

Gabelli Global Deal Fund  
Form N-Q  
November 29, 2010

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM N-Q  
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY  
Investment Company Act file number 811-21969  
The Gabelli Global Deal Fund**

(Exact name of registrant as specified in charter)  
One Corporate Center  
Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)  
Bruce N. Alpert  
Gabelli Funds, LLC  
One Corporate Center  
Rye, New York 10580-1422

(Name and address of agent for service)  
Registrant's telephone number, including area code: 1-800-422-3554  
Date of fiscal year end: December 31  
Date of reporting period: September 30, 2010

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Schedule of Investments.**

The Schedule(s) of Investments is attached herewith.

**The Gabelli Global Deal Fund**

Third Quarter Report

September 30, 2010

Mario J. Gabelli, CFA

**To Our Shareholders,**

During the third quarter of 2010, The Gabelli Global Deal Fund's (the "Fund") total return was 4.5% on a net asset value (NAV) basis compared with the 3 Month U.S. Treasury Bill Index of 0.04% over the same period. The total return for the Fund's publicly traded shares was 7.7% during the third quarter of 2010.

Enclosed is the investment portfolio as of September 30, 2010.

**Comparative Results**

**Average Annual Returns through September 30, 2010 (a) (Unaudited)**

|                                    | Quarter | Year to Date | 1 Year | 3 Year | Since Inception (01/31/07) |
|------------------------------------|---------|--------------|--------|--------|----------------------------|
| <b>Gabelli Global Deal Fund</b>    |         |              |        |        |                            |
| <b>NAV Total Return (b)</b>        | 4.52%   | 2.33%        | 2.74%  | 0.95%  | 1.98%                      |
| <b>Investment Total Return (c)</b> | 7.65    | 2.99         | 3.05   | 2.65   | (0.89)                     |
| 3 Month U.S. Treasury Bill Index   | 0.04    | 0.09         | 0.13   | 1.13   | 1.87                       |

(a) *Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. 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](http://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 3 Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into the outstanding Treasury Bill that matures closest to, but not beyond three months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month end) date. Dividends are considered reinvested except for the 3 Month U.S. Treasury Bill Index. You cannot invest directly in an index.*

(b) *Total returns and average annual returns reflect changes in the NAV per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.*

(c) *Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00.*

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

**THE GABELLI GLOBAL DEAL FUND**  
**SCHEDULE OF INVESTMENTS**  
**September 30, 2010 (Unaudited)**

| Shares    |  | Market<br>Value |
|-----------|--|-----------------|
|           | <b>COMMON STOCKS 58.8%</b>                                       |                 |
|           | <b>Aerospace and Defense 0.0%</b>                                |                 |
| 75,000    | The Allied Defense Group Inc.                                    | \$ 180,750      |
|           | <b>Airlines 0.2%</b>   |                 |
| 160,000   | ExpressJet Holdings Inc.   | 1,067,200       |
|           | <b>Automotive Rental/Equipment 0.2%</b>                          |                 |
| 19,400    | Dollar Thrifty Automotive Group Inc.                             | 972,716         |
|           | <b>Automotive: Parts and Accessories 0.3%</b>                    |                 |
| 52,000    | ATC Technology Corp.   | 1,286,480       |
|           | <b>Business Services 5.4%</b>                                    |                 |
| 8,000     | Axiom Corp.  | 126,880         |
| 246,819   | ArcSight Inc.  | 10,751,436      |
| 380,000   | Bowne & Co. Inc.   | 4,305,400       |
| 90,000    | Clear Channel Outdoor Holdings Inc., Cl. A                       | 1,028,700       |
| 160,000   | DataCash Group plc   | 902,322         |
| 169,800   | Diamond Management & Technology Consultants Inc.                 | 2,122,500       |
| 70,000    | Diebold Inc.   | 2,176,300       |
| 1,000     | GTSI Corp.   | 7,050           |
| 380,000   | Misys plc  | 1,704,860       |
|           |  | 23,125,448      |
|           | <b>Cable and Satellite 0.2%</b>                                  |                 |
| 60,000    | British Sky Broadcasting Group plc                               | 664,959         |
| 25,000    | Zon Multimedia Servicos de Telecomunicacoes e Multimedia SGPS SA | 98,836          |
|           |  | 763,795         |
|           | <b>Commercial Services 1.2%</b>                                  |                 |
| 160,000   | Pactiv Corp.   | 5,276,800       |
|           | <b>Communications Equipment 3.8%</b>                             |                 |
| 1,300,000 | ADC Telecommunications Inc.                                      | 16,471,000      |
|           | <b>Computer Hardware 2.9%</b>                                    |                 |
| 423,400   | Netezza Corp.  | 11,410,630      |
| 25,000    | SanDisk Corp.  | 916,250         |
|           |  | 12,326,880      |

