

The GAMCO Global Convertible Securities Fund

Shareholder Commentary – December 31, 2008

To Our Shareholders,

During the fourth quarter of 2008, the Fund's total rate of return was (26.38)%, which includes reinvestment of its regular quarterly distributions of three cents per share. The Merrill Lynch Global 300 Convertible Index was down 9.07% for the same period.

Our Investment Objective

The Fund's objective is to obtain a high rate of total return by investing in global convertible securities. We expect to achieve a competitive rate of return by investing primarily in coupon paying convertible securities that meet our selective investment criteria.

Comparative Results

	Average Annual Returns through December 31, 2008 (a)					Since Inception (2/3/94)
	Quarter	1 Year	3 Year	5 Year	10 Year	
GAMCO Global Convertible Securities Fund						
Class AAA	(26.38)%	(43.23)%	(14.36)%	(5.40)%	(0.13)%	1.89%
Merrill Lynch Global 300 Convertible Index (b)	(9.07)	(27.77)	(2.73)	(0.10)	2.54	N/A
MSCI World Free Index	(21.77)	(40.71)	(8.10)	(0.51)	(0.65)	4.10

The gross expense ratio (before reimbursements by the Adviser) is 2.46%. The net expense ratio is 2.12%. Class AAA Shares do not have a sales charge.

(a) **Past performance does not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. Total returns and average annual returns reflect changes in share price and reinvestment of dividends and are net of expenses. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Performance results have been enhanced by expense reimbursements from the Adviser. Visit www.gabelli.com for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The 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 Merrill Lynch Global 300 Convertible Index and the Morgan Stanley Capital International (MSCI) World Free Index are unmanaged indicators of investment performance. You cannot invest directly in an index.

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

THE GAMCO GLOBAL CONVERTIBLE SECURITIES FUND INVESTMENT RESULTS (CLASS AAA SHARES) (a)

		Quarter				
		1st	2nd	3rd	4th	Year
2008:	Net Asset Value	\$4.50	\$4.38	\$3.60	\$2.62	\$2.62
	Total Return	(5.0)%	(2.0)%	(17.1)%	(26.4)%	(43.2)%
2007:	Net Asset Value	\$5.63	\$5.73	\$5.87	\$4.77	\$4.77
	Total Return	3.3%	2.3%	3.0%	(6.2)%	2.1%
2006:	Net Asset Value	\$6.57	\$6.35	\$6.40	\$5.48	\$5.48
	Total Return	6.1%	(2.9)%	1.3%	3.9%	8.4%
2005:	Net Asset Value	\$5.77	\$5.67	\$6.00	\$6.22	\$6.22
	Total Return	(3.1)%	0.6%	6.4%	4.2%	8.0%
2004:	Net Asset Value	\$6.73	\$6.41	\$6.11	\$6.26	\$6.26
	Total Return	4.0%	(0.2)%	0.1%	7.6%	11.7%
2003:	Net Asset Value	\$6.50	\$6.79	\$6.73	\$6.77	\$6.77
	Total Return	2.1%	9.2%	3.7%	5.1%	21.5%
2002:	Net Asset Value	\$7.81	\$7.28	\$6.37	\$6.66	\$6.66
	Total Return	(2.1)%	(3.0)%	(8.5)%	9.5%	(4.9)%
2001:	Net Asset Value	\$9.94	\$9.77	\$8.22	\$8.29	\$8.29
	Total Return	(5.8)%	1.3%	(13.0)%	4.6%	(13.2)%
2000:	Net Asset Value	\$15.04	\$13.21	\$11.81	\$10.86	\$10.86
	Total Return	10.6%	(10.2)%	(8.4)%	(5.5)%	(14.0)%
1999:	Net Asset Value	\$10.89	\$11.91	\$12.71	\$13.88	\$13.88
	Total Return	7.6%	9.4%	6.7%	20.3%	51.1%
1998:	Net Asset Value	\$10.43	\$10.36	\$9.09	\$10.12	\$10.12
	Total Return	11.1%	(0.7)%	(12.3)%	12.2%	8.6%
1997:	Net Asset Value	\$10.27	\$10.98	\$11.15	\$9.39	\$9.39
	Total Return	0.9%	6.9%	1.5%	(6.1)%	2.8%
1996:	Net Asset Value	\$11.34	\$11.55	\$11.41	\$10.18	\$10.18
	Total Return	5.1%	1.9%	(1.2)%	(0.3)%	5.5%
1995:	Net Asset Value	\$10.09	\$10.64	\$11.05	\$10.79	\$10.79
	Total Return	1.6%	5.5%	3.9%	1.2%	12.6%
1994:	Net Asset Value	\$10.38	\$10.37	\$10.64	\$9.93	\$9.93
	Total Return	3.8%(b)	(0.1)%	2.6%	(5.2)%	0.9%(b)

Average Annual Returns – December 31, 2008 (a)

1 Year	(43.23)%
5 Year	(5.40)
10 Year	(0.13)
Since Inception (b)	1.89

The gross expense ratio (before reimbursements by the Adviser) is 2.46% for the Class AAA Shares. The net expense ratio is 2.12% for the Class AAA Shares.

(a) **Past performance does not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. Total returns and average annual returns reflect changes in share price and reinvestment of dividends and are net of expenses. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Performance results have been enhanced by expense reimbursements from the Adviser. Visit www.gabelli.com for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The 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 February 3, 1994.

Quarterly Distribution Policy – \$0.03 per share

The Fund pays \$0.03 per share on a quarterly basis in March, June, September, and December. For more specific dividend and tax information, please visit our website at www.gabelli.com or call 800-GABELLI (800-422-3554). Shareholders should be aware that a portion of the distribution may represent a non-taxable return of capital. Such distributions will reduce the cost basis of your shares if you hold them in a taxable account.

