

# The GAMCO Global Telecommunications Fund

## Shareholder Commentary December 31, 2008

### To Our Shareholders,

The GAMCO Global Telecommunications Fund declined by 16.75% in the fourth quarter, underperforming the MSCI AC World Telecommunication Services Index that fell by 7.06%. The quarter was perhaps a fitting finale to the most difficult in global markets since the Great Depression. In searching for a silver lining, we would note that the telecommunications sector fared substantially better than the broader market in the quarter, with the broad MSCI AC World Index having dropped by 22.25%. This marks a reversal of the trend that had been prevailing since the onset of the current bear market in late 2007, and the fourth quarter outperformance left the sector with a smaller loss for calendar 2008 than broader indices. This outperformance is consistent with the fact that many of the largest cap names in the group have reported solid, if unspectacular, operating performance, with only limited adverse impact to date of the economic downturn. More importantly, operating cashflow and free cashflow expectations for 2009 remain encouraging, with cost containment and capital expenditure flexibility pointing to expectations for continued healthy shareholder returns. We would highlight the fourth quarter share price performance of some of the global heavyweights including AT&T (+2.1%) (2.8% of net assets as of December 31, 2008), Verizon (+5.6%) (4.2%), Vodafone (+13.3%) (0.3%), and NTT DoCoMo (+16.9%) (2.7%) as exemplifying the move to seek safe, strong assets in tumultuous global markets. On the other side, emerging markets remained largely 'no-go' areas in the fourth quarter, as were the telcos within them.

### Comparative Results

#### Average Annual Returns through December 31, 2008\*

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (11/1/93)
<b>GAMCO Global Telecommunications Fund</b>						
Class AAA .....	<b>(16.75)%</b>	<b>(40.58)%</b>	<b>(3.23)%</b>	<b>2.83%</b>	<b>2.29%</b>	<b>7.02%</b>
MSCI AC World Telecommunication Services Index . . .	(7.06)	(35.06)	4.60	5.32	N/A	N/A
MSCI AC World Index .....	(22.25)	(41.85)	(7.45)	0.44	0.23	4.80

**The expense ratio is 1.50% for the Fund's Class AAA Shares. The Fund's Class AAA Shares do not have a sales charge.**

**\* Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** Other share classes are available and have different performance characteristics. See page 7 for performance of other classes of shares. Investing in foreign securities involves risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks. The Morgan Stanley Capital International ("MSCI") World Telecommunication Services Index and the MSCI All Country ("AC") World Index are unmanaged indicators of global stock market performance. Dividends are considered reinvested. You cannot invest directly in an index.

**THE GAMCO GLOBAL TELECOMMUNICATIONS FUND INVESTMENT RESULTS (CLASS AAA SHARES) (a)**

		Quarter				Year
		1st	2nd	3rd	4th	
2008:	Net Asset Value	\$22.45	\$21.97	\$18.80	\$15.31	\$15.31
	Total Return	(14.8)%	(2.1)%	(14.4)%	(16.8)%	(40.6)%
2007:	Net Asset Value	\$23.51	\$25.62	\$26.84	\$26.34	\$26.34
	Total Return	4.7%	9.0%	4.8%	(1.0)%	18.3%
2006:	Net Asset Value	\$18.45	\$18.41	\$20.11	\$22.46	\$22.46
	Total Return	5.2%	(0.2)%	9.2%	12.4%	28.9%
2005:	Net Asset Value	\$16.53	\$16.84	\$17.89	\$17.53	\$17.53
	Total Return	(4.1)%	1.9%	6.2%	(1.0)%	2.8%
2004:	Net Asset Value	\$14.74	\$14.43	\$14.93	\$17.23	\$17.23
	Total Return	5.1%	(2.1)%	3.5%	15.9%	23.4%
2003:	Net Asset Value	\$9.64	\$12.17	\$12.29	\$14.03	\$14.03
	Total Return	(1.9)%	26.2%	1.0%	14.2%	42.7%
2002:	Net Asset Value	\$12.17	\$9.50	\$8.04	\$9.83	\$9.83
	Total Return	(12.8)%	(21.9)%	(15.4)%	22.3%	(29.6)%
2001:	Net Asset Value	\$15.71	\$16.26	\$13.03	\$13.96	\$13.96
	Total Return	(10.9)%	3.5%	(19.9)%	7.3%	(20.7)%
2000:	Net Asset Value	\$28.28	\$25.41	\$23.84	\$17.63	\$17.63
	Total Return	4.9%	(10.2)%	(6.2)%	(14.2)%	(24.1)%
1999:	Net Asset Value	\$19.18	\$21.95	\$22.88	\$26.95	\$26.95
	Total Return	15.4%	14.4%	4.2%	31.0%	80.3%
1998:	Net Asset Value	\$15.91	\$16.22	\$14.48	\$16.62	\$16.62
	Total Return	19.4%	1.9%	(10.7)%	24.0%	34.8%
1997:	Net Asset Value	\$11.29	\$13.17	\$14.22	\$13.32	\$13.32
	Total Return	0.1%	16.7%	7.9%	4.6%	31.9%
1996:	Net Asset Value	\$11.72	\$12.16	\$11.73	\$11.28	\$11.28
	Total Return	5.4%	3.8%	(3.5)%	3.3%	9.0%
1995:	Net Asset Value	\$9.77	\$10.29	\$11.12	\$11.12	\$11.12
	Total Return	0.4%	5.3%	8.1%	1.6%	16.2%
1994:	Net Asset Value	\$9.68	\$9.62	\$10.38	\$9.73	\$9.73
	Total Return	(5.1)%	(0.6)%	7.9%	(5.3)%	(3.7)%
1993:	Net Asset Value	—	—	—	\$10.20	\$10.20
	Total Return	—	—	—	3.0%(b)	3.0%(b)

**Average Annual Returns – December 31, 2008 (a)**

1 Year	(40.58)%
5 Year	2.83
10 Year	2.29
Since Inception (b)	7.02

**The Fund's expense ratio is 1.50%.**

(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 redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** Other share classes are available and have different performance characteristics. See page 7 for performance of other classes of shares. Investing in foreign securities involves risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks.

(b) From commencement of investment operations on November 1, 1993.

**Our Approach**

Our approach is multifaceted. We purchase companies that are attractively valued relative to what we estimate a buyer would be willing to pay for the entire company in a private transaction. When the gap between a company's Private Market Value ("PMV") and public market value widens, our risk/reward parameters improve. To maximize returns, our decision process requires the expectation of a trigger that will promote a reduction in this gap. But we will not invest in just any "cheap" company. For most of our holdings, our selection is based on "bottom up" fundamental analysis, which requires strong cash flow and earnings power, positive industry dynamics, and good management with a track record of growing value for their shareholders.

## Industry Allocation

The accompanying chart depicts the Fund's holdings by industry sector as of December 31, 2008. Industry sectors represented in the chart and below may or may not be included in the Fund's future portfolio.

## Global Allocation

The accompanying chart presents the Fund's holdings by geographic region as of December 31, 2008. The geographic allocation will change based on current global market conditions. Countries and/or regions represented in the chart and below may or may not be included in the Fund's future portfolio.

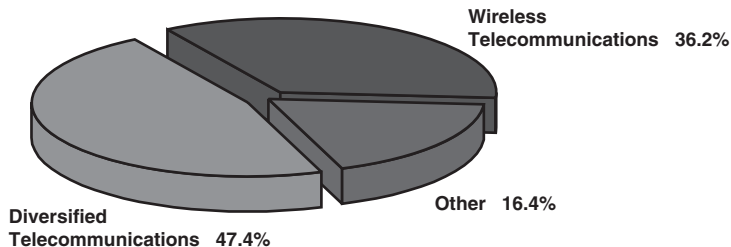
## COMMENTARY

While it would be unwise to read too much into one quarter's outperformance of the telecoms group, we have argued for some time that the large, integrated network operators are well positioned to weather recession, particularly in mature markets. In the basket of consumer spending, telecommunications services (including both fixed and mobile telephony) constitute only 3% of the total, and this ratio has been stable or even declining in major markets. The message is thus that even if consumers disconnected their fixed voice and broadband lines and discontinued using their mobile phones – a fairly implausible scenario – the savings for doing so simply could not contribute materially to a shift in spending on 'necessities'. Clearly the picture is different for businesses, as telecommunications spending is a function, in part, of employment levels and general output trends. However, even here we see mitigating effects: Corporate network-centric information and communications technologies solutions will be deferred, but growth in e-commerce and the use of telecommunications services as a substitute for business travel should benefit from cost considerations. Finally, while the recent relative outperformance may be encouraging, the significant absolute price decline for the sector leaves valuations at extremely low levels. We believe that the sector can continue to outperform on a twelve to eighteen month view.

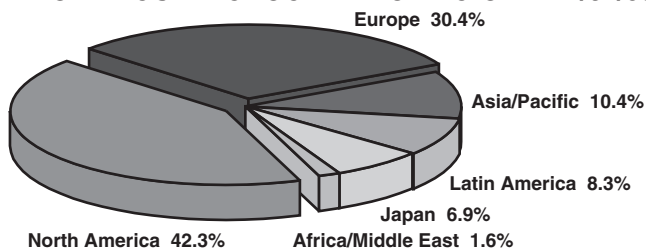
In examining the fourth quarter performance of the Global Telecommunications Fund, we highlight a number of our larger holdings that delivered positive performance. The two dominant Japanese wireless operators – NTT DoCoMo and KDDI (2.4% of net assets as of December 31, 2008) – were two of the three largest contributors, having gained 23.0% and 26.3%, respectively, in the quarter. Topping the list was Verizon Communications, with AT&T also among the top five contributors. Beyond these, there is little by way of a 'common denominator' among our positive contributors for the fourth quarter. These include a mix of European incumbents (Deutsche Telekom (4.5%), Swisscom (1.7%), Telefonica (4.7%), Telecom Italia (1.6%); second tier U.S. carriers (Shenandoah (0.7%) and Centennial (0.2%)) and, more unexpectedly, several emerging market names including China Mobile (2.6%), Rostelecom (0.4%), and Turkcell (1.1%). The importance of stock picking and industry knowledge is underscored with, for example, a strategy of targeting subsectors (integrated, wireless, cable) uncorrelated with returns.

