

# The GAMCO Global Opportunity Fund

Annual Report – December 31, 2009



*Morningstar® rated The GAMCO Global Opportunity Fund Class AAA Shares 4 stars overall and 4 stars for the three and five year periods and 3 stars for the ten year period ended December 31, 2009 among 542, 542, 447, and 251 World Stock funds, respectively.*



**Caesar Bryan**

## To Our Shareholders,

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

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

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

## Performance Discussion (Unaudited)

For the year ended December 31, 2009, The GAMCO Global Opportunity Fund (the "Fund") (Class AAA) net asset value ("NAV") per share rose 37.44% compared with gains of 43.74% and 35.41% for the Lipper Global Multi-Cap Growth Fund Average and the Morgan Stanley Capital International All Country ("MSCI AC") World Index, respectively.

MSCI data (all returns in dollars) shows 15 of 23 major national indices advanced in the fourth quarter. The U.S. (+5.9%) was one of the better performers during the quarter, which marked a change from the third quarter where strength in most other countries made the U.S. a relative laggard. The best performing country was Norway

Morningstar Rating™ is based on risk-adjusted returns. The Overall Morningstar Rating is derived from a weighted average of the performance figures associated with a fund's three, five, and ten year (if applicable) Morningstar Rating metrics. For funds with at least a three year history, a Morningstar Rating is based on a risk-adjusted return measure (including the effects of sales charges, loads, and redemption fees) placing more emphasis on downward variations and rewarding consistent performance. That accounts for variations in a fund's monthly performance. The top 10% of funds in each category receive 5 stars, the next 22.5% 4 stars, the next 35% 3 stars, the next 22.5% 2 stars, and the bottom 10% 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) Morningstar Rating is for the AAA Share class only; other classes may have different performance characteristics. Ratings reflect relative performance. Results for certain periods were negative. ©2009 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

(+14.9%), followed by Singapore (+9.8%), the United Kingdom (+7.0%), Canada (+5.0%), Australia (+4.9%), Switzerland (+3.8%), the Netherlands (+3.7%), Hong Kong and Sweden (+3.6%), Germany (+2.2%), France (+2.1%), Belgium (+1.6%), Spain (+1.3%), and Portugal (+0.4%). Fourth quarter laggards were led by Greece (-22.4%), followed by Austria (-9.8%), Finland (-3.5%), Denmark and Japan (-2.8%), and Ireland and Italy (-2.7%). New Zealand was unchanged during the quarter. In emerging markets, eighteen of twenty-two countries recorded positive performance in the fourth quarter. Of the four largest emerging markets, Brazil (+12.1%) posted the best quarterly performance, followed by Russia (+10.4%), China (+9.5%), and India (+7.5%).

Selected holdings that contributed positively to performance in 2009 were Antofagasta (5.2% of net assets as of December 31, 2009), Precision Castparts Corp. (4.0%), and Google Inc. (3.6%). Some of our weaker performing stocks during the year were Harmony Gold Mining Co. Ltd. (1.8%), Lockheed Martin Corp. (1.4%), and Square Enix Holdings Co. Ltd. (0.8%).

