

The Gabelli International Small Cap Fund

Annual Report — December 31, 2017



Caesar M. P. Bryan
Portfolio Manager

To Our Shareholders,

For the year ended December 31, 2017, the net asset value (“NAV”) per Class AAA Share of The Gabelli International Small Cap Fund increased 28.1% compared with an increase of 24.0% for the Morgan Stanley Capital International (“MSCI”) All Country (“AC”) World Index. Other classes of shares are available. See page 2 for performance information for all classes of shares.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2017.

Performance Discussion (Unaudited)

The Fund’s objective is to provide investors with appreciation of capital. Current income is a secondary objective of the Fund.

The Fund’s investment strategy is to invest primarily in a portfolio of common stocks of non-U.S. companies. Under normal market conditions, the Fund will invest at least 80% of its net assets in the stocks of “small cap companies.” Gabelli Funds, LLC, the Adviser currently characterizes small capitalization companies as those with total common stock market values of \$3 billion or less at the time of investment.

The Fund may invest in non-U.S. markets throughout the world, including emerging markets. Ordinarily, the Fund will invest in the securities of at least five countries outside the U.S.

In selecting investments, the Adviser seeks issuers with a dominant market share or niche franchise in growing and/or consolidating industries. The Adviser considers for purchase the stocks of small capitalization companies with experienced management, strong balance sheets, and rising free cash flow and earnings. The Adviser’s goal is to invest long term in the stocks of companies trading at reasonable market valuations relative to perceived economic worth.

For the first time on record, according to Bank of America Merrill Lynch (BAML), global equity markets rallied in all twelve months of 2017. Possibly the biggest surprise over recent months has been the improvement in the pace of economic growth in the eurozone. Eurozone growth was faster than the U.S. in 2017. Synchronized global growth is usually good for the Japanese economy as demand for exports accelerates. In November, Japanese industrial production grew 3.7% compared with a year ago. Unemployment is low and companies are starting to raise wages which should be positive for domestic consumption.

Selected holdings that contributed positively to performance in 2017 were: Keyence Corp. (4.1% of net assets as of December 31, 2017) had record sales, high profit metrics and a relative strong balance sheet; Christian Dior SE (3.9%) all business groups within Christian Dior recorded double digit organic growth; and SMC Corp. (3.4%) whose sales have more than doubled since 2009 with minimal debt on the company’s balance sheet.

Some of our weaker performing holdings during the year were: JINS Inc. (1.1%) which saw shortfall in its overseas operations largely from the U.S. and China; Norway Royal Salmon ASA (0.6%) where a rare fish disease ISA (Infectious Salmon Anaemia) caused a downward revision in the company’s harvest volumes;

and Schlumberger Ltd. (no longer held as of December 31, 2017) which declined on the ensuing restructuring of the dynamics in the energy markets, as well as the transition to natural gas and renewables and unconventional drilling methods have taken their toll on exploration and production.

Thank you for your investment in The Gabelli International Small Cap Fund.

We appreciate your confidence and trust.

Comparative Results

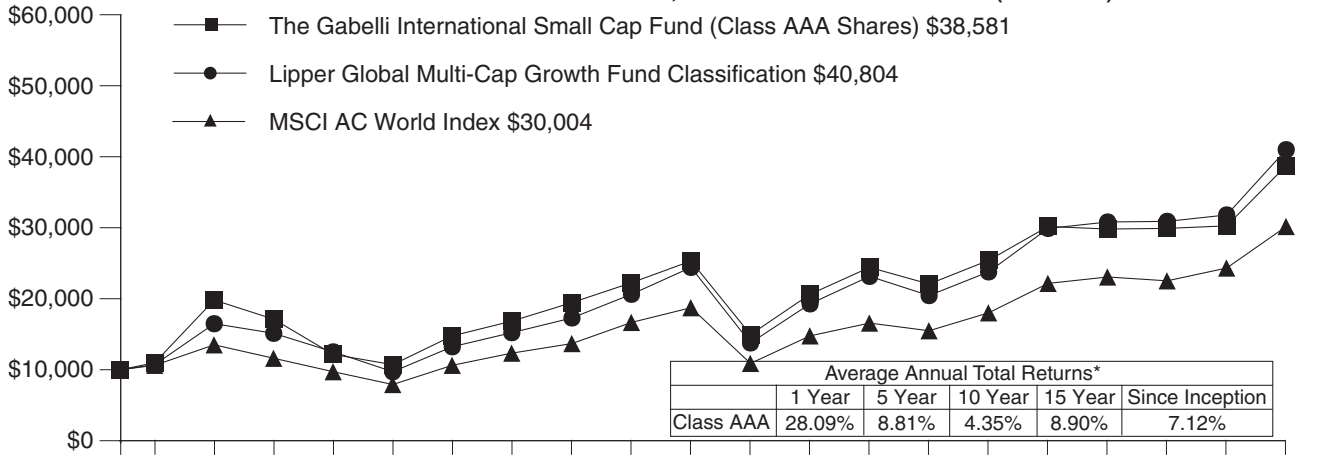
Average Annual Returns through December 31, 2017 (a) (Unaudited)

	1 Year	5 Year	10 Year	15 Year	Since Inception (5/11/98)
Class AAA (GABOX)	28.09%	8.81%	4.35%	8.90%	7.12%
MSCI EAFE Small Cap Index	33.01	12.25	5.77	12.24	8.89(b)
MSCI AC World Index	23.97	10.80	4.65	9.00	5.89(c)
Lipper Global Large-Cap Growth Fund Classification	28.42	11.18	5.40	9.65	6.21
Lipper Global Multi-Cap Growth Fund Classification	28.45	11.71	4.84	8.63	5.01
Class A (GOCAX)	27.74	8.74	4.31	8.88	7.10
With sales charge (d)	20.39	7.46	3.70	8.45	6.78
Class C (GGLCX)	26.79	8.03	3.58	8.24	6.65
With contingent deferred sales charge (e)	25.79	8.03	3.58	8.24	6.65
Class I (GLOIX)	29.02	9.42	4.78	9.20	7.34

