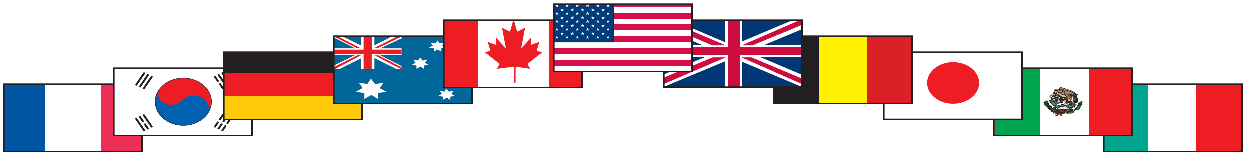

# The Gabelli Global Content & Connectivity Fund

## 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) per Class AAA Share of The Gabelli Global Content and Connectivity Fund decreased 10.4% compared with a decline of 6.0% for the Morgan Stanley Capital International (MSCI) All Country (AC) World Communication Services Index. Other classes of shares are available. See page 2 for additional performance information for all classes.

Global equities sustained their worst quarterly performance since 2011, with the MSCI AC World Index down 12.7% in the fourth quarter of 2018. The sell-off accelerated in December and was driven by concerns over slowing global economic growth, rising U.S. interest rates, worsening global trade relations, and some geopolitical uncertainty. Weakness was evident across virtually every segment, with the exception of utilities, though was most pronounced in the global energy (-20%) and information technology (-17%) sectors. The MSCI AC World Communication Services Index, which added media and certain IT/online names (e.g. Alphabet

## Comparative Results

**Average Annual Returns through December 31, 2018 (a)**

| | Quarter | 1 Year | 5 Year | 10 Year | 15 Year | Since Inception (11/1/93) |
|---|---|---|---|---|---|---|
| **Class AAA (GABTX)** | (10.45)% | (11.89)% | (0.26)% | 5.82% | 4.81% | 6.54% |
| MSCI AC World Communication Services Index (b) | (6.03) | (10.10) | 0.13 | 6.05 | 5.66 | N/A |
| MSCI AC World Index | (12.75) | (9.42) | 4.26 | 9.46 | 6.19 | 7.52(c) |
| **Class A (GTCAX)** | (10.51) | (11.94) | (0.29) | 5.79 | 4.80 | 6.54 |
| With sales charge (d) | (15.66) | (17.00) | (1.47) | 5.17 | 4.39 | 6.29 |
| **Class C (GTCCX)** | (10.65) | (12.56) | (1.01) | 5.02 | 4.03 | 5.95 |
| With contingent deferred sales charge (e) | (11.54) | (13.43) | (1.01) | 5.02 | 4.03 | 5.95 |
| **Class I (GTTIX)** | (10.32) | (11.27) | 0.18 | 6.18 | 5.07 | 6.70 |

**In the current prospectuses dated April 30, 2018, the gross expense ratios for Class AAA, A, C, and I Shares are 1.73%, 1.73%, 2.48%, and 1.48%, respectively, and the net expense ratios for these share classes after contractual reimbursements by Gabelli Funds, LLC, (the "Adviser") are 1.73%, 1.73%, 2.48%, and 1.00%, respectively. 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 for Class I Shares would have been lower had the Adviser not reimbursed certian expenses. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. 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 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, June 2, 2000, and January 11, 2008, respectively. The actual performance for 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 AC World Communication Services Index is an unmanaged index that measures the performance of Communication Services from around the world. 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. Dividends are considered reinvested. You cannot invest directly in an index.

(b) MSCI AC World Telecommunication Services Index name changed to MSCI AC World Communication Services Index.

(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.

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.

(4.0% of net assets as of December 31, 2018), Facebook (2.8%), and Tencent) to its membership in December (based on MSCI implementation of the Global Industry Classification Standard (GICS) structure revisions), significantly outperformed (-6.0%) the broader markets, in part reflecting the defensive nature the traditional telecom names (e.g. Verizon (4.7%), Telefonica (1.1%), and Deutsche Telekom (2.3%)) in a 'risk-off' environment.

