The Gabelli Global Small and Mid Cap Value Trust

Shareholder Commentary
September 30, 2017

(Y)our Portfolio Management Team

Mario J. Gabelli, CFA
Chief Investment Officer

Christopher J. Marangi
Co-Chief Investment Officer
BA, Williams College
MBA, Columbia Business School

Kevin V. Dreyer
Co-Chief Investment Officer
BSE, University of Pennsylvania
MBA, Columbia Business School

Jeffrey J. Jonas, CFA
Portfolio Manager
BS, Boston College

To Our Shareholders,

For the quarter ended September 30, 2017, the net asset value (“NAV”) total return of The Gabelli Global Small and Mid Cap Value Trust (the “Fund”) was 6.3%, compared with a total return of 5.4% for the Morgan Stanley Capital International (“MSCI”) World SMID Cap Index. The total return for the Fund’s publicly traded shares was 6.5%. The Fund’s NAV per share was $15.16, while the price of the publicly traded shares closed at $13.16 on the NYSE.

Comparative Results

Average Annual Returns through September 30, 2017 (a)

	Quarter	1 Year	2 Year	Since Inception (06/23/14)
Gabelli Global Small and Mid Cap Value Trust				
NAV Total Return (b)	6.31%	19.76%	14.47%	7.71%
Investment Total Return (c)	6.47	23.22	15.82	3.21
MSCI World SMID Cap Index	5.41	18.30	15.65	6.79(d)

(a) *Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.* The MSCI World SMID Cap Index captures mid and small cap representation across 23 developed markets. Dividends are considered reinvested. You cannot invest directly in an index.

(b) Total returns and average annual returns reflect changes in the NAV per share, reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of $12.00.

(c) Total returns and average annual returns reflect changes in closing market values on the NYSE and reinvestment of distributions paid. Since inception return is based on an initial offering price of $12.00.

(d) From June 30, 2014, the date closest to the Fund’s inception for which data is available.

Our Approach

The investment objective of the Fund is long term capital growth. Under normal market conditions, the Fund will invest at least 80% of its total assets in equity securities of companies with small or medium sized market capitalizations ("small-cap" and "mid-cap" companies, respectively), and, under normal market conditions, will invest at least 40% of its total assets in the equity securities of companies located outside the United States and in at least three countries. A company's market capitalization is generally calculated by multiplying the number of a company's common shares outstanding by its stock price. The Fund currently defines "small-cap companies" as those with a market capitalization generally less than $3 billion at the time of investment, and "mid-cap companies" as those with a market capitalization between $3 billion and $12 billion at the time of investment. Although there are no geographic limits on the Fund's investments, no more than 35% of the Fund's total assets may be invested in the securities of companies headquartered or principally operating in "developing countries," also known as emerging markets.

Commentary

September was a strong month for small-cap stocks, reflecting a strengthening domestic economy, along with corporate earnings and expectations for U.S. tax reform, which would disproportionately benefit our smaller companies. There are multiple reasons why small-cap stocks are well positioned for the upcoming quarters. The U.S. economy is in its ninth year of expansion, and despite some pending hurricane noise, we expect this growth trend to continue. In the second quarter, real U.S. GDP growth was 3.1%. The September Purchasing Managers Index (PMI), a gauge of manufacturing activity and leading indicator for the U.S. economy, registered its strongest reading since 2004 at 60.8. This positive momentum should manifest itself in corporate earnings, the most important driver of long term stock market returns.

While the most recent headline from the Bureau of Labor Statistics report indicated that total employment declined, this number was distorted by the impact of the hurricanes in Texas and Florida. In spite of this aberration, the underlying unemployment rate is 4.2%, the lowest since 2001. There are also signs of more people entering the workforce, as the participation rate remains slightly ahead of last year, and wage growth has started to gradually accelerate. These are indicators of a stronger consumer who is able to purchase more goods and services, a positive for stocks. Against this backdrop, the U.S. Federal Reserve has raised interest rates three times already this year, and is signaling another quarter point increase by year end. Global central banks are reducing accommodative monetary policies, indicative of healthy economies. Broadly considered, the global economy continues to demonstrate the first synchronized economic expansion in many years, supported by stabilized commodity prices and steadily climbing industrial output. Serving to underscore a 3% growth target for the U.S. economy is the unveiling of President Trump's "MAGAnomics" plan (Make-America-Great-Again economics), with tax reform seen as the most concrete policy goal for the calendar year. Capping the quarter, September's reading for the ISM manufacturing index topped a thirteen year high, with the rise in the new orders index consistent with strong corporate earnings and capital spending.

