

The Gabelli Global Small and Mid Cap Value Trust

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 Global Small and Mid Cap Value Trust (the “Fund”) was (15.6)%, compared with a total return of (16.7)% for the Morgan Stanley Capital International (“MSCI”) World SMID Cap Index. The total return for the Fund’s publicly traded shares was (19.7)%. The Fund’s NAV per share was \$12.41, while the price of the publicly traded shares closed at \$9.80 on the NYSE.

Comparative Results

Average Annual Returns through December 31, 2018 (a)

	<u>Quarter</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>Since Inception (06/23/14)</u>
Gabelli Global Small and Mid Cap Value Trust					
NAV Total Return (b)	(15.64)%	(15.17)%	2.82%	3.22%	2.49%
Investment Total Return (c)	(19.67)	(23.08)	(1.79)	(0.41)	(3.37)
MSCI World SMID Cap Index	(16.70)	(13.48)	3.12	5.33	2.74 (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 MSCI World SMID Cap Index captures mid and small cap representation across 23 developed markets. Dividends are considered reinvested. You cannot invest directly in an index.

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

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

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

Our Approach

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

Your portfolio management team follows the Wall Street adage “Eat Your Own Cooking” and owns approximately 25% of the Fund’s common shares.

Commentary

Introduction

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 cold.¹ 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 US 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” was 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 Street 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.

Deals, Deals & More Deals

Deal activity slowed through the year as political uncertainty weighed, but the underpinnings for mergers (low interest rates and a lack of organic growth opportunities) remain and the potentially waning days of the present administration may encourage activity sooner rather than later. Spin-offs rebounded in 2018 (26 by our count), including two by Honeywell and one pre-takeover spin-off by KLX. Notable upcoming announced separations include Madison Square Garden's spin of its sports teams, Twenty-First Century Fox's pre-deal spin of its news and broadcast assets, and three-way spins by DowDuPont and United Technologies. As discussed in the past, we like spin-offs because they not only tend to surface value but often serve as the source of new ideas for the portfolios.

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.

Chr. Hansen Holding A/S (CHR – \$88.48/DKK576.60 – Copenhagen Stock Exchange), based in Denmark, develops and produces cultures, enzymes, probiotics, and natural colors utilized by customers in the food, beverage, pharmaceutical, and agricultural industries. CHR estimates that it has a 45% market share of the

cultures and enzymes global market, which are used to enhance production processes, yields, and quality of dairy, meat, and wine products. Through its expertise in microbial solutions, the company develops natural solutions for human health, including dietary supplements, as well as animal health and plant protection. Chr. Hansen targets long term annual organic revenue growth of 8%-10% as it capitalizes on the growth of its end markets, such as yogurt and infant formula, particularly in emerging markets, and invests in new capabilities.

Davide Campari-Milano Spa (CPR – \$8.46/€7.39 – Borsa Italiana Milan Stock Exchange) is a leading beverage company headquartered in Sesto San Giovanni, Italy. The company was founded in 1860 and is currently the sixth largest player worldwide in the premium spirits industry. Its sizeable portfolio spans spirits (the core business) and sparkling wines, with brands including Aperol, Appleton, Campari, Cinzano, SKYY Vodka, and Wild Turkey, among others. Recently, the company acquired Grand Marnier liqueur in its largest acquisition in years, further strengthening its position in premium cocktail spirits. Campari's growth strategy aims to combine organic growth through strong brand building with shareholder value enhancing acquisitions, focusing on strong, niche brands that will enhance the company's critical mass in key markets.

Flushing Financial Corp. (FFIC – \$21.53 – NASDAQ) is a \$6.5 billion asset bank holding company headquartered in Uniondale, New York. Flushing operates nineteen bank branches across Nassau County on Long Island and the New York City boroughs of Queens, Brooklyn, and Manhattan. The bank focuses on commercial lending, with particular emphasis on multifamily loans. The company also offers an online banking option, iGObanking.com, which provides depository services on a national basis. We believe the bank is well positioned to benefit from a steepening yield curve and recent consolidation among multifamily lenders in the New York metro area.

GATX (GATX – \$70.81 – NYSE) leases, operates, manages, and remarkets assets in the rail and marine markets in North American and internationally, with North American railcar leasing far and away its largest business. It also has a smaller European leasing business and a nascent presence in India. The company has a 50/50 joint venture with Rolls Royce for the leasing of commercial aircraft engine spares, which has shown good growth and steady profitability. Over the last year, North American railcar lease rates have cyclically improved, due to improving demand for railcars, declining rail productivity, and a tight trucking market, leading to higher utilization and fewer parked cars. Transaction multiples for leasing fleets have also increased, reflecting positively on lessors like GATX. GATX has a conservative management team with a good history of buying railcars towards the bottom of the cycle and selling railcars towards the top of the cycle. It also pays a healthy dividend and repurchases shares. While GATX's earnings power will vary with cyclical factors, its trading value does not reflect the elevated prices for railcar transactions nor the full upside from the Rolls' Royce joint venture.

Hong Kong & Shanghai Hotels Ltd., (45 – \$1.42/HKD11.10 – Hong Kong Stock Exchange), founded in 1866, is one of the oldest hotel companies in Asia. With headquarters in Hong Kong, the company currently owns ten Peninsula hotels in exceptional locations, including Paris, New York, Shanghai, and Tokyo. Over time, Peninsula hotels have been market leaders in every location, setting the standard of luxury hospitality. The biggest upside comes from its new real estate development in the heart of London, close to the Buckingham

Palace. The complex consists of a hotel and 25 luxury apartment units above the hotel. The group aims to recover all the cost for this development through the sales of the apartments, which leaves a luxury hotel that can generate around \$20~\$30 million EBITDA for free. Besides hotels, the group also owns some trophy assets in Hong Kong, such as the Peak Tower on top of Victoria Peak. Most of the group's properties are not duplicative, because of their historic pedigrees and unique locations. This ensures the organic growth of the groups asset value and maintains the prestigious reputation. The company is currently trading at a 60% discount to its net asset value; with Peninsula Beijing and Paris having finished their renovations in 2018, we expect the company to run full-speed in 2019.

