Corp. plc†	31,336	35,858
90,000	NorthWestern Corp.	2,617,770	2,112,300
150,000	NRG Energy Inc.†	3,563,910	3,499,500
1,000	Origin Energy Ltd.	15,738	11,239
220,000	Puget Energy Inc.	$ 6,116,557	$ 5,999,400
100,000	WesternZagros Resources Ltd.†	303,795	48,603
		33,694,911	29,167,223
	Entertainment — 0.5%		
220,000	Take-Two Interactive Software Inc.	5,163,378	1,663,200
	Environmental Services — 0.5%		
70,000	Republic Services Inc.	1,754,038	1,735,300
	Financial Services — 4.7%		
270,000	Nationwide Financial Services Inc., Cl. A	13,830,569	14,096,700
150,000	SLM Corp.†	4,097,283	1,335,000
10,000	Wells Fargo & Co.	276,286	294,800
20,002	Willis Group Holdings Ltd.	577,591	497,650
		18,781,729	16,224,150
	Food and Beverage — 0.9%		
15,000	Bull-Dog Sauce Co. Ltd.	43,145	36,404
79,600	China Huiyuan Juice Group Ltd.	105,609	99,523
100,000	Corn Products International Inc.	2,806,778	2,885,000
2,000	Reddy Ice Holdings Inc.	19,662	2,880
		2,975,194	3,023,807
	Health Care — 6.7%		
22,000	ArthroCare Corp.†	400,453	104,940
3,000	Biogen Idec Inc.†	159,613	142,890
100	CPEX Pharmaceuticals Inc.†	1,450	975
65,000	Datascope Corp.	3,347,255	3,395,600
2,000	Enzon Pharmaceuticals Inc.†	17,870	11,660
6,000	Fresenius Kabi Pharmaceuticals Holding Inc., CVR†	1	2,100
120,000	Genentech Inc.†	11,010,683	9,949,200
13,281	Life Technologies Corp.†	457,339	309,580
300,000	Mentor Corp.	9,192,973	9,279,000
		24,587,637	23,195,945
	Hotels and Gaming — 0.3%		
78,000	MGM Mirage†	4,110,109	1,073,280
	Machinery — 0.1%		
57,000	TurboChef Technologies Inc.†	338,781	279,870
	Materials — 0.0%		
12,500	Intertape Polymer Group Inc.†	58,500	9,125
	Media — 1.5%		
75,000	APN News & Media Ltd.	352,064	129,679
315,000	Cablevision Systems Corp., Cl. A	9,633,277	5,304,600
		9,985,341	5,434,279
	Metals and Mining — 0.2%		
24,000	Alpha Natural Resources Inc.†	1,151,028	388,560
5,000	Forsys Metals Corp.†	21,376	23,815
18,000	Lonmin plc	636,539	235,763
8,000	Uranium One Inc.†	46,412	11,600
5,000	Xstrata plc	70,231	46,008
		1,925,586	705,746

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND
SCHEDULE OF INVESTMENTS (Continued)
December 31, 2008

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Publishing — 0.0%		
136,000	SCMP Group Ltd.	$ 48,079	$ 45,274
	Restaurants — 0.0%		
1,000	Landry's Restaurants Inc.	19,730	11,600
	Retail — 0.0%		
4,000	Genesco Inc.†	95,360	67,680
	Specialty Chemicals — 5.5%		
70,012	Ashland Inc.	1,064,851	735,826
12,000	Ciba Holding AG†	547,909	536,665
150,000	Ciba Holding AG	6,419,759	6,764,692
320	Mitsubishi Chemical Holdings Corp.	2,566	1,387
178,000	Rohm and Haas Co.	13,074,483	10,998,620
		21,109,568	19,037,190
	Telecommunications — 1.5%		
989,600	Asia Satellite Telecommunications Holdings Ltd.	2,220,762	970,421
60,000	BCE Inc.	1,279,049	1,229,400
300,000	Centennial Communications Corp.†	2,344,627	2,418,000
80,000	Portugal Telecom SGPS SA	865,316	675,007
		6,709,754	5,292,828
	Wireless Communications — 0.0%		
3,000	Wayfinder System AB†	4,226	4,477
	TOTAL COMMON STOCKS	192,072,357	153,548,520
Principal Amount			
	CONVERTIBLE CORPORATE BONDS — 0.1%		
	Specialty Chemicals — 0.1%		
$ 600,000	Ferro Corp., Cv., 6.500%, 08/15/13	308,446	293,250
	CORPORATE BONDS — 0.1%		
	Energy and Utilities — 0.1%		
500,000	Texas Competitive Electric Holdings Co. LLC, (STEP), 10.500%, 11/01/15 (a)	310,524	357,500