The outperformance of the Communications Services sector relative to the broader indices in the fourth quarter was evident in all regions of the world, with the exception of Latin America. In North America, the sector decline of 4.9% reflects a near-900 basis point outperformance over the broader markets. However, the biggest 'winner' geographically in the fourth quarter was Europe. Here the Communications Services Index (in U.S. dollars) actually advanced by 2.4% compared to the 12.5% decline in the broad European market. After weak performance through the first three quarters of the year, the fourth quarter recovery came on the back of better-than-expected third quarter results for many European communication providers, together with hopes for industry consolidation following the E.U'.s approval without remedies of the T-Mobile-Tele2 merger in the Netherlands.

**2019 Outlook**

**Connectivity**

**5G.** The world of connectivity is moving towards the 5G era. 5G, a broad term for the next generation of mobile network technology, is expected not only to provide super-fast data speeds (in excess of 1 Gbps) and ultra-low latency (targeting network responsiveness as low as 1 millisecond), but also enable massive digital transformation of our society. It is expected to support the rapidly growing Internet of Things (IoT) and provide a foundation for completely new use cases, including autonomous vehicles, immersive gaming with virtual and augmented reality elements, remote surgery, and unprecedented factory automation. This year will see the first major commercial 5G deployments (likely led by North America and Northeast Asia), with 5G handsets from Samsung, LG, and a number of other phone OEMs becoming available. It may also be a year when fixed-wireless use case for 5G or even mobile 5G (in certain markets) could be better tested as potential competitors to fixed broadband. Verizon had launched its 5G Home service in October 2018 in 4 markets in the U.S., offering fixed-wireless broadband over millimeter-wave spectrum, with typical expected speeds of 300 megabits per second and peak speeds up to 1 Gbps.

**Convergence** remained an important theme in the communications sector in 2018 and will likely continue to be one of the key trends in the connectivity space in 2019 and beyond. Both fixed-mobile convergence (FMC) and blending of distribution and content played out in a number of M&A transactions. FMC is a trend towards seamless connectivity between fixed and wireless telecom networks, combining mobile and wired technologies into a single solution, and, ultimately, running a single intelligent network. We have seen a number of operators (e.g. Deutsche Telekom, Telefonica, etc.) prioritize FMC in their strategy over the years. Verizon has been moving to a single intelligent edge platform in the U.S., acquiring more fiber to densify its network (e.g. XO). The merger of Tele2 (mobile) and Com Hem (cable) in Sweden closed in late 2018, while Vodafone (0.9%) is awaiting regulatory approvals for its acquisition of Liberty Global's (2.2%) cable and broadband assets in Germany and Central Europe. The incentives for convergence become even more pronounced in the 5G world. Operators with significant mobile and fixed businesses (particularly the ones with meaningful fiber presence important for backhaul) and access to 5G-ready spectrum should be in a position to rapidly deploy extensive and dense 5G networks.

Communications and media companies are increasingly looking to combine distribution with content to enhance their scope, business models, and innovation ability to better compete with online and technology giants. AT&T (0.4%) / Time Warner (completed in June 2018) was a landmark transaction in that area. This combination of strong content assets and extensive customer relationships across wireless, video, and fixed broadband platforms should enhance AT&T's opportunities to innovate with new subscription and advertising models and provide robust viewership insights for targeted advertising and better-informed content creation. The company has already started capitalizing on this asset combination and plans to launch a direct-to-consumer subscription video on demand (SVOD) service in the fourth quarter of 2019.

**Regulation.** While the U.S. connectivity providers are enjoying a return to "light-touch" regulatory framework under the FCC Chairman Ajit Pai (rollback of the onerous Title II regulations for broadband, robust effort to make more 5G spectrum available to the wireless industry, seemingly open-minded approach to potential T-Mobile (4.9%) / Sprint (0.5%) combination, etc.), European operators have been "less fortunate." However, the tide might be turning, with the European Parliament adopting a new Electronic Communications Code in November 2018, targeting a more investment-friendly regulatory framework, as well as the E.C. approving T-Mobile / Tele2 transaction in the Netherlands (reducing the number of mobile operators from four to three) with no remedies or conditions. We believe that in order to realize the Digital Single Market strategy and "Gigabit Society" goals, Europe will need an investment-friendly regulatory regime that will ultimately allow further consolidation among more than 20 major telecom carriers as well as dozens of smaller players and virtual operators. As ever, a balance must be struck between E.C. policies and definitive country-level regulations.

