

# The Gabelli International Small Cap Fund

Annual Report — December 31, 2018



**Caesar M. P. Bryan**  
Portfolio Manager

## To Our Shareholders,

For the year ended December 31, 2018, the net asset value (NAV) per Class AAA Share of The Gabelli International Small Cap Fund decreased 20.9% compared with a decrease of 17.9% for the Morgan Stanley Capital International (MSCI) Europe, Australasia and Far East (EAFE) Small Cap Index. Other classes of shares are available. See page 3 for performance information for all classes.

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

## Performance Discussion (Unaudited)

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

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

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

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

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](http://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](mailto:info@gabelli.com).

This was an eventful year for the market. The exuberant reaction to the passage of the Tax Cuts and Jobs Act resulted in the best January market return in over 20 years. January marked a new high for the S&P 500 of 2872. The remainder of the year can best be summarized as strong corporate earnings and broad U.S. economic strength, a sharp contrast to most major international economies which saw decelerating growth. U.S. GDP growth peaked at 4.2% in the second quarter and followed up with a solid 3.5% in the third quarter. The fourth quarter tracked somewhat weaker. The stronger U.S. economy, relative to other developed economies, and divergent global central bank policies resulted in a steadily increasing U.S. dollar over the course of the year. Despite increasing uncertainty around trade and tariff disputes, the relatively robust economic backdrop in 2018 gave the Federal Reserve cover to raise rates in March, June and September, as expected and with little resistance.

Selected holdings that contributed positively to performance in 2018 were: NagaCorp Ltd. (2.0% of net assets as of December 31, 2018) a leisure and tourism company with casino operations in Phnom Penh, the capital city of Cambodia. The performance factors were attributed to the following: a strengthened management team; greater confidence in the financial strength of the company; what it termed the “good standing” of its debt; and organic growth, with another extension to NagaWorld, to be known as Naga 3; Jardine Matheson Holdings Ltd. (1.6%), through its subsidiaries, engages in the motor vehicles and related operations, property investment and development, food retailing, home furnishings, engineering and construction, and transportation businesses. The company’s year on year growth was in line with estimates. Milbon Co. Ltd. (1.6%), a Japanese company, is mainly engaged in the manufacture and sale of hair cosmetics, as well as the provision of related services. Since its over the counter market listing (currently Jasadq) in 1996, its dividend per share has risen from ¥15 to ¥92.

Some of our weaker performing holdings during the year were: Nilfisk Holdings A/S. (1.2%) which engages in the manufacture and wholesale of floor cleaning machines through its subsidiary. Flat organic growth and performance below expectations caused by timing of strategic account revenue and cancellations of industrial orders weighed on performance; Topcon Corp. (1.0%) is a Japanese manufacturer of optical equipment for ophthalmology. The company’s earnings declined year on year largely because of increases in operating costs; and JSP Corp. (1.0%), which manufactures and sells expanded polymers worldwide. Concerns about slowing economic growth in the United States because of trade friction and rising interest rates lowered performance.

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

We appreciate your confidence and trust.

## Comparative Results

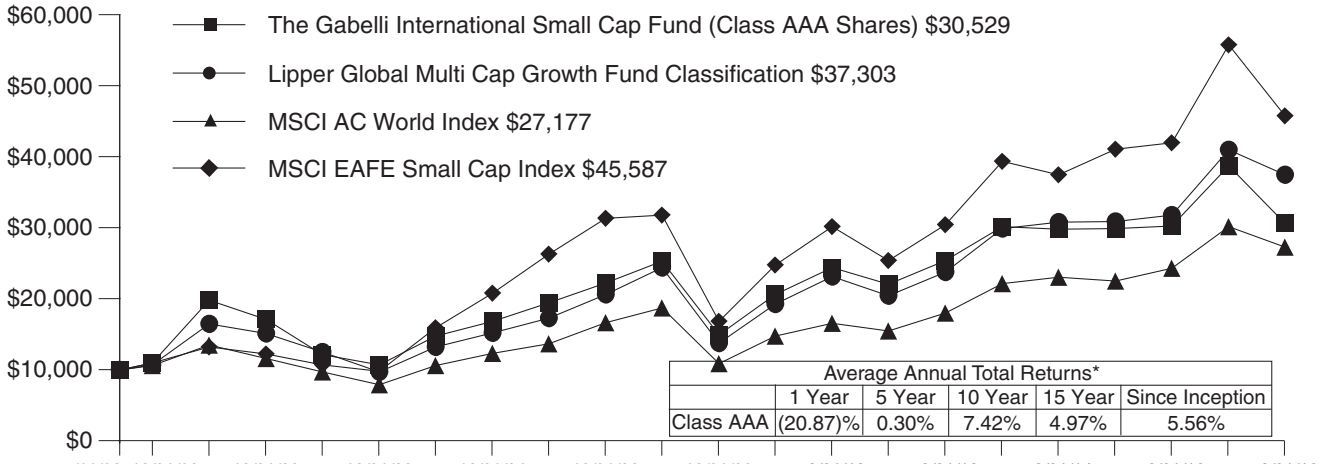
### Average Annual Returns through December 31, 2018 (a) (Unaudited)

	1 Year	5 Year	10 Year	15 Year	Since Inception (5/11/98)
<b>Class AAA (GABOX)</b> . . . . .	(20.87)%	0.30%	7.42%	4.97%	5.56%
MSCI EAFE Small Cap Index . . . . .	(17.89)	3.06	10.51	7.29	7.36(b)
MSCI All Country (AC) World Index . . . . .	(9.42)	4.26	9.46	6.19	5.96(c)
Lipper Global Large-Cap Growth Fund Classification . . . . .	(6.23)	4.91	10.26	7.08	(0.62)
Lipper Global Multi-Cap Growth Fund Classification . . . . .	(8.58)	4.63	10.26	5.76	4.38
<b>Class A (GOCAX)</b> . . . . .	(21.70)	0.02	7.27	4.87	5.49
With sales charge (d) . . . . .	(26.20)	(1.16)	6.64	4.46	5.19
<b>Class C (GGLCX)</b> . . . . .	(22.33)	(0.65)	6.51	4.19	5.02
With contingent deferred sales charge (e) . . . . .	(23.11)	(0.65)	6.51	4.19	5.02
<b>Class I (GLOIX)</b> . . . . .	(20.90)	0.80	7.83	5.25	5.77