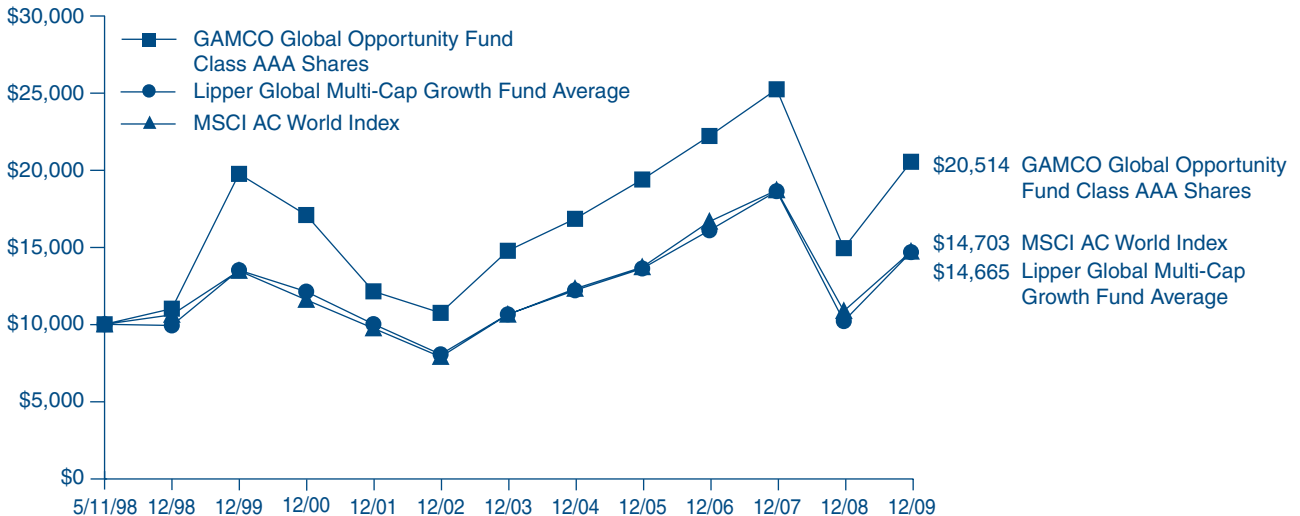
Sincerely yours,



Bruce N. Alpert  
President

February 19, 2010

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE GAMCO GLOBAL OPPORTUNITY FUND CLASS AAA SHARES, THE LIPPER GLOBAL MULTI-CAP GROWTH FUND AVERAGE, AND THE MSCI AC WORLD INDEX (Unaudited)**



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

## Comparative Results

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

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (5/11/98)
<b>GAMCO Global Opportunity Fund Class AAA . . .</b>	<b>7.03%</b>	<b>37.44%</b>	<b>(2.57)%</b>	<b>4.05%</b>	<b>0.39%</b>	<b>6.37%</b>
MSCI AC World Index . . . . .	4.72	35.41	(4.05)	3.64	0.89	3.36
Lipper Global Multi-Cap Growth Fund Average . . .	4.48	43.74	(2.37)	2.71	2.94	2.67
Class A . . . . .	7.07	37.50	(2.56)	4.06	0.40	6.37
Class B . . . . .	0.92(b)	29.60(b)	(4.47)(b)	2.84(b)	(0.20)(b)	5.83(b)
Class C . . . . .	6.85	36.43	(3.31)	3.26	(0.28)	5.75
Class I . . . . .	1.85(c)	31.43(c)	(4.28)(c)	2.91(c)	(0.28)	5.75
Class A . . . . .	6.82	36.42	(3.38)	3.27	0.11	6.11
Class B . . . . .	5.82(d)	35.42(d)	(3.38)	3.27	0.11	6.11
Class C . . . . .	7.07	37.78	(2.40)	4.16	0.44	6.42

**In the current prospectus, the gross expense ratios for Class AAA, A, B, C, and I Shares are 2.25%, 2.25%, 3.00%, 3.00%, and 2.00%, respectively. The net expense ratios in the current prospectus for these share classes are 2.01%, 2.01%, 2.76%, 2.76%, and 1.76%, respectively. See page 10 for the expense ratios for the year ended December 31, 2009. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.**

- (a) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** Investing in foreign securities involves risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks. The Class AAA Shares NAVs per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, Class C Shares, and Class I Shares on March 12, 2000, August 16, 2000, November 23, 2001, and January 11, 2008, respectively. The actual performance of the Class B Shares and Class C Shares would have been lower for the periods starting prior to August 16, 2000 and November 23, 2001, respectively, 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. Returns would have been lower had the Adviser not reimbursed certain expenses of the Fund. The MSCI AC World Index is an unmanaged indicator of stock market performance, while the Lipper Global Multi-Cap Growth Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.
- (b) Includes the effect of the maximum 5.75% sales charge at the beginning of the period.
- (c) Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the quarter, one year, three year, and five year periods of 5%, 5%, 3%, and 2%, respectively, of the Fund's NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.
- (d) Performance results include the deferred sales charges for the Class C Shares upon redemption at the end of the quarter and one year periods of 1% of the Fund's NAV per share at the time of purchase or sale, whichever is lower.

# The GAMCO Global Opportunity Fund

## Disclosure of Fund Expenses (Unaudited)

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

## Expense Table

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

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

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

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

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

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

	Beginning Account Value 07/01/09	Ending Account Value 12/31/09	Annualized Expense Ratio	Expenses Paid During Period*
<b>The GAMCO Global Opportunity Fund</b>				
<b>Actual Fund Return</b>				
Class AAA	\$1,000.00	\$1,249.30	2.00%	\$11.34
Class A	\$1,000.00	\$1,249.50	2.01%	\$11.40
Class B	\$1,000.00	\$1,244.80	2.74%	\$15.50
Class C	\$1,000.00	\$1,243.90	2.79%	\$15.78
Class I	\$1,000.00	\$1,250.40	1.75%	\$ 9.93
<b>Hypothetical 5% Return</b>				
Class AAA	\$1,000.00	\$1,015.12	2.00%	\$10.16
Class A	\$1,000.00	\$1,015.07	2.01%	\$10.21
Class B	\$1,000.00	\$1,011.39	2.74%	\$13.89
Class C	\$1,000.00	\$1,011.14	2.79%	\$14.14
Class I	\$1,000.00	\$1,016.38	1.75%	\$ 8.89