5G spectrum auctions will remain an important focus area for both regulators and operators in 2019. In the U.S., currently ongoing Auction 101 (28 GHz) will be immediately followed by Auction 102 (24 GHz). The FCC also plans to auction other millimeter-wave spectrum in 2019 (in 39 GHz, 37 GHz, and 47 GHz bands). In Europe, all eyes will be on the German 5G auction (with the country's three main network operators currently disputing the legality of the some of the auction preconditions set by the regulator). In Asia, China will likely issue 5G licenses as early as 2H'2019.

**M&A.** We expect consolidation to remain a persistent industry trend in 2019, with companies looking for both in-market M&A opportunities and convergence deals. T-Mobile / Sprint combination in the U.S. and Vodafone's acquisition of Liberty Global's (2.2%) assets in Germany and Central Europe will be closely watched and could become litmus tests for the respective regulators. If Verizon is relatively successful with its 5G fixed-wireless broadband efforts and/or AT&T makes progress with converged and direct-to-consumer services, Comcast and the U.S. cable industry may decide to re-evaluate the need for ownership economics in wireless. In Europe, we will be watching France closely, where the long-sought 4-to-3 consolidation may re-emerge.

**Content**

**Consolidation.** With the Comcast (3.8% of net assets as of December 31, 2018)–Disney–Twenty-First Century Fox (3.1%) drama now complete, potential consolidation among smaller content companies will likely take center stage.

The potential for a long awaited CBS (1.1%)–Viacom (0.3%) merger reemerged. After ousting Viacom CEO Phillipe Dauman in 2016, National Amusements, the Redstone owned private company which controls CBS and Viacom, turned its attention to CBS. Les Moonves, former CEO of CBS, left the company in 2018 and National Amusements, led by Shari Redstone, reconstituted the Board of Directors. With the decks cleared at both companies, we believe there is a high probability of CBS and Viacom attempting to merge in 2019. Speculation has already surfaced that CBS's board will begin to review strategic alternatives at its January 31 board meeting. A merger of CBS and Viacom would provide substantial benefits to both companies. We expect the combination could generate as much as $1 billion in synergies or approximately $12 per CBS share should the merger be completed as a simple share exchange at current prices. We also believe CBS's OTT service could benefit from Viacom's content while Viacom's international channels could similarly benefit from CBS's content. Lastly, a combined CBS and Viacom would have substantially greater leverage with U.S. distributors such as Comcast, Charter (0.2%), Dish (1.6%), and AT&T.

In early December 2018, Nexstar reached an agreement to acquire Tribune (2.5%) to create the largest U.S. television broadcaster with 216 stations in 118 markets. While Sinclair's aggressive approach to divestitures resulted in FCC scrutiny effectively blocking its attempt to purchase Tribune Media, we anticipate Nexstar will be able to consummate its acquisition of Tribune. We expect broadcast consolidation to continue. On April 20, 2017, the FCC reinstated the Ultra High Frequency (UHF) discount giving broadcasters with UHF stations the ability to add stations without running afoul of the National Ownership Cap. More importantly, the current 39% ownership cap is under review at the FCC. Given the ubiquitous presence of the Internet which fosters an excess of video options and media choices, we believe the current ownership cap could be viewed as antiquated. Should the FCC substantially change the ownership cap, we would expect consolidation to accelerate. Broadcast consolidation could deliver substantial synergies to the industry. We would expect both cost reductions and revenue growth, primarily in the form of increased retransmission revenue, to benefit the broadcast stations and networks.