On the negative side, performance in the Fund was adversely impacted by both developed and emerging market names. As in the third quarter, VimpelCom (1.2%) and Sistema Group (0.4%) of Russia (controlling

## HOLDINGS BY INDUSTRY SECTOR – 12/31/08



## HOLDINGS BY GEOGRAPHIC REGION – 12/31/08



shareholder of MTS) were among the bottom contributors with declines of 64.7% and 66.3%, respectively. The flight of foreign capital from the Russian market continued through the end of the year, exacerbated further by Ruble devaluation. Two Latin American names adversely impacted performance with America Movil (3.5%) down 33.2% and Telecom Argentina (1.0%) off 38.0% in the period. Sprint Nextel (0.6%) again ranked among the biggest negative contributors, with a dramatic decline of 70.0% in the fourth quarter. Satellite/cable names were also represented among the bottom contributors as Cablevision (1.6%) slipped a further 33.1%, and both DISH Network (0.7%) and Liberty Global (1.2%) fell by over 47%. A striking feature of the fourth quarter was the magnitude of many of the individual price declines, particularly coming after what had already been a twelve month sell off. Valuation arguments alone proved insufficient to stimulate buying interest, as historic comparisons on earnings and cashflow metrics were discounted.

The continued weakness in emerging markets was widely evident in the fourth quarter, with telecom names selling off in sync. The weakest region for both the broader markets and the sector was Latin America, where macro concerns and the continued flight of capital resulted in a 26.8% drop in the regional telecom index for the period. Asia, ex-Japan fared better with a loss of 7.6%, adversely impacted by China and expectations for a sharp deceleration of growth in 2009. In contrast, the Japanese telecom index actually gained 5.9% for the quarter and was, by far, the best performer for 2008 with a loss of 14.2%. Other developed markets offered no shelter, with European and North American telecom indexes recording losses of 6.8% and 6.4%, respectively, for the quarter. We would note that like broader markets, the telecoms sector did rebound in December, with a gain of over 10%.

## **Let's Talk Stocks**

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the percentage of net assets and their share prices stated in U.S. dollar equivalent terms are presented as of December 31, 2008.

*NTT DoCoMo (2.7%) (9437 - \$1,945.95 - Tokyo Stock Exchange)* is the largest wireless services provider in Japan serving 54 million mobile subscribers. DoCoMo is 61.6% owned by *Nippon Telegraph & Telephone Corporation (1.2%) (9432 - \$5,162.71 - Tokyo Stock Exchange)*. In the second quarter of 2009 (ended September 30, 2008), DoCoMo added 308,000 mobile subscribers. In November 2008, DoCoMo and Tata Teleservices Limited (TTSL) agreed on a strategic alliance in India, under which DoCoMo will acquire 26 percent of TTSL's common shares for approximately \$2.7 billion. In addition, DoCoMo expects to make an open offer to acquire up to 20 percent of the outstanding common shares of Tata Teleservices (Maharashtra) Limited (TTML), through a joint tender offer with Tata Sons. Tata Teleservices is one of India's leading private telecom service providers. The company offers integrated telecom solutions to its customers under the Tata Indicom brand and uses the latest CDMA 1x technology for its wireless network. Tata Teleservices, along with TTML, operates in more than 6,700 towns across all 22 circles in India, serving over 30 million customers.

*Philippine Long Distance Telephone Co. (2.1%) (PHI - \$46.95 - NYSE)*, commonly referred to as PLDT, is the incumbent operator and most profitable company in the Philippines, with a market capitalization in excess of \$8.9 billion. Growth continues to be driven by the company's wireless activities, which now constitute more than 60% of group revenues. PLDT serves nearly 35 million wireless subscribers, although the combination of intensifying competition and economic weakness suggests much slower gains in 2009. Consequently, PLDT is focusing on cost initiatives, with 2008 capital expenditures having been cut by roughly 10% from the budgeted figure to \$510 million. This, in turn, is enhancing PLDT's free cash flow generation, which increased by 12.2% in the year to September 30th to nearly \$1.2 billion. The company announced in December that it was increasing its share buyback to 3 million shares (1.6%) from 2 million.

*Swisscom (1.7%) (SCMN.VX - \$32.33 - Swiss Stock Exchange)* is the incumbent operator in Switzerland and also owns 82% of Fastweb, an Italian alternative fixed line operator it acquired in 2007. Swisscom is majority owned by the Swiss government, with no expectation of a further share sale in the near term. For calendar 2008, Swisscom is expected to generate operating cash flow of nearly CHF2.5 billion, with capital expenditures of roughly CHF2.1 billion. Swiss mobile and fixed network prices are expected to decline by about 5% in 2009, which will result in a decline in full year revenue of CHF400-500 million. However, the company is well positioned to offset pricing impacts with new offerings, particularly in TV delivery. Fastweb continues to see strong gains, with 2008 EBITDA expected to reach CHF900 million (23% margin) on sales growth of 14%. Swisscom enjoys a strong balance sheet and its current return of 5.1% should continue to underpin the share price.

*TeliaSonera (2.1%) (TLSN.ST - \$4.92 - Stockholm Stock Exchange)* is the largest telecommunications operator in Scandinavia, and with international activities across Russia and Eurasia. Telia continues to show top line and EBITDA gains, owing to performance of its Scandinavian and Eurasian mobile activities. Margins in mobile have been maintained despite intense competition and regulatory pressure in the form of lower terminating and roaming rates. Telia's international portfolio was expanded in October 2008 with entry into the mobile markets in Nepal and Cambodia. Potential catalysts for Telia include the possible monetization of the company's 37% stake in Turkcell, the largest wireless operator in Turkey, and 44% interest in MegaFon, the third largest wireless operator in Russia. Telia is also exploring options for its wireless business in Spain (Yoigo), with a sale of the unit expected in 2009.

*Verizon Communications (4.2%) (VZ - \$33.90 - NYSE)* is one of the world's leading telecommunications services companies, serving over 36 million switched access lines and approximately 8.7 million broadband connections. VZ also owns a controlling 55% interest in Verizon Wireless, the second largest wireless carrier in the United States with 72.1 million subscribers. Verizon Wireless closed its acquisition of Alltel, the fifth largest mobile operator in the U.S. with 13.8 million customers, on January 9, 2009. Pro forma for the transaction, Verizon Wireless will become the largest mobile carrier in the United States. While Verizon's wireline business has lost 3.7 million switched access lines (9.3%) over the last twelve months, it has been successful in attracting customers with its FiOS (fiber optic) broadband and TV offerings. As of December 31, 2008, Verizon served 1.9 million FiOS TV subscribers and 2.5 million FiOS Internet customers, adding approximately 1 million FiOS TV and Internet customers over the last year.

*Vimpel-Communications (1.2%) (VIP - \$7.16 - NYSE)* is a leading provider of wireless services in Russia and elsewhere in the Commonwealth of Independent States, operating under the 'Beeline' brand. Following the company's acquisition of Golden Telecom, the Russian broadband market leader in 2008, VimpelCom has begun actively cross marketing services and is uniquely positioned to deliver converged fixed/mobile offering. VimpelCom continues to generate strong growth, with revenue up 45.3% and EBITDA ahead by 36.7% in the twelve months ended September 30, 2008. The balance sheet, even after the cash purchase of Golden, is sound, with net debt to EBITDA at a very manageable 1.6x. Although some two-thirds of debt is dollar denominated, active hedging of interest and debt repayment obligations implies little adverse impact of Ruble devaluation. VimpelCom shares fell sharply in 2008 (-64.7%) along with the whole Russian equity market. This leaves VimpelCom trading on deep discount valuations of 3.4x EBITDA and a 4.9x P/E. Resolution of the long running dispute between its two controlling shareholders, Altimo and Telenor, could act as a further catalyst.

## **Conclusion**

The question as we go into 2009 is whether this recent momentum is sustainable, driven by valuations or simply improving market sentiment on the belief that the worst is behind. We will continue to focus on those

names where both valuations and clear catalysts can be identified that can drive share price recovery over the coming months and quarters.

Sincerely,  
The GAMCO Global Portfolio Management Team

January 20, 2009

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

### **Portfolio Manager Compensation**

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

As founder and team portfolio manager of the GAMCO Global Telecommunications Fund, Mr. Gabelli received \$907,957 in calendar 2007. In the Fund's first twelve months of operation starting in November 1993, Mr. Gabelli received less than \$155,000. As beneficial owner, he had \$300,005 invested in the GAMCO Global Telecommunications Fund as of December 31, 2008, which includes the holdings of GGCP Inc., GBL's parent holding company.

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

The Fund's minimum initial investment for regular accounts is \$1,000. There are no subsequent investment minimums. No initial minimum is required for those establishing an Automatic Investment Plan.

Additionally, the Fund and other Gabelli/GAMCO Funds are available through the no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold in seven days or less of a purchase. See the prospectus for more details.

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

Please visit us on the Internet. Our homepage at [www.gabelli.com](http://www.gabelli.com) contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. You can send us e-mail at [info@gabelli.com](mailto:info@gabelli.com).

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

The Fund's daily net asset value is available in the financial press and each evening after 6:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). The Fund's Nasdaq symbol is GABTX for Class AAA Shares. Please call us during the business day for further information.

**e-delivery**

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

**Multi-Class Shares**

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

**The GAMCO Global Telecommunications Fund Average Annual Returns – December 31, 2008 (a)**

	<b>Class AAA Shares</b>	<b>Class A Shares</b>	<b>Class B Shares</b>	<b>Class C Shares</b>	<b>Class I Shares</b>
1 Year	(40.58)%	(40.55)% (43.97)(c)	(41.03)% (43.98)(d)	(41.00)% (41.59)(e)	(40.39)%
5 Year	2.83	2.84 1.63(c)	2.06 1.69(d)	2.06 2.06	2.90
10 Year	2.29	2.30 1.69(c)	1.64 1.64	1.64 1.64	2.32
Life of Fund (b)	7.02	7.03 6.61(c)	6.57 6.57	6.57 6.57	7.04
<b>Current expense ratio</b>	<b>1.50</b>	<b>1.50</b>	<b>2.25</b>	<b>2.25</b>	<b>1.25</b>
<b>Maximum sales charge</b>	<b>None</b>	<b>5.75</b>	<b>5.00</b>	<b>1.00</b>	<b>None</b>

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

The Class AAA Share net asset values (“NAV”) per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, Class C Shares, and Class I Shares on March 12, 2000, March 13, 2000, June 2, 2000, and January 11, 2008, respectively. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares.

