

The Gabelli Multimedia Trust Inc.

Shareholder Commentary – December 31, 2018

(Y)our Portfolio Management Team



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To Our Shareholders,

For the quarter ended December 31, 2018, the net asset value (“NAV”) total return of The Gabelli Multimedia Trust (the “Fund”) was (19.3)%, compared with a total return of (13.4)% for the Morgan Stanley Capital International (“MSCI”) World Index. The total return for the Fund’s publicly traded shares was (21.2)%. The Fund’s NAV per share was \$7.04, while the price of the publicly traded shares closed at \$7.06 on the New York Stock Exchange (“NYSE”).

Comparative Results

Average Annual Returns through December 31, 2018 (a)

	<u>Quarter</u>	<u>1 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>15 Year</u>	<u>Since Inception (11/15/94)</u>
Gabelli Multimedia Trust						
NAV Total Return (b)	(19.26)%	(16.54)%	2.24%	13.51%	5.55%	7.93%
Investment Total Return (c)	(21.20)	(14.93)	0.12	15.88	6.97	8.39
Standard & Poor’s 500 Index	(13.52)	(4.38)	8.49	13.12	7.77	9.44 (d)
MSCI World Index	(13.42)	(8.71)	4.56	9.67	6.16	6.63 (d)

(a) *Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund’s use of leverage may magnify the volatility of net asset value changes versus Funds that do not employ leverage. 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 Standard & Poor’s 500 and MSCI World Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the MSCI World Index. 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 adjustments for rights offerings and are net of expenses. Since inception return is based on an initial NAV of \$7.50.

(c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings. Since inception return is based on an initial offering price of \$7.50.

(d) From November 30, 1994, the date closest to the Fund’s inception for which data is available.

Premium / Discount Discussion

As a refresher for our shareholders, the price of a closed-end fund is determined in the open market by willing buyers and sellers. Shares of the Fund trade on the NYSE and may trade at a premium to (higher than) net asset value (the market value of the Fund's underlying portfolio and other assets less any liabilities) or a discount to (lower than) net asset value.

Ideally, the Fund's market price will generally track the NAV. However, the Fund's premium or discount to NAV may vary over time. Over the Fund's twenty-four year history, the range fluctuated from approximately a 15% premium in December 2013 to approximately a 31% discount in March 2009. On December 31, 2018, the market price of the Fund was at a 0.3% premium to its NAV. It is important to remember that "Mr. Market" is a pendulum that swings both ways, and a high premium for the Fund is not likely to be sustainable.

The Fund's investment goals are long term growth of capital, with income as a secondary objective. We believe that our stock selection process adds to the investment equation. We have a successful history of investment, providing shareholders average annual returns of 7.9% since inception.

Your portfolio management team follows the Wall Street adage "Eat Your Own Cooking" and owns approximately 7% of the Fund's common shares.

Commentary

For most of the last decade we have lived in what has often been termed a "Goldilocks economy." Much as the fair-haired, home-invading subject of the children's story found one bowl of porridge to be "just right," economic growth and inflation has been neither too hot nor too cold¹. During this time, coordinated action by the world's central banks kept interest rates near zero and the prices of nearly all asset classes high. The U.S. economy is in its 113th month of expansion, seven months short of the record. Until the fourth quarter stumble, U.S. equities were 119 months into the longest-ever bull market, led mostly by growth stocks riding a global wave of technological innovation and expanding prosperity. Except for growth scares in 2011, 2015, and perhaps one day in November 2016, market volatility has been low and its upward trajectory largely uninterrupted. There are signs, however, that the narrative may be changing, as a turn in the aging business cycle may be accompanied by a wholesale shift in socio-political regimes from globalism to nationalism and capital to labor. Populism is on the march around the world with long-term effects that are unclear, but unlikely to be positive for equities. As in the story, the bears will eventually return home; their timing and mood is uncertain, as is how much of this eventuality the market has already discounted. Against this backdrop we believe bottom-up, fundamental stock selection of the type we have practiced for over forty years remains more important than ever.

¹"Goldilocks and the Three Bears" is a hoary tale first recorded by poet Robert Southey in 1837. Market commentator use of the analogy dates to at least the late-1990s expansion.

The Political Economy of 2018

The most salient issue for the market is growth - with corporate tax cuts behind us and little slack left in the economy, real growth will almost certainly slow from the 3.4% posted in Q3 2018. That does not necessarily imply that a recession, defined as two consecutive quarters of contraction, is on the immediate horizon. How far above or below the approximately 2% real growth that population and productivity gains suggest is “just right” depends on many factors including what we have described variously as Three T’s: Trade, Treasuries, and Trump.