**Distribution.** In 2018, the pay-TV ecosystem benefitted from the growth in virtual multichannel programming distributors (vMVPDs) which now account for approximately 5 million subscribers. vMVPDs are cable-like television services that deliver a full suite of advertising-supported linear-channels through the Internet. In the fourth quarter, the growth in these services slowed. We expect this trend to continue into 2019 mitigating some of the benefit cable networks received in 2018. Many vMVPD operators, such as DISH's Sling and AT&T's DirecTV Now, reduced promotional activity which effectively raised prices resulting in fewer net additions. With many vMVPDs operating on razor-thin margins, we expect similar moves from other operators. We also expect traditional distributors to increase pressure on cable networks over affiliate fees. AT&T commented at its investor day that reducing content costs, affiliate fees paid to cable networks, is a priority for both their satellite-delivered DirecTV and OTT service DirecTV Now. While affiliate fee growth remains stable for most cable networks, we expect pressure from distributors to increase.

**Performance Discussion – Fourth Quarter of 2018**

The Gabelli Global Content & Connectivity Fund declined by 10.4% in the fourth quarter, compared to the 6.0% decrease in the MSCI AC World Communication Services Index.

Top contributors to Fund performance in the quarter largely came from a mix of U.S. telcos, European incumbent operators, special situation media names and even individual emerging market companies. Topping the list was U.S. Cellular (2.3% of net assets as of December 31, 2018) ( +16.1%), with its parent and 82%-owner Telephone & Data Systems (2.5%) (+7.4%) also among top contributors. USM's stock performance was driven by stronger than expected third quarter EBITDA, raised 2018 EBITDA guidance, and solid progress on postpaid phone net additions (compared to the prior two quarters). Tribune Media was up 18.9% in the fourth quarter, as Nexstar agreed to acquire Tribune for $46.50 per share in cash (valuing the company at $6.4 billion) with the goal to create the largest local television broadcaster and local media company in the U.S. Verizon (+6.5%) reported stronger than expected third quarter revenues, Adjusted EBITDA, and wireless postpaid phone net additions. The company also remains on track to deliver against a goal to achieve $10 billion in cumulative cash savings by 2021. The two top emerging market contributors were Millicom (2.4%) (+12.8%) and Turkcell (0.5%)(+19.5%). Millicom reported solid third quarter results, acquired 80% controlling interest in Cable Onda (the largest cable and fixed telecom services provider in Panama), and plans to list its shares in the U.S. (on NASDAQ) in early January 2019. Turkcell recovered a portion of the sharp declines sustained earlier in the year largely on stabilization of the lira and diminished geopolitical concerns, while continuing to deliver strong operating performance.

The top three negative contributors were Discovery (3.2%), Liberty Global, and Facebook. Amid broad media company sell-off, Discovery was down 22% as the company reduced its calendar fourth quarter U.S. advertising guidance due to lower ratings at its flagship network, the Discovery Channel. Liberty Global declined by 26.7% in the period, making it the second largest detractor to Fund performance. The stock continued to get impacted by competitive pressures in Switzerland as well as investor concerns about transactional and translation impact of Brexit on the bulk of Liberty Global's operations (pro forma for pending sale of assets in Germany and Eastern Europe to Vodafone) – i.e. Virgin Media in the U.K. Facebook was down 20% on weaker than expected third quarter revenue, with management guiding to revenue growth deceleration in the fourth quarter of 2018 in the mid-to-high-single digits. Investor concerns were further amplified as a number of news articles exposed potential security breaches, as well as overall concern regarding the company's data privacy practices and related threat from potential regulation.

**Performance Discussion – 2018**

For calendar 2018, The Gabelli Global Content & Connectivity Fund's Class AAA Shares declined by 11.9%, compared to a loss of 10.1% by the MSCI AC World Communication Services Index.