(b) Performance is calculated from inception of the Fund’s Class AAA Shares on November 1, 1993.

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

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

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

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

GAMCO Global Series Funds, Inc.  
**The GAMCO Global Telecommunications Fund**

One Corporate Center  
Rye, New York 10580-1422

**800-GABELLI**

**800-422-3554**

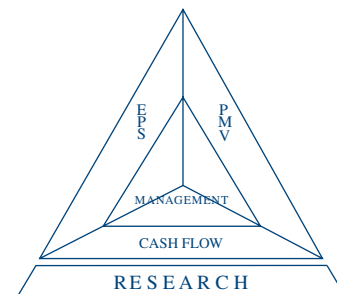
**fax: 914-921-5118**

**website: www.gabelli.com**

**e-mail: info@gabelli.com**

Net Asset Value per share available daily by calling

**800-GABELLI** after 6:00 P.M.



**Board of Directors**

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

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

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

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

Anthony J. Colavita  
*Attorney-at-Law  
Anthony J. Colavita, P.C.*

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

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

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

**Officers**

Bruce N. Alpert  
*President and Secretary*

Peter D. Goldstein  
*Chief Compliance Officer*

Agnes Mullady  
*Treasurer*

**Distributor**

Gabelli & Company, Inc.

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

State Street Bank and Trust Company

**Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP

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

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# The GAMCO Global Telecommunications Fund

**SHAREHOLDER COMMENTARY  
DECEMBER 31, 2008**

# The GAMCO Global Telecommunications 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/funds](http://www.gabelli.com/funds).

Enclosed are the audited financial statements and the investment portfolio as of December 31, 2008 with a description of factors that affected the performance during the past year.

### Performance Discussion (Unaudited)

The GAMCO Global Telecommunications Fund (the "Fund") (Class AAA) declined by 40.58% in 2008, underperforming the MSCI AC World Telecommunication Services Index that fell by 35.06% for the year.

The telecommunications sector suffered the downturn in global equities in 2008, displaying little evidence of its historic defensive qualities. Indeed, for most of the year, the sector fell even further than broader market indexes, and it was only in the fourth quarter that this trend reversed. The market response implied a concern that the global economic downturn would cause a significant hit to the revenues, earnings and cash flows of telecommunications service providers, large and small. The reality, particularly in developed markets, could prove very different. The data thus far is that consumer spending and usage patterns remain largely unaffected and even business and corporate demand remains resilient. Clearly the picture in emerging markets is less encouraging, where mobile telephony constitutes a larger share of consumer discretionary spending. Network operators make the convincing argument that even if revenue progression is adversely impacted by prolonged economic weakness, operating income, cash flow generation, and shareholder return targets can be met.

In analyzing the performance of the Fund, we highlight the fact that three of the top ten positive contributors were Japanese telcos – NTT DoCoMo (2.7% of net assets as of December 31, 2008), KDDI (2.4%), and NTT Corp. (0.4%). Currency translation played its part here, with the strengthening yen lifting the contributors with DoCoMo showing a dollar gain of 16.9% and NTT 10.3% in the year. Verizon (4.2%) contributed a positive 24 basis points to the Fund's performance in 2008, suggesting that the Fund gained full advantage of the year end rally. Beyond these, the list of 'less negative' performers in the Fund was an eclectic

mix – some large incumbent international operators such as Telmex (–2.8%) (0.7%) and Maroc Telecom (–0.3%) (0.9%), together with an assortment of alternative network providers. While the European national operators all showed declines in the year, in the main they fared better than the Fund and sector as a whole with, for example Swisscom (–18.3%) (1.7%), KPN (–20.5%), and France Telecom (–21.2%) (0.6%) all outperforming on the basis of greater earnings visibility and the absence of emerging market exposure.

Not surprisingly, the stocks that hurt Fund performance in 2008 were dominated by emerging market wireless names. VimpelCom (1.2%) of Russia alone accounted for over 3.5% of the Fund's 2008 decline as it fell 82.8% in the year with the collapse of the Russian equities market. Sistema Group (0.4%) of Russia, controlling shareholder in MTS, was also among the bottom five names with its decline of 86.8%. Other emerging market wireless operators also sold off including Millicom International (–61.9%) (0.8%), Orascom Telecom (–66.6%) (0.6%), and China Mobile (–41.5%) (2.6%). The aversion to emerging markets and resultant shift of assets out of these markets left year end 2008 valuations at historically unprecedented levels. Nonetheless, the concern about emerging market economies is profound and it seems likely that any meaningful recovery will lag, not lead those of developed markets. Interestingly, two of the other five bottom contributors to the Fund were U.S. wireless operators – Sprint Nextel (–86.1%) (0.6%) and U.S. Cellular (–48.6%) (3.7%). For Sprint, the operational woes seem to continue, with the consequences evident in subscriber churn figures. The traditional cable stocks had mixed fortunes in the year, with Comcast (–10.7%) (0.1%) among the top ten contributors; and Liberty Global (–59.4%) (1.2%) and Cablevision (–31.3%) (1.6%) to be found towards the bottom of the list.

The inability to secure new debt, or equity financing in 2008 caused corporate activity in the sector to virtually grind to a halt. Thus, despite the historically low valuations and still-attractive growth dynamics to be found in pockets of the telecommunications universe, neither strategic buyers nor financial/private equity investors were able to take advantage. While there is still little sign of a thawing in global credit markets, it is possible that the telecommunications sector could be an early beneficiary, as and when it does occur. The notion of further industry consolidation and the inherent advantages that it brings remains strong, but the ability to affect it has been deferred. Even absent a resumption of corporate activity, mounting evidence that the telecommunications industry can weather the storm better than most should position the sector for outperformance in 2009.

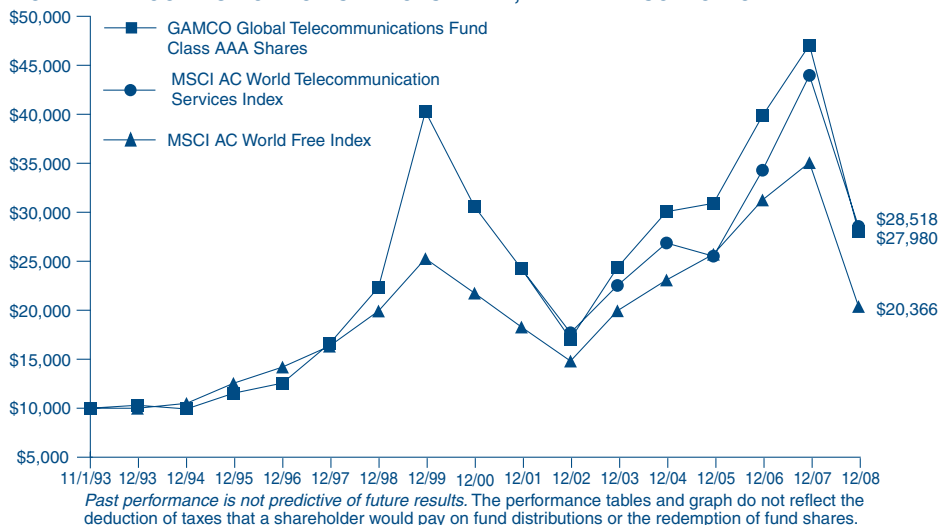
Sincerely yours,

A handwritten signature in blue ink that reads "Bruce N. Alpert". The signature is written in a cursive, slightly slanted style.

Bruce N. Alpert  
President

February 20, 2009

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE  
GAMCO GLOBAL TELECOMMUNICATIONS FUND CLASS AAA SHARES, THE MSCI AC  
WORLD TELECOMMUNICATION SERVICES INDEX, AND THE MSCI AC WORLD FREE INDEX**



**Comparative Results**

**Average Annual Returns through December 31, 2008 (a)**

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (11/1/93)
<b>GAMCO Global Telecommunications Fund Class AAA</b> .....	<b>(16.75)%</b>	<b>(40.58)%</b>	<b>(3.23)%</b>	<b>2.83%</b>	<b>2.29%</b>	<b>7.02%</b>
MSCI AC World Telecommunication Services Index .....	(7.06)	(35.06)	4.60	5.32	N/A*	N/A*
MSCI AC World Free Index .....	(22.25)	(41.85)	(7.45)	0.44	0.23	4.80
Class A .....	(16.68)	(40.55)	(3.19)	2.84	2.30	7.03
Class B .....	(21.47)(b)	(43.97)(b)	(5.08)(b)	1.63(b)	1.69(b)	6.61(b)
Class C .....	(16.92)	(41.03)	(3.96)	2.06	1.64	6.57
Class I .....	(21.07)(c)	(43.98)(c)	(4.93)(c)	1.69(c)	1.64	6.57
Class A .....	(16.88)	(41.00)	(3.94)	2.06	1.64	6.57
Class B .....	(17.71)(d)	(41.59)(d)	(3.94)	2.06	1.64	6.57
Class I .....	(16.62)	(40.39)	(3.13)	2.90	2.32	7.04

**In the current prospectus, the expense ratios for Class AAA, A, B, C, and I Shares are 1.50%, 1.50%, 2.25%, 2.25%, and 1.25%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.**

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

The Class AAA Shares net asset values ("NAVs") per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, Class C Shares, and Class I Shares on March 12, 2000, March 13, 2000, June 2, 2000, and January 11, 2008, respectively. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The MSCI AC World Telecommunication Services Index and the MSCI AC World Free Index are unmanaged indicators of global stock market performance. Dividends are considered reinvested. You cannot invest directly in an index.