In the current prospectuses dated April 28, 2017 as amended on September 6, 2017, the gross expense ratios for Class AAA, A, C, and I Shares are 2.80%, 2.80%, 3.55%, and 2.55%, respectively, and the net expense ratios for these share classes after contractual reimbursements by Gabelli Funds, LLC, (the "Adviser") are 1.00%, 2.01%, 2.76%, and 1.00%, respectively. See page 10 for the expense ratios for the year ended December 31, 2017. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% 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, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had the Adviser not reimbursed certain expenses of the Fund. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. Investing in foreign securities involves risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares, Class C Shares, and Class I Shares on March 12, 2000, November 23, 2001, and January 11, 2008, respectively. The actual performance of the Class A Shares and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The MSCI EAFE Small Cap Index has 2,304 constituents and captures small cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. The MSCI AC World Index is an unmanaged market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI AC World Index consists of 45 country indices comprising 24 developed and 21 emerging market country indices. The Lipper Global Large-Cap Growth Fund Classification and the Lipper Global Multi-Cap Growth Fund Classification reflect the average performance of mutual funds classified in those particular categories. Dividends are considered reinvested. You cannot invest directly in an index.
- (b) MSCI EAFE Small Cap Index performance as of inception of Index December 31, 1998.
- (c) MSCI AC World Index since inception performance is a blend of Gross Performance excluding applicable taxes and Net Performance. This benchmark's Net Performance began on December 29, 2000.
- (d) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.
- (e) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN
THE GABELLI INTERNATIONAL SMALL CAP FUND (CLASS AAA SHARES), LIPPER GLOBAL
MULTI-CAP GROWTH FUND CLASSIFICATION, AND 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.

The Gabelli International Small Cap Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2017 through December 31, 2017

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, 2017.

	Beginning Account Value 07/01/17	Ending Account Value 12/31/17	Annualized Expense Ratio	Expenses Paid During Period*
<i>The Gabelli International Small Cap Fund</i>				
Actual Fund Return				
Class AAA	\$1,000.00	\$1,116.00	1.35%	\$ 7.20
Class A	\$1,000.00	\$1,112.50	2.00%	\$10.65
Class C	\$1,000.00	\$1,108.70	2.75%	\$14.62
Class I	\$1,000.00	\$1,118.20	1.00%	\$ 5.34
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,018.40	1.35%	\$ 6.87
Class A	\$1,000.00	\$1,015.12	2.00%	\$10.16
Class C	\$1,000.00	\$1,011.34	2.75%	\$13.94
Class I	\$1,000.00	\$1,020.16	1.00%	\$ 5.09

* 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 (184 days), then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of December 31, 2017:

The Gabelli International Small Cap Fund

Consumer Discretionary	29.6%	Health Care	2.6%
Industrials	23.4%	Real Estate	1.2%
Consumer Staples	20.0%	Telecommunication Services	0.6%
Materials	10.9%	Other Assets and Liabilities (Net)	<u>(4.0)%</u>
Financials	8.7%		<u>100.0%</u>
Information Technology	7.0%		