In the current prospectuses dated April 30, 2018, the gross expense ratios for Class AAA, A, C, and I Shares are 3.01%, 3.01%, 3.76%, and 2.76%, respectively, and the net expense ratios for these share classes after contractual reimbursements by Gabelli Funds, LLC, (the Adviser) are 1.00%, 2.00%, 2.75%, and 1.00%, respectively. See page 11 for the expense ratios for the year ended December 31, 2018. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

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

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



\* Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

# The Gabelli International Small Cap Fund

## Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2018 through December 31, 2018

## Expense Table

We believe it is important for you to understand the impact of fees and expenses regarding your investment. All mutual funds have operating expenses. As a shareholder of a fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of a fund. When a fund's expenses are expressed as a percentage of its average net assets, this figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The Expense Table below illustrates your Fund's costs in two ways:

**Actual Fund Return:** This section provides information about actual account values and actual expenses. You may use this section to help you to estimate the actual expenses that you paid over the period after any fee waivers and expense reimbursements. The "Ending Account Value" shown is derived from the Fund's **actual** return during the past six months, and the "Expenses Paid During Period" shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your Fund under the heading "Expenses Paid During Period" to estimate the expenses you paid during this period.

**Hypothetical 5% Return:** This section provides information about hypothetical account values and

hypothetical expenses based on the Fund's actual expense ratio. It assumes a hypothetical annualized return of 5% before expenses during the period shown. In this case – because the hypothetical return used is **not** the Fund's actual return – the results do not apply to your investment and you cannot use the hypothetical account value and expense to estimate the actual ending account balance or expenses you paid for the period. This example is useful in making comparisons of the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended December 31, 2018.

	Beginning Account Value 07/01/18	Ending Account Value 12/31/18	Annualized Expense Ratio	Expenses Paid During Period*
<b><i>The Gabelli International Small Cap Fund</i></b>				
<b>Actual Fund Return</b>				
Class AAA	\$1,000.00	\$ 822.80	1.00%	\$ 4.59
Class A	\$1,000.00	\$ 818.10	2.00%	\$ 9.17
Class C	\$1,000.00	\$ 815.00	2.75%	\$12.58
Class I	\$1,000.00	\$ 822.70	1.00%	\$ 4.59
<b>Hypothetical 5% Return</b>				
Class AAA	\$1,000.00	\$1,020.16	1.00%	\$ 5.09
Class A	\$1,000.00	\$1,015.12	2.00%	\$10.16
Class C	\$1,000.00	\$1,011.34	2.75%	\$13.94
Class I	\$1,000.00	\$1,020.16	1.00%	\$ 5.09

\* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184 days), then divided by 365.

## Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of December 31, 2018:

### The Gabelli International Small Cap Fund

Consumer Discretionary . . . . .	26.3%	Computer Software and Services . . . . .	0.7%
Consumer Staples . . . . .	18.2%	Telecommunication Services . . . . .	0.6%
Industrials . . . . .	14.2%	Utilities . . . . .	0.2%
Materials . . . . .	11.5%	U.S. Government Obligations . . . . .	1.9%
Financials . . . . .	9.7%	Other Assets and Liabilities (Net) . . . . .	<u>0.1%</u>
Health Care . . . . .	7.8%		<u>100.0%</u>
Information Technology . . . . .	6.6%		
Real Estate . . . . .	2.2%		

*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](http://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](http://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](http://www.sec.gov).