Principal Amount		Cost	Market Value
	U.S. GOVERNMENT OBLIGATIONS — 55.6%		
	U.S. Treasury Cash Management Bills — 6.3%		
$ 22,017,000	U.S. Treasury Cash Management Bills, 0.137% to 0.223%††, 04/29/09 to 06/24/09	$ 22,002,679	$ 22,001,125
	U.S. Treasury Bills — 43.0%		
149,411,000	U.S. Treasury Bills, 0.020% to 1.924%††, 01/02/09 to 06/25/09	149,355,207	149,365,893
	U.S. Treasury Notes — 6.3%		
21,405,000	U.S. Treasury Note, 4.500%, 04/30/09	21,635,143	21,714,388
	TOTAL U.S. GOVERNMENT OBLIGATIONS	192,993,029	193,081,406
TOTAL INVESTMENTS — 100%		$385,684,356	347,280,676
FORWARD FOREIGN EXCHANGE CONTRACTS (Unrealized appreciation)			83,236
Other Assets and Liabilities (Net)			(3,707,381)
NET ASSETS — COMMON SHARES (21,211,510 common shares outstanding)			$343,656,531
NET ASSET VALUE PER COMMON SHARE ($343,656,531 ÷ 21,211,510 shares outstanding)			$16.20

Principal Amount		Settlement Date	Unrealized Appreciation
	FORWARD FOREIGN EXCHANGE CONTRACTS — 0.0%		
€6,271,159	Deliver Euros in exchange for USD 8,717,207	01/30/09	$ 83,236

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2008, the market value of the Rule 144A security amounted to $357,500 or 0.10% of total investments.
† Non-income producing security.
†† Represents annualized yield at date of purchase.
ADR American Depositary Receipt
CVR Contingent Value Right
STEP Step coupon bond. The rate disclosed is that in effect at December 31, 2008.

Geographic Diversification	% of Market Value	Market Value
North America	93.4%	$324,344,296
Europe	6.2	21,400,552
Latin America	0.3	1,212,322
Asia/Pacific	0.1	285,715
Japan	0.0	37,791
Total Investments	100.0%	$347,280,676

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND

STATEMENT OF ASSETS AND LIABILITIES
December 31, 2008

Assets:	
Investments, at value (cost $385,684,356)	$347,280,676
Cash	517,724
Deposit at broker	13,521
Receivable for investments sold	12,826,094
Unrealized appreciation on forward foreign exchange contracts	83,236
Unrealized appreciation on swap contracts	228
Dividends and interest receivable	335,874
Deferred offering expense	7,860
Prepaid expense	14,809
Total Assets	361,080,022
Liabilities:	
Foreign currency, at value (cost $480,534)	470,969
Payable for investments purchased	16,630,016
Unrealized depreciation on swap contracts	12,047
Payable for investment advisory fees	145,244
Payable for payroll expenses	27,145
Payable for accounting fees	7,500
Other accrued expenses	130,570
Total Liabilities	17,423,491
Net Assets applicable to 21,211,510 shares outstanding	$343,656,531
Net Assets Consist of:	
Paid-in capital, at $0.001 par value	$383,708,851
Accumulated distributions in excess of net investment income	(71,417)
Accumulated distributions in excess of net realized gain on investments, swap contracts, securities sold short, and foreign currency transactions	(1,656,803)
Net unrealized depreciation on investments	(38,403,680)
Net unrealized depreciation on swap contracts	(11,819)
Net unrealized appreciation on foreign currency translations	91,399
Net Assets	$343,656,531
Net Asset Value per Common Share: ($343,656,531 ÷ 21,211,510 shares outstanding; unlimited number of shares authorized)	$16.20