Trade

President Trump made “fair trade” the centerpiece of his election campaign and he has thus far made good on his promise to challenge the prevailing post-war “free trade” orthodoxy (however illusory that reality might have been). Hope for a trade deal with China rose when the administration renegotiated NAFTA, now called USMCA (the initials of its U.S., Mexican and Canadian signatories), the market understandably zags with each hint that a China deal could emerge since China accounts for nearly half of the \$600 billion U.S. trade deficit and remains our third largest export destination. The situation takes on even greater significance due to China’s role as an engine for global growth. China is slowing as it faces domestic structural imbalances. Pressure from President Trump exacerbates those issues, but a deal will not solve them nor heal the lasting damage done to the Sino-American symbiosis.

Treasuries

Also critical to the outlook for the economy and stocks are the level and trajectory of interest rates. Since the Federal Reserve began its taper four years ago in October 2014, the ten-year U.S. Treasury rate breached 3% this year for the first time since 2013, standing now just below that level. Higher interest rates have real world impacts – they make the purchases of new homes, cars, capital equipment, and companies more expensive to finance. All else equal, higher rates reduce the value of risk assets by making the alternative home for capital, “riskless” Treasuries, more attractive. The term structure of interest rates (aka, the yield curve) has also been ascribed predictive powers. Inverted curves – situations in which the two-year yield exceeds the ten-year yield – have predicted all nine recessions since 1955, albeit with two false positives and a wide variation in timing. The virtually flat yield curve today thus worries some observers.

Trump

While there has always been a healthy interplay between markets and political figures, President Trump’s Twitter habit, unpredictability, and the potential legal challenges to his presidency have made him more of a focus than past leaders. Among the concerns for the next two years is how a Democratic Congress with no interest in helping Trump get re-elected approves the USMCA, a debt ceiling extension and further fiscal stimulus, especially when the ask may be a tweak to the tax cuts. Interestingly, the War on Tech (i.e. privacy and anti-trust investigations of Facebook, Google, Amazon, and others) seems to be one of the few issues with bipartisan support and worth watching in 2019. Geopolitical disruption is not unique to the U.S.: if and how the

UK exits the European Union, the precarious positions of leaders in Germany, France, and Italy, not to mention the typical entanglements in the Middle East, also remain a focus.

Skeptics Could Be Wrong If Things Go Right

Not all news – whether real or fake – is bad, of course. In fact, many economic indicators are quite strong, with 3.7% unemployment the lowest since the tumult of 1969, record consumer net worth (\$109 trillion) and interest rates and inflation that, viewed over a longer time frame, remain quite tame. The Federal Reserve and the President are probably not past the point of no return and still have not lost policy control: President Trump, who possesses a keen sensitivity to the stock market, could resolve the trade war and the Fed could blink on 2019 rate hikes. That would leave reason to believe the expansion could continue and that the current state of the market is the pause, like the previous ones in this cycle, that refreshes.

Mr. Market

Causation, Correlation or Neither

The S&P 500 finished 2018 down 4.4% and the small capitalization Russell 2000 Index was down 11%, with each off 13.5% and 20.2% in the fourth quarter, respectively. The performance of the S&P 500, dominated by six technology stocks (Facebook, Amazon, Netflix, Google, Microsoft, and Apple – the “FANGMA”) that comprise 15% of its weight, masked the more significant declines posted by a broader group of stocks. Approximately two-thirds of stocks in the S&P 500 are negative this year with one-third down more than 20%. Even the vaunted FANGMA is now 25% off its highs, adding credence to the notion that the global growth trend may be broken. “Buy the Dip” has morphed to “Sell the Rip.”

Market declines of this magnitude could be expected to impart a negative wealth effect, i.e., consumers with slimmer brokerage statements feeling less inclined to make discretionary purchases, which could exacerbate an economic slowdown, but market declines are more often simply a precursor, not a trigger, of recessions. Since 1929, there have been sixteen bear markets with most, though not all, pacing a recession by approximately one year, with the recession-less crash of October 1987 a notable exception. It is also worth stating that the market does not equal the economy. Just as some have suggested Wall Street prospered without much of Main St. over the last decade, the reverse could conceivably prove true.