|         |                                       |             |            |
|---------|---------------------------------------|-------------|------------|
|         | <b>Computer Software and Services</b> | <b>7.8%</b> |            |
| 30,000  | Dimension Data Holdings plc           |             | 56,364     |
| 1,000   | Internet Brands Inc., Cl. A           |             | 13,280     |
| 440,000 | McAfee Inc.                           |             | 20,794,400 |
| 18,000  | Mentor Graphics Corp.                 |             | 190,260    |
| 5,000   | Novell Inc.                           |             | 29,850     |
| 20,000  | Phoenix Technologies Ltd.             |             | 78,000     |
| 5,000   | Salary.com Inc.                       |             | 20,325     |
| 21,600  | Soapstone Networks Inc.               |             | 313        |
| 535,335 | Unica Corp.                           |             | 11,231,328 |
| 83,000  | Yahoo! Inc.                           |             | 1,176,110  |
|         |                                       |             | 33,590,230 |
|         | <b>Consumer Products</b>              | <b>0.3%</b> |            |
| 10,000  | Alberto-Culver Co.                    |             | 376,500    |
| 30,000  | Harman International Industries Inc.  |             | 1,002,300  |
| 8,000   | Heelys Inc.                           |             | 19,200     |
|         |                                       |             | 1,398,000  |
|         | <b>Diversified Industrial</b>         | <b>2.5%</b> |            |
| 500     | Ginger                                |             | 19,086     |
| 1,000   | Munters AB                            |             | 11,312     |
| 449,000 | Myers Industries Inc.                 |             | 3,856,910  |
| 350,000 | Tomkins plc, ADR                      |             | 7,066,500  |
|         |                                       |             | 10,953,808 |
|         | <b>Educational Services</b>           | <b>0.0%</b> |            |
| 1,000   | Corinthian Colleges Inc.              |             | 7,020      |
|         | <b>Electronics</b>                    | <b>2.5%</b> |            |
| 211,700 | Alliance Semiconductor Corp.          |             | 55,042     |
| 106,000 | Bel Fuse Inc., Cl. A                  |             | 2,218,580  |
| 108,000 | Cogent Inc.                           |             | 1,149,120  |
| 30,000  | ICx Technologies Inc.                 |             | 226,500    |
| 25,000  | International Rectifier Corp.         |             | 527,250    |
| 22,000  | Keithley Instruments Inc.             |             | 473,220    |
| 370,000 | L-1 Identity Solutions Inc.           |             | 4,340,100  |
| 88,400  | Nu Horizons Electronics Corp.         |             | 614,380    |
| 155,000 | Sanyo Electric Co., Ltd.              |             | 256,229    |
| 4,300   | Smartrac NV                           |             | 116,536    |
| 69,700  | Zygo Corp.                            |             | 683,060    |
|         |                                       |             | 10,660,017 |
|         | <b>Energy and Utilities</b>           | <b>4.9%</b> |            |
| 160,000 | Allegheny Energy Inc.                 |             | 3,923,200  |
| 40,000  | Allis-Chalmers Energy Inc.            |             | 166,800    |