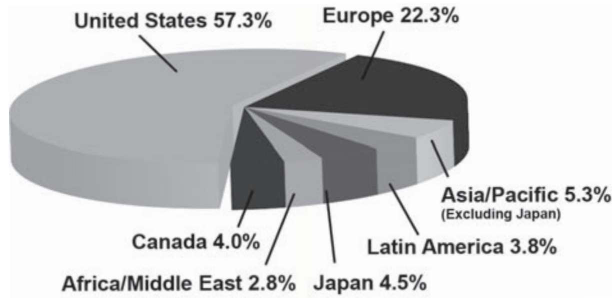
Leading the list of positive contributors for the year is Twenty-First Century Fox (+41.3%), which benefited from a bidding war over its cable, international, and entertainment assets by Disney (ultimate winner) and Comcast. U.S. Cellular (USM), the fifth-largest facilities-based wireless carrier in the United States, was up 38% in 2018 (with its parent, Telephone & Data Systems, with a gain of 19.6%). USM's stock performance was driven by two "beat-and-raise" quarters (on Adjusted EBITDA) as well as the market pricing in a higher probability of T-Mobile / Sprint deal close, which could result in a more rational three-player market (likely a positive for U.S. Cellular over medium term). Verizon (+11.3%) reported both solid financial and operational performance in 2018, sticking to its knitting of emphasizing network quality / leadership and making progress in its move to 5G (with fixed-wireless 5G service launch in October 2018 in four markets).

The top three negative contributors for the year included Dish Network, Liberty Global, and Facebook. DISH (-47.7%) continued to be impacted by increased competition from OTT video offerings, the T-Mobile / Sprint proposed merger as well as the possibility of additional near-term spectrum auctions (championed by the FCC Chairman Ajit Pai), which could negatively impact the value of the company's spectrum holdings. Liberty Global was down 39% in 2018, as the stock has been plagued by several issues: (a) deteriorating performance of the Swiss cable business due to new fiber entrants; (b) concerns about the transactional and translational impact of Brexit on the company's U.K. business; and (c) concerns about how Liberty Global might deploy net proceeds from the Vodafone transaction. Facebook (-25.7%) was pressured by weaker than expected revenues, management guidance for top line deceleration in 2H'2018, significant year-over-year increase in planned investments in security, AR/VR, marketing, and content acquisition, as well as investor concerns about the company's data privacy practices and a threat of potential regulation.

**Global Allocation**

The accompanying chart presents the Fund's holdings by geographic region as of December 31, 2018. The geographic allocation will change based on current global market conditions. Countries and/or regions represented in the chart may or may not be included in the Fund's future portfolio.

**HOLDINGS BY GEOGRAPHIC REGION**




**Conclusion**

The market volatility seen in the fourth quarter looks as though it may well spill into 2019. We will continue to build and hold positions in an array of telecom operators, media content creators and distributors, and online service providers. We remain committed to seeking investments in those names that represent the best value and which may also prove the most defensive in periods of market dislocation. We look forward to new industry-shaping trends in 2019, not least the arrival of commercial 5G services, and the investment opportunities they represent. Our thanks goes to you for your continued support of The Gabelli Global Content & Connectivity Fund.

**Let's Talk Stocks:**

The following are 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.

*Alphabet, Inc. (4.0% of net assets as of December 31, 2018) (GOOG – $1,035.61 – NASDAQ)* is an umbrella company whose subsidiaries include the core Google business (the Google search engine and related ad revenue, Android, YouTube) as well as multiple independent companies, such as Google Ventures, Waymo (self-driving car project), and Verily (life sciences). These independent companies (excluding Google) are known collectively as 'Other Bets.' On October 25, 2018, GOOG reported Q3 results which were above expectations on earnings but were slightly below estimates on revenue. Total revenue grew 21% to $33.7 billion, while operating income was up 7% to $8.3 billion. At Google (core business), website revenue improved 22% to $24.0 billion, led by mobile search, a 62% improvement in paid clicks and strong performance at

YouTube (now over 1.9 billion users each month). Other revenue (which includes Google Cloud) increased 32% to $4.6 billion, reflecting the segment's continued strength and scale (over 4 million paying customers currently on the GSuite). Beyond the core website revenue (as Google continues to dominate search and digital advertising), we see long-term revenue growth potential in Cloud and Waymo, with Other Bets projects and portfolio company interests providing optionality.