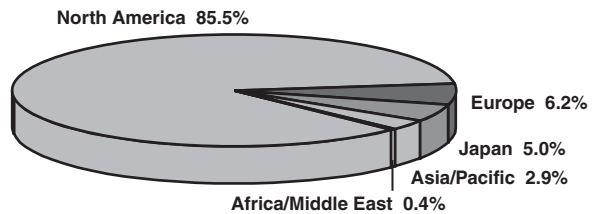
Our Approach

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

Global Allocation

The accompanying chart presents the Fund's holdings by geographic region as of December 31, 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.

HOLDINGS BY GEOGRAPHIC REGION – 12/31/08



What are Global Convertible Securities?

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

What are the Benefits of Global Convertible Securities?

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

COMMENTARY

2008 Market Review

The fourth quarter of 2008 will go down as one of the most challenging periods in history, both from a macroeconomic and financial markets perspective. The subprime mortgage crisis, which began more than eighteen months ago, evolved into a full blown economic recession, with virtually all global equity markets falling anywhere from 30% to 60%, simultaneously. A tightening credit market sent corporate and junk bond yields soaring to record high spreads versus U.S. government bonds. The convertible market experienced unprecedented pressures, as discussed in detail in our last quarterly commentary. To recap, the convertible selloff was fueled not only by global de-leveraging, widening credit spreads, declining equity values, and a general aversion to risk, but also by market specific challenges that included the collapse in value of many financial sector convertible preferred issues, redemption based selling by convertible arbitrage funds, broker/dealer deleveraging, higher borrowing or funding costs, and virtually nonexistent liquidity.

In December, early signs of credit market easing appeared. Indications of improving conditions included a substantial narrowing of the spread between the three month London Interbank Offering Rate (LIBOR) and the three month U.S. Treasury bill rate, and declining high grade corporate bond yields. Short-term funding markets thawed significantly as global central banks pumped enormous amounts of liquidity into the banking systems.

In the fourth quarter, convertibles lost 18.6% as represented by the Merrill Lynch All U.S. Convertibles Index. This brought the total 2008 value degradation to a cumulative loss of 35.7%, which corresponded with quarterly and yearly losses of 21.7% and 49.3%, respectively, in the underlying stocks. December 2008 saw a 5.4% rebound in convertibles, corresponding with a rally of 9.4% in the underlying stocks, only slightly tempering the year's rout of the convertible market.

Primary market activity was nonexistent in the fourth quarter. According to Bank of America (Merrill Lynch), December was the third consecutive month with no new issuance in the U.S. convertible market. Total 2008 issuance remained at \$57.8 billion, indicating a sharp contrast between the first and second half of the year. When redemptions are tallied up and netted against new issuance, the resulting number shows a \$19.5 billion contraction in supply.

Similar low volumes were seen globally. Barclay's reports that the Asian market had no new issuance in the fourth quarter, ending the year with 19 deals totaling \$7.0 billion, a stark contrast to the \$25.2 billion raised in 72 deals in 2007. Redemptions, including buybacks and tenders, amounted to \$7.6 billion, resulting in essentially no incremental net new supply in the Asian market for the year. European convertible issues were similarly absent in the fourth quarter. 2008 new issuance totaled 10.6 billion euros, a significant reduction in deal activity compared with the 28.7 billion euros raised in 63 issues in 2007. Aggregate supply was further reduced by the 22.4 billion euros of redemptions.

Outlook

With ongoing challenges facing the market, we are taking the opportunity to selectively upgrade the quality of our holdings by buying companies with strong business models, dominant market positions, and liquid balance sheets. We are focusing our efforts on shorter duration, predominantly bond structured issues with higher credit quality. Our bottom-up, fundamental, research driven investment process should ultimately lead to positive investment returns in the months and years ahead. We expect continued volatility in both credit and equity markets, which should provide opportunities to capture value in convertible securities. It would be reasonable to anticipate that returns in the convertibles market for the year ahead will be driven largely by the performance of the underlying credits and income from coupons (or dividends), with minimal contribution from the equity component. Convertible valuations should improve as the dislocations in the convertible market subside, spread relationships contract and normalize, and coupons provide income.

Let's Talk Converts

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

Kinross Gold Corp. (4.1% of net assets as of December 31, 2008) (Cv., 1.750%, 3/15/28) is a senior gold producer with operations located in North America, Brazil, Chile, and Russia. It is advancing three growth

projects: Paracatu in Brazil, Kupol in Russia, and Buckhorn in the U.S. In December 2007, the company reached an asset swap agreement with Goldcorp (9.0%) on their joint ventures. Kinross will acquire the remaining 50% share of the La Coipa mine in Chile and receive \$200 million in cash. In exchange, Goldcorp will acquire Kinross' 32% interest in Porcupine and 49% interest in Musselwhite, both in Ontario. These and other projects should result in strong production growth over the next three years.

Newmont Mining (4.9%) (Cv., 1.625%, 7/15/17) engages in the production of gold from its properties in the United States, Australia, Peru, Indonesia, Ghana, Canada, Bolivia, New Zealand, and Mexico. NEM had 2008 equity gold sales of approximately 5.2 million ounces at costs applicable to sales of \$440 per ounce. With the start-up of the Boddington project in Australia in mid 2009, the Company expects continued operating performance improvements in 2009, with an equity gold sales outlook of between 5.2 and 5.5 million ounces at costs applicable to sales of between \$400 and \$440 per ounce. The 2009 expectations assume ownership of 100% of the Boddington project, reflecting the expected completion of the acquisition of the remaining 33.33% interest from AngloGold Ashanti Ltd., announced recently. The Company reported year end 2008 proven and probable gold reserves of 85.0 million equity ounces, compared with 86.5 million equity ounces at the end of 2007. Year end 2008 reserves would have been 91.6 million equity ounces, an increase of approximately 6% over year end 2007, if the expected acquisition of the remaining 33.33% interest in the Boddington project had occurred at the end of 2008.