Hunter Douglas NV (HDG – \$66.68/€58.20 – Amsterdam Stock Exchange), based in Rotterdam, the Netherlands, is the global market leader in windows, shades, and blinds, and has a growing business in architectural products, such as ceiling tiles and facades. The company operates through a network of dealers under the Hunter Douglas name in North America, South America, and Asia, and under the name Luxaflex in Europe and Australia. A recovering housing market in the U.S., combined with the introduction of new products, such as motorized and cordless shades, should bolster growth. Hunter Douglas is conservatively capitalized, and continues to be controlled and operated by descendants of founder Henry Sonnenberg.

JCDecaux SA (DEC – \$28.09/€24.52 – Paris Stock Exchange) is a global leader in outdoor advertising, operating billboards, transportation advertising and street furniture. Out of home advertising is nearly impossible to avoid and a relatively inexpensive way to reach large audiences. Recent technological developments and cyclical challenges may have accelerated the fragmentation of other media to the benefit of outdoor. We expect JCDecaux to benefit from its market leading position and continued

Kikkoman Corp. (2801 – \$53.92/¥5,9105 – Tokyo Stock Exchange), based just outside of Tokyo, Japan, is the world's largest producer of soy sauce and soy-based condiments, with a history going back to 1607. The company has been successful in expanding overseas, particularly in the U.S.; 80% of operating profit now comes from non-Japanese sources. Currently, expansion efforts center on Europe, where operating margins are surprisingly high; 14% vs. 2% in Japan. Kikkoman also owns JFC International, the largest wholesaler of Japanese and Asian food products outside of Japan. The growing popularization of Japanese cuisine, especially in the developed markets of North America, Europe, and Asia, is likely to sustain growth in the medium and longer term.

KLX Energy Services Holdings Inc. (KLXE – \$23.45 – NASDAQ), based in Wellington, Florida, is a pure play completion, intervention, and production services provider focused on U.S. land. Its products and services account for less than 10% of an E&P's drilling and completion budget, but are mission critical across the lifecycle of the well. KLXE is levered to shale drilling, and enjoys favorable secular growth from rising completion intensity. For 2019, revenue and EBITDA are expected to grow 43% and 70%, respectively, to \$745 million and \$170 million. Growth is expected to be driven by new product introductions, market share gain, and leveraging products from its recent acquisition to other basins. Recent private market transactions for completion-oriented companies with a focus on U.S. land have averaged close to 13.0x LTM EBITDA. Valuing KLXE at a more conservative multiple of 9.0x, our estimate of 2019P EBITDA, we derive a PMV estimate of

\$75 per share. The stock is currently trading a steep discount to our PMV estimate, providing investors with a sufficient margin of safety.

Millicom International Cellular S.A. (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 10 million RGUs in Latin America. Under the leadership of Mauricio Ramos (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 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 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.

January 28, 2019

Top Ten Equity Holdings
December 31, 2018

USG Corp.	Tribune Media Co.
Millicom International Cellular SA	Davide Campari-Milano SpA
Chr. Hansen Holding A/S	Swedish Match AB
CNH Industrial NV	Kikkoman Corp.
Vectren Corp.	Inperva Inc.

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Managers only through the end of the period stated in this Shareholder Commentary. The Portfolio Managers’ views are subject to change at any time based on market and other conditions. The information in this Shareholder Commentary represents the opinions of the individual Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Managers and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed. Beneficial ownership of shares held in the Fund by Mr. Gabelli and various entities he is deemed to control are disclosed in the Fund’s annual proxy statement.

Common Share Repurchase Plan

On August 21, 2013, the Board of Trustees of the Fund (the "Board") voted to authorize the repurchase of the Fund's common shares in the open market from time to time when such shares are trading at a discount of 7.5% or more from NAV. In total through December 31, 2018, the Fund has repurchased and retired 1,158,358 common shares in the open market under this share repurchase plan at an average investment of \$11.04 per share and an average discount of approximately 16% from its NAV. During the fourth quarter of 2018, 349,841 common shares were repurchased.

5.450% Series A Cumulative Preferred Shares

The Fund's Series A Cumulative Preferred Shares paid a \$0.340625 per share cash distribution on December 26, 2018, to Series A preferred shareholders of record on December 18, 2018. The Series A Preferred Shares, which trade on the NYSE under the symbol "GGZ Pr A", are rated "A2" by Moody's Investors Service and have an annual dividend rate of \$1.3625 per share. The Series A Preferred Shares will be callable at any time at the liquidation value of \$25.00 per share plus accrued dividends following the expiration of the five year call protection on May 10, 2021. The next distribution is scheduled for March 2019. The Fund is authorized to purchase its Series A Preferred Shares in the open market from time to time when such shares are trading at a discount to the liquidation value of \$25 per share. No Series A Preferred Shares have been repurchased to date.

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 distribution allocations of the Fund as of December 31, 2018, the total distributions paid to preferred shareholders represent 13% from net investment income and 87% 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 distribution 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.

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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 Chief Executive Officer and Chairman of the Board of Directors of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School, and Honorary Doctorates from Fordham University and Roger Williams University.

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

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

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

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

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

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

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

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

This report is printed on recycled paper.

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GABELLI
FUNDS

THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST

GGZ

Shareholder Commentary
December 31, 2018

The Gabelli Global Small and Mid Cap Value Trust

Annual Report — December 31, 2018

(Y)our Portfolio Management Team



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To Our Shareholders,

For the year ended December 31, 2018, the net asset value (NAV) total return of The Gabelli Global Small and Mid Cap Value Trust (the Fund) was (15.2)%, compared with a total return of (13.5)% for the Morgan Stanley Capital International (MSCI) World SMID Cap Index. The total return for the Fund's publicly traded shares was (23.1)%. The Fund's NAV per share was \$12.41, while the price of the publicly traded shares closed at \$9.80 on the New York Stock Exchange (NYSE). See page 2 for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2018.

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's annual and semiannual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website (www.gabelli.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report. If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. To elect to receive all future reports in paper free of charge, please contact your financial intermediary, or, if you invest directly with the Fund, you may call 800-422-3554 or send an email request to info@gabelli.com.