STATEMENT OF OPERATIONS
For the Year Ended December 31, 2008

Investment Income:	
Dividends (net of foreign taxes of $106,548)	$ 3,220,766
Interest	3,051,791
Total Investment Income	6,272,557
Expenses:	
Investment advisory fees	1,865,897
Shareholder communications expenses	150,021
Payroll expenses	125,918
Trustees' fees	76,611
Custodian fees	61,274
Accounting fees	45,000
Interest expense	44,836
Legal and audit fees	33,000
Shareholder services fees	11,366
Miscellaneous expenses	72,518
Total Expenses	2,486,441
Less: Custodian fee credits	(29,400)
Net Expenses	2,457,041
Net Investment Income	3,815,516
Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, Securities Sold Short, and Foreign Currency:	
Net realized gain on investments	5,528,077
Net realized loss on swap contracts	(1,626,236)
Net realized loss on securities sold short	(6,183)
Net realized gain on foreign currency transactions	669,301
Net realized gain on investments, swap contracts, securities sold short, and foreign currency transactions	4,564,959
Net change in unrealized appreciation/(depreciation):	
on investments	(23,627,226)
on swap contracts	292,375
on securities sold short	5,363
on foreign currency translations	(114,129)
Net change in unrealized appreciation/(depreciation) on investments, swap contracts, securities sold short, and foreign currency translations	(23,443,617)
Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, Securities Sold Short, and Foreign Currency	(18,878,658)
Net Decrease in Net Assets Resulting from Operations	$(15,063,142)

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND
STATEMENT OF CHANGES IN NET ASSETS

	Year Ended December 31, 2008	Period Ended December 31, 2007 (a)
Operations:		
Net investment income	$ 3,815,516	$ 7,799,851
Net realized gain on investments, swap contracts, securities sold short, and foreign currency transactions	4,564,959	20,614,306
Net change in unrealized appreciation/(depreciation) on investments, swap contracts, securities sold short, and foreign currency translations	(23,443,617)	(14,880,483)
Net Increase/(Decrease) in Net Assets Resulting from Operations	(15,063,142)	13,533,674
Distributions to Common Shareholders:		
Net investment income	(3,731,489)	(6,348,376)
Net realized gain	(9,244,580)	(19,198,407)
Return of capital	(21,029,267)	—
Total Distributions to Common Shareholders	(34,005,336)	(25,546,783)
Fund Share Transactions:		
Net increase in net assets from common shares issued in offering and reinvestment of distributions	—	406,953,927
Net decrease from repurchase of common shares	(1,292,018)	(173,799)
Offering costs for common shares charged to paid-in-capital	—	(850,000)
Net Increase/(Decrease) in Net Assets from Fund Share Transactions	(1,292,018)	405,930,128
Net Increase/(Decrease) in Net Assets	(50,360,496)	393,917,019
Net Assets:		
Beginning of period	394,017,027	100,008
End of period (including undistributed net investment income of $0 and $691,417, respectively)	$343,656,531	$394,017,027

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

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND
FINANCIAL HIGHLIGHTS

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

	Year Ended December 31, 2008	Period Ended December 31, 2007 (d)
Operating Performance:		
Net asset value, beginning of period	$ 18.50	$ 19.06(e)
Net investment income (a)	0.18	0.37
Net realized and unrealized gain/(loss) on investments, swap contracts, securities sold short, and foreign currency transactions	(0.89)	0.27
Total from investment operations	(0.71)	0.64
Distributions to Common Shareholders:		
Net investment income	(0.18)	(0.30)
Net realized gain	(0.43)	(0.90)
Return of capital	(0.99)	—
Total distributions to common shareholders	(1.60)	(1.20)
Fund Share Transactions:		
Increase in net asset value from common share transactions	0.01	0.00(f)
Net Asset Value, End of Period	$ 16.20	$ 18.50
Net asset value total return	(4.06)%	3.35%†
Market value, end of period	$ 13.14	$ 15.96
Total investment return	(8.39)%	(14.55)%††
Ratios to Average Net Assets and Supplemental Data:		
Net assets end of period (in 000's)	$343,657	$394,017
Ratio of net investment income to average net assets	1.02%	2.12%(g)
Ratio of operating expenses to average net assets (b)(c)	0.67%	0.64%(g)
Portfolio turnover rate	334%	177%†††

† Based on net asset value per share at commencement of operations of $19.06 per share, adjusted for reinvestment of distributions at the 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 at initial public offering of $20.00 per share, adjusted for reinvestments 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%.

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

(b) The ratio does not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian fee credits, the expense ratios for the year ended December 31, 2008 and the period ended December 31, 2007 would have been 0.66% and 0.63%, respectively.

(c) The Fund incurred interest expense during the year ended December 31, 2008 and the period ended December 31, 2007. If interest expense had not been incurred, the ratios of operating expenses to average net assets would have been 0.65% and 0.62%, respectively.

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

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

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

(g) Annualized.

See accompanying notes to financial statements.