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

Proxy Voting

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

The Gabelli International Small Cap Fund

Schedule of Investments — December 31, 2017

Shares	Cost	Market Value	Shares	Cost	Market Value
COMMON STOCKS — 103.0%			6,000		Workspace Group plc
CONSUMER DISCRETIONARY — 29.6%			4,000	\$	72,186 \$ 81,171
55,000	AA plc	\$ 117,992			Yushin Precision Equipment Co.
5,555	AcadeMedia AB†	39,150			Ltd.
3,000	Accell Group	83,317		109,039	114,134
3,000	Amer Sports Oyj	71,715		1,779,041	2,537,659
175,000	Banyan Tree Holdings Ltd.†	83,897	1,300	CONSUMER STAPLES — 20.0%	
1,150	Christian Dior SE	69,133	2,280	Danone SA	77,722 109,108
4,500	Compagnie Financiere Richemont SA	58,511	2,000	Dr Pepper Snapple Group Inc.	54,395 221,297
		407,769	15,000	Heineken Holding NV	93,486 197,951
40,000	Entertainment One Ltd.	159,066	1,300	Hotel Chocolat Group Ltd.	62,401 74,933
1,400	Evolution Gaming Group AB	89,207	1,300	Interparfums SA	52,337 53,891
250	Hermes International	84,929	2,700	Kameda Seika Co. Ltd.	112,789 123,887
30,000	HT&E Ltd.	55,068	3,000	Kato Sangyo Co. Ltd.	90,690 109,962
1,150	Hunter Douglas NV	94,649	1,200	Laurent-Perrier Group	113,180 119,951
2,200	JINS Inc.	125,148	2,000	Milbon Co. Ltd.	59,956 67,273
20,000	Ladbrokes Coral Group plc	31,326	1,300	Naturex†	138,918 138,152
808	Liberty TripAdvisor Holdings Inc., Cl. A†	7,641	4,000	Norway Royal Salmon ASA	86,224 65,525
		7,615	1,910	Pernod Ricard SA	147,275 302,391
20,000	Luk Fook Holdings International Ltd.	73,164	80,000	Premier Foods plc†	43,658 46,175
		85,884	17,000	PZ Cussons plc	73,179 74,251
7,500	Manchester United plc, Cl. A	133,996	4,500	Refresco Group NV	92,744 106,906
25,000	Mandarin Oriental International Ltd. .	61,939	4,000	Sakata Seed Corp.	118,342 138,806
4,000	Modern Times Group MTG AB, Cl. B.	151,395	25,000	Stock Spirits Group plc	85,774 90,713
140,000	NagaCorp. Ltd.	91,176	1,000	Viscofan SA	59,782 66,004
7,000	Scandic Hotels Group AB	95,146	3,000	Wessanen	54,309 61,840
2,500	Sony Corp.	64,950		1,617,161	2,169,016
1,500	Ted Baker plc	51,319		MATERIALS — 10.9%	
1,500	Tod's SpA	95,471	19,850	Alamos Gold Inc., Cl. A	146,707 129,223
10,000	Treatt plc	57,375	25,000	AuRico Metals Inc.†	28,180 35,525
25,000	William Hill plc.	83,648	18,000	B2Gold Corp.†	51,262 55,800
13,000	Zojirushi Corp.	123,057	20,000	Centamin plc	41,669 42,746
		132,452	75	Conzeta AG	72,600 78,198
	TOTAL CONSUMER DISCRETIONARY	2,253,385	3,000	Detour Gold Corp.†	42,313 35,354
		3,207,239	3,000	Endeavour Mining Corp.†	60,421 61,050
			12,000	Hochschild Mining plc	46,101 42,773
	INDUSTRIALS — 23.4%		3,000	JSP Corp.	98,745 102,773
10,000	Aida Engineering Ltd.	116,191	3,000	Labrador Iron Ore Royalty Corp.	51,466 64,916
30,000	Chemring Group plc	73,508	4,000	MAG Silver Corp.†	51,468 49,440
2,000	Clarkson plc	78,000	30,000	Northern Dynasty Minerals Ltd.†	55,344 53,100
1,100	FANUC Corp.	120,160	15,000	OceanaGold Corp.	50,106 38,835
4,300	Jardine Matheson Holdings Ltd.	137,142	4,000	Osisko Gold Royalties Ltd.	57,390 46,240
3,600	Komatsu Ltd.	76,536	10,000	Sekisui Plastics Co. Ltd.	117,335 131,795
4,000	Loomis AB, Cl. B.	148,615	20,000	SEMAFO Inc.†	55,436 56,400
600	Nidec Corp.	55,269	5,000	T Hasegawa Co Ltd.	97,468 104,282
2,500	Nifisk Holding A/S†	117,766	2,000	Torex Gold Resources Inc.†	35,750 18,982
20,000	Rotork plc	68,942	25,000	Westgold Resources Ltd.†	38,443 34,526
2,000	Shima Seiki Manufacturing Ltd.	101,334		1,198,204	1,181,958
900	SMC Corp.	111,781		FINANCIALS — 8.7%	
10,000	Sodick Co. Ltd.	123,377		Brewin Dolphin Holdings plc	141,892 157,967
17,000	Talgo SA	79,799	30,000	GAM Holding AG	154,701 161,630
5,000	Teraoka Seisakusho Co. Ltd.	36,335	10,000	Kinnevik AB, Cl. B.	92,113 135,217
18,000	Toshiba Machine Co. Ltd.	96,626	4,000		
500	Warehouses De Pauw CVA	56,435			

See accompanying notes to financial statements.

The Gabelli International Small Cap Fund

Schedule of Investments (Continued) — December 31, 2017

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)				RIGHTS — 0.0%		
	FINANCIALS (Continued)				Financials — 0.0%		
17,000	Polar Capital Holdings plc	\$ 103,340	\$ 124,575	1,538	Xafinity plc, expire 01/04/18†	\$ 0	\$ 447
3,000	Rothschild & Co.	107,282	109,912				
3,600	Schroders plc.	63,614	170,896				
5,000	Tamburi Investment Partners SpA ...	32,853	33,326				
20,000	Xafinity plc	46,034	51,711				
	TOTAL FINANCIALS	<u>741,829</u>	<u>945,234</u>		TOTAL INVESTMENTS — 104.0%	<u>\$ 8,456,463</u>	<u>11,262,963</u>
	INFORMATION TECHNOLOGY — 7.0%				Other Assets and Liabilities (Net) — (4.0)%		<u>(434,705)</u>
24,285	Equiniti Group plc.	90,810	93,545		NET ASSETS — 100.0%		<u>\$10,828,258</u>
800	Keyence Corp.	74,627	448,156				
6,000	NetEnt AB	54,844	41,326				
12,000	SafeCharge International Group Ltd. .	47,694	47,957				
6,000	Topcon Corp.	108,068	129,772				
	TOTAL INFORMATION TECHNOLOGY	<u>376,043</u>	<u>760,756</u>				
	HEALTH CARE — 1.6%						
3,000	AddLife AB	60,059	62,354				
1,000	DBV Technologies SA†	90,328	50,268				
25,000	Nanosonics Ltd.†	53,385	54,032				
	TOTAL HEALTH CARE	<u>203,772</u>	<u>166,654</u>				
	REAL ESTATE — 1.2%						
25,000	Impact Healthcare Reit plc	34,145	34,555				
4,000	PATRIZIA Immobilien AG†	88,694	92,796				
	TOTAL REAL ESTATE	<u>122,839</u>	<u>127,351</u>				
	TELECOMMUNICATION SERVICES — 0.6%						
15,000	Sistema PJSC FC, GDR	56,644	62,550				
	TOTAL COMMON STOCKS	<u>8,348,918</u>	<u>11,158,417</u>				
	PREFERRED STOCKS — 1.0%						
	Health Care — 1.0%						
1,200	Draegerwerk AG & Co. KGaA, 0.190%	107,545	104,099				

† Non-income producing security.
GDR Global Depositary Receipt

	% of Market Value	Market Value
Geographic Diversification		
Europe	53.5%	\$ 6,020,153
Japan	28.7	3,232,210
Latin America	7.2	815,589
Canada	6.8	759,606
United States.	2.0	228,912
Asia/Pacific.	1.8	206,493
	<u>100.0%</u>	<u>\$11,262,963</u>

See accompanying notes to financial statements.