Comparative Results

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

	1 Year	3 Year	Since Inception (06/23/14)
Gabelli Global Small and Mid Cap Value Trust			
NAV Total Return (b)	(15.17)%	3.22%	2.49%
Investment Total Return (c)	(23.08)	(0.41)	(3.37)
MSCI World SMID Cap Index	(13.48)	5.33	2.74(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. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The MSCI World SMID Cap Index captures small and mid cap representation across 23 developed markets. Dividends are considered reinvested. You cannot invest directly in an index.
- (b) Total returns and average annual returns reflect changes in the NAV per share, reinvestment of distributions at NAV on the ex-dividend date, adjustments for rights offerings, and are net of expenses. Since inception return is based on an initial NAV of \$12.00.
- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings. Since inception return is based on an initial offering price of \$12.00.
- (d) From June 30, 2014, the date closest to the Fund's inception for which data are available.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2018:

The Gabelli Global Small and Mid Cap Value Trust

Food and Beverage	15.4%	Automotive	1.5%
U.S. Government Obligations	13.3%	Telecommunications	1.4%
Health Care	5.6%	Broadcasting	1.4%
Financial Services	4.9%	Environmental Services	1.1%
Building and Construction	4.3%	Energy and Utilities: Water	1.0%
Consumer Products	4.2%	Energy and Utilities: Integrated	0.8%
Diversified Industrial	3.7%	Transportation	0.8%
Machinery	3.4%	Publishing	0.8%
Hotels and Gaming	3.3%	Energy and Utilities: Electric	0.5%
Business Services	3.3%	Consumer Services	0.5%
Wireless Communications	3.1%	Energy and Utilities: Services	0.5%
Energy and Utilities: Natural Gas	2.9%	Aviation: Parts and Services	0.4%
Computer Software and Services	2.7%	Metals and Mining	0.4%
Retail	2.4%	Real Estate	0.2%
Entertainment	2.3%	Manufactured Housing and Recreational Vehicles	0.2%
Equipment and Supplies	2.3%	Closed-End Funds	0.1%
Aerospace	2.2%	Educational Services	0.0%*
Specialty Chemicals	2.1%		
Media	1.8%		
Automotive: Parts and Accessories	1.8%		
Electronics	1.8%		
Cable and Satellite	1.6%		
			100.0%

* Amount represents less than 0.05%.

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 Global Small and Mid Cap Value Trust

Schedule of Investments (Continued) — December 31, 2018

Shares		Cost	Market Value	Shares		Cost	Market Value
COMMON STOCKS (Continued)				Educational Services — 0.0%			
Computer Software and Services (Continued)				Universal Technical Institute			
2,500	zooplus AG†	\$ 419,427	\$ 340,574	10,000	Inc.†	\$ 26,376	\$ 36,500
		<u>3,866,302</u>	<u>4,128,001</u>				
Consumer Products — 4.2%				Electronics — 1.8%			
2,400	Church & Dwight Co. Inc.	80,954	157,824	7,000	Datalogic SpA	81,862	163,613
200	dormakaba Holding AG	98,379	120,663	44,000	Sony Corp., ADR	1,150,605	2,124,320
3,000	Edgewell Personal Care Co.†	150,675	112,050	25,000	Sparton Corp.†	588,148	454,750
7,400	Engizer Holdings Inc.	265,879	334,110			<u>1,820,615</u>	<u>2,742,683</u>
20,300	Hunter Douglas NV	863,311	1,353,659	Energy and Utilities: Electric — 0.5%			
300	L'Oreal SA	48,139	69,158	Algonquin Power & Utilities			
13,000	Marine Products Corp.	91,113	219,830	31,200	Corp.	241,059	313,783
11,500	Mattel Inc.†	145,835	114,885	5,500	El Paso Electric Co.	238,231	275,715
12,500	Niifisk Holding A/S†	592,509	442,147	7,500	Fortis Inc.	222,079	250,018
600	Nintendo Co. Ltd., ADR	12,318	19,860			<u>701,369</u>	<u>839,516</u>
1,500	Salvatore Ferragamo SpA	29,710	30,342	Energy and Utilities: Integrated — 0.8%			
45,000	Scandinavian Tobacco Group A/S	719,372	541,740	Avista Corp.			
6,000	Shiseido Co. Ltd.	108,513	377,282	10,000	Estre Ambiental Inc.†	130,303	26,980
3,500	Spectrum Brands Holdings Inc.	180,815	147,875	19,000	Hawaiian Electric Industries Inc.	481,548	549,300
63,000	Swedish Match AB	2,052,990	2,481,488	15,000	Hera SpA	242,353	259,249
		<u>5,440,512</u>	<u>6,522,913</u>	85,000		<u>1,329,482</u>	<u>1,260,329</u>
Consumer Services — 0.5%				Energy and Utilities: Natural Gas — 2.9%			
110,000	AA plc	220,343	105,154	26,000	National Fuel Gas Co.	1,418,222	1,330,680
3,000	Allegion plc	178,596	239,130	1,200	Southwest Gas Holdings Inc.	62,843	91,800
17,500	Ashtead Group plc	295,727	365,141	41,201	Vectren Corp.	2,955,526	2,965,648
30,000	MoneyGram International Inc.†	146,398	60,000	5,500	Whiting Petroleum Corp.†	219,272	124,795
		<u>841,064</u>	<u>769,425</u>			<u>4,655,863</u>	<u>4,512,923</u>
Diversified Industrial — 3.7%				Energy and Utilities: Services — 0.5%			
30,000	Ampco-Pittsburgh Corp.†	256,855	93,000	14,000	Dril-Quip Inc.†	564,843	420,420
3,000	Crane Co.	228,916	216,540	10,830	KLX Energy Services Holdings		
24,362	EnPro Industries Inc.	1,631,956	1,464,156		Inc.†	320,964	253,964
38,000	Greif Inc., Cl. A	1,910,291	1,410,180	210,000	SD Standard Drilling plc†	44,575	24,967
25,000	Griffon Corp.	317,321	261,250	30,000	Weatherford International plc†	99,884	16,770
3,000	Haynes International Inc.	106,262	79,200			<u>1,030,266</u>	<u>716,121</u>
1,500	Jardine Matheson Holdings Ltd.	99,634	104,370	Energy and Utilities: Water — 1.0%			
2,000	Jardine Strategic Holdings Ltd.	90,135	73,420	Beijing Enterprises Water Group			
1,000	Moog Inc., Cl. A	84,564	77,480	60,600	Ltd.	40,697	30,878
24,200	Myers Industries Inc.	387,061	365,662	1,400	Consolidated Water Co. Ltd.	16,458	16,324
5,000	Raven Industries Inc.	95,464	180,950	17,000	Mueller Water Products Inc.,		
5,000	Smiths Group plc	95,104	86,928		Cl. A	150,695	154,700
4,000	Sulzer AG	398,284	317,632	56,500	Severn Trent plc	1,657,502	1,307,430
36,000	Toray Industries Inc.	288,924	253,565			<u>1,865,352</u>	<u>1,509,332</u>
13,000	Tredegar Corp.	222,491	206,180	Entertainment — 2.3%			
6,000	Trinity Industries Inc.	142,002	123,540	Borussia Dortmund GmbH & Co.			
12,000	Ultra Electronics Holdings plc	252,798	198,838	36,000	KGaA	241,785	328,533
16,500	Wartsila OYJ Abp	266,345	262,683	95,000	Entertainment One Ltd.	352,377	431,796
		<u>6,874,407</u>	<u>5,775,574</u>	5,000	Golden Entertainment Inc.†	106,196	80,100
				14,075	Liberty Media Corp.-		
					Liberty Braves, Cl. A†	342,875	351,031