In Conclusion

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

Sincerely,
The GAMCO Global Portfolio Management Team

January 31, 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.

Minimum Initial Investment – \$1,000

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

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

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com 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.

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

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 GAGCX 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.

Top Ten Convertible Holdings (Percent of Net Assets) December 31, 2008

Citadel Broadcasting Corp., Sub. Deb. Cv. 4.000%, 02/15/11 (6.6%)	Softbank Corp., Cv., 1.500%, 03/31/13 (5.0%)
International Game Technology, Cv., 2.600%, 12/15/36 (6.6%)	Macrovision Solutions Corp., Cv., 2.625%, 08/15/11 (4.9%)
Chemed Corp., Cv., 1.875%, 05/15/14 (6.4%)	Newmont Mining Corp., Cv., 1.625%, 07/15/17 (4.9%)
Cephalon Inc., Ser. B, Sub. Deb. Cv., Zero Coupon, 06/15/33 (6.3%)	Cameron International Corp., Cv., 2.500%, 06/15/26 (4.6%)
Transocean Inc., Ser.A, Cv., 1.625%, 12/15/37 (6.0%)	Danaher Corp., Cv., Zero Coupon, 01/22/21 (4.1%)

Multi-Class Shares

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

Average Annual Returns — December 31, 2008 (a)

	Class AAA Shares	Class A Shares	Class B Shares	Class C Shares	Class I Shares
1 Year	(43.23)%	(43.14)% (46.41)(c)	(43.60)% (46.42)(d)	(43.62)% (44.18)(e)	(43.02)%
5 Year	(5.40)	(5.35) (6.45)(c)	(6.07) (6.45)(d)	(6.09) (6.09)	(5.33)
10 Year	(0.13)	(0.10) (0.68)(c)	(0.69) (0.69)	(0.63) (0.63)	(0.09)
Life of Fund (b)	1.89	1.91 1.51(c)	1.50 1.50	1.54 1.54	1.91
Gross Expense Ratio	2.46	2.45	3.20	3.20	2.20
Current Expense Ratio after Adviser Reimbursements	2.12	2.12	2.87	2.87	1.87
Maximum Sales Charge ..	None	5.75	5.00	1.00	None

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

The Class AAA Share net asset values ("NAV") per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, Class C Shares, and Class I Shares on May 2, 2001, March 28, 2001, November 26, 2001, and January 11, 2008, respectively. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expense for this class.

(b) Performance is calculated from inception of Class AAA Shares on February 3, 1994.

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

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

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

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

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

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

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*Senior Vice President
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*Attorney-at-Law
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Gabelli & Company, Inc.

Custodian, Transfer Agent, and Dividend Agent

State Street Bank and Trust Company

Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

GAMCO

**The
GAMCO
Global
Convertible
Securities
Fund**

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

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**SHAREHOLDER COMMENTARY
DECEMBER 31, 2008**

The GAMCO Global Convertible Securities 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.

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)

During the twelve month period ended December 31, 2008, The GAMCO Global Convertible Securities Fund (the "Fund") (Class AAA) declined 43.20%, which includes reinvestment of its regular quarterly distributions of three cents per share. The Merrill Lynch Global 300 Convertible Index, declined 27.77% in 2008.

The performance of the global index was driven by and reflected multiple factors, globally weak equity and credit markets, poor market sentiment, and some short sale selling restrictions. Regional performance was led by Japan, which was only marginally positive for the year, and followed by Europe, Asia/Pacific, and the U.S. markets in descending order.

Credit spreads widened over the course of the year, reaching their peak in mid-November. The Fund was nearly fully invested for the year. The U.S. component of the global index was the weakest performance contributor, and as such, the Fund's heavy domestic based holdings caused some additional performance drag.

The convertible market experienced unprecedented pain in 2008, suffering dearly from the worsening credit crunch, intensified risk aversion, and continued deterioration of marketplace liquidity. These results show the consequences of a unique combination of factors. The convertible market has changed over the past decade, largely becoming the domain of convertible arbitrageurs rather than outright participants. Convertible arbitrageurs typically buy a convertible security and short the underlying equity in order to isolate the imbedded

option. In addition, many of these funds use leverage to enhance returns. Interestingly the “Perfect Storm” was hastened and intensified, at the behest of governmental regulators, with about half of this year’s new issuance in the convertibles arena aimed at shoring up financial institutions’ capital bases. The subsequent failures (or effective failures) of: Fannie Mae, American International Group, IndyMac Bancorp, Washington Mutual, and Lehman Brothers only served to concentrate the pain in an already vulnerable sector. When Lehman Brothers declared bankruptcy, many commercial banks with outstanding repo lines to Lehman received convertibles as well as other securities, which had been hypothecated as collateral for the lines. In turn, the commercial banks sold these assets at “fire sale” prices, further pressuring an already weakened market, effectively adding insult to injury. The unintended consequences of the regulators’ moral hazard lesson were the violent disruptions experienced by money market, interbank market, credit derivatives, and synthetic bond participants. The SEC’s temporary prohibition on financial company short sales may have adversely impacted valuations of these underlying convertible securities. Any changes in valuation, which would have required adjustments to hedges were hampered, and subsequent potential new buyers of these positions were eliminated. As security valuations have fallen, it is believed that a number of these arbitrage participants have exited the market, and have once again been replaced by outright convertible buyers.