The Gabelli International Small Cap Fund

Statement of Assets and Liabilities December 31, 2017

Assets:	
Investments, at value (cost \$8,456,463)	\$11,262,963
Cash	181
Receivable for Fund shares sold	27,120
Receivable from Adviser	59,157
Dividends receivable	32,960
Prepaid expenses	15,838
Total Assets	<u>11,398,219</u>
Liabilities:	
Payable for investment advisory fees	18,196
Payable for distribution fees	1,944
Line of credit payable	482,000
Other accrued expenses	67,821
Total Liabilities	<u>569,961</u>
Net Assets (applicable to 581,634 shares outstanding)	<u>\$10,828,258</u>
Net Assets Consist of:	
Paid-in capital	\$ 8,036,988
Accumulated distributions in excess of net investment income	(15,488)
Net unrealized appreciation on investments	2,806,500
Net unrealized appreciation on foreign currency translations	258
Net Assets	<u>\$10,828,258</u>

Shares of Capital Stock, each at \$0.001 par value:

Class AAA:

Net Asset Value, offering, and redemption price per share (\$8,599,208 ÷ 463,445 shares outstanding; 75,000,000 shares authorized)	<u>\$18.55</u>
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Class A:

Net Asset Value and redemption price per share (\$154,638 ÷ 8,386 shares outstanding; 50,000,000 shares authorized)	<u>\$18.44</u>
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Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	<u>\$19.56</u>
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Class C:

Net Asset Value and offering price per share (\$43,619 ÷ 2,527 shares outstanding; 25,000,000 shares authorized)	<u>\$17.26(a)</u>
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Class I:

Net Asset Value, offering, and redemption price per share (\$2,030,793 ÷ 107,276 shares outstanding; 25,000,000 shares authorized)	<u>\$18.93</u>
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(a) Redemption price varies based on the length of time held.

Statement of Operations For the Year Ended December 31, 2017

Investment Income:	
Dividends (net of foreign withholding taxes of \$12,957)	\$ 184,784
Interest	1,819
Other Income*	15
Total Investment Income	<u>186,618</u>
Expenses:	
Investment advisory fees	102,321
Distribution fees - Class AAA	20,461
Distribution fees - Class A	461
Distribution fees - Class C	419
Legal and audit fees	58,183
Registration expenses	29,876
Shareholder communications expenses	27,176
Shareholder services fees	21,850
Custodian fees	6,543
Directors' fees	3,031
Interest expense	173
Miscellaneous expenses	33,371
Total Expenses	<u>303,865</u>
Less:	
Expenses reimbursed by Adviser (See Note 3) ..	<u>(144,403)</u>
Net Expenses	<u>159,462</u>
Net Investment Income	<u>27,156</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:	
Net realized gain on investments	3,941,541
Net realized gain on foreign currency transactions	<u>322</u>
Net realized gain on investments and foreign currency transactions	<u>3,941,863</u>
Net change in unrealized appreciation/(depreciation) on investments	(1,455,377)
Net change in unrealized appreciation/(depreciation) on foreign currency translations	<u>1,545</u>
Net change in unrealized appreciation/(depreciation) on investments and foreign currency translations	<u>(1,453,832)</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>2,488,031</u>
Net Increase in Net Assets Resulting from Operations	<u>\$ 2,515,187</u>

* The Fund received a reimbursement of custody expenses paid in prior years.

See accompanying notes to financial statements.

The Gabelli International Small Cap Fund

Statement of Changes in Net Assets

	<u>Year Ended</u> <u>December 31, 2017</u>	<u>Year Ended</u> <u>December 31, 2016</u>
Operations:		
Net investment income	\$ 27,156	\$ 113,553
Net realized gain on investments and foreign currency transactions	3,941,863	371,859
Net change in unrealized depreciation on investments and foreign currency translations	<u>(1,453,832)</u>	<u>(384,821)</u>
Net Increase in Net Assets Resulting from Operations	<u>2,515,187</u>	<u>100,591</u>
Distributions to Shareholders:		
Net investment income		
Class AAA	(42,189)	(93,645)
Class A	(388)	(1,905)
Class C	—	(440)
Class I	<u>(21,566)</u>	<u>(19,219)</u>
	<u>(64,143)</u>	<u>(115,209)</u>
Net realized gain		
Class AAA	(3,138,343)	(333,251)
Class A	(61,407)	(7,242)
Class C	(15,963)	(1,741)
Class I	<u>(701,317)</u>	<u>(52,445)</u>
	<u>(3,917,030)</u>	<u>(394,679)</u>
Total Distributions to Shareholders	<u>(3,981,173)</u>	<u>(509,888)</u>
Capital Share Transactions:		
Class AAA	2,003,345	(485,664)
Class A	6,401	(9,618)
Class C	10,561	(9,886)
Class I	<u>1,059,355</u>	<u>47,799</u>
Net Increase/(Decrease) in Net Assets from Capital Share Transactions	<u>3,079,662</u>	<u>(457,369)</u>
Redemption Fees	—	1
Net Increase/(Decrease) in Net Assets	1,613,676	(866,665)
Net Assets:		
Beginning of year	<u>9,214,582</u>	<u>10,081,247</u>
End of year (including undistributed net investment income of \$0 and \$0, respectively)	<u>\$10,828,258</u>	<u>\$ 9,214,582</u>

See accompanying notes to financial statements.