THE GABELLI GLOBAL DEAL FUND
NOTES TO FINANCIAL STATEMENTS

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"). The Fund sold 5,236 shares to Gabelli Funds, LLC (the "Adviser") for $100,008 on December 22, 2006. Investment operations commenced on January 31, 2007 upon the settlement of the sale of 18,750,000 shares of beneficial interest in the amount of $357,375,000 (net of underwriting fees and expenses of $17,625,000). In addition, on March 9, 2007, the Fund issued 2,500,000 shares of beneficial interest in the amount of $47,650,000 (net of underwriting fees and expenses of $2,350,000) in conjunction with the exercise of the underwriters' overallotment option. The Adviser agreed to pay all the Fund's organizational costs and the amount by which the Fund's offering costs (other than the underwriting fees) exceed $0.04 per common share.

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.

2. Significant Accounting Policies. The preparation of financial statements in accordance with United States ("U.S.") generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. 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 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 60 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 60 days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

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

Statement of Financial Accounting Standard No. 157, "Fair Value Measurements" ("SFAS 157") clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. The three levels of the fair value hierarchy under SFAS 157 are described 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 and other financial instruments, by inputs used to value the Fund's investments as of December 31, 2008 is, as follows:

Valuation Inputs	Investments in Securities (Market Value) Assets	Other Financial Instruments (Unrealized Appreciation)* Assets	Other Financial Instruments (Unrealized Depreciation)* Liabilities
Level 1 – Quoted Prices	$153,548,519	—	—
Level 2 – Other Significant Observable Inputs	193,732,157	$83,464	$(12,047)
Total	$347,280,676	$83,464	$(12,047)

There were no Level 3 investments held at December 31, 2007 or 2008.

*Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards, and swaps which are valued at the unrealized appreciation/depreciation on the investment.

In March 2008, The Financial Accounting Standards Board (The "FASB") issued Statement of Financial Accounting Standard No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS 161") that is effective for fiscal years beginning after November 15, 2008. SFAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position. Management is currently evaluating the implications of SFAS 161 on the Fund's financial statement disclosures.

Repurchase Agreements. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. It is the policy of the Fund to always receive and maintain securities as collateral whose market value, including accrued interest, are at least equal to 102% of the dollar amount invested by the Fund in each agreement. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At December 31, 2008, there were no open repurchase agreements.

Swap Agreements. The Fund may enter into equity and contract for difference swap transactions. The use of swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio transactions. In a swap, a set of future cash flows are 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. There is no assurance that the swap contract counterparties will be able to meet their obligations pursuant to a swap contract or that, in the event of default, the Fund will succeed in pursuing contractual remedies. The Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to a swap contract. The creditworthiness of the swap contract counterparties is closely monitored in order to minimize this risk. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at that point in time, such a default could negatively affect the Fund's ability to make dividend payments. In addition, 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. If this occurs, it could have a negative impact on the Fund's ability to make dividend payments.

The use of derivative instruments involves, to varying degrees, elements of market and counterparty risk in excess of the amount recognized below.

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 gains or losses 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.

Effective March 16, 2008, Bear, Stearns International Limited entered into a Guaranty Agreement with JPMorgan Chase & Co., whereby JPMorgan Chase & Co. unconditionally guarantees the due and punctual payment of certain liabilities of Bear, Stearns International Limited, including the current liabilities of Bear, Stearns International Limited to the Fund. As of December 31, 2008, the Fund held contract for difference swaps with Bear, Stearns International Limited which are covered by the JPMorgan Chase & Co. Guaranty Agreement as of the date of the report. Details of the swaps at December 31, 2008 are as follows:

Notional Amount		Equity Security Received	Interest Rate/ Equity Security Paid	Termination Date	Net Unrealized Appreciation (Depreciation)
		Market Value Appreciation on:	Overnight LIBOR plus 40 bps plus Market Value Depreciation on:		
$ 24,269	(100,000 Shares)	Gulf Keystone Petroleum Ltd.	Gulf Keystone Petroleum Ltd.	03/17/09	$ (193)
756,983	(360,000 Shares)	Chloride Group plc	Chloride Group plc	04/15/09	(11,854)
4,494	(1,000 Shares)	J Sainsbury plc	J Sainsbury plc	09/15/09	228
					$(11,819)

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

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. At December 31, 2008, there were no open futures contracts.

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. At December 31, 2008, there were no securities sold short.

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

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. Forward foreign exchange contracts at December 31, 2008 are reflected in the Schedule of Investments.

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 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 ability 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.