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|         |                                 |            |
|---------|---------------------------------|------------|
| 30,000  | Constellation Energy Group Inc. | 967,200    |
| 2,000   | Covanta Holding Corp.           | 31,500     |
| 30,000  | Dana Petroleum plc              | 847,340    |
| 30,000  | Dart Energy Ltd.                | 34,216     |
| 420,000 | Dragon Oil plc                  | 2,904,662  |
| 50,000  | Dynegy Inc.                     | 243,500    |
| 270,000 | Endesa SA                       | 7,227,213  |
| 6,090   | Maine & Maritimes Corp.         | 273,441    |
| 60,000  | NorthWestern Corp.              | 1,710,000  |
| 100,000 | NRG Energy Inc.                 | 2,082,000  |
| 1,000   | Origin Energy Ltd.              | 15,320     |
| 2,000   | Prosafe Production Public Ltd.  | 5,067      |
| 23,885  | SandRidge Energy Inc.           | 135,667    |
| 100,000 | UTS Energy Corp.                | 349,888    |
| 100,000 | WesternZagros Resources Ltd.    | 36,933     |
|         |                                 | 20,953,947 |

See accompanying notes to schedule of investments.

**THE GABELLI GLOBAL DEAL FUND**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**September 30, 2010 (Unaudited)**

| Shares  |  | Market<br>Value |
|---------|--|-----------------|
|         | <b>COMMON STOCKS (Continued)</b>         |                 |
|         | <b>Entertainment 0.7%</b>                |                 |
| 6,000   | Cedar Fair LP                            | \$ 79,500       |
| 275,000 | Take-Two Interactive Software Inc.       | 2,788,500       |
|         |  | 2,868,000       |
|         | <b>Equipment and Supplies 0.0%</b>       |                 |
| 3,000   | The Middleby Corp.                       | 190,170         |
|         | <b>Financial Services 6.7%</b>           |                 |
| 50,000  | American Physicians Capital Inc.         | 2,073,000       |
| 950,000 | AmeriCredit Corp.                        | 23,237,000      |
| 2,000   | Deutsche Postbank AG                     | 68,067          |
| 50,000  | GLG Partners Inc.                        | 225,000         |
| 17,200  | NYMAGIC Inc.                             | 441,524         |
| 210,000 | SLM Corp.                                | 2,425,500       |
| 9,500   | The Student Loan Corp.                   | 282,150         |
| 423     | Wesco Financial Corp.                    | 151,497         |
|         |  | 28,903,738      |
|         | <b>Food and Beverage 0.0%</b>            |                 |
| 175,000 | China Huiyuan Juice Group Ltd.           | 122,473         |
| 1,000   | Menu Foods Income Fund                   | 4,665           |
| 1,000   | Reddy Ice Holdings Inc.                  | 2,280           |
|         |  | 129,418         |
|         | <b>Health Care 11.2%</b>                 |                 |
| 4,000   | Abraxis BioScience Inc.                  | 309,360         |
| 27,000  | Alcon Inc.                               | 4,503,330       |
| 16,000  | ArthroCare Corp.                         | 434,880         |
| 3,000   | Biogen Idec Inc.                         | 168,360         |
| 35,000  | Crucell NV                               | 1,168,989       |
| 108,400 | Crucell NV, ADR                          | 3,605,384       |
| 2,000   | Enzon Pharmaceuticals Inc.               | 22,500          |
| 30,000  | Genzyme Corp.                            | 2,123,700       |
| 700,200 | Health Grades Inc.                       | 5,734,638       |
| 44,500  | Indevus Pharmaceuticals Inc., Escrow (a) | 48,950          |
| 8,000   | Life Technologies Corp.                  | 373,520         |
| 1,000   | Movetis NV                               | 25,888          |
| 60,000  | NBTY Inc.                                | 3,298,800       |