There is considerable debate concerning reduction of the corporate tax rate from 35% to 20%. We believe this would be a major advantage for smaller companies, which generally pay a higher rate than larger, multinational companies (nearly 400 basis points higher, according to Thomson Reuters data) because their operations and markets tend to be U.S.-centric. We believe many corporations, large and small, may redeploy tax savings into mergers and acquisitions, another potential driver to performance, given that our portfolio has historically benefited from this trend. The merger and acquisition (M&A) wave is already strong, and our companies are bite-sized acquisition candidates for larger companies flush with cash seeking to augment organic growth.

We remain optimistic that our portfolio is positioned for attractive risk-adjusted returns across a complete market cycle, and that active management remains the best situated vehicle to capitalize on market dislocations. Our approach of identifying mismatched expectations and corresponding catalysts to rectify intrinsic value discounts has served investors well, and we continue to refine and employ this strategy.

Let’s Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of September 30, 2017.

Cott Corp. (COT – $15.01 – NYSE) Over the last three years, Cott has transformed itself from the low margin, low growth business of manufacturing private label soda and beverages into a leader in Home and Office Delivery (HOD) of water and coffee in North America and Europe, and a leader in foodservice coffee and tea in the U.S. At the end of 2014, Cott entered the faster growing and higher margin home and office water and coffee delivery businesses through the $1.25 billion acquisition of DS Services. During 2016, the company expanded its HOD footprint with the acquisitions of Eden Springs in Europe and Aquaterra in Canada. In August of 2016, Cott entered the foodservice coffee and tea business with the acquisition of S&D Coffee & Tea for $354 million. To complete its transformation, in July of 2017, Cott agreed to sell its private label beverage business to Refresco for $1.25 billion. The sale should be completed by the end of 2017. Following the sale, Cott’s revenue growth and EBITDA margin profiles should both improve. We expect the company to grow both organically and through the consolidation of the highly fragmented water delivery industry, a $1.6 billion category in which Cott has approximately a 30% market share, and office coffee services, a $4.5 billion category in which Cott has only a 3% market share, with 80% of the market controlled by small competitors.

International Flavors & Fragrances Inc. (IFF – $142.91 – NYSE), based in New York, is a leading global supplier of flavor and fragrances and ingredients used in food, beverage, and personal and household care products. It is the second largest manufacturer in the estimated $20 billion global industry, generating revenue and EBITDA of approximately $3.2 billion and $732 million, respectively. IFF will continue to benefit from the growth of packaged food and personal/household care products in emerging markets, which represent 51% of its revenue, as well as from new product innovation in developed markets. Over the next five years, we expect IFF to generate high single digit earnings growth, which assumes share repurchases. Acquisitions may further enhance this growth rate as the company looks to supplement its technology, geographic reach, and/or expand into relevant adjacencies. IFF recently completed the acquisitions of PowderPure, which added new technology and capabilities in natural flavors, and Fragrance Resources, which complemented its fine fragrance business with faster-growing customers in Europe.

Navistar International Corp. (NAV – $44.07 – NYSE), based in Lisle, Illinois, manufactures Class 4-8 trucks, buses, and defense vehicles, as well as diesel engines and parts for the commercial trucking industry. NFC, a wholly-owned subsidiary, provides financing of products sold by the company's truck segment. In September, Navistar and Volkswagen (VW) Truck & Bus announced a long anticipated strategic alliance, in which the two truck manufacturers would share technology and purchasing efforts in exchange for VW taking a $256 million stake (16.6%) in Navistar. The deal, which closed on March 1, 2017, confirms our thesis that NAV would eventually be targeted by a larger global capital equipment manufacturer. We believe this initial investment should lead to an eventual full purchase in the years ahead.

SGL Carbon SE (SGL – $16.91/€14.31 – Frankfurt Stock Exchange) is a leading manufacturer of carbon-based products and materials. The company has or is about to close the sale of its graphite electrodes business, and has announced the sale of its cathodes and carbon electrodes business. With 460mm euro plus of net proceeds from these two sales, SGL is paying down debt and focusing on two divisions, Composites – Fibers & Materials (CFM) and Graphite Materials & Systems (GMS), where end markets are projected to grow 10% and 6%-8%, respectively, through 2020. The CFM segment develops carbon-based fibers, materials and composites for use in the automotive, aerospace, and wind energy industries. The GMS division develops graphite-based solutions used in lithium-ion batteries, solar, LED, and semiconductor applications, with a strong secular growth opportunity in battery applications. SGL has improved its balance sheet flexibility through the divestitures, while management continues to target revenue of €1.1 billion and minimum return on common equity of 15% by 2020.

Sparton Corp. (SPA – $23.21 – NYSE) specializes in design, development, and manufacturing services for complex electromechanical devices and engineered products. The company operates thirteen manufacturing locations and design centers. It serves medical, biotechnology, military, aerospace, industrial,and commercial markets. Examples of its end products are sonobuoys, ruggedized flat panel displays, blood separation devices, circuit boards, and inertial sensors. In July 2017, Sparton signed a merger agreement with Ultra Electronics Holdings plc (LSE – London), pursuant to which Ultra will acquire Sparton for $23.50 per share in cash. The deal is expected to close by January 1, 2018.