Concentration Risks. 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.

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.

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income 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. For the year ended December 31, 2008, reclassifications were made to decrease accumulated distributions in excess of net investment income by $846,861 and decrease accumulated distributions in excess of net realized gain on investments, swap contracts, securities sold short, and foreign currency transactions by $846,861.

The tax character of distributions paid during the years ended December 31, 2008 and December 31, 2007 was as follows:

	Year Ended December 31,	
	2008	**2007**
Distributions paid from		
Ordinary income		
(inclusive of short-term capital gains)	$12,976,069	$25,546,783
Return of capital	21,029,267	—
Total distributions paid	$34,005,336	$25,546,783

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.

Under the current tax law, capital losses related to securities and foreign currency realized after October 31 and prior to the Fund's fiscal year end may be treated as occurring on the first day of the following year. For the year ended December 31, 2008, the Fund deferred capital losses of $31,504.

At December 31, 2008, the difference between book basis and tax basis unrealized depreciation was primarily due to deferral of losses from wash sales for tax purposes and swap accrual adjustments.

As of December 31, 2008, the components of accumulated earnings/losses on a tax basis were as follows:

Net unrealized depreciation on investments	$(40,028,979)
Net unrealized depreciation on securities sold short, and foreign currency translations	(3,656)
Post-October capital loss deferral	(31,504)
Other temporary differences*	11,819
Total	$(40,052,320)

*Other temporary differences are primarily due to mark-to-market adjustments on investments in swap contracts.

The following summarizes the tax cost of investments, swap contracts, and the related unrealized appreciation/depreciation at December 31, 2008:

	Cost	Unrealized Appreciation	Unrealized Depreciation	Net Unrealized Depreciation
Investments	$387,321,474	$1,953,798	$(41,994,596)	$(40,040,798)

FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48") provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. FIN 48 requires the evaluation of 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. Tax positions not deemed to meet the "more-likely-than-not" threshold are recorded as a tax benefit or expense in the current year. In accordance with FIN 48, management has analyzed the Fund's tax positions taken on the federal and state income tax returns for all open tax years (the current and prior three tax years) and has concluded that no provision for income tax is required in the Fund's financial statements. Management's determination regarding FIN 48 may be subject to review and adjustment at a later date based on factors including, but not limited to, an on-going analysis of tax laws, regulations, and interpretations thereof.

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 year ended December 31, 2008, 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 year ended December 31, 2008, the Fund paid brokerage commissions on security trades of $331,046 to Gabelli & Company, Inc. ("Gabelli & Company"), 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 year ended December 31, 2008, the Fund paid or accrued $45,000 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 year ended December 31, 2008, the Fund paid or accrued $125,918, which is included in payroll expenses in the Statement of Operations.

The Fund pays each Trustee who is not considered to be an affiliated person an annual retainer of $6,000 plus $1,000 for each Board meeting attended in person ($500 if attended telephonically) and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive $500 per meeting attended. In addition, 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. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Portfolio Securities. Purchases and proceeds from the sales of securities for the year ended December 31, 2008, other than short-term securities and U.S. Government obligations, aggregated $656,699,353 and $738,242,853, respectively.

Purchases and proceeds from the sales of U.S. Government obligations for the year ended December 31, 2008, other than short-term obligations, aggregated $43,543,854 and $45,125,299, respectively.

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 year ended December 31, 2008, the Fund repurchased 89,100 shares of its common stock in the open market at a cost of $1,292,018 and an average discount of approximately 16.2% from its NAV. All shares of common stock repurchased have been retired.

Transactions in shares of beneficial interest were as follows:

	Year Ended December 31, 2008		Period Ended December 31, 2007 (a)	
	Shares	Amount	Shares	Amount
Initial seed capital	—		5,236	$ 100,008
Shares issued in offering (net of underwriting fees and offering costs)	—	—	21,250,000	405,025,000
Shares issued upon reinvestment of distributions	—	—	55,874	1,078,927
Shares repurchased	(89,100)	$(1,292,018)	(10,500)	(173,799)
Net increase/(decrease)	(89,100)	$(1,292,018)	21,300,610	$406,030,136

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

At the Fund's February 19, 2008 Board meeting, the Board approved the filing of a shelf registration with the SEC which will give the Fund the ability to offer preferred shares, notes, or subscription rights to purchase preferred shares. The shelf registration was declared effective by the SEC on August 6, 2008. 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. These Rights allowed common shareholders to subscribe to Preferred Shares of the Fund.