Valuation Today vs. Five Years Out

In any case, stocks are already pricing a slowdown and/or higher rates. A flat year-to-date equity market, compared with estimated EPS gains of 22% in 2018 and 8% in 2019, implies a contraction in forward multiples from 18x at the end of 2017 to roughly 15x today. That is at the low end of historical multiples during periods with inflation in the 0%-3% area. This suggests that the market as a whole does not appear expensive. We do not buy the “market,” but we are finding a lot of bargains in individual stocks recently.

Rx for Investors

What is an investor in a choppy environment, lacking a reliable crystal ball to do? Historically it has proven foolish to attempt to time the market, especially based on macroeconomic data. In 2009, for example, the market rallied 36% between its bottom in March and the June end to the recession. None of this is to suggest investors should ignore their positioning in an evolving environment.

Indeed, we believe we are poised to capitalize from change. Historically we have gravitated toward companies with characteristics such as pricing power, stable cash flows, solid managements and resilient balance sheets – factors which may not have been appreciated in a zero inflation, easy money world. Higher interest rates and greater market volatility substantially increase the cost of capital even for the large internet companies. Combined with a possible economic slowdown, this should flush excess capital from the system, eliminating many of the seemingly disruptive companies backed by venture capital and accommodative capital markets to the benefit of those with truly sound business models and actual cash flow rather than the promise of future cash flow. Finally, a change in market structure over the last decade, with an estimated 15% of U.S. equities managed passively, could accentuate any downside as withdrawals from ETFs retrace what was relentlessly bought on the way up. Our portfolio, which tends not to resemble what is represented in the popular ETFs, should be less susceptible to those forces, and the volatility a rush to the exit could cause would present buying opportunities for active managers who conduct old fashioned research to uncover value.

Focus on Multimedia

Among the reasons we find the industry we define as “multimedia” so ripe for investment are that the companies represented tend to be on the forefront of evolutions in consumer behavior and technology, changes in regulation and creative deal making. There was ample evidence of these value drivers in 2018.

Major secular trends including increased time spent with digital media (e.g. social media, video games), more consumers choosing smaller video packages over the traditional pay-TV bundle (sometimes called “cord-cutting” or “cord-shaving”), a preference for live entertainment and experiences, accelerating e-commerce and a move of everything to mobile platforms and the cloud continued throughout the year. These shifts are not only global, resulting in businesses with unprecedented scale, but are increasingly originating in developing markets like China and moving West. Partly in response to the breadth of certain entities and the rapid pace of change, regulatory risk – including increased antitrust scrutiny and costs for privacy compliance – is now elevated in the US, Europe and China. Apart from a cyclically driven slowdown, particularly in advertising, we see little reason for a change in trajectory in the near term.

In 2018, (y)our fund benefited primarily from robust deal activity, however. The two largest contributors to returns were the fund holdings of Twenty-First Century Fox (3.2%, +34%) and Sky Ltd. (1.0%, +14%). As discussed in prior letters, after a bidding war, Disney is purchasing the entertainment assets of Fox for ~\$38 per share, while Comcast purchased Fox’s interest along with the public float of Sky. The Disney deal should be complete by the middle of 2019, and will result in Fox holders receiving a combination of cash, stock in Disney, and stock in New Fox which will hold the company’s broadcast and cable news and sports assets.

Other announced takeovers in the fund were Tribune (1.0%, +10%), Pandora (0.4%, +68%) and Dell Technologies (0.6%, +47%). Madison Square Garden (2.3%, +27%) announced another round of financial engineering and plans to spin the NY Knicks and NY Rangers later this year. Other notable contributors were IAC/InterActiveCorp (0.9%, +50%) and Sony Corp. (3.8%, +8%).

Paradoxically, the largest detractor from returns was also the subject of M&A. Liberty Global (1.7%, -34%) agreed to sell its German and Eastern European cable assets to Vodafone for an attractive ~11x EBITDA. Despite this, the stock fell as there remain concerns about regulatory approval of the deal, Liberty's planned use of proceeds, deteriorating performance in Switzerland and exposure to Brexit in the company's largest remaining market, the UK. DISH Network (1.4%, -48%), which has accumulated the largest swath of unused spectrum in the U.S., was another "good idea at the time." Financial leverage, additional spectrum supply and a potentially dwindling number of partners for a spectrum build are challenges DISH will have to overcome in 2019. Facebook (2.9%, -26%) bore the brunt of increased regulatory scrutiny in 2018 with good reason, but usage trends and cash flow remain strong and the stock has rebounded so far in 2019. Finally, although the Fund has limited direct exposure to China, it is not immune with holdings in Wynn Resorts (1.5%, -41%), an owner of gaming properties in Macau, and in Naspers (2.3%, -28%), a South African company that is a major owner of Chinese internet giant Tencent. We continue to hold all of these names as in each case, we think the discount to our estimate of value has widened.