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

## Summary of Portfolio Holdings (Unaudited)

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

### The GAMCO Global Opportunity Fund

Materials .....	20.3%	Consumer Discretionary .....	7.1%
Consumer Staples .....	17.5%	Financial Services .....	5.5%
Energy .....	16.6%	Telecommunication Services .....	2.3%
Industrials .....	12.0%	Utilities .....	1.3%
Health Care .....	10.1%	U.S. Government Obligations .....	0.5%
Information Technology .....	8.0%	Other Assets and Liabilities (Net) .....	(1.2)%
			<u>100.0%</u>

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

### Proxy Voting

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



**The GAMCO Global Opportunity Fund**  
**Schedule of Investments (Continued) — December 31, 2009**

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>	<u>Principal Amount</u>		<u>Cost</u>	<u>Market Value</u>
	<b>COMMON STOCKS (Continued)</b>						
	<b>FINANCIAL SERVICES — 5.5%</b>						
5,000	Cheung Kong (Holdings) Ltd.	\$ 63,610	\$ 64,251	\$70,000	U.S. Government Obligations — 0.5%		
16,000	Hongkong Land Holdings Ltd.	62,764	78,802		U.S. Treasury Bill,		
5,000	Julius Baer Group Ltd. . . . .	141,951	175,842		0.101%††, 03/11/10 . . . .	\$ 69,987	\$ 69,995
10,000	Kinnevik Investment AB, Cl. B	230,284	149,077		<b>TOTAL</b>		
8,000	Schroders plc . . . . .	149,450	170,972		<b>INVESTMENTS — 101.2%</b>	<u>\$9,744,412</u>	13,953,865
10,000	Swire Pacific Ltd., Cl. A . . . .	<u>112,741</u>	<u>120,934</u>		<b>Other Assets and Liabilities (Net) — (1.2)%</b>		<u>(165,321)</u>
	<b>TOTAL</b>				<b>NET ASSETS — 100.0%</b>		<u>\$13,788,544</u>
	<b>FINANCIAL SERVICES . . .</b>	<u>760,800</u>	<u>759,878</u>				
	<b>TELECOMMUNICATION SERVICES — 2.3%</b>						
2,300	Telephone &			† Non-income producing security.			
	Data Systems Inc. . . . .	45,066	78,016	†† Represents annualized yield at date of purchase.			
2,300	Telephone & Data			ADR American Depositary Receipt			
	Systems Inc., Special . . .	41,599	69,460				
4,000	United States						
	Cellular Corp.† . . . . .	<u>223,434</u>	<u>169,640</u>				
	<b>TOTAL TELECOMMUNICATION SERVICES</b>	<u>310,099</u>	<u>317,116</u>				
	<b>UTILITIES — 1.3%</b>						
7,000	Connecticut Water						
	Service Inc. . . . .	<u>158,291</u>	<u>173,390</u>				
	<b>TOTAL COMMON STOCKS . .</b>	<u>9,674,425</u>	<u>13,883,870</u>				

† Non-income producing security.  
†† Represents annualized yield at date of purchase.  
ADR American Depositary Receipt

<u>Geographic Diversification</u>	<u>% of Market Value</u>	<u>Market Value</u>
Europe . . . . .	38.9%	\$ 5,431,027
North America . . . . .	35.0	4,879,908
Latin America . . . . .	9.4	1,304,779
South Africa . . . . .	6.4	889,813
Japan . . . . .	6.1	857,696
Asia/Pacific . . . . .	4.2	590,642
	<u>100.0%</u>	<u>\$13,953,865</u>

See accompanying notes to financial statements.