The Gabelli International Small Cap Fund

Financial Highlights

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

Year Ended December 31	from Investment Operations				Distributions				Ratios to Average Net Assets/ Supplemental Data					
	Net Asset Value Beginning of Year	Net Investment Income (Loss)(a)	Realized and Unrealized Gain(Loss) on Investments	Total from Investment Operations	Net Realized Gain	Total Distributions	Redemption Fees(a)(b)	Net Asset Value End of Year	Total Return†	Net Assets End of Year (in 000's)	Net Investment Income (Loss)	Operating Expenses Before Reimburse- ment	Operating Expenses Net of Reimburse- ment(c)	Portfolio Turnover Rate
Class AAA														
2017	\$22.41	\$ 0.04	\$ 6.19	\$ 6.23	\$(9.96)	\$(10.09)	—	\$ 18.55	28.1%	\$ 8,599	0.16%	3.01%	1.67%	71%
2016	23.45	0.27	(0.02)	0.25	(1.01)	(1.29)	\$0.00	22.41	1.1	7,764	1.14	2.80	1.38(d)(e)	4
2015	23.71	0.01	0.05	0.06	(0.21)	(0.32)	0.00	23.45	0.2	8,596	0.03	2.67	2.02(d)(f)	7
2014	23.99	0.08	(0.36)	(0.28)	—	—	—	23.71	(1.2)	10,226	0.33	2.72	2.00	9
2013	20.11	0.02	3.80	3.82	—	(0.02)	—	23.99	18.9	11,121	0.10	2.74	2.00	5
Class A														
2017	\$22.33	\$(0.05)	\$ 6.18	\$ 6.13	\$(9.96)	\$(10.02)	—	\$ 18.44	27.7%	\$ 155	(0.19)%	3.01%	2.00%	71%
2016	23.35	0.27	(0.01)	0.26	(1.01)	(1.28)	\$0.00	22.33	1.1	166	1.14	2.80	1.39(d)(e)	4
2015	23.61	0.02	0.03	0.05	(0.21)	(0.31)	0.00	23.35	0.1	183	0.08	2.67	2.02(d)(f)	7
2014	23.90	0.08	(0.37)	(0.29)	—	—	—	23.61	(1.2)	220	0.35	2.72	2.00	9
2013	20.11	0.03	3.78	3.81	—	(0.02)	—	23.90	19.0	238	0.13	2.74	2.00	5
Class C														
2017	\$21.52	\$(0.23)	\$ 5.93	\$ 5.70	\$(9.96)	\$(9.96)	—	\$ 17.26	26.8%	\$ 43	(0.92)%	3.76%	2.75%	71%
2016	22.60	0.20	(0.01)	0.19	(1.01)	(1.27)	\$0.00	21.52	0.9	39	0.87	3.55	1.66(d)(e)	4
2015	22.94	(0.17)	0.04	(0.13)	(0.21)	(0.21)	0.00	22.60	0.6	51	(0.75)	3.42	2.77(d)(f)	7
2014	23.40	(0.04)	(0.42)	(0.46)	—	—	—	22.94	(2.0)	31	(0.17)	3.46	2.75	9
2013	19.82	(0.14)	3.72	3.58	—	—	—	23.40	18.1	19	(0.65)	3.49	2.75	5
Class I														
2017	\$22.68	\$ 0.21	\$ 6.31	\$ 6.52	\$(9.96)	\$(10.27)	—	\$ 18.93	29.0%	\$ 2,031	0.82%	2.76%	1.00%	71%
2016	23.71	0.36	(0.01)	0.35	(1.01)	(1.38)	\$0.00	22.68	1.5	1,246	1.50	2.55	1.01(d)(e)	4
2015	23.87	0.21	0.08	0.29	(0.21)	(0.45)	0.00	23.71	1.2	1,251	0.88	2.42	1.02(d)(f)	7
2014	24.04	0.21	(0.38)	(0.17)	—	—	—	23.87	(0.7)	668	0.86	2.46	1.48	9
2013	20.23	0.08	3.81	3.89	—	(0.08)	—	24.04	19.2	641	0.35	2.49	1.75	5

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

- (a) Per share amounts have been calculated using the average shares outstanding method.
(b) Amount represents less than \$0.005 per share.
(c) The Fund incurred interest expense for the years ended December 31, 2016 and 2015. If tax expense had not been incurred, the ratios of operating expenses to average net assets would have been 1.37% and 2.00% (Class AAA), and 1.38% and 2.00% (Class A), 1.65% and 2.75% (Class C), and 1.00% and 1.00% (Class I), respectively.
(d) The Fund incurred tax expense for the years ended December 31, 2016, 2015, 2014, and 2013 and the effect of interest expense was minimal.
(e) During the year ended December 31, 2016, the Fund received reimbursements of custody expenses paid in prior years. Had such reimbursement (allocated by relative net asset values of the Fund's share classes) been included in this period, the expense ratios would have been 1.17% (Class AAA), 1.18% (Class A), 1.45% (Class C), and 0.80% (Class I).
(f) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the year ended December 31, 2015, had such payments not been made, the expense ratios would have been 2.03% (Class AAA and Class A), 2.78% (Class C), and 1.03% (Class I).

See accompanying notes to financial statements.