# The Gabelli International Small Cap Fund

## Schedule of Investments — December 31, 2018

Shares	Cost	Market Value	Shares	Cost	Market Value
<b>COMMON STOCKS — 97.0%</b>			2,000	Clarkson plc .....	\$ 78,000 \$ 48,420
<b>CONSUMER DISCRETIONARY — 26.3%</b>			1,800	Jardine Matheson Holdings Ltd.....	60,127 125,332
5,555	AcadeMedia AB† .....	\$ 39,150 \$ 24,574	4,000	Loomis AB, Cl. B. ....	148,615 128,940
3,500	Accell Group NV .....	95,049 75,570	600	Nidec Corp.....	55,269 67,888
5,500	Beneteau SA .....	102,689 72,331	2,500	Niifisk Holding A/S† .....	117,766 88,874
280	Christian Dior SE .....	16,832 107,140	20,000	Rotork plc .....	68,941 63,153
1,200	Cie Financiere Richemont SA .....	15,603 77,385	2,000	Shima Seiki Manufacturing Ltd. ....	101,334 58,143
7,000	Crest Nicholson Holdings plc.....	53,128 29,298	10,000	Sodick Co. Ltd. ....	123,377 62,647
50,000	Entertainment One Ltd.....	199,950 227,229	13,000	Teraoka Seisakusho Co. Ltd. ....	100,314 59,544
2,820	GVC Holdings plc .....	36,602 24,210	500	Warehouses De Pauw CVA, REIT ....	56,435 65,995
30,000	HT&E Ltd. ....	55,068 33,401	6,000	Workspace Group plc, REIT .....	72,186 60,649
1,150	Hunter Douglas NV .....	94,649 76,510	8,000	Yushin Precision Equipment Co. Ltd. ....	109,039 61,607
2,200	JINS Inc. ....	125,148 116,085		<b>TOTAL INDUSTRIALS</b> .....	<u>1,349,698</u> <u>1,080,565</u>
10,000	JPJ Group plc† .....	114,600 81,378		<b>MATERIALS — 11.5%</b>	
20,000	Luk Fook Holdings International Ltd. ....	73,164 57,075	6,000	Alamos Gold Inc., Cl. A .....	44,345 21,600
7,500	Manchester United plc, Cl. A .....	133,996 142,350	13,850	Alamos Gold Inc., Toronto, Cl. A. ....	102,362 49,812
25,000	Mandarin Oriental International Ltd. .	61,939 50,980	18,000	B2Gold Corp.† .....	51,262 52,608
4,190	Modern Times Group MTG AB, Cl. B. .	158,046 138,843	20,000	Centamin plc .....	41,668 27,828
140,000	NagaCorp. Ltd. ....	91,176 150,416	50	Conzzeta AG .....	48,406 39,117
9,000	Scandic Hotels Group AB .....	117,117 79,436	3,000	Detour Gold Corp.† .....	42,313 25,337
2,000	Sony Corp. ....	51,960 96,419	3,000	Endeavour Mining Corp.† .....	60,421 49,092
2,500	Ted Baker plc .....	80,866 49,403	12,000	Hochschild Mining plc .....	46,101 23,918
2,000	Tod's SpA .....	132,379 94,684	4,000	JSP Corp. ....	128,936 78,255
10,000	Treatt plc .....	57,375 54,553	3,000	Labrador Iron Ore Royalty Corp.....	51,466 53,267
30,000	William Hill plc.....	98,381 59,278	4,000	MAG Silver Corp.† .....	51,468 29,300
10,000	Zojirushi Corp. ....	93,734 87,791	30,000	Northern Dynasty Minerals Ltd.† ....	55,344 17,076
	<b>TOTAL CONSUMER DISCRETIONARY</b> .....	<u>2,098,601</u> <u>2,006,339</u>	15,000	OceanaGold Corp. ....	50,106 54,717
	<b>CONSUMER STAPLES — 18.2%</b>		4,000	Osisko Gold Royalties Ltd. ....	57,390 35,072
1,300	Danone SA .....	77,722 91,627	12,000	Sekisui Plastics Co. Ltd.....	136,928 101,078
1,000	Heineken Holding NV .....	46,743 84,487	20,000	SEMAFO Inc.† .....	55,436 43,217
30,000	Hotel Chocolat Group Ltd.....	131,832 101,331	2,000	Sumitomo Bakelite Co. Ltd. ....	87,393 68,822
2,200	Interparfums SA .....	82,577 85,046	5,000	T Hasegawa Co. Ltd. ....	97,468 70,806
2,700	Kameda Seika Co. Ltd. ....	112,789 121,641	2,000	Torex Gold Resources Inc.† .....	35,750 19,030
3,000	Kato Sangyo Co. Ltd. ....	90,690 83,006	25,000	Westgold Resources Ltd.† .....	<u>38,443</u> <u>15,496</u>
1,200	Laurent-Perrier Group .....	113,180 130,616		<b>TOTAL MATERIALS</b> .....	<u>1,283,006</u> <u>875,448</u>
3,000	Milbon Co. Ltd. ....	103,616 122,121		<b>FINANCIALS — 9.7%</b>	
660	Pernod Ricard SA .....	22,593 108,320	30,000	Brewin Dolphin Holdings plc .....	141,892 123,200
60	Philip Morris CR AS.....	50,515 37,543	8,000	GAM Holding AG .....	123,916 31,545
80,000	Premier Foods plc† .....	43,658 33,649	4,000	Kinnevik AB, Cl. B. ....	92,113 96,797
22,000	PZ Cussons plc .....	87,780 59,791	50,000	Miton Group plc .....	29,119 29,188
4,000	Sakata Seed Corp. ....	118,342 122,509	14,000	Polar Capital Holdings plc .....	85,288 84,104
35,000	Stock Spirits Group plc .....	126,796 92,519	4,000	Rothschild & Co. ....	142,628 141,372
1,000	Viscofan SA .....	59,782 55,137	13,000	Tamburi Investment Partners SpA ...	90,851 85,712
6,500	Wessanen .....	121,483 59,407	120,000	Value Partners Group Ltd.....	109,270 83,322
	<b>TOTAL CONSUMER STAPLES</b> .....	<u>1,390,098</u> <u>1,388,750</u>	31,538	XPS Pensions Group plc .....	<u>76,002</u> <u>65,724</u>
	<b>INDUSTRIALS — 14.2%</b>			<b>TOTAL FINANCIALS</b> .....	<u>891,079</u> <u>740,964</u>
10,000	Aida Engineering Ltd. ....	116,191 65,490		<b>HEALTH CARE — 6.8%</b>	
15,000	BBA Aviation plc .....	42,061 41,697	3,000	AddLife AB .....	60,059 69,022
40,000	Chemring Group plc .....	100,043 82,186	600	Bachem Holding AG, Cl. B. ....	84,777 69,473

See accompanying notes to financial statements.

# The Gabelli International Small Cap Fund

## Schedule of Investments (Continued) — December 31, 2018

Shares		Cost	Market Value	Shares		Cost	Market Value
	<b>COMMON STOCKS (Continued)</b>				<b>RIGHTS — 0.0%</b>		
	<b>HEALTH CARE (Continued)</b>				<b>Consumer Discretionary — 0.0%</b>		
6,000	CVS Group plc.....	\$ 76,399	\$ 50,589	20,000	Ladbrokes plc, CVR†(b).....	\$ 0	\$ 0
900	Gerresheimer AG.....	78,165	59,140				
10,000	IRRAS AB†.....	39,590	38,249				
25,000	Nanosonics Ltd.†.....	53,385	50,021				
230	Siegfried Holding AG.....	76,087	78,663				
1,300	Vetoquinol SA.....	81,468	75,597				
250	Ypsomed Holding AG†.....	47,385	29,616				
	<b>TOTAL HEALTH CARE.....</b>	<b>597,315</b>	<b>520,370</b>				
	<b>INFORMATION TECHNOLOGY — 6.6%</b>				<b>U.S. GOVERNMENT OBLIGATIONS — 1.9%</b>		
24,285	Equiniti Group plc.....	90,810	67,103		U.S. Treasury Bill,		
10,000	F-Secure OYJ.....	49,487	26,469		2.344%††, 03/21/19.....	144,259	144,266
6,000	Infomart Corp.....	69,674	54,774				
200	Keyence Corp.....	18,657	101,089				
20,000	NCC Group plc.....	57,230	44,832				
65,000	Oxford Metrics plc.....	62,267	60,065				
23,000	SafeCharge International Group Ltd..	93,881	68,950				
6,000	Topcon Corp.....	108,068	79,662				
	<b>TOTAL INFORMATION TECHNOLOGY.....</b>	<b>550,074</b>	<b>502,944</b>				
	<b>REAL ESTATE — 2.2%</b>				<b>TOTAL INVESTMENTS — 99.9%.....</b>	<b>\$ 8,787,515</b>	<b>7,613,648</b>
25,000	Impact Healthcare Reit plc, REIT....	34,145	33,017		<b>Other Assets and Liabilities (Net) — 0.1%.....</b>		<b>9,606</b>
4,000	PATRIZIA Immobilien AG.....	88,694	76,431				
7,000	Tosei Corp.....	70,534	53,291				
	<b>TOTAL REAL ESTATE.....</b>	<b>193,373</b>	<b>162,739</b>				
	<b>COMPUTER SOFTWARE AND SERVICES — 0.7%</b>				<b>NET ASSETS — 100.0%.....</b>	<b>\$ 7,623,254</b>	
3,000	PSI Software AG.....	67,275	53,719				
	<b>TELECOMMUNICATION SERVICES — 0.6%</b>						
20,000	Sistema PJSC FC, GDR.....	72,556	46,441				
	<b>UTILITIES — 0.2%</b>						
75,000	China Everbright Water Ltd.....	27,144	16,544				
	<b>TOTAL COMMON STOCKS.....</b>	<b>8,520,219</b>	<b>7,394,823</b>				
	<b>PREFERRED STOCKS — 1.0%</b>						
	<b>Health Care — 1.0%</b>						
1,400	Draegerwerk AG & Co.						
	KGaA, 0.460%(a).....	123,037	74,559				