## The GAMCO Global Opportunity Fund

### Statement of Assets and Liabilities December 31, 2009

#### Assets:

Investments, at value (cost \$9,744,412) . . . . .	\$ 13,953,865
Foreign currency, at value (cost \$0) . . . . .	4
Receivable for investments sold . . . . .	78,549
Receivable for Fund shares sold . . . . .	5,043
Dividends receivable . . . . .	22,406
Prepaid expenses . . . . .	18,456

**Total Assets** . . . . . \$ 14,078,323

#### Liabilities:

Payable to custodian . . . . .	82,772
Payable for Fund shares redeemed . . . . .	134,451
Payable for investment advisory fees . . . . .	11,318
Payable for distribution fees . . . . .	2,880
Payable for legal and audit fees . . . . .	27,047
Payable for shareholder communications expenses . . . . .	17,730
Other accrued expenses . . . . .	13,581

**Total Liabilities** . . . . . 289,779

**Net Assets** applicable to 834,172

shares outstanding . . . . . \$ 13,788,544

#### Net Assets Consist of:

Paid-in capital . . . . .	\$ 14,141,031
Accumulated distributions in excess of net investment income . . . . .	(1,161)
Accumulated net realized loss on investments and foreign currency transactions . . . . .	(4,562,129)
Net unrealized appreciation on investments . . . . .	4,209,453
Net unrealized appreciation on foreign currency translations . . . . .	1,350

**Net Assets** . . . . . \$ 13,788,544

#### Shares of Capital Stock:

##### Class AAA:

Net Asset Value, offering, and redemption price per share (\$13,280,211 ÷ 803,369 shares outstanding, at \$0.001 par value; 75,000,000 shares authorized) . . . . . \$16.53

##### Class A:

Net Asset Value and redemption price per share (\$170,393 ÷ 10,341 shares outstanding, at \$0.001 par value; 50,000,000 shares authorized) . . . . . \$16.48

Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price) . . . . . \$17.49

##### Class B:

Net Asset Value and offering price per share (\$2,327 ÷ 146.9 shares outstanding, at \$0.001 par value; 25,000,000 shares authorized) . . . . . \$15.84(a)

##### Class C:

Net Asset Value and offering price per share (\$10,286 ÷ 625.8 shares outstanding, at \$0.001 par value; 25,000,000 shares authorized) . . . . . \$16.44(a)

##### Class I:

Net Asset Value, offering, and redemption price per share (\$325,327 ÷ 19,689 shares outstanding, at \$0.001 par value; 25,000,000 shares authorized) . . . . . \$16.52

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

#### Investment Income:

Dividends (net of foreign taxes of \$6,262) . . . . .	\$ 268,680
Interest . . . . .	123
<b>Total Investment Income</b> . . . . .	<u>268,803</u>

#### Expenses:

Investment advisory fees . . . . .	121,987
Distribution fees – Class AAA . . . . .	29,088
Distribution fees – Class A . . . . .	341
Distribution fees – Class B . . . . .	24
Distribution fees – Class C . . . . .	27
Custodian fees . . . . .	34,186
Shareholder communications expenses . . . . .	31,742
Legal and audit fees . . . . .	29,105
Registration expenses . . . . .	26,115
Shareholder services fees . . . . .	16,791
Tax expense . . . . .	4,989
Directors' fees . . . . .	2,036
Interest expense . . . . .	767
Miscellaneous expenses . . . . .	33,926
<b>Total Expenses</b> . . . . .	<u>331,124</u>

Less:

Expenses reimbursed by Adviser (See Note 3) . . . . . (82,410)

**Net Expenses** . . . . . 248,714

**Net Investment Income** . . . . . 20,089

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

Net realized loss on investments . . . . .	(98,024)
Net realized gain on foreign currency transactions . . . . .	19,812
Net realized loss on investments and foreign currency transactions . . . . .	(78,212)
Net change in unrealized appreciation/depreciation: on investments . . . . .	3,928,491
on foreign currency translations . . . . .	(42,348)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations . . . . .	3,886,143

**Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency** . . . . . 3,807,931

**Net Increase in Net Assets Resulting from Operations** . . . . . \$ 3,828,020

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

See accompanying notes to financial statements.