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|         |  |            |
|---------|--|------------|
| 300,000 | Osteotech Inc.                                 | 1,938,000  |
| 59,000  | OTIX Global Inc.                               | 609,470    |
| 2,000   | Prospect Medical Holdings Inc.                 | 17,000     |
| 50,000  | Psychiatric Solutions Inc.                     | 1,677,500  |
| 788,965 | Res-Care Inc.                                  | 10,469,566 |
| 33,000  | Talecris Biotherapeutics Holdings Corp.        | 755,040    |
| 20,000  | Trimeris Inc.                                  | 50,400     |
| 1,781   | Valeant Pharmaceuticals International Inc.     | 44,612     |
| 219,000 | WuXi PharmaTech (Cayman) Inc., ADR             | 3,758,040  |
| 711,651 | Zymogenetics Inc.                              | 6,938,597  |
|         |  | 48,076,524 |
|         | <b>Health Care Providers and Services 0.1%</b> |            |
| 94,100  | NightHawk Radiology Holdings Inc.              | 600,358    |
|         | <b>Hotels and Gaming 0.0%</b>                  |            |
| 6,000   | MGM Resorts International                      | 67,680     |
|         | <b>Machinery 0.2%</b>                          |            |
| 40,000  | Sauer-Danfoss Inc.                             | 851,600    |
|         | <b>Materials 0.0%</b>                          |            |
| 6,000   | CIMPOR Cimentos de Portugal SGPS SA            | 38,624     |
| 5,000   | Intertape Polymer Group Inc.                   | 7,550      |
|         |  | 46,174     |
|         | <b>Media 0.8%</b>                              |            |
| 2,000   | Alloy Inc.                                     | 19,420     |
| 68,000  | APN News & Media Ltd.                          | 131,451    |
| 130,000 | Cablevision Systems Corp., Cl. A               | 3,404,700  |
|         |  | 3,555,571  |
|         | <b>Metals and Mining 0.5%</b>                  |            |
| 250,000 | Andean Resources Ltd.                          | 1,518,612  |
| 28,000  | Camino Minerals Corp.                          | 10,341     |
| 20,000  | Forsys Metals Corp.                            | 38,876     |
| 3,556   | Kinross Gold Corp.                             | 66,703     |
| 5,000   | Lonmin plc                                     | 131,091    |
| 9,000   | Xstrata plc                                    | 172,201    |
|         |  | 1,937,824  |
|         | <b>Paper and Forest Products 0.6%</b>          |            |
| 200,889 | Cellu Tissue Holdings Inc.                     | 2,396,606  |
|         | <b>Publishing 0.0%</b>                         |            |
| 136,000 | SCMP Group Ltd.                                | 24,540     |

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|         |                                   |           |
|---------|-----------------------------------|-----------|
|         | <b>Real Estate 0.0%</b>           |           |
| 5,000   | ECO Business-Immobilien AG        | 48,736    |
|         | <b>Restaurants 1.7%</b>           |           |
| 300,000 | Burger King Holdings Inc.         | 7,164,000 |
| 1,000   | Landry's Restaurants Inc.         | 24,490    |
|         |                                   | 7,188,490 |
|         | <b>Retail 0.9%</b>                |           |
| 97,000  | Casey's General Stores Inc.       | 4,049,750 |
| 2,000   | Massmart Holdings Ltd.            | 42,409    |
|         |                                   | 4,092,159 |
|         | <b>Semiconductors 0.1%</b>        |           |
| 35,000  | Emulex Corp.                      | 365,400   |
|         | <b>Specialty Chemicals 0.7%</b>   |           |
| 5,200   | A. Schulman Inc.                  | 104,780   |
| 3,000   | Airgas Inc.                       | 203,850   |
| 34,000  | Ashland Inc.                      | 1,658,180 |
| 6,000   | Potash Corp. of Saskatchewan Inc. | 864,240   |
|         |                                   | 2,831,050 |

See accompanying notes to schedule of investments.