- (a) Security is perpetual and has no stated maturity date.  
(b) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
- † Non-income producing security.  
†† Represents annualized yield at date of purchase.
- CVR Contingent Value Right  
GDR Global Depositary Receipt  
REIT Real Estate Investment Trust

Geographic Diversification	% of Market Value	Market Value
Europe.....	58.5%	\$4,452,854
Japan.....	22.8	1,732,667
Canada.....	7.5	573,548
Asia/Pacific.....	6.4	486,887
Latin America.....	2.9	223,426
United States.....	1.9	144,266
	<b>100.0%</b>	<b>\$7,613,648</b>

See accompanying notes to financial statements.



## The Gabelli International Small Cap Fund

### Statement of Assets and Liabilities December 31, 2018

<b>Assets:</b>	
Investments, at value (cost \$8,787,515).....	\$ 7,613,648
Cash .....	27,882
Receivable for Fund shares sold .....	2,191
Receivable from Adviser .....	39,968
Dividends receivable .....	35,216
Prepaid expenses .....	6,910
<b>Total Assets</b> .....	<u>7,725,815</u>
<b>Liabilities:</b>	
Payable for Fund shares redeemed .....	7,334
Payable for investment advisory fees .....	21,094
Payable for distribution fees .....	1,347
Payable for legal and audit fees .....	33,780
Payable for shareholder communications expenses .....	10,927
Other accrued expenses .....	28,079
<b>Total Liabilities</b> .....	<u>102,561</u>
<b>Net Assets</b> (applicable to 684,269 shares outstanding) .....	<u>\$ 7,623,254</u>
<b>Net Assets Consist of:</b>	
Paid-in capital .....	\$ 8,799,130
Total accumulated loss(a) .....	(1,175,876)
<b>Net Assets</b> .....	<u>\$ 7,623,254</u>

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

##### Class AAA:

Net Asset Value, offering, and redemption price per share (\$5,954,088 ÷ 537,098 shares outstanding; 75,000,000 shares authorized) .....	<u>\$11.09</u>
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##### Class A:

Net Asset Value and redemption price per share (81,144 ÷ 7,344 shares outstanding; 50,000,000 shares authorized) .....	<u>\$11.05</u>
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Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price) .....	<u>\$11.72</u>
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##### Class C:

Net Asset Value and offering price per share (30,826 ÷ 3,076 shares outstanding; 25,000,000 shares authorized) .....	<u>\$10.02(b)</u>
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##### Class I:

Net Asset Value, offering, and redemption price per share (\$1,557,196 ÷ 136,751 shares outstanding; 25,000,000 shares authorized) .....	<u>\$11.39</u>
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- (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/accumulated loss. See Note 2 for further details.
- (b) Redemption price varies based on the length of time held.

### Statement of Operations For the Year Ended December 31, 2018

<b>Investment Income:</b>	
Dividends (net of foreign withholding taxes of \$16,428) .....	\$ 201,422
Interest .....	2,680
<b>Total Investment Income</b> .....	<u>204,102</u>
<b>Expenses:</b>	
Investment advisory fees .....	98,548
Distribution fees - Class AAA .....	19,483
Distribution fees - Class A .....	255
Distribution fees - Class C .....	339
Legal and audit fees .....	51,934
Registration expenses .....	32,539
Shareholder services fees .....	20,920
Custodian fees .....	12,783
Shareholder communications expenses .....	8,959
Directors' fees .....	2,846
Interest expense .....	490
Miscellaneous expenses .....	52,692
<b>Total Expenses</b> .....	<u>301,788</u>
Less:	
Expenses reimbursed by Adviser (See Note 3) ..	(201,091)
Expenses paid indirectly by broker (See Note 6) .....	<u>(47)</u>
<b>Total Credits and Reimbursements</b> .....	<u>(201,138)</u>
<b>Net Expenses</b> .....	<u>100,650</u>
<b>Net Investment Income</b> .....	<u>103,452</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:</b>	
Net realized gain on investments .....	1,756,007
Net realized loss on foreign currency transactions ..	(1,156)
Net realized gain on investments and foreign currency transactions .....	<u>1,754,851</u>
Net change in unrealized appreciation/depreciation: on investments .....	(3,980,367)
on foreign currency translations .....	<u>(124)</u>
Net change in unrealized appreciation/depreciation on investments and foreign currency translations .....	<u>(3,980,491)</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency</b> .....	<u>(2,225,640)</u>
<b>Net Decrease in Net Assets Resulting from Operations</b> .....	<u>\$(2,122,188)</u>

See accompanying notes to financial statements.