# The GAMCO Global Opportunity Fund

## Statement of Changes in Net Assets

	<u>Year Ended</u> <u>December 31, 2009</u>	<u>Year Ended</u> <u>December 31, 2008</u>
<b>Operations:</b>		
Net investment income .....	\$ 20,089	\$ 154,533
Net realized loss on investments and foreign currency transactions .....	(78,212)	(1,181,161)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations .....	<u>3,886,143</u>	<u>(8,143,642)</u>
<b>Net Increase/(Decrease) in Net Assets Resulting from Operations</b> .....	<u>3,828,020</u>	<u>(9,170,270)</u>
<b>Distributions to Shareholders:</b>		
Net investment income		
Class AAA .....	(168,297)	(12,274)
Class A .....	(2,166)	(136)
Class B .....	(12)	—
Class C .....	(125)	—
Class I .....	<u>(4,708)</u>	<u>(1,752)</u>
	<u>(175,308)</u>	<u>(14,162)</u>
Return of capital		
Class AAA .....	(1,494)	—
Class A .....	(19)	—
Class B .....	(1)	—
Class C .....	(2)	—
Class I .....	<u>(41)</u>	<u>—</u>
	<u>(1,557)</u>	<u>—</u>
<b>Total Distributions to Shareholders</b> .....	<u>(176,865)</u>	<u>(14,162)</u>
<b>Capital Share Transactions:</b>		
Class AAA .....	(2,027,972)	(1,795,387)
Class A .....	6,891	(20,901)
Class B .....	(1,277)	(1,116)
Class C .....	8,834	(1,867)
Class I .....	<u>(211,295)</u>	<u>616,082</u>
<b>Net Decrease in Net Assets from Capital Share Transactions</b> .....	<u>(2,224,819)</u>	<u>(1,203,189)</u>
<b>Redemption Fees</b> .....	<u>86</u>	<u>6</u>
<b>Net Increase/(Decrease) in Net Assets</b> .....	1,426,422	(10,387,615)
<b>Net Assets:</b>		
Beginning of period .....	<u>12,362,122</u>	<u>22,749,737</u>
End of period (including undistributed net investment income of \$0 and \$129,258, respectively) .....	<u>\$ 13,788,544</u>	<u>\$ 12,362,122</u>

See accompanying notes to financial statements.

# The GAMCO Global Opportunity Fund

## Financial Highlights

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

Period Ended December 31	Income from Investment Operations					Distributions			Ratios to Average Net Assets/Supplemental Data						
	Net Asset Value Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Return of Capital(b)	Total Distributions	Redemption Fees(d)(b)	Net Asset Value End of Period	Total Return†	Net Assets End of Period (in 000's)	Net Investment Income (Loss)	Operating Expenses Before Reimbursement(c)	Operating Expenses Net of Reimbursement(d)(e)	Portfolio Turnover Ratio††
<b>Class AAA</b>															
2009	\$12.18	\$ 0.02	\$ 4.54	\$ 4.56	\$(0.21)	\$0.00	\$(0.21)	\$0.00	\$16.53	37.4%	\$13,280	0.16%	2.72%	2.05%	8%
2008	20.59	0.14	(8.54)	(8.40)	(0.01)	—	(0.01)	0.00	12.18	(40.8)	11,843	0.83	2.25	2.01	14
2007	18.22	0.17	2.31	2.48	(0.11)	0.00	(0.11)	0.00	20.59	13.6	22,507	0.84	2.03	2.03	20
2006	15.91	(0.08)	2.39	2.31	(0.00)(b)	—	(0.00)(b)	0.00	14.5	14.5	23,426	(0.44)	2.02	2.02	15
2005	13.84	0.01	2.08	2.09	(0.02)	—	(0.02)	0.00	15.91	15.1	21,425	0.10	2.04	1.85	26
<b>Class A</b>															
2009	\$12.14	\$ 0.01	\$ 4.54	\$ 4.55	\$(0.21)	\$0.00	\$(0.21)	\$0.00	\$16.48	37.5%	\$ 171	0.11%	2.72%	2.05%	8%
2008	20.54	0.12	(8.51)	(8.39)	(0.01)	—	(0.01)	0.00	12.14	(40.8)	120	0.69	2.25	2.01	14
2007	18.17	0.18	2.31	2.49	(0.12)	0.00	(0.12)	0.00	20.54	13.7	233	0.91	2.03	2.03	20
2006	15.87	(0.08)	2.39	2.31	(0.01)	—	(0.01)	0.00	18.17	14.5	220	(0.45)	2.02	2.02	15
2005	13.81	0.01	2.09	2.10	(0.04)	—	(0.04)	0.00	15.87	15.2	244	0.05	2.06	1.87	26
<b>Class B</b>															
2009	\$11.67	\$(0.06)	\$ 4.31	\$ 4.25	\$(0.08)	\$0.00	\$(0.08)	\$0.00	\$15.84	36.4%	\$ 2	(0.50)%	3.47%	2.80%	8%
2008	19.86	0.01	(8.20)	(8.19)	—	—	—	—	11.67	(41.2)	3	0.05	3.00	2.76	14
2007	17.61	(0.08)	2.33	2.25	—	—	—	0.00	19.86	12.8	6	(0.45)	2.78	2.78	20
2006	15.49	(0.19)	2.31	2.12	—	—	—	0.00	17.61	13.7	25	(1.14)	2.77	2.77	15
2005	13.56	(0.08)	2.01	1.93	—	—	—	0.00	15.49	14.2	48	(0.60)	2.79	2.58	26
<b>Class C</b>															
2009	\$12.20	\$(0.23)	\$ 4.67	\$ 4.44	\$(0.20)	\$0.00	\$(0.20)	\$0.00	\$16.44	36.4%	\$ 10	(1.49)%	3.47%	2.80%	8%
2008	20.77	(0.00)(b)	(8.57)	(8.57)	—	—	—	—	12.20	(41.3)	1	(0.01)	3.00	2.76	14
2007	18.45	0.03	2.29	2.32	—	—	—	0.00	20.77	12.6	4	0.14	2.78	2.78	20
2006	16.22	(0.21)	2.44	2.23	—	—	—	0.00	18.45	13.8	4	(1.20)	2.77	2.77	15
2005	14.17	(0.10)	2.15	2.05	—	—	—	0.00	16.22	14.5	4	(0.66)	2.79	2.68	26
<b>Class I</b>															
2009	\$12.17	\$ 0.06	\$ 4.54	\$ 4.60	\$(0.25)	\$0.00	\$(0.25)	\$0.00	\$16.52	37.8%	\$ 326	0.45%	2.47%	1.80%	8%
2008(f)	19.75	0.22	(7.74)	(7.52)	(0.06)	—	(0.06)	0.00	12.17	(38.1)	395	1.41(g)	2.00(g)	1.76(g)	14