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 and expects the risk of loss to be remote.

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

In a separate matter, on January 12, 2009, the SEC issued an administrative action approving a final settlement of a previously disclosed matter with the Adviser involving compliance with Section 19(a) of the Investment Company Act of 1940 and Rule 19a-1 thereunder by two closed-end funds. These provisions require registered investment companies when making a distribution in the nature of a dividend from sources other than net investment income to contemporaneously provide written statements to shareholders, which adequately disclose the source or sources of such distribution. While the two funds sent annual statements and provided other materials containing this information, the shareholders did not receive the notices required by Rule 19a-1 with any of the distributions that were made for 2002 and 2003. The Adviser believes that the funds have been in compliance with Section 19(a) and Rule 19a-1 since the beginning of 2004. As part of the settlement, in which the Adviser neither admits nor denies the findings by the SEC, the Adviser agreed to pay a civil monetary penalty of $450,000 and to cease and desist from causing violations of Section 19(a) and Rule 19a-1. In connection with the settlement, the SEC noted the remedial actions previously undertaken by the Adviser. The staff's notice to the Adviser did not relate to the Fund.

8. Subsequent Event. On February 6, 2009, the Fund received net proceeds of $95,532,040 (after offering expenses of $480,060) from a rights offering of 1,920,242 shares of 8.50% Series A Cumulative Callable Preferred Shares.

THE GABELLI GLOBAL DEAL FUND
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of
The Gabelli Global Deal Fund

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Global Deal Fund (the “Fund”), as of December 31, 2008, and the related statement of operations for the year then ended and the statement of changes in net assets and financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2008, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of The Gabelli Global Deal Fund at December 31, 2008, the results of its operations for the year then ended and the changes in its net assets and the financial highlights for each of the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Philadelphia, Pennsylvania
February 24, 2009

THE GABELLI GLOBAL DEAL FUND
ADDITIONAL FUND INFORMATION (Unaudited)

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

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Number of Funds in Fund Complex Overseen by Trustee	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee[4]
INTERESTED TRUSTEES[3]:				
Mario J. Gabelli Trustee and Chief Investment Officer Age: 66	Since 2006**	26	Chairman and Chief Executive Officer of GAMCO Investors, Inc. and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds complex; Chairman and Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board of LICT Corp. (multimedia and communication services company)
Edward T. Tokar Trustee Age: 61	Since 2006***	2	Senior Managing Director of Beacon Trust Company since 2004; Chief Executive Officer of Allied Capital Management LLC (1997-2004); Vice President – Investments of Honeywell International Inc. (1977-2004); Director of Teton Advisors, Inc. (financial services) (2008-present)	—
NON-INTERESTED TRUSTEES[5]:				
Anthony J. Colavita Trustee Age: 73	Since 2006***	36	Partner in the law firm of Anthony J. Colavita, P.C.	—
James P. Conn Trustee Age: 70	Since 2006*	18	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (insurance holding company) (1992-1998)	—
Clarence A. Davis Trustee Age: 67	Since 2006*	2	Former Chief Executive Officer of Nestor, Inc. (2007-2009); Former Chief Operating Officer (2000-2005) and Chief Financial Officer (1999-2000) of the American Institute of Certified Public Accountants	Director of Oneida Ltd. (kitchenware)
Mario d'Urso Trustee Age: 68	Since 2006**	5	Chairman of Mittel Capital Markets S.p.A. since 2001	—
Arthur V. Ferrara Trustee Age: 78	Since 2006*	8	Former Chairman of the Board and Chief Executive Officer of The Guardian Life Insurance Company of America (1992-1995)	—
Michael J. Melarkey Trustee Age: 59	Since 2006**	5	Partner in the law firm of Avansino, Melarkey, Knobel & Mulligan	Director of Southwest Gas Corporation (natural gas utility)
Salvatore J. Zizza Trustee Age: 63	Since 2006***	28	Chairman of Zizza & Co., Ltd. (consulting)	Director of Hollis-Eden Pharmaceuticals (biotechnology); Director of Earl Scheib, Inc. (automotive services)

THE GABELLI GLOBAL DEAL FUND
ADDITIONAL FUND INFORMATION (Continued) (Unaudited)