See accompanying notes to financial statements.

The Gabelli Global Small and Mid Cap Value Trust

Statement of Assets and Liabilities December 31, 2018

Assets:	
Investments, at value (cost \$147,623,442)	\$155,605,776
Cash	35,089
Foreign currency, at value (cost \$55,238)	55,238
Receivable for investments sold	1,250,847
Dividends receivable	227,974
Deferred offering expense	94,745
Prepaid expenses	1,337
Total Assets	<u>157,271,006</u>
Liabilities:	
Distributions payable	22,708
Payable for fund shares redeemed	149,499
Payable for investments purchased	6,351,858
Payable for investment advisory fees	130,639
Payable for payroll expenses	57,293
Payable for accounting fees	7,500
Other accrued expenses	198,070
Total Liabilities	<u>6,917,567</u>
Cumulative Preferred Shares, \$0.001 par value:	
Series A Preferred Shares (5.450%, \$25 liquidation value, 1,200,000 shares authorized with 1,200,000 shares issued and outstanding)	30,000,000
Net Assets Attributable to Common Shareholders	<u>\$120,353,439</u>
Net Assets Attributable to Common Shareholders Consist of:	
Paid-in capital	\$113,764,353
Total distributable earnings(a)	6,589,086
Net Assets	<u>\$120,353,439</u>
Net Asset Value per Common Share:	
(\$120,353,439 ÷ 9,697,573 shares outstanding at \$0.001 par value; unlimited number of shares authorized)	<u>\$12.41</u>

(a) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X and discloses total distributable earnings. See Note 2 for further details.

Statement of Operations For the Year Ended December 31, 2018

Investment Income:	
Dividends (net of foreign withholding taxes of \$164,082)	\$ 2,625,873
Interest	505,368
Total Income	<u>3,131,241</u>
Expenses:	
Investment advisory fees	1,747,214
Shareholder communications expenses	158,087
Payroll expenses	146,133
Legal and audit fees	100,356
Custodian fees	61,543
Trustees' fees	47,935
Accounting fees	45,000
Shareholder services fees	24,587
Tax expense	21,698
Interest expense	1,341
Miscellaneous expenses	74,745
Total Expenses	<u>2,428,639</u>
Less:	
Expenses paid indirectly by broker (See Note 3)	(2,125)
Net Expenses	<u>2,426,514</u>
Net Investment Income	<u>704,727</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:	
Net realized gain on investments	821,344
Net realized loss on foreign currency transactions	(5,652)
Net realized gain on investments and foreign currency transactions	815,692
Net change in unrealized appreciation/depreciation: on investments	(23,323,507)
on foreign currency translations	(3,356)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations ..	<u>(23,326,863)</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>(22,511,171)</u>
Net Decrease in Net Assets Resulting from Operations	<u>(21,806,444)</u>
Total Distributions to Preferred Shareholders	<u>(1,635,000)</u>
Net Decrease in Net Assets Attributable to Common Shareholders Resulting from Operations	<u>\$(23,441,444)</u>

See accompanying notes to financial statements.

The Gabelli Global Small and Mid Cap Value Trust

Statement of Changes in Net Assets Attributable to Common Shareholders

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operations:		
Net investment income/(loss)	\$ 704,727	\$ (179,698)
Net realized gain on investments and foreign currency transactions	815,692	1,429,515
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>(23,326,863)</u>	<u>24,780,739</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations	<u>(21,806,444)</u>	<u>26,030,556</u>
Distributions to Preferred Shareholders:		
Accumulated earnings	(1,635,000)	(1,377,045)*
Return of capital	<u>—</u>	<u>(257,955)</u>
Total Distributions to Preferred Shareholders(a)	<u>(1,635,000)</u>	<u>(1,635,000)</u>
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations	<u>(23,441,444)</u>	<u>24,395,556</u>
Fund Share Transactions:		
Net increase from common shares issued in rights offering	—	29,652,555
Offering costs for common shares charged to paid-in capital	(61,193)	(370,000)
Adjustment to offering costs for preferred shares	(28,000)	11,000
Net decrease from repurchase of common shares	(7,047,463)	(715,219)
Net decrease from costs to repurchase common shares	<u>(1,050)</u>	<u>(1,650)</u>
Net Increase/(Decrease) in Net Assets from Fund Share Transactions	<u>(7,137,706)</u>	<u>28,576,686</u>
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders	<u>(30,579,150)</u>	<u>52,972,242</u>
Net Assets Attributable to Common Shareholders:		
Beginning of year	<u>150,932,589</u>	<u>97,960,347</u>
End of year	<u>\$120,353,439</u>	<u>\$150,932,589</u>

(a) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X. See Note 2 for further details.

* For the year ended December 31, 2017, the distributions to Preferred shareholders from net investment income and net realized gain were \$294,477 and \$1,082,568, respectively.

See accompanying notes to financial statements.