**THE GABELLI GLOBAL DEAL FUND**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**September 30, 2010 (Unaudited)**

| <b>Shares</b> |   | <b>Market Value</b> |
|---------------|---|---------------------|
|               | <b>COMMON STOCKS (Continued)</b>  |                     |
|               | <b>Telecommunications 2.4%</b>  |                     |
| 700,000       | Asia Satellite Telecommunications Holdings Ltd.                               | \$ 1,263,074        |
| 52,000        | BCE Inc.  | 1,690,000           |
| 267,000       | Fastweb SpA   | 6,526,311           |
| 65,000        | Portugal Telecom SGPS SA  | 867,506             |
|               |   | 10,346,891          |
|               | <b>TOTAL COMMON STOCKS</b>  | <b>253,555,020</b>  |
|               | <b>RIGHTS 0.0%</b>  |                     |
|               | <b>Health Care 0.0%</b>   |                     |
| 6,000         | Fresenius Kabi Pharmaceuticals Holding Inc., CVR, expire 12/31/10             | 210                 |
|               | <b>WARRANTS 0.0%</b>  |                     |
|               | <b>Metals and Mining 0.0%</b>   |                     |
| 220           | Kinross Gold Corp. Cl. D, expire 09/17/14                                     | 941                 |
|               | <b>Principal Amount</b>   |                     |
|               | <b>CONVERTIBLE CORPORATE BONDS 1.0%</b>                                       |                     |
|               | <b>Aerospace 0.1%</b>   |                     |
| \$ 500,000    | GenCorp Inc., Sub. Deb. Cv., 4.063%, 12/31/39 (b)                             | 453,125             |
|               | <b>Computer Hardware 0.9%</b>   |                     |
| 4,000,000     | SanDisk Corp., Cv., 1.000%, 05/15/13  | 3,690,000           |
|               | <b>TOTAL CONVERTIBLE CORPORATE BONDS</b>                                      | <b>4,143,125</b>    |
|               | <b>CORPORATE BONDS 0.1%</b>   |                     |
|               | <b>Diversified Industrial 0.0%</b>  |                     |
| 150,000       | Park-Ohio Industries Inc., Sub. Deb., 8.375%, 11/15/14                        | 147,000             |
|               | <b>Energy and Utilities 0.1%</b>  |                     |
| 600,000       | Texas Competitive Electric Holdings Co. LLC, Ser. B (STEP), 10.250%, 11/01/15 | 396,000             |
|               | <b>TOTAL CORPORATE BONDS</b>  | <b>543,000</b>      |

|                          |  |              |                        |
|--------------------------|--|--------------|------------------------|
|                          | <b>U.S. GOVERNMENT OBLIGATIONS</b>       | <b>40.1%</b> |                        |
| 172,985,000              | U.S. Treasury Bills, 0.060% to 0.220%    |              | 172,923,549            |
|                          |  |              | , 10/07/10 to 03/17/11 |
| <b>TOTAL INVESTMENTS</b> | <b>100.0%</b>                            |              |                        |
| (Cost \$438,782,283)     |  |              | \$ 431,165,845         |
|                          | Aggregate tax cost                       |              | \$ 440,546,909         |
|                          | Gross unrealized appreciation            |              | \$ 10,604,651          |
|                          | Gross unrealized depreciation            |              | (19,985,715)           |
|                          | Net unrealized appreciation/depreciation |              | \$ (9,381,064)         |

| <b>Principal Amount</b> |  | <b>Settlement Date</b> | <b>Unrealized Depreciation</b> |
|-------------------------|--|------------------------|--------------------------------|
|                         | <b>FORWARD FOREIGN EXCHANGE CONTRACTS</b>              | <b>0.0%</b>            |                                |
| \$ 2,762,500(c)         | Deliver British Pound in exchange for USD 4,339,350(d) | 10/08/10               | \$ (44,989)                    |

- (a) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At September 30, 2010, the market value of the fair valued security amounted to \$48,950 or 0.01% of total investments.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2010, the market value of the Rule 144A security amounted to \$453,125 or 0.11% of total investments.
- (c) Principal amount denoted in British Pounds.
- (d) At September 30, 2010, the Fund has entered into forward foreign exchange contracts with State Street Bank and Trust Co.

Non-income producing security.

Represents annualized yield at date of purchase.

ADR American Depositary Receipt

CVR Contingent Value Right

STEP Step coupon bond. The rate disclosed is that in effect at September 30, 2010.

| <b>Geographic Diversification</b> | <b>% of Market Value</b> | <b>Market Value</b> |
|-----------------------------------|--------------------------|---------------------|
| North America                     | 89.3%                    | \$ 385,218,089      |
| Europe                            | 8.3                      | 35,871,665          |

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|                    |        |                |
|--------------------|--------|----------------|
| Asia/Pacific       | 1.6    | 6,867,725      |
| Africa/Middle East | 0.7    | 2,909,728      |
| Japan              | 0.1    | 256,229        |
| South Africa       | 0.0    | 42,409         |
| Total Investments  | 100.0% | \$ 431,165,845 |

See accompanying notes to schedule of investments.