*Comcast Corporation (3.8%) (CMCSA – $34.05 – NYSE)*, is a television and broadband provider in the U.S., U.K., Italy, and Germany. Comcast is also a leading media company through its ownership of NBC Universal, an entity that includes the NBC, Telemundo, and USA television networks (among others); the Universal movie studio; and the Universal Parks portfolio. In October 2018, Comcast completed its acquisition of Sky plc, adding distribution capacity in the U.K., Germany, and Italy. The company has executed well in both its distribution and content businesses. The introduction of the industry-leading X1 platform has helped Comcast gain video subscribers in the U.S., while reinvestment in content and more focused leadership have improved NBC's viewership and profitability. CMCSA is embarking on its next growth initiative with the introduction of wireless into its bundle; while Comcast will offer wireless service through a mobile virtual network operator (MVNO) agreement with Verizon Wireless, the company could eventually acquire a mobile operator.

*Deutsche Telekom AG (2.3%) (DTEGY – $16.98 – OTC)* is the incumbent German telecom provider, and one of the world's largest integrated telecommunications companies, with over 165 million mobile customers, 28.5 million fixed-network lines, and 18.5 million broadband connections. On April 29, 2018, the company announced its intentions to merge T-Mobile U.S. with Sprint in a venture in which Deutsche Telekom would hold a 42% equity interest and 69% voting stake. In combining the two U.S. businesses, the belief is that synergies in excess of $43 billion can be generated stemming from network savings, sales and marketing consolidation and back office/IT efficiencies. Telekom remains optimistic that the transaction will gain all necessary regulatory approvals in 1H'2019. In 3Q'2018, Deutsche Telekom received approval for the merger of its Netherlands T-Mobile unit with Tele2, with Telekom to own a 75% stake in the combined business. Operationally, Telekom has significantly turned around its non-German businesses in Europe, with the segment growing revenue by 2.2% and EBITDA by 3.6% in 3Q'2018. Cost efficiencies were delivered in each of the Czech Republic, Greece, and Croatia and strong overall performance in Austria following the acquisition of UPC. Despite the competitive intensity of the market, Telekom remains well positioned in Germany as evidenced by its above-market mobile service revenue growth of 3.2% in 3Q'2018. Deutsche Telekom trades on an attractive multiple of 6.2x 2019, with the transformational U.S. transaction offering the prospect of material long term upside.

*Millicom International Cellular S.A. (2.4%) (MIC – $63.35/SEK561.50 – Stockholm Stock Exchange)*, headquartered in Luxembourg, is a wireless carrier serving over 47 million mobile B2C customers in eight countries in Latin America and Africa, primarily under the brand name Tigo. It also operates cable and fixed-broadband businesses with over 7 million RGUs in Latin America. Under the leadership of Mauricio Ramos, who became CEO in April 2015, the company has refocused its strategy on monetizing the “Digital Lifestyle” (e.g. driving smartphone adoption, monetizing data, etc.), cable, and profitable growth. On December 13, 2018, Millicom completed the acquisition of 80% controlling interest in Cable Onda, the leading provider of broadband, Pay TV, fixed telephony, and B2B services in Panama (with over 500K customers), for a cash consideration of approximately $1.0 billion. The deal accelerates Millicom’s cable expansion (pro forma cable business is expected to generate approximately $2.2 billion in annualized revenues), fills a geographic gap, and should enhance MIC’s revenue and profitability profile. Millicom continues to monetize / rationalize its African operations. In January 2018, the company completed the sale of Rwanda business to Bharti Airtel. In April 2018, Millicom sold its Senegal operations to a consortium consisting of NJJ, Sofima, and Teyliom Group. Millicom’s primary focus is Latin America, and it would not be surprising if the company exits Africa completely in the next 12-24 months.