The Gabelli Global Small and Mid Cap Value Trust

Financial Highlights

Selected data for a common share of beneficial interest outstanding throughout the year:

	For the Year Ended December 31,				For the Period
	2018	2017	2016	2015	Ended December 31, 2014(a)
Operating Performance:					
Net asset value, beginning of period	\$ 14.63	\$12.57	\$12.20	\$11.86	\$ 12.00
Net investment income/(loss)	0.07	(0.01)(b)	0.10	(0.02)(b)	(0.07)
Net realized and unrealized gain/(loss) on investments and foreign currency transactions	(2.25)	3.34	0.60	0.34	(0.07)
Total from investment operations	(2.18)	3.33	0.70	0.32	(0.14)
Distributions to Preferred Shareholders: (c)					
Net investment income	(0.05)	(0.04)	(0.04)	—	—
Net realized gain	(0.11)	(0.14)	(0.10)	—	—
Return of capital	—	(0.03)	—	—	—
Total distributions to preferred shareholders	(0.16)	(0.21)	(0.14)	—	—
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations					
	(2.34)	3.12	0.56	0.32	(0.14)
Distributions to Common Shareholders:					
Net investment income	—	—	(0.04)	—	—
Net realized gain	—	—	(0.08)	—	—
Total distributions to common shareholders	—	—	(0.12)	—	—
Fund Share Transactions:					
Increase in net asset value from repurchase of common shares	0.13	0.01	0.07	0.02	0.00(d)
Decrease in net asset value from costs charged to repurchase of common shares	(0.00)(d)	(0.00)(d)	(0.00)(d)	(0.00)(d)	—
Offering costs and adjustment to offering costs for preferred shares charged to paid-in capital	(0.00)(d)	0.00(d)	(0.14)	—	—
Offering costs for common shares charged to paid-in capital	(0.01)	(0.05)	—	—	—
Decrease in net asset value from rights offering	—	(1.02)	—	—	—
Total fund share transactions	0.12	(1.06)	(0.07)	0.02	0.00(d)
Net Asset Value Attributable to Common Shareholders, End of Period . . .					
	\$ 12.41	\$14.63	\$12.57	\$12.20	\$ 11.86
NAV total return †	(15.17)%	24.62%	4.02%	2.87%	(1.17)%
Market value, end of period	\$ 9.80	\$12.74	\$10.60	\$10.40	\$ 10.44
Investment total return ††	(23.08)%	25.40%	2.40%	(0.38)%	(13.00)%

See accompanying notes to financial statements.

The Gabelli Global Small and Mid Cap Value Trust

Financial Highlights (Continued)

Selected data for a common share of beneficial interest outstanding throughout the year:

	For the Year Ended December 31,			For the Period Ended December 31,	
	2018	2017	2016	2015	2014(a)
Ratios to Average Net Assets and Supplemental Data:					
Net assets including liquidation value of preferred shares, end of period (in 000's)	\$150,353	\$180,933	\$127,960	—	—
Net assets attributable to common shares, end of period (in 000's)	\$120,353	\$150,933	\$ 97,960	\$99,137	\$97,857
Ratio of net investment income to average net assets attributable to common shares before preferred share distributions	0.49%	(0.16)%	0.80%	(0.14)%	(1.12)%(e)
Ratio of operating expenses to average net assets attributable to common shares (f)	1.68%(g)	1.76%(g)	1.72%(g)	1.53%(g)	1.58%(e)
Portfolio turnover rate	80.0%	70.4%	76.6%	114.0%	20.0%
5.450% Series A Cumulative Preferred Shares					
Liquidation value, end of period (in 000's)	\$ 30,000	\$ 30,000	\$ 30,000	—	—
Total shares outstanding (in 000's)	1,200	1,200	1,200	—	—
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	—	—
Average market value (h)	\$ 24.97	\$ 25.30	\$ 25.32	—	—
Asset coverage per share	\$ 125.31	\$ 150.78	\$ 106.63	—	—
Asset Coverage	501%	603%	427%	—	—

† Based on net asset value per share, adjusted for reinvestment of distributions at net asset value on the ex-dividend dates and adjustments for the rights offering. Total return for a period of less than one year is not annualized.

†† Based on market value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan and adjustments for the rights offering. Total return for a period of less than one year is not annualized.

(a) The Fund commenced investment operations on June 23, 2014.

(b) Per share amounts have been calculated using the average shares outstanding method.

(c) Calculated based on average common shares outstanding on record dates throughout the period.

(d) Amount represents less than \$0.005 per share.

(e) Annualized.

(f) Ratio of operating expenses to average net assets including liquidation value of preferred shares for the years ended December 31, 2018, 2017, and 2016, would have been 1.39%, 1.39%, and 1.44%, respectively.

(g) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended December 31, 2018, 2017, 2016, and 2015, there was no impact on the expense ratios.

(h) Based on weekly prices.

See accompanying notes to financial statements.

The Gabelli Global Small and Mid Cap Value Trust

Notes to Financial Statements

1. Organization. The Gabelli Global Small and Mid Cap Value Trust (the Fund) is a diversified closed-end management investment company organized as a Delaware statutory trust on August 19, 2013 and registered under the Investment Company Act of 1940, as amended (the 1940 Act). Investment operations commenced on June 23, 2014.

The Fund's investment objective is to seek long term growth of capital. The Fund will attempt to achieve its investment objective by investing, under normal market conditions, at least 80% of its total assets in equity securities (such as common stock and preferred stock) of companies with small or medium sized market capitalizations (small cap and mid cap companies, respectively) and at least 40% of its total assets in the equity securities of companies located outside the U.S. and in at least three countries.

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.

New Accounting Pronouncements. The SEC recently adopted changes to Regulation S-X to simplify the reporting of information by registered investment companies in financial statements. The amendments require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities and also require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, if any, on the Statement of Changes in Net Assets Attributable to Common Shareholders. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets Attributable to Common Shareholders. These Regulation S-X amendments are reflected in the Fund's financial statements for the year ended December 31, 2018. As a result of adopting these amendments, the distributions to shareholders in the December 31, 2017 Statement of Changes in Net Assets Attributable to Common Shareholders presented herein have been reclassified to conform to the current year presentation.

To improve the effectiveness of fair value disclosure requirements, the Financial Accounting Standards Board recently issued Accounting Standard Update (ASU) 2018-13, Fair Value Measurement Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13), which adds, removes, and modifies certain aspects relating to fair value disclosure. ASU 2018-13 is effective for interim and annual reporting periods beginning after December 15, 2019; early adoption of the additions relating to ASU 2018-13 is not required, even if early adoption is elected for the removals under ASU 2018-13. Management has early adopted the removals set forth in ASU 2018-13 in these financial statements and has not early adopted the additions set forth in ASU 2018-13.