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 December 31, 2018.

Madison Square Garden Co. (MSG – \$267.70 – NYSE) is an integrated sports and entertainment company that owns the New York Knicks, the New York Rangers, the Radio City Christmas Spectacular, The Forum, and that iconic New York venue, Madison Square Garden. These evergreen content and venue assets benefit from sustainable barriers to entry and long term secular growth. MSG completed the separation of its associated regional sports networks in September 2015, leaving a reliable cash flow stream for MSG to reinvest and repurchase shares. The company announced that it would spin-off of its teams in the middle of 2019, which we think could further surface value, especially as MSG expands its venue portfolio.

Sony Corp. (SNE – \$48.28 – NYSE) is a diversified electronics and entertainment company based in Tokyo, Japan. The company manufactures image sensors, PlayStation videogame consoles, mobile devices, consumer electronics, and mirrorless and professional cameras. It also operates the Columbia film studio and Sony Music entertainment group and holds majority ownership of Sony Financial Services. We expect growth opportunity in the image sensor and game businesses, and operational improvements in consumer electronics and entertainment to generate EBITDA growth through 2020.

Tribune Media Co. (TRCO – \$45.38 – NYSE), operates local broadcast stations and cable network WGN America. The company's footprint of 42 stations in 33 U.S. markets reaches ~50 million or 44% of US households. TRCO's WGN America cable network is now in ~80 million homes. In 2014, the company spun out Tribune Publishing (now Tronc) to shareholders. The company owns a 31% stake in TV Food Network and is in the process of selling a portfolio of real estate assets. On December 3, 2018, Tribune announced the company had reached an agreement with Nexstar Media Group to be acquired for \$46.50 per share in cash. The deal values TRCO at 6.3x 2018/2019 average EBITDA after taking into account the value of the company's "hidden" assets.

Twenty-First Century Fox (FOX – \$48.12 – NASDAQ) is a diversified media company with operations in cable network television, television broadcasting, and filmed entertainment. We expect FOX to complete the transaction with Disney early in 2019. On November 19, 2018, Disney received an approval from Chinese regulators to acquire FOX's assets. Given ongoing trade tensions with the United States, some investors were concerned the deal could be held up for political reasons. With DOJ and European approval obtained, Brazil is left as the final jurisdiction remaining to make a decision. Even prior to obtaining Chinese approval, Disney felt confident the deal would close "meaningfully earlier" than the original target of June 2019. New Fox, the collection of assets not sold to Disney, will consist of: 1) Fox News, the most watched cable news channel in the US; 2) The Fox Broadcast Network, one of the Big Four broadcast networks with substantial portfolio of sports rights including the NFL and MLB; 3) FS1, the national sports network launched in 2013 to compete with ESPN; and 4) other cable networks, such as the Big Ten Network. The company will be highly reliant on news and sports programming which is watched live and not subject to the kind of ratings pressure seen in general entertainment networks. Given the "must carry" nature of both the Fox Broadcast Network and Fox News, we expect the company will be able to grow affiliate fees from distributors substantially faster than its peers.

Verizon Communications Inc. (VZ – \$56.22 – NYSE) is one of the world's leading telecommunications services companies. Its wholly-owned subsidiary, Verizon Wireless (VZW), is the largest mobile operator in the United States with 117 million retail customers. In October 2018, Verizon reported stronger than expected 3Q revenues and Adjusted EBITDA, driven by wireless outperformance. VZ reiterated most of its 2018 guidance components, while lowering CAPEX target range to \$16.6-\$17.0 billion from the prior expectation of lower end of the \$17.0-\$17.8 billion range. In early January 2019, Verizon preannounced stronger than expected postpaid net additions (1.2 million) and postpaid phone net additions (650K), driven by low churn. On October 1, 2018, Verizon launched the world's first commercial 5G service, although in a fixed-wireless setting. Verizon 5G Home is available in parts of Houston, Indianapolis, Los Angeles, and Sacramento. This fixed-wireless broadband service utilizes millimeter-wave spectrum and is expected to provide typical speeds of 300 Mbps and peak speeds up to 1 Gbps. This launch is expected to be followed by a broader rollout in 2019 (on standards-based equipment). Verizon estimates the market opportunity for initial 5G residential broadband services to be ~30 million households.