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**THE GABELLI GLOBAL DEAL FUND (the Fund )**  
**NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)**

The Fund's financial statements are prepared in accordance with U.S. generally accepted accounting principles ( GAAP ), which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, 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. Debt instruments having a maturity greater than sixty days 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. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. 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.

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

**THE GABELLI GLOBAL DEAL FUND**  
**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in 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 and other financial instruments by inputs used to value the Fund's investments as of September 30, 2010 is as follows:

|   | <b>Level 1</b>    | <b>Valuation Inputs<br/>Level 2</b>                    | <b>Level 3</b>                                 | <b>Total</b>        |
|---|-------------------|--|--|---------------------|
|   | <b>Quoted</b>     | <b>Other<br/>Significant<br/>Observable<br/>Inputs</b> | <b>Significant<br/>Unobservable<br/>Inputs</b> | <b>Market Value</b> |
|   | <b>Prices</b>     |  |  | <b>at 9/30/10</b>   |
| <b>INVESTMENTS IN SECURITIES:</b>                     |                   |  |  |                     |
| <b>ASSETS (Market Value):</b>                         |                   |  |  |                     |
| Common Stocks:  |                   |  |  |                     |
| Diversified Industrial                                | \$ 3,887,308      | \$ 7,066,500   |  | \$ 10,953,808       |
| Health Care   | 48,027,574        |  | \$ 48,950                                      | 48,076,524          |
| Other Industries (a)                                  | 194,524,688       |  |  | 194,524,688         |
| <br>Total Common Stocks                               | <br>246,439,570   | <br>7,066,500  | <br>48,950                                     | <br>253,555,020     |
| <br>Rights (a)  | <br>210           |  |  | <br>210             |
| Warrants (a)  | 941               |  |  | 941                 |
| Convertible Corporate Bonds                           |                   | 4,143,125  |  | 4,143,125           |
| Corporate Bonds                                       |                   | 543,000  |  | 543,000             |
| U.S. Government Obligations                           |                   | 172,923,549  |  | 172,923,549         |
| <br><b>TOTAL INVESTMENTS IN<br/>SECURITIES ASSETS</b> | <br>\$246,440,721 | <br>\$184,676,174                                      | <br>\$ 48,950                                  | <br>\$431,165,845   |
| <br><b>OTHER FINANCIAL<br/>INSTRUMENTS:</b>           |                   |  |  |                     |
| <b>ASSETS (Unrealized<br/>Appreciation):*</b>         |                   |  |  |                     |
| <b>EQUITY CONTRACTS</b>                               |                   |  |  |                     |
| Contract for Difference Swap<br>Agreement             | \$                | \$ 192   | \$   | \$ 192              |
| <b>LIABILITIES (Unrealized<br/>Depreciation):*</b>    |                   |  |  |                     |
| <b>EQUITY CONTRACTS</b>                               |                   |  |  |                     |
| Contract for Difference Swap<br>Agreements            | \$                | \$ (1,940)   | \$   | \$ (1,940)          |
| <b>FOREIGN CURRENCY<br/>EXCHANGE CONTRACTS</b>        |                   |  |  |                     |
| Forward Foreign Exchange Contracts                    |                   | (44,989)   |  | (44,989)            |
| <br><b>TOTAL OTHER FINANCIAL<br/>INSTRUMENTS</b>      | <br>\$            | <br>\$ (46,737)  | <br>\$   | <br>\$ (46,737)     |

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

\* Other financial instruments are derivatives not reflected in the SOI, such as futures, forwards, and swaps, which are valued at the unrealized appreciation/depreciation of the instrument.

The Fund did not have significant transfers between Level 1 and Level 2 during the period ended September 30, 2010.