# The Gabelli International Small Cap Fund

## Statement of Changes in Net Assets

	<u>Year Ended</u> <u>December 31, 2018</u>	<u>Year Ended</u> <u>December 31, 2017</u>
<b>Operations:</b>		
Net investment income.....	\$ 103,452	\$ 27,156
Net realized gain on investments and foreign currency transactions .....	1,754,851	3,941,863
Net change in unrealized appreciation/depreciation on investments and foreign currency translations.....	<u>(3,980,491)</u>	<u>(1,453,832)</u>
<b>Net Increase/(Decrease) in Net Assets Resulting from Operations .....</b>	<b><u>(2,122,188)</u></b>	<b><u>2,515,187</u></b>
<b>Distributions to Shareholders:</b>		
Accumulated earnings		
Class AAA.....	(1,452,994)	(3,180,532)
Class A .....	(19,971)	(61,795)
Class C .....	(7,638)	(15,963)
Class I .....	<u>(364,355)</u>	<u>(722,883)</u>
	<u>(1,844,958)</u>	<u>(3,981,173)*</u>
Return of Capital		
Class AAA.....	(2,742)	—
Class I .....	<u>(666)</u>	<u>—</u>
	<u>(3,408)</u>	<u>—</u>
<b>Total Distributions to Shareholders(a) .....</b>	<b><u>(1,848,366)</u></b>	<b><u>(3,981,173)</u></b>
<b>Capital Share Transactions:</b>		
Class AAA.....	484,686	2,003,345
Class A .....	(31,025)	6,401
Class C .....	3,490	10,561
Class I .....	<u>307,596</u>	<u>1,059,355</u>
<b>Net Increase in Net Assets from Capital Share Transactions .....</b>	<b><u>764,747</u></b>	<b><u>3,079,662</u></b>
<b>Redemption Fees .....</b>	<b><u>803</u></b>	<b><u>—</u></b>
<b>Net Increase/(Decrease) in Net Assets .....</b>	<b><u>(3,205,004)</u></b>	<b><u>1,613,676</u></b>
<b>Net Assets:</b>		
Beginning of year .....	<u>10,828,258</u>	<u>9,214,582</u>
End of year .....	<u>\$ 7,623,254</u>	<u>\$10,828,258</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 shareholders from net investment income were \$42,189 (Class AAA), \$388 (Class A), and \$21,566 (Class I) and the distributions to shareholders from net realized gain were \$3,138,343 (Class AAA), \$61,407 (Class A), \$15,963 (Class C), and \$701,317 (Class I).

See accompanying notes to financial statements.

# The Gabelli International Small Cap Fund

## Financial Highlights

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

Year Ended December 31	Income (Loss)				Distributions			Ratios to Average Net Assets/ Supplemental Data					
	Net Investment (Loss) (a)	Net Investment Income	Net Realized Gain	Return of Capital	Total Distributions	Redemption Fees (a)(b)	Net Asset Value End of Year	Total Return†	Net Assets End of Year (in 000's)	Net Investment Income (Loss)	Operating Expenses Reimburse- ment	Operating Expenses Net of Reimburse- ment(c)(d)	Portfolio Turnover Rate
<b>Class AAA</b>													
2018	\$ 0.19	\$(4.13)	\$(3.32)	\$(0.01)	\$(3.52)	\$0.00	\$11.09	(20.9)%	\$ 5,954	1.07%	3.11%	1.00%(e)	26%
2017	0.04	6.19	(9.96)	—	(10.09)	—	18.55	28.1	8,599	0.16	3.01	1.67	71
2016	0.27	(0.28)	(1.01)	—	(1.29)	0.00	22.41	1.1	7,764	1.14	2.80	1.38(f)(g)	4
2015	0.01	(0.11)	(0.21)	—	(0.32)	0.00	23.45	0.2	8,596	0.03	2.67	2.02(e)(f)	7
2014	0.08	(0.36)	—	—	—	—	23.71	(1.2)	10,226	0.33	2.72	2.00	9
<b>Class A</b>													
2018	\$ 0.01	\$(4.08)	\$(3.32)	—	\$(3.32)	\$0.00	\$11.05	(21.7)%	\$ 81	0.04%	3.11%	2.01%(e)	26%
2017	(0.05)	6.18	(9.96)	—	(10.02)	—	18.44	27.7	155	(0.19)	3.01	2.00	71
2016	0.27	(0.01)	(1.01)	—	(1.28)	0.00	22.33	1.1	166	1.74	2.80	1.39(f)(g)	4
2015	0.02	0.03	(0.21)	—	(0.31)	0.00	23.35	0.1	183	0.08	2.67	2.02(e)(f)	7
2014	0.08	(0.37)	—	—	—	—	23.61	(1.2)	220	0.35	2.72	2.00	9
<b>Class C</b>													
2018	\$(0.11)	\$(3.81)	\$(3.32)	—	\$(3.32)	\$0.00	\$10.02	(22.3)%	\$ 31	(0.67)%	3.86%	2.76%(e)	26%
2017	(0.23)	5.93	(9.96)	—	(9.96)	—	17.26	26.8	43	(0.92)	3.76	2.75	71
2016	0.20	(0.01)	(1.01)	—	(1.27)	0.00	21.52	0.9	39	0.87	3.55	1.66(f)(g)	4
2015	(0.17)	0.04	(0.21)	—	(0.21)	0.00	22.60	0.6	51	(0.75)	3.42	2.77(e)(f)	7
2014	(0.04)	(0.42)	—	—	—	—	22.94	(2.0)	31	(0.17)	3.46	2.75	9
<b>Class I</b>													
2018	\$ 0.19	\$(4.22)	\$(3.32)	\$(0.01)	\$(3.51)	\$0.00	\$11.39	(20.9)%	\$ 1,557	1.07%	2.86%	1.00%(e)	26%
2017	0.21	6.31	(9.96)	—	(10.27)	—	18.93	29.0	2,031	0.82	2.76	1.00	71
2016	0.36	(0.01)	(1.01)	—	(1.38)	0.00	22.68	1.5	1,246	1.50	2.55	1.01(f)(g)	4
2015	0.21	0.08	(0.21)	—	(0.45)	0.00	23.71	1.2	1,251	0.88	2.42	1.02(e)(f)	7
2014	0.21	(0.38)	—	—	—	—	23.87	(0.7)	668	0.86	2.46	1.48	9

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

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

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

(c) Under an expense reimbursement agreement with the Adviser, the Adviser reimbursed expenses of \$201,091, \$144,403, \$137,877, \$75,568, and \$85,469 for the years ended December 31, 2018, 2017, 2016, 2015 and 2014, respectively.

(d) The Fund incurred interest expense for the year ended December 31, 2018. If interest expense had not been incurred, the ratio of operating expenses to average net assets would have been 2.00% (Class A), 2.75% (Class C) and with no impact to Class AAA and Class I. For the years ended December 31, 2017, 2016, 2015, and 2014, the effect of interest expense was minimal.

(e) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended December 31, 2015, had such payments not been made, the expense ratios would have been 2.03% (Class AAA and Class A), 2.78% (Class C), and 1.03% (Class I). For the years ended December 31, 2018, the effect of expense was minimal.

(f) The Fund incurred tax expense for the years ended December 31, 2016 and 2015. If tax expense had not been incurred, the ratios of operating expenses to average net assets would have been 1.37% and 2.00% (Class AAA), 1.38% and 2.00% (Class A), 1.65% and 2.75% (Class C), and 1.00% and 1.00% (Class I), respectively.