For full year 2008, Merrill Lynch reports that globally, Industrials provided the best performance with a –14.2% return, and Financials were the worst performer with a return of –39.3%. Total global convertible supply shrunk in 2008, new issuance was USD86.3 billion (about half of the USD162.1 billion level seen in 2007), which was offset by retirements of USD140.5 billion for the year.

While the Fund has generally been underweight Financials for a few years, holdings in the sector were some of the larger performance detractors in 2008. CompuCredit’s (2.4% of net assets as of December 31, 2008) and Franklin Bank’s bonds continued to decline as the subprime mortgage crisis dragged on and worries that the contagion would continue spreading to all matters of consumer finance. Further, Media names: Emmis Communications (0.3%) and Citadel Broadcasting (6.6%) have also suffered with the decline of advertising based revenues.

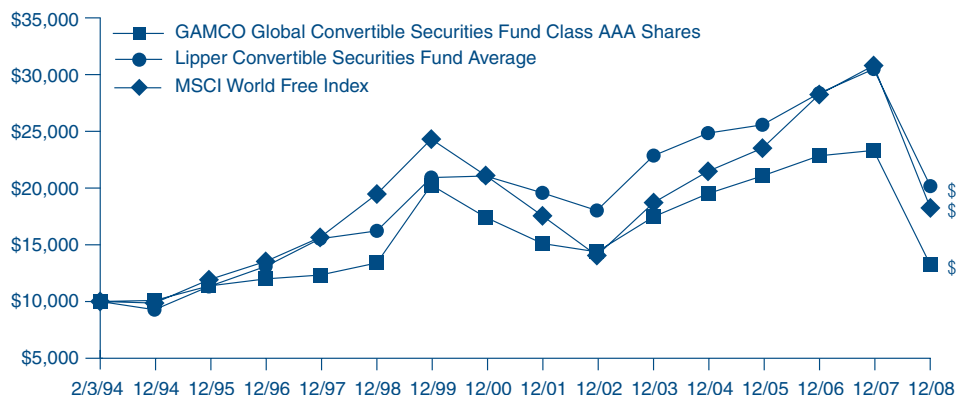
Sincerely yours,

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 24, 2009

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



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

Comparative Results

Average Annual Returns through December 31, 2008 (a)

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (2/3/94)
GAMCO Global Convertible Securities Fund Class AAA	(26.38)%	(43.23)%	(14.36)%	(5.40)%	(0.13)%	1.89%
Merrill Lynch Global 300 Convertible Index*	(9.07)	(27.77)	(2.73)	(0.10)	2.54	N/A*
MSCI World Free Index	(21.77)	(40.71)	(8.10)	(0.51)	(0.65)	4.10
Class A	(26.31)	(43.14)	(14.30)	(5.35)	(0.10)	1.91
Class B	(26.45)	(43.60)	(14.96)	(6.07)	(0.69)	1.50
Class C	(30.13)(c)	(46.42)(c)	(15.82)(c)	(6.45)(c)	(0.69)	1.50
Class I	(26.50)	(43.62)	(14.98)	(6.09)	(0.63)	1.54
Class I	(27.23)(d)	(44.18)(d)	(14.98)	(6.09)	(0.63)	1.54
Class I	(26.31)	(43.02)	(14.25)	(5.33)	(0.09)	1.91

In the current prospectus, the gross expense ratios for Class AAA, A, B, C, and I Shares are 2.46%, 2.45%, 3.20%, 3.20%, and 2.20%, respectively. The net expense ratios in the current prospectus for these share classes are 2.12%, 2.12%, 2.87%, 2.87%, and 1.87%, 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.** Investment returns and the principal value of an investment will fluctuate. Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com 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 May 2, 2001, March 28, 2001, November 26, 2001, and January 11, 2008, respectively. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The Merrill Lynch Global 300 Convertible Index, and the Morgan Stanley Capital International ("MSCI") World Free Index are unmanaged indicators of investment performance. Dividends are considered reinvested. You cannot invest directly in an index.

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

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

The GAMCO Global Convertible Securities Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 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*
The GAMCO Global Convertible Securities Fund				
Actual Fund Return				
Class AAA	\$1,000.00	\$ 610.00	2.02%	\$ 8.17
Class A	\$1,000.00	\$ 612.30	2.02%	\$ 8.19
Class B	\$1,000.00	\$ 609.00	2.76%	\$11.16
Class C	\$1,000.00	\$ 609.40	2.76%	\$11.16
Class I	\$1,000.00	\$ 612.30	1.76%	\$ 7.13
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,014.98	2.02%	\$10.23
Class A	\$1,000.00	\$1,014.98	2.02%	\$10.23
Class B	\$1,000.00	\$1,011.26	2.76%	\$13.95
Class C	\$1,000.00	\$1,011.26	2.76%	\$13.95
Class I	\$1,000.00	\$1,016.29	1.76%	\$ 8.92

* 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 Convertible Securities Fund

Health Care	16.1%	Consumer Products	3.2%
Metals and Mining	15.4%	Business Services	2.6%
Energy and Utilities	14.0%	Financial Services	2.4%
U.S. Government Obligations	10.6%	Electronics	1.6%
Telecommunications	9.7%	Commercial Services	1.3%
Broadcasting	6.9%	Specialty Chemicals	0.9%
Hotels and Gaming	6.6%	Automotive	0.5%
Entertainment	5.0%	Other Assets and Liabilities (Net)	(0.9)%
Diversified Commercial Services	4.1%		<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 or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the 12 months ended June 30th, no later than August 31st of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at www.sec.gov.