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

†† Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the 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) Amount represents less than \$0.005 per share.

(c) Under an expense deferral agreement with the Adviser, the Fund repaid the Adviser \$15,233 during 2007 and \$14,200 during 2006, representing previously reimbursed expenses from the Adviser. During the years ended December 31, 2007 and 2006, had such payments not been made, the expense ratios would have been 1.96% and 1.95% (Class AAA), 1.96% and 1.95% (Class A), 2.71% and 2.70% (Class B), and 2.71% and 2.70% (Class C), respectively.

(d) The Fund incurred interest expense during years ended December 31, 2009, 2008, 2007, 2006, and 2005. If interest expense had not been incurred, the ratios of operating expenses to average net assets would have been 2.04%, 2.00%, 2.00%, 2.00%, and 1.84% (Class AAA), 2.04%, 2.00%, 2.00%, 2.00%, 2.00%, and 1.86% (Class A), 2.79%, 2.75%, 2.75%, and 2.57% (Class B), 2.79%, 2.75%, 2.75%, and 2.68% (Class C), and 1.79% and 1.75% (Class I), respectively. The Fund also incurred tax expense during the year ended December 31, 2009. If tax expense had not been incurred, the ratios of operating expenses to average net assets would have been 2.01% (Class AAA and Class A), 2.76% (Class B and Class C), and 1.76% (Class I), respectively.

(e) 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 year ended December 31, 2005 would have been 1.84%, 1.87%, 2.58%, and 2.68% for Class AAA, Class A, Class B, and Class C, respectively. For the years ended December 31, 2008, 2007, and 2006, the effect of the custodian fee credits was minimal.

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

(g) Annualized.

See accompanying notes to financial statements.

# The GAMCO Global Opportunity Fund

## Notes to Financial Statements

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**1. Organization.** The GAMCO Global Opportunity Fund (the “Fund”), a series of GAMCO Global Series Funds, Inc. (the “Corporation”), was organized on July 16, 1993 as a Maryland corporation. The Fund is a non-diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and one of four separately managed portfolios (collectively, the “Portfolios”) of the Corporation. The Fund’s primary objective is capital appreciation. The Fund commenced investment operations on May 11, 1998.

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

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

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

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 Opportunity Fund

### Notes to Financial Statements (Continued)

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

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

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

	Valuation Inputs		Total Market Value at 12/31/09
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	
<b>INVESTMENTS IN SECURITIES:</b>			
<b>ASSETS (Market Value):</b>			
Common Stocks:			
Materials	\$1,012,185	\$1,790,403	\$ 2,802,588
Consumer Staples	1,216,669	1,194,422	2,411,091
Energy	1,851,488	431,468	2,282,956
Industrials	1,113,385	541,459	1,654,844
Health Care	273,833	1,124,535	1,398,368
Information Technology	816,129	294,332	1,110,461
Consumer Discretionary	180,740	792,438	973,178
Financial Services	175,842	584,036	759,878
Other Industries(a)	490,506	—	490,506
Total Common Stocks	7,130,777	6,753,093	13,883,870
U.S. Government Obligations	—	69,995	69,995
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>\$7,130,777</b>	<b>\$6,823,088</b>	<b>\$13,953,865</b>

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

At December 31, 2008, the Fund held a Level 3 investment in Corporate Bonds with a market value of \$0. This bond was written off in 2009. As of December 31, 2009, there were no Level 3 investments.