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 Trustees (the Board) so determines, by such other method as the Board shall

The Gabelli Global Small and Mid Cap Value Trust

Notes to Financial Statements (Continued)

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, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

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 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).

The Gabelli Global Small and Mid Cap Value Trust

Notes to Financial Statements (Continued)

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. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of December 31, 2018 is as follows:

	Valuation Inputs			Total Market Value at 12/31/18
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Aerospace	\$ 3,405,377	—	\$ 5,863	\$ 3,411,240
Cable and Satellite	2,353,322	—	110,125	2,463,447
Business Services	4,992,434	—	191,500	5,183,934
Health Care	8,721,541	\$ 34,820	—	8,756,361
Other Industries (a)	114,564,248	—	—	114,564,248
Total Common Stocks	134,036,922	34,820	307,488	134,379,230
Closed-End Funds(a)	205,250	—	—	205,250
Preferred Stock(a)	—	286,650	—	286,650
Rights (a)	—	—	90	90
U.S. Government Obligations	—	20,734,556	—	20,734,556
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$134,242,172	\$21,056,026	\$307,578	\$155,605,776

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

During the year ended December 31, 2018, the Fund had transfers from Level 1 to Level 3 of \$1,708,647 or 1.13% of net assets as of December 31, 2017. Transfers from Level 1 to Level 3 are due to a decrease in market activity, e.g., frequency of trades, which resulted in a decrease in available market inputs to determine the prices. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

The Gabelli Global Small and Mid Cap Value Trust

Notes to Financial Statements (Continued)

The following table reconciles Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Balance as of 12/31/17	Accrued discounts/ (premiums)	Realized gain/ (loss)†	Change in unrealized appreciation/ (depreciation)†	Purchases	Proceeds received	Transfers into Level 3††	Transfers out of Level 3††	Balance as of 12/31/18	Net change in unrealized appreciation/ (depreciation) during the period on Level 3 investments still held at 12/31/18†
INVESTMENTS IN SECURITIES: ASSETS (Market Value):										
Common Stocks (a)	\$506,211	—	\$1,005,236	\$(17,706)	\$5,927	\$(2,900,827)	\$1,708,647	—	\$307,488	\$(43,788)
Rights (a)	13,410	—	48,000	(13,320)	—	(48,000)	—	—	90	—
TOTAL INVESTMENTS IN SECURITIES	\$519,621	—	\$1,053,236	\$(31,026)	\$5,927	\$(2,948,827)	\$1,708,647	—	\$307,578	\$(43,788)

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

† Realized gain/(loss) and net change in unrealized appreciation/depreciation on investments is included in the related amounts in the Statement of Operations.

†† The Fund's policy is to recognize transfers into and out of Level 3 as of the beginning of the reporting period.

The following tables summarize the valuation techniques used and unobservable inputs utilized to determine the value of certain of the Fund's Level 3 investments as of December 31, 2018:

Description	Balance at 12/31/18	Valuation Technique	Unobservable Input	Range
INVESTMENTS IN SECURITIES: ASSETS (Market Value):				
Common Stocks (a)	\$307,488	Last available closing price/spin-off/Acquisition price	Discount Range	0%
Rights (a)	90	Merger/Acquisition price	Discount Range	0%
Total	<u>\$307,578</u>			

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

Unobservable Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
Discount Range	Decrease	Increase

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

The Gabelli Global Small and Mid Cap Value Trust

Notes to Financial Statements (Continued)

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.

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.

Investments in Other Investment Companies. The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the Acquired Funds) in accordance with the 1940 Act and related rules. Shareholders in the Fund would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund's expenses. For the year ended December 31, 2018, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was approximately 2 basis points.

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.

The Gabelli Global Small and Mid Cap Value Trust

Notes to Financial Statements (Continued)

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/(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.

Distributions to Shareholders. Distributions to common 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, passive foreign investment companies, 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 tax treatment of currency gains and losses, reclassification of capital gain on investments in passive foreign investment companies, and sale of investments no longer considered passive foreign investment companies. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2018, reclassifications were made to decrease paid-in capital by \$22,878 with an offsetting adjustment to total distributable earnings.

Distributions to shareholders of the Fund's 5.45% Series A Cumulative Preferred Shares (Series A Preferred) are recorded on a daily basis and are determined as described in Note 5.

The tax character of distributions paid during the years ended December 31, 2018 and 2017 was as follows:

	<u>Year Ended</u> <u>December 31, 2018</u>	<u>Year Ended</u> <u>December 31, 2017</u>
	<u>Preferred</u>	<u>Preferred</u>
Distributions paid from:		
Ordinary income (inclusive of short term capital gains)	\$ 635,752	\$1,181,927
Net long term capital gains.....	999,248	195,118
Return of capital	—	257,955
Total distributions paid.....	<u>\$1,635,000</u>	<u>\$1,635,000</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. For the year ended December 31, 2018, the Fund incurred Federal excise tax of \$21,698.

The Gabelli Global Small and Mid Cap Value Trust

Notes to Financial Statements (Continued)

As of December 31, 2018, the components of accumulated earnings/losses on a tax basis were as follows:

Undistributed ordinary income	\$ 172,975
Undistributed long term capital gains	475,030
Net unrealized appreciation on investments and foreign currency translations	<u>5,941,081</u>
Total	<u>\$6,589,086</u>

At December 31, 2018, the temporary differences between book basis and tax basis net unrealized appreciation on investments were primarily due to deferral of losses on wash sales for tax purposes and mark-to market adjustments on passive foreign investment companies.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2018:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$149,663,901	\$19,744,812	\$(13,802,937)	\$5,941,875

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. During the year ended December 31, 2018, the Fund did not incur any income tax, interest or penalties. As of December 31, 2018, the Adviser has reviewed the open tax years and concluded that there was no tax impact to the Fund's net assets or results of operations. The Fund's current federal and state tax returns will remain open for three fiscal years, 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 weekly and paid monthly, equal on an annual basis to 1.00% of the value of the Fund's average weekly net assets including the liquidation value of preferred stock. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio and oversees the administration of all aspects of the Fund's business and affairs.