(g) During the year ended December 31, 2016, the Fund received reimbursements of custody expenses paid in prior years. Had such reimbursement (allocated by relative net asset values of the Fund's share classes) been included in this period, the expense ratios would have been 1.17% (Class AAA), 1.18% (Class A), 1.45% (Class C), and 0.80% (Class I).

See accompanying notes to financial statements.

# The Gabelli International Small Cap Fund

## Notes to Financial Statements

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**1. Organization.** The Gabelli International Small Cap Fund, a series of GAMCO Global Series Funds, Inc. (the Corporation), was incorporated on July 16, 1993 in Maryland. The Fund is a non-diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act), and one of five separately managed portfolios (collectively, the Portfolios) of the Corporation. The Fund's primary objective is capital appreciation. The Fund commenced investment operations on May 11, 1998.

**2. Significant Accounting Policies.** As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

**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. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets. 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 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 Directors (the Board) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the Adviser).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the

## The Gabelli International Small Cap Fund

### Notes to Financial Statements (Continued)

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Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Such debt obligations are valued through prices provided by a pricing service approved by the Board. Certain securities are valued principally using dealer quotations.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The Fund employs a fair value model to adjust prices to reflect events affecting the values of certain portfolio securities which occur between the close of trading on the principal market for such securities (foreign exchanges and over-the-counter markets) at the time when net asset values of the Fund are determined. If the Fund's valuation committee believes that a particular event would materially affect net asset value, further adjustment is considered.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 — quoted prices in active markets for identical securities;
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 — significant unobservable inputs (including the Board's determinations as to the fair value of investments).

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

## The Gabelli International Small Cap Fund

### Notes to Financial Statements (Continued)

presented below. 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	
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Common Stocks:				
Consumer Discretionary	\$ 196,903	\$1,809,436	—	\$2,006,339
Consumer Staples	265,596	1,123,154	—	1,388,750
Financials	94,912	646,052	—	740,964
Health Care	88,838	431,532	—	520,370
Industrials	148,181	932,384	—	1,080,565
Information Technology	60,065	442,879	—	502,944
Materials	465,624	409,824	—	875,448
Other Industries (a)	—	279,443	—	279,443
Total Common Stocks	1,320,119	6,074,704	—	7,394,823
Preferred Stocks (a)	—	74,559	—	74,559
Rights (a)	—	—	\$ 0	0
U.S. Government Obligations	—	144,266	—	144,266
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$1,320,119</b>	<b>\$6,293,529</b>	<b>\$ 0</b>	<b>\$7,613,648</b>

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

The Fund did not have any transfers into or out of Level 3 during the year ended December 31, 2018. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

#### Additional Information to Evaluate Qualitative Information.

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

**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 Gabelli International Small Cap Fund

### Notes to Financial Statements (Continued)

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

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

**Foreign Securities.** The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

**Foreign Taxes.** The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

**Securities Transactions and Investment Income.** Securities transactions are accounted for on the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on an accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

**Determination of Net Asset Value and Calculation of Expenses.** Certain administrative expenses are common to, and allocated among, various affiliated funds. Such allocations are made on the basis of each fund's average net assets or other criteria directly affecting the expenses as determined by the Adviser pursuant to procedures established by the Board.

In calculating the NAV per share of each class, investment income, realized and unrealized gains and losses, redemption fees, and expenses other than class specific expenses are allocated daily to each class of shares based upon the proportion of net assets of each class at the beginning of each day. Distribution expenses are borne solely by the class incurring the expense.

**Distributions to Shareholders.** Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax

## The Gabelli International Small Cap Fund

### Notes to Financial Statements (Continued)

regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to the sale of passive foreign investment companies and recharacterization of foreign currency. These reclassifications have no impact on the NAV of the Fund.

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>
<b>Distributions paid from:</b>		
Ordinary income (inclusive of short term capital gains) .....	\$ 271,040	\$ 64,666
Net long term capital gains .....	1,573,918	3,916,507
Return of capital .....	<u>3,408</u>	<u>—</u>
Total distributions paid .....	<u>\$1,848,366</u>	<u>\$3,981,173</u>

**Provision for Income Taxes.** The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

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

Net unrealized depreciation on investments and foreign currency translations .....	\$(1,175,876)
Total .....	<u>\$(1,175,876)</u>

At December 31, 2018, the temporary differences between book basis and tax basis unrealized appreciation were primarily due to mark-to-market adjustments on investments in passive foreign investment companies.

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

	<u>Cost</u>	<u>Gross</u> <u>Unrealized</u> <u>Appreciation</u>	<u>Gross</u> <u>Unrealized</u> <u>Depreciation</u>	<u>Net Unrealized</u> <u>Depreciation</u>
Investments .....	\$8,789,657	\$751,525	\$(1,927,534)	\$(1,176,009)

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 all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for



## The Gabelli International Small Cap Fund

### Notes to Financial Statements (Continued)

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the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

**3. Investment Advisory Agreement and Other Transactions.** The Fund has entered into an investment advisory agreement (the Advisory Agreement) with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser.

The Adviser has contractually agreed to waive its investment advisory fee and/or to reimburse expenses of the Fund to the extent necessary to maintain the annualized total operating expenses of the Fund (excluding brokerage costs, acquired fund fees and expenses, interest, taxes, and extraordinary expenses) until at least April 30, 2020, at no more than 1.00%, 2.00%, 2.75%, and 1.00% of the value of the Fund's average daily net assets for Class AAA, Class A, Class C, and Class I, respectively. This arrangement is in effect through April 30, 2020 and is renewable annually. For the year ended December 31, 2018, the Adviser reimbursed the Fund in the amount of \$201,091. In addition, the Fund has agreed, during the two year period following any waiver or reimbursement by the Adviser, to repay such amount to the extent, that after giving effect to the repayment, such adjusted annualized total operating expenses of the Fund would not exceed the foregoing respective percentage limitations, as amended, after giving effect to the recovery by the Adviser. At December 31, 2018, the cumulative amount which the Fund may repay the Adviser, subject to the terms above, is \$345,494.