Conclusion

In our Q4 2017 letter, we expressed surprise that a strong market was overlooking what seemed to be mounting risks late in the economic cycle. As many of those challenges - trade disputes, higher interest rates, political discord – play out, we wonder if the market is now ignoring what continue to be decent corporate fundamentals. Ultimately our job is to do the work on the microeconomic elements of each company and industry we cover, examine how the changing macroeconomic environment impacts those variables and make buy and sell decisions that balance the resulting opportunities and risks. Since the bears inevitably come home in each cycle, we have always erred on the side of capital preservation and that will especially be the case going forward. Children’s stories don’t always have happy endings but they serve as cautionary examples that we have heeded well.

January 29, 2019

Top Ten Holdings	
<u>December 31, 2018</u>	
Twenty-First Century Fox Inc.	Rogers Communications Inc.
Sony Corp.	Naspers Ltd.
Altaba Inc.	Facebook Inc.
The Madison Square Garden Co.	Discovery Inc.
Alphabet Inc.	Ryman Hospitality Partners

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 Stock Repurchase Plan

On July 3, 1996, the Board of Directors 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 10% or more from NAV. On May 19, 2010, the Board reduced the discount required for repurchasing common shares to 5% or more from NAV. In total through December 31, 2018, the Fund has repurchased and retired 1,595,468 shares in the open market under this share repurchase plan at an average investment of \$8.20 per share and an average discount of approximately 15% from its NAV. There were no shares repurchased during the fourth quarter of 2018.

10% Distribution Policy for Common Stockholders

The Board has reaffirmed the continuation of the Fund's 10% distribution policy. Pursuant to its distribution policy, the Fund paid a \$0.22 per share cash distribution on December 14, 2018, to common stock shareholders of record on December 07, 2018.

The Fund intends to pay a quarterly distribution of an amount determined each quarter by the Board. Under the Fund's current distribution policy, the Fund intends to pay a minimum annual distribution of 10% of the average net asset value of the Fund within a calendar year or an amount sufficient to satisfy the minimum distribution requirements of the Internal Revenue Code, whichever is greater. The average net asset value of the Fund is based on the average net asset values as of the last day of the four preceding calendar quarters during the year. The net asset value per share fluctuates daily.

Each quarter, the Board reviews the amount of any potential distribution from the income, capital gain, or capital available. The Board will continue to monitor the Fund's distribution level, taking into consideration the Fund's net asset value and the financial market environment. The Fund's distribution policy is subject to modification by the Board at any time. The distribution rate should not be considered the dividend yield or total return on an investment in the Fund.

If the Fund does not generate sufficient earnings (dividends and interest income and realized net capital gain) equal to or in excess of the aggregate distributions paid by the Fund in a given year, then the amount distributed in excess of the Fund's earnings would be deemed a return of capital. Since this would be considered a return of a portion of a shareholder's original investment, it is generally not taxable and is treated as a reduction in the shareholder's cost basis.

Long term capital gains, qualified dividend income, ordinary income, and paid-in capital, if any, will be allocated on a pro-rata basis to all distributions to common shareholders for the year. Based on the distribution allocations of the Fund as of December 31, 2018, the total distributions paid to common shareholders in 2018 represent approximately 1% from net investment income and 99% from net capital gains. 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). All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2018 distributions in early 2019 via Form 1099-DIV.

6.00% Series B Cumulative Preferred Stock

The Fund's 6.00% Series B Cumulative Preferred Stock paid a \$0.375 per share cash distribution on December 26, 2018, to preferred shareholders of record on December 18, 2016. The Series B Preferred Shares, which trade on the NYSE under the symbol "GGT Pr B", are rated "A2" by Moody's Investors Service and have an annual dividend rate of \$1.50 per share. The Series B Preferred Shares were issued on April 1, 2003, at \$25.00 per share and pay distributions quarterly. After five years of call protection, the Series B Preferred Shares became callable at any time at the liquidation value of \$25.00 per share plus accrued

dividends. The next distribution is scheduled for March 2019. The Fund is authorized to purchase its Series B Preferred Shares in the open market from time to time when such shares are trading at a discount to the liquidation value of \$25.00 per share. In total through December 31, 2018, the Fund has repurchased and retired 48,986 Series B Preferred Shares in the open market under this share repurchase authorization. The Fund did not repurchase any Series B Preferred Shares during the fourth quarter of 2018.