Surmodics Inc. (SRDX – $31.00 – NASDAQ), based in Eden Prairie, Minnesota, provides surface modification and in vitro diagnostic technologies to the healthcare industry. Surmodics has two divisions: Medical Device (75% of revenues) manufactures specialty coatings which impart lubricity, prohealing and biocompatible capabilities to medical devices, while In Vitro Diagnostics (25% of revenues) manufactures components for test kits and specialized surfaces for cell cultures and microarrays. CEO Gary Maharaj took over leadership in 2010, and is quietly transforming the company into a whole-product solutions provider for its customers. Most significantly, the company is developing the Surveil Drug Coated Balloon (DCB), which it hopes to bring to the market by 2019. We believe the likelihood is high that a large healthcare company lacking a DCB product will sign a significant licensing agreement in the near term.

October 31, 2017

Top Ten Equity Holdings September 30, 2017	
CNH Industrial NV	Kite Pharma Inc.
Maple Leaf Foods Inc.	Kinnevik AB
Chr. Hansen Holding A/S	Dana Inc.
Millicom International Cellular SA	Davide Campari-Milano SpA
Navistar International Corp.	Swedish Match AB

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 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. Beneficial ownership of shares held in the Fund by Mr. Gabelli and various entities he is deemed to control are disclosed in the Fund's annual proxy statement.

Common Share Repurchase Plan

On August 21, 2013, the Board of Trustees of the Fund (the "Board") voted to authorize the repurchase of the Fund's common shares in the open market from time to time when such shares are trading at a discount of 7.5% or more from NAV. In total through September 30, 2017, the Fund has repurchased and retired 540,000 common shares in the open market under this share repurchase plan, of which 34,530 were purchased in the third quarter of 2017 at an average investment of $12.66 per share and an average discount of approximately 13% from its NAV.

5.450% Series A Cumulative Preferred Shares

The Fund's Series A Cumulative Preferred Shares paid a $0.340625 per share cash distribution on September 26, 2017, to Series A preferred shareholders of record on September 19, 2017. The Series A Preferred Shares, which trade on the NYSE under the symbol "GGZ Pr A", are rated "A2" by Moody's Investors Service and have an annual dividend rate of $1.3625 per share. The Series A Preferred Shares will be callable at any time at the liquidation value of $25.00 per share plus accrued dividends following the expiration of the five year call protection on May 10, 2021. The next distribution is scheduled for December 2017. The Fund is authorized to purchase its Series A Preferred Shares in the open market from time to time when such shares are trading at a discount to the liquidation value of $25 per share. No Series A Preferred Shares have been repurchased to date.

The Board shares the view of Gabelli Funds, LLC (the “Investment Adviser”) that the issuance of the Preferred Shares is designed to benefit the common shareholders. To the extent that the Fund earns in excess of the dividend rate on the Preferred Shares, additional value will thereby be created for its common shareholders.

Long term capital gains, qualified dividend income, and ordinary income, if any, will be allocated on a pro-rata basis to all distributions to preferred shareholders for the year. Based on the accounting records of the Fund currently available, the current distribution paid to preferred shareholders represents approximately 100% from net capital gains on a book basis. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2017 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2017 distributions in early 2018 via Form 1099-DIV.

Tax Treatment of Distributions to Common and Preferred Shareholders

All or part of the distribution may be treated as long-term capital gain or qualified dividend income (or a combination of both) for individuals, each subject to the maximum federal income tax rate, which is currently 20% in taxable accounts for individuals (or zero depending on an individual’s tax bracket). In addition, certain U.S. shareholders who are individuals, estates or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surcharge on their "net investment income", which includes dividends received from the Fund and capital gains from the sale or other disposition of shares of the Fund.

www.gabelli.com

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

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

e-delivery

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

THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Chief Executive Officer and Chairman of the Board of Directors of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School, and Honorary Doctorates from Fordham University and Roger Williams University.

Christopher J. Marangi joined Gabelli in 2003 as a research analyst. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA with honors from Columbia Business School.

Kevin V. Dreyer joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA from Columbia Business School.

Jeffrey J. Jonas, CFA, joined Gabelli in 2003 as a research analyst focusing on companies across the health care industry. In 2006 he began serving as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

We have separated the portfolio managers' 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 managers' commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

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

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

The NASDAQ symbol for the Net Asset Value per share is "XGGZX."

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

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THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST

One Corporate Center
Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)
f 914-921-5118
e info@gabelli.com
GABELLI.COM

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