During the year ended December 31, 2018, the Fund paid \$48,617 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

During the year ended December 31, 2018, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$2,125.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the year ended December 31, 2018, the Fund accrued \$45,000 in accounting fees in the Statement of Operations.

As per the approval of the Board, the Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation

The Gabelli Global Small and Mid Cap Value Trust

Notes to Financial Statements (Continued)

from affiliates of the Adviser). During the year ended December 31, 2018, the Fund accrued \$146,133 in payroll expenses in the Statement of Operations.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$3,000 plus \$1,000 for each Board meeting attended. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended, the Audit Committee Chairman receives an annual fee of \$2,000 and the Nominating Committee Chairman and the Lead Trustee each receives an annual fee of \$1,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Portfolio Securities. Purchases and sales of securities during the year ended December 31, 2018, other than short term securities and U.S. Government obligations, aggregated \$136,693,160, and \$116,833,900, respectively.

5. Capital. The Fund is authorized to issue an unlimited number of common shares of beneficial interest (par value \$0.001). On October 23, 2017, the Fund distributed one transferable right for each of the 7,735,448 common shares outstanding on that date. Three rights were required to purchase one additional common share at the subscription price of \$11.50 per share in accordance with the offering document authorized by the Board. On December 12, 2017, the Fund issued 2,578,483 common shares receiving net proceeds of \$29,221,362, after the deduction of offering expenses of \$431,193. The NAV per share of the Fund was reduced by approximately \$1.02 per share on the day the additional shares were issued below NAV. The Board has authorized the repurchase and retirement of its common shares on the open market when the shares are trading at a discount of 7.5% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the years ended December 31, 2018 and 2017, the Fund repurchased and retired 616,358 and 58,773 of its common shares at an investment of \$7,047,463 and \$715,219 and an average discount of 17.43% and 13.51%, respectively, from its net asset value.

Transactions in common shares were as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Increase from common shares issued in rights offering	—	—	2,578,483	\$29,652,555
Decrease from repurchase of common shares	(616,358)	\$(7,047,463)	(58,773)	(715,219)
Net increase/(decrease)	(616,358)	\$(7,047,463)	2,519,710	\$28,937,336

As of December 31, 2018, after considering the issuance of the Series A Preferred and additional common shares, the Fund has approximately \$40 million available for issuance of common or preferred shares under the current shelf registration.

The Fund's Declaration of Trust, as amended, authorizes the issuance of 1,200,000 shares of \$0.001 par value Cumulative Preferred Shares (Preferred Shares). The Preferred Shares are senior to the common shares and result in the financial leveraging of the common shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on the Series A Preferred are cumulative. The Fund is required by the 1940 Act and by the Fund's Statement of Preferences to meet certain asset coverage tests with respect

The Gabelli Global Small and Mid Cap Value Trust

Notes to Financial Statements (Continued)

to the Preferred Shares. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Preferred Shares at the redemption price of \$25 per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund's assets may vary in a manner unrelated to the fixed rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

On May 10, 2016, the Fund received \$28,885,357 (after underwriting discounts of \$945,000 and offering expenses of \$169,643) from the public offering of 1,200,000 shares of 5.450% Series A Preferred Shares (Series A Preferred). Commencing May 10, 2021 and at any time thereafter, the Fund, at its option, may redeem the Series A Preferred in whole or in part at the redemption price plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares. In addition, the Board has authorized the repurchase of Series A Preferred Shares in the open market at prices less than the \$25 liquidation value per share. During the years ended December 31, 2018 and 2017, the Fund did not repurchase any of the Series A Preferred. At December 31, 2018, 1,200,000 Series A Preferred were outstanding and accrued dividends amounted to \$22,708.

The holders of Preferred Stock generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common stock as a single class. The holders of Preferred Stock voting together as a single class also have the right currently to elect two Trustees and, under certain circumstances, are entitled to elect a majority of the Board of Trustees. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the preferred stock, voting as a single class, will be required to approve any plan of reorganization adversely affecting the preferred stock, and the approval of two-thirds of each class, voting separately, of the Fund's outstanding voting stock must approve the conversion of the Fund from a closed-end to an open-end investment company. The approval of a majority (as defined in the 1940 Act) of the outstanding preferred stock and a majority (as defined in the 1940 Act) of the Fund's outstanding voting securities are required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

6. 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.

7. Subsequent Events. Management has evaluated the impact on the Fund of all 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 Global Small and Mid Cap Value Trust

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of
The Gabelli Global Small and Mid Cap Value Trust:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Global Small and Mid Cap Value Trust (the "Fund") as of December 31, 2018, the related statement of operations for the year ended December 31, 2018, the statement of changes in net assets attributable to common shareholders for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the four years in the period ended December 31, 2018, and for the period June 23, 2014 (commencement of operations) through December 31, 2014 (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 as of December 31, 2018, the results of its operations for the year then ended, the changes in its net assets attributable to common shareholders for each of the two years in the period ended December 31, 2018 and the financial highlights for each of the four years in the period ended December 31, 2018, and for the period June 23, 2014 (commencement of operations) through December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund'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 Fund 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 of these financial statements 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 are free of material misstatement, whether due to error or fraud.

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 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. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 28, 2019

We have served as the auditor of one or more investment companies in Gabelli/GAMCO Fund Complex since 1986.

The Gabelli Global Small and Mid Cap Value Trust

Additional Fund Information (Unaudited)

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

Name, Position(s) Address¹ and Age	Term of Office and Length of Time Served²	Number of Funds in Fund Complex Overseen by Trustee	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee³
INTERESTED TRUSTEES⁴:				
Mario J. Gabelli, CFA Trustee and Chief Investment Officer Age: 76	Since 2013**	35	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 LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)
Kevin V. Dreyer Trustee and Portfolio Manager Age: 41	Since 2016*	1	Managing Director and Co-Chief Investment Officer of the Value team of GAMCO Investors, Inc.; Portfolio Manager for Gabelli Funds, LLC and GAMCO Asset Management Inc.	—
INDEPENDENT TRUSTEES⁵:				
John Birch^{6,7} Trustee Age: 68	Since 2018*	3	Partner, The Cardinal Partners Global; Chief Operating Officer of Sentinel Asset Management and Chief Financial Officer and Chief Risk Officer of Sentinel Group Funds (2005-2015)	—
Anthony S. Colavita Trustee Age: 57	Since 2018***	22	Attorney, Anthony S. Colavita, P.C.	—
James P. Conn Trustee Age: 80	Since 2013**	26	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (1992-1998)	—
Frank J. Fahrenkopf, Jr.^{6,7} Trustee Age: 79	Since 2013***	14	Co-Chairman of the Commission on Presidential Debates; Former President and Chief Executive Officer of the American Gaming Association (1995-2013); Former Chairman of the Republican National Committee (1983-1989)	Director of First Republic Bank (banking); Director of Eldorado Resorts, Inc. (casino entertainment company)
Kuni Nakamura^{6,7} Director Age: 50	Since 2013*	37	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)	—
Salvatore J. Zizza Trustee Age: 73	Since 2013*	32	President of Zizza & Associates Corp. (private holding company); Chairman of BAM (semiconductor and aerospace manufacturing); President of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)	Director and Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals) (2009-2018)