**THE GABELLI GLOBAL DEAL FUND**  
**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

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

|  | Change<br>in                              |                                      |  |                             |                              |                                   | Net<br>change<br>in<br>unrealized<br>appreciation/<br>depreciation<br>during<br>the<br>period<br>on | Level 3<br>investments<br>held<br>at |
|--|---|--------------------------------------|--|-----------------------------|------------------------------|-----------------------------------|---|--------------------------------------|
| Balance<br>as of<br>12/31/09           | Accrued<br>discount/<br>premium<br>(loss) | Realized<br>gain/<br>loss<br>(sales) | Unrealized<br>appreciation/<br>depreciation<br>(sales) | Net<br>purchases<br>(sales) | Transfers<br>into<br>Level 3 | Transfers<br>out<br>of<br>Level 3 | Balance<br>as of<br>9/30/10   | 9/30/10                              |
| <b>INVESTMENTS IN SECURITIES:</b>      |   |                                      |  |                             |                              |                                   |   |                                      |
| <b>ASSETS (Market Value):</b>          |   |                                      |  |                             |                              |                                   |   |                                      |
| Common Stocks:                         |   |                                      |  |                             |                              |                                   |   |                                      |
| Health Care                            | \$48,950                                  | \$                                   | \$   | \$                          | \$                           | \$                                | \$48,950  | \$                                   |
| <b>TOTAL INVESTMENTS IN SECURITIES</b> | <b>\$48,950</b>                           | <b>\$</b>                            | <b>\$</b>  | <b>\$</b>                   | <b>\$</b>                    | <b>\$</b>                         | <b>\$48,950</b>   | <b>\$</b>                            |

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

In January 2010, the Financial Accounting Standards Board ( FASB ) issued amended guidance to improve disclosure about fair value measurements which requires additional disclosures about transfers between Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements in the reconciliation of fair value measurements using significant unobservable inputs (Level 3). FASB also clarified existing disclosure requirements relating to the levels of disaggregation of fair value measurement and inputs and valuation techniques used to measure fair value. The amended guidance is effective for financial statements for fiscal years beginning after December 15, 2009 and interim periods within those fiscal years. Management has adopted the amended guidance and determined that there was no material impact to the Fund's financial statements except for additional disclosures made in the notes. Disclosures about purchases, sales, issuances, and settlements in the rollforward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. Management is currently evaluating the impact of the additional disclosure requirements on the Fund's financial statements.

**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 the 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 those of securities of comparable U.S. issuers.



**THE GABELLI GLOBAL DEAL FUND**  
**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

**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.

**Derivative Financial Instruments.** The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purpose of increasing the income of the Fund, hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase, or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

The Fund's derivative contracts held at September 30, 2010, if any, are not accounted for as hedging instruments under GAAP.

*Swap Agreements.* The Fund may enter into equity and contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In a swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at the time a swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

The Fund has entered into equity contract for difference swap agreements with The Goldman Sachs Group, Inc. Details of the swaps at September 30, 2010 are as follows:

| Notional<br>Amount            | Equity Security<br>Received<br>Market Value<br>Appreciation on: | Interest Rate/<br>Equity Security Paid<br>One month LIBOR plus 90 bps<br>plus Market Value<br>Depreciation on: | Termination<br>Date | Net<br>Unrealized<br>Appreciation/<br>Depreciation |
|-------------------------------|---|--|---------------------|--|
| \$221,787 (100,000<br>Shares) | Gulf Keystone Petroleum<br>Ltd.                                 | Gulf Keystone Petroleum Ltd.   | 6/27/11             | \$ (1,940)   |
| 5,943 (1,000<br>Shares)       | J Sainsbury plc   | J Sainsbury plc  | 6/27/11             | 192  |
|                               |   |  |                     | \$ (1,748)   |

The Fund's volume of activity in equity contract for difference swap agreements during the period ended September 30, 2010 had an average monthly notional amount of approximately \$1,398,360.



**THE GABELLI GLOBAL DEAL FUND**  
**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

*Futures Contracts.* The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the initial margin. Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are included in unrealized appreciation/depreciation on futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. During the period ended September 30, 2010, the Fund had no investments in futures contracts.