- (b) Includes the effect of the maximum 5.75% sales charge at the beginning of the period.
- (c) Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the quarter, one year, three year, and five year periods of 5%, 5%, 3%, and 2%, respectively, of the Fund's NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.
- (d) Performance results include the deferred sales charges for the Class C Shares upon redemption at the end of the quarter and one year periods of 1% of the Fund's NAV per share at the time of purchase or sale, whichever is lower.

\* Information for the MSCI AC World Telecommunication Services Index is not available with dividends prior to August 2001.

# The GAMCO Global Telecommunications Fund

## Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2008 through December 31, 2008

## Expense Table

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

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

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

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

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended December 31, 2008.

	Beginning Account Value 07/01/08	Ending Account Value 12/31/08	Annualized Expense Ratio	Expenses Paid During Period*
<b>The GAMCO Global Telecommunications Fund</b>				
<b>Actual Fund Return</b>				
Class AAA	\$1,000.00	\$ 712.30	1.64%	\$ 7.06
Class A	\$1,000.00	\$ 712.90	1.64%	\$ 7.06
Class B	\$1,000.00	\$ 709.70	2.40%	\$10.31
Class C	\$1,000.00	\$ 710.00	2.40%	\$10.32
Class I	\$1,000.00	\$ 713.70	1.37%	\$ 5.90
<b>Hypothetical 5% Return</b>				
Class AAA	\$1,000.00	\$1,016.89	1.64%	\$ 8.31
Class A	\$1,000.00	\$1,016.89	1.64%	\$ 8.31
Class B	\$1,000.00	\$1,013.07	2.40%	\$12.14
Class C	\$1,000.00	\$1,013.07	2.40%	\$12.14
Class I	\$1,000.00	\$1,018.25	1.37%	\$ 6.95

\* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, then divided by 366.

## Summary of Portfolio Holdings (Unaudited)

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

### The GAMCO Global Telecommunications Fund

Diversified Telecommunications Services	46.8%	Other .....	16.2%
Wireless Telecommunications Services . .	35.8%	Other Assets and Liabilities (Net) .....	1.2%
			<u>100.0%</u>

*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](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.*

### Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the 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; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

# The GAMCO Global Telecommunications Fund

## Schedule of Investments — December 31, 2008

Shares	Cost	Market Value	Shares/Units	Cost	Market Value		
<b>COMMON STOCKS — 97.9%</b>			11,000	Rostelecom, ADR	\$ 138,618	\$ 610,280	
<b>DIVERSIFIED TELECOMMUNICATIONS SERVICES — 46.8%</b>			55,000	Royal KPN NV, ADR	457,200	810,150	
<b>Africa/Middle East — 1.0%</b>			93,000	Sistema JSFC, GDR (a)	1,808,007	511,500	
65,000	Maroc Telecom	\$ 1,088,852	\$ 1,255,908	76,000	Swisscom AG, ADR	1,877,116	2,457,080
2,000	Pakistan Telecommunications Co. Ltd., GDR† (a)	155,766	42,692	1,150,000	Telecom Italia SpA	3,464,316	1,838,338
13,000	Telkom SA Ltd.	323,646	161,006	25,000	Telecom Italia SpA, ADR	607,585	406,250
		<u>1,568,264</u>	<u>1,459,606</u>	97,000	Telefonica SA, ADR	2,604,228	6,536,830
<b>Asia/Pacific — 4.4%</b>			6,361	Telefonica SA, BDR	108,406	120,114	
240,000	Asia Satellite Telecommunications Holdings Ltd.	515,076	235,349	94,000	Telekom Austria AG	1,701,527	1,345,844
170,000	First Pacific Co. Ltd.	92,079	59,005	15,000	Telenor ASA	278,729	99,185
20,000	First Pacific Co. Ltd., ADR	30,144	34,000	600,000	TeliaSonera AB	2,272,361	2,951,460
1	Hanarotelecom Inc., ADR†	5,250	4			<u>26,457,097</u>	<u>29,602,344</u>
10,000	KT Corp., ADR†	183,666	146,700	<b>Japan — 1.2%</b>			
100,000	PCCW Ltd.	81,405	47,741	237	Nippon Telegraph & Telephone Corp.	1,207,105	1,223,563
65,000	Philippine Long Distance Telephone Co., ADR	1,178,774	3,051,750	20,000	Nippon Telegraph & Telephone Corp., ADR	536,741	543,800
18,360	PT Telekomunikasi Indonesia, ADR	165,504	460,285			<u>1,743,846</u>	<u>1,767,363</u>
874,000	Singapore Telecommunications Ltd.	701,513	1,546,903	<b>Latin America — 4.3%</b>			
35,555	Telecom Corp. of New Zealand Ltd., ADR	433,477	238,219	30,000	Atlantic Tele-Network Inc.	99,861	796,500
375,000	Telekom Malaysia Berhad	519,351	333,815	11,500	Brasil Telecom Participacoes SA, ADR	566,673	444,245
2,400	Telstra Corp. Ltd., ADR	47,304	32,760	44	Brasil Telecom SA, Preference Cable & Wireless	474	257
8,075	Thai Telephone & Telecom, GDR† (a)(b)	100,542	242	17,415,054	Jamaica Ltd.† (c)	406,745	109,529
1,000,000	True Corp. Public Co. Ltd.†	687,194	37,665	1,000	Maxcom Telecomunicaciones SAB de CV, ADR†	17,587	3,790
		<u>4,741,279</u>	<u>6,224,438</u>	25,693	Tele Norte Leste Participacoes SA, ADR	357,296	357,647
<b>Europe — 20.8%</b>			178,000	Telecom Argentina SA, ADR†	584,488	1,352,800	
39,000	BT Group plc, ADR	1,474,439	779,220	55,000	Telefonica de Argentina SA, ADR†	348,883	431,750
300,000	Cable & Wireless plc	544,359	675,025	75,000	Telefonos de Mexico SAB de CV, Cl. L, ADR	338,533	1,570,500
8,000	Colt Telecom Group SA†	33,893	7,706	3,355	Telemar Norte Leste SA, Preference, Cl. A	148,531	79,847
415,000	Deutsche Telekom AG, ADR	5,576,443	6,349,500	82,000	Telmex Internacional SAB de CV, ADR	252,026	931,520
80,000	Elisa Oyj	668,815	1,367,807			<u>3,121,097</u>	<u>6,078,385</u>
30,000	France Telecom SA, ADR	783,450	842,100	<b>North America — 15.1%</b>			
5,507	Hellenic Telecommunications Organization SA	86,065	91,094	138,000	AT&T Inc.	3,964,469	3,933,000
37,000	Hellenic Telecommunications Organization SA, ADR	228,882	307,470	47,836	Bell Aliant Regional Communications Income Fund	882,832	912,546
20,000	Hungarian Telephone & Cable Corp.†	179,947	172,000	36,000	Bell Aliant Regional Communications Income Fund (a)(d)	668,460	686,756
500	Magyar Telekom Telecommunications plc, ADR	9,650	7,020	20,000	CenturyTel Inc.	739,530	546,600
95,000	Portugal Telecom SGPS SA	1,304,789	801,571	720,000	Cincinnati Bell Inc.†	4,157,384	1,389,600
60,000	Portugal Telecom SGPS SA, ADR	248,272	514,800				

See accompanying notes to financial statements.

# The GAMCO Global Telecommunications Fund

## Schedule of Investments (Continued) — December 31, 2008

<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
<b>COMMON STOCKS (Continued)</b>			95,000	SK Telecom Co. Ltd., ADR .. \$ 1,293,472	\$ 1,727,100
<b>DIVERSIFIED TELECOMMUNICATIONS SERVICES (Continued)</b>			360,000	TM International Berhad† .. 1,050,502	376,647
<b>North America (Continued)</b>				<u>3,942,673</u>	<u>6,862,286</u>
3,289	Consolidated Communications Holdings Inc. .... \$ 62,688	\$ 39,073	<b>Europe — 7.6%</b>		
90,060	D&E Communications Inc. .. 1,210,418	603,402	50,000	Bouygues SA .. 1,411,109	2,098,971
10,000	E.Spire Communications Inc.† (d) 50,000	0	24,000	Millicom International Cellular SA .. 1,836,800	1,077,840
3,230	EarthLink Inc.† .. 45,250	21,835	800	Mobile TeleSystems OJSC, ADR 29,612	21,344
10,000	Embarq Corp. .... 276,821	359,600	108,000	Turkcell Iletisim Hizmet A/S, ADR 2,437,621	1,574,640
70,000	FairPoint Communications Inc. 1,016,261	229,600	246,000	Vimpel-Communications, ADR 566,012	1,761,360
25,000	Frontier Communications Corp. 367,000	218,500	120,000	Vivendi .. 3,081,131	3,880,734
78,000	General Communication Inc., Cl. A† .. 367,245	631,020	20,000	Vodafone Group plc, ADR .. 640,169	408,800
800	Lexcom Inc., Cl. B, Non-Voting† 39,716	37,100		<u>10,002,454</u>	<u>10,823,689</u>
12,000	Manitoba Telecom Services Inc. 453,480	349,745	<b>Japan — 5.2%</b>		
22,422	McLeodUSA Inc., Cl. A† (d) 78,431	110	490	KDDI Corp. .... 2,409,258	3,432,432
130,000	McLeodUSA Inc., Cl. A, Escrow† (d) .. 0	0	2,000	NTT DoCoMo Inc. .... 4,616,238	3,891,892
26,000	New Ulm Telecom Inc. .... 321,938	206,700		<u>7,025,496</u>	<u>7,324,324</u>
20,000	NorthPoint Communications Group Inc.† .. 11,250	6	<b>Latin America — 3.7%</b>		
160,000	Price Communications Corp., Escrow† (d) .. 0	0	158,000	America Movil SAB de CV, Cl. L, ADR .. 978,984	4,896,420
180,000	Qwest Communications International Inc. .... 881,068	655,200	17,500	Grupo Iusacell SA de CV† .. 29,040	27,030
33,000	Shenandoah Telecommunications Co. .. 138,825	925,650	701	Telemig Celular Participacoes SA, ADR .. 18,590	21,023
45,000	TELUS Corp. .... 873,965	1,354,921	14,900	Tim Participacoes SA, ADR 438,054	186,101
6,943	TELUS Corp., Non-Voting, New York .. 361,769	197,320	755	Vivo Participacoes SA† .... 6,747	9,162
33,057	TELUS Corp., Non-Voting, Toronto .. 827,048	934,540	5,994	Vivo Participacoes SA, ADR 316,130	75,165
100,000	tw telecom inc.† .. 1,993,869	847,000	3,256	Vivo Participacoes SA, Preference† .. 159,589	39,429
175,000	Verizon Communications Inc. 6,438,310	5,932,500		<u>1,947,134</u>	<u>5,254,330</u>
40,000	Windstream Corp. .... 274,920	368,000	<b>North America — 13.0%</b>		
	<u>26,502,947</u>	<u>21,380,324</u>	38,000	Centennial Communications Corp.† .. 207,143	306,280
<b>TOTAL DIVERSIFIED TELECOMMUNICATIONS SERVICES .. 64,134,530</b>			45,000	Clearwire Corp., Cl. A† .... 804,442	221,850
			2,000	Leap Wireless International Inc.† .. 73,090	53,780
<b>WIRELESS TELECOMMUNICATIONS SERVICES — 34.9%</b>			14,000	MetroPCS Communications Inc.† .. 318,956	207,900
<b>Africa/Middle East — 0.6%</b>			15,000	Nextwave Wireless Inc.† .. 78,505	1,350
30,000	Orascom Telecom Holding SAE, GDR .. 1,488,437	818,700	248,000	Rogers Communications Inc., Cl. B .. 1,124,319	7,459,840
<b>Asia/Pacific — 4.8%</b>			440,000	Sprint Nextel Corp.† .. 5,448,731	805,200
72,000	China Mobile Ltd., ADR .... 932,248	3,661,200	80,000	Telephone & Data Systems Inc. 2,061,826	2,540,000
73,000	China Unicom Hong Kong Ltd., ADR .. 587,280	890,600	60,000	Telephone & Data Systems Inc., Special .. 1,278,136	1,686,000
666	Hutchison Telecommunications International Ltd. .... 519	179	120,000	United States Cellular Corp.† 5,745,389	5,188,800
8,000	PT Indosat Tbk, ADR .. 78,652	206,560	2,000	Virgin Mobile USA Inc., Cl. A† 1,934	1,680
				<u>17,142,471</u>	<u>18,472,680</u>
			<b>TOTAL WIRELESS TELECOMMUNICATIONS SERVICES .. 41,548,665</b>		
			<u>49,556,009</u>		