For the year ended December 31, 2017, expiring December 31, 2019 .....	\$144,403
For the year ended December 31, 2018, expiring December 31, 2020 .....	<u>201,091</u>
	<u>\$345,494</u>

The Corporation pays each Director who is not considered to be an affiliated person an annual retainer of \$6,000 plus \$1,000 for each Board meeting attended, and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended. The Chairman of the Audit Committee receives an annual fee of \$3,000 and the Lead Director receives an annual fee of \$2,000. A Director may receive a single meeting fee, allocated among the participating funds, for attending certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Corporation.

**4. Distribution Plan.** The Fund's Board has adopted a distribution plan (the Plan) for each class of shares, except for Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Class AAA, Class A, and Class C Share Plans, payments are authorized to G.distributors, LLC (the Distributor), an affiliate of the Adviser, at annual rates of 0.25%, 0.25%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

**5. Portfolio Securities.** Purchases and sales of securities during the year ended December 31, 2018, other than short term securities and U.S. Government obligations, aggregated \$2,523,282 and \$4,092,513, respectively.

## The Gabelli International Small Cap Fund

### Notes to Financial Statements (Continued)

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**6. Transactions with Affiliates and Other Arrangements.** During the year ended December 31, 2018, the Distributor retained a total of \$115 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

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 \$47.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. The Adviser did not seek a reimbursement during the year ended December 31, 2018.

**7. Line of Credit.** The Fund participates in an unsecured line of credit which expires on March 6, 2019 and may be renewed annually, of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30 day ICE LIBOR plus 125 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the Statement of Operations. At December 31, 2018, there were no borrowings under the line of credit.

The average daily amount of borrowings outstanding under the line of credit during the year ended December 31, 2018 was \$4,156 with a weighted average interest rate of 2.85%. The maximum amount borrowed at any time during the year ended December 31, 2018 was \$549,000.

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

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund as an increase in paid-in capital. The redemption fees retained by the Fund during the years ended December 31, 2018 and 2017, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

## The Gabelli International Small Cap Fund

### Notes to Financial Statements (Continued)

Transactions in shares of capital stock were as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
<b>Class AAA</b>				
Shares sold .....	15,566	\$ 276,589	44,474	\$ 1,136,137
Shares issued upon reinvestment of distributions .....	130,407	1,416,098	169,887	3,132,713
Shares redeemed .....	(72,320)	(1,208,001)	(97,413)	(2,265,505)
Net increase .....	<u>73,653</u>	<u>\$ 484,686</u>	<u>116,948</u>	<u>\$ 2,003,345</u>
<b>Class A</b>				
Shares sold .....	416	\$ 6,885	1,219	\$ 32,358
Shares issued upon reinvestment of distributions .....	1,352	14,624	3,371	61,795
Shares redeemed .....	(2,810)	(52,534)	(3,648)	(87,752)
Net increase/(decrease) .....	<u>(1,042)</u>	<u>\$ (31,025)</u>	<u>942</u>	<u>\$ 6,401</u>
<b>Class C</b>				
Shares sold .....	1,172	\$ 20,418	—	\$ —
Shares issued upon reinvestment of distributions .....	775	7,606	925	15,865
Shares redeemed .....	(1,398)	(24,534)	(217)	(5,304)
Net increase .....	<u>549</u>	<u>\$ 3,490</u>	<u>708</u>	<u>\$ 10,561</u>
<b>Class I</b>				
Shares sold .....	8,610	\$ 158,571	19,808	\$ 470,240
Shares issued upon reinvestment of distributions .....	32,737	365,021	38,129	717,200
Shares redeemed .....	(11,872)	(215,996)	(5,575)	(128,085)
Net increase .....	<u>29,475</u>	<u>\$ 307,596</u>	<u>52,362</u>	<u>\$ 1,059,355</u>

**9. Indemnifications.** The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

**10. Subsequent Events.** Management has evaluated the impact on the Fund of all other subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

# The Gabelli International Small Cap Fund

## Report of Independent Registered Public Accounting Firm

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

### Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of The Gabelli International Small Cap Fund (the "Fund") (one of the funds constituting GAMCO Global Series Funds, Inc. (the "Corporation")), including the schedule of investments, as of December 31, 2018, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting GAMCO Global Series Funds, Inc.) at December 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

### Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Ernst + Young LLP*

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

Philadelphia, Pennsylvania  
February 28, 2019

# The Gabelli International Small Cap Fund

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

During the six months ended December 31, 2018, the Board of Directors of the Corporation approved the continuation of the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the directors (the Independent Board Members) who are not interested persons of the Fund. The following paragraphs summarize the material information and factors considered by the Independent Board Members as well as their conclusions relative to such factors.

***Nature, Extent, and Quality of Services.*** The Independent Board Members considered information regarding the Fund's portfolio managers, the depth of the analyst pool available to the Adviser and the portfolio manager, the scope of supervisory, administrative, shareholder, and other services supervised or provided by the Adviser, and the absence of significant service problems reported to the Board. The Independent Board Members noted the experience, length of service, and reputation of the Fund's portfolio manager.

***Investment Performance.*** The Independent Board Members reviewed the short, medium, and long term performance of the Fund (as of September 30, 2018) against a peer group of eight other comparable funds prepared by the Adviser (the Adviser Peer Group), and against a peer group prepared by Broadridge (the Broadridge Performance Peer Group) consisting of all international multi-cap growth funds, regardless of asset size or primary channel of distribution, as represented by the Lipper International Small Multi-Cap Growth Index. The Independent Board Members noted that the Fund's performance was in the fourth quartile for the one and five year periods, and the third quartile for the three year period, as measured against the Adviser Peer Group. Against the Broadridge Performance Peer Group, the Independent Board Members noted that the Fund's performance was in the fourth quintile for the one year period, the third quintile for the three and five year periods, and the second quintile for the ten year period.

***Profitability.*** The Independent Board Members reviewed summary data regarding the profitability of the Fund to the Adviser both with a pro rata administrative overhead charge and with a stand alone administrative charge. The Independent Board Members also noted that a portion of the Fund's portfolio transactions were executed by an affiliated broker of the Adviser and that another affiliated broker of the Adviser received distribution fees and minor amounts of sales commissions.

***Economies of Scale.*** The Independent Board Members discussed the major elements of the Adviser's cost structure, the relationship of those elements to potential economies of scale and reviewed data provided by the Adviser.

***Sharing of Economies of Scale.*** The Independent Board Members noted that the investment management fee schedule for the Fund does not take into account any potential economies of scale that may develop or any losses or diminished profitability to the Adviser in prior years.