*Forward Foreign Exchange Contracts.* The Fund may engage in forward foreign exchange contracts for the purpose of hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. Forward foreign exchange contracts at September 30, 2010 are presented within the Schedule of Investments. The Fund's volume of activity in forward foreign currency contracts during the period ended September 30, 2010 had an average monthly value of approximately \$4,499.

The following table summarizes the net unrealized appreciation/depreciation of derivatives held at September 30, 2010 by primary risk exposure:

|                                     | <b>Net Unrealized<br/>Appreciation/(Depreciation)<br/>at<br/>September 30, 2010</b> |          |
|-------------------------------------|---|----------|
| <b>Asset Derivatives:</b>           |   |          |
| Equity Contracts                    | \$  | 192      |
| <b>Liability Derivatives:</b>       |   |          |
| Equity Contracts                    | \$  | (1,940)  |
| Foreign Currency Exchange Contracts |   | (44,989) |
| Total                               | \$  | (46,929) |

**THE GABELLI GLOBAL DEAL FUND**

**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

**Tax Information.** The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

Under the current tax law, capital losses related to securities and foreign currency realized after October 31 and prior to the Fund's year end may be treated as occurring on the first day of the following year. For the year ended December 31, 2009, the Fund deferred capital losses of \$1,270,277 and currency losses of \$59,775.

**TRUSTEES AND OFFICERS**  
**THE GABELLI GLOBAL DEAL FUND**  
**One Corporate Center, Rye, NY 10580-1422**

***Trustees***

Mario J. Gabelli, CFA

*Chairman & Chief Executive Officer,*  
*GAMCO Investors, Inc.*

Anthony J. Colavita

*President,*

*Anthony J. Colavita, P.C.*

James P. Conn

*Former Managing Director &*

*Chief Investment Officer,*

*Financial Security Assurance Holdings Ltd.*

Clarence A. Davis

*Former Chief Executive Officer,*

*Nestor, Inc.*

Mario d Urso

*Former Italian Senator*

Arthur V. Ferrara

*Former Chairman & Chief Executive Officer,*

*Guardian Life Insurance Company of America*

Michael J. Melarkey

*Attorney-at-Law,*

*Avansino, Melarkey, Knobel & Mulligan*

Edward T. Tokar

*Senior Managing Director,*

*Beacon Trust Company*

Salvatore J. Zizza

*Chairman, Zizza & Co., Ltd.*

***Officers***

Bruce N. Alpert

*President*

Carter W. Austin

*Vice President*

Peter D. Goldstein

*Chief Compliance Officer*

Agnes Mullady

*Treasurer & Secretary*

Laurissa M. Martire

*Vice President*

Delian Naydenov

*Assistant Vice President & Ombudsman*

David I. Schachter

*Vice President*

***Investment Adviser***

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

***Custodian***

The Bank of New York Mellon

***Counsel***

Skadden, Arps, Slate, Meagher & Flom LLP

***Transfer Agent and Registrar***

American Stock Transfer and Trust Company

***Stock Exchange Listing***

|                     |            |           |
|---------------------|------------|-----------|
|                     |            | 8.50%     |
|                     | Common     | Preferred |
| NYSE-Symbol:        | GDL        | GDL PrA   |
| Shares Outstanding: | 21,177,810 | 1,920,242 |

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

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting [www.gabelli.com](http://www.gabelli.com). For general information about the Gabelli Funds, call **800-GABELLI** (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds Internet homepage at: [www.gabelli.com](http://www.gabelli.com), or e-mail us at: [closedend@gabelli.com](mailto:closedend@gabelli.com)

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.



**Item 2. Controls and Procedures.**

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
  
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) The Gabelli Global Deal Fund

By (Signature and Title)\* /s/ Bruce N. Alpert

Bruce N. Alpert, Principal Executive  
Officer

Date 11/26/10

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Bruce N. Alpert

Bruce N. Alpert, Principal Executive  
Officer

Date 11/26/10

By (Signature and Title)\* /s/ Agnes Mullady

Agnes Mullady, Principal Financial  
Officer and Treasurer

Date 11/26/10

\* Print the name and title of each signing officer under his or her signature.