See accompanying notes to financial statements.

# The GAMCO Global Telecommunications Fund

## Schedule of Investments (Continued) — December 31, 2008

Shares		Cost	Market Value	Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>				<b>North America — 13.7%</b>			
<b>OTHER — 16.2%</b>				80,000	Adelphia Communications Corp., Cl. A† (d) . . . . .	\$ 74,756	\$ 0
<b>Asia/Pacific — 0.2%</b>				80,000	Adelphia Communications Corp., Cl. A, Escrow† (d)	0	0
19,065	Austar United Communications Ltd.† . . . . .	\$ 34,838	\$ 9,836	80,000	Adelphia Recovery Trust† . . . . .	0	32
100,000	Champion Technology Holdings Ltd. . . . .	87,982	3,419	2,000	America Online Latin America Inc., Cl. A† (d) . . . . .	840	4
70,000	CP Pokphand Co. Ltd., ADR†	58,725	34,300	1,400	Amphenol Corp., Cl. A . . . . .	5,729	33,572
26,000	Himachal Futuristic Communications Ltd., GDR† (a)(d) . . . . .	141,200	20,330	2,100	Ascent Media Corp., Cl. A† . . . . .	27,089	45,864
50,000	Hutchison Whampoa Ltd. . . . .	487,170	250,639	132,000	Cablevision Systems Corp., Cl. A . . . . .	3,219,360	2,222,880
250,000	Time Engineering Berhad† . . . . .	152,324	6,864	50,000	California Micro Devices Corp.†	283,857	93,000
		<u>962,239</u>	<u>325,388</u>	23,566	CanWest Global Communications Corp.† (d)	322,321	13,890
<b>Europe — 1.6%</b>				33,434	CanWest Global Communications Corp., Cl. A† . . . . .	384,882	16,250
15,000	Alcatel-Lucent, ADR† . . . . .	208,673	32,250	300,000	Charter Communications Inc., Cl. A† . . . . .	698,470	24,540
1,000	British Sky Broadcasting Group plc, ADR . . . . .	24,267	28,400	10,000	Cogeco Inc. . . . .	195,069	201,701
6,744	Cockleshell Ltd.† . . . . .	0	5,187	8,000	Comcast Corp., Cl. A, Special	226,918	129,200
9,000	E.ON AG . . . . .	126,255	355,796	4,000	Convergys Corp.† . . . . .	53,716	25,640
59,500	G4S plc . . . . .	0	175,370	21,000	Discovery Communications Inc., Cl. A† . . . . .	143,570	297,360
96,000	GN Store Nord A/S† . . . . .	526,185	182,869	21,000	Discovery Communications Inc., Cl. C† . . . . .	100,228	281,190
3,600	Impellam Group plc† . . . . .	5,269	1,242	90,000	DISH Network Corp., Cl. A†	1,501,668	998,100
6,400	L. M. Ericsson Telephone Co., Cl. B, ADR . . . . .	40,907	49,984	18,000	EchoStar Corp., Cl. A† . . . . .	329,634	267,660
25,000	Nokia Oyj, ADR . . . . .	59,902	390,000	5,000	Fisher Communications Inc.	217,833	103,200
15,428	Seat Pagine Gialle SpA† . . . . .	30,784	1,246	1,000	Geoworks Corp.† . . . . .	1,375	40
900	Shellshock Ltd.† . . . . .	521	718	600	Google Inc., Cl. A† . . . . .	207,853	184,590
750	Siemens AG, ADR . . . . .	23,625	56,813	3,000	Idearc Inc. . . . .	13,563	255
5,852	Telecom Italia Media SpA† . . . . .	4,669	718	10,000	IDT Corp.† . . . . .	128,996	3,500
24,000	Telegraaf Media Groep NV . . . . .	520,141	415,346	15,000	IDT Corp., Cl. B† . . . . .	119,864	6,000
6,000	ThyssenKrupp AG . . . . .	110,336	158,132	500	JDS Uniphase Corp.† . . . . .	7,565	1,825
15,000	TNT NV, ADR . . . . .	198,278	290,250	1,000	L-3 Communications Holdings Inc. . . . .	11,000	73,780
1,000	Via Net.Works Inc.† . . . . .	2,625	15	60,732	Liberty Global Inc., Cl. A† . . . . .	1,330,262	966,853
8,000	Zon Multimedia Servicos de Telecomunicacoes e Multimedia SGPS SA . . . . .	78,640	41,257	50,000	Liberty Global Inc., Cl. C† . . . . .	1,219,998	759,000
9,578	Zon Multimedia Servicos de Telecomunicacoes e Multimedia SGPS SA, ADR . . . . .	137,444	49,395	24,000	Liberty Media Corp. - Capital, Cl. A† . . . . .	175,219	113,040
		<u>2,098,521</u>	<u>2,234,988</u>	96,000	Liberty Media Corp. - Entertainment, Cl. A† . . . . .	919,898	1,678,080
<b>Japan — 0.5%</b>				40,000	Liberty Media Corp. - Interactive, Cl. A† . . . . .	450,264	124,800
72,000	The Furukawa Electric Co. Ltd.	350,157	340,739	1,000	Lockheed Martin Corp. . . . .	22,787	84,080
20,000	Tokyo Broadcasting System Inc.	542,595	300,938	60,100	LSI Corp.† . . . . .	436,261	197,729
		<u>892,752</u>	<u>641,677</u>	30,000	Macrovision Solutions Corp.†	541,902	379,500
<b>Latin America — 0.2%</b>				17,000	Mediacom Communications Corp., Cl. A† . . . . .	142,340	73,100
9,000	BB Holdings Ltd.† . . . . .	36,940	23,175				
25,693	Contax Participacoes SA, ADR	11,050	19,270				
17,000	Grupo Televisa SA, ADR . . . . .	421,380	253,980				
1,224	Shellproof Ltd.† . . . . .	1,210	854				
		<u>470,580</u>	<u>297,279</u>				

See accompanying notes to financial statements.

# The GAMCO Global Telecommunications Fund

## Schedule of Investments (Continued) — December 31, 2008

<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
<b>COMMON STOCKS (Continued)</b>		
<b>OTHER (Continued)</b>		
<b>North America (Continued)</b>		
55,000	Motorola Inc. . . . . \$ 454,388	\$ 243,650
2,000	News Corp., Cl. B . . . . .	21,050
40,000	Nortel Networks Corp.† . . . . .	659,191
2,524	Orbital Sciences Corp.† . . . . .	16,208
10,000	R. H. Donnelley Corp.† . . . . .	32,228
6,000	SCANA Corp. . . . .	158,756
4,500	SJW Corp. . . . .	70,455
325,000	The DIRECTV Group Inc.† . . . . .	7,485,006
10,000	Time Warner Cable Inc., Cl. A† . . . . .	296,446
110,000	Time Warner Inc. . . . .	1,902,029
2,000	TiVo Inc.† . . . . .	11,105
1,000	Vishay Intertechnology Inc.† . . . . .	22,908
47	Xanadoo Co.† . . . . .	23,394
50,000	Yahoo! Inc.† . . . . .	1,472,835
		<u>26,141,086</u>
	<b>TOTAL OTHER</b> . . . . .	<b>30,565,178</b>
	<b>TOTAL COMMON STOCKS</b> . . . . .	<b>136,248,373</b>
		<u>139,049,517</u>
	<b>WARRANTS — 0.9%</b>	
	<b>OTHER — 0.0%</b>	
	<b>Asia/Pacific — 0.0%</b>	
20,394	Champion Tech, expire 04/16/09 (d) . . . . .	0
		<u>0</u>
	<b>WIRELESS TELECOMMUNICATIONS SERVICES — 0.9%</b>	
	<b>Asia/Pacific — 0.9%</b>	
2,000	Bharti Airtel Ltd., expire 09/19/13† (a) . . . . .	30,638
82,000	Bharti Airtel Ltd., expire 12/15/16† (a) . . . . .	1,767,623
		<u>1,204,588</u>
	<b>TOTAL WIRELESS TELECOMMUNICATIONS SERVICES</b> . . . . .	<b>1,798,261</b>
	<b>TOTAL WARRANTS</b> . . . . .	<b>1,798,261</b>
		<u>1,233,970</u>
	<b>TOTAL INVESTMENTS — 98.8%</b>	<b>\$138,046,634</b>
	<b>Other Assets and Liabilities (Net) — 1.2%</b> . . . . .	<b>1,688,456</b>
	<b>NET ASSETS — 100.0%</b> . . . . .	<b>\$141,971,943</b>