The GAMCO Global Convertible Securities Fund
Schedule of Investments (Continued) — December 31, 2008

<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>	<u>Geographic Diversification</u>	<u>% of Market Value</u>	<u>Market Value</u>
COMMON STOCKS (Continued)					
Metals and Mining — 0.1%					
23,000	Imdex Ltd. \$ 34,710	\$ 4,570	North America	85.5%	\$3,724,349
			Europe	6.2	269,475
			Japan	5.0	216,322
1,800	Specialty Chemicals — 0.3% Phosphate Holdings Inc. 59,742	13,086	Asia Pacific	2.9	128,580
			Africa/Middle East	0.4	16,893
	TOTAL COMMON STOCKS 211,097	39,908		100.0%	\$4,355,619
Principal Amount					
U.S. GOVERNMENT OBLIGATIONS — 10.6%					
U.S. Treasury Cash Management Bills — 2.4%					
\$ 103,000	U.S. Treasury Cash Management Bill, 0.223%†, 04/29/09 102,926	102,981			
U.S. Treasury Bills — 8.2%					
355,000	U.S. Treasury Bills, 0.020% to 0.198%†, 03/19/09 to 06/25/09 354,801	354,522			
	TOTAL U.S. GOVERNMENT OBLIGATIONS 457,727	457,503			
	TOTAL INVESTMENTS — 100.9% \$7,067,384	4,355,619			
	Other Assets and Liabilities (Net) — (0.9)%	(40,759)			
	NET ASSETS — 100.0%	\$4,314,860			

- (a) Principal amount denoted in Swiss Francs.
(b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2008, the market value of the Rule 144A security amounted to \$176,500 or 4.09% of net assets.
(c) Principal amount denoted in Japanese Yen.
† Represents annualized yield at date of purchase.

See accompanying notes to financial statements.

The GAMCO Global Convertible Securities Fund

Statement of Assets and Liabilities December 31, 2008

Assets:	
Investments, at value (cost \$7,067,384)	\$ 4,355,619
Foreign currency, at value (cost \$4)	4
Cash	46,853
Receivable for investments sold	8,250
Receivable from Adviser	15,495
Dividends and interest receivable	48,936
Prepaid expenses	17,031
Total Assets	<u>4,492,188</u>
Liabilities:	
Payable for investments purchased	74,278
Payable for Fund shares redeemed	37,806
Payable for distribution fees	910
Payable for legal and audit fees	29,963
Payable for shareholder communications expenses	20,004
Other accrued expenses	14,367
Total Liabilities	<u>177,328</u>
Net Assets applicable to 1,646,917 shares outstanding	<u>\$ 4,314,860</u>
Net Assets Consist of:	
Paid-in capital, each class at \$0.001 par value ...	\$ 8,677,218
Accumulated net investment income	32,612
Accumulated net realized loss on investments and foreign currency transactions	(1,683,356)
Net unrealized depreciation on investments	(2,711,765)
Net unrealized appreciation on foreign currency translations	151
Net Assets	<u>\$ 4,314,860</u>
Shares of Capital Stock:	
Class AAA:	
Net Asset Value, offering, and redemption price per share (\$3,999,763 ÷ 1,523,987 shares outstanding; 75,000,000 shares authorized) ...	<u>\$2.62</u>
Class A:	
Net Asset Value and redemption price per share (\$196,075 ÷ 74,554 shares outstanding; 50,000,000 shares authorized)	<u>\$2.63</u>
Maximum offering price per share (NAV ÷ .9425, based on maximum sales charge of 5.75% of the offering price)	<u>\$2.79</u>
Class B:	
Net Asset Value and offering price per share (\$3,728 ÷ 1,579 shares outstanding; 25,000,000 shares authorized)	<u>\$2.36(a)</u>
Class C:	
Net Asset Value and offering price per share (\$86,065 ÷ 35,699 shares outstanding; 25,000,000 shares authorized)	<u>\$2.41(a)</u>
Class I:	
Net Asset Value, offering, and redemption price per share (\$29,229 ÷ 11,098 shares outstanding; 25,000,000 shares authorized) ...	<u>\$2.63</u>

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

Statement of Operations For the Year Ended December 31, 2008

Investment Income:	
Dividends (net of foreign taxes of \$393)	\$ 75,319
Interest	206,287
Total Investment Income	<u>281,606</u>
Expenses:	
Investment advisory fees	71,680
Distribution fees – Class AAA	17,110
Distribution fees – Class A	496
Distribution fees – Class B	200
Distribution fees – Class C	634
Custodian fees	35,005
Shareholder communications expenses	34,295
Legal and audit fees	27,221
Registration expenses	23,068
Shareholder services fees	20,642
Interest expense	1,579
Directors' fees	880
Miscellaneous expenses	9,688
Total Expenses	<u>242,498</u>
Less:	
Expense reimbursement (see Note 3)	(97,017)
Custodian fee credits	(20)
Net Expenses	<u>145,461</u>
Net Investment Income	<u>136,145</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:	
Net realized loss on investments	(1,447,744)
Net realized gain on foreign currency transactions	98,660
Net realized loss on investments and foreign currency transactions	<u>(1,349,084)</u>
Net change in unrealized appreciation/ (depreciation) on investments	(2,300,403)
Net change in unrealized appreciation/ (depreciation) on foreign currency translations ..	<u>(6,835)</u>
Net change in unrealized appreciation/ (depreciation) on investments and foreign currency translations	<u>(2,307,238)</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>(3,656,322)</u>
Net Decrease in Net Assets Resulting from Operations	<u>\$(3,520,177)</u>

See accompanying notes to financial statements.