The Gabelli International Small Cap Fund

Notes to Financial Statements

1. Organization. Effective September 5, 2017, The GAMCO Global Opportunities Fund changed its name to The Gabelli International Small Cap Fund with a corresponding change in the name of each of its Classes of Shares. The Fund, a series of GAMCO Global Series Funds, Inc. (the “Corporation”), was incorporated on July 16, 1993 in Maryland. 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. As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (“GAAP”) that may require the use of management estimates and assumptions in the preparation of its financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations 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. Such debt obligations are valued through prices provided by a Pricing Service approved by the Board. Certain securities are valued principally using dealer quotations.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt 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 Fund employs a fair value model to adjust prices to reflect events affecting the values of certain portfolio securities which occur between the close of trading on the principal market for such securities (foreign exchanges

The Gabelli International Small Cap Fund Notes to Financial Statements (Continued)

and over-the-counter markets) at the time when net asset values of the Fund are determined. If the Fund's valuation committee believes that a particular event would materially affect net asset value, further adjustment is considered.

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 Board's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. If fair value is adjusted from the local close, such securities are classified as Level 2 in the fair value hierarchy presented below. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of December 31, 2017 is as follows:

	Valuation Inputs		Total Market Value at 12/31/17
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Common Stocks (a)	\$11,158,417	—	\$11,158,417
Preferred Stocks (a)	104,099	—	104,099
Rights (a)	—	\$447	447
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$11,262,516	\$447	\$11,262,963

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

The Fund did not have transfers between Level 1 and Level 2 during the year ended December 31, 2017. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

There were no Level 3 investments held at December 31, 2017 or December 31, 2016.

Additional Information to Evaluate Qualitative Information.

General. The Fund uses recognized industry pricing services – approved by the Board and unaffiliated with the Adviser – to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

The Gabelli International Small Cap Fund

Notes to Financial Statements (Continued)

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These may include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

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

Foreign Securities. The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the 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 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 an 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 from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

The Gabelli International Small Cap Fund

Notes to Financial Statements (Continued)

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.

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 GAAP. 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 the sale of passive foreign investment companies and recharacterization of foreign currency. These reclassifications have no impact on the NAV of the Fund. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2017, reclassifications were made to decrease accumulated distributions in excess of net investment income by \$24,833 and decrease accumulated net realized gain on investments and foreign currency transactions by \$24,833.

The tax character of distributions paid during the years ended December 31, 2017 and 2016 was as follows:

	<u>Year Ended</u> <u>December 31, 2017</u>	<u>Year Ended</u> <u>December 31, 2016</u>
Distributions paid from:		
Ordinary income	\$ 64,666	\$115,209
Net long-term capital gains	<u>3,916,507</u>	<u>394,679</u>
Total distributions paid	<u>\$3,981,173</u>	<u>\$509,888</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.

As of December 31, 2017, the components of accumulated earnings/losses on a tax basis were as follows:

Undistributed ordinary income	\$ 7,110
Net unrealized appreciation on investments and foreign currency translations	<u>2,784,160</u>
Total	<u>\$2,791,270</u>

At December 31, 2017, the differences between book basis and tax basis unrealized appreciation were primarily due to mark-to-market adjustments on investments in passive foreign investment companies.

The Gabelli International Small Cap Fund

Notes to Financial Statements (Continued)

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2017:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$8,479,061	\$3,117,119	\$(333,217)	\$2,783,902

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 not to meet the more-likely-than-not threshold. As of December 31, 2017, 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. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's 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 costs, acquired fund fees and expenses, interest, taxes, and extraordinary expenses) until at least April 30, 2019, at no more than 2.00%, 2.00%, 2.75%, and 1.00% of the value of the Fund's average daily net assets for Class AAA, Class A, Class C, and Class I, respectively. The agreement is renewable annually. Effective September 5, 2017, the Adviser modified this agreement with respect to Class AAA Shares to waive its advisory fee and/or reimburse expenses in excess of 1% (with the same foregoing exclusions) of the value of the average Class AAA daily net assets. This arrangement is in effect through April 30, 2019. For the year ended December 31, 2017, the Adviser reimbursed the Fund in the amount of \$144,403. 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 effect to the repayment, such adjusted annualized total operating expenses of the Fund would not exceed the foregoing respective percentage limitations, as amended, after giving effect to the recovery by the Adviser. At December 31, 2017, the cumulative amount which the Fund may repay the Adviser, subject to the terms above, is \$282,280.

For the year ended December 31, 2016, expiring December 31, 2018	\$137,877
For the year ended December 31, 2017, expiring December 31, 2019	<u>144,403</u>
	<u>\$282,280</u>

The Corporation pays each Director who is not considered to be an affiliated person an annual retainer of \$6,000 plus \$1,000 for each Board meeting attended, and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended. The Chairman of the Audit Committee receives an annual fee of \$3,000 and the Lead Director receives an annual fee of \$2,000. A Director may receive a single meeting fee, allocated among the participating funds, for attending

The Gabelli International Small Cap Fund

Notes to Financial Statements (Continued)

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.

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. Under the Class AAA, Class A, and Class C Share Plans, payments are authorized to G.distributors, LLC (the "Distributor"), an affiliate of the Adviser, at annual rates of 0.25%, 0.25%, 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 during the year ended December 31, 2017, other than short term securities and U.S. Government obligations, aggregated \$7,125,699 and \$7,511,191, respectively.

6. Transactions with Affiliates and Other Arrangements. During the year ended December 31, 2017, the Fund paid \$306 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally, the Distributor retained a total of \$88 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. The Adviser did not seek a reimbursement during the year ended December 31, 2017.

7. Line of Credit. The Fund participates in an unsecured line of credit which expires on March 8, 2018 and may be renewed annually, 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 a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30-day LIBOR plus 125 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the Statement of Operations. At December 31, 2017, the amount of \$482,000 borrowings was outstanding under the line of credit.