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

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

## The GAMCO Global Opportunity Fund

### Notes to Financial Statements (Continued)

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

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

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

**Securities Sold Short.** The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The Fund did not hold any short positions as of December 31, 2009.

**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

## The GAMCO Global Opportunity Fund

### Notes to Financial Statements (Continued)

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prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial trade date and subsequent sale trade date is included in realized gain/loss on investments.

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

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

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

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

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

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

## The GAMCO Global Opportunity Fund

### Notes to Financial Statements (Continued)

**Distributions to Shareholders.** Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to recharacterization of distributions and non-deductible excise tax. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2009, reclassifications were made to decrease accumulated distributions in excess of net investment income by \$24,800 and increase accumulated net realized loss on investments and foreign currency transactions by \$19,811, with an offsetting adjustment to additional paid in capital.

The tax character of distributions paid during the years ended December 31, 2009 and December 31, 2008 was as follows:

	<u>Year Ended December 31, 2009</u>	<u>Year Ended December 31, 2008</u>
<b>Distributions paid from:</b>		
Ordinary income .....	\$175,308	\$14,162
Return of capital .....	1,557	—
Total distributions paid .....	<u>\$176,865</u>	<u>\$14,162</u>

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

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

Accumulated capital loss carryforwards .....	\$(4,562,085)
Net unrealized appreciation on investments and foreign currency translations .....	<u>4,209,598</u>
Total .....	<u>\$ (352,487)</u>

At December 31, 2009, the Fund had net capital loss carryforwards for federal income tax purposes of \$4,562,085, which are available to reduce future required distributions of net capital gains to shareholders. \$316,789 of the loss carryforward is available through 2010; \$1,776,091 is available through 2011; \$1,201,151 is available through 2012; \$1,170,048 is available through 2016; and \$98,006 is available through 2017.

At December 31, 2009, the difference between book basis and tax basis unrealized appreciation was primarily due to deferral of losses from wash sales for tax purposes and mark-to-market adjustments on passive foreign investment companies.

## The GAMCO Global Opportunity Fund

### Notes to Financial Statements (Continued)

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

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments . . . . .	\$9,745,616	\$4,801,470	\$(593,221)	\$4,208,249

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed to not meet the more-likely-than-not threshold. For the year ended December 31, 2009, the Fund did not incur any interest or penalties. As of December 31, 2009, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. Tax years ended December 31, 2007 through December 31, 2009, remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor its tax positions to determine if adjustments to this conclusion are necessary.

**3. Investment Advisory Agreement and Other Transactions.** The Fund has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser. The Adviser has contractually agreed to waive its investment advisory fee and/or to reimburse expenses of the Fund to the extent necessary to maintain the annualized total operating expenses of the Fund (excluding 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 the value of the Fund's average daily net assets for Class AAA, Class A, Class B, Class C, and Class I, respectively. In addition, the Fund has agreed, during the two year period following any waiver or reimbursement by the Adviser, to repay such amount to the extent, that after giving the effect to the repayment, such adjusted annualized total operating expenses of the Fund would not exceed 2.00%, 2.00%, 2.75%, 2.75%, and 1.75% of the value of the Fund's average daily net assets for Class AAA, Class A, Class B, Class C, and Class I, respectively. For the year ended December 31, 2009, the Adviser reimbursed the Fund in the amount of \$82,410. The cumulative amount which the Fund may repay the Adviser is \$126,689.

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

## The GAMCO Global Opportunity Fund

### Notes to Financial Statements (Continued)

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

**5. Portfolio Securities.** Purchases and sales of securities for the year ended December 31, 2009, other than short-term securities and U.S. Government obligations, aggregated \$926,376 and \$2,883,582, respectively.

**6. Transactions with Affiliates.** During the year ended December 31, 2009, the Fund paid brokerage commissions on security trades of \$525 to Gabelli & Company. Additionally, Gabelli & Company informed the Fund that it retained \$127 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

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

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

The average daily amount of borrowings outstanding under the line of credit during the year ended December 31, 2009 was \$42,063 with a weighted average interest rate of 1.23%. The maximum amount borrowed at any time during the year ended December 31, 2009 was \$548,000.

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

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund. The redemption fees retained by the Fund during the years ended December 31, 2009 and December 31, 2008 amounted to \$86 and \$6, respectively.