*Telefonica SA (1.1%) (TEF – $8.46/€7.34 – NYSE/Madrid Stock Exchange)* is the incumbent telecommunications operator in Spain with other major European operations in Germany and the U.K. Nearly half of the group’s revenue and EBITDA is derived from operations across Latin America. In total, the company serves more than 346 million subscribers in 21 countries. In the domestic market, 3Q’2018 KPIs were the strongest in years in each of broadband, TV, and postpaid net additions. Heavy promotional activity of Telefonica’s ‘Fusion’ convergence product was successful in winning high end users, particularly those wanting premium TV packages that include La Liga football matches. Latin America has been a pillar of Telefonica’s strategy for 20 years. Brazil remains the core, though often impacted by macro and currency issues as was the case in 3Q’2018. It appears that Telefonica is potentially positioning some of its units in Central America for possible disposals in order to better focus on large LatAm markets (e.g. Chile, Argentina, Colombia, Peru). Management has frequently reiterated that it is not a forced seller of assets, particularly as group net debt has already declined to €42.6 billion from nearly €50 billion two years ago and is expected to fall further on organic cash flow generation. Telefonica’s deleveraging story is clear: EBITDA growth continues as capex in contained (Spain with the highest level of fiber coverage in Europe), coupled with ongoing cost savings and a declining interest burden.

*Telia Company (1.6%) (TELIA SS – $4.74/SEK41.98 – Stockholm Stock Exchange)* is the incumbent operator in Sweden and Finland, with international holdings in the Nordic and Baltic regions. The three-year effort to dispose of operations in Eurasia (with the exception of Telia’s stake in Turkcell) is now effectively complete following the sales of units in Uzbekistan and Kazakhstan. Telia has been, by a wide measure, the best performing name amongst European incumbent telcos in 2018 with a full year gain of 14.9%. The company has demonstrated that it is past the period of broadband market share losses in the Swedish market, with clear positive implications for future EBITDA gains. Telia will generate operating expense savings at the group level of some SEK1.1 billion in 2018, though this will not be replicated in 2019. The company also has a program in place to improve cash conversion by SEK5 billion to 2021. In addition to the Eurasia disposals, Telia has re-shaped the business with recent and pending acquisitions. In Norway, the acquisition of Get and TDC Norway was approved without remedies and closed in October. The announced acquisition of Bonnier Broadcasting has been filed with the E.U. and is expected to close in 2H'2019. If approved, the deal is expected to generate an incremental SEK500 million in free cash flow to Telia in 2020. Telia's attractive (5.6%) and expected growing current return and ongoing share buyback program should continue to underpin the shares.

*T-Mobile US, Inc. (4.9%) (TMUS – $63.61 – NASDAQ)*, based in Bellevue, Washington, is the third-largest wireless operator in the U.S, serving 77 million customers. In late October 2018, TMUS reported strong 3Q'2018 results and raised its 2018 Adjusted EBITDA and postpaid net additions guidance. On April 29, 2018, T-Mobile and Sprint (0.5%) (S - $5.82 - NYSE) announced an all-stock merger at a fixed exchange ratio of 1 TMUS share per 9.75 S shares. The companies estimate annual run-rate synergies of $6+ billion three to four years after the transaction closing, with NPV of synergies (net of costs to achieve) in excess of $43 billion. The deal is expected to create a company with significant spectrum position and capacity to build the first broad and deep nationwide 5G network. In December 2018, the companies received approvals from both the Committee on Foreign Investment in the U.S. (CFIUS) and Team Telecom and expect remaining regulatory approvals to occur during the first half of 2019. While obtaining regulatory approvals for the transaction (particularly from the Department of Justice) won't be easy, given the concentration level of the wireless sector, we believe the companies have a solid chance to convince regulators to expand the market definition to all broadband technologies.

*Tribune Media Company (2.5%) (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 U.S. 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 the 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 (3.1%) (FOX – $47.78 – 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 U.S., 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.

*U.S. Cellular Corporation (2.3%) (USM – $51.97 – NYSE)*, an 82.5%-owned subsidiary of Telephone & Data Systems, Inc. (2.5%) (TDS – $32.54 – NYSE), is the fifth-largest facilities-based wireless carrier in the United States, providing service to 5.1 million subscribers. In November 2018, the company reported stronger than expected 3Q'18 revenues (on higher retail service and roaming) and EBITDA (helped by lower cost of equipment). USM also raised the mid-point of its 2018 Adjusted EBITDA guidance by $63 million (or 7%), while slightly lowering CAPEX forecast. U.S. Cellular is the last remaining regional carrier of size in the U.S. wireless sector and could become a direct or indirect beneficiary of eventual wireless sector consolidation.