- (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 Rule 144A securities amounted to \$2,495,490 or 1.76% of net assets.
- (b) Illiquid security.
- (c) At December 31, 2008, the Fund held an investment in a restricted security amounting to \$109,529 or 0.08% of net assets, which were valued under methods approved by the Board of Directors as follows:

<u>Acquisition Shares</u>	<u>Acquisition Issuer</u>	<u>Acquisition Date</u>	<u>Acquisition Cost</u>	<u>12/31/08 Carrying Value Per Unit</u>
17,415,054	Cable & Wireless Jamaica Ltd. . . . .	03/10/94	\$406,745	\$0.0063

- (d) Security fair valued under procedures established by the Board of Directors. The procedures may include reviewing available financial information about the company and reviewing valuation of comparable securities and other factors on a regular basis. At December 31, 2008, the market value of fair valued securities amounted to \$721,090 or 0.51% of net assets.

† Non-income producing security.  
 ADR American Depositary Receipt  
 BDR Brazilian Depositary Receipt  
 GDR Global Depositary Receipt

<u>Geographic Diversification</u>	<u>% of Market Value</u>	<u>Market Value</u>
North America . . . . .	42.3%	\$ 59,334,720
Europe . . . . .	30.4	42,661,021
Asia/Pacific . . . . .	10.5	14,646,082
Latin America . . . . .	8.3	11,629,994
Japan . . . . .	6.9	9,733,364
Africa/Middle East . . . . .	1.6	2,278,306
	<u>100.0%</u>	<u>\$140,283,487</u>

See accompanying notes to financial statements.

## The GAMCO Global Telecommunications Fund

### Statement of Assets and Liabilities December 31, 2008

<b>Assets:</b>	
Investments, at value (cost \$138,046,634) . . . . .	\$140,283,487
Foreign currency, at value (cost \$5) . . . . .	5
Cash . . . . .	836
Receivable for Fund shares sold . . . . .	2,906,841
Receivable for investments sold . . . . .	65,820
Dividends and interest receivable . . . . .	357,559
Prepaid expense . . . . .	<u>34,345</u>
<b>Total Assets</b> . . . . .	<u><b>143,648,893</b></u>

<b>Liabilities:</b>	
Payable for Fund shares redeemed . . . . .	170,918
Payable for investment advisory fees . . . . .	113,878
Payable for distribution fees . . . . .	28,793
Payable for accounting fees . . . . .	7,502
Line of credit payable . . . . .	1,153,000
Other accrued expenses . . . . .	<u>202,859</u>
<b>Total Liabilities</b> . . . . .	<u><b>1,676,950</b></u>

**Net Assets** applicable to 9,272,255 shares outstanding . . . . . **\$141,971,943**

<b>Net Assets consist of:</b>	
Paid-in capital, each class at \$0.001 par value . . . . .	\$168,580,208
Accumulated net investment income . . . . .	59,583
Accumulated net realized loss on investments and foreign currency transactions . . . . .	(28,907,104)
Net unrealized appreciation on investments . . . . .	2,236,853
Net unrealized appreciation on foreign currency translations . . . . .	<u>2,403</u>

**Net Assets** . . . . . **\$141,971,943**

#### Shares of Capital Stock:

##### Class AAA:

Net Asset Value, offering, and redemption price per share (\$139,761,339 ÷ 9,126,837 shares outstanding; 75,000,000 shares authorized) . . . . . **\$15.31**

##### Class A:

Net Asset Value and redemption price per share (\$1,130,084 ÷ 73,828 shares outstanding; 50,000,000 shares authorized) . . . . . **\$15.31**

Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price) . . . . . **\$16.24**

##### Class B:

Net Asset Value and offering price per share (\$102,034 ÷ 6,787 shares outstanding; 25,000,000 shares authorized) . . . . . **\$15.03(a)**

##### Class C:

Net Asset Value and offering price per share (\$562,484 ÷ 37,605 shares outstanding; 25,000,000 shares authorized) . . . . . **\$14.96(a)**

##### Class I:

Net Asset Value, offering, and redemption price per share (\$416,002 ÷ 27,198 shares outstanding; 25,000,000 shares authorized) . . . . . **\$15.30**

### Statement of Operations For the Year Ended December 31, 2008

<b>Investment Income:</b>	
Dividends (net of foreign taxes of \$678,903) . . . \$	6,524,032
Interest . . . . .	<u>29,090</u>
<b>Total Investment Income</b> . . . . .	<u><b>6,553,122</b></u>

<b>Expenses:</b>	
Investment advisory fees . . . . .	2,110,824
Distribution fees – Class AAA . . . . .	518,958
Distribution fees – Class A . . . . .	4,504
Distribution fees – Class B . . . . .	1,926
Distribution fees – Class C . . . . .	11,613
Shareholder services fees . . . . .	249,347
Shareholder communications expenses . . . . .	142,106
Custodian fees . . . . .	91,947
Registration expenses . . . . .	50,392
Legal and audit fees . . . . .	47,667
Accounting fees . . . . .	45,000
Interest expense . . . . .	35,088
Directors' fees . . . . .	25,094
Miscellaneous expenses . . . . .	<u>31,476</u>
<b>Total Expenses</b> . . . . .	<u><b>3,365,942</b></u>
Less: Custodian fee credits . . . . .	(585)
<b>Net Expenses</b> . . . . .	<u><b>3,365,357</b></u>
<b>Net Investment Income</b> . . . . .	<u><b>3,187,765</b></u>

#### Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:

Net realized gain on investments . . . . .	1,776,611
Net realized loss on foreign currency transactions . . . . .	<u>(11,919)</u>
Net realized gain on investments and foreign currency transactions . . . . .	<u>1,764,692</u>
Net change in unrealized appreciation/ (depreciation) on investments . . . . .	(113,211,054)
Net change in unrealized appreciation/ (depreciation) on foreign currency translations . . . . .	<u>(9,883)</u>
Net change in unrealized appreciation/ (depreciation) on investments and foreign currency translations . . . . .	<u>(113,220,937)</u>

**Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency** . . . . . **(111,456,245)**

**Net Decrease in Net Assets Resulting from Operations** . . . . . **\$(108,268,480)**

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

See accompanying notes to financial statements.

# The GAMCO Global Telecommunications Fund

## Statement of Changes in Net Assets

	<u>Year Ended December 31, 2008</u>	<u>Year Ended December 31, 2007</u>
<b>Operations:</b>		
Net investment income .....	\$ 3,187,765	\$ 2,809,349
Net realized gain on investments and foreign currency transactions .....	1,764,692	14,403,878
Net change in unrealized appreciation/(depreciation) on investments and foreign currency translations .....	<u>(113,220,937)</u>	<u>26,853,814</u>
<b>Net Increase/(Decrease) in Net Assets Resulting from Operations</b> .....	<u>(108,268,480)</u>	<u>44,067,041</u>
<b>Distributions to Shareholders:</b>		
Net investment income		
Class AAA .....	(2,898,887)	(2,693,875)
Class A .....	(23,832)	(23,949)
Class B .....	(704)	(404)
Class C .....	(3,172)	(2,660)
Class I .....	<u>(10,427)</u>	<u>—</u>
<b>Total Distributions to Shareholders</b> .....	<u>(2,937,022)</u>	<u>(2,720,888)</u>
<b>Capital Share Transactions:</b>		
Class AAA .....	(58,236,142)	52,054,458
Class A .....	(635,005)	1,251,175
Class B .....	(101,251)	(42,544)
Class C .....	(935,046)	1,652,116
Class I .....	<u>569,800</u>	<u>—</u>
<b>Net Increase/(Decrease) in Net Assets from Capital Share Transactions</b> .....	<u>(59,337,644)</u>	<u>54,915,205</u>
<b>Redemption Fees</b> .....	<u>192</u>	<u>5,395</u>
<b>Net Increase/(Decrease) in Net Assets</b> .....	<u>(170,542,954)</u>	<u>96,266,753</u>
<b>Net Assets:</b>		
Beginning of period .....	<u>312,514,897</u>	<u>216,248,144</u>
End of period (including undistributed net investment income of \$59,583 and \$0, respectively) .....	<u>\$ 141,971,943</u>	<u>\$312,514,897</u>

See accompanying notes to financial statements.