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Principal Occupation(s) During Past Five Years
OFFICERS:		
Bruce N. Alpert President Age: 57	Since 2006	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Director and President of Teton Advisors, Inc. (formerly Gabelli Advisers, Inc.) since 1998
Carter W. Austin Vice President Age: 42	Since 2006	Vice President of The Gabelli Equity Trust Inc. since 2000, The Gabelli Dividend & Income Trust since 2003, The Gabelli Global Gold, Natural Resources & Income Trust since 2005; and The Gabelli Healthcare & Wellness[Rx] Trust since 2007; Vice President of Gabelli Funds, LLC since 1996
Peter D. Goldstein Chief Compliance Officer Age: 55	Since 2006	Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Vice President of Goldman Sachs Asset Management (2000-2004)
Sheila J. Moore Assistant Vice President and Ombudsman Age: 61	Since 2006	Assistant Vice President of The Gabelli Global Deal Fund since 2006; Adjunct professor in Economics and Finance, Woodbury University, Burbank, CA prior to 2006
Agnes Mullady Treasurer and Secretary Age: 50	Since 2006	Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Senior Vice President of U.S. Trust Company, N.A. and Treasurer and Chief Financial Officer of Excelsior Funds (2004-2005); Chief Financial Officer of AMIC Distribution Partners (2002-2004)
David I. Schachter Vice President Age: 55	Since 2006	Vice President of The Gabelli Utility Trust since 1999 and The Gabelli Global Utility & Income Trust since 2004; Vice President of Gabelli & Company, Inc. since 1999; and The Gabelli Healthcare & Wellness[Rx] Trust since 2007

[1] Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

[2] The Fund's Board of Trustees is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows:
* – Term expires at the Fund's 2011 Annual Meeting of Shareholders or until their successors are duly elected and qualified.
** – Term expires at the Fund's 2009 Annual Meeting of Shareholders or until their successors are duly elected and qualified.
*** – Term expires at the Fund's 2010 Annual Meeting of Shareholders or until their successors are duly elected and qualified.
Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

[3] "Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an "interested person" of the Fund because of his affiliation with the Investment Adviser and with Gabelli & Company, Inc., which is a principal underwriter for the Fund's common shares and is expected to execute portfolio transactions for the Fund. Mr. Tokar is considered an "interested person" of the Fund as a result of his son's employment by an affiliate of the Adviser.

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

[5] Trustees who are not interested persons are considered "Independent" Trustees.

THE GABELLI GLOBAL DEAL FUND
INCOME TAX INFORMATION (Unaudited)
December 31, 2008

Cash Dividends and Distributions

	Payable Date	Record Date	Total Amount Paid Per Share	Ordinary Investment Income (a)	Return of Capital (b)
Common Shares					
	03/25/08	03/17/08	$0.40000	$0.16960	$0.23040
	06/24/08	06/16/08	0.40000	0.16960	0.23040
	09/24/08	09/16/08	0.40000	0.16960	0.23040
	12/17/08	12/12/08	0.40000	0.16960	0.23040
			$1.60000	$0.67840	$0.92160

A Form 1099-DIV has been mailed to all shareholders of record for the distributions mentioned above, setting forth specific amounts to be included in the 2007 tax returns. Ordinary income distributions include net investment income and realized net short-term capital gains. Ordinary income is reported in box 1a of Form 1099-DIV. Long-term capital gain distributions are reported in box 2a of Form 1099-DIV.

Corporate Dividends Received Deduction, Qualified Dividend Income, and U.S. Treasury Securities Income

The Fund paid to common shareholders ordinary income dividends of $1.60 per share in 2008. For the period ended December 31, 2008, 17.82% of the ordinary dividends qualified for the dividend received deduction available to corporations, and 23.56% of the ordinary income distributions were qualified dividend income. The percentage of ordinary income dividends paid by the Fund during 2008 derived from U.S. Treasury securities was 5.34%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of its fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2008. The percentage of net assets of U.S. Government securities held as of December 31, 2008 was 55.6%.

Historical Distribution Summary

Common Shares

	Investment Income (a)	Short-Term Capital Gain (a)	Return of Capital (b)	Total Distributions	Adjustment to Cost Basis
2008	$0.2508	$0.4276	$0.9216	$1.60000	$0.92160
2007	0.2982	0.9018	—	1.20000	—

(a) Taxable as ordinary income for Federal tax purposes.
(b) Non-taxable.

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

The Annual Meeting of The Gabelli Global Deal Fund's shareholders will be held on Monday, May 18, 2009 at the Greenwich Library in Greenwich, Connecticut.