January 15, 2019

**Top Ten Holdings (Percent of Net Assets)**
**December 31, 2018**

| | | | |
|---|---|---|---|
| T-Mobile U.S. Inc. | 4.9% | Twenty-First Century Fox Inc. | 3.1% |
| Verizon Communications Inc. | 4.7% | Facebook Inc. | 2.8% |
| Alphabet Inc. | 4.0% | Kinnevik AB | 2.7% |
| Comcast Corp. | 3.8% | GCI Liberty Inc. | 2.6% |
| Discovery Inc. | 3.2% | Telephone & Data Systems | 2.5% |

**Minimum Initial Investment – $1,000**

The Fund's minimum initial investment for regular accounts is $1,000. There are no subsequent investment minimums. No initial minimum is required for those establishing an Automatic Investment Plan. Additionally, the Fund and other Gabelli/GAMCO Funds are available through the no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. See the prospectuses for more details.

**www.gabelli.com**

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

The Fund's daily NAVs are available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). Please call us during the business day, between 8:00 AM – 7:00 PM (Eastern Time), for further information.

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

**e-delivery**

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our mutual funds can elect to receive their Annual and Semiannual Reports, Manager Commentaries, and Prospectus via e-delivery. For more information or to sign up for e-delivery, please visit our website at www.gabelli.com.

**Multi-Class Shares**

The GAMCO Global Series Funds, Inc. began offering additional classes of Fund shares in March 2000. Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available directly through the Fund's distributor or brokers that have entered into selling agreements specifically with respect to Class I Shares. The Board of Directors determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

## Gabelli/GAMCO Funds and Your Personal Privacy

**Who are we?**

The Gabelli/GAMCO Funds are investment companies 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., 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?**

If you apply to open an account directly with us, you will be giving us some non-public information about yourself. The non-public information we collect about you is:

- *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, any transactions with our affiliates, and transactions with the entities we hire to provide services to you.* This would include information about the shares that you buy or redeem. 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 Global Content & Connectivity Fund**
**One Corporate Center**
**Rye, NY 10580-1422**

## Portfolio Management Team Biographies

**Mario J. Gabelli, CFA,** is Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also 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.

**Evan D. Miller, CFA,** joined G.research, Inc. in 2002 as a research analyst following the telecommunications industry on a global basis. Currently, he continues to specialize in the industry and also serves as a portfolio manager of Gabelli Funds, LLC and of the Fund. Prior to joining Gabelli, his career spanned nearly a quarter century in the telecommunications industry with corporate strategy and business development positions. Mr. Miller holds an MBA in Finance from the University of Chicago and a B.A. in Economics from Northwestern University.

**Sergey Dluzhevskiy, CFA, CPA,** joined G.research, Inc. in 2005 as a research analyst covering the North American telecommunications industry. Currently, he continues to specialize in the industry and also serves as a portfolio manager of Gabelli Funds, LLC and of the Fund. Prior to joining Gabelli, Mr. Dluzhevskiy was a senior accountant at Deloitte. He received his undergraduate degree from Case Western Reserve University and an MBA at the Wharton School of the University of Pennsylvania.

**Brett Harriss** joined G.research, Inc. as a research analyst in 2008 covering Media and Entertainment. Currently, he oversees the digital research team responsible for covering the Telecommunications, Media, Technology, and Gaming & Lodging industries, and also serves as a portfolio manager of Gabelli Funds, LLC and the Fund. Previously, he worked as a financial analyst at Jetblue and as an Investment Banker at JPMorgan. Brett received his B.A. at Columbia University in Economics in 2003 and his MBA from Columbia Business School in 2008 in Finance and Economics.

**GAMCO Global Series Funds, Inc.**
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# THE GABELLI GLOBAL CONTENT & CONNECTIVITY FUND

*Shareholder Commentary*
*December 31, 2018*