# The GAMCO Global Telecommunications Fund

## Financial Highlights

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

Period Ended December 31,	Income from Investment Operations				Distributions		Ratios to Average Net Assets/ Supplemental Data						
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gain (Loss) on Investments	Total Investment from Operations	Net Investment Income	Total Distributions	Redemption Fees(a)	Net Asset Value, End of Period	Total Return†	Net Assets End of Period (in 000's)	Net Investment Income (Loss)	Operating Expenses(b)	Portfolio Turnover Rate††
<b>Class AAA</b>													
2008	\$26.34	\$0.32	\$(11.02)	\$(10.70)	\$(0.33)	\$(0.33)	\$0.00(c)	\$15.31	(40.6)%	\$139,761	1.51%	1.59%	3%
2007	22.46	0.25	3.86	4.11	(0.23)	(0.23)	0.00(c)	26.34	18.3	307,368	0.98	1.50	11
2006	17.53	0.12	4.95	5.07	(0.14)	(0.14)	0.00(c)	22.46	28.9	214,436	0.63	1.56	7
2005	17.23	0.16	0.33	0.49	(0.19)	(0.19)	0.00(c)	17.53	2.8	185,870	0.92	1.59	4
2004	14.03	0.07	3.21	3.28	(0.08)	(0.08)	0.00(c)	17.23	23.4	209,043	0.49	1.62	15
<b>Class A</b>													
2008	\$26.32	\$0.32	\$(11.00)	\$(10.68)	\$(0.33)	\$(0.33)	\$0.00(c)	\$15.31	(40.6)%	\$ 1,130	1.52%	1.59%	3%
2007	22.43	0.23	3.89	4.12	(0.23)	(0.23)	0.00(c)	26.32	18.4	2,728	0.89	1.50	11
2006	17.51	0.12	4.95	5.07	(0.15)	(0.15)	0.00(c)	22.43	29.0	1,170	0.64	1.56	7
2005	17.22	0.14	0.35	0.49	(0.20)	(0.20)	0.00(c)	17.51	2.8	735	0.83	1.59	4
2004	14.03	0.08	3.19	3.27	(0.08)	(0.08)	0.00(c)	17.22	23.3	598	0.52	1.62	15
<b>Class B</b>													
2008	\$25.67	\$0.20	\$(10.74)	\$(10.54)	\$(0.10)	\$(0.10)	\$0.00(c)	\$15.03	(41.0)%	\$ 102	0.95%	2.34%	3%
2007	21.90	0.06	3.75	3.81	(0.04)	(0.04)	0.00(c)	25.67	17.4	297	0.26	2.25	11
2006	17.11	(0.03)	4.82	4.79	—	—	0.00(c)	21.90	28.0	291	(0.17)	2.31	7
2005	16.77	0.01	0.33	0.34	—	—	0.00(c)	17.11	2.0	425	0.09	2.33	4
2004	13.69	(0.04)	3.12	3.08	—	—	0.00(c)	16.77	22.5	855	(0.25)	2.37	15
<b>Class C</b>													
2008	\$25.50	\$0.15	\$(10.61)	\$(10.46)	\$(0.08)	\$(0.08)	\$0.00(c)	\$14.96	(41.0)%	\$ 563	0.73%	2.34%	3%
2007	21.76	0.05	3.72	3.77	(0.03)	(0.03)	0.00(c)	25.50	17.3	2,122	0.19	2.25	11
2006	17.03	0.00(c)	4.77	4.77	(0.04)	(0.04)	0.00(c)	21.76	28.0	351	(0.02)	2.31	7
2005	16.71	0.04	0.29	0.33	(0.01)	(0.01)	0.00(c)	17.03	2.0	195	0.26	2.34	4
2004	13.68	(0.06)	3.14	3.08	(0.05)	(0.05)	0.00(c)	16.71	22.5	249	(0.44)	2.37	15
<b>Class I</b>													
2008(d)	\$25.53	\$0.35	\$(10.19)	\$( 9.84)	\$(0.39)	\$(0.39)	\$0.00(c)	\$15.30	(38.5)%	\$ 416	1.78%(e)	1.34%(e)	3%

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

†† Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the year ended December 31, 2007 would have been 25%. The portfolio turnover rate for the years ended 2006, 2005, and 2004, would have been as shown.

(a) Per share amounts have been calculated using the average shares outstanding method.  
 (b) The Fund incurred interest expense during the years ended December 31, 2008, 2005, and 2004. If interest expense had not been incurred, the ratio of operating expenses to average net assets would have been 1.57%, 1.58%, and 1.61% (Class AAA), 1.57%, 1.59%, and 1.61% (Class A), 2.32%, 2.33%, and 2.36% (Class B), 2.32%, 2.34%, and 2.36% (Class C), and 1.32% (Class I), respectively. For the years ended December 31, 2007 and 2006, the effect of interest expense was minimal.

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

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

(e) Annualized.

See accompanying notes to financial statements.

# The GAMCO Global Telecommunications Fund

## Notes to Financial Statements

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**1. Organization.** The GAMCO Global Telecommunications Fund (the “Fund”), a series of GAMCO Global Series Funds, Inc. (the “Corporation”), was organized on July 16, 1993 as a Maryland corporation. The Fund is a non-diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and one of four separately managed portfolios (collectively, the “Portfolios”) of the Corporation. The Fund’s primary objective is capital appreciation. The Fund commenced investment operations on November 1, 1993.

**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 Directors (the “Board”) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the “Adviser”).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of 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 ADR securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

## The GAMCO Global Telecommunications Fund

### Notes to Financial Statements (Continued)

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, by inputs used to value the Fund's investments as of December 31, 2008 is, as follows:

<u>Valuation Inputs</u>	<u>Investments in Securities (Market Value) Assets</u>
Level 1 – Quoted Prices	\$139,533,014
Level 2 – Other Significant Observable Inputs	750,359
Level 3 – Significant Observable Inputs	114
<b>Total</b>	<b><u>\$140,283,487</u></b>

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

	<u>Investments in Securities (Market Value)</u>
<b>Balance as of 12/31/07</b>	<b>\$ 14</b>
Accrued discounts/(premiums)	—
Realized gain/(loss)	—
Change in unrealized appreciation/(depreciation)†	18
Net purchases/(sales)	—
Transfers in and/or out of Level 3	<u>82</u>
<b>Balance as of 12/31/08</b>	<b><u>\$ 114</u></b>
Net change in unrealized appreciation/(depreciation) during the period on Level 3 investments held at 12/31/08†	<u>\$ (6)</u>

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

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.

## The GAMCO Global Telecommunications Fund

### Notes to Financial Statements (Continued)

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**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.

**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. The Fund did not hold any short positions as of December 31, 2008.

**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

## The GAMCO Global Telecommunications Fund

### Notes to Financial Statements (Continued)

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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. At December 31, 2008, there were no open forward foreign exchange contracts.

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

**Foreign Securities.** The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the 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.

**Restricted and Illiquid Securities.** The Fund may invest up to 15% of its net assets in securities for which the markets are illiquid. Illiquid securities include securities the disposition of which is subject to substantial legal or contractual restrictions. The sale of illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity.

## The GAMCO Global Telecommunications Fund

### Notes to Financial Statements (Continued)

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**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.

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

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

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

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

**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 net investment income by \$11,919 and to decrease accumulated net realized loss on investments and foreign currency transactions by \$11,919.

The tax character of distributions paid during the years ended December 31, 2008 and December 31, 2007 was \$2,937,022 and \$2,720,888, respectively, of ordinary income.

## The GAMCO Global Telecommunications Fund

### Notes to Financial Statements (Continued)

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

At December 31, 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 market-to-market adjustments on passive foreign investment companies.

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

Accumulated capital loss carryforwards .....	\$(24,451,599)
Undistributed ordinary income .....	313,248
Net unrealized depreciation on investments and foreign currency translations .....	(2,469,914)
Total .....	<u><u>\$(26,608,265)</u></u>

At December 31, 2008, the Fund had net capital loss carryforwards for federal income tax purposes of \$24,451,599, which are available to reduce future required distributions of net capital gains to shareholders. \$8,976,662 of the loss carryforward is available through 2010; \$11,910,139 is available through 2011; \$3,314,655 is available through 2012; and \$250,143 is available through 2016.

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

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Depreciation</u>
Investments .....	\$142,755,806	\$37,472,881	\$(39,945,200)	\$(2,472,319)

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.

## The GAMCO Global Telecommunications Fund

### Notes to Financial Statements (Continued)

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**3. Investment Advisory Agreement and Other Transactions.** The Fund has entered into an investment advisory agreement (the “Advisory Agreement”) with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund’s portfolio, oversees the administration of all aspects of the Fund’s business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser.

If total net assets of the Corporation are in excess of \$100 million, the Corporation pays each Director who is not considered to be an affiliated person an annual retainer of \$3,000 plus \$500 for each Board meeting attended and they are reimbursed for any out of pocket expenses incurred in attending meetings. If total net assets of the Corporation are below \$100 million, the Corporation pays each Independent Director an annual retainer of \$1,500 plus \$250 for each Board meeting attended and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Director each receives an annual fee of \$1,000. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

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

**5. Portfolio Securities.** Purchases and proceeds from the sales of securities during 2008, other than short-term securities and U.S. Government obligations, aggregated \$5,311,590 and \$43,369,383, respectively.

**6. Transactions with Affiliates.** During 2008, the Fund paid brokerage commissions on security trades of \$35,719 to Gabelli & Company. Additionally, Gabelli & Company informed the Fund that it retained \$3,080 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

The cost of calculating the Fund’s NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. During 2008, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund’s NAV.

## The GAMCO Global Telecommunications Fund

### Notes to Financial Statements (Continued)

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**7. Line of Credit.** The Fund participates in an unsecured line of credit of up to \$75,000,000 from which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at 0.75% above the federal funds rate on outstanding balances. This amount, if any, would be included in "interest expense" in the Statement of Operations. At December 31, 2008, borrowings outstanding under the line of credit amounted to \$1,153,000.

The average daily amount of borrowings outstanding under the line of credit in 2008, was \$1,354,869 with a weighted average interest rate of 2.55%. The maximum amount borrowed at any time during 2008, was \$7,688,000.

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

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund. The redemption fees retained by the Fund during the years ended December 31, 2008 and December 31, 2007 amounted to \$192 and \$5,395, respectively.