The GAMCO Global Convertible Securities Fund

Statement of Changes in Net Assets

	<u>Year Ended December 31, 2008</u>	<u>Year Ended December 31, 2007</u>
Operations:		
Net investment income/(loss)	\$ 136,145	\$ (75,731)
Net realized gain/(loss) on investments and foreign currency transactions	(1,349,084)	1,226,792
Net change in unrealized appreciation/(depreciation) on investments and foreign currency translations	<u>(2,307,238)</u>	<u>(909,072)</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations	<u>(3,520,177)</u>	<u>241,989</u>
Distributions to Shareholders:		
Net investment income		
Class AAA	(197,833)	(339,964)
Class A	(7,065)	(2,169)
Class B	(482)	(1,439)
Class C	(2,027)	(3,657)
Class I	<u>(1,348)</u>	<u>—</u>
	<u>(208,755)</u>	<u>(347,229)</u>
Net realized gain		
Class AAA	—	(899,675)
Class A	—	(5,310)
Class B	—	(3,773)
Class C	<u>—</u>	<u>(8,158)</u>
	<u>—</u>	<u>(916,916)</u>
Return of capital		
Class AAA	—	(226,444)
Class A	—	(1,336)
Class B	—	(950)
Class C	—	(2,054)
Class I	<u>—</u>	<u>—</u>
	<u>—</u>	<u>(230,784)</u>
Total Distributions to Shareholders	<u>(208,755)</u>	<u>(1,494,929)</u>
Capital Share Transactions:		
Class AAA	(1,772,190)	(164,705)
Class A	285,955	14,542
Class B	(27,015)	1,261
Class C	35,150	(73,462)
Class I	<u>51,134</u>	<u>—</u>
Net Decrease in Net Assets from Capital Share Transactions	<u>(1,426,966)</u>	<u>(222,364)</u>
Redemption Fees	<u>348</u>	<u>2</u>
Net Decrease in Net Assets	<u>(5,155,550)</u>	<u>(1,475,302)</u>
Net Assets:		
Beginning of period	<u>9,470,410</u>	<u>10,945,712</u>
End of period (including undistributed net investment income of \$32,612 and \$0, respectively)	<u>\$ 4,314,860</u>	<u>\$ 9,470,410</u>

See accompanying notes to financial statements.

The GAMCO Global Convertible Securities Fund

Financial Highlights

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

Year Ended December 31, of Period	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 from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Return of Capital	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 Before Reimbursement	Operating Expenses Net of Reimbursement(b)	Portfolio Turnover Rate††	
Class AAA																	
2008	\$4.77	\$ 0.08	\$(2.11)	\$(2.03)	\$(0.12)	—	—	—	\$(0.12)	\$0.00(c)	\$2.62	(43.2)%	\$ 4,000	1.88%	3.38%	2.02%(d)	110%
2007	5.48	(0.04)	0.16	0.12	(0.19)	\$(0.51)	\$(0.13)	—	(0.83)	0.00(c)	4.77	2.1	9,294	(0.70)	2.46	2.12(d)	141
2006	6.22	0.08	0.44	0.52	(0.10)	(1.16)	—	—	(1.26)	0.00(c)	5.48	8.4	10,691	1.21	2.14	2.03(d)	130
2005	6.26	0.04	0.40	0.44	(0.17)	(0.32)	—	—	(0.49)	0.01	6.22	8.0	13,781	0.63	2.11	2.03(d)	58
2004	6.77	0.07	0.62	0.69	(0.12)	(0.38)	(0.70)	(0.70)	(1.20)	0.00(c)	6.26	11.7	20,350	1.06	2.01	2.01	60
Class A																	
2008	\$4.78	\$ 0.10	\$(2.13)	\$(2.03)	\$(0.12)	—	—	—	\$(0.12)	\$0.00(c)	\$2.63	(43.1)%	\$ 196	2.78%	3.38%	2.02%(d)	110%
2007	5.49	(0.04)	0.16	0.12	(0.19)	\$(0.51)	\$(0.13)	—	(0.83)	0.00(c)	4.78	2.1	57	(0.69)	2.45	2.12(d)	141
2006	6.23	0.08	0.44	0.52	(0.10)	(1.16)	—	—	(1.26)	0.00(c)	5.49	8.4	49	1.24	2.14	2.03(d)	130
2005	6.26	0.04	0.41	0.45	(0.17)	(0.32)	—	—	(0.49)	0.01	6.23	8.2	93	0.68	2.06	2.04(d)	58
2004	6.77	0.09	0.60	0.69	(0.11)	(0.36)	(0.73)	(0.73)	(1.20)	0.00(c)	6.26	11.6	598	1.41	2.01	2.01	60
Class B																	
2008	\$4.34	\$ 0.02	\$(1.88)	\$(1.86)	\$(0.12)	—	—	—	\$(0.12)	\$0.00(c)	\$2.36	(43.6)%	\$ 4	0.56%	4.13%	2.77%(d)	110%
2007	5.10	(0.08)	0.15	0.07	(0.19)	\$(0.51)	\$(0.13)	—	(0.83)	0.00(c)	4.34	1.3	37	(1.49)	3.21	2.87(d)	141
2006	5.91	0.03	0.42	0.45	(0.10)	(1.16)	—	—	(1.26)	0.00(c)	5.10	7.6	42	0.47	2.89	2.78(d)	130
2005	6.01	(0.01)	0.39	0.38	(0.17)	(0.32)	—	—	(0.49)	0.01	5.91	7.3	73	(0.13)	2.84	2.78(d)	58
2004	6.59	0.03	0.59	0.62	(0.10)	(0.34)	(0.76)	(0.76)	(1.20)	0.00(c)	6.01	10.8	133	0.45	2.81	2.76	60
Class C																	
2008	\$4.43	\$ 0.04	\$(1.94)	\$(1.90)	\$(0.12)	—	—	—	\$(0.12)	\$0.00(c)	\$2.41	(43.6)%	\$ 86	1.11%	4.13%	2.77%(d)	110%
2007	5.19	(0.09)	0.16	0.07	(0.19)	\$(0.51)	\$(0.13)	—	(0.83)	0.00(c)	4.43	1.2	82	(1.65)	3.19	2.87(d)	141
2006	5.99	0.04	0.42	0.46	(0.10)	(1.16)	—	—	(1.26)	0.00(c)	5.19	7.8	164	0.57	2.90	2.78(d)	130
2005	6.09	0.00(c)	0.38	0.38	(0.17)	(0.32)	—	—	(0.49)	0.01	5.99	7.2	145	(0.01)	2.91	2.78(d)	58
2004	6.66	0.03	0.60	0.63	(0.10)	(0.34)	(0.76)	(0.76)	(1.20)	0.00(c)	6.09	10.9	95	0.44	2.81	2.76	60
Class I																	
2008(e)	\$4.62	\$ 0.08	\$(1.95)	\$(1.87)	\$(0.12)	—	—	—	\$(0.12)	\$0.00(c)	\$2.63	(41.2)%	\$ 29	2.14%(f)	3.13%(f)	1.77%(d)(f)	110%