***Service and Cost Comparisons.*** The Independent Board Members compared the expense ratios of the investment management fee, other expenses, and total expenses of the Fund with similar expense ratios of the Adviser Peer Group and a peer group of eight other international multi-cap growth funds selected by Broadridge (the Broadridge Expense Peer Group), and noted that the Adviser's management fee includes substantially all administrative services of the Fund as well as investment advisory services. The Independent Board Members noted that the Fund's total expense ratio after waivers was second highest compared to the Adviser Peer Group, but not the highest compared to all of the funds included in the Broadridge Expense Peer Group. The Independent Board Members discussed how the Fund's size was significantly lower than average within both peer groups and that

## The Gabelli International Small Cap Fund

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

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

**Conclusions.** The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services, good ancillary services, and an acceptable performance record. The Independent Board Members also concluded that the Fund's expense ratios were reasonable, particularly in light of the Adviser's commitment to making the Fund more attractive through further expense waivers, and that economies of scale were not a factor in their thinking at this time. The Independent Board Members did not view the potential profitability of ancillary services as material to their decision. On the basis of the foregoing and without assigning particular weight to any single conclusion, the Independent Board Members determined to recommend continuation of the investment management agreement to the full Board.

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

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

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

<b>Name, Position(s) Address<sup>1</sup> and Age</b>	<b>Term of Office and Length of Time Served<sup>2</sup></b>	<b>Number of Funds in Fund Complex Overseen by Director</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Other Directorships Held by Director<sup>3</sup></b>
<b>INTERESTED DIRECTORS<sup>4</sup>:</b>				
<b>Mario J. Gabelli, CFA</b> Director and Chief Investment Officer Age: 76	Since 1993	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 LICOT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)
<b>John D. Gabelli</b> Director Age: 74	Since 1993	12	Senior Vice President of G.research, LLC	—
<b>INDEPENDENT DIRECTORS<sup>5</sup>:</b>				
<b>E. Val Cerutti</b> Director Age: 79	Since 2001	7	Chief Executive Officer of Cerutti Consultants, Inc.	Director of The LGL Group, Inc. (diversified manufacturing) (1990-2009)
<b>Anthony J. Colavita</b> Director Age: 83	Since 1993	20	President of the law firm of Anthony J. Colavita, P.C.	—
<b>Werner J. Roeder</b> Director Age: 78	Since 1993	23	Retired physician; Former Vice President of Medical Affairs (Medical Director) of New York Presbyterian/Lawrence Hospital (1999-2014)	—
<b>Anthonie C. van Ekris<sup>6</sup></b> Director Age: 84	Since 1993	23	Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/ export company)	—
<b>Salvatore J. Zizza</b> Director Age: 73	Since 2004	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 International Small Cap Fund

### Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address<sup>1</sup> and Age</u>	<u>Term of Office and Length of Time Served<sup>2</sup></u>	<u>Principal Occupation(s) During Past Five Years</u>
<b>OFFICERS:</b>		
<b>Bruce N. Alpert</b> President Age: 67	Since 1993	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
<b>John C. Ball</b> 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
<b>Agnes Mullady</b> Vice President Age: 60	Since 2006	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
<b>Andrea R. Mango</b> Secretary Age: 46	Since 2013	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
<b>Richard J. Walz</b> Chief Compliance Officer Age: 59	Since 2013	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

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

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

<sup>3</sup> 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.

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

<sup>5</sup> Directors who are not interested persons are considered "Independent" Directors.

<sup>6</sup> Mr. van Ekris is an independent director of Gabelli International Ltd., Gabelli Fund LDC, Gama Capital Opportunities Master Ltd., and GAMCO International SICAV, all of 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.



## **Gabelli/GAMCO Funds and Your Personal Privacy**

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### **Who are we?**

The Gabelli/GAMCO Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc., a publicly held company with subsidiaries and affiliates that provide investment advisory services for a variety of clients.

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

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

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us, any transactions with our affiliates, and transactions with the entities we hire to provide services to you.* This would include information about the shares that you buy or redeem. If we hire someone else to provide services — like a transfer agent — we will also have information about the transactions that you conduct through them.

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

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

### **What do we do to protect your personal information?**

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

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

**Portfolio Manager Biography**

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

**2018 TAX NOTICE TO SHAREHOLDERS** (Unaudited)

For the year ended December 31, 2018, the Fund paid to shareholders ordinary income distributions (comprised of net investment income and short term capital gains) totaling \$0.526, \$0.330, \$0.330, and \$0.519 per share for Class AAA, Class A, Class C, and Class I Shares, respectively, and long term capital gains totaling \$1,573,918. For the year ended December 31, 2018, 1.82% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 64.67% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 1.73% of the ordinary income distribution as qualified interest income pursuant to the Tax Relief, Unemployment Reauthorization, and Job Creation Act of 2010. Also for the year ended December 31, 2018, the Fund passed through foreign tax credits of \$0.027, \$0.027, \$0.027, and \$0.027 per share to Class AAA, Class A, Class C, and Class I Shares, respectively.

**U.S. Government Income:**

The percentage of the ordinary income distribution paid by the Fund during the year ended December 31, 2018 which was derived from U.S. Treasury securities was 0.45%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2018. The percentage of U.S. Government securities held as of December 31, 2018 was 1.89%. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

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

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

GAMCO Global Series Funds, Inc.

THE GABELLI INTERNATIONAL SMALL CAP FUND

One Corporate Center  
Rye, New York 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e info@gabelli.com

GABELLI.com

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

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**BOARD OF DIRECTORS**

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

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

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

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

Werner J. Roeder  
Former Medical Director,  
Lawrence Hospital

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

Salvatore J. Zizza  
Chairman,  
Zizza & Associates Corp.

**OFFICERS**

Bruce N. Alpert  
President

John C. Ball  
Treasurer

Agnes Mullady  
Vice President

Andrea R. Mango  
Secretary

Richard J. Walz  
Chief Compliance Officer

**DISTRIBUTOR**

G.distributors, LLC

**CUSTODIAN**

State Street Bank and Trust  
Company

**TRANSFER AGENT AND  
DIVIDEND DISBURSING AGENT**

DST Asset Manager  
Solutions, Inc.

**LEGAL COUNSEL**

Skadden, Arps, Slate, Meagher &  
Flom LLP

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

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GABELLI  
FUNDS

# THE GABELLI INTERNATIONAL SMALL CAP FUND

*Annual Report  
December 31, 2018*