5.125% Series E Cumulative Preferred Stock

The Fund's 5.125% Series E Preferred Shares paid a \$0.3203125 per share cash distribution on December 26, 2018 to Series E preferred shareholders of record on December 18, 2018. The Series E Preferred Shares, which trade on the NYSE under the symbol "GGT Pr E," are rated "A2" by Moody's Investors Service and have an annual dividend of \$1.28125 per share. The Series E 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 September 26, 2022. The next distribution is scheduled for March 2019. The Fund is authorized to purchase its Series E Preferred Shares in the open market from time to time when such shares are trading at a discount to the liquidation value of \$25.00 per share. The Fund did not repurchase any Series E Preferred Shares through December 31, 2018.

Series C Auction Rate Cumulative Preferred Stock

During the fourth quarter of 2018, the dividend rates for the Series C Auction Rate Cumulative Preferred Stock ranged from 3.764% to 4.184%. Dividend rates for the Series C Preferred Shares may be reset every seven days based on the results of an auction. Since February 2008, the number of Series C Preferred Shares subject to bid orders by potential holders has been less than the number of sell orders. Therefore the weekly auctions have failed, and the holders have not been able to sell any or all of the Series C Preferred Shares for which they submitted sell orders. The dividend rate since then has been the maximum rate. At December 31, 2018, the maximum rate was 175% of the "AA" Financial Composite Commercial Paper Rate. The Series C Preferred Shares are rated "A2" by Moody's Investors Services.

The Series C Preferred Shares do not trade on an exchange. The Fund was authorized to issue 1,000 Series C Preferred Shares on April 1, 2003 at \$25,000 per share. After repurchases, 10 shares remain outstanding at December 31, 2018.

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 distribution allocations of the Fund as of December 31, 2018, the total distributions paid to preferred shareholders represent approximately 1% from net investment income and 99% from net capital gains. 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). All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2018 distributions in early 2019 via Form 1099-DIV.

Tax Treatment of Distributions to Common and Preferred Shareholders

All or part of the distributions may be treated as long term capital gain or qualified dividend income (or a combination of both) for individuals, each subject up to the maximum federal income tax rate. 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. 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. quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at closedend@gabelli.com.

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

It is the policy of The Gabelli Multimedia Trust Inc. (the “Fund”) to automatically reinvest dividends payable to common shareholders. As a “registered” shareholder you automatically become a participant in the Fund’s Automatic Dividend Reinvestment Plan (the “Plan”). The Plan authorizes the Fund to credit shares of common stock to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Fund. Plan participants may send their stock certificates to Computershare Trust Company, N.A. (“Computershare”) to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distributions in cash must submit this request in writing to:

The Gabelli Multimedia Trust Inc.
c/o Computershare Trust Company, N.A.
P.O. Box 505000
Louisville, KY 40233

Shareholders requesting this cash election must include the shareholder’s name and address as they appear on the Fund’s records. Shareholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan, may contact Computershare at (800) 336-6983.

If your shares are held in the name of a broker, bank, or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of “street name” and re-registered in your own name. Once registered in your own name your distributions will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in “street name” at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of shares of common stock distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Fund’s common stock is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of common stock valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Fund’s common stock. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange (“NYSE”) trading day, the next trading day. If the net asset value of the common stock at the time of valuation exceeds the market price of the common stock, participants will receive shares from the Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, Computershare will buy shares of common stock in the open market, or on the NYSE or elsewhere, for the participants’ accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Fund to issue shares at net asset value if, following the commencement of such purchases, the market value of the common stock exceeds the then current net asset value.

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

Voluntary Cash Purchase Plan

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Fund. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to Computershare for investments in the Fund's common shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to Computershare Trust Company, N.A., P.O. Box 505000, Louisville, KY 40233 such that Computershare receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least 48 hours before such payment is to be invested.

Shareholders wishing to liquidate shares held at Computershare must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address, and account number. The cost to liquidate shares is \$2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

For more information regarding the Automatic Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Fund.

The Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by Computershare on at least 90 days written notice to participants in the Plan.

THE GABELLI MULTIMEDIA TRUST AND YOUR PERSONAL PRIVACY

Who are we?

The Gabelli Multimedia Trust (the “Fund”) is a closed-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries and affiliates that provide investment advisory services for a variety of clients.

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

When you purchase shares of the Fund on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us.* This would include information about the shares that you buy or sell; it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

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

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

What do we do to protect your personal information?

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

THE GABELLI MULTIMEDIA TRUST INC.
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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 Executive 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.

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. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

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 "Specialized 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 "XGGTX".

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 shares of its common stock in the open market when the Fund's shares are trading at a discount of 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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Shareholder Commentary
December 31, 2018