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

†† Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the year ended December 31, 2004 would have been 61%. The portfolio turnover rate for the years ended 2007, 2006, and 2005 would have been as shown.

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

(b) The Fund incurred interest expense during the years ended December 31, 2008, 2007, 2006, 2005, and 2004. If interest expense had not been incurred, the ratios of operating expenses to average net assets would have been 2.00%, 2.00%, 2.00%, 2.00%, and 2.00% (Class AAA and Class A), 2.75%, 2.75%, 2.77%, 2.75%, and 2.75% (Class B and Class C), and 1.75% (Class I) respectively.

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

(d) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian fee credits, the expense ratios for the years ended December 31, 2006 and 2005 would have been 2.02% and 2.03% (Class AAA), 2.02% and 2.03% (Class A), 2.77% and 2.78% (Class B), 2.77% and 2.78% (Class C), respectively. For the years ended December 31, 2008 and 2007, the effect of the custodian fee credits was minimal.

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

(f) Annualized.

See accompanying notes to financial statements.

The GAMCO Global Convertible Securities Fund

Notes to Financial Statements

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

2. Significant Accounting Policies. The 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 Convertible Securities 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	\$ 273,479
Level 2 – Other Significant Observable Inputs	4,082,140
Total	<u>\$4,355,619</u>

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

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

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

The GAMCO Global Convertible Securities Fund

Notes to Financial Statements (Continued)

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

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

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

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

The GAMCO Global Convertible Securities Fund

Notes to Financial Statements (Continued)

information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

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

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

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

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

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

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund and timing differences. Distributions from net investment income include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2008, reclassifications were made to decrease accumulated distributions in excess of net investment income by \$329,013 and increase accumulated net realized loss on investments and foreign currency transactions by \$329,013.

The GAMCO Global Convertible Securities Fund

Notes to Financial Statements (Continued)

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

	<u>Year Ended December 31, 2008</u>	<u>Year Ended December 31, 2007</u>
Distributions paid from:		
Ordinary income (inclusive of short-term capital gains)	\$208,755	\$ 563,795
Net long-term capital gains	—	700,350
Return of capital	—	230,784
Total distributions paid	<u>\$208,755</u>	<u>\$1,494,929</u>

The Fund has a fixed distribution policy. Under the policy, the Fund declares and pays distributions quarterly in the amount of \$0.03 per share and identifies that portion of the distribution which is from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. The Fund continues to evaluate its distribution policy in light of ongoing economic and market conditions and may change the amount of the quarterly distributions in the future. The Fund currently intends to pay \$0.03 per share on a quarterly basis in March, June, September, and December.

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 premiums amortized on convertible bonds.

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

Accumulated capital loss carryforwards	\$(1,682,742)
Undistributed ordinary income	88,225
Net unrealized depreciation on investments and foreign currency translations	(2,761,754)
Other temporary differences*	(6,087)
Total	<u>\$(4,362,358)</u>

*Other temporary differences are primarily due to accrued income on hybrid securities.

At December 31, 2008, the Fund had net capital loss carryforwards for federal income tax purposes of \$1,682,742, which are available to reduce future required distributions of net capital gains to shareholders 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	\$7,117,523	\$36,506	\$(2,798,410)	\$(2,761,904)

The GAMCO Global Convertible Securities Fund

Notes to Financial Statements (Continued)

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

3. Investment Advisory Agreement and Other Transactions. The Fund has an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser. The Adviser has voluntarily agreed to waive the investment advisory fee of the Fund to the extent necessary to maintain the annualized total net operating expenses (exclusive of brokerage, acquired fund fees and expenses, interest, taxes, and extraordinary expenses) at no more than 2.00%, 2.00%, 2.75%, 2.75%, and 1.75% of average daily net assets for Class AAA, Class A, Class B, Class C, and Class I, respectively. For the year ended December 31, 2008, the Adviser reimbursed the Fund in the amount of \$97,017. Such amount is not recoverable in future years.

If total net assets of the Corporation are in excess of \$100 million, the Corporation pays each Director who is not considered to be an affiliated person an annual retainer of \$3,000 plus \$500 for each Board meeting attended and 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.

The GAMCO Global Convertible Securities Fund

Notes to Financial Statements (Continued)

5. Portfolio Securities. Purchases and proceeds from the sales of securities during 2008, other than short-term securities and U.S. Government obligations, aggregated \$7,733,909 and \$9,899,051, respectively.

6. Transactions with Affiliates. During 2008, the Fund paid brokerage commissions on security trades of \$772 to Gabelli & Company. Additionally, Gabelli & Company informed the Fund that it retained \$2,524 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. The Adviser did not seek a reimbursement during the year ended December 31, 2008.