## The GAMCO Global Opportunity 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, 2009		Year Ended December 31, 2008*	
	Shares	Amount	Shares	Amount
<b>Class AAA</b>				
Shares sold	49,778	\$ 722,814	94,612	\$ 1,762,979
Shares issued upon reinvestment of distributions	9,516	158,056	952	11,321
Shares redeemed	(228,300)	(2,908,842)	(216,112)	(3,569,687)
Net decrease	(169,006)	\$(2,027,972)	(120,548)	\$(1,795,387)
<b>Class A</b>				
Shares sold	1,729	\$ 25,686	12,826	\$ 235,926
Shares issued upon reinvestment of distributions	129	2,139	12	136
Shares redeemed	(1,444)	(20,934)	(14,263)	(256,963)
Net increase/(decrease)	414	\$ 6,891	(1,425)	\$ (20,901)
<b>Class B</b>				
Shares sold	—	—	—	—
Shares issued upon reinvestment of distributions	1	\$ 12	—	—
Shares redeemed	(100)	(1,289)	(63)	\$ (1,116)
Net decrease	(99)	\$ (1,277)	(63)	\$ (1,116)
<b>Class C</b>				
Shares sold	539	\$ 8,710	—	—
Shares issued upon reinvestment of distributions	7	124	—	—
Shares redeemed	—	—	(93)	\$ (1,867)
Net increase/(decrease)	546	\$ 8,834	(93)	\$ (1,867)
<b>Class I</b>				
Shares sold	7,884	\$ 109,626	36,461	\$ 667,321
Shares issued upon reinvestment of distributions	258	4,283	148	1,752
Shares redeemed	(20,926)	(325,204)	(4,136)	(52,991)
Net increase/(decrease)	(12,784)	\$(211,295)	32,473	\$ 616,082

\* 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 Opportunity Fund

### Notes to Financial Statements (Continued)

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

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

## The GAMCO Global Opportunity Fund

### Report of Independent Registered Public Accounting Firm

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

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

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

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

Philadelphia, Pennsylvania  
February 25, 2010

*Ernst + Young LLP*

# The GAMCO Global Opportunity Fund

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

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

**Nature, Extent, and Quality of Services.** The Independent Board Members considered information regarding the Fund’s portfolio managers, the depth of the analyst pool available to the Adviser and the 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 global multi-cap core funds, noting the Fund’s top quintile performance for the one year period, top third performance for the three year period, and second third performance for the five year period.

**Profitability.** The Independent Board Members reviewed summary data regarding the lack of profitability of the Fund to the Adviser both with and without the expense reimbursement arrangement in effect. The Independent Board Members also noted that an affiliated broker of the Adviser received distribution fees and minor amounts of sales commissions.

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

**Sharing of Economies of Scale.** The Independent Board Members noted that the investment management fee schedule for the Fund does not take into account any potential economies of scale that may develop or any losses or diminished profitability to the Adviser in prior years.

**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 global multi-cap growth 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 waivers were moderately higher than and the Fund’s size was significantly lower than average within this group and that the Adviser had been waiving substantial portions of its fees in order to make the Fund a more attractive investment. The Independent Board Members compared the management fee with the fees for other funds managed by the Adviser and considered fees charged by an affiliated adviser for general equity institutional accounts and unregistered funds.

**Conclusions.** The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services, good ancillary services, and an acceptable 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 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 Opportunity 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 Company 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 Opportunity Fund at One Corporate Center, Rye, NY 10580-1422.

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

# The GAMCO Global Opportunity Fund

## Additional Fund Information (Continued) (Unaudited)

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

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

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

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

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

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

### 2009 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended December 31, 2009, the Fund paid to shareholders ordinary income distributions (comprised of net investment income) totaling \$0.211, \$0.214, \$0.081, \$0.204, and \$0.247 per share for Class AAA, Class A, Class B, Class C, and Class I, respectively. For the year ended December 31, 2009, 100% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. For the year ended December 31, 2009, 100% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. Also for the year 2009, the Fund passed through foreign tax credits of \$0.006 per share to Class AAA, Class A, Class B, Class C, and Class I.

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 Opportunity 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 7:00 P.M.

**GAMCO**

**Board of Directors**

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

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

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

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

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

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

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

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

**Officers**

Bruce N. Alpert  
*President and Secretary*

Peter D. Goldstein  
*Chief Compliance Officer*

Agnes Mullady  
*Treasurer*

**Distributor**

Gabelli & Company, Inc.

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

State Street Bank and Trust Company

**Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP



**The  
GAMCO  
Global  
Opportunity  
Fund**

*Morningstar® rated The GAMCO Global Opportunity Fund Class AAA Shares 4 stars overall and 4 stars for the three and five year periods and 3 stars for the ten year period ended December 31, 2009 among 542, 542, 447, and 251 World Stock funds, respectively.*

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

GAB403Q409SR

**ANNUAL REPORT  
DECEMBER 31, 2009**