The average daily amount of borrowings outstanding under the line of credit during the year ended December 31, 2017 was \$5,301 with a weighted average interest rate of 2.85%. The maximum amount borrowed at any time during the year ended December 31, 2017 was \$489,000.

8. Capital Stock. The Fund offers four classes of shares – Class AAA Shares, Class A Shares, Class C Shares, and Class I Shares. Class AAA and Class I Shares are offered without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%, and Class C Shares are subject to a 1.00% contingent deferred sales charge for one year after purchase.

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 as an increase in paid-in capital. The redemption fees retained by the Fund during the years ended December 31, 2017 and 2016, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

The Gabelli International Small Cap Fund

Notes to Financial Statements (Continued)

Transactions in shares of capital stock were as follows:

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	44,474	\$ 1,136,137	7,369	\$ 174,340
Shares issued upon reinvestment of distributions	169,887	3,132,713	18,818	420,567
Shares redeemed	(97,413)	(2,265,505)	(46,341)	(1,080,571)
Net increase/(decrease)	<u>116,948</u>	<u>\$ 2,003,345</u>	<u>(20,154)</u>	<u>\$ (485,664)</u>
Class A				
Shares sold	1,219	\$ 32,358	1,797	\$ 42,329
Shares issued upon reinvestment of distributions	3,371	61,795	411	9,147
Shares redeemed	(3,648)	(87,752)	(2,601)	(61,094)
Net increase/(decrease)	<u>942</u>	<u>\$ 6,401</u>	<u>(393)</u>	<u>\$ (9,618)</u>
Class C				
Shares sold	—	\$ —	40	\$ 900
Shares issued upon reinvestment of distributions	925	15,865	101	2,169
Shares redeemed	(217)	(5,304)	(575)	(12,955)
Net increase/(decrease)	<u>708</u>	<u>\$ 10,561</u>	<u>(434)</u>	<u>\$ (9,886)</u>
Class I				
Shares sold	19,808	\$ 470,240	1,133	\$ 26,926
Shares issued upon reinvestment of distributions	38,129	717,200	3,152	71,307
Shares redeemed	(5,575)	(128,085)	(2,115)	(50,434)
Net increase	<u>52,362</u>	<u>\$ 1,059,355</u>	<u>2,170</u>	<u>\$ 47,799</u>

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. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

10. Subsequent Events. Management has evaluated the impact on the Fund of all other subsequent events occurring through 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 Gabelli International Small Cap Fund

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
The Gabelli International Small Cap Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of The Gabelli International Small Cap Fund (the "Fund") (one of the funds constituting GAMCO Global Series Funds, Inc. (the "Corporation")), including the schedule of investments, as of December 31, 2017, 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, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting GAMCO Global Series Funds, Inc.) at December 31, 2017, 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 its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. 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, whether due to error or fraud. The Corporation is not required to have, nor were we engaged to perform, an audit of the Corporation's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more Gabelli/GAMCO Funds investment companies since 1992.

Philadelphia, Pennsylvania
February 28, 2018

The Gabelli International Small Cap Fund

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

During the six months ended December 31, 2017, 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 manager, 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 manager.

Investment Performance. The Independent Board Members reviewed the short, medium, and long term performance of the Fund (as of September 30, 2017) against a peer group of eight other comparable funds prepared by the Adviser (the “Adviser Peer Group”), and against a peer group prepared by Broadridge (the “Broadridge Performance Peer Group”) consisting of all retail and institutional international small/mid cap core funds, regardless of asset size or primary channel of distribution, as represented by the Lipper International Small/Mid Cap Core Index. The Independent Board Members noted that the Fund’s performance was in the third quartile for the one, three, and five year periods, and the fourth quartile for the ten year period, as measured against the Adviser Peer Group. Against the Broadridge Performance Peer Group, the Independent Board Members noted that the Fund’s performance was in the fifth (lowest) quintile for the one year period, the fourth quintile for the three year period, the third quintile for the five year period, and the second quintile for the ten year period.

Profitability. The Independent Board Members reviewed summary data regarding the profitability of the Fund to the Adviser both with a pro rata administrative overhead charge and with a stand alone administrative charge. The Independent Board Members also noted that a portion of the Fund’s portfolio transactions were executed by an affiliated broker of the Adviser and that another 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, the relationship of those elements to potential economies of scale and reviewed data provided by the Adviser.

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 Adviser Peer Group and a peer group of eight other international small/mid cap core funds selected by Broadridge (the “Broadridge Expense Peer Group”), 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 total expense ratio after waivers was average compared to the Adviser Peer Group, but that it was higher than most of the funds included in the Broadridge Expense Peer Group. The Independent Board Members discussed how the Fund’s size was significantly lower than average within both peer groups

The Gabelli International Small Cap Fund

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

and that the Adviser had been waiving substantial portions of its fees in order to make the Fund a more attractive investment, and noted the Adviser's recent determination to waive fees even further. The Independent Board Members also noted that the advisory fee structure was the same as that in effect for most of the Gabelli funds. The Independent Board Members were presented with, but did not consider to be material to their decision, various information comparing the advisory fee to the fee for other types of accounts managed by the Adviser.

Conclusions. The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services, good ancillary services, and an acceptable performance record. The Independent Board Members also concluded that the Fund's expense ratios were reasonable, particularly in light of the Adviser's commitment to making the Fund more attractive through further expense waivers, 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.

Based on a consideration of all these factors in their totality, the Board Members, including all of the Independent Board Members, determined that each Fund's advisory fee was fair and reasonable with respect to the quality of services provided and in light of the other factors described above that the Board deemed relevant. Accordingly, the Board Members determined to approve the continuation of each Fund's Advisory Agreement. The Board Members based their decision on evaluations of all these factors as a whole and did not consider any one factor as all-important or controlling.