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, there were no borrowings outstanding under the line of credit.

The average daily amount of borrowings outstanding under the line of credit in 2008 was \$21,044 with a weighted average interest rate of 4.41%. The maximum amount borrowed at any time during 2008 was \$675,000.

8. Capital Stock. The Fund offers five classes of shares – Class AAA Shares, Class A Shares, Class B Shares, Class C Shares, and Class I Shares. Class AAA Shares are offered without a front-end sales charge only to investors who acquire them directly from Gabelli & Company, 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 \$348, and \$2, respectively.

The GAMCO Global Convertible Securities Fund

Notes to Financial Statements (Continued)

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.

Transactions in shares of capital stock were as follows:

	Year Ended December 31, 2008		Year Ended December 31, 2007	
	Shares	Amount	Shares	Amount
	Class AAA		Class AAA	
Shares sold	104,223	\$ 403,685	408,614	\$ 2,306,843
Shares issued upon reinvestment of distributions	48,768	178,477	276,253	1,347,031
Shares redeemed	(575,938)	(2,354,352)	(687,982)	(3,818,579)
Net decrease	(422,947)	\$(1,772,190)	(3,115)	\$ (164,705)
	Class A		Class A	
Shares sold	62,919	\$ 287,520	6,870	\$ 38,310
Shares issued upon reinvestment of distributions	369	1,337	1,712	8,316
Shares redeemed	(724)	(2,902)	(5,492)	(32,084)
Net increase	62,564	\$ 285,955	3,090	\$ 14,542
	Class B		Class B	
Shares issued upon reinvestment of distributions	100	\$ 361	1,340	\$ 5,931
Shares redeemed	(7,147)	(27,376)	(879)	(4,670)
Net increase/(decrease)	(7,047)	\$ (27,015)	461	\$ 1,261
	Class C		Class C	
Shares sold	25,866	\$ 63,487	—	—
Shares issued upon reinvestment of distributions	246	859	2,707	\$ 12,269
Shares redeemed	(8,853)	(29,196)	(15,962)	(85,731)
Net increase/(decrease)	17,259	\$ 35,150	(13,255)	\$ (73,462)
	Class I*			
Shares sold	13,028	\$ 59,870		
Shares issued upon reinvestment of distributions	369	1,348		
Shares redeemed	(2,299)	(10,084)		
Net increase	11,098	\$ 51,134		

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

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

The GAMCO Global Convertible Securities Fund

Notes to Financial Statements (Continued)

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

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

The GAMCO Global Convertible Securities Fund

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The GAMCO Global Convertible Securities Fund (the "Fund"), a series of GAMCO Global Series Funds, Inc., as of December 31, 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 Convertible Securities 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 Convertible Securities 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 portfolio managers, the depth of the analyst pool available to the Adviser and the Fund’s portfolio managers, the scope of supervisory, administrative, shareholder, and other services supervised or provided by the Adviser, and the absence of significant service problems reported to the Board. The Independent Board Members noted the experience, length of service, and reputation of the Fund’s portfolio managers.

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

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

Economies of Scale. The Independent Board Members discussed the major elements of the Adviser’s cost structure and the relationship of those elements to potential economies of scale and reviewed rudimentary data 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 peer group of convertible securities funds and noted that the Adviser’s management fee includes substantially all administrative services of the Fund as well as investment advisory services. The Independent Board Members noted that the Fund’s expense ratios, after voluntary expense reimbursements, were significantly higher than, and the Fund’s size was significantly lower than, average within this group. The Independent Board Members also noted that all but one of the peer group were domestic convertible funds, thereby limiting the usefulness of peer group comparisons. The Independent Board Members also noted that the management fee structure was the same as that in effect for most of the complex. The Independent Board Members did not compare the management fee with the fee for other types of accounts managed by the Adviser.

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

The GAMCO Global Convertible Securities Fund Additional Fund Information (Unaudited)

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

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</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 Director⁴</u>
<u>INTERESTED DIRECTORS³:</u>				
Mario J. Gabelli 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)
John D. Gabelli Director Age: 64	Since 1993	10	Senior Vice President of Gabelli & Company, Inc.	Director of GAMCO Investors, Inc. (asset management)
<u>INDEPENDENT DIRECTORS⁵:</u>				
E. Val Cerutti Director Age: 69	Since 2001	7	Chief Executive Officer of Cerutti Consultants, Inc.	Director of The LGL Group, Inc. (diversified manufacturing)
Anthony J. Colavita Director Age: 73	Since 1993	36	Partner in the law firm of Anthony J. Colavita, P.C.	—
Arthur V. Ferrara 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)	—
Werner J. Roeder, MD Director Age: 68	Since 1993	22	Medical Director of Lawrence Hospital and practicing private physician	—
Anthonie C. van Ekris Director Age: 74	Since 1993	20	Chairman of BALMAC International, Inc. (commodities and futures trading)	—
Salvatore J. Zizza 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 Convertible Securities Fund

Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert 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
Agnes Mullady 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
Peter D. Goldstein 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

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

² 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.

³ "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.

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

⁵ 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 \$0.120 per share for all classes. For the year ended December 31, 2008, 36.28% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 21.12% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 46.56% 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 0.51%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The GAMCO Global Convertible Securities Fund did not meet this strict requirement in 2008. The percentage of net assets of U.S. Government securities held as of December 31, 2008 was 10.60%. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

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

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

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

800-422-3554

fax: 914-921-5118

website: www.gabelli.com

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

GAMCO

**The
GAMCO
Global
Convertible
Securities
Fund**

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

GAB441Q408SR

**ANNUAL REPORT
DECEMBER 31, 2008**