THE GABELLI GLOBAL DEAL FUND

CONSIDERATION OF INVESTMENT ADVISORY AGREEMENT WITH GABELLI FUNDS, LLC (Unaudited)

At its meeting on November 19, 2008, the Board of Trustees ("Board") of the Fund approved the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the trustees who are not "interested persons" of the Fund (the "Independent Board Members"). The following paragraphs summarize the material information and factors considered by the Independent Board Members as well as their conclusions relative to such factors.

Nature, Extent, and Quality of Services. The Independent Board Members considered information regarding the Fund's portfolio management team, the team leader, the depth of the analyst pool available to the Adviser and portfolio team, the scope of services provided by the Adviser, and its track record in providing similar services to other open-end and closed-end funds. The Independent Board Members noted the experience, length of service, and reputation of the portfolio team, including in the merger arbitrage area.

Investment Performance. The Independent Board Members reviewed information regarding the investment performance of the Fund since inception in comparison with a group of global closed-end funds. The Independent Board Members noted that the Fund's performance in comparison with this group was excellent. However, they also noted that the peer group comparison was of limited usefulness, as the peer group did not contain any other funds engaged primarily in arbitrage activities.

Profitability. The Independent Board Members reviewed summary data regarding the profitability of the Fund to the Adviser and the Independent Board Members also noted that the fulcrum fee was designed so that the Adviser would likely experience higher than average profitability if the Fund substantially outperformed the T-Bill Index but that the performance to date did not entitle the Adviser to any additional fee.

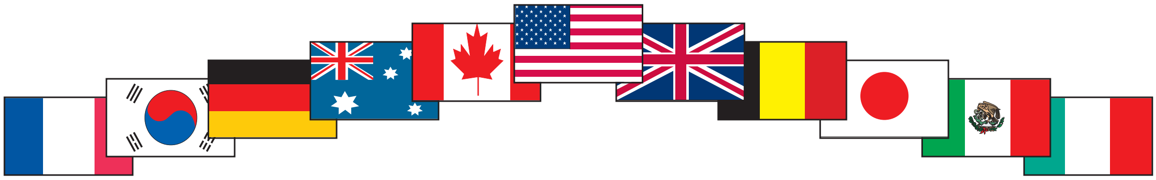
Economies of Scale. The Independent Board Members noted that after completion of the initial offering meaningful economies of scale could not occur in the absence of secondary offerings.

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

Service and Cost Comparisons. The Independent Board Members reviewed the Fund's expense ratios and found them to be lower than the peer group average. They also compared the structure of the investment management fee with the fees for other funds managed by the Adviser and selected private arbitrage funds as to which information was available.

Conclusions. The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services and good ancillary services. The Independent Board Members determined that the reference index chosen for the fulcrum fee structure was appropriate inasmuch as arbitrage performance is often measured against risk free returns, that the rate of profit sharing built into the formula was fair, that the maximum fee was not unreasonable (particularly in light of the requirement of earning the higher returns necessary for higher fee levels net of the higher fees) and that the one year measuring period was sufficient and consistent with the short-term nature of the Fund's investment program. The Independent Board Members also concluded that the fee was structured in a favorable manner to investors in relation to the performance of the Fund and in relation to other arbitrage funds of which they were aware. The Board concluded that the profitability of the Fund to the Adviser was reasonable in view of the performance necessary to achieve any particular level of profitability and that economies of scale and potential additional profit to the Adviser and its affiliates from portfolio execution services were not material to their decision. On the basis of the foregoing and without assigning particular weight to any single conclusion, the Independent Board Members determined to recommend approval of the investment management agreement to the full board.

In considering the Agreement, the Independent Board Members did not identify any factor as all important or all controlling and instead considered these factors collectively in light of the Fund's surrounding circumstances. Based on this review, it was the judgment of the Independent Board Members that shareholders had received satisfactory absolute and relative performance at reasonable fees and, therefore, re-approval of the Agreement was in the best interests of the Fund and its shareholders. As a part of its decision making process, the Independent Board Members noted that the Adviser has managed the Fund since its inception, and the Independent Board Members believe that a long-term relationship with a capable, conscientious adviser is in the best interests of the Fund. The Independent Board Members considered, generally, that shareholders invested in the Fund knowing that the Adviser managed the Fund and knowing its investment management fee schedule. As such, the Independent Board Members considered, in particular, whether the Adviser managed the Fund in accordance with its investment objectives and policies as disclosed to shareholders. The Independent Board Members concluded that the Fund was managed by the Adviser consistent with its investment objectives and policies.



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

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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

	Common
NYSE-Symbol:	GDL
Shares Outstanding:	21,211,510

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.

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