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

## The GAMCO Global Telecommunications Fund

### Notes to Financial Statements (Continued)

Transactions in shares of capital stock were as follows:

	Year Ended December 31, 2008		Year Ended December 31, 2007	
	Shares	Amount	Shares	Amount
	<b>Class AAA</b>		<b>Class AAA</b>	
Shares sold . . . . .	707,973	\$ 14,071,991	4,806,884	\$ 119,374,310
Shares issued upon reinvestment of distributions . . . . .	185,164	2,751,534	97,527	2,580,391
Shares redeemed . . . . .	(3,437,442)	(75,059,667)	(2,778,619)	(69,900,243)
Net increase/(decrease) . . . . .	<u>(2,544,305)</u>	<u>\$ (58,236,142)</u>	<u>2,125,792</u>	<u>\$ 52,054,458</u>
	<b>Class A</b>		<b>Class A</b>	
Shares sold . . . . .	21,568	\$ 468,361	136,657	\$ 3,386,273
Shares issued upon reinvestment of distributions . . . . .	1,057	15,710	554	14,666
Shares redeemed . . . . .	(52,458)	(1,119,076)	(85,705)	(2,149,764)
Net increase/(decrease) . . . . .	<u>(29,833)</u>	<u>\$ (635,005)</u>	<u>51,506</u>	<u>\$ 1,251,175</u>
	<b>Class B</b>		<b>Class B</b>	
Shares issued upon reinvestment of distributions . . . . .	30	\$ 432	10	\$ 256
Shares redeemed . . . . .	(4,803)	(101,683)	(1,758)	(42,800)
Net decrease . . . . .	<u>(4,773)</u>	<u>\$ (101,251)</u>	<u>(1,748)</u>	<u>\$ (42,544)</u>
	<b>Class C</b>		<b>Class C</b>	
Shares sold . . . . .	6,056	\$ 128,204	165,095	\$ 3,923,242
Shares issued upon reinvestment of distributions . . . . .	162	2,363	90	2,310
Shares redeemed . . . . .	(51,833)	(1,065,613)	(98,077)	(2,273,436)
Net increase/(decrease) . . . . .	<u>(45,615)</u>	<u>\$ (935,046)</u>	<u>67,108</u>	<u>\$ 1,652,116</u>
	<b>Class I*</b>			
Shares sold . . . . .	34,897	\$ 712,000		
Shares issued upon reinvestment of distributions . . . . .	410	6,084		
Shares redeemed . . . . .	(8,109)	(148,284)		
Net increase . . . . .	<u>27,198</u>	<u>\$ 569,800</u>		

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

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

**10. Other Matters.** On April 24, 2008, the Adviser entered into an administrative settlement with the SEC to resolve the SEC's inquiry regarding prior frequent trading activity in shares of the GAMCO Global Growth Fund (the "Global Growth Fund") by one investor who was banned from the Global Growth Fund in August 2002. In the settlement, the SEC found that the Adviser had violated Section 206(2) of the Investment Advisers Act, Section 17(d) of the 1940 Act, and Rule 17d-1 thereunder and had aided and abetted and caused violations of Section 12(d)(1)(B)(i) of the 1940 Act. Under the terms of the settlement, the Adviser, while neither admitting nor denying the SEC's findings and allegations, agreed, among other things, to pay the previously reserved total of \$16 million (including a \$5 million penalty), of which at least \$11 million will be distributed to shareholders of the Global Growth Fund in accordance with a plan to be developed by an independent distribution consultant and approved by the independent directors of the Global Growth Fund and the staff of

## The GAMCO Global Telecommunications Fund

### Notes to Financial Statements (Continued)

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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 GAMCO Global Telecommunications Fund

### Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The GAMCO Global Telecommunications Fund (the "Fund"), a series of GAMCO Global Series Funds, Inc., as of December 31, 2008, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 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 GAMCO Global Telecommunications Fund, a series of GAMCO Global Series Funds, Inc., at December 31, 2008, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Philadelphia, Pennsylvania  
February 24, 2009

*Ernst + Young LLP*

# The GAMCO Global Telecommunications Fund

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

During the six months ended December 31, 2008, the Board of Directors of the Corporation approved the continuation of the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the directors (the “Independent Board Members”) who are not “interested persons” of the Fund. The following paragraphs summarize the material information and factors considered by the Independent Board Members as well as their conclusions relative to such factors.

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

**Investment Performance.** The Independent Board Members reviewed the short, medium, and long-term performance of the Fund against a peer group of all telecommunications funds, noting that the Fund’s performance was in the top quartile in its peer group for the one year period, in the top third of its peer group for the three year period, and was above average for the five year period.

**Profitability.** The Independent Board Members reviewed summary data regarding the profitability of the Fund to the Adviser both with a pro rata administrative charge and with a stand-alone administrative charge. The Board Members also noted that a substantial portion of the Fund’s portfolio transactions were executed by an affiliated broker of the Adviser and that the affiliated broker received distribution fees and minor amounts of sales commissions.

**Economies of Scale.** The Independent Board Members discussed the major elements of the Adviser’s cost structure and the relationship of those elements to potential economies of scale and reviewed rudimentary data suggesting that 20% growth in the Fund would not produce meaningful economies of scale that the shareholders would not participate in.

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

**Service and Cost Comparisons.** The Independent Board Members compared the expense ratios of the investment management fee, other expenses, and total expenses of the Fund with similar expense ratios of the Lipper peer group of telecommunication funds and noted that the Adviser’s management fee includes substantially all administrative services of the Fund as well as investment advisory services of the Adviser. The Board Members noted that the Fund’s expense ratio was above average and the Fund’s size was below average within this group. The Board Members compared the management fee with the fee for other funds managed by the Adviser but did not compare it with the fees of other types of accounts managed by an affiliated adviser.

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

## The GAMCO Global Telecommunications Fund

### Additional Fund Information (Unaudited)

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

<u>Name, Position(s) Address<sup>1</sup> and Age</u>	<u>Term of Office and Length of Time Served<sup>2</sup></u>	<u>Number of Funds in Fund Complex Overseen by Director</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Director<sup>4</sup></u>
<b>INTERESTED DIRECTORS<sup>3</sup>:</b>				
<b>Mario J. Gabelli</b> Director and Chief Investment Officer Age: 66	Since 1993	26	Chairman and Chief Executive Officer of GAMCO Investors, Inc. and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds complex; Chairman and Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board of LICT Corp. (multimedia and communication services company)
<b>John D. Gabelli</b> Director Age: 64	Since 1993	10	Senior Vice President of Gabelli & Company, Inc.	Director of GAMCO Investors, Inc. (asset management)
<b>INDEPENDENT DIRECTORS<sup>5</sup>:</b>				
<b>E. Val Cerutti</b> Director Age: 69	Since 2001	7	Chief Executive Officer of Cerutti Consultants, Inc.	Director of The LGL Group, Inc. (diversified manufacturing)
<b>Anthony J. Colavita</b> Director Age: 73	Since 1993	36	Partner in the law firm of Anthony J. Colavita, P.C.	—
<b>Arthur V. Ferrara</b> Director Age: 78	Since 2001	8	Former Chairman of the Board and Chief Executive Officer of The Guardian Life Insurance Company of America (1993-1995)	—
<b>Werner J. Roeder, MD</b> Director Age: 68	Since 1993	22	Medical Director of Lawrence Hospital and practicing private physician	—
<b>Anthonie C. van Ekris</b> Director Age: 74	Since 1993	20	Chairman of BALMAC International, Inc. (commodities and futures trading)	—
<b>Salvatore J. Zizza</b> Director Age: 63	Since 2004	28	Chairman of Zizza & Co., Ltd. (consulting)	Director of Hollis-Eden Pharmaceuticals (biotechnology); Director of Earl Scheib, Inc. (automotive services)

# The GAMCO Global Telecommunications Fund

## Additional Fund Information (Continued) (Unaudited)

Name, Position(s) Address <sup>1</sup> and Age	Term of Office and Length of Time Served <sup>2</sup>	Principal Occupation(s) During Past Five Years
<b>OFFICERS:</b>		
<b>Bruce N. Alpert</b> President and Secretary Age: 57	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex. Director and President of Teton Advisors, Inc. (formerly Gabelli Advisers, Inc.) since 1998
<b>Agnes Mullady</b> Treasurer 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 from 2004 through 2005; Chief Financial Officer of AMIC Distribution Partners from 2002 through 2004
<b>Peter D. Goldstein</b> Chief Compliance Officer Age: 55	Since 2004	Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Vice President of Goldman Sachs Asset Management from 2000 through 2004

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

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

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

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

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

### 2008 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended December 31, 2008, the Fund paid to shareholders ordinary income distributions (comprised of net investment income) totaling \$0.330, \$0.327, \$0.104, \$0.083, and \$0.389 per share for Class AAA, Class A, Class B, Class C, and Class I, respectively. For the year ended December 31, 2008, 58.08% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 0.34% of the ordinary income distribution as qualified interest income, pursuant to the American Jobs Creation Act of 2004.

#### U.S. Government Income:

The percentage of the ordinary income distribution paid by the Fund during 2008 which was derived from U.S. Treasury securities was 0.47%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The GAMCO Global Telecommunications Fund did not meet this strict requirement in 2008. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

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

## Gabelli/GAMCO Funds and Your Personal Privacy

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### Who are we?

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

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

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

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

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

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

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

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

GAMCO Global Series Funds, Inc.  
**The GAMCO Global Telecommunications Fund**

One Corporate Center  
Rye, New York 10580-1422

**800-GABELLI**

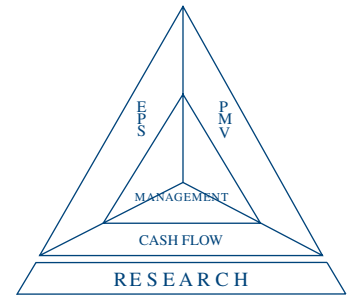
**800-422-3554**

**fax: 914-921-5118**

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

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

Net Asset Value per share available daily by calling  
**800-GABELLI** after 6:00 P.M.



**Board of Directors**

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

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

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

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

Anthony J. Colavita  
*Attorney-at-Law  
Anthony J. Colavita, P.C.*

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

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

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

**Officers**

Bruce N. Alpert  
*President and Secretary*

Peter D. Goldstein  
*Chief Compliance Officer*

Agnes Mullady  
*Treasurer*

**Distributor**

Gabelli & Company, Inc.

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

State Street Bank and Trust Company

**Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP

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

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**The  
GAMCO  
Global  
Telecommunications  
Fund**

**ANNUAL REPORT  
DECEMBER 31, 2008**