The Gabelli Global Small and Mid Cap Value Trust Additional Fund Information (Continued) (Unaudited)

Name, Position(s) Address¹ and Age	Term of Office and Length of Time Served²	Principal Occupation(s) During Past Five Years
OFFICERS:		
Bruce N. Alpert President Age: 67	Since 2013	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: 42	Since 2017	Treasurer of funds 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: 60	Since 2013	Officer of 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 and Vice President Age: 46	Since 2014	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of 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: 59	Since 2014	Chief Compliance Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013
Camillo Schmidt-Chiari Assistant Vice President and Ombudsman Age: 38	Since 2014	Assistant Vice President and Ombudsman of The Global Small and Mid Cap Value Trust; Research Analyst for Gabelli & Partners GmbH 2009-2012

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

² The Fund's Board of Trustees is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows:

* Term expires at the Fund's 2019 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

** Term expires at the Fund's 2020 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

*** Term expires at the Fund's 2021 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

For officers, includes time served in prior officer positions with the Fund. 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 Fund, as defined in the 1940 Act. Messrs. Gabelli and Dreyer are considered "interested persons" because of their affiliation with Gabelli Funds, LLC, which acts as the Fund's investment adviser.

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

⁶ This Trustee is elected solely by and represents the shareholders of the preferred shares issued by this Fund.

⁷ Mr. Fahrenkopf's daughter, Lesle. F. Foley, serves as a director of other funds in the Fund Complex, and Messrs. Birch and Nakamura are directors of Gabelli Merger Plus+ Trust Plc, which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and, in that event, would be deemed to be under common control with the Fund's Adviser.

THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST
INCOME TAX INFORMATION (Unaudited)
December 31, 2018

Cash Dividends and Distributions

Payable Date	Record Date	Ordinary Investment Income(a)	Long Term Capital Gains(a)	Return of Capital(b)	Total Amount Paid Per Share(a)
5.450% Series A Cumulative Preferred Shares					
03/26/18	03/19/18	\$0.13245	\$0.20818	—	\$0.34062
06/26/18	06/19/18	0.13245	0.20818	—	0.34062
09/26/18	09/19/18	0.13245	0.20818	—	0.34062
12/26/18	12/18/18	0.13245	0.20818	—	0.34062
		<u>\$0.52979</u>	<u>\$0.83271</u>	<u>—</u>	<u>\$1.36250</u>

A Form 1099-DIV has been mailed to all shareholders of record which sets forth specific amounts to be included in your 2018 tax returns. Ordinary distributions include net investment income and realized net short term capital gains. Ordinary income is reported in box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2a of Form 1099-DIV.

The long term gain distributions for the year ended December 31, 2018 were \$999,248 or the maximum amount.

Corporate Dividends Received Deduction, Qualified Dividend Income, and U.S. Government Securities Income

In 2018, the Fund paid to 5.450% Series A Cumulative Preferred shareholders ordinary income dividends of \$0.5298 per share, respectively. For 2018, 100% of the ordinary dividend qualified for the dividend received deduction available to corporations, 100% of the ordinary income distribution was deemed qualified dividend income, and 18.07% of ordinary income distribution was qualified interest income and 100% of ordinary income distribution was qualified short term capital gain. The percentage of ordinary income dividends paid by the Fund during 2018 derived from U.S. Government securities was 13.44%. Such income is exempt from state and local taxes 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 its fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2018. The percentage of U.S. Government securities held as of December 31, 2018 was 13.3%.

Historical Distribution Summary

	Investment Income(c)	Short Term Capital Gains(c)	Long Term Capital Gains	Return of Capital(b)	Total Distributions(a)	Adjustment to Cost Basis(d)
Common Shares						
2018	—	—	—	—	—	—
2017(e)	—	—	—	—	—	—
2016	\$0.03560	\$0.06970	\$0.01470	—	\$0.12000	—
5.450% Series A Cumulative Preferred Shares						
2018	\$0.44587	\$0.08392	\$0.83271	—	\$1.36250	—
2017	0.16835	0.73937	0.16260	\$0.29218	1.36250	\$0.29218
2016	0.25481	0.49866	0.10567	—	0.85914	—

(a) Total amounts may differ due to rounding.

(b) Non - Taxable.

(c) Taxable as ordinary income for Federal tax purposes.

(d) Decrease in Cost basis.

(e) On October 23, 2017, the Fund distributed Rights equivalent to \$1.02 per share based upon full subscription of all issued shares.

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.

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

Portfolio Management Team Biographies

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman 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 serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA degree with honors from Columbia Business School.

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

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

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

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

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

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

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

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Executive Chairman,
Associated Capital Group Inc.

John Birch
Partner,
The Cardinal Partners Global

Anthony S. Colavita
Attorney,
Anthony S. Colavita, P.C.

James P. Conn
Former Managing Director &
Chief Investment Officer,
Financial Security Assurance
Holdings Ltd.

Kevin V. Dreyer
Managing Director,
GAMCO Investors, Inc.

Frank J. Fahrenkopf, Jr.
Former President &
Chief Executive Officer,
American Gaming Association

Kuni Nakamura
President,
Advanced Polymer, Inc.

Salvatore J. Zizza
Chairman,
Zizza & Associates Corp.

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Company

COUNSEL

Skadden, Arps, Slate, Meagher &
Flom LLP

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.



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FUNDS

THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST

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December 31, 2018