The Gabelli International Small Cap Fund Additional Fund Information (Unaudited)

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

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Number of Funds in Fund Complex Overseen by Director</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Director³</u>
INTERESTED DIRECTORS⁴:				
Mario J. Gabelli, CFA Director and Chief Investment Officer Age: 75	Since 1993	32	Chairman, Chief Executive Officer, and Chief Investment Officer— Value Portfolios 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 within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICOT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)
John D. Gabelli Director Age: 73	Since 1993	10	Senior Vice President of G.research, LLC	—
INDEPENDENT DIRECTORS⁵:				
E. Val Cerutti Director Age: 78	Since 2001	7	Chief Executive Officer of Cerutti Consultants, Inc.	Director of The LGL Group, Inc. (diversified manufacturing) (1990-2009)
Anthony J. Colavita Director Age: 82	Since 1993	28	President of the law firm of Anthony J. Colavita, P.C.	—
Arthur V. Ferrara Director Age: 87	Since 2001	8	Former Chairman of the Board and Chief Executive Officer of The Guardian Life Insurance Company of America (1993-1995)	—
Werner J. Roeder Director Age: 77	Since 1993	23	Retired physician; Former Vice President of Medical Affairs (Medical Director) of New York Presbyterian/Lawrence Hospital (1999-2014)	—
Anthonie C. van Ekris Director Age: 83	Since 1993	22	Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/export company)	—
Salvatore J. Zizza Director Age: 72	Since 2004	30	President of Zizza & Associates Corp. (private holding company); Chairman of Harbor Diversified, Inc. (pharmaceuticals); Chairman of BAM (semiconductor and aerospace manufacturing); Chairman of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)	Director and Vice Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals)

The Gabelli International Small Cap Fund Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert President Age: 66	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008
John C. Ball Treasurer Age: 41	Since 2017	Treasurer of all the registered investment companies within the Gabelli/GAMCO Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Vice President of State Street Corporation, 2007-2014
Agnes Mullady Vice President Age: 59	Since 2006	Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2006; President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since 2016
Andrea R. Mango Secretary Age: 45	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of all registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of all closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013
Richard J. Walz Chief Compliance Officer Age: 58	Since 2013	Chief Compliance Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013

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

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

³ 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.

⁴ "Interested person" of the Corporation as defined in the 1940 Act. Messrs. Mario J. Gabelli and John D. Gabelli, who are brothers, are each considered an "interested person" because of their affiliation with Gabelli Funds, LLC which acts as the Corporation's investment adviser.

⁵ Directors who are not interested persons are considered "Independent" Directors.

THE GABELLI INTERNATIONAL SMALL CAP FUND
One Corporate Center
Rye, NY 10580-1422

Portfolio Manager Biography

Caesar M. P. Bryan joined GAMCO Asset Management in 1994. He is a member of the global investment team of Gabelli Funds, LLC and portfolio manager of several funds within the Gabelli/GAMCO Fund Complex. Prior to joining Gabelli, Mr. Bryan was a portfolio manager at Lexington Management. He began his investment career at Samuel Montagu Company, the London based merchant bank. Mr. Bryan graduated from the University of Southampton in England with a Bachelor of Law and is a member of the English Bar.

2017 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended December 31, 2017, the Fund paid to shareholders ordinary income distributions (comprised of net investment income) totaling \$0.135, \$0.064, \$0.001, and \$0.308 per share for Class AAA, Class A, Class C, and Class I Shares, respectively, and long term capital gains totaling \$3,916,507. For the year ended December 31, 2017, 72.93% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 0.75% of the ordinary income distribution as qualified interest income pursuant to the Tax Relief, Unemployment Reauthorization, and Job Creation Act of 2010. Also for the year 2017, the Fund passed through foreign tax credits of \$0.028, \$0.028, \$0.028, and \$0.028 per share to Class AAA, Class A, Class C, and Class I Shares, respectively.

U.S. Government Income:

The percentage of the ordinary income distribution paid by the Fund during the year ended December 31, 2017 which was derived from U.S. Treasury securities was 0.33%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2017. The percentage of U.S. Government securities held as of December 31, 2017 was 0.00%. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

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

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

GAMCO Global Series Funds, Inc.

THE GABELLI INTERNATIONAL SMALL CAP FUND

One Corporate Center
Rye, New York 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e info@gabelli.com

GABELLI.com

Net Asset Value per share available daily
by calling 800-GABELLI after 7:00 P.M.

BOARD OF DIRECTORS

Mario J. Gabelli, CFA
Chairman and
Chief Executive Officer,
GAMCO Investors, Inc.
Executive Chairman,
Associated Capital Group, Inc.

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

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

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

John D. Gabelli
Senior Vice President,
G.research, LLC

Werner J. Roeder
Former Medical Director,
Lawrence Hospital

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

Salvatore J. Zizza
Chairman,
Zizza & Associates Corp.

OFFICERS

Bruce N. Alpert
President

John C. Ball
Treasurer

Agnes Mullady
Vice President

Andrea R. Mango
Secretary

Richard J. Walz
Chief Compliance Officer

DISTRIBUTOR

G.distributors, LLC

CUSTODIAN

State Street Bank and Trust
Company

**TRANSFER AGENT AND
DIVIDEND DISBURSING AGENT**

DST Asset Manager
Solutions, Inc.

LEGAL COUNSEL

Skadden, Arps, Slate, Meagher &
Flom LLP

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



GABELLI
FUNDS

THE GABELLI INTERNATIONAL SMALL CAP FUND

*Annual Report
